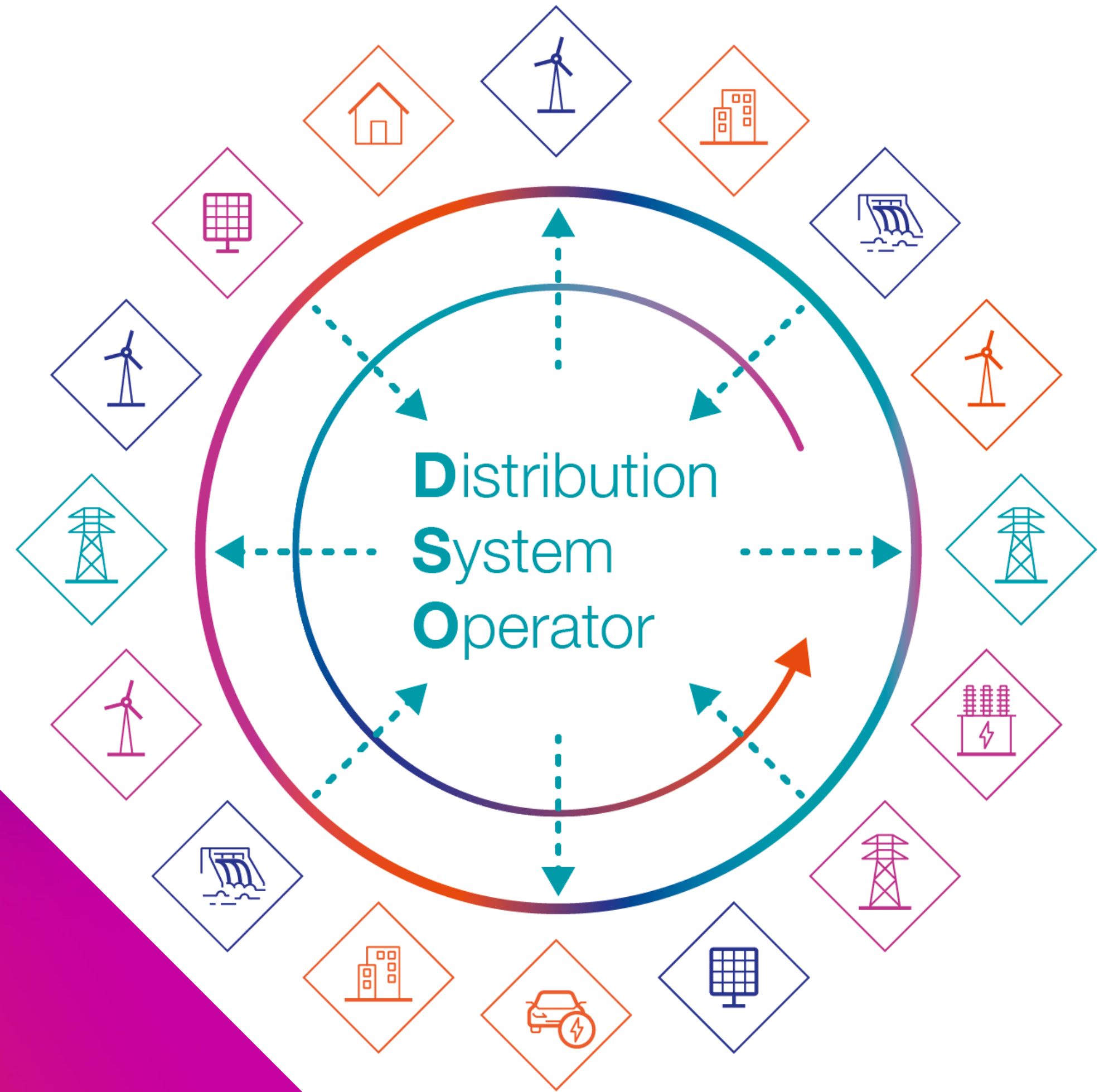


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**Delivering
now and
thinking future**

20 March 2025

#NationalGridDSO #smarterenergyfuture



Welcome and housekeeping

In-person

- ✓ No planned fire drills
- ✓ There will be opportunities to ask questions throughout the day, with dedicated Q&A sessions after the introduction and panel discussion
- ✓ We will be taking some photos. If you are not comfortable, please make yourself known to the team
- ✓ Please ensure that all mobile phones are on silent

Online

- ✓ Please mute yourselves during the presentations
- ✓ If you have any questions, please use the chat function



QR code to our DSO page where
you can find the materials we are
using today

Agenda

- 10:00 – 10:35** Welcome and introduction, Cathy McClay, Managing Director, National Grid DSO
- 10:35 – 11:10** National Grid DSO one year on, Nina Skorupska, National Grid DSO Panel, and Helen Sawdon, Head of Operations, National Grid DSO
- 11:10 – 11:30** Refreshment break
- 11:30 – 11:40** Keynote presentation, Kayte O'Neill, Chief Operating Officer, NESO
- 11:40 – 12:10** DSO consumer and system benefits, roundtable discussions
- 12:10 – 12:55** Evolving value of DSO, panel discussion chaired by Dermot Nolan, Senior Adviser at Fingleton and former CEO of Ofgem
- 12:55 – 13:00** Close, Cathy McClay, Managing Director, National Grid DSO
- 13:00 onwards** Networking lunch

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QR code for Slido which we will be using throughout the event today

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Welcome and introduction

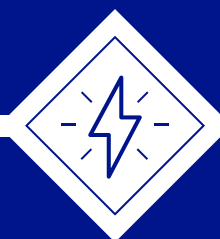
Cathy McClay

Managing Director, National Grid DSO



Our focus is on building leading DSO capability and delivering tangible value for our stakeholders, consumers and the energy system

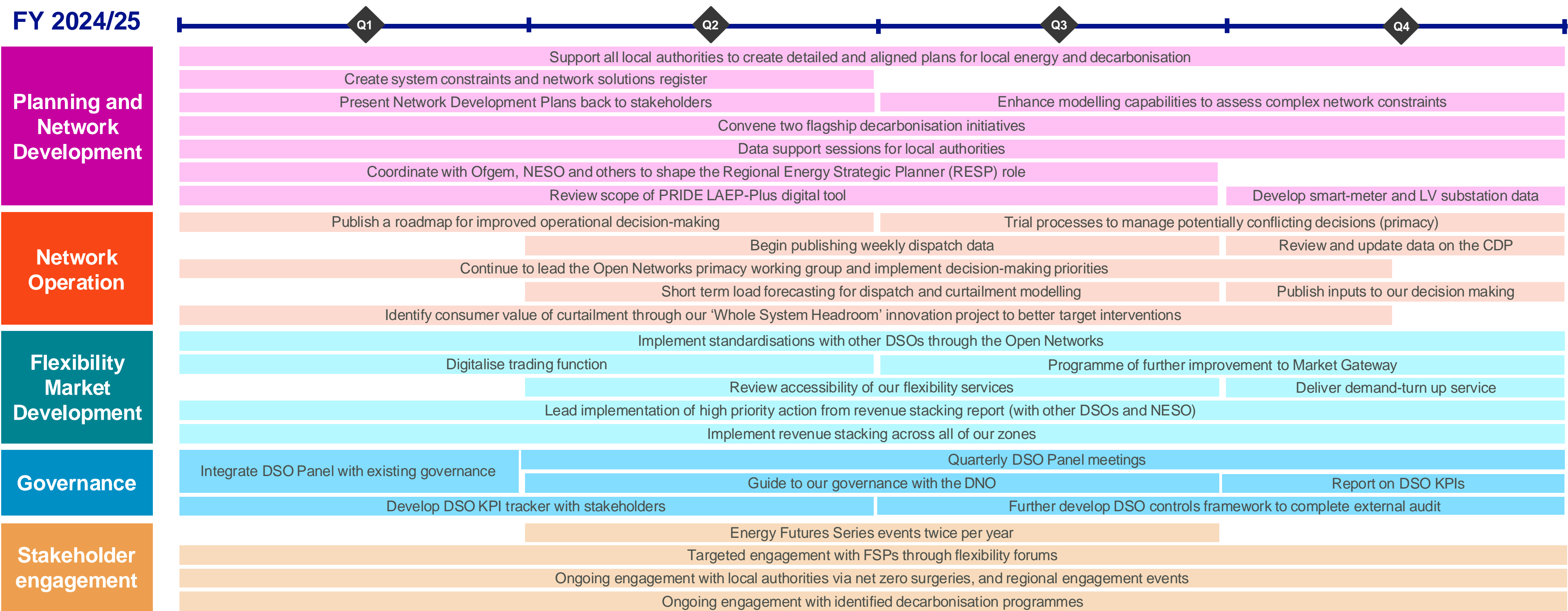
Our vision



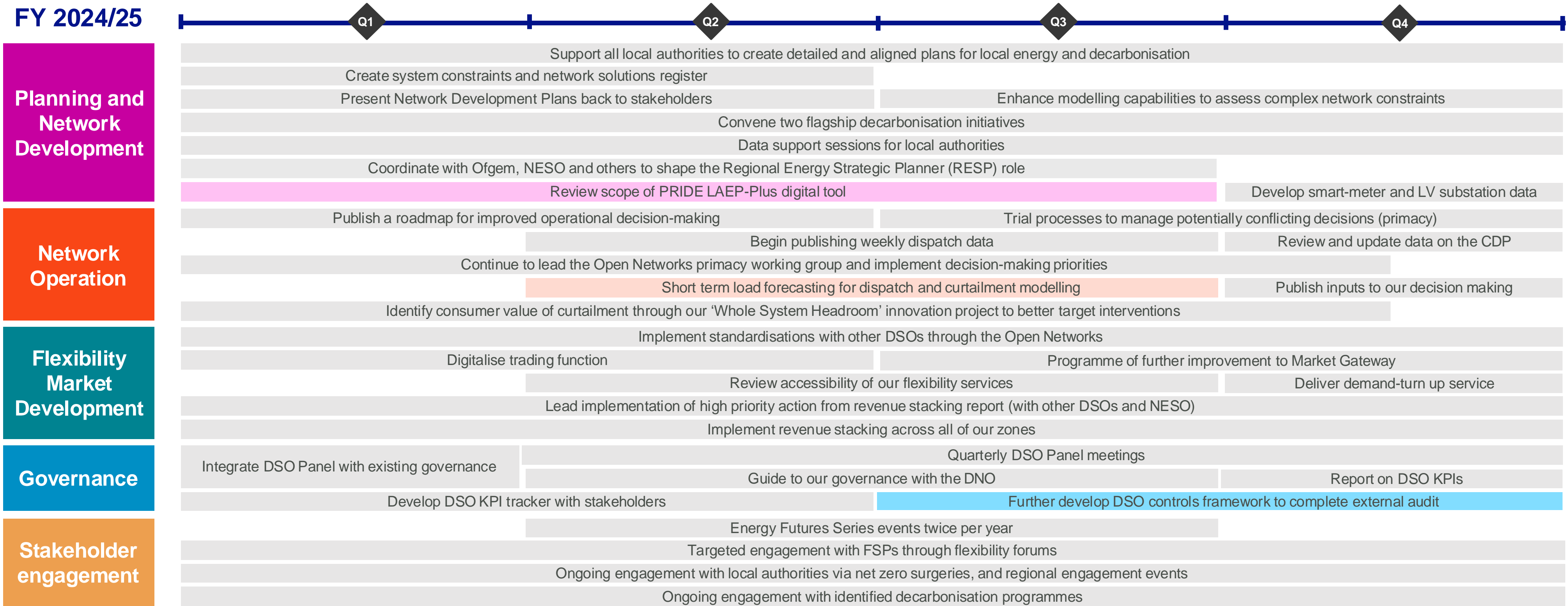
Our vision is to enable and coordinate a smart, flexible energy system that facilitates local decarbonisation for all customers and communities, at the right time and lowest cost



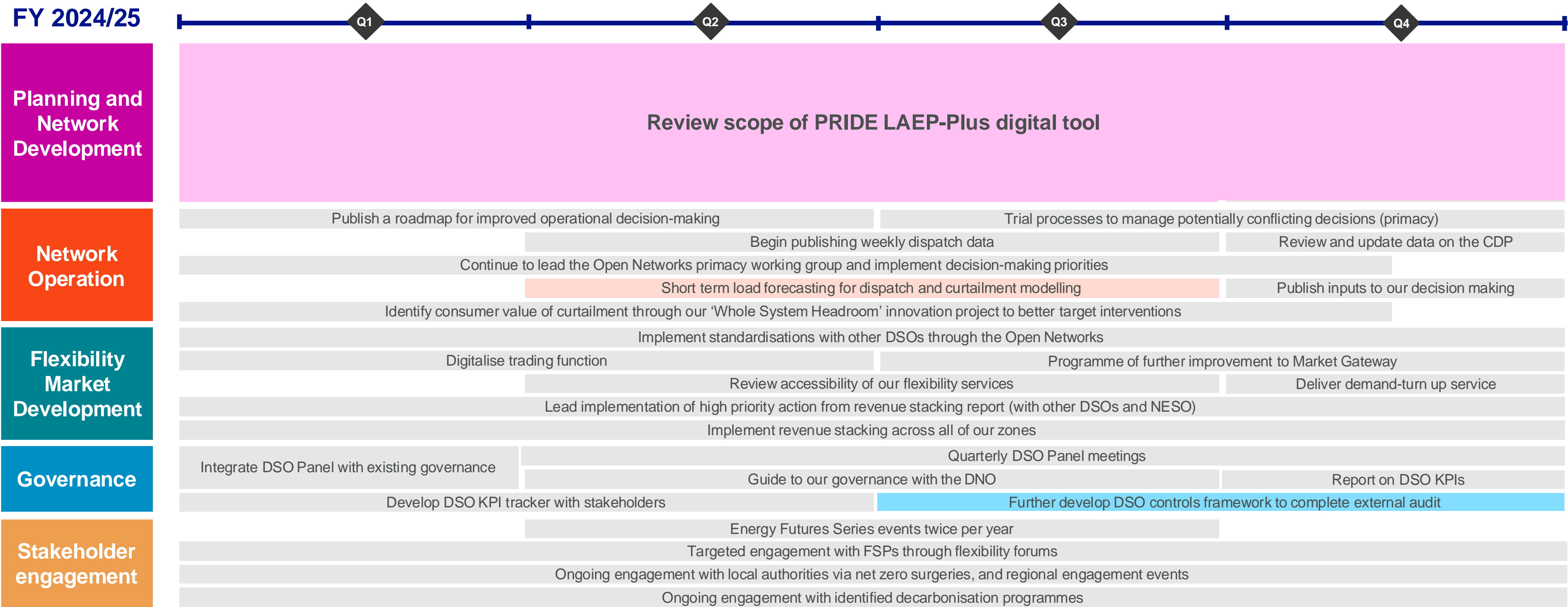
In our Strategic Action Plan, we committed to an ambitious programme of actions to deliver against our DSO vision last year



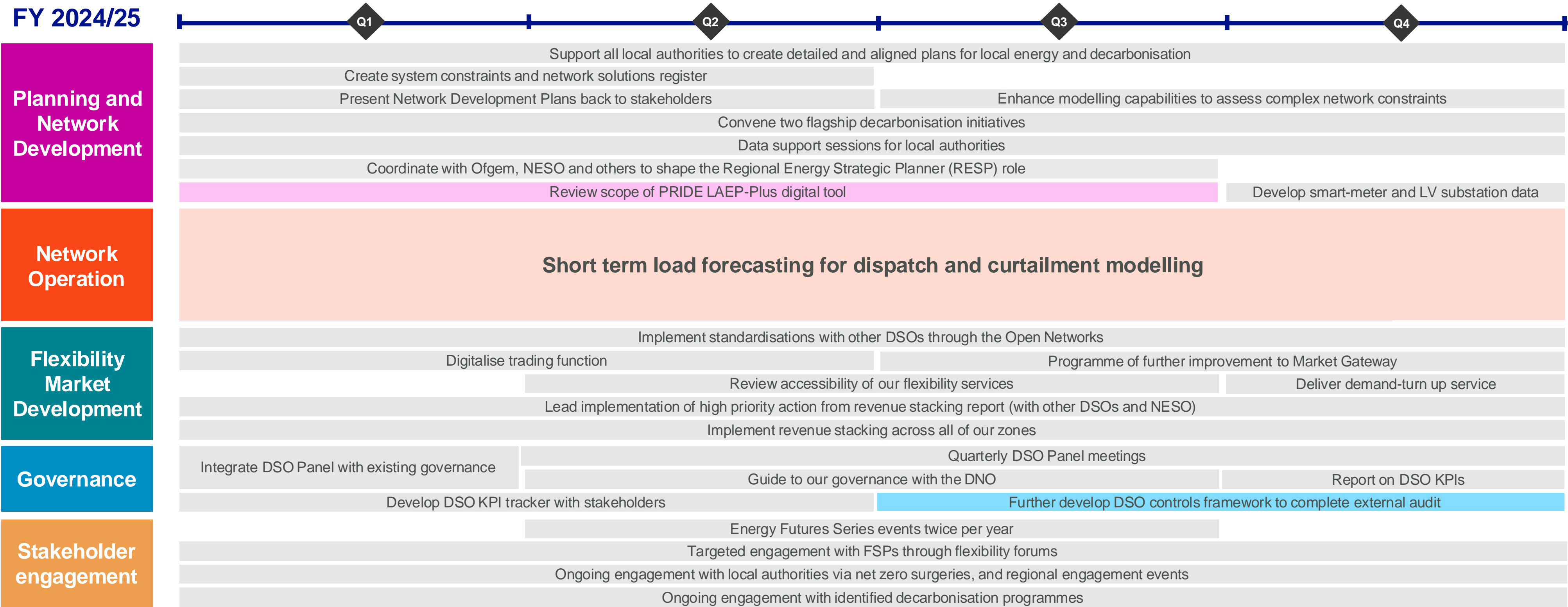
We have delivered the vast majority of the activities that we committed to across our core DSO roles, governance and engagement



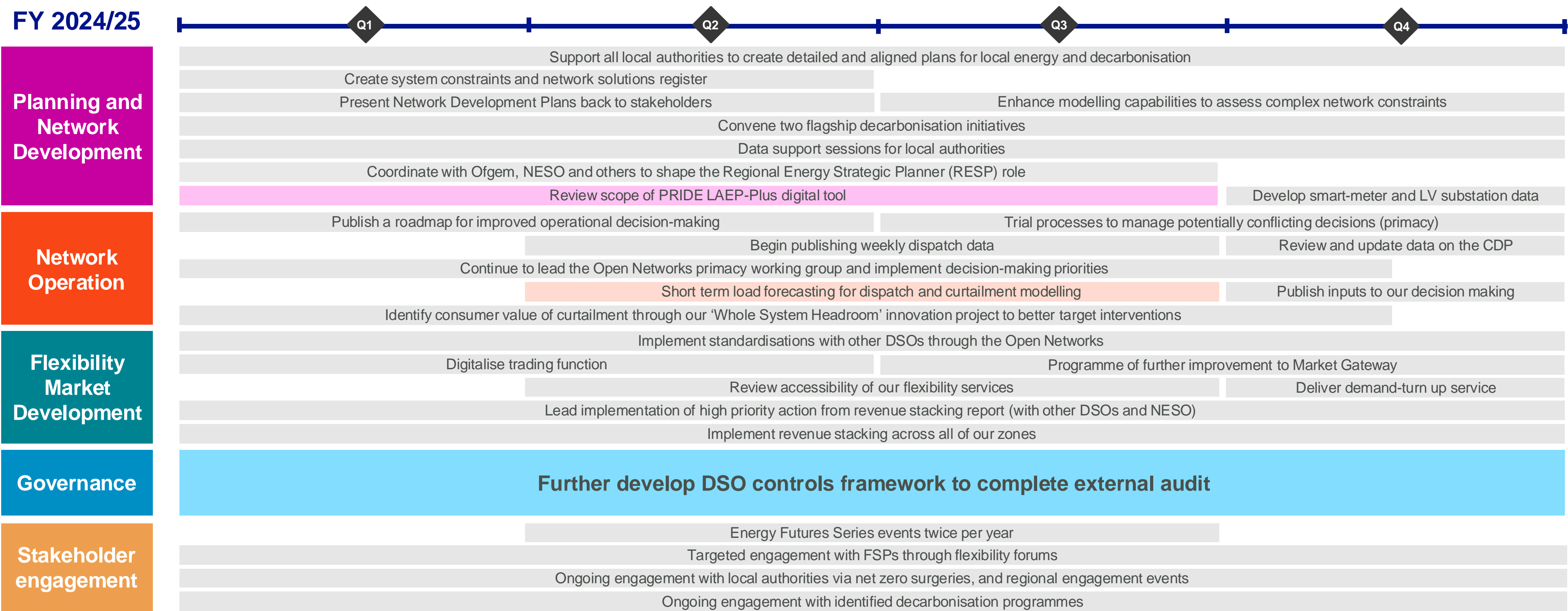
We are continuing to progress testing and development of our digital tool to enable local and regional energy planning for our stakeholders



We have secured dedicated digital resource to further enhance our modelling, including short term load forecasting, going forwards



We have prioritised development of our DSO governance policies and measures, but have not yet undertaken an external audit of them



Our DSO activities have delivered significant, clear, and measurable benefits for consumers and the whole energy system

Planning and Network Development

- 8,000 local authority strategic projects incorporated into our 9th Distribution Future Energy Scenarios annual forecast
- Engaged 100% of local authorities who requested DSO support with the development of their decarbonisation plans
- 135 MVA of additional capacity and 400 km of circuit reinforcement directed by enhancing the quality of our network planning outputs

Network Operation

- 219 GWh of curtailment avoided, enhancing grid efficiency, maximising utilisation, and avoiding energy wastage
- Network Opportunity Map published, improving information availability and access



Flexibility Market Development

- 162,550 flexibility assets registered in Market Gateway
- More than double the number of total registered last year
- 1.3 GW of registered flexibility capacity
- 50% of EV charge points connected to our network are registered to provide flexibility

Governance

- 1st Independent DSO Panel report received
- Updated Guide to Governance report delivered

Stakeholder Engagement

- 229 engagement surgeries held
- 91 events hosted to share our bespoke Network Development Plans and incorporate local ambitions into network upgrades

We are not standing still and are committed to enhancing our Planning and Network Development further whilst supporting incoming RESPs

Planning & Network Development

FY 2025/26 actions



Continue supporting all local authorities to develop detailed and aligned energy and decarbonisation plans



Actively contribute to local and regional decarbonisation initiatives



Refresh our DFES and proactively support development of RESPs



Embed smart meter and substation data into low and high voltage system planning



Update and create visualisations of our Network Development Plans to improve accessibility



Publish a DNOA and roadmap for how we plan to evolve investment decision making

Key



New Activity



Activity in the 2024 Strategic Action Plan

We will continue to optimise our Network Operation, enabled by our Decision Making Framework and the latest data and digital solutions

Network Operation

FY 2025/26 actions

✔ Continue to lead the Open Networks primacy working group

✔ Deliver semi-automated dispatch decision making and a clearing framework

✔ Review and update data visible on the Connected Data Portal

✔ Enhance the integration of flexibility services into our network management system

✔ Develop modelling capabilities for reducing curtailment during planned outages

✔ Publish a refreshed Operational Decision-Making Framework annually

Key  New Activity  Activity in the 2024 Strategic Action Plan

We are committed to unlocking further growth and expanding access to our flexibility markets, building on our work with the CSE

Flexibility Market Development

FY 2025/26 actions

✓

Deploy day ahead competitions to maximise competition

✓

Deploy the joint utilisation competition

✓

Deliver demand-turn up service

✓

Lead implementation of high priority actions from revenue stacking report

✓

Review and diversify the use cases for flexibility to maximise capacity

✓

Develop flexibility service accessibility roadmap i.e. for domestic participants

We will continue to drive robust DSO governance focused on transparent, independent and efficient decision-making

Governance

FY 2025/26 actions



Maintain quarterly DSO Panel meetings



Continue reporting on DSO KPIs



Further develop DSO controls framework to complete external audit



Assess options for external accreditation of DSO processes

Key



New Activity



Activity in the 2024 Strategic Action Plan

We will maintain regular and targeted engagement to ensure we are delivering good outcomes for customers, stakeholders and consumers

Stakeholder Engagement

- FY 2025/26 actions
- ✔ **Maintain Electricity Future Series** events for all stakeholders twice a year
 - ✔ **Continue targeted engagement with FSPs** through flexibility forums
 - ✔ **Continue engagement with local authorities** via net zero surgeries, regional engagement events, and webinars
 - ✔ **Continue engagement** with identified local and regional decarbonisation programmes

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Audience Q&A



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National Grid DSO: one year on

**Progress over the last
12 months**

Nina Skorupska

Panel Member, National Grid DSO Panel



The DSO Panel brings together a focused group of experts to provide independent, strategic challenge to National Grid DSO's plans and delivery



Regina Finn (DSO Panel Chair)

Director at Lucerna Partners and
Chair of the LCCC and the Electricity
Settlement Company



Nina Skorupska

Non Executive Director at Great
British Energy



Janine Michael

Deputy Chief Executive at Centre for
Sustainable Energy



Doug Cook

Director of Strategy at Ohme

The DSO Panel formed in Year 1 and issued our first full annual report on National Grid's DSO performance in January this year

We identified four central themes as part of our independent challenge on National Grid DSO's plans



Stakeholder views

Understanding stakeholder feedback and use of stakeholder surveys



Governance and decision making

How potential or perceived conflicts of interest between the DSO and DNO are surfaced and resolved



Performance framework and KPIs

Understanding the incentive properties of National Grid DSO's performance framework and its KPIs

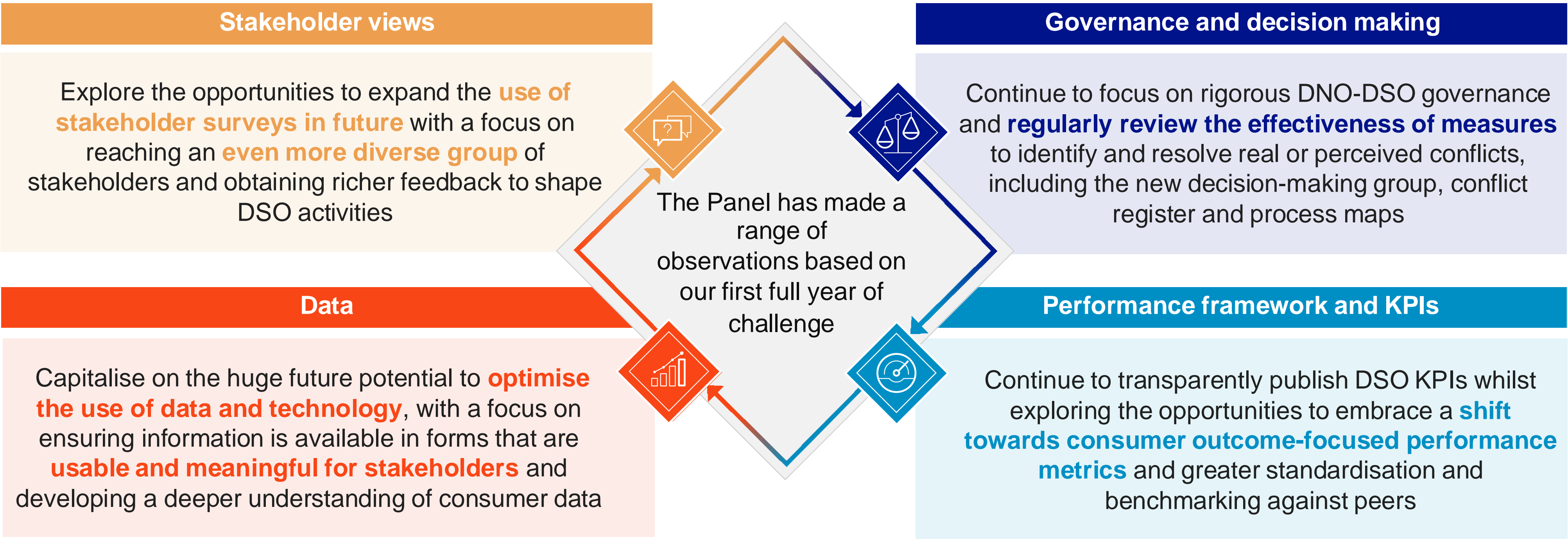


Data

The importance of data and technology in the delivery of the DSO function



We have seen considerable progress, and opportunities for further innovation and improvement as National Grid DSO evolves further



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National Grid DSO: one year on




Flexibility case study

Helen Sawdon

Head of Operations, National Grid DSO



We have significantly scaled up our flexibility markets, more than doubling the assets registered on our platform

Market insights			
	Participation in flexibility markets is growing significantly	Domestic customers are realising the financial benefits of flexibility	Market competition is driving additional customer savings
	162,550 Assets registered on our industry leading Market Gateway platform	>90% Of accepted flexibility volume was from domestic low carbon assets	34% Savings enabled by competition across our HV Zone
	>2X Growth in the number of registered flexibility assets since last year	50% of EV charge points connected to our network are registered to provide flexibility	18% Savings enabled by competition across our LV Zone



Greater volume and visibility of flexible assets on our network is improving our system planning

Our strategic investment process



Distribution Future Energy Scenarios (DFES)



The **Network Development Plan (NDP)** uses forecasts to analyse and identify future network constraints



The **Distribution Network Options Assessment (DNOA)** outlines network investment plans to solve constraints

Flexibility is one of the key solutions to manage constraints

How we plan to invest

Reinforcement options

- Traditional grid reinforcement options include building or upgrading circuits and substations
- We are **directing investment** to build bigger reinforcement schemes, when and where our customers need it

Flexibility analysis to drive the most economic solution

- If the constraint can be managed with flexibility, the Common Evaluation Methodology will determine the most economic solution

Greater visibility of flexible assets can enable better system planning and investment decisions

As the role of flexibility evolves, we are focused on delivering it where and when needed to deliver good outcomes for our network, the system and consumers

We will continue to open up our flexibility markets so that all of our stakeholders can benefit

What we found

CSE Access to Flexibility report

To further our commitment to increasing access to flexibility markets, we commissioned the CSE to explore the **ability of low-income households to access demand flexibility services**

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There are disparities between vulnerable and more affluent household's ability to participate in flexibility and their ability to deliver flexibility once engaged



Changes to standardised onboarding processes and market design will lower entry barriers to participation and increase benefits to vulnerable consumers who respond to flexibility



Continued industry-wide collaboration between DSOs and FSPs is needed to drive more inclusive flexibility participation



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Refreshment break

20 minutes

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Public

Delivering for people, place and Great Britain

Kayte O'Neill

81,000 sqmiles

7000 miles



Public

Delivering for people, place and Great Britain

Kayte O'Neill

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**DSO
consumer
and system
benefits**

**Roundtable
discussions**



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Evolving value of DSO

Panel discussion chaired by
Dermot Nolan

Senior Adviser at Fingleton, Advisory Board Member at
Brevia Energy, and former CEO of Ofgem



Our expert panellists here with you today



Dermot Nolan

Senior Adviser at Fingleton, Advisory Board Member at Brevia Energy, and former Ceo of Ofgem



Oli Spink

Head of System Planning, National Grid DSO



Marzia Zafar

Deputy Director of Digitalisation and Innovation, Ofgem



Kayte O'Neill

Chief Operating Officer, NESO



Kate Ashworth

Energy Infrastructure Lead, West Midlands Combined Authority



Karl Bach

Co-founder and CEO, Axle Energy

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Closing remarks

Cathy McClay

Managing Director, National Grid DSO



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Delivering now and thinking future

20 March 2025, The International Convention Centre,
Birmingham

