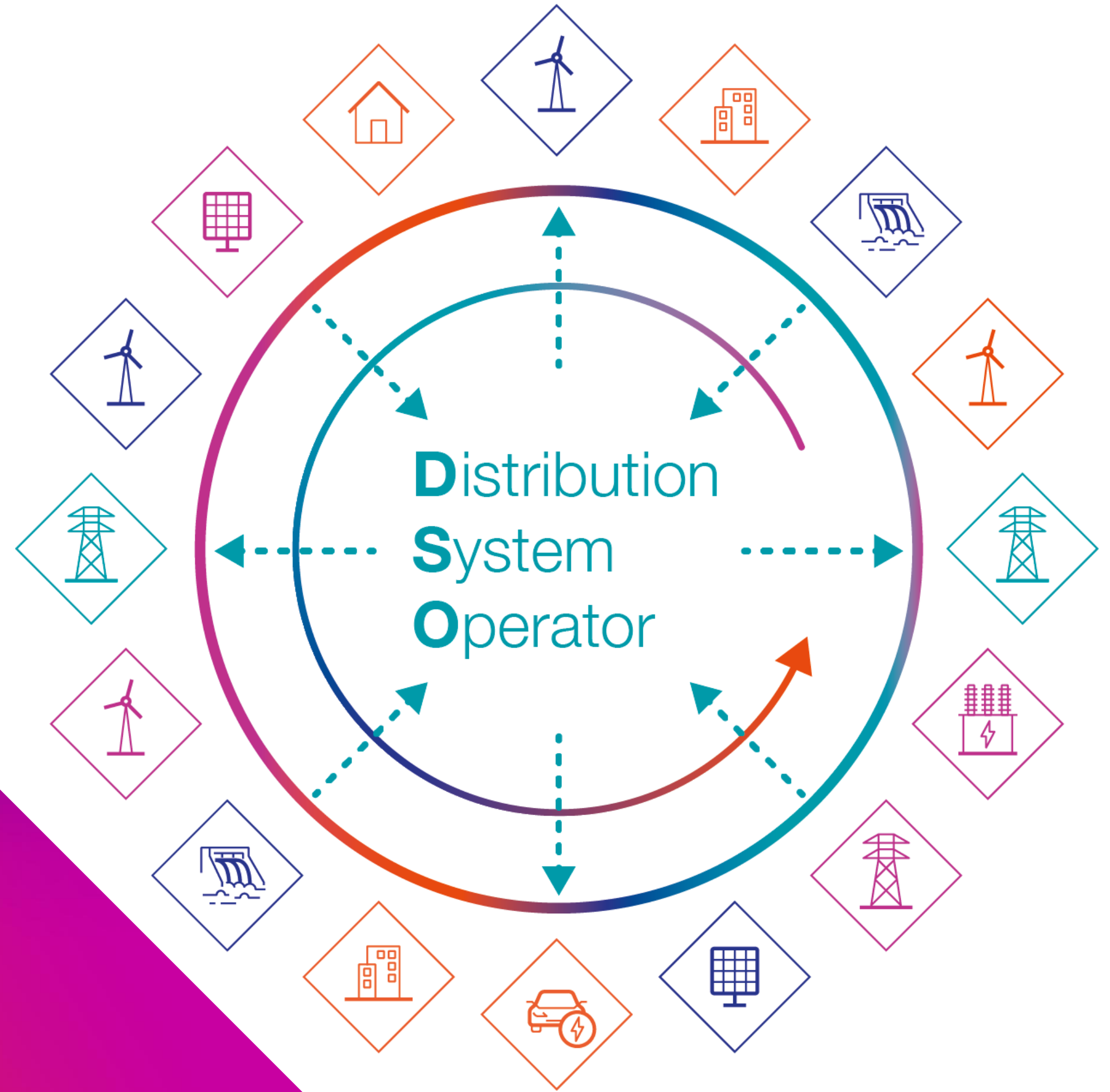


nationalgrid ► DSO

End of Year Performance Metrics

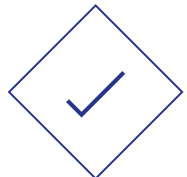
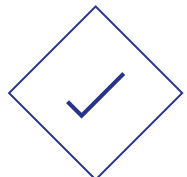


Q4 2024/25



Introduction

Following continuous engagement with our stakeholders, we published our annual targets in Spring 2024 and committed to reporting our key performance indicators (KPIs) on a quarterly basis. These KPIs were developed to show how we are delivering against the commitments made in our [DSO Strategic Action Plan](#).

National Grid DSO commits to:

-  **Transparency:** We will publish quarterly summaries of our performance against our KPIs on our website. This is to enhance transparency and invite external feedback from stakeholders to improve performance.
-  **Stakeholder Engagement:** We will actively engage with stakeholders to refine and improve these measures over the next two-years, ensuring they are still relevant to our stakeholder's priorities.
-  **Internal Monitoring:** We will conduct monthly internal reviews of our performance to drive continuous improvement and to maximise consumer benefits.
-  **Independent DSO Panel:** We will establish regular quarterly cadence with the independent panel who will provide regular feedback and strategic challenge to our DSO activities.

If you have any feedback on these measures, please contact us at nged.dso@nationalgrid.com

DSO Q4 2024/25 External Performance Scorecard

Role	Key Performance Indicator (KPI)	23/24 Performance	24/25 Performance	24/25 Target	Outturn RAG
Planning and network development	Percentage of outcomes in our annual investment report (DNOA) which recommend flexibility	22.5%	24.4%	23%	Green
	Percentage accuracy of load forecast across our substations for the year ahead	90%	90%	94%	Yellow
	Percentage of local authorities in our licence area that require our support, and we are supporting to create LAEPs and decarbonisation initiatives	93%	100%	100%	Green
Network operation	Percentage of potentially conflicting decisions between NESO and DSOs which have an agreed process to manage them	<1%	8.3%	9%	Yellow
	Percentage of feedback received from Network Operation publications and regular engagement with stakeholders	-	-	85%	
	Amount of curtailment avoided through enhanced outage planning process	58GWh (5% of total curtailment)	242GWh	100 GWh (10% of forecast curtailment)	Green
Flexibility Market development	Assets registered and pre-qualified on Market Gateway	70,000	162,800	100,000	Green
	Percentage of feedback received from Flexibility Market Development publications and regular engagement with stakeholders	-	-	85%	
	Percentage of flexibility available vs requested	34.6%	37.73%	47%	Red
	Reinforcement investment deferred through targeted use of flexibility	£80m	£105m	£90m	Green
	Number of flexibility use cases where the revenue stacking is not possible	61%	61%	55%	Red
	Volume of flexibility procured in our regions	17GWh	19.8GWh	19GWh	Green
	Volume of domestic asset capacity available through Market Gateway	166MW	542MW	237MW	Green

DSO Q4 2024/25 Achievements and Progress

We continue to progress transparency, collaboration & accountability with our stakeholders

- Our Independent DSO Panel published their first [Advisory Panel Report](#), in which they evaluated progress on commitments, highlighting key strengths and providing recommendations.
- Completed publication of the full policy suite of our [DSO Parent Directive](#), which includes 3 new policies on [Functional Separation of DSO from DNO](#); [Flexibility Market Development](#); & [Transmission-Distribution Interface Coordination](#).
- Updated the [Guide to our Governance](#) clarifying developing governance structures which help ensure functional independence. In addition, we published a [DSO-DNO Arrangement Document](#) setting out the day-to-day working arrangements for the functional separation with the DNO.
- Held the “[Delivering now and thinking future](#)” event on 20 March with our stakeholders providing an update on [progress against our commitments](#) and showcasing the roles we play in the market through interactive and educational activities.
- Published our quarterly [Local Authority Newsletter](#).
- Refreshed the [Distribution System Operator Homepage](#) on the National Grid Electricity Distribution website.



We have grown our flexibility market capabilities

- We have **deferred £105m of planned investment** by maximising flexibility, improving forecasting and making better use of existing infrastructure. This ensures we keep costs low for customers now while maintaining a future-ready network.
- We more than doubled the number of assets registered on our Market Gateway to over **162,800 assets vital to scaling flexibility across the network**, where greater than 90% of accepted flexibility volume is from **low carbon domestic assets**.
- Released a new report ‘[Access to Flexibility](#)’ led on our behalf, by The Centre for Sustainable Energy (CSE), highlighting barriers preventing vulnerable households, particularly in low-income and rural areas, from participating in energy flexibility services.
- Actioning feedback from our stakeholders we have shared further information on actions we are taking to [Improving our Flexibility Data](#).



We have enhanced our industry leading strategic planning processes

- Met with 100% of Local Authority stakeholders to share our bespoke **Network Development Plans (NDPs)**, explaining how their data has fed into our forecasts and incorporates local ambitions into network upgrades.
- Published our [Network Opportunity Map](#) which provides a unified view of possible connection opportunities across NGED’s Bulk Supply Points (BSPs), Primary substations and distribution substations.
- We published our [9th Distribution Future Energy Scenarios](#), incorporating more technologies than ever before and making the output more accessible to stakeholders.



Facilitating whole system coordination to improve operational decision making

- Improved forecasting and network operation has enabled us to surpass targets and **avoid 242GWh of curtailed generation** avoiding energy wastage, maximising renewable energy utilisation and enhancing grid efficiency.
- Feedback from our stakeholders on [Operational Decision-Making Framework](#) has directly shaped our [Operational Decision Making \(ODM\) Roadmap](#) in which our publication outlines National Grid DSO’s development priorities for enhancing operational decision-making, being central to DSO’s responsibility, requiring careful trade-offs to achieve the best whole-system outcomes.



Summary of Variances: Planning and Network Development

Key Performance Indicator (KPI)	2024/25 Target	2024/25 Final Figure	RAG	Commentary	Reason for not continuing KPI in 2025/26
Percentage of outcomes in our annual investment report (DNOA) which recommend flexibility	23%	24.4%	Green	As part of our annual investment report, we've reviewed more constraints within our DNOA than ever before. We are pleased to have exceeded the targets we set at the start of the year. We strongly believe there should be a good balance between the constraints we solve through traditional reinforcement, and those we solve using flexibility. Our DNOA process ensures we arrive at the best outcome for customers.	As the role of flexibility evolves to focus on delivering broader system benefits, shifting away from a 'flexibility first' approach, we are deprioritising metrics that set targets for deferral of investments through flexibility. In 2025/26, we will measure <i>Distribution transformer capacity directed vs added</i> to provide more appropriate statistics.
Percentage accuracy of load forecast across our substations for the year ahead	94%	90%	Yellow	Our live forecasting still represents a high accuracy. Although the improvements we have made to our methodology didn't result in the level of improvement which we had forecast.	We have sought to remove KPIs which are reported annually. Next year we will measure accuracy of our modelling through the <i>EV and Heat Pump uptake tracker</i> as this has more relevance to consumers and meeting Net Zero ambitions.
Percentage of local authorities in our area that require our support, and we are supporting to create LAEPs and decarbonisation initiatives	100%	100%	Green	We are proud have delivered on our commitment to work with our local authorities. We have seen a corresponding level of commitment and resource being reciprocated increasing the Local Area Energy Plans.	Our Strategic Engagement Team are in constant communication with Local Authorities to ensure they are supported. However, this figure does not measure the quality of support we provide. We are aiming to conduct more consistent surveys of our stakeholders' satisfaction with this engagement throughout the year, and we are striving to improve our method of capturing feedback.

Summary of Variances: Network Operation

Key Performance Indicator (KPI)	2024/25 Target	2024/25 Final Figure	RAG	Commentary	Reason for not continuing KPI in 2025/26
Percentage of potentially conflicting decisions between NESO and DSOs which have an agreed process to manage them	9%	8.3%		Although we implemented everything at pace that had been agreed through Open Networks, the final % of agreed processes fell short of our initial forecast. This reflects an overambitious initial target which we would have revised down now our understanding has matured.	This work will be taken forward through the Elexon Market Facilitator and DSO will therefore not be directly responsible in the future.
Percentage of feedback received from Network Operation publications and regular engagement with stakeholders	85%	-	-	<p>We had initially forecast this as a measure of stakeholder satisfaction. However, this metric was unable to be measured consistently.</p> <p>This was the first year in which we published our KPIs on a quarterly basis. As we matured as a DSO, we identified that feedback could not be measured consistently in the way we initially intended.</p>	Our Networks Operations team have consistently engaged with a broad range of stakeholders throughout the year, particularly around our ODM Framework which crosses Flexibility, Generation and connections stakeholders. We are aiming to conduct more consistent surveys of our stakeholders' satisfaction with this engagement throughout the year, and we are striving to improve our method of capturing feedback.
Amount of curtailment avoided through enhanced outage planning process	100 GWh (10% of forecast curtailment)	242 GWh		We are delighted to have expanded the coverage of our curtailment activities. This year we developed improved capabilities to maximise the production of generation connected to our network. This resulted in the dramatic overperformance against our target.	We will continue to track this figure internally and share figures through engagement sessions as appropriate. For improved clarity of stakeholders, next year we will publish a new <i>Short-term load forecast mean average percentage error (MAPE)</i> KPI for 2025/26, which reflects our underlying forecasting accuracy and processes.

Summary of Variances: Flexibility Market Development (Part 1)

Key Performance Indicator (KPI)	2024/25 Target	2024/25 Final Figure	RAG	Commentary	Reason for not continuing KPI in 2025/26
Assets registered and pre-qualified on Market Gateway	100,000	162,800	Green	We worked across multiple platforms and deepened our relationships with FSPs to onboard with Market Gateway. Our approach to simplifying the onboarding process is evidenced by the dramatically increased numbers.	In response to feedback, we want to provide a clearer understanding of our relative position to other DSOs. Because our territory includes four licence areas, tracking this figure would not achieve this ambition. In 2025/26, we will track <i>Zones with Sufficient Liquidity</i> to demonstrate the relative health of our Flexibility Market.
Percentage of feedback received from Flexibility Market Development publications and regular engagement with stakeholders	85%	-	-	We had initially forecast this as a measure of stakeholder satisfaction. This was the first year in which we published our KPIs on a quarterly basis and we have learned a considerable amount in this time. As we matured as a DSO, we identified that feedback could not be measured consistently in the way we initially intended.	Our Flexibility Team are in regular and consistent communication with our flexibility stakeholders, this includes regular webinars and 1-2-1 bilateral support. We are aiming to conduct more consistent surveys of our stakeholders' satisfaction with this engagement throughout the year, and we are striving to improve our method of capturing feedback
Percentage of flexibility available vs requested	47%	37.73%	Red	We still saw an improvement in market participation compared to the previous year (34.6%). This was particularly notable in zones which have ran longer and we were on track to exceed our target when we published our Q2 KPIs. When we increased the size and scope of our markets mid year, the newer zones have not had the market maturity compared the more established ones. This therefore lowered the final %.	As per the commentary, this figure is liable to significant change as we expand into new markets. It therefore does not provide opportunity for meaningful challenge against performance. In 2025/26, we will track <i>Zones with Sufficient Liquidity</i> to demonstrate the relative health of our Flexibility Market.
Reinforcement investment deferred through targeted use of flexibility	£90m	£105m	Green	Greater levels of participation in flexibility markets has enabled a greater level of deferral than forecast.	As the role of flexibility evolves to focus on delivering broader system benefits, shifting away from a 'flexibility first' approach, we are deprioritising metrics that set targets for deferral of investments through flexibility. We will continue to track this figure internally and share figures through engagement sessions as appropriate.

Summary of Variances: Flexibility Market Development (Part 2)

Key Performance Indicator (KPI)	2024/25 Target	2024/25 Final Figure	RAG	Commentary	Reason for not continuing KPI in 2025/26
Number of flexibility use cases where the revenue stacking is not possible	55%	61%		<p>Our measure for this metric is tied to the outputs of the Energy Networks Association (ENA) Stacking Technical Working Group. As this working group progressed through the year, it became clear that we would not be able to meet our target of 55%.</p> <p>We therefore pivoted and this year we shared the recommendations from our Revenue Stacking report with other operators in the ENA Open Networks forum and set a plan to implement these. This includes improving stacking website information, developing joint technical requirements for NESO and DSO products and moving the dispatch timescales for local flexibility products to align better with national markets, thereby improving revenue potential for our stakeholders.</p>	<p>In response to feedback, we want to provide a clearer understanding of our relative position to other DSOs.</p> <p>As this metric is tied to the work of the ENA, we have removed this KPI. In 2025/26, we will track <i>Zones with Sufficient Liquidity</i> to demonstrate the relative health of our Flexibility Market.</p>
Volume of flexibility procured in our regions	19 GWh	19.8 GWh		<p>We've increased the coverage of flexibility across our regions. We are pleased to have met and exceeded our initial target, which demonstrates a maturity in our methodology.</p>	<p>To simplify and streamline our KPIs to stakeholders, next year we will publish the number of <i>Zones with Sufficient Liquidity</i> to demonstrate the relative health of our Flexibility Market. We will continue to track this figure internally and share figures through engagement sessions as appropriate.</p>
Volume of domestic asset capacity available through Market Gateway	237 MW	542 MW		<p>Our approach in targeting domestic flexibility assets has resulted in much greater volumes coming through our Market Gateway. We are pleased to be leading the take up of domestic assets across our regions. These will be crucial in meeting CP2030 targets.</p>	<p>To simplify and streamline our KPIs to stakeholders, next year we will publish the number of <i>Zones with Sufficient Liquidity</i> to demonstrate the relative health of our Flexibility Market. We will continue to track this figure internally and share figures through engagement sessions as appropriate.</p>



Continuous Improvement on KPI measures

As the role of DSOs continue to evolve, we are committed to being proactive in how we measure and evaluate our performance. By leading by example, setting best practices, and maintaining transparency, we aim to ensure our performance metrics reflect the priorities of our stakeholders and provide meaningful insights on our impact.

A key part of this commitment is our ongoing review of the metrics we track to ensure they remain accessible, useful, and aligned with our stakeholders' priorities.

In response to feedback from our DSO Panel, we are enhancing our external KPIs to be more reflective of consumer outcomes and provide a clearer understanding of our relative position to other DSOs. Collaboration across the industry is crucial to achieving this, and we are actively working with other DSOs to standardise our metrics, ensuring consistency and comparability.

Our [DSO Strategic Action Plan: one year on](#) sets out how we are changing our KPI measures for 2025/26 in line with our stakeholder needs.

Our 2025/26 KPIs (Part 1 of 2)

Role	Key Performance Indicator (KPI)	Unit	2025/26 Target	Benefits to tracking the KPI
Planning and Network Development	Distribution transformer capacity directed vs added	MVA	Directed: 240 MVA Added: 240 MVA	Supports faster connections for customers and facilitates decarbonisation by directing capacity in the right places
	EV and Heat Pump uptake tracker	% Uptake rate of expected # of registrations per quarter	100% of: EV: 203,147 HP: 66,270	Ensures the network is ready for low carbon technologies without delay or extra cost
	Secondary Network visibility	% of customers fed from distribution substations	70%	Increases confidence for customers and developers to connect new low carbon technologies
Network Operation	Proportion of GSP site strategies agreed with NESO and NGET	%	33%	Supports whole system efficiency and avoids conflicting plans, helping large and small customers alike
	Short-term load forecast mean average percentage error (MAPE)	%	40%	Reliable forecasting reduces the risk of outages, supports efficient system operation, and helps manage costs

Our 2025/26 KPIs (Part 2 of 2)

Role	Key Performance Indicator (KPI)	Unit	2025/26 Target	Benefits to tracking the KPI
Flexibility Market Development	Carbon impact of flexibility	kgCO2e/MWh(5 8.6kgCO2e/MWh out of scope)	5 kgCO2e/MWh	Supports Net Zero and helps customers and communities benefit from low carbon solutions
	Zones with sufficient liquidity	Number	27	Makes flexibility opportunities available to a wide range of providers, including community groups and innovators
Transmission Distribution Interface	Accelerated offers issued	MW	3,000 MW	Enables quicker connections for customers needing urgent access to the network
	Accelerated offers accepted	MW	2,100 MW	Helps customers connect faster, supporting decarbonisation and local growth