Electricity Distribution

Flexibility Market Insights Report

January 2026

nationalgrid DSO

Introduction

This interim report provides an updated snapshot of flexibility procurement activity covering the six-month summer period from 1 April to 30 September 2025.

Over the summer, our flexibility markets continued to scale rapidly, driven in large part by the new Demand Turn-Up product, cutting peak-time power flows, avoiding costly reinforcement, and delivering meaningful savings for consumers.

Flexibility empowers homes and businesses to shift when they use or generate energy, helping balance the grid in real time.

Participants are financially rewarded for enabling us to use their flexibility, whether by delaying electric vehicle charging or using on-site generation to reduce demand.

These actions drive more efficient network operation and strengthen system resilience.

Summer 2025 showcased clear growth and maturing market confidence, driven by:

- Full migration of all trading activity to Market Gateway (our in-house flexibility platform).
- Dispatching our new Demand Turn-Up product over the summer period.
- Significant growth in market participation.
- Launching our largest ever annual long-term flexibility tender in September 2025.

All figures reflect the latest available data as of 30 September 2025 and come ahead of the full FY 25/26 report, scheduled for publication in June 2026.

Summer snapshot 2025

100% Zero-Carbon Dispatch

We are pleased to report that since April 2025, **1.1 GWh of flexibility** across **6,400 dispatches** has been delivered from **100% zero-carbon technologies**.

197,000 Assets Registered*

As of 30 September, up from 162,800 at the end of March 2025, with almost **33,900 new domestic assets, a 21% increase in total registered assets.**

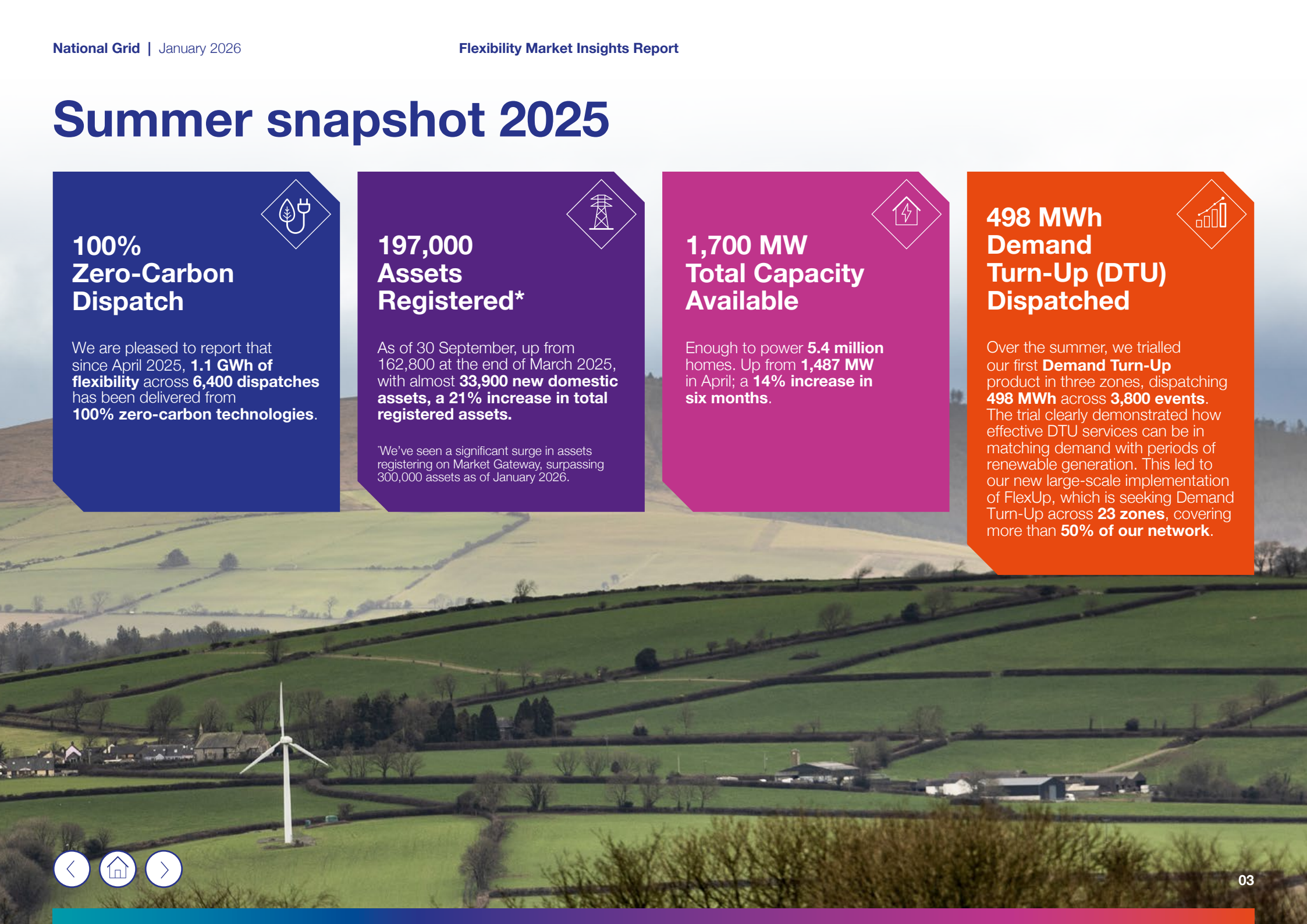
*We've seen a significant surge in assets registering on Market Gateway, surpassing 300,000 assets as of January 2026.

1,700 MW Total Capacity Available

Enough to power **5.4 million** homes. Up from **1,487 MW** in April; a **14% increase in six months**.

498 MWh Demand Turn-Up (DTU) Dispatched

Over the summer, we trialled our first **Demand Turn-Up** product in three zones, dispatching **498 MWh** across **3,800 events**. The trial clearly demonstrated how effective DTU services can be in matching demand with periods of renewable generation. This led to our new large-scale implementation of FlexUp, which is seeking Demand Turn-Up across **23 zones**, covering more than **50% of our network**.



Record long-term flexibility tender

In September, we launched our largest ever long-term flexibility tender with a record-breaking number of zones sought. In this tender, we published opportunities for flexibility requirements delivered in future years, with the majority of delivery between April 2026 – March 2027. Successful bids were announced in January 2026.

Key highlights include:

95
High Voltage (HV) zones

1,144
Low Voltage (LV) zones

4.5 million
Customers located within active zones

25
New Demand Turn-Up zones

Demand Turn-Up trial paves the way for DTU at scale

Our journey with Demand Turn-Up (DTU)

Our DTU journey began with a small but ambitious trial across three DTU zones. The results were compelling: Over the summer, we dispatched 498 MWh across 3,800 events, demonstrating clear viability and strong future potential.

Building on this success, our September 2025 long-term tender expanded the traditional DTU scheme to two additional zones, continuing to use flexibility to defer network reinforcement.

As part of the same tender, we also introduced a new and expanded scheme: FlexUp. While the traditional DTU model focuses on reinforcement deferral, FlexUp serves a different flexibility use case: reducing curtailment for renewable generators.

FlexUp has been rolled out across 23 zones, covering 50% of our network (see **Figure 1**). Operating alongside the original DTU model, FlexUp works by shifting flexible demand into periods of high renewable generation, reducing curtailment risk for existing connections, protecting shared headroom, and unlocking more efficient network capacity.

Together, the traditional DTU scheme and FlexUp support both reinforcement deferral and renewable integration, helping ease constraints and enabling a more dynamic, low-carbon system.

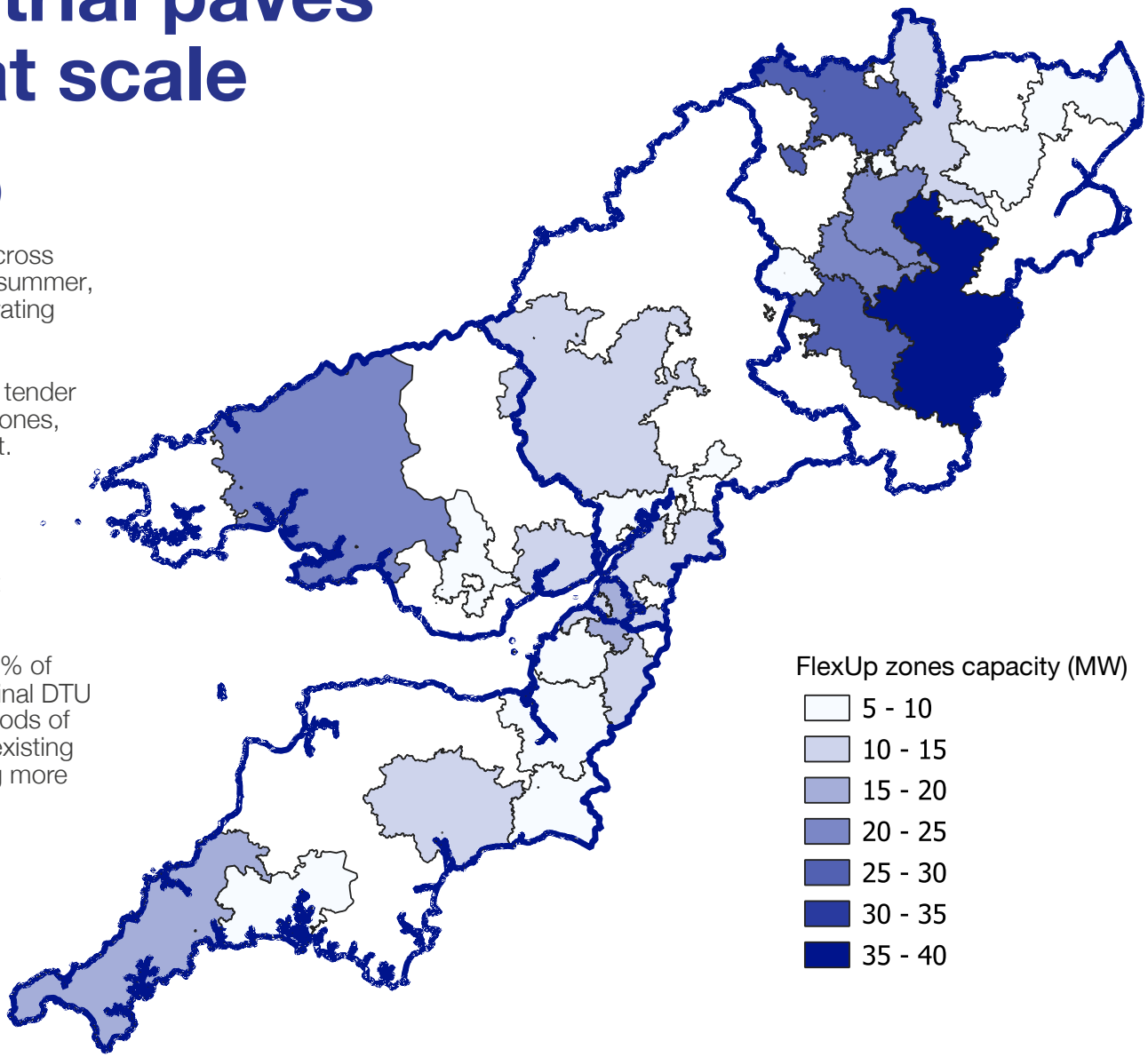


Figure 1: Heatmap of capacity available for FlexUp product

Scaling up flexibility

2025 saw substantial growth in our flexibility markets, marked by rising asset registrations and increased available capacity in our flexibility markets.

Informed by stakeholder feedback, we delivered major enhancements to our flexibility platform, Market Gateway, making participation simpler than ever.

Key improvements include:

- Migration of all trading activity from Flexible Power to Market Gateway, creating a more seamless, integrated user experience.
- Introduction of a new bulk-upload capability enabling more efficient asset uploading.
- Asset decommissioning feature added making asset housekeeping easier.
- Addition of storage heaters as a new asset category.

Stakeholder engagement programme

As a result of our stakeholder engagement programme, we believe that widespread adoption of flexibility has developed in our region from April to September 2025, including a rise in assets registered in Market Gateway from 162,800 to 196,696.

In the same April to September period, we have incentivised customers to dispatch 1.1 GWh of flexibility, equivalent to powering roughly 148,000 homes for a day*.

*Assuming 7.5 kWh per home per day.

Scaling up flexibility

Market Scale

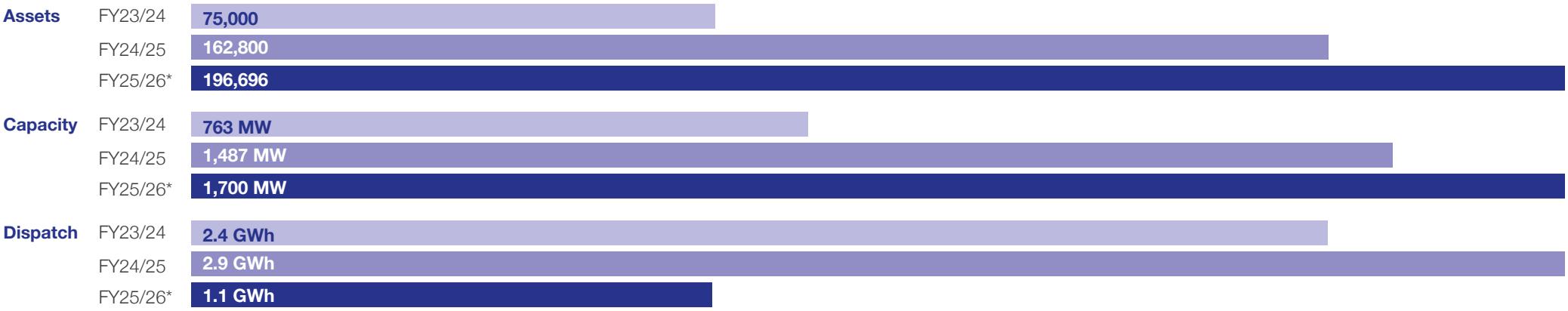
Table 1: Asset growth in Market Gateway

Assets Registered in Market Gateway	Total Assets		Total Registered Capacity (MW)	
Year	**FY24/25**	**FY25/26***	**FY24/25**	**FY25/26***
Domestic	162,650	196,544	575	810
Commercial & Industrial	150	152	912	890
Total	**162,800**	**196,696**	**1,487**	**1,700**

Our flexibility portfolio is becoming increasingly diverse and responsive. We now have more than 1.7 GW of distributed flexibility at our disposal for balancing our network.

Market Gateway Growth

Graph 1: Flexibility capability growth over the years

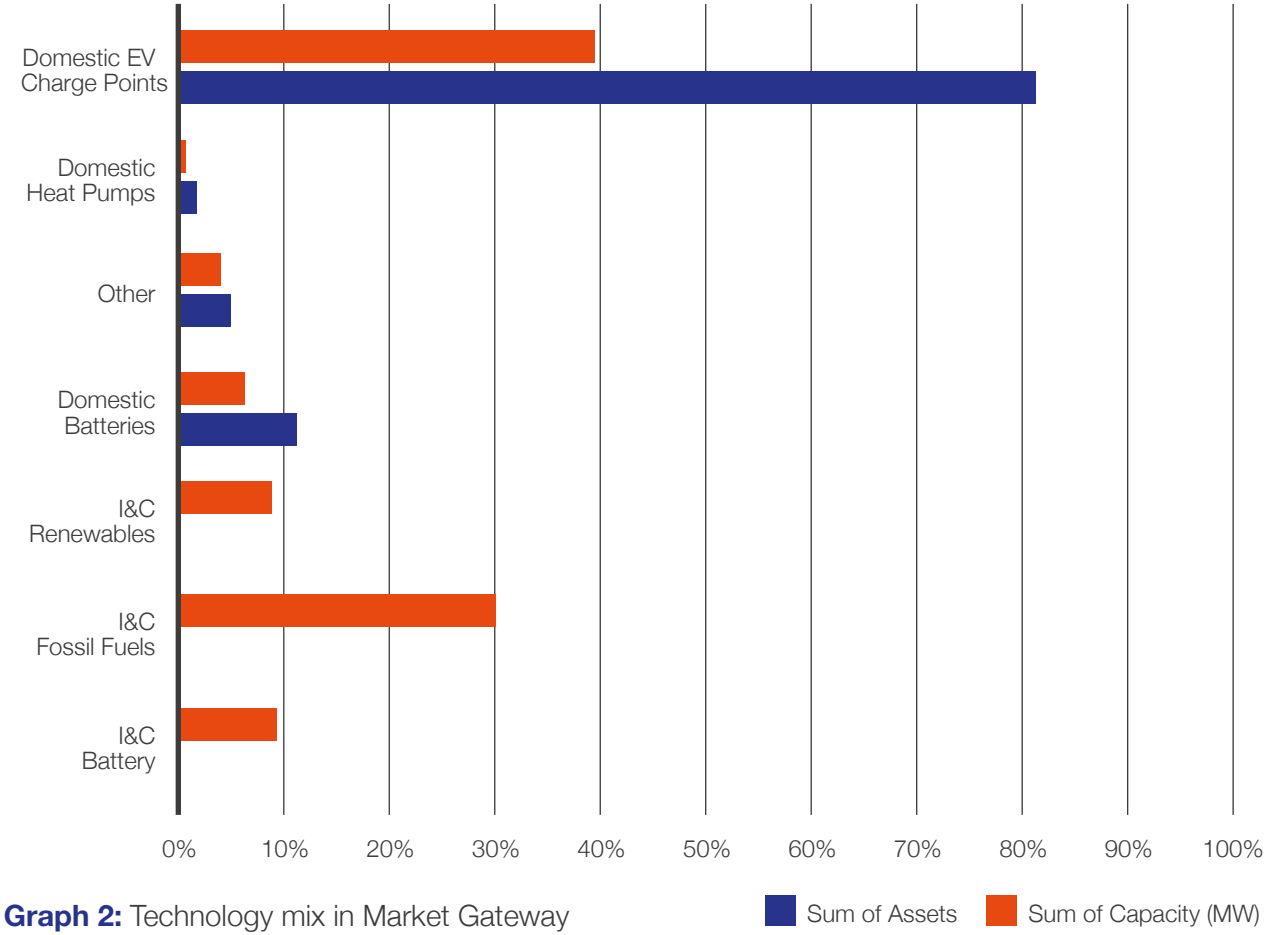


* This data is as of 30 September 2025. The bulk of flex asset registrations and dispatch are expected to come in the winter, with current projections for FY26 at:
Asset Registered: > 300,000 **Capacity:** > 2700 MW **Dispatch:** > 6 GWh

Zero carbon leading the way

Domestic low-carbon technologies, particularly domestic electric vehicle charge points, continue to lead registrations on Market Gateway. Although fewer non-domestic assets are enrolled, they still contribute a substantial share of the available capacity.

Assets on Market Gateway



Graph 2: Technology mix in Market Gateway

Zero carbon leading the way

We have delivered 100% low-carbon flexibility.

FY26 has marked an important milestone: all dispatch to date has been delivered using 100% low-carbon technologies.

Across both Demand Turn-Down & Generation Turn-Up (581 MWh) and Demand Turn-Up & Generation Turn-Down (498 MWh), every event has been supplied through renewable or low-carbon assets, including domestic electric vehicles and heat pumps, battery storage, solar, and wind generation.

This has resulted in a direct carbon intensity of 0gCO_2e/kWh for all dispatched flexibility.

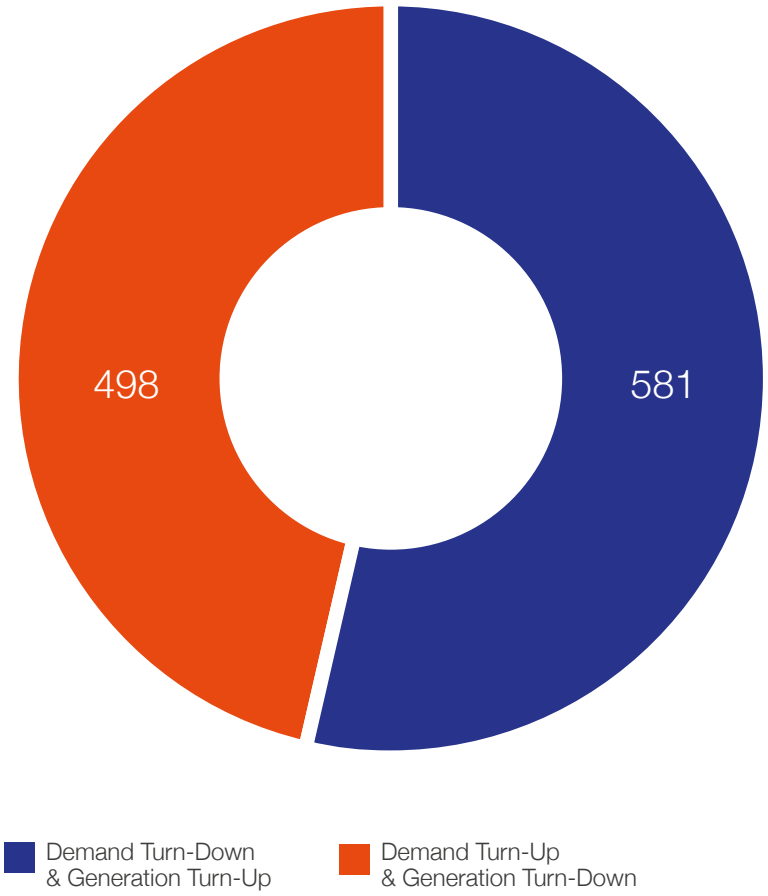
Compared with FY25, the mix has shifted notably toward greater household participation.

Over the summer period, 99% of new asset registrations were domestic technologies, such as electric vehicles and heat pumps, highlighting the rapid growth of low-carbon technologies.

Together, these developments illustrate a maturing flexibility market aligned with the transition to net zero, while also providing operational, financial, and consumer benefits.

Dispatched Flexibility (MWh)

Graph 3: Dispatch delivery mix



Joint Utilisation Competition

As part of our commitment to building open, competitive, and accessible flexibility markets, we have introduced procurement routes that enable providers to participate through both long-term and short-term markets.

The JUC allows a Flexibility Service Provider (FSP) holding a long-term procurement position to submit a lower utilisation price into the short-term market. This enables the FSP to retain long-term availability revenue while remaining fully competitive for utilisation in the short-term markets. Axle Energy has been one of the first FSPs to make use of this new feature.

Case study

Flexibility Provider A secured a long-term flexibility contract with a utilisation price of £78.98/MWh and an availability payment of £1.31/MW/h. To be more competitive, the provider also participated in a short-term procurement window, submitting a utilisation bid of £60.51/MWh for the same unit.

Flexibility Provider B, which operates solely in the short-term market, submitted a utilisation bid of £75/MWh.

When both Provider A's long-term and short-term bids were available, the platform chose Provider A's lower short-term bid, delivering a more competitive outcome than either the long-term rate or Provider B's short-term-only offer[1].

For Provider A, the dual-route strategy created a balanced and rewarding outcome:

- Continued receipt of availability payments from the long-term contract.
- Additional utilisation revenues secured through the short-term market.
- Ability to stay competitive by adapting utilisation prices to real-time system conditions.

For us, this approach boosts market liquidity, improves price discovery, and enables more efficient dispatch of flexible resources. The JUC combines long-term stability with short-term responsiveness, ensuring best value for consumers through efficient price selection, fair competition, and transparent, market-driven dispatch.

We publish award pricing weekly so that both short-term and long-term providers have the insights needed to inform their bid strategy.

[1] The clearing process will select the lowest bid given that certain procurement requirements are met. Please refer to the **NGED Operational Decision Making Framework (ODM)** for further information on bid-selection.

axle

"The introduction of the JUC has made a huge difference to how we participate in flexibility markets. For us, the JUC represents a major step forward in making flexibility markets more accessible, predictable and commercially viable."

Karl Bach,
Axle Energy, CEO

How to participate in our flexibility markets

If you're interested in taking part in our flexibility markets or if you have suggestions on how we can further improve our service offerings, we'd encourage you to get in touch or join our quarterly Flexibility Focus Groups.

Insights from these sessions directly inform our Flexibility Roadmap, due for publication in spring 2026, which will set out our key actions and commitments through to 2028 to support the continued growth and accessibility of our flexibility markets.

Get in touch at: **NGED.flexiblepower@nationalgrid.co.uk**

Want to participate in our flexibility markets?
Step-by-step instructions can be found on our website, from starting out registering assets on **Market Gateway**, through to delivering services.

Further useful links:

Flex in Five
A brief overview of Flexibility within National Grid DSO.

Flexibility Map
Enter an asset location postcode to see whether it falls within an open flexibility zone.

NGED Revenue Estimator
Estimate potential revenue from participation in our weekly flexibility markets.

Electricity Distribution

National Grid Electricity Distribution plc
Avonbank
Feeder Road
Bristol
BS2 0TB

nationalgrid.co.uk

nationalgrid DSO

January 2026. BLU30263/PR