Electricity Distribution

On Track To Trade Webinar

Long-Term Trades

September 2026

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Welcome and introduction

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Doerte Schneemann
Head of Flexibility Markets

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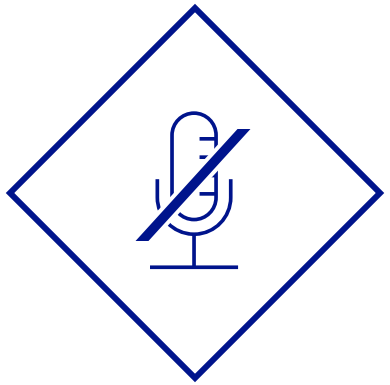
Housekeeping



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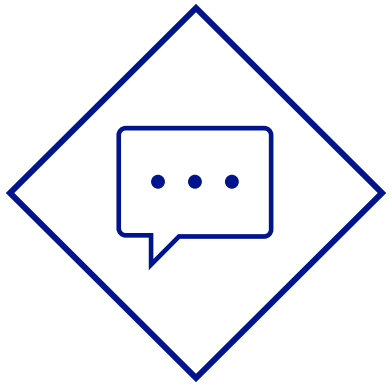
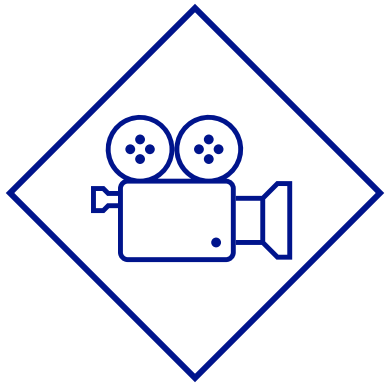


For questions or feedback, please raise your hand or use the Q&A/chat box



This session will be recorded

Agenda

1	**Welcome and Introduction** Doerte Schneemann – Head of Flexibility Markets	10:00 – 10:05
2	**Market Update** Doerte Schneemann – Head of Flexibility Markets	10:05 – 10:15
3	**LT Requirements and HV Service Design** Yingyi Wang – Flexibility Commercial Manager	10:15 – 10:20

Agenda

4	**LV Re-design and Local Voltage Management** Oscar Acton – Flexibility Market Development Manager	10:20 – 10:30
5	**Baseline Updates** Yingyi Wang – Flexibility Commercial Manager	10:30 – 10:40
6	**Steps to Participation** Luke Boucher – Flexibility Commercial Officer	10:40 – 10:45

Agenda

7	**Q&A** Doerte Schneemann – Head of Flexibility Markets	10:45 – 10:55
8	**Closing** Yingyi Wang – Flexibility Commercial Manager	10:55 – 11:00

Webinar Objectives

- Learn how our flexibility markets have evolved and grown
- Understand the flexibility services we offer
- Explore the data and insights available to market participants
- Understand the steps required to participate in our markets
- Discover key resources and sources of further information
- Ask questions

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Market Update

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Doerte Schneemann
Head of Flexibility Markets

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Our Flexibility Markets continue to evolve

	Zones	Procurement	Activation	Assets	Dispatch
Year 1	**1,491** Zones launched via 65 HV and 1,426 LV	**17 GWh** Procured of 68 GWh sought	**43%** Zones activated via 57 HV and 592 LV	**75,000** Assets registered making 763 MW available	**37,000** Dispatch events totalling 2.4 GWh
Year 2	**810** Zones launched via 63 HV, 744 LV, (3 DTU)	**20 GWh** Procured of 221 GWh sought	**65%** Zones activated via 49 HV, 3 DTU and 472 LV	**162,500** Assets registered making 1,487 MW available	**70,000** Dispatch events totalling 2.9 GWh
Year 3	**1,239** Zones launched via 95 HV, 1,144 LV, (5 DTU, 23 FlexUp)	**196 GWh** Procured of 2,784 GWh sought	**40%** Zones activated via 55 HV, 5 DTU, 23 FlexUp and 409 LV	**310,000+** Assets registered making 2,800 MW available	**110,000+** Dispatch events Totalling 6.5 GWh
Year 4 (To Date)	**826** Zones launched via 99 HV, 727 LV, (10 DTU, 23 FlexUp, 100 LV VM)	**TBC** Procured of 2,822 GWh sought	**TBC** Zones activated	**360,000+** Assets registered making 3,700 MW available	**11,000+** Dispatch events totalling 6.6 GWh

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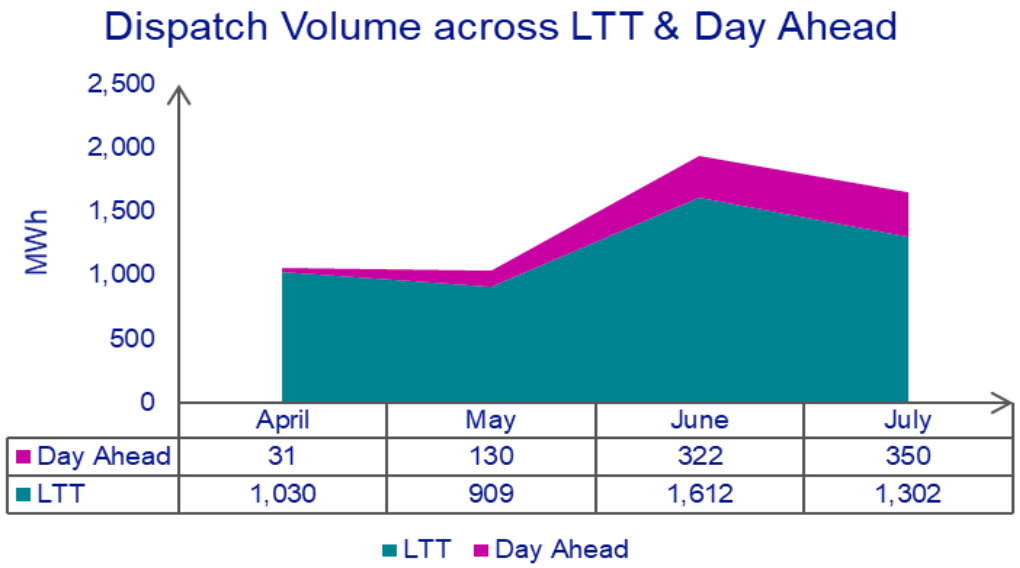
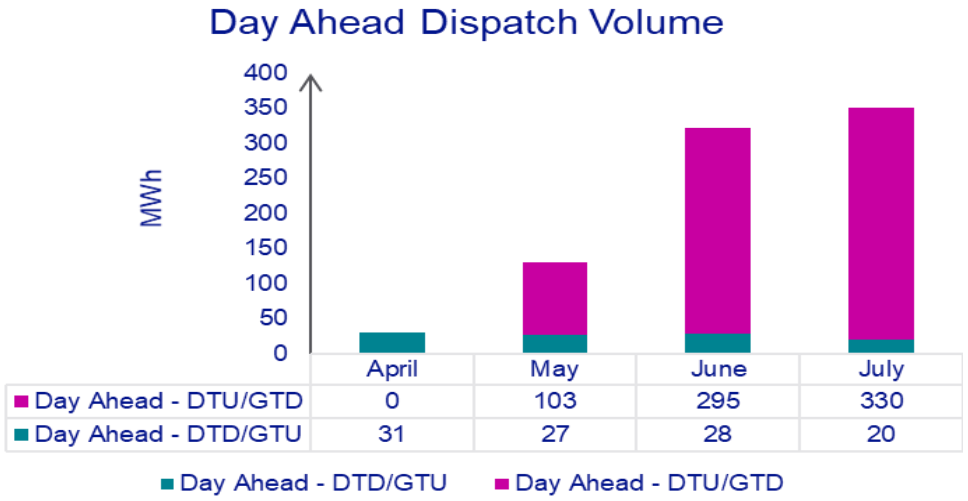
Day-Ahead Trading Continues to Grow as a Route to Market

Key Insights

- Eight organisations are now regularly participating in our day-ahead market, with three new market entrants since launch
- Day-ahead trades now account for ~20% of dispatched volume, up from just 3% in April 2026
- DTU/GTD services continue, accounting for 94.5% of day ahead dispatched volume in July compared to DTD/GTU
- With autumn and winter demand approaching, growing day-ahead participation is expected to play an increasingly important role in meeting flexibility requirements.





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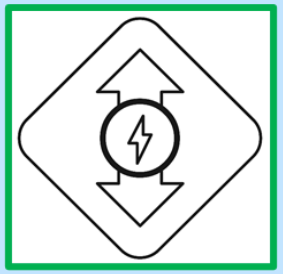
We have publicly shared our next 2 years of delivering for our customers

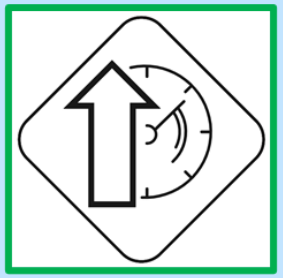
Our ED2 DSO Strategic Roadmap is published here;

We will continue unlocking the full potential of Flex

Existing use cases



Reinforcement deferral - Supporting security of supply at peak times when demand exceeds network equipment capacity
DTD/GTU & DTU/GTD



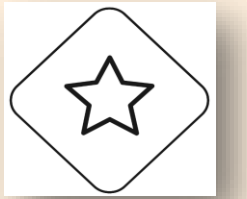
FlexUp - Maximising the use of renewable generation by turning up demand when its at peak export
DTU/GTD

OU15 - Quick 15min response to support rare post-fault condition
DTD/GTU

Emerging use cases

Responder – bringing forward demand to support network resilience
DTU

Local Voltage Management (LVM) service LV – balancing power flows to prevent voltage excursions
DTU/DTD



- **LVM Service HV**
- **Broader resilience**
- **Accelerating connections**

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Requirements & HV Service Design

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Yingyi Wang
Flexibility Commercial Manager

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T11 Long Term Requirements

Procure now for delivery between April 2027 and March 2028

Total sought volume; 2.82 TWh
Max market opportunity of £4.6 million

HV Zones –76 Constraint Management zones+ 23 FlexUp zones
LV Zones- 727 (inclu. 100 Local Voltage Management zones)

60% of our area has at least 1 active HV CMZ

Highest HV zonal utilisation ceiling price; £5000/MWh
Highest LV zonal utilisation ceiling price;
£3979.68/MWh (£692.46/KW/Season)

Who can participate

We work with **energised assets** of any size or technology type, provided they can deliver for a minimum of 30 minutes.

Residential demand response

Industrial and commercial sites

Owners and operators of storage and generation

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Flexibility Products

Scheduled Utilisation

This service is a scheduled constraint management service with fixed delivery periods. It offers a utilisation only payment.

Scheduled Availability, Operational Utilisation

This service has been developed to support the network in the event of specific fault conditions, such as during maintenance work. It offers an availability and utilisation payment.

Operational Utilisation

This service supports power restoration following rare fault conditions. No availability payment, instead it offers a premium utilisation payment.

LV

HV

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HV - Support Security of Supply Use Case

Two products are procured to help manage the network before or after a fault:

- Scheduled Availability, Operational Utilisation (SAOU)
- Operational Utilisation (OU)

	SAOU		OU
Use Case	Demand Constraint/ Pre-fault	Generation Constraint/ Pre-fault	Demand Constraint/ Post-fault
Service Direction	DTD/GTU	DTU/GTD	DTD/GTU
No. of Zones	66	10	66
Service Window	DSO defined		3*8-hr blocks
Partially Available Allowed	Yes		No
Payment Structure	Availability+ Utilisation		Utilisation Only
Ceiling Price	Zone Specific		£1200/MWh
Instruction	Day ahead & 15min ahead		15min ahead

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HV – Curtailment Reduction Use Case

Scheduled Availability, Operational Utilisation (SAOU) is procured in **23 FlexUp zones**

Season
Apr 27-Sep 27

Direction
DTU/GTD

Payment Structure
Availability + Utilisation

Utilisation Ceiling Price
£82.39/MWh

Instruction
Day ahead

Clearing Rule
All or nothing

Performance Rule
5% grace factor + **3%** under-delivery clawback

Stackability
Fully Stackable

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LV Re-design & Local Voltage Management

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Oscar Acton

Market Development Manager

nationalgrid DSO

LV Redesign: Phased implementation approach is progressing

From our 4th Focus Group, we learnt that FSPs would want

- Shorter Service Windows
- Increased Commercial Viability
- Cross DSO Standardisation
- Shorter Procurement Cycle
- Dynamic and Flexible Asset Registration

We have adopted a phased implementation approach, the following have been implemented from 2026 trades:

Service Window

- We've reduced the service window from **4-hour to 2-hour** blocks
- Shortening the windows allows us to **double the ceiling price in each zone**, thereby increasing revenue potential

Commercial Viability

- Recalculated baselines increased commercial viability
- We've published trades opportunities **where it is most needed** to focus on opportunities where the commercial viability is greatest

Long Term Plans

- Our phased approach allows us to **ensure each change has a positive impact**.
- We plan to be **compliant with Market Facilitator Product design, allowing for bids in 30 minute** blocks, in the future
- We will **consider a shorter procurement cycle**, which would allow asset to participate in flexibility sooner.

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Local Voltage Management (LVM) : We've made progress

LVM Service – Low Voltage

- This has been embedded into the **2026 long term trades as LV flexibility opportunities**
- Number of Sites: **100**
- **Demand Turn Down (DTD**) will be used in zones with **high EV uptake**, and **Demand Turn Up (DTU)** in zones with **high PV uptake**
- Ceiling price: **£200/MWh**
- Service Window: **2-hour Blocks (aligned with our LV redesign)**
- Time of Day: **12:00 – 14:00 for DTU** services, and **17:00 – 19:00** for DTD services

LVM Service – High Voltage

- We intend to launch the HV Voltage Management procurement following the close of the 2026 Long term tender **(Earliest Date: End 2026 – Early 2027)**
- Voltage management requirements will be specified in **MVAr**
- How Flexibility can be delivered: **Direct MVAr provision or Power Factor adjustment**
- Potential Locations: **South Wales and the South West**
- Further details in design

LV Service Design Overview (Scheduled Utilisation)

Constraint Management Zones
Season
Nov 27-Feb 28
Service Direction
DTD/GTU
Window
00:00-02:00; 10:00-12:00; 12:00-14:00
17:00-19:00

Local Voltage Management Zones
Season
May-Aug (DTU); All year (DTD)
Service Direction
DTD & DTU
Window
12:00-14:00 (DTU); 17:00-19:00 (DTD)

Payment Structure
Utilisation Only

Stackability
Fully Stackable

Instruction
At Trade

Partially Available Allowed
No

Clearing Rule
All or nothing

Performance Rule
5% grace factor
+ 3% under-delivery clawback

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Baseline Updates

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Yingyi Wang
Flexibility Commercial Manager

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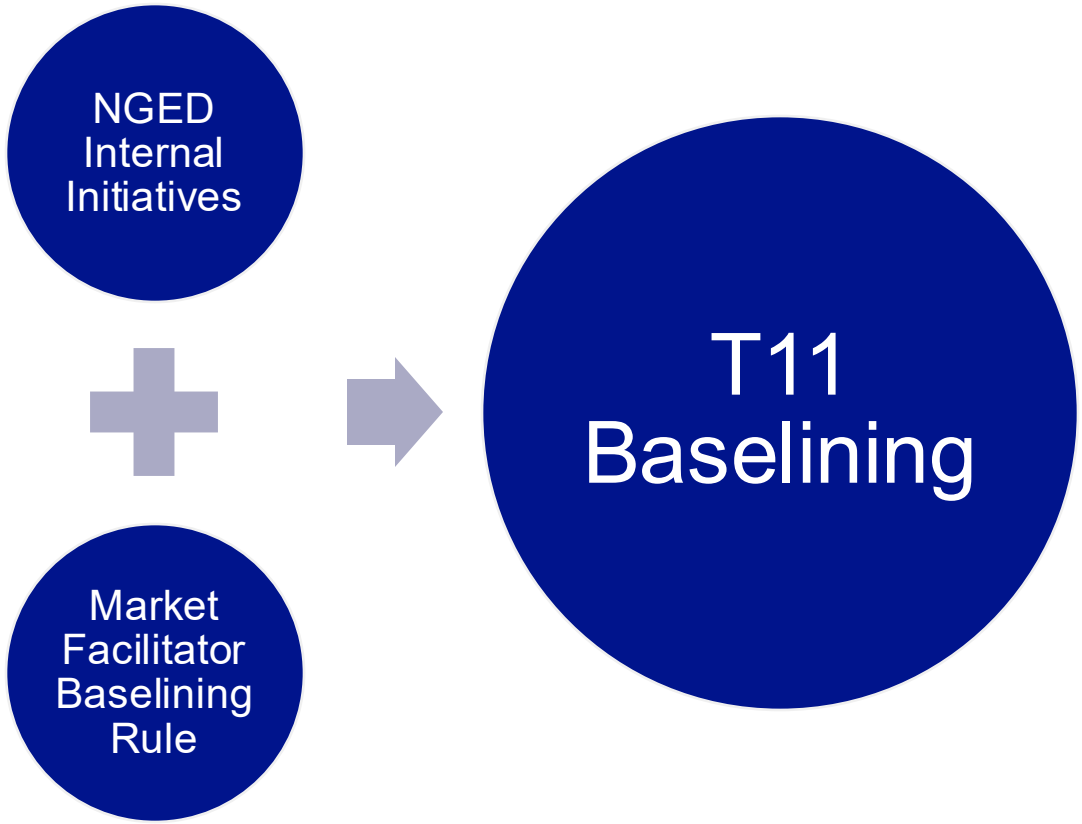
Overview of our T11 Baselining Updates



NGED Internal Initiatives

LV Product Redesign updates

Baselines recomputed align with 2-hr window in LV design

Retroactive Baselining updates

Changes are planned to the settlement process in FFP to use baselines that are applied retroactively, rather than before delivery

Regular value reviews with new Consumer Profiles data

We reviewed and decided to maintain baselines as previous year

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Market Facilitator Baselining Rule

Overview of Market Facilitator Baselining Rule

In March 2026, the Market Facilitator published the Standard Baselining Methodology (FMR – SBM) which sets out methodologies and processes for DNO market.

To allow for robust implementation and change process, **NGED was granted derogations** against sections 2.2, 2.3, 2.4 and 2.6 until 31/03/2027.

All new contracts awarded after the implementation dates are expected to be based on the baselining methodology in section 2 of the FMR – SBM.

Alternative Baseline Methodology and Grouping Rules

- FSPs can apply for ABM when registering new asset and new unit grouping rule is now in place

Changes to Default Baseline Methodologies

- Default baseline methodologies have changed for certain technologies

Self-nomination Baseline Submission

- FSPs using self-nominated baseline will submit half-hourly baseline values by the defined deadline

Self-nomination Baseline Accuracy Checks

- There is a requirement to perform baseline accuracy checks for MUs that use the self-nomination baseline

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Changes to Default Baseline Methodologies

As part of the Market Facilitator rule, the default baselines to be applied have changed for some technologies, as laid out in the summary table below. The main impact of the change will be on domestic storage assets participating in DTD/GTU services.

Asset Scale	Metering Arrangement	Technology Type	NGED Existing Approach		FMR-SBM Rule Required Methods	
			DTD/GTU	DTU/GTD	DTD/GTU	DTU/GTD
Domestic	Asset Level	Storage	Fixed Reference	Zero	Zero	
	Point of Connection	Storage	Fixed Reference + (Flexible Site Demand) Fixed Reference	Zero + (Flexible Site Demand) Fixed Reference	Zero + (Flexible Site Demand) Fixed Reference	
I & C	Asset Level	Schedulable Generation	Zero	Asset Capacity	Zero	Nomination
		Intermittent Generation				
		Storage	Asset Capacity	Zero	Zero	
	Point of Connection	Schedulable Generation	Zero	Asset Capacity	Nomination	
		Intermittent Generation				
		Storage	Asset Capacity	Zero		

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Change needed	No change needed

What the new baseline methodology means for T11 FSPs

Non-nomination Baseline User

1. All existing assets will be mapped to “Default Baseline Methodology/ DBM” automatically; when registering new assets, confirm you are happy to use “DBM”

2. Double check your latest DBM, use new DBM to calculate what is the flexible capacity you would like to offer in T11

3. MG will submit the baseline value to FPP on your behalf after event

Nomination Baseline User

1. If your DBM is not nomination, ABM is now available for you to select

2. When create a new MU, don’t group assets using nomination baseline with assets using non-nomination baseline

3. To bid in T11, you don’t need to submit your nomination baseline value at tender stage

5. Submit half-hourly or minute-by-minute (depends on the meter granularity you have chosen for the MU) baseline value to FPP via UI or API ahead of submission deadline- no restrictions on how far ahead you can submit

6. Being obliged to nomination accuracy check (new process will be introduced by Mar 2027)

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Steps to Participation

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Luke Boucher
Flexibility Commercial Officer

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Market Participation Platforms

Organisation Registration

Asset Registration

Trade/Competition Entry

Delivery and Settlement

Market Gateway

Flexible Power Portal

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How To Participate

1 Commercial Qualification Market Gateway

Register organisation

Sign overarching contract

Receive award letter of qualification success

10 day stand down

2 Technical Qualification Market Gateway

Register Assets;
- MG UI
- API Upload
- CSV Upload

Assets approved within 24 hours or rejected with a reason

Prove the metering of assets in Flexible Power Portal

Assets then set as Ready To Trade

3 Trades Market Gateway

Flexibility requirements are visible in Market Gateway

Enter your assets along with availability and bid price

If accepted, awarded availability will be visible in Flexible Power Portal

4 Delivery Flexible Power Portal

Deliver flex in line with your awarded delivery requirements

Submit meter readings so we can measure delivery

Performance and earnings reports and invoices

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Prepare your participation

- ✓ Check the Data Portal or Trade Opportunities on Market Gateway
- ✓ Book 1-to-1s to discuss your participation if needed
- ✓ Make sure you have signed the latest version of the Flexibility Agreement
- ✓ For new participants only: watch out for the 10-days stand down period
- ✓ Pre-register new assets (via UI/API/CSV) as soon as possible

Key Dates

Requirements Published to Data Portal and Market Gateway

21st September - Trades Open

30th October - Trades Close *in the webinar we quote the 09th November, this has been revised

W/C 25th January 2027 - Trade Awards Announced

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Q&A

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Doerte Schneemann

Head of Flexibility Markets

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Closing

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Yingyi Wang
Flexibility Commercial Manager

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Flexibility Markets Team

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