

Energy Networks Association's Flexibility Commitment

As new energy technologies drive change across the energy sector, Britain's households and businesses stand to benefit from a lower cost, lower-carbon energy system.

Britain's energy network operators are committed to creating a smarter, more flexible and more efficient energy system, whilst continuing to provide safe, reliable, affordable energy supply to all of our communities across the country.

Both through the current RIIO price control and the Open Networks Project that will lay the foundations of the UK's smart grid, Britain's six Distribution Network Operators (DNOs) have made strong progress in increasing the use of competitive third party flexibility services that use smart technologies to fulfil requirements for running local electricity networks. They do so where these services provide better value for the public than traditional network infrastructure reinforcements or upgrades, such as such as new pylons, transformers and substations.

This work is key to reducing the costs of new infrastructure investment, running existing infrastructure more efficiently and creating a smarter, more flexible system for us all. DNOs are already testing the market and engaging third party flexibility services in order to ensure they continue to meet obligations to deliver a safe, secure and efficient energy system. As a result, the benefits to customers, the economy and sustainability of encouraging competition and opening markets are now well recognised.

As part of this work, Britain's six DNOs are now committed to:

- Opening up requirements for building significant new electricity network infrastructure to include smart flexibility service markets as part of day-to-day operations. This covers all new relevant projects of significant value, where local electricity operators face congestion in grid infrastructure that results from increased electricity demand and/or distributed energy projects being connected to the grid.
- Openly test the market to compare relevant reinforcement and market flexibility solutions for all new projects of any significant value.
- Working with Ofgem and other stakeholders to develop the forthcoming RIIO-2 price control framework to ensure that the financial incentives that network companies receive are fully aligned with the greater use of flexibility services and do not favour the building of new infrastructure where these services are more efficient.

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