



Tailoring flexibility to the needs of the market

December 2020

Charlie Edwards

Today's Agenda



- What is a flexibility market?
- How are flexibility markets changing?
- How can I participate in TRANSITION's flexibility market?
- What are my contracting options?
- How is payment decided?

Housekeeping

- Please use the chat function throughout and mute your mic if not talking
- Questions will be taken both after each slide and at the end of the session
- Towards the end of the session we will be asking you to use Slido to answer some questions. Please have a device ready to use and logged into <https://www.sli.do/>

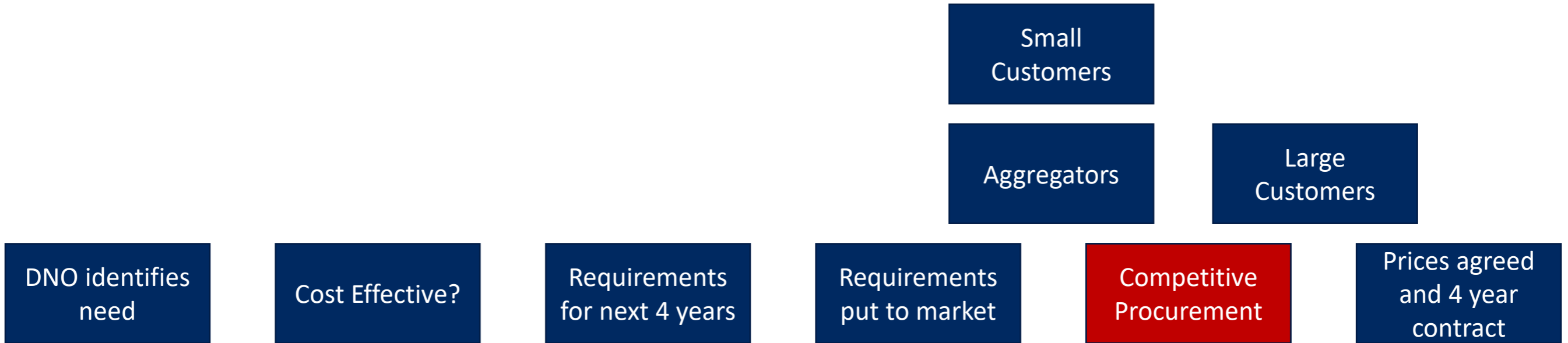
Why Flexibility



Flexibility Markets – The Basic

- An opportunity for users of electricity to get paid for changing their consumption/generation patterns to meet the electricity networks needs
 - As well as contributing to local aims to meet net zero
- There are several ways in which an asset provider might offer changes in their electricity consumption/generation to the DNO
 - Pathways may vary for different types of assets and customer risk attitudes
- Basic requirement
 - At least 30 minute monitoring + ability to send this to the DNO's systems
 - Larger customers may require minute-by-minute
 - Contract for flexibility –DNO or Third-party
 - Ability to respond to signals from DNO or third-party
 - Automation advised but not necessitated

Flexibility of the past



Competitive Market

Auction

Pros

Economically efficient – Customers compete on price

Cons

Uncertainty of market prices

Complication

Fixed Price Ceiling in
Illiquid Markets

All Markets to offer a
Fixed Price Route

Market Stimuli
Packages

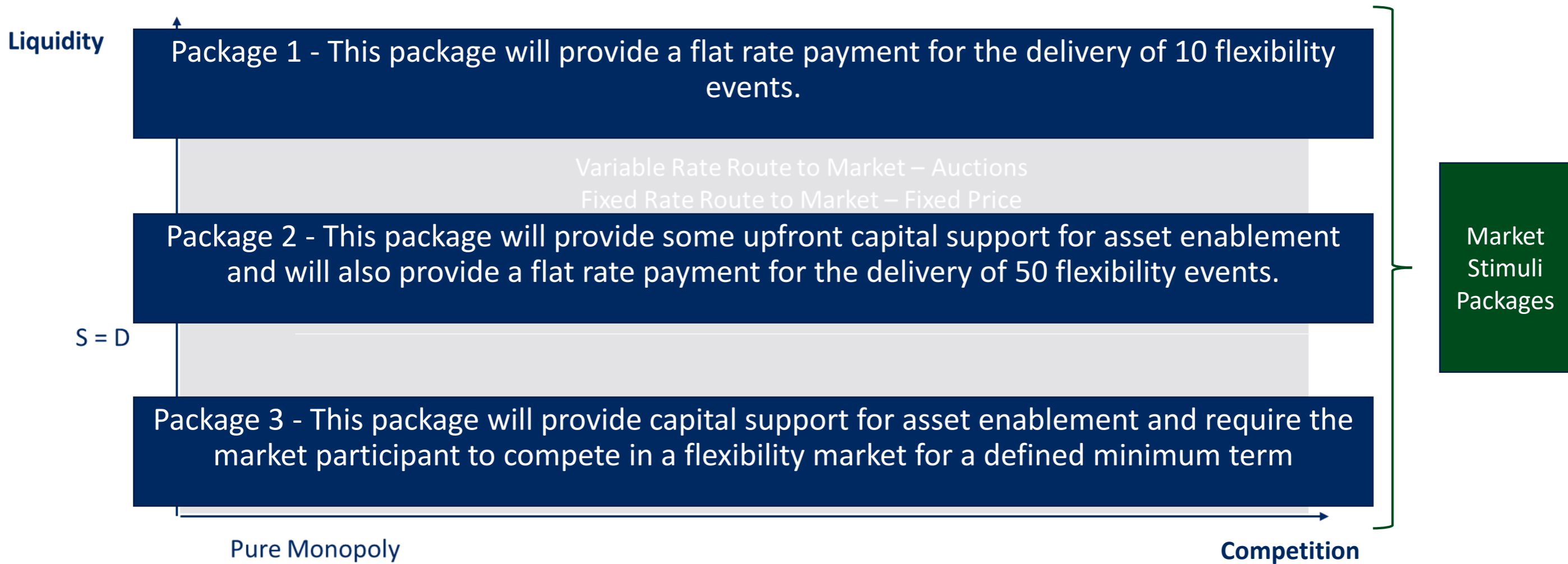
Price Ceiling Example



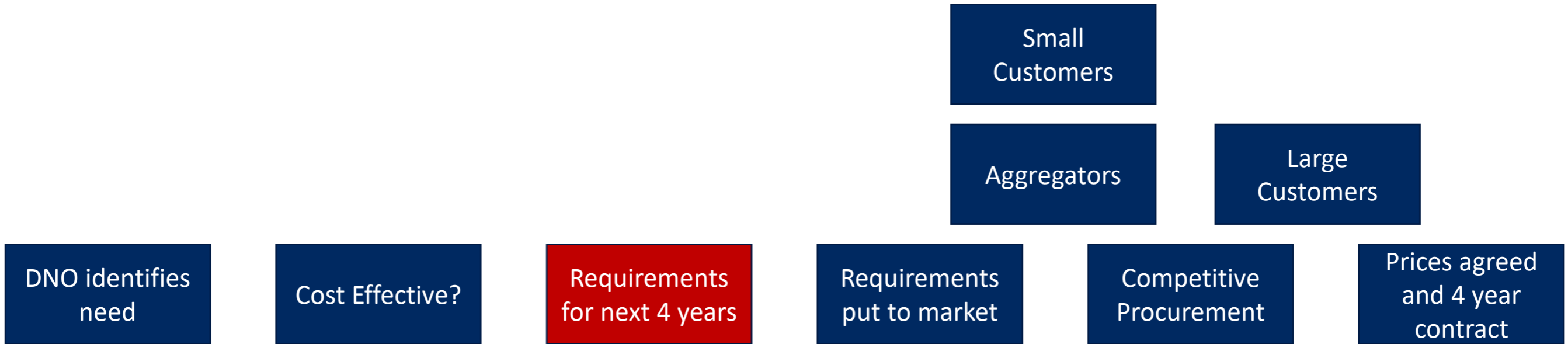
Competitive Market Options Example



Market Stimuli Packages



Flexibility of the past



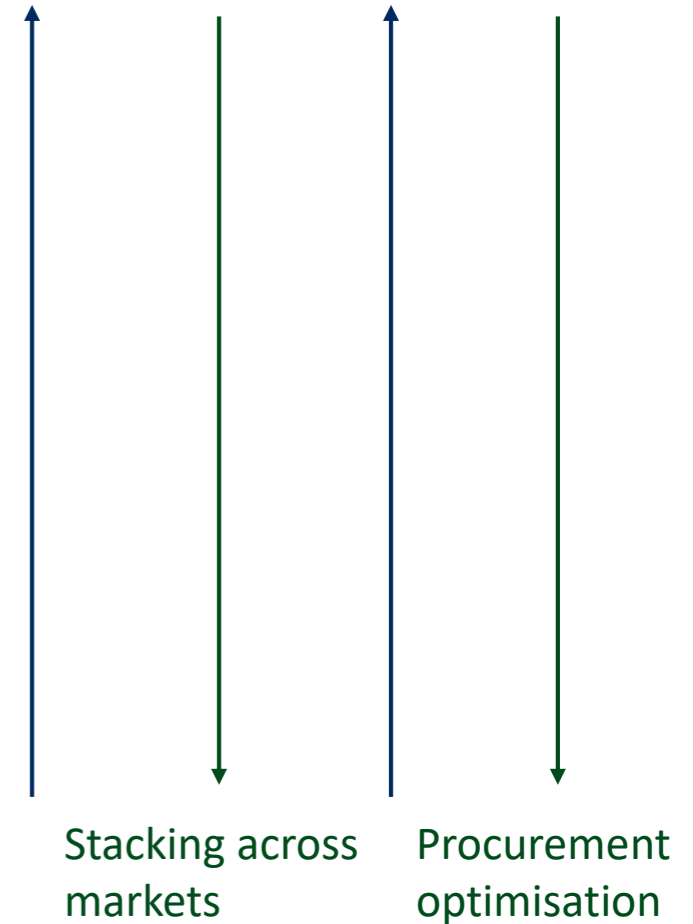
Market Options – Feedback Wanted **transition**

Moving to a smart future

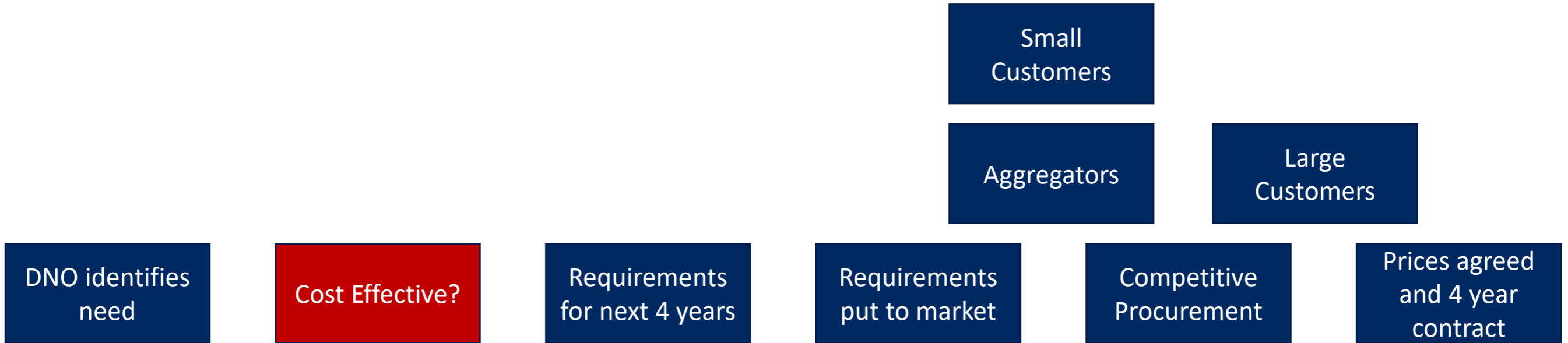
Time Horizon	Details	Payment
Year Ahead- Committed	Availability expected across a pre-defined period i.e. winter weekdays 4-8pm	Availability and Utilisation contracted once per year.
Year Ahead- Flexible	Availability need notified week-ahead and paid accordingly.	Availability and Utilisation contracted once per year.
Week Ahead	Availability need notified and auctioned week ahead.	Availability and Utilisation auctioned each week.
Day Ahead	Flexibility need notified and auctioned day ahead.	Availability or Arming and Utilisation auctioned day before an event.
Intra-Day	Flexibility need notified hours before an event.	(Arming and) Utilisation payment auctioned.

Certainty of DSO payment

Certainty of capacity

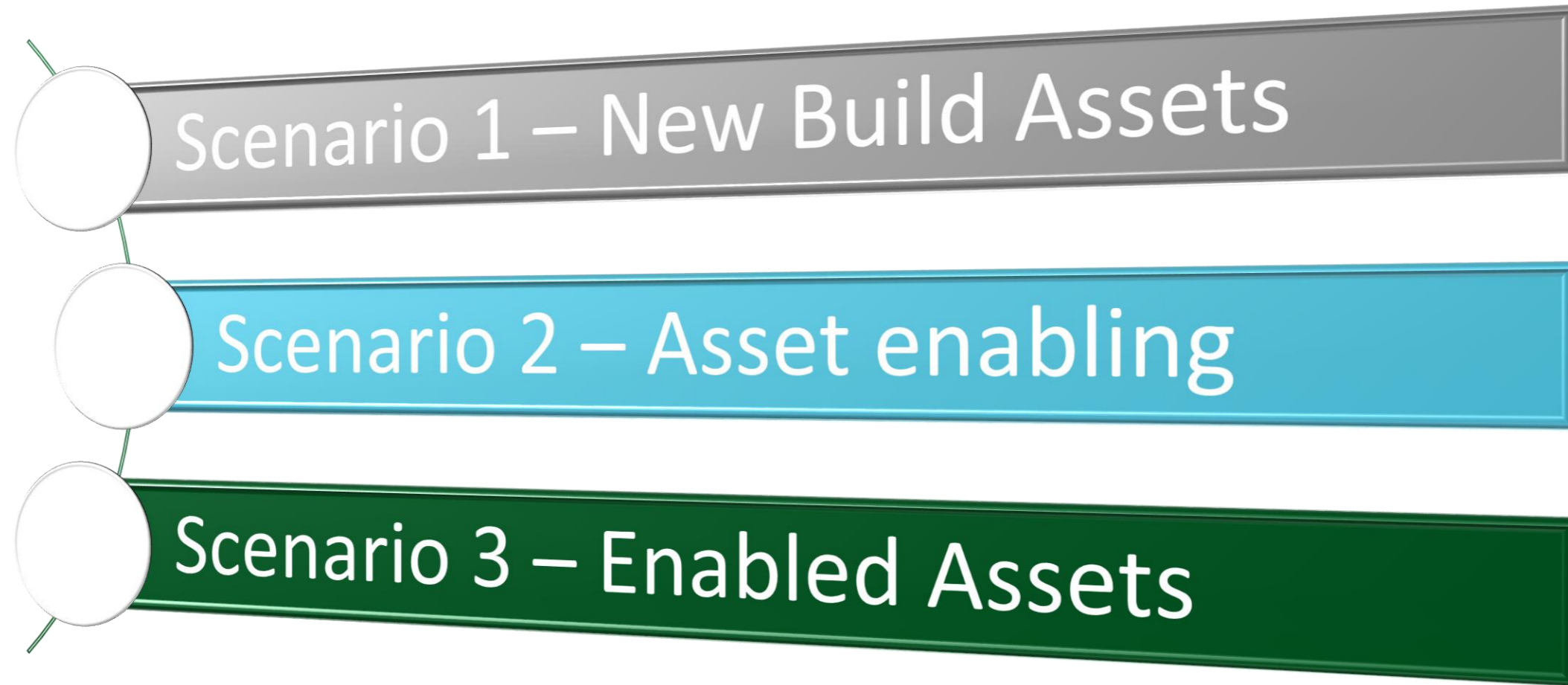


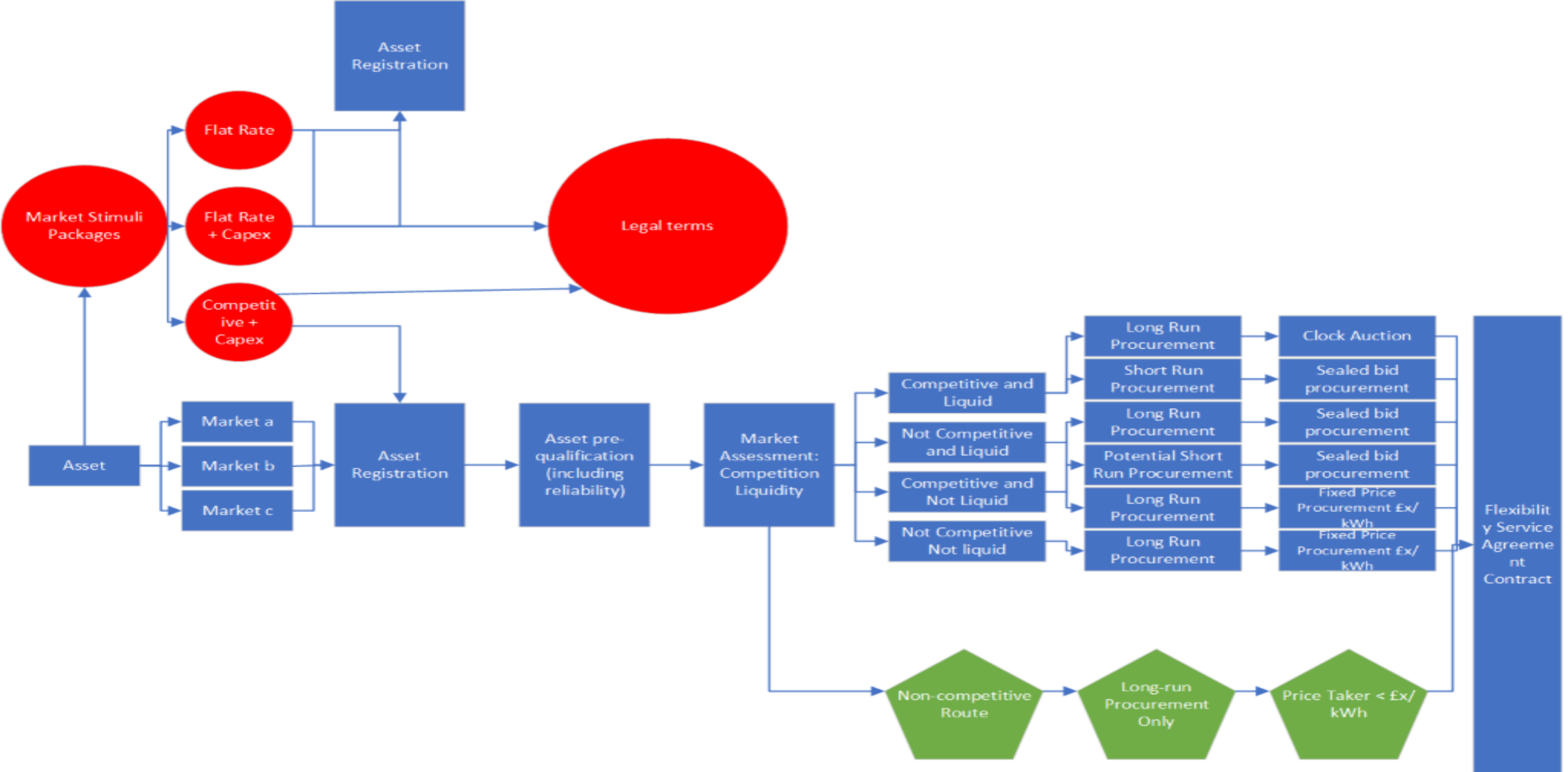
Flexibility of the past





Willingness to Accept Scenarios





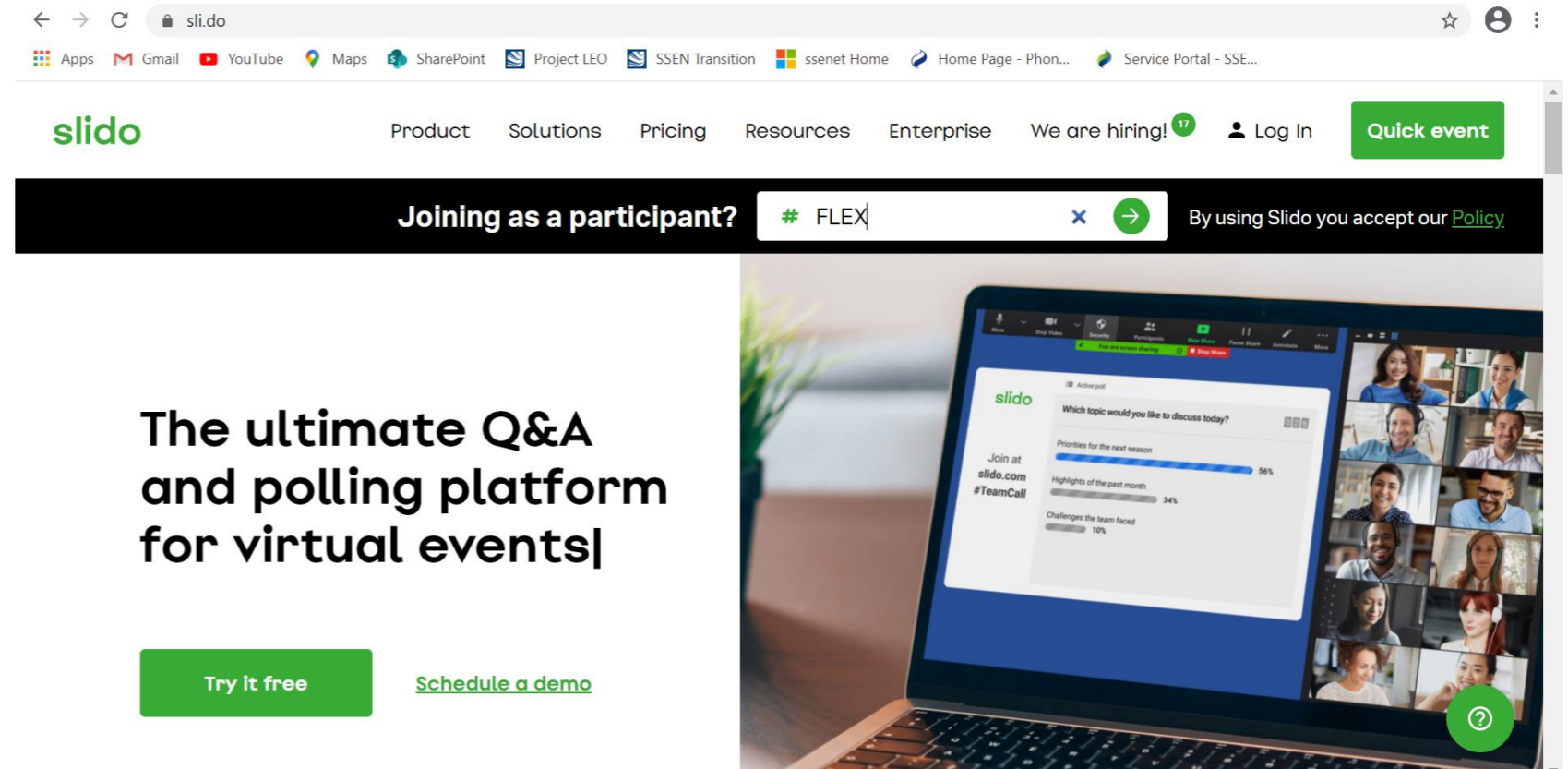
Time for Slido.....

Using a smart device
log into

<https://www.sli.do/>

You don't need to
download anything.

Type in the word FLEX
and hit the green
arrow.



The image shows a browser window with the URL <https://www.sli.do/>. The page features the Slido logo and navigation links: Product, Solutions, Pricing, Resources, Enterprise, We are hiring! (17), and Log In. A prominent green button labeled "Quick event" is visible. Below the navigation, a black banner asks "Joining as a participant?" with a search bar containing "# FLEX" and a green arrow button. To the right of the search bar, it says "By using Slido you accept our [Policy](#)".

The main content area contains the text: "The ultimate Q&A and polling platform for virtual events". Below this text are two buttons: "Try it free" and "Schedule a demo".

On the right side of the main content area, there is a photograph of a laptop displaying a virtual meeting interface. The screen shows a Slido poll titled "Which topic would you like to discuss today?" with three options and their respective percentages: "Priorities for the next season" at 56%, "Highlights of the past month" at 34%, and "Challenges the team faced" at 10%. The poll also includes the text "Join at sli.do.com #TeamCall". The meeting interface also shows a grid of video thumbnails for participants and a green question mark icon in the bottom right corner.

Questions, and more information

SSENTRANSITION@SSE.COM

<https://ssen-transition.com/get-involved/>

You can also sign up to receive news and events form LEO here;

<https://project-leo.co.uk/stay-connected/>