



# Tailoring flexibility to the needs of the market

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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

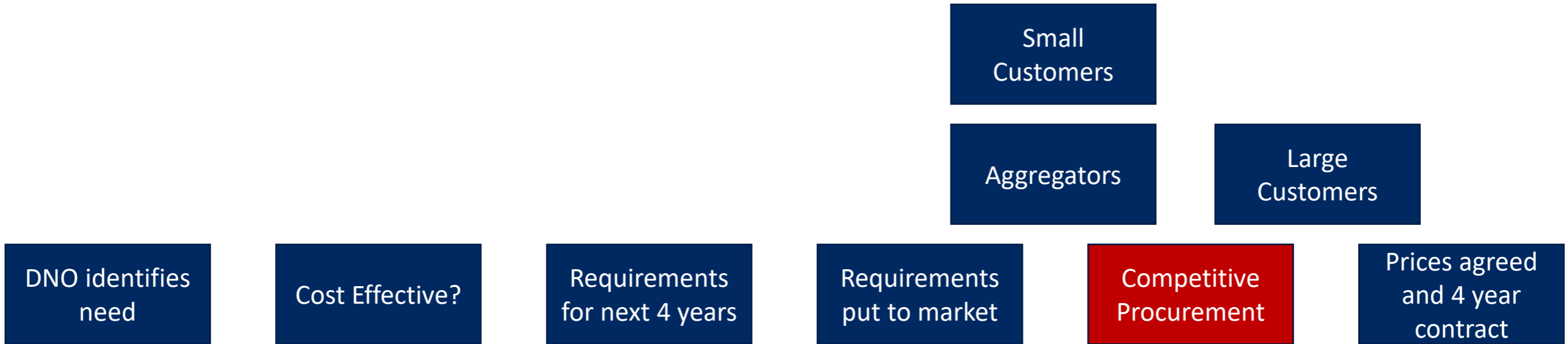


# Flexibility Markets – The Basic



- 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

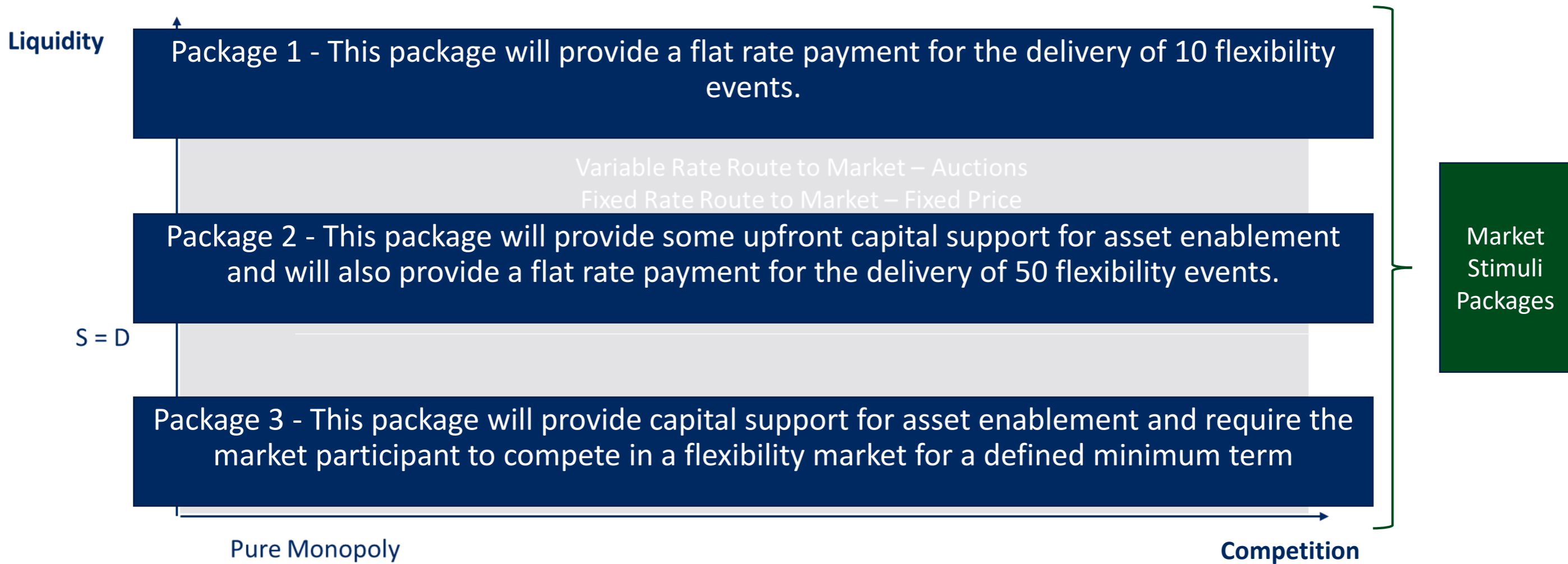


# Competitive Market Options Example

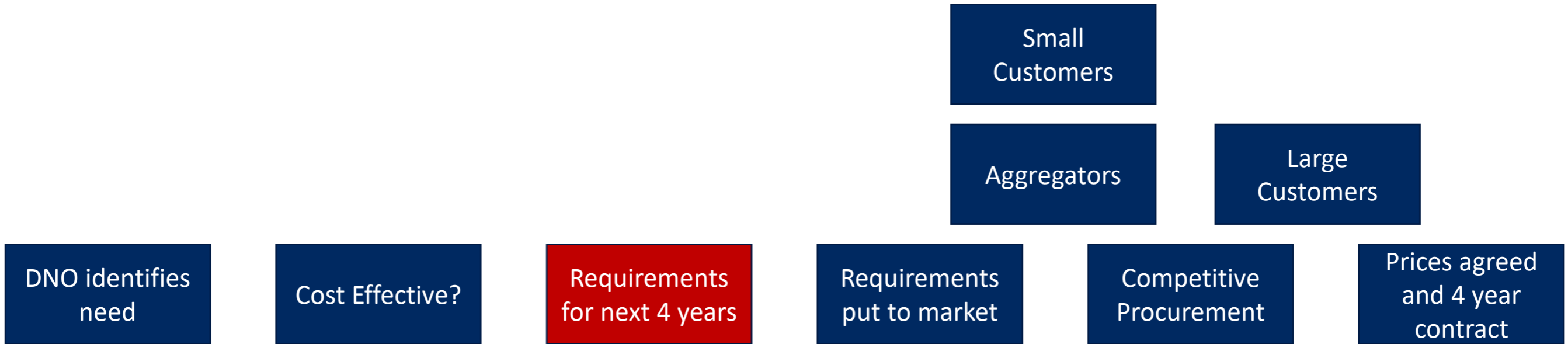




# Market Stimuli Packages



# Flexibility of the past



# Market Options – Feedback Wanted

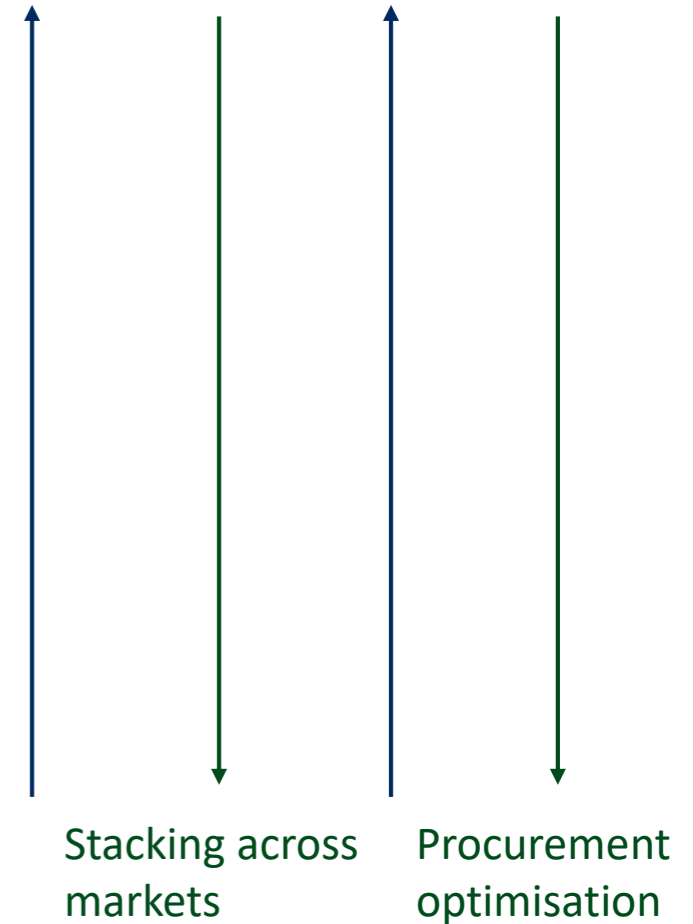


Moving to a smart future

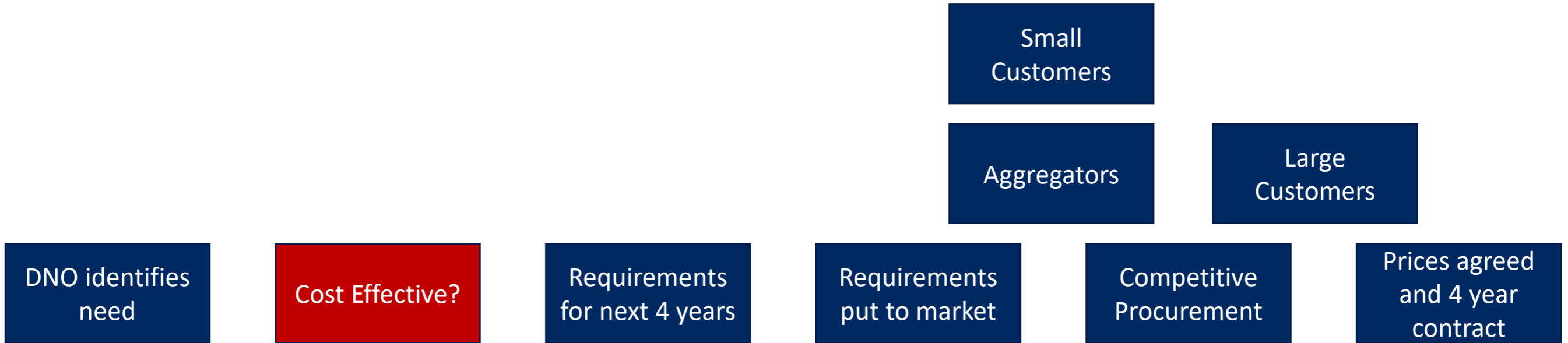
Time Horizon	Details	Payment
Year Ahead- Committed	Availability expected across a pre-defined period i.e. winter weekdays 4-8pm	Availability and Utilisation contracted once per year.
Year Ahead- Flexible	Availability need notified week-ahead and paid accordingly.	Availability and Utilisation contracted 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

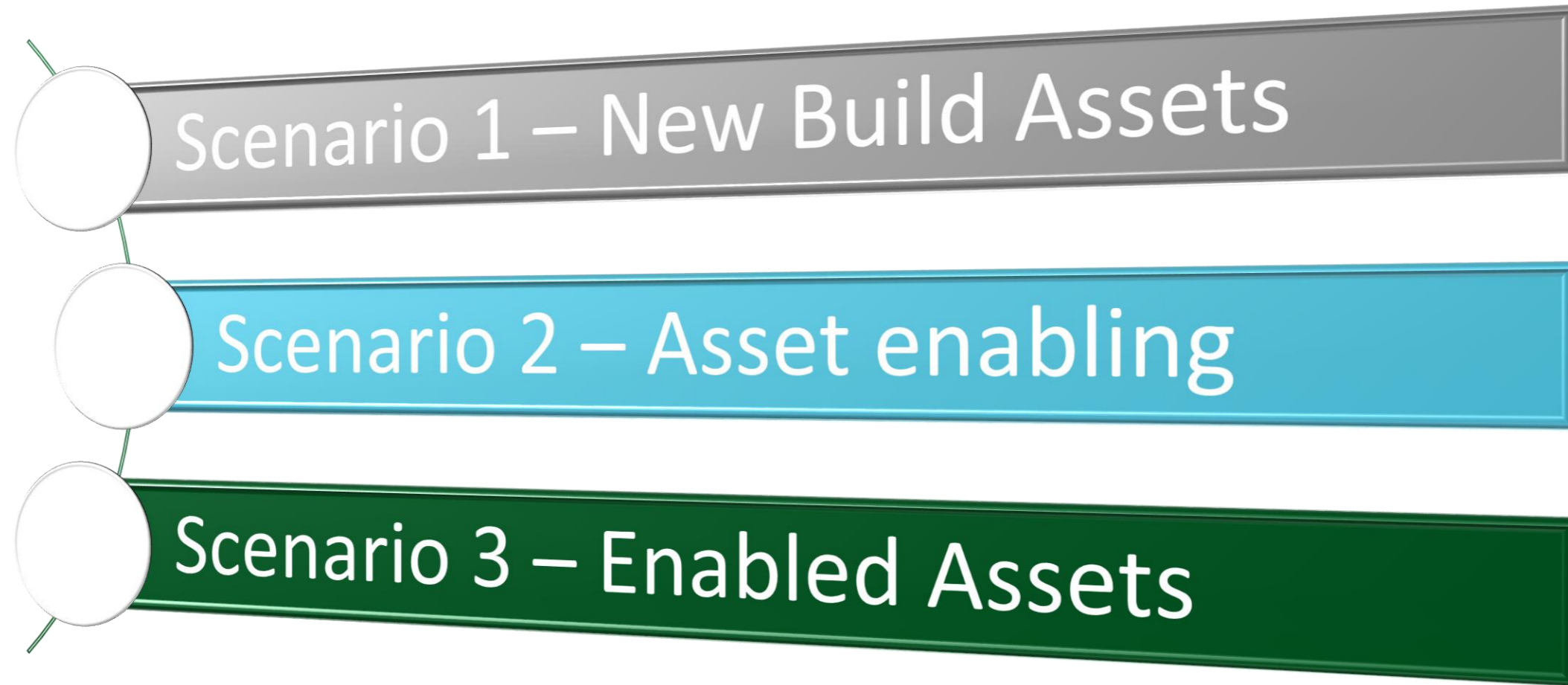


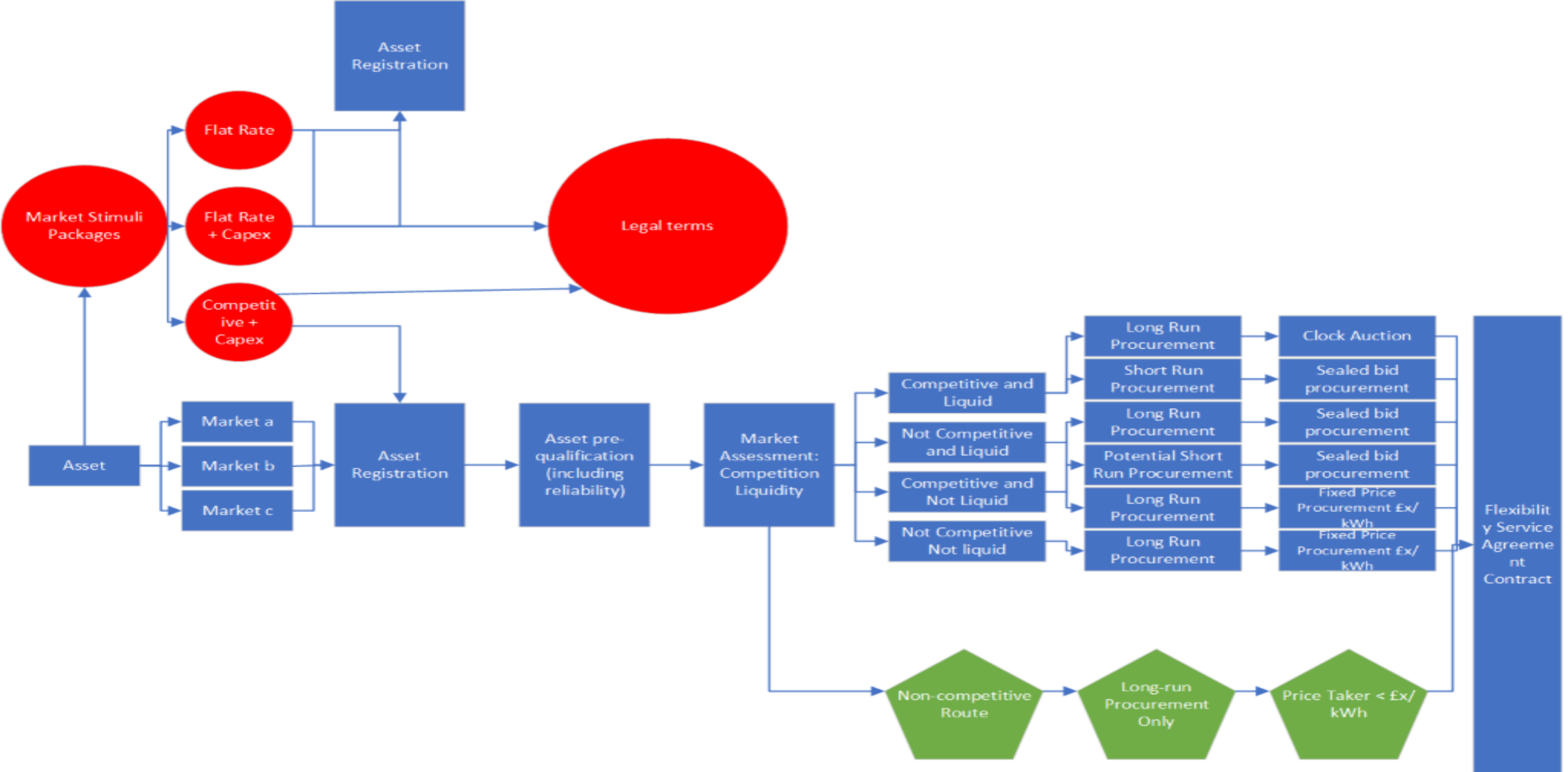
# Flexibility of the past





# 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 at the URL <https://www.sli.do/>. The page features the Slido logo and navigation links for Product, Solutions, Pricing, Resources, Enterprise, and We are hiring! (with a notification badge for 17). A 'Quick event' button is visible in the top right. Below the navigation, there is a section for joining as a participant, with a search bar containing '# FLEX' and a green arrow button. A disclaimer states 'By using Slido you accept our Policy'. The main content area features the text 'The ultimate Q&A and polling platform for virtual events!' and two buttons: 'Try it free' and 'Schedule a demo'. To the right, there is a photograph of a laptop displaying a virtual meeting interface with a poll titled 'Which topic would you like to discuss today?' and a grid of participant video feeds.

slido

Product Solutions Pricing Resources Enterprise We are hiring! 17 Log In Quick event

Joining as a participant? # FLEX x → By using Slido you accept our Policy.

The ultimate Q&A  
and polling platform  
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Try it free Schedule a demo

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Active poll

Which topic would you like to discuss today?

Priorities for the next season 56%

Join at slido.com #TeamCall

Highlights of the past month 34%

Challenges the team faced 10%



## **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/>