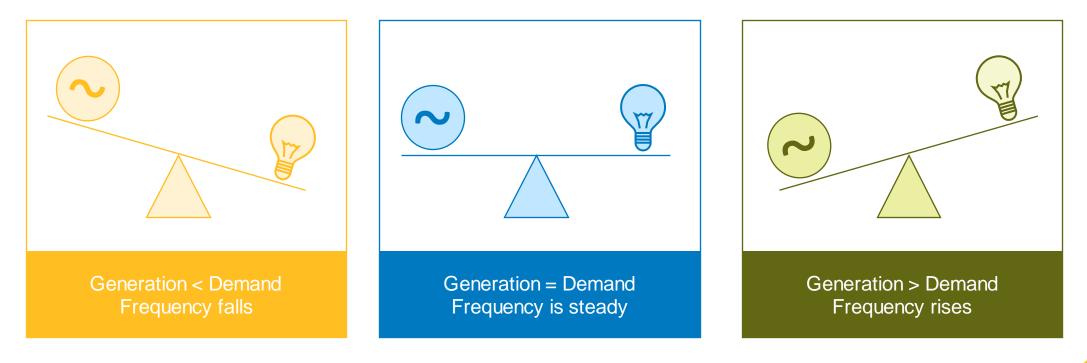
Demand Flexibility Service EMEX 2023

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Energy balancing 101

- One of the most fundamental requirements of an electricity system is that supply and demand are always balanced, to preserve the overall integrity of the system for everyone
- For us to achieve this energy balancing we need flexibility, in both supply and demand, adjusting both sides to ensure they always match
- The wholesale market currently provides the majority of system balancing during the day, with the ESO performing the residual balancing and balancing on a second-by-second basis



What is DFS?

The Demand Flexibility Service (DFS) allows you to earn money for shifting electricity usage outside of peak demand hours. This allows the Electricity System Operator (ESO) to manage supply through periods when margins are tight.

How does DFS work?

ESO issues a Service Requirement to market at either day ahead, within day morning, or within day midday for a specific delivery period

Suppliers and Aggregators ask their customers to voluntarily reduce demand and receive payment following delivery Businesses and households voluntarily reduce demand at times specified and are rewarded by their Supplier or Aggregator

Who can participate?

Your business can participate if you can reduce or shift your electricity consumption when required at peak times. You will also need to be able to:

Access half hourly metering and settlement for your sites/business. (Half-hourly settlement is not required for businesses in meter Profile Classes 3 or 4).

Not be operating in any other services, including trials, such as Short-Term Operating Reserve (STOR) or Frequency Response, the Capacity Mechanism, or DNO/DSO services

Be able to **respond for a minimum of 30 minutes** following instruction at ~24, ~5 or ~2.5 hours' notice

How much can I earn?

- Phase 1: 5 tests remaining planned for November and December 2023 with a Guaranteed Acceptance Price (GAP) of £3,000/MWh. This is how much the ESO will pay Registered Service Providers.
- Phase 2: 6 further tests between January 2024 and the end of March 2024. Test events will be competitive from January 2024 onwards if total de-rated Indicative Forecast Volumes surpass a 1.25 GW threshold. Should the 1.25 GW threshold not be surpassed, tests will continue to be underpinned by a GAP of £3,000/MWh.

Guaranteed Acceptance Price (GAP) **£3,000/MWh** for at least 5 more test events

How do I take part? Search 'ESO DFS'

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