

Demand Flexibility Service (DFS)

Full summary of MS Forms content

The future of the Demand Flexibility Service – send us your ideas!

As outlined during the webinar hosted on 22 March, we wanted to provide a formal route to receive feedback from on the Demand Flexibility Service (DFS), to ensure ESO have heard everything and to give you a way to share new ideas with us. This step will kick off our initial engagement process and we intend to schedule in further interactions and meetings as part of the regular collaboration with industry.

This is an open chance to share your thoughts following the content shared on the webinar and as we approach the end of DFS second year of operation. This information will be incredibly valuable to help us understand priorities and key aspects from industry to shape our next steps and engagement plans. We'll also look to provide a more formal timeline of key dates and when the next steps will ensue.

The questionnaire can be accessed by using the link given below and will remain open until **Friday 19 April 2024**. We would appreciate any early responses as this will allow us more time for analysis – the sooner the better!

If you have any queries, please feel free to reach out to us via email on demandflexibility@nationalgrideso.com.

Thanks in advance for your participation!

Section 1 - About you

1. Contact name
2. Contact number
3. Contact email
4. Job title
5. Organisation
6. Type of organisation [Drop down menu - supplier, aggregator, generator, technology company, network operator, trade body, consumer body, regulator, government body, academia, other]
7. What is your relationship to the Demand Flexibility Service (DFS) [drop down menu – registered service provider, participant via a provider, participant via an aggregator, participant via an app, non-participant]
8. Would you be interested in participating as a provider for a potential future Demand Flexibility Service (DFS)? [Yes/No/]
9. Does your organisation currently undertake its own flexibility service outside of the DFS? [Yes/No/]
10. If yes, please share the name of this service and a few insights into how it works and what benefit it provides your organisation and the end consumer.
11. If yes, how much volume do you currently have access to (in MW)? [numerical field]
12. If no, do you intend to progress this type of offering in the future with half hourly settlement and smart meter rollout? [yes/no/unsure]
13. Does your organisation currently participate in any other ancillary services markets including the Balancing Mechanism? [Yes/No]

Section 2 – Winter 23/24

1. If you were a provider for DFS this winter, please share your key learnings around the service.
2. What were the main challenges you faced in customer acquisition and volume growth this winter?
3. Which current processes do you like or think could be improved for future iterations. Please, where possible, articulate what benefits such processes brought or what impacts such changes would have?
4. If so, please articulate which process and why.
5. Do you have any specific recommendations to amend the current baseline methodology which you believe would provide benefits?

Section 3 – Commercial

Please share your thoughts regarding shaping future commercial terms of the DFS.

1. What commercial considerations or structures do you feel are key to continue the momentum and uptake of a service?
2. What role, if any, do you think tests should play in a future service and what benefits/drawbacks may this have.
3. Please share your thoughts and insights into the range of pricing we have seen submitted from providers in the competitive tests.
4. As a DFS style service evolves, demonstrating value is crucial for ESO. What mechanisms do you think could be introduced to ensure providers delivery is held accountable, acknowledging the new nature of this form of flexibility?
5. Stacking has been outlined as a crucial consideration in any development. Please share any insights regarding what impact this has on the commercial viability of delivering flexibility. Examples and reference to explicit stacking revenue streams are welcomed.
6. If your organisation has delivered DFS volume, what areas present significant commercial/cost barriers that you believe ESO could provide support or review?

Section 4 – Route to Market

1. If you are an existing Registered Provider for DFS, do you intend to migrate any of your current volumes to other ESO services? If so, please identify which markets and when.
2. As we review the service, ESO recognise that there are several clear groups of delivery types/consumers. For each of the groups of consumers in your portfolio, which do you feel will benefit most from an evolution of DFS and why? Please also acknowledge wider opportunities than just ESO services.
3. ESO are encouraged to see several early adopters delivering their own flexibility services to their customers. Is there any support ESO can offer to help drive and grow industry led markets/initiatives around flexibility?
4. From learnings over the last two winters, does your organisation have any ideas as to how DFS could possibly expand its capability to deliver further operational/spend value for the System operator? We ask parties to be mindful of pragmatic constraints on things such as systems and EBR consultations.
5. Any other reflections on the DFS past, present and future would be greatly appreciated.

Section 5 – Priority Ranking

Through our industry engagement to date and feedback received, the topics below have been identified as areas which industry would value further review when developing a future Demand Flexibility style service. Please share insights from your organisation as to which areas are high priority.

- Stacking rules
- Baseline amendments
- Asset metering expansion
- Performance monitoring - monitor and prevent gaming or poor performance by end consumers
- Review of overall revenue proposal

Any other critical aspect, other than those mentioned above, that needs attention?

Feedback Meeting

Would you be interested in a 45 minute drop in session to summarise any responses? Yes/No