Northern Ireland Electricity Networks

FLEXIBILITY SERVICES EXPRESSION OF INTEREST AND INFORMATION GATHERING

Expression of Interest and Information Gathering

5th December 2024

CONTENTS

VERSION CONTROL

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1	NIEN-FSEOI24-01	Release	05/12/2024

1. INTRODUCTION

1.1 NIE Networks

Northern Ireland Electricity Networks (NIE Networks) is the owner of the electricity transmission and distribution network and operator of the electricity distribution network in Northern Ireland, transporting electricity from the point of generation to over 910,000 customers including homes, businesses and farms.

Our primary role is to maintain and build the electricity infrastructure across Northern Ireland, connect customers to the network and ensure that our equipment is safe and reliable. We plan, develop and operate the distribution network and work with the Transmission System Operator (TSO) with regard to the transmission system.

The distribution system is undergoing an evolution, shifting from being largely passive to a dynamic system with significant volumes of distributed generation, demand through electrification and increasing levels of customer flexibility. These factors are creating a much more dynamic system with more complex power flows and in order to manage this we are taking on new functions of Distribution System Operation (DSO).

1.2 Flexibility Services

The energy system is undergoing a rapid transformation as we transition towards net-zero, and our networks are at the heart of this change. In order for Northern Ireland to meet the targets laid out in the 2030 Energy Strategy and achieve net-zero by 2050, we need to decarbonise the whole energy system. This includes reshaping the power system as a means to decarbonise other crucial vectors in transport, heat and industry.

The Northern Ireland Energy Strategy published in December 2021, 'Path to Net Zero Energy'[1], outlines the energy pathway to 2030 which enables zero carbon energy by 2050. A key principle of the strategy is to 'create a flexible, resilient and integrated energy system'. Our objective is to develop a smart and flexible system to facilitate all credible decarbonisation pathways at least cost to customers. Flexibility Services are a key component in achieving this goal, utilising customer and whole system flexibility alongside other forms of network flexibility, minimising investment in expensive, irreversible network reinforcement.

While network reinforcement will still be required in the form of upgrading assets and building new portions of the network, NIE Networks, is seeking to find new ways to defer or avoid the need for investment in costly conventional reinforcement solutions. Through procuring Flexibility Services from Distributed Energy Resources (DER) connected to the distribution system, the stress on network assets can be reduced by customers adjusting their generation or demand.

As outlined in the RP7 Business Plan, NIE Networks will begin using flexibility services as an alternative to conventional solutions.

As a result, NIE Networks will be procuring active power Flexibility Services from Flexible Assets connected within specific sections of the electricity network for Winter 2025/26, encompassing geographic areas outlined in section 2.2. These Flexibility Services will be available to NIE Networks during pre-agreed Service Windows and will, as necessary, be utilised to manage network conditions (see Figure 1).

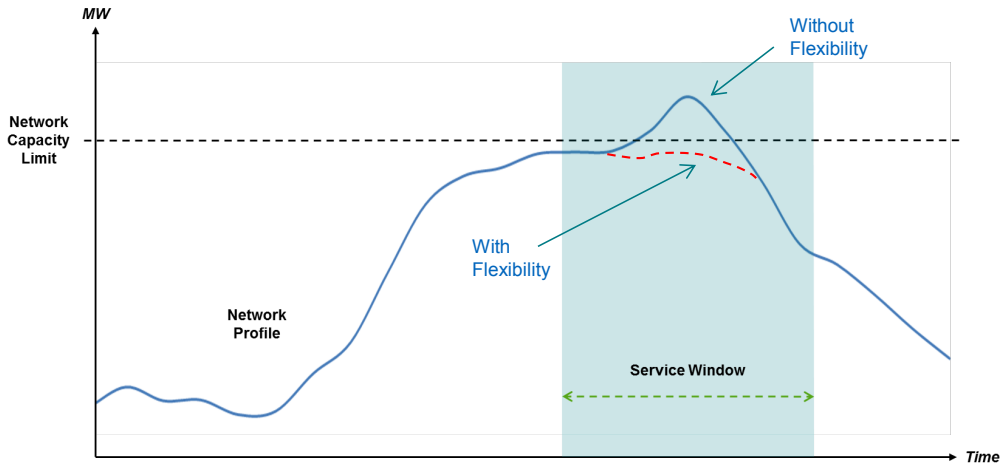


FIGURE 1 USE OF FLEXIBILITY SERVICES

[1] www.economy-ni.gov.uk/publications/energy-strategy-path-net-zero-energy

Separately, NIE Networks are seeking to gather more information on existing flexible assets which could potentially provide flexibility services in future requirement areas outlined in section 3.2. Covering Summer 2026 to 2032.

Instructions on how to return information for the immediate and future requirements are outlined in the corresponding sections of this document.

1.3 Key Terms

Flexibility Services - Commercial arrangements between NIE Networks and Flexibility Service Providers (FSPs) which can help avoid undesirable network conditions. Achieved via a Flexible Unit/Asset changing consumption or generation with respect to an instruction.

Flexible Unit - A unit capable of providing Flexibility Services which may be an aggregated unit comprising multiple Flexible Assets or a non-aggregated unit comprising a single Flexible Asset.

Flexible Asset - A single standalone Distributed Energy Resource (DER) and/or installation capable of providing Flexibility Services.

Product - A specific mechanism in which Flexibility is operated to help resolve network congestion. Products will vary across a range of parameters as required for each use case.

Availability Payment - Payment made to a flexibility service provider for being available during specific time periods for a flexibility instruction.

Utilisation payment - Payment made to a flexibility service provider for delivering energy in response to a flexibility instruction issued by NIE Networks.

Baseline Position - The counterfactual consumption and/or generation of a Flexibility Unit against which Flexible Capacity and Energy Delivered is measured.

2. EXPRESSION OF INTEREST

The expression of interest sections of this document aims to outline the type of flexibility services required and the corresponding locations. The first business as usual procurement of flexibility services will commence in early 2025, this will seek to secure the required volumes for Winter 2025/26 only. NIE Networks have identified three areas requiring flexibility services during Winter 2025/26. This period spans October 2025 to March 2026. Zone locations and capacity requirements are detailed in Section 2.2.

NIE Networks are looking for responses from customers, distributed energy resources, aggregators or any other party that is interested in providing a flexibility service within the 2025/26 locations.

2.1 Procurement Process

2.1.1 Expression of Interest Response

Parties wishing to be considered during the procurement of flexibility services for Winter 2025/26 must respond to this expression of interest.

Responses from potential service providers should provide the information requested in Appendix A, for each Flexible Asset. Assets should be grouped by Flexibility Managed Zone (FMZ), an .xls/.xlsx submission is acceptable where a party is expressing an interest in multiple zones or there are multiple assets in the same zone. Any .xls/.xlsx files should clearly outline which zone the asset could provide services within, preferably with a separate sheet per FMZ.

FMZ Names:

- Brookhill Central
- Creagh Central
- Fivemiletown Central

Responses must be submitted to flexibility@nienetworks.co.uk, the email subject should be titled 'Expression of Interest Winter 2025/26 – Company Name'. The response must make clear the FMZs the company is expressing interest in, with asset information included or attached as per above guidance. Any response should also identify a suitable point of contact.

The deadline for responses to this expression of interest request is 20th January 2025. Responses submitted after this date will not be considered in any further stages of the procurement for winter 2025/26 requirements.

Information regarding technical and commercial award criteria will be provided to parties who have responded before the deadline in due course. This will be via a document package detailing the next stages of the process and any further information required by NIE Networks.

To meet the flexibility requirement and/or to increase reliability in an FMZ, services may be procured from multiple Flexible Units from different FSPs within a single FMZ. NIE Networks will procure as required to match the capacity requirement. All assets from a single party (FSP) in a single FMZ will be considered a single Flexible Unit.

It should be noted that to ensure secure operation of the distribution system, the full capacity requirement within a zone may need to be met. Where the available volume does not meet the identified requirement, NIE Networks will determine if it is suitable to proceed within that zone.

2.1.2 Basic Criteria

Detailed technical criteria will be provided as part of a document package to relevant responses. To allow parties to determine high level suitability for providing flexibility services the following basic criteria have been provided:

Flexible Assets must have:

1. A connection situated within the boundary of the FMZ (confirmed by NIE Networks)
2. A connection at 11 kV or below
3. The ability to offer Flexibility in the direction specified (generation turn up/demand turn down)
4. The ability to provide the nominated flexible capacity in response to an NIE Networks instruction in a consistent and reliable manner.

Note, geographical zone boundaries provided and are approximate, upon review of submissions NIE Networks will be able to confirm if assets are connected within the FMZ boundary.

Additionally, as outlined in NIE Networks procurement statement, flexible assets operated by an FSP must comply with any applicable criteria below:

- Electricity Safety, Quality and Continuity Regulations (2012) (ESQCR)
- Distribution Code
- Grid Code (where applicable)
- Utility Regulator licencing requirements. Except Assets/Units which are exempt by Electricity (Class Exemptions from the Requirement for a Licence) Order (Northern Ireland) 2013.
- Connection or Generator Agreement with NIE Networks
- Applicable European Network Codes

2.1.3 Product Details

For the Winter 2025/26, NIE Networks have identified two flexibility use cases, requiring two products. Note, all products required for 2025/26 refer to generation turn up/demand turn down. Availability windows are predefined; however, utilisation is based on network conditions. Normal operating procedure will use the scheduled product. Detailed product parameters will be outlined in documentation in due course.

Use Case:

- **Day(s) ahead:** At least 24h before flexibility requirement, the need is identified during NIE Networks daily forecasting processes.
- **<24h ahead:** Need identified within 24h of the requirement, this may be due to a network fault or change in demand forecasts.

These use cases are covered by the following two products (based on ENA Standard Products[2]):

- **Scheduled Product:** this will be used when a network flexibility need is identified during long-term forecasting. This will have a pre-agreed availability window. Utilisation is determined when NIE Networks daily forecasting identifies a flexibility need. This product aligns most closely with ENA Standard Product – 'Operational Utilisation with Scheduled Availability'
- **Unscheduled Product:** this will be used when a network flexibility need is identified closer to real time and therefore an instruction cannot be provided with the usual >24h notice. There are two categories within this product, firstly where the short notice utilisation falls within the pre-agreed availability window. Secondly, where the utilisation falls outside the pre-agreed utilisation window. Further details of whether FSPs can opt out of this product will be provided alongside payment mechanics within future specification documents. This product aligns most closely with ENA Standard Product - Operational Utilisation.

2.2 Winter 2025/26 Requirements

NIE Networks are seeking to procure flexibility services to help manage capacity in specific areas within Northern Ireland, we have summarised these requirements in Flexibility Managed Zones (FMZs). The FMZs depicted in this document correspond to sections of the electricity distribution network to which Flexible Assets must be connected in order to deliver the required flexibility service.

Flexibility services are required winter 2025/26 across three identified FMZs. The flexibility Winter season is defined as October to March (inclusive). For each FMZ, the peak capacity required is provided, this represents the maximum utilisation level based on NIE Networks forecasts. The requirements outlined are for generation turn up/demand turn down services.

Flexibility services have two key components, utilisation and availability. Availability defines the hours during which flexibility services may be required. For example, weekdays 15:00 – 20:00. Utilisation involves a Flexible Unit responding to an instruction at a time within the agreed availability window, this is based on network conditions.

When reviewing FMZ specific information please note:

- Maps provided are based on network topology at the time of writing NIE Networks will check the location of any asset submitted in response to the expression of interest.
- Advertised volumes represent NIE Networks best view of the flexibility requirement. Utilisation levels are not guaranteed and depend on daily network conditions.

[2] https://www.energynetworks.org/publications/on-flexibility-products-review-and-alignment-(feb-2024)

2.2.1 Brookhill Central

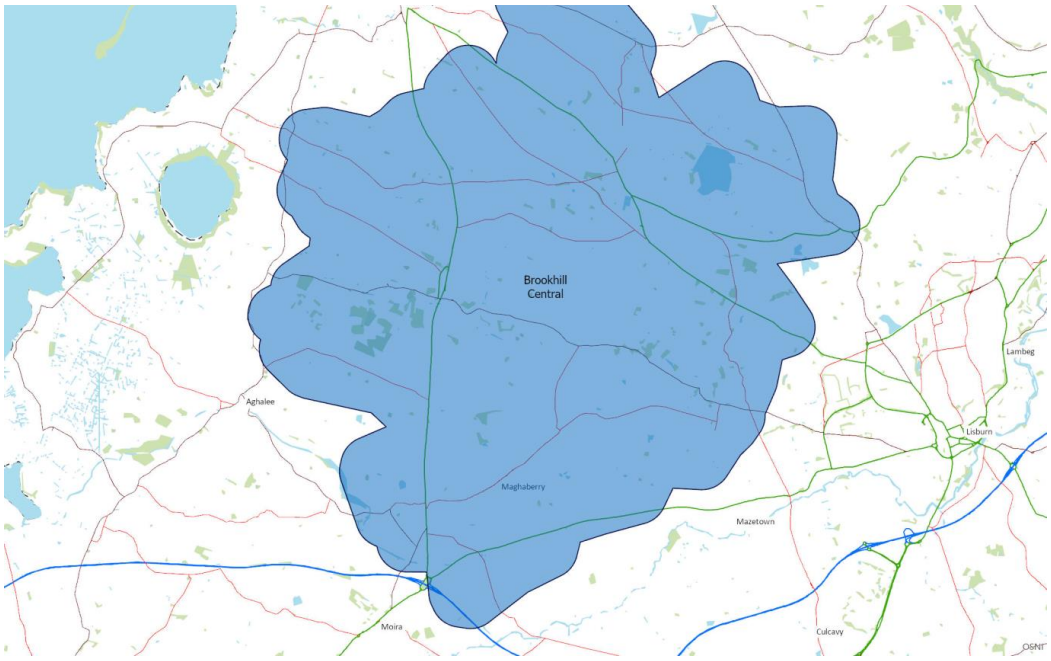


FIGURE 2 BROOKHILL CENTRAL FMZ MAP

This FMZ is in the location around Brookhill and covers the areas of Maghaberry, Ballinderry and Stoneyford, the following postcodes are represented in this FMZ, BT67, BT28 & BT29.

SEASON	WINTER
YEARS	2025/26
Peak Capacity (MW)	0.5
Availability Period	December - January All Week 16:00 – 20:30

TABLE 1 BROOKHILL CENTRAL REQUIREMENT

2.2.2 Creagh Central

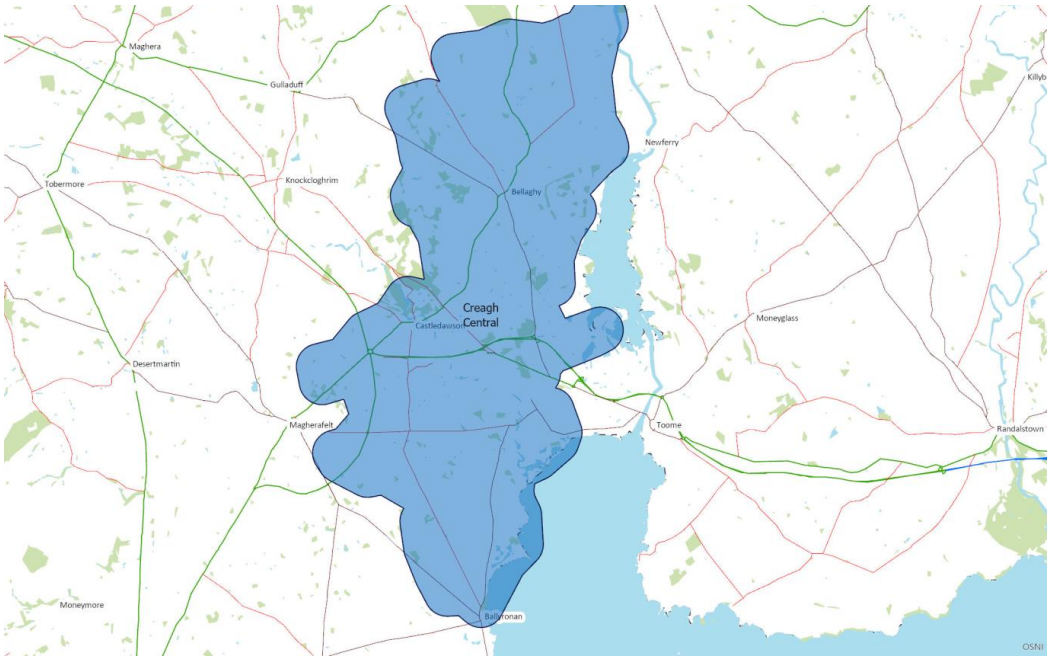


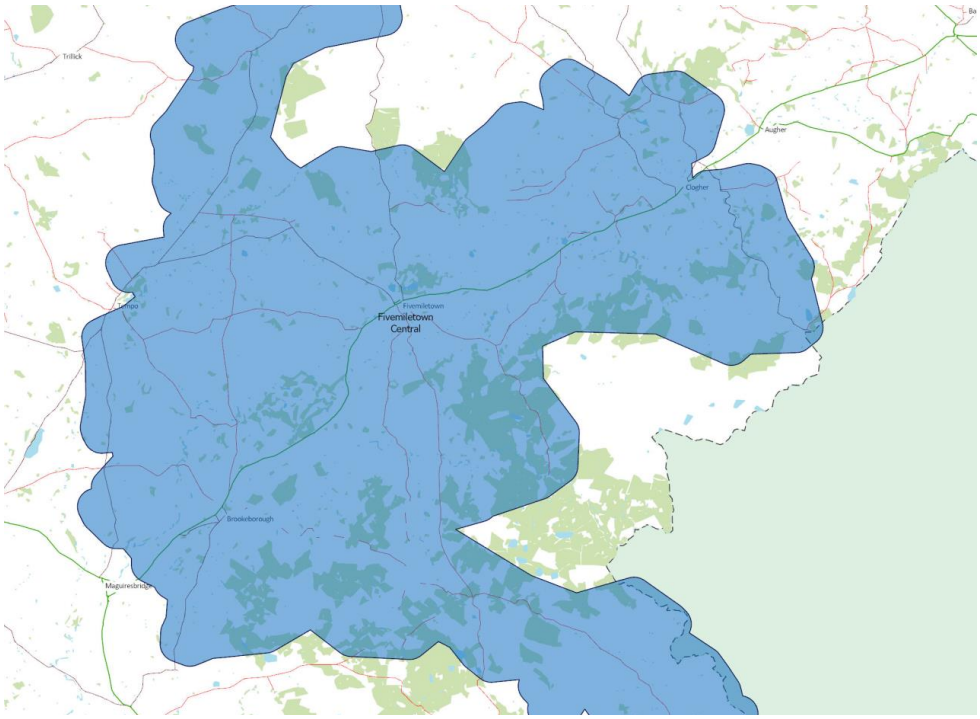
FIGURE 3 CREAGH CENTRAL FMZ MAP

This FMZ is in the location around Castledawson and covers the areas around Ballymaguigan, Ballyronan and Bellaghy, the following postcodes are represented in this FMZ, BT41, BT44 & BT45.

SEASON	**WINTER**
YEARS	2025/26
Peak Capacity (MW)	1.5
Availability Period	October - March All Week 07:00 – 20:00

TABLE 2 CREAGH CENTRAL REQUIREMENT

2.2.3 Fivemiletown Central



This FMZ is in the location around Fivemiletown and covers the areas of Clogher, Tempo and Clabby then extending down to Rosslea, the following postcodes are represented in this FMZ, BT75, BT78, BT92 & BT94.

SEASON	**WINTER**
YEARS	2025/26
Peak Capacity (MW)	0.1
Availability Period	January Weekdays 17:00 – 18:30

TABLE 3 FIVEMILETOWN CENTRAL REQUIREMENT

3. INFORMATION GATHERING

Independent of the procurement exercise discussed in section 2, NIE Networks are seeking to gather flexible asset information for flexibility requirements from Summer 2026 onwards. The FMZs and associated requirements are provided for information purposes only and are subject to change in line with future forecasting. Although responses are welcomed for the FMZs included in section 3.2, the submission of information does not guarantee inclusion in future procurements. Similarly, a lack of submission does not preclude participation in future procurement exercises. Any interest parties will still be required to apply separately when procurements are launched and providing information at this stage shall not be a pre-requisite in relation to future tender competitions. Please note this is not a call for competition. The procurement of these flexibility requirements will be launched under a separate procurement process.

As required, the needs outlined in section 3.2 will be part of future procurement exercises. It is anticipated that procurement for future needs will occur during early 2026, with additional procurement completed as necessary throughout RP7. More information on requirements and how to participate will be communicated in due course.

3.1 Responses

NIE Networks are looking for responses from customers, distributed energy resources, aggregators or any other party who may have assets which are suitable for providing flexibility services.

We are aiming to understand the potential flexibility services providers and assets currently available. Specifically, their capacity and location on the distribution network. By gathering this information, we will gain a better understanding of the potential flexibility available in each zone.

In section 3.2 we have provided forecasted requirements for flexibility services for RP7, divided into Flexibility Managed Zones (FMZs). These requirements will be further refined and developed as time progresses. All requirements are based on forecasts and therefore are subject to change.

More specific information regarding product specification, refined requirements and availability hours will be provided ahead of any procurement process.

NIE Networks are inviting any party with assets that could provide flexibility services anywhere within Northern Ireland to complete the form in Appendix A for each asset. All assets from a single party (FSP) in a single FMZ will be considered a single Flexible Unit.

Gathering accurate information now will help us in planning our approach. You may submit assets in a single zone, multiple zones or outside the current published zones. As we continue to complete forecasts and plan further, more zones may be released in further publications, in line with network needs.

Appendix A shows the information required for each asset/site. It is recognised that many parties will operate multiple assets across Northern Ireland, where this applies the information requested for each asset should be collated in an .xls/.xlsx file. This should be sent to flexibility@nienetworks.co.uk the email subject should be titled 'Flexibility Services Information Gathering – Company Name'. Responses to the information gathering exercise should be provided separately to any expression of interest response.

To meet a flexibility requirement and/or to increase reliability in an FMZ, services may be procured from multiple Flexible Units from different FSPs within a single FMZ. NIE Networks will procure as required to match the capacity requirement.

3.2 Future Zone Summary Requirements

NIE Networks have summarised flexibility requirements in Flexibility Managed Zones (FMZs). The FMZs depicted in this document correspond to sections of the electricity distribution network to which Flexible Assets must be connected in order to deliver the required flexibility service.

At present, flexibility services are required across eight identified FMZs for Summer 2026 onwards. These have been divided into a winter and summer peak active power requirement specified for each period. Winter is defined as October to March (inclusive) with summer being defined as April to September (inclusive).

For each FMZ, the estimated peak capacity required at the end of each procurement window is provided, this represents the maximum utilisation level based on NIE Networks forecasts. The requirements outlined are for generation turn up/demand turn down services.

Flexibility services have two key components, utilisation and availability. Availability defines the hours during which flexibility services may be required. For example, weekdays 15:00 – 20:00. Utilisation involves a Flexible Unit responding to an instruction at a time within the agreed availability window, this is based on network conditions.

When reviewing FMZ specific information please note:

- Maps provided are based on network topology at the time of writing which may be subject to change.
- Advertised volumes represent NIE Networks best view of the future flexibility requirements. Forecasting and requirements are reviewed regularly and are therefore subject to change.

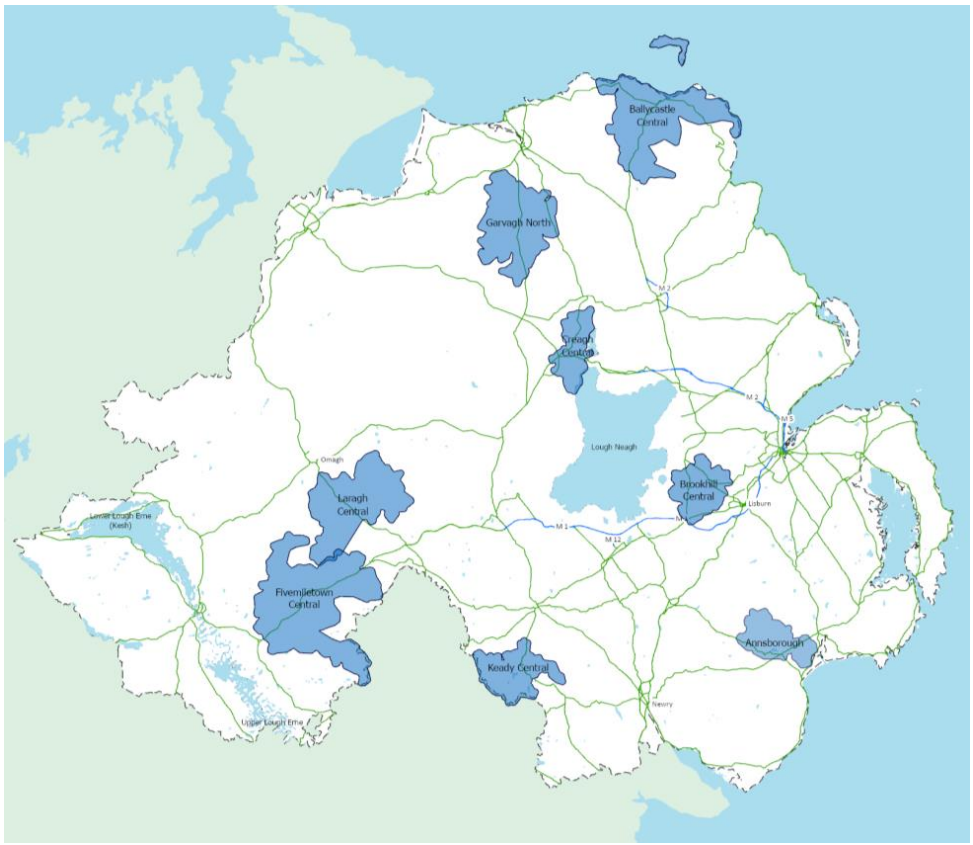


FIGURE 5 NI FMZ MAP

3.2.1 Annsborough Central

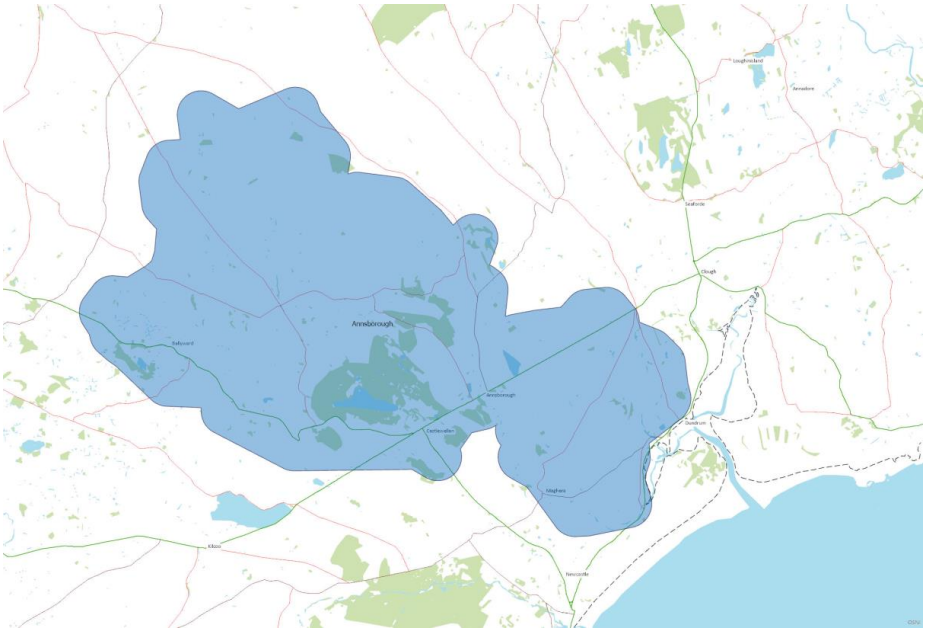


FIGURE 6 ANNSBOROUGH FMZ MAP

This FMZ is in the location around Annsborough and covers the areas of Castlewellan and Ballyward extending to the edge of Dundrum and Maghera, the following postcodes are represented in this FMZ, BT31, BT30 BT33.

SEASON	**WINTER**
YEARS	2028/29 – 2030/31
Estimated Peak Capacity (MW)	0.5
Estimated Availability Period	All Week - Evenings

TABLE 4 ANNSBOROUGH PROCUREMENT 1

SEASON	**WINTER**
YEARS	2031/32 – 2032/33
Estimated Peak Capacity (MW)	0.9
Estimated Availability Period	All Week - Evenings

TABLE 5 ANNSBOROUGH PROCUREMENT 2

3.2.2 Ballycastle Central

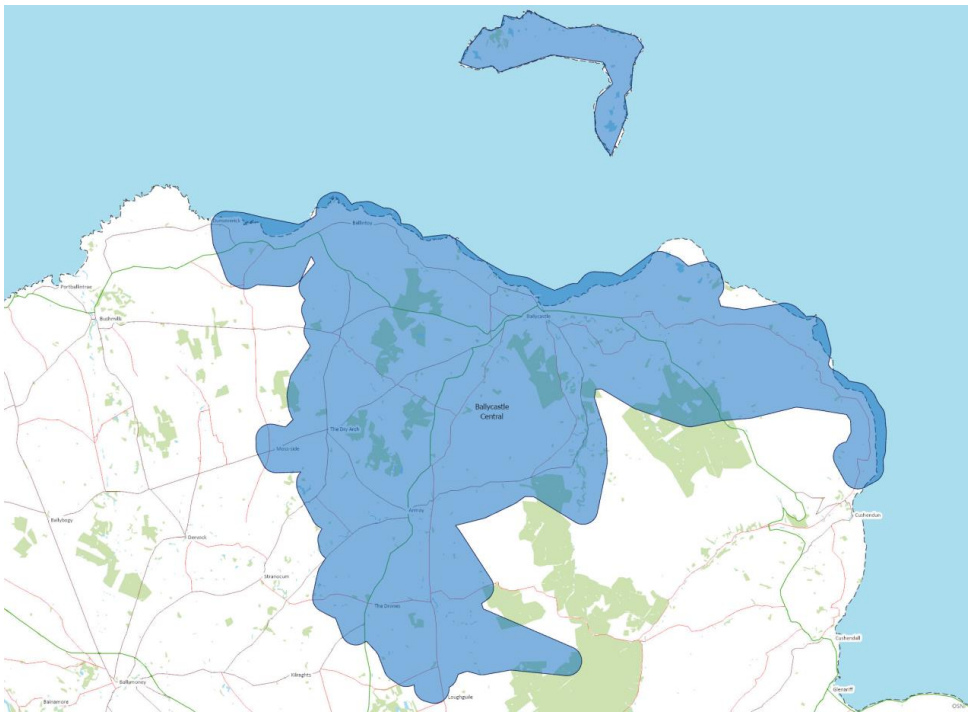


FIGURE 7 BALLYCASTLE CENTRAL FMZ MAP

This FMZ is in the location around Ballycastle and covers the areas of Armoy and, the following postcodes are represented in this FMZ, BT53, BT54 & BT57.

SEASON	WINTER
YEARS	2028/29 – 2030/31
Estimated Peak Capacity (MW)	0.9
Estimated Availability Period	All Week - Evenings

TABLE 6 BALLYCASTLE CENTRAL PROCUREMENT 1

SEASON	WINTER	SUMMER
YEARS	2031/32	2032
Estimated Peak Capacity (MW)	1.8	0.5
Estimated Availability Period	All Week - Evenings	All Week - Evenings

TABLE 7 BALLYCASTLE CENTRAL PROCUREMENT 2

3.2.3 Brookhill Central

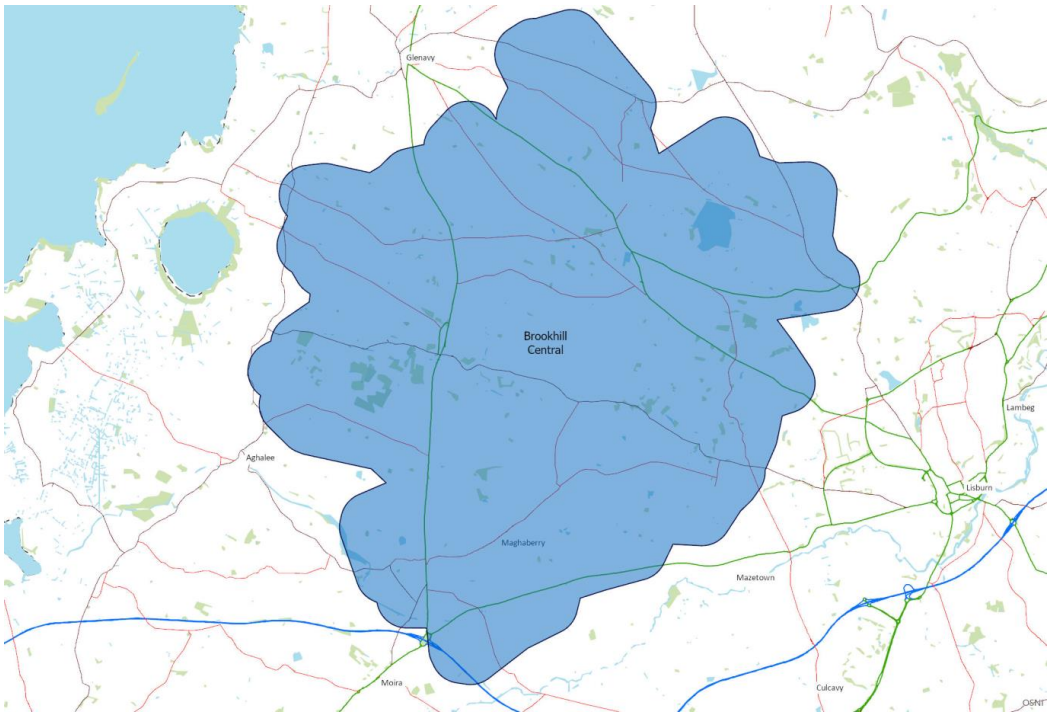


FIGURE 8 BROOKHILL CENTRAL FMZ MAP

This FMZ is in the location around Brookhill and covers the areas of Maghaberry, Ballinderry and Stoneyford, the following postcodes are represented in this FMZ, BT67, BT28 & BT29.

SEASON	WINTER	SUMMER
YEARS	2026/27 – 2027/28	2028
Estimated Peak Capacity (MW)	0.9	0.1
Estimated Availability Period	All Week - Evenings	Weekdays - Evenings

TABLE 8 – BROOKHILL CENTRAL PROCUREMENT 2

3.2.4 Creagh Central

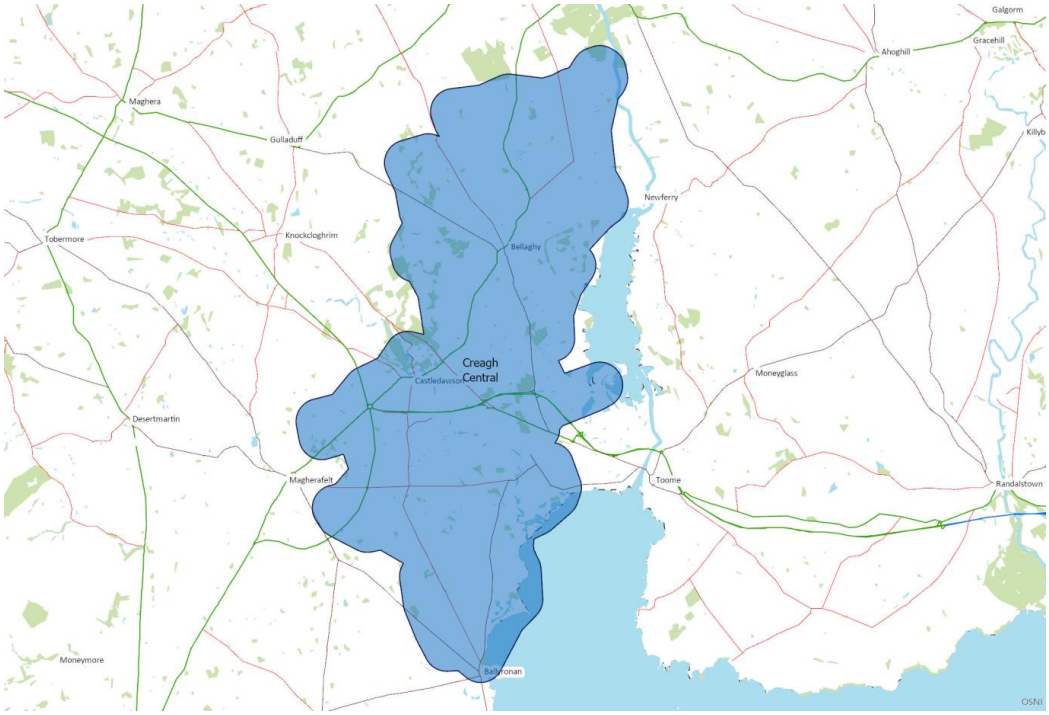


FIGURE 9 CREAGH CENTRAL FMZ MAP

This FMZ is in the location around Castledawson and covers the areas around Ballymaguigan, Ballyronan and Bellaghy, the following postcodes are represented in this FMZ, BT41, BT44 & BT45.

SEASON	WINTER	SUMMER
YEARS	2026/27 – 2027/28	2026 - 2028
Estimated Peak Capacity (MW)	1.85	1.5
Estimated Availability Period	All Week – All Day	Weekdays – All Day

TABLE 9 CREAGH CENTRAL PROCUREMENT 2

3.2.5 Fivemiletown Central

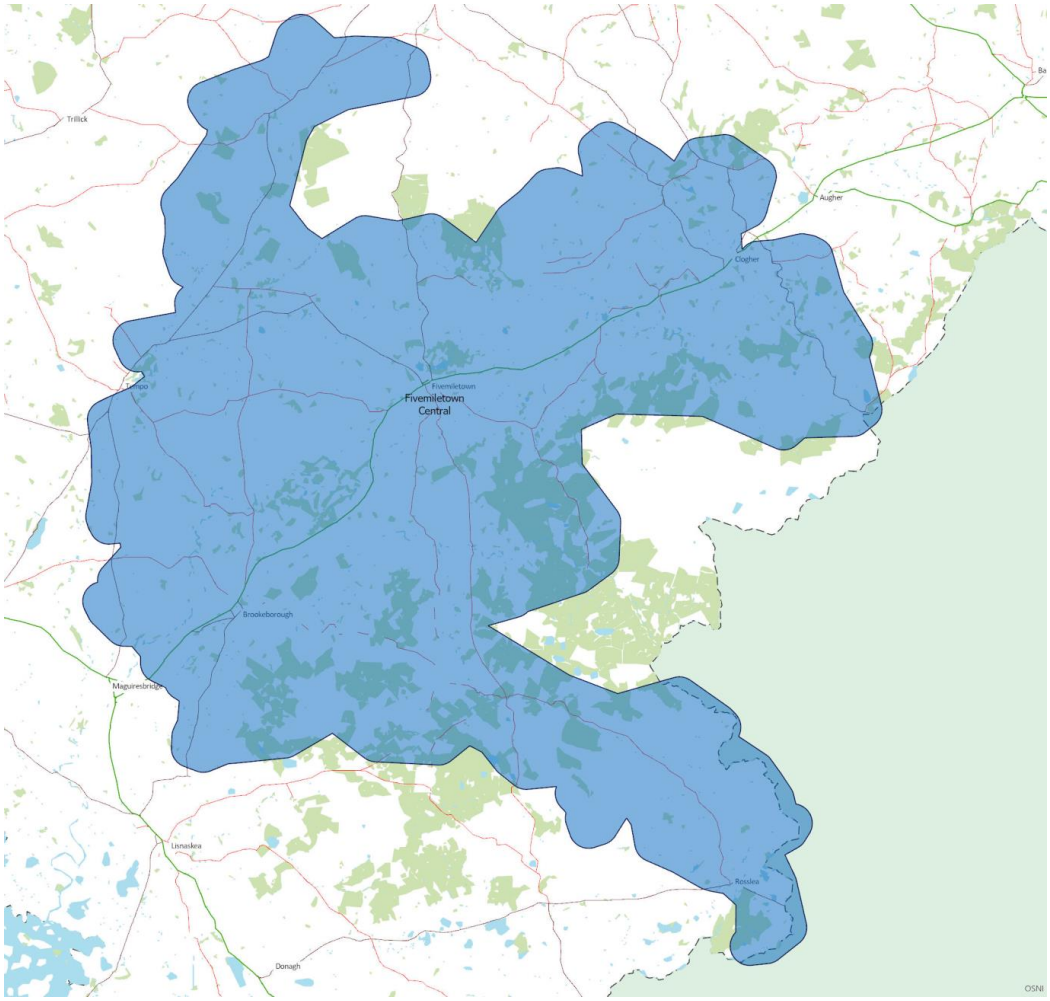


FIGURE 10 FIVEMILETOWN CENTRAL FMZ MAP

This FMZ is in the location around Fivemiletown and covers the areas of Clogher, Tempo and Clabby then extending down to Rosslea, the following postcodes are represented in this FMZ, BT75, BT78, BT92 & BT94.

SEASON	WINTER
YEARS	2026/27 – 2027/28
Estimated Peak Capacity (MW)	0.5
Estimated Availability Period	All week– Evenings

TABLE 10 FIVEMILETOWN CENTRAL PROCUREMENT 2

SEASON	WINTER	SUMMER
YEARS	2028/29 – 2030/31	2029 - 2031
Estimated Peak Capacity (MW)	1.1	0.5
Estimated Availability Period	All Week – Evenings	All Week – Evenings

TABLE 11 FIVEMILETOWN CENTRAL PROCUREMENT 3

3.2.6 Garvagh North

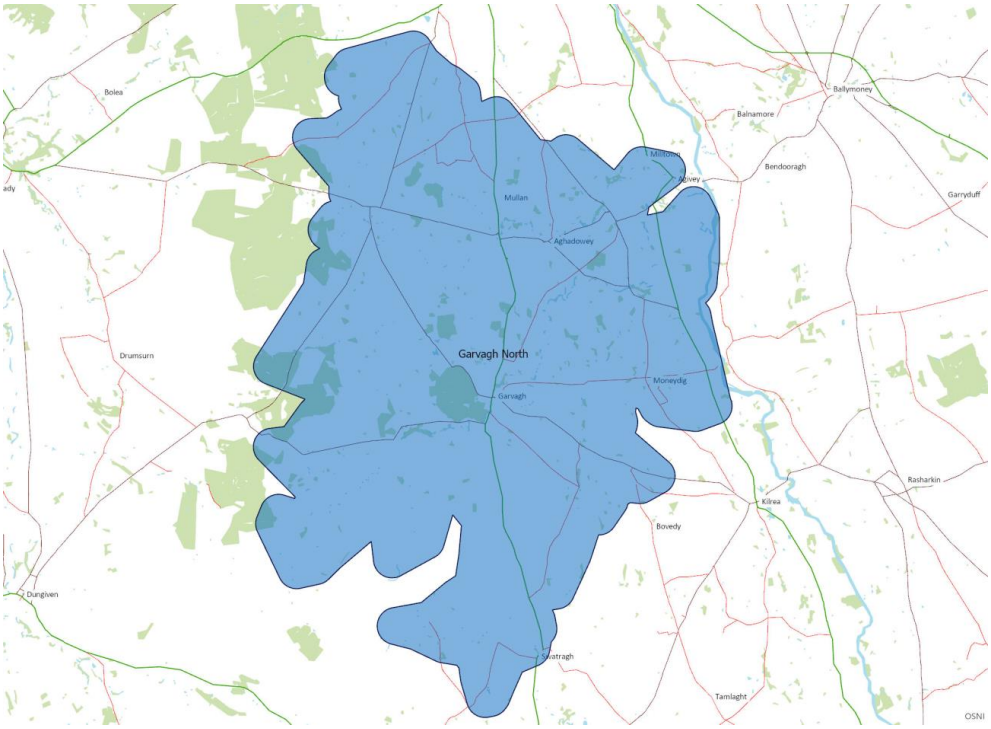


FIGURE 11 GARVAGH NORTH FMZ MAP

This FMZ is in the location around Garvagh and covers the areas of Moneydig and extending down to the edge of Swatragh up to the edge of Crossgare, the following postcodes are represented in this FMZ, BT51 & BT46.

SEASON	WINTER
YEARS	2026/27 – 2027/28
Estimated Peak Capacity (MW)	0.5
Estimated Availability Period	Weekdays – Evenings

TABLE 12 GARVAGH NORTH PROCUREMENT 1

SEASON	WINTER
YEARS	2028/29 – 2030/31
Estimated Peak Capacity (MW)	1
Estimated Availability Period	All Week – Evenings

TABLE 13 GARVAGH NORTH PROCUREMENT 2

3.2.7 Keady Central

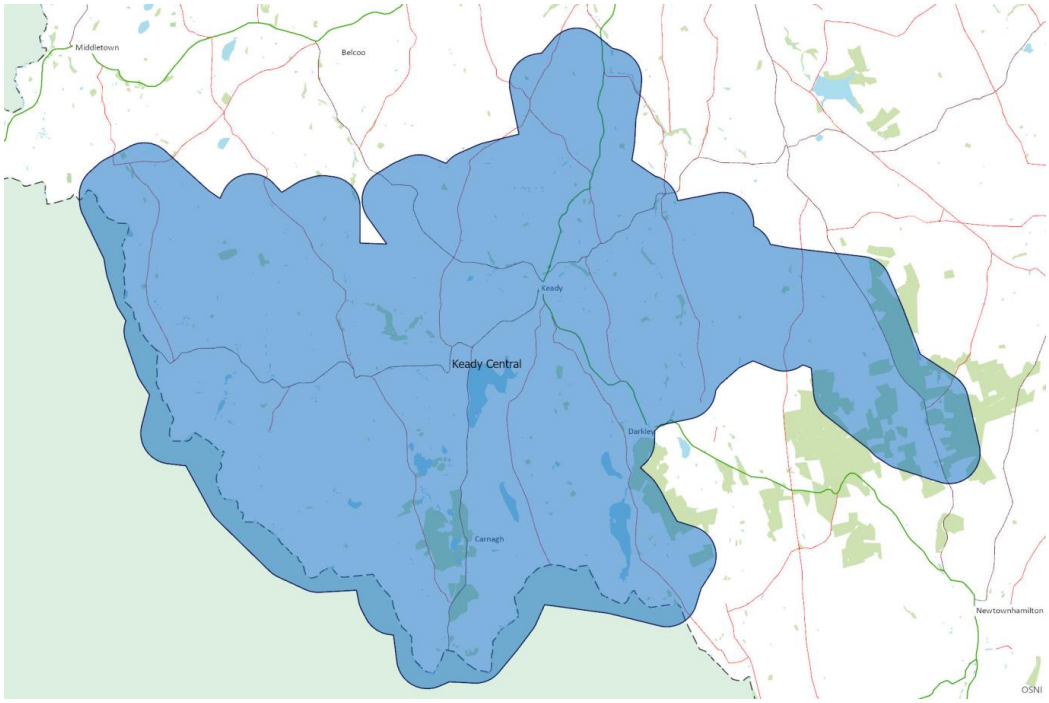


FIGURE 12 KEADY CENTRAL FMZ MAP

This FMZ is in the location around Keady, the following postcodes are represented in this FMZ, BT35 & BT60.

SEASON	WINTER	SUMMER
YEARS	2030/31 – 2032/33	2031 - 2032
Estimated Peak Capacity (MW)	0.6	0.3
Estimated Availability Period	All Week – Evenings	Weekdays – Evenings

TABLE 14 KEADY CENTRAL PROCUREMENT 1

3.2.8 Laragh Central

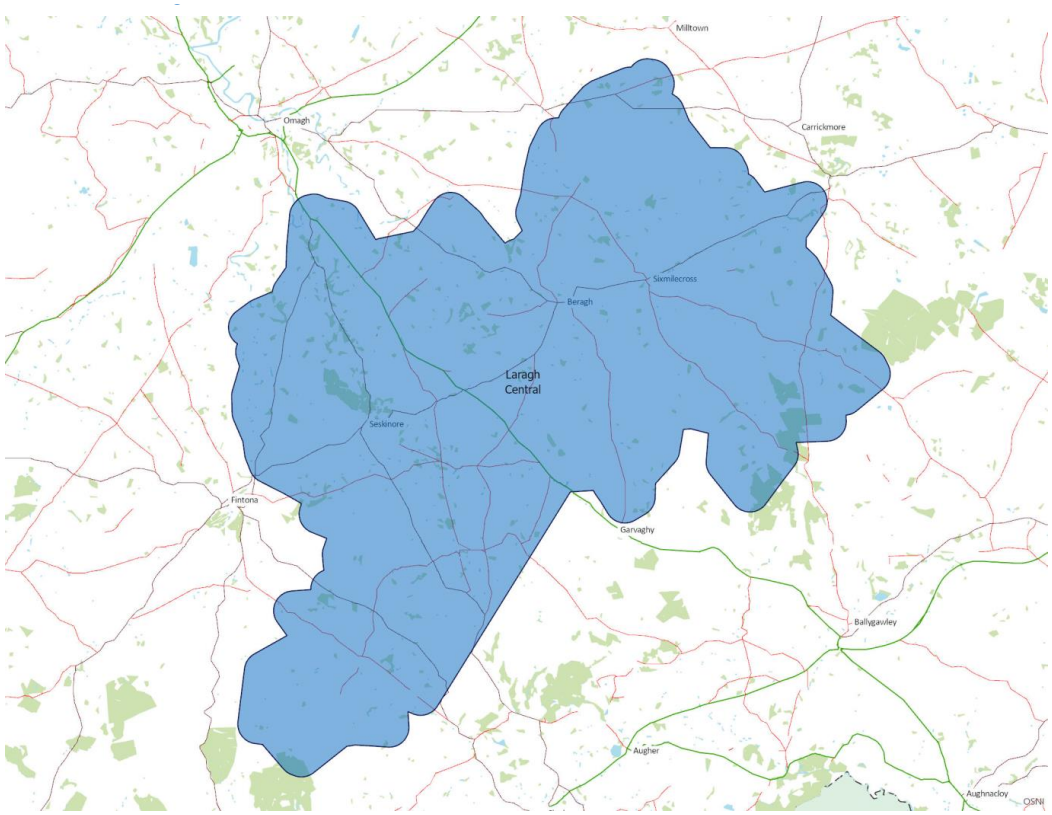


FIGURE 13 LARAGH CENTRAL FMZ MAP

This FMZ is in the location around Seskinore, Beragh and Sixmilecross, the following postcodes are represented in this FMZ, BT79, BT78 and BT76.

SEASON	WINTER
YEARS	2027/28 – 2029/30
Estimated Peak Capacity (MW)	0.6
Estimated Availability Period	All Week – Evenings

TABLE 15 LARAGH CENTRAL PROCUREMENT 1

SEASON	WINTER	SUMMER
YEARS	2030/31 – 2032/33	2031 - 2032
Estimated Peak Capacity (MW)	1.6	0.6
Estimated Availability Period	All Week – Evenings	Weekdays – Evenings

TABLE 16 LARAGH CENTRAL PROCUREMENT 2

4. FLEXIBILITY OVERVIEW

This section provides more information on how flexibility services are expected to be operated and managed. The information outlined should be considered indicative. Changes which apply to a specific procurement or service period will be communicated as appropriate.

4.1 Flexibility Products

We have identified a limited list of Flexibility products to serve our existing and forecasted requirements. Long term forecasts have been used to determine the FMZs for the RP7 period. Pre-defined availability windows are developed with this information. Although the peak utilisation has been identified for each FMZ, the precise level required on a daily basis is not easily determined using long term forecasting, rather operational forecasting is used to determine the requirement each day. Note, all products discussed in this document refer to generation turn up/demand turn down. The products selected vary based on when the need is identified.

- Day(s) ahead: At least 24h before flexibility requirement, the need is identified during NIE Networks daily forecasting processes.
- <24h ahead: Need identified within 24h of the requirement, this may be due to a network fault or change in demand forecasts.

These use cases are covered by the following two products (based on ENA Standard Products[3]):

- **Scheduled Product:** this will be used when a network flexibility need is identified during long-term forecasting. This will have a pre-agreed availability window. Utilisation is determined when NIE Networks daily forecasting identifies a flexibility need. This aligns most closely with ENA Standard Product – 'Operational Utilisation with Scheduled Availability'
- **Unscheduled Product:** this will be used when a network flexibility need is identified closer to real time and therefore an instruction cannot be provided with the usual >24h notice. There are two categories within this product, firstly where the short notice utilisation falls within the pre-agreed availability window. Secondly, where the utilisation falls outside the pre-agreed utilisation window. Further details of whether FSPs can opt out of this product will be provided alongside payment mechanics within future specification documents. This aligns most closely with ENA Standard Product - Operational Utilisation.

Our product parameters are based on the ENA Standard Products to reduce confusion for Flexibility Service Providers that may also be active in Great Britain's Flexibility market.

4.2 Technical Information

4.2.1 Criteria

Detailed technical criteria will be released as part of any future tender documentation. To allow parties to determine high level suitability for providing flexibility services the following basic criteria have been provided:

Flexible Assets must have:

1. A connection situated within the boundary of the FMZ (confirmed by NIE Networks)
2. A connection at 11 kV or below
3. The ability to offer Flexibility in the direction specified (generation turn up/demand turn down)
4. The ability to provide the nominated flexible capacity in response to an NIE Networks instruction in a consistent and reliable manner.

Additionally, as outlined in NIE Networks procurement statement, flexible assets operated by an FSP must comply with any applicable criteria below:

- Electricity Safety, Quality and Continuity Regulations (2012) (ESQCR)
- Distribution Code
- Grid Code (where applicable)
- Utility Regulator licencing requirements. Except Assets/Units which are exempt by Electricity (Class Exemptions from the Requirement for a Licence) Order (Northern Ireland) 2013.
- Connection or Generator Agreement with NIE Networks
- Applicable European Network Codes

[3] https://www.energynetworks.org/publications/on-flexibility-products-review-and-alignment-(feb-2024)

4.2.2 Testing

Proving tests will be carried out before contract commencement on all Flexible Units. The Proving Test will verify a Flexible Unit's capability to:

- Receive and respond to NIE Networks' Utilisation Instructions
- Deliver instructed Flexible Capacity between the instructed Start Time and instructed End Time
- Deliver its contracted Flexible Capacity for the instructed duration (up to the nominated Maximum Utilisation Duration Capability)
- Demonstrate delivery through metered data submission
- Proving Tests will be carried out under conditions that reflect normal operation for the contracted Flexibility Product.

4.2.3 Baseline Position

In order to be able accurately assess a Flexible Units performance during a utilisation event, a baseline position for the Flexible Unit and constituent Flexible Assets must be created. A baseline position is the normal consumption and/or generation value of a Flexible Unit which a Flexibility Service is measured against. Flexible Capacity is the observable change in consumption and/or generation provided by a Flexibility Unit relative to its Baseline Position.

For example, a site that typically imports 500kW (baseline), with a flexible capacity of 200kW, would be required to reduce consumption to 300kW when instructed.

The Baseline Position will be created for each Flexibility Unit using historical meter data for all Flexible Assets. NIE Networks will publish full methodology on how the baseline is calculated as part of the product documentation.

4.3 Payment Structure

Flexibility Service Providers are paid a combination of:

- **Availability Fee –** remuneration to Flexibility Providers to be in a state of readiness within Service Windows to deliver Flexibility Services following a Utilisation Instruction from NIE Networks, paid for each MW of Flexibility made available per hour (£/MW/h).
- **Utilisation Fee –** remuneration to Flexibility Providers for each MWh of Energy Delivered (Flexibility) following a Utilisation Instruction, from NIE Networks, capped at the level of delivery instructed through the Utilisation Instruction. Calculated in £/MWh delivered.

The purpose of the availability fee is to compensate providers for being available during the service window. An example is shown in the table below. The Flexible Unit is expected to be available within the specified timeframe should NIE Networks issue an instruction.

Season	Months	Days	Time
Winter 2026/27	December - January	Weekdays	16:00 – 18:00

TABLE 17: AVAILABILITY WINDOW EXAMPLE

In the above example, the Flexible Unit would be paid for 10 hours of availability per week during December and January.

As part of any procurement process, proposed Availability and Utilisation Rates will be submitted by each Flexibility Provider for each Flexible Unit and this will be accepted or rejected by NIE Networks. Details of how Availability and Utilisation Fees are calculated based on accepted rates will be provided in product specification documents.

4.4 Operations

4.4.1 Scheduling and Dispatch

The detailed operation of each Flexible Unit is dependent on the specific product and competition requirement. Generally, NIE Networks will typically dispatch Flexibility services according to short term forecasts. However, 'unscheduled' needs not identified ahead of time may be required in real time.

4.4.1.1 Scheduled Product

Operational Process

- Availability windows determined via long term forecasting
- NIE Networks run network forecast >24h ahead.
- NIE Networks send utilisation instruction based on forecast; the instruction will contain, a start time, finish time, a Flexibility capacity and direction (Demand decrease/Generation increase).
- Where applicable, flexible units complete obligations required by TSO/DSO Operating Model (see section 4.6)
- Flexible Units provide response to instruction as requested.

4.4.1.2 Unscheduled Product

Due to a change in loading conditions, faults or forecasting inaccuracy, NIE Networks may require a flexibility need with less than 24h notice. This will likely fall within an agreed availability window.

Operational Process

- NIE Networks identify network need with less than 24h notice.
- NIE Networks send utilisation instruction; the instruction will contain, a start time, finish time, a Flexibility capacity and direction (Demand decrease/Generation increase).
- Flexible Units provide response to instruction as requested.

4.4.2 Settlement

For the purpose of settlement, the FSPs will be required to submit complete aggregate meter reading for their Flexible Unit(s). NIE Networks may request meter data from individual flexible assets and customer billing meter data for verification as required. The settlement periods will be defined in product specifications.

An FSP will be paid an Availability fee (where applicable) which will be outlined in the detailed requirements during any tender. Availability payments which will be based on Availability Rate, a Flexible Capacity and a service window (number of hours). NIE Networks may apply performance scalars to availability payments to incentivise delivery.

An FSP will be paid a Utilisation fee based on the energy delivered compared to the baseline of the Flexible unit measured from the meter data supplied and the Utilisation rate agreed at the procurement stage.

The approach taken to settlement during the RP6 trial, can be viewed on the 'FLEX Project' page on NIE Networks website[4]. The principles applied during the trial, form the basis of the approach to settlement during RP7. More detailed information, including calculations will be provided at a later date.

4.5 Flexibility Management Platform

NIE Networks are currently tendering to procure a platform which enables the management of flexibility services within business as usual activity. The flexibility management platform will provide NIE Networks with the functionality to manage the end to end process including; competition advertisement, procurement, baselining, dispatch, settlement and reporting, superseding the manual approach adopted during the FLEX innovation project.

It is expected that the platform will deliver functionality for FSPs to; update availability, interact with NIE Networks instructions, view Flexible Unit schedules and receive performance and settlement information. The platform solution will cater to a range of dispatch methods including, platform based, email and API.

Necessary training, onboarding and testing will be available to contracted flexibility providers before the delivery of services commence.

[4] https://www.nienetworks.co.uk/future-networks/innovation-projects

4.6 TSO DSO Operating Model

NIE Networks have collaborated with SONI (TSO) to produce an operating model for interactions between distribution flexibility services and other markets such as wholesale energy, balancing and ancillary services. This model is currently being finalised. The approach to dispatch and data sharing has been trialled during RP6. Any FSPs participating in both markets will be required to adhere to the TSO/DSO Operating model. Further information will be provided in due course.

5. CONTACT US

Please return asset information and any other queries by emailing: flexibility@nienetworks.co.uk

6. APPENDIX

6.1 Appendix A – Asset Information Template

Asset Name/Reference	
Meter Point Reference Number (MPRN)	
Asset Location / Asset Address and Postcode	
Asset Type	
Asset Rating (MW)	
Asset Rating - Storage Only (MWh)	
Flexible Capacity (MW or MWh) *Should reflect any export limitations*	
Connection Status	
Asset Metering Resolution (Minutes)	
Voltage Level Asset is connected at:	
Agree to possible Utilisation outside of Availability schedule?	
Asset is part of unit participating in other markets?	

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