

The Local Authority's Guide to Flexibility



What is 'flexibility'?

UK Power Networks' DSO is using alternatives to digging more holes and laying more cables to provide extra power for homes, businesses, and Net Zero projects. This new market is called 'flexibility' and opens new revenue opportunities to local authorities and your residents.

'Flexibility' is the ability to change electricity generation or consumption patterns to support our networks. It means participating homes and businesses can earn payments, while saving costs for everyone and helping more low-carbon technologies to connect to the network.

Local authorities and other energy users can benefit from our flexibility tenders and be financially incentivised to move their energy outside of peak times.

[Learn more](#)

How can I participate?

We are proud to offer the most accessible flexibility procurement in Britain – all you need is a portfolio of local assets with a minimum total capacity of 10kW (this can be across multiple assets), and the ability to respond to price signals. This could be either manually, by physically increasing or decreasing demand, or automatically through communications enabled devices. Additionally, this can be done for both existing and planned projects.

Local authorities have various assets that can be used to provide flexibility, such as:

- **Electric Vehicles (EV):** These can be charged during off-peak times and provide energy back to the grid when needed. This includes both domestic and public charging stations.
- **Grid-scale and domestic batteries:** These can store excess energy and release it during peak demand periods.
- **Heat pumps and storage heaters:** These can be used to provide flexibility, turning them down at specific times.
- **Industrial or commercial buildings:** Council estates, commercial buildings, schools, landfill sites, and industrial assets can be combined to provide flexibility by shifting your usage outside specific times.

Our Spring 2025 tender set aside several million pounds to procure 122MW of flexibility across 260 zones. Our Autumn 2025 tender will maintain this focus on demand reduction and generation turn-up, covering 335 zones.

Opportunities are available twice a year to providers who can:



Reduce consumption or
increase generation at
times of peak demand

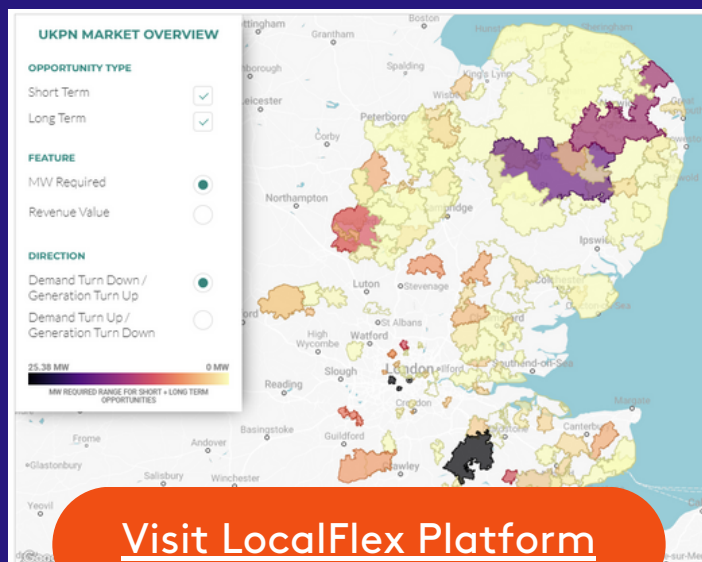
Contact the Local Net Zero Team at:
laep@ukpowernetworks.co.uk

Visit our [flexibility hub](#) to find out more information on how to participate. The [participation guidance](#) outlines the process to be followed as well as the technical requirements for participation.

Additionally, you can watch our latest [flexibility webinar](#) to find out more.

Where can I find opportunities in my local area?

1. Sign up to our [flexibility mailing list](#), where we will keep you informed of new flexibility tenders and any upcoming events, either in person or online.
2. View active flexibility zones and using our simple-to-use flexibility post code list available on our [tender hub](#) – two competition data files: 1) 'Competition data – Autumn 2024 Tender', 2) 'Competition data – Day-ahead.'
3. Visit Localflex platform to view flexibility opportunities on a map by primary substation area.



How much could I earn?

The price we pay for flexibility depends on several factors including the area, the type of service being provided, and of course how much flexible capacity is being offered. The maximum that you could earn is £600 per MWh.

In the example below, a local authority has 3MW of flexibility in an area where we are paying £500 per MWh, and we have indicated that we will need 30 hours of utilisation.

Type	£ per mWh	Hours Required	Asset Size	Payment
<i>Payment for asset availability</i>	£500	30	3	£45k

This could be realised through a large asset such as a generator or battery storage unit, or an aggregation of smaller assets such as EV chargepoints or heat pumps. If you can commit to being available at certain times, we may also be able to pay an 'availability' fee in addition to the 'utilisation' payment outlined above.

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What do I need to do next?

We have made it as straightforward as possible to participate in flexibility and we are here to hand hold you through the process. To help you in the meantime, we have broken the process down into three steps:

1) Pre-qualification: Complete your registration: Register your organisation and flexible assets through Localflex.

2) Submit Prices: Let us know your available capacity and pricing by submitting your bid for upcoming tenders. We will review the bids and award contracts to the most cost-effective offers (previous contract prices are available in our Open Data Portal).

3) Onboarding: We'll help you get everything set up and take you through some final tests before delivery.

Contact the Flexibility Markets Team to find out more about flexibility and whether you are eligible to start earning money from your assets at: flexibility@ukpowernetworks.co.uk

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How can I promote this to businesses and residents in my area?

Flexibility can benefit both small energy users such as homes, as well as businesses and energy asset operators. Domestic users can get involved by signing up with a participating supplier or smart energy management platform and let their smart technology do the rest. Once set up, residents can start earning money.

The best way to promote flexibility to businesses and residents in your area is to share this guide as a starter, encourage them to explore our [Flexibility Services page](#).

How does flexibility interact with local area energy plans?

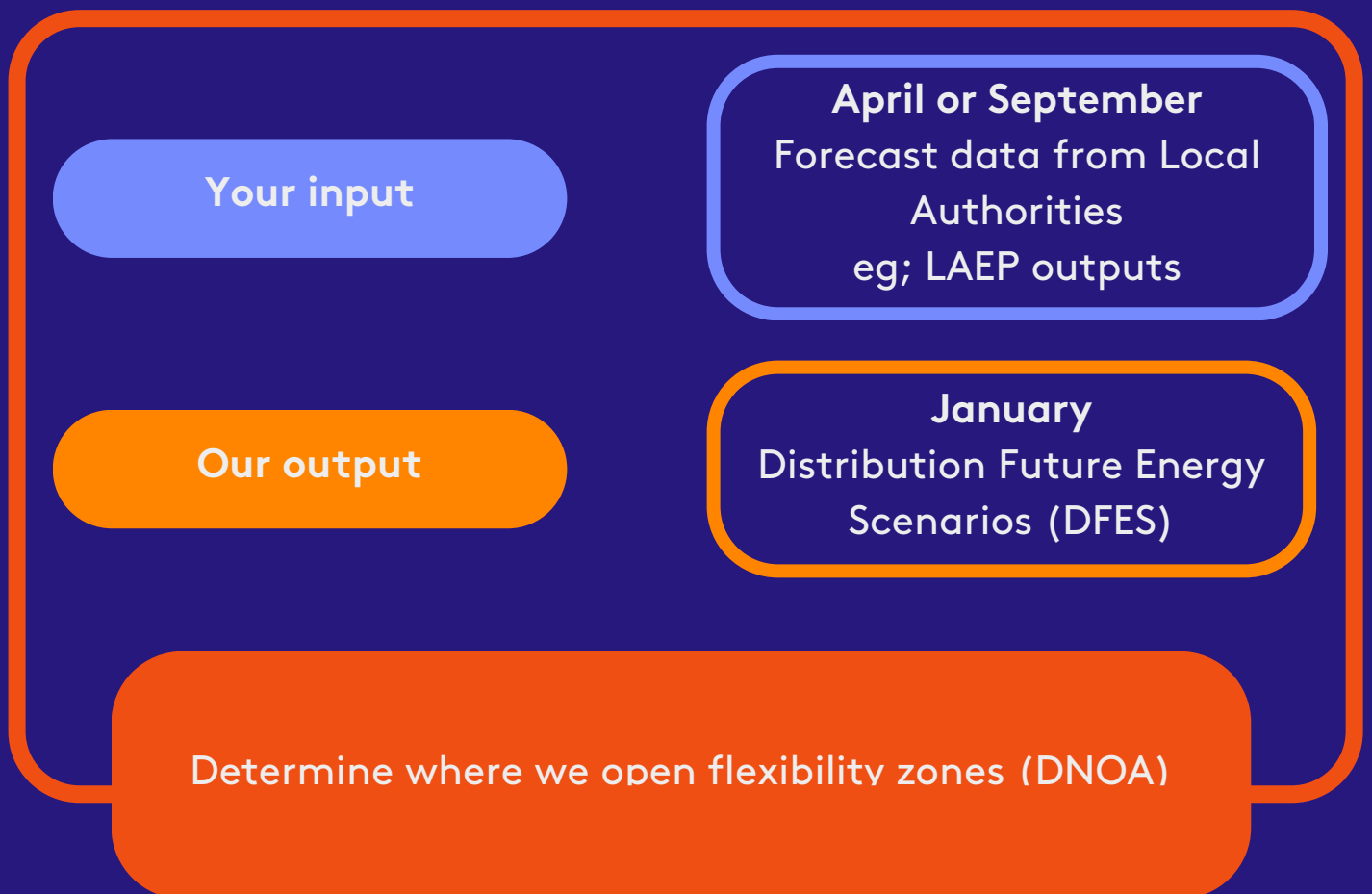
Flexibility allows us to enable the transition to Net Zero at a faster pace and lower cost for all. [Local Area Energy Plans](#) will typically consider current network capacity when assessing the potential for connecting new technologies. Ensuring flexibility is considered in these areas specifically will allow us to connect more decarbonising technologies without having to make costly and time-consuming network upgrades.

The local intelligence from local area energy plans that have progressed through our three-tier support service using the [Local Area Energy Planning Framework](#) will directly enhance

the forecasts we use to plan our network investment.

These forecasts sit behind our Distribution Network Options Assessment (DNOA), the decision-making framework for whether the DSO invests in the flexibility market or builds new physical infrastructure. This provides transparency on how we'll deliver capacity at a local level in response to your local decarbonisation plans, through flexibility or network investment – giving you the confidence that we're making the best-value decisions for residents in your area.

The diagram below outlines how local data can influence our network investment planning:



Flexibility does not guarantee that you will have your connection progressed quicker, but it does mean that you will be able to benefit from flexibility revenue streams.

Camden Case Study - energy efficiency as flexibility

We are eager to involve local authorities in flexibility as it increases the flexible capacity we can utilise and offers a revenue stream for local authorities to draw on. In addition to the existing flexibility contracts we offer, we are looking at new innovative flexibility services that local authorities can participate in. One of these involved using efficiency measures, which we explored with Camden Council.

As part of our Socially Green innovation project, we partnered with Camden Council to explore how UK Power Networks can provide services for customers to ensure a sustainable, fair, and accessible energy system.

The project is undertaking trials to enable hard-to-reach customers to partake in flexibility services and deliver against UKPN's priority of leaving no one behind in the energy transition. The trial in Camden involves the installation of energy efficiency measures that reduce each household's electricity demand and thus provide flexibility to the network. The trial saw Camden Council, using funding secured through the Social Housing Decarbonisation Fund, install energy efficiency upgrades in several social housing dwellings. Meanwhile, UK Power Networks provided bespoke energy efficiency advice to residents. Using smart metering data, we determined the difference these interventions had on electrical demand to help understand whether efficiency measures could be used as a flexibility service.

The Socially Green project shows the impact of local authorities and utilities working together for the benefit of their shared resident/customer base. UK Power Networks is taking an active role in supporting local authorities through projects such as this – looking to develop new products and services based on the needs of local authorities.

Contact and further information

To find out more about how UK Power Networks can help you achieve your net zero ambitions, contact **the Local Net Zero Team** at:

laep@ukpowernetworks.co.uk or [book a meeting](#) directly with us.

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