



**ESO Demand Flexibility Service  
Show & Listen 8th February 2023  
Collated Feedback – Summary**

# Demand Flexibility Service

*The Demand Flexibility Service (DFS) has been developed to allow the ESO to access additional flexibility when the national demand is at its highest – during peak winter days – which is not currently accessible to the ESO in real time. This new innovative service will allow consumers, as well as some industrial and commercial users (through suppliers/aggregators), to be incentivised for voluntarily flexing the time when they use their electricity.*

# 8<sup>th</sup> February 2023 - Industry Collaboration Topics

Wider ESO Flexibility Opportunities	Supplier/Market Led Opportunities	DFS 2.0 Evolution	Maintaining Consumer Engagement	Innovative Options/ Ideal Future State	Regulation Standards Codes Permits
Market opportunities available	Insights and plans from industry	What worked well for DFS 2022/23?	What has worked well to drive engagement?	Blue sky thinking	Blockers for 22/23 participation & delivery?
Barriers to unlock participation	Barriers to unlock progress	What improvements could be made for an enhanced service?	What will drive increased volume? (incentive, tech, process)	Innovation linked learning	Unlocking additional technologies & volume
Commercial viability	What value can directly managed flexibility offer providers?	What would a commercial service look like to you?	How do we protect/provide a good experience?	What can ESO do to support?	Future risk & opportunities

# This is what we heard...

Wider ESO Flexibility Opportunities	Supplier/Market Led Opportunities	DFS 2.0 Evolution	Maintaining Consumer Engagement	Innovative Options/ Ideal Future State	Regulation Standards Codes Permits
<p><b>Market opportunities</b></p> <ul style="list-style-type: none"> <li>EVs in BM operational metering trial</li> <li>Auditing scope / emissions – back-up generators</li> <li>Real-time market / extended timeline</li> </ul>	<p><b>Industry insights</b></p> <ul style="list-style-type: none"> <li>Growth of incentive-sharing schemes</li> <li>Option for last-resort service</li> </ul>	<p><b>Known enablers</b></p> <ul style="list-style-type: none"> <li>Motivational consumers engagement</li> <li>Cross-industry collaboration</li> <li>Provider certainty</li> </ul>	<p><b>Engagement drivers</b></p> <ul style="list-style-type: none"> <li>Marketing</li> <li>Choice enablement</li> <li>Reassurance</li> </ul>	<p><b>Wider questions</b></p> <ul style="list-style-type: none"> <li>Ethical considerations</li> <li>Infrastructure limitations</li> <li>Non-monetary incentives</li> <li>Role of regulation</li> <li>Service design</li> </ul>	<p><b>Blockers</b></p> <ul style="list-style-type: none"> <li>Unfair access to key data</li> <li>Legal ambiguities</li> <li>Stacking services</li> </ul>
<p><b>Barriers</b></p> <ul style="list-style-type: none"> <li>No stackability</li> <li>No aggregation across GSP group in other ESO services</li> <li>No asset meters</li> </ul>	<p><b>Blockers</b></p> <ul style="list-style-type: none"> <li>Lack of awareness</li> <li>Market impacts</li> </ul>	<p><b>Potential enhancers</b></p> <ul style="list-style-type: none"> <li>Widening competition</li> <li>Product improvements</li> <li>Price considerations</li> <li>Automation</li> <li>Process standardisation</li> </ul>	<p><b>Uptake drivers</b></p> <ul style="list-style-type: none"> <li>Technology</li> <li>Marketing</li> <li>Incentives</li> </ul>	<p><b>Expanding the product</b></p> <ul style="list-style-type: none"> <li>Integrating V2G</li> <li>Summer product / turn-up</li> <li>Asset metering</li> <li>Within-day/ day-ahead options</li> </ul>	<p><b>Volume drivers</b></p> <ul style="list-style-type: none"> <li>Unlocking additional technologies</li> <li>New providers segment</li> </ul>
<p><b>Commercial viability</b></p> <ul style="list-style-type: none"> <li>Real-time markets</li> <li>Opportunity to replace TRIAD</li> <li>Market value vs the Balancing Mechanism</li> </ul>	<p><b>Value sources</b></p> <p><i>Further feedback required</i></p>	<p><b>Commercialisation</b></p> <ul style="list-style-type: none"> <li>Architecting the right pricing</li> <li>Enlarging the market</li> </ul>	<p><b>Experience guardrails</b></p> <ul style="list-style-type: none"> <li>Solving for exclusion</li> <li>Consumer education</li> <li>Simpler sign-up</li> </ul>	<p><b>Baseline ideas</b></p> <ul style="list-style-type: none"> <li>Fixed baselines based on consumer type</li> <li>Control group sets baselines</li> <li>Disaggregation from national outturn</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Process standardisation</li> <li>Incentives standardisation</li> <li>Localisation with central oversight</li> </ul>