

Businesses to Earn Revenue with Relaunch of National Grid ESO Scheme



Businesses with smart meters and half-hourly readings will once again be able to profit from the Demand Flexibility Service following the conclusion of its highly successful trial earlier this year. Amid record wholesale energy prices the scheme was originally set up to increase energy security while reducing the reliance on fossil fuels¹. Businesses that took part were able to receive payments for minimising their electricity use during a number of scheduled events, and those that opted-in to the scheme through CUB were rewarded for reducing their usage during any of the events that suited their business operations and with no obligation to take part on the day.

The relaunch of the Demand Flexibility Service signals an increase of Demand Side Response (DSR) schemes becoming available for businesses to simultaneously earn financial rewards while lowering their energy bill. The National Grid ESO will relaunch the Demand Flexibility Service in November 2023 and it will run through to March 2024. As an approved provider CUB can let businesses know how much they can expect to earn before opting-in. By monitoring the power consumption of active participants, energy savings and payments can be optimised throughout the duration of the scheme.

Businesses that were able to avoid TRIAD charges are well positioned to leverage DSR schemes to develop new revenue streams while supporting grid stability. TRIAD previously ran throughout the winter months with the last season ending on 28th February. The new TRIAD season would normally start in November so now would be a good time to contact CUB to find out more about how this National Grid ESO scheme could help. Unlike TRIAD incentives, those participating in the Demand Flexibility Service not only reduce costs but also receive payments by lowering their energy during occasional peak time events.

Throughout last winter's Demand Flexibility Service trial CUB took part in 12 test events and two real events. Customers were notified, usually 12 hours in advance, to turn down their energy in return for payments. The 'real' events were used at times of unusually high demand. With a cold snap on 24th January that sharply increased pressure on the grid, we were able to secure the highest price in the market for our customers to turn down their power, with £13,528 paid out on that date. In return for helping to balance the grid our customers received over £58K in total while saving four tonnes in carbon emissions. The largest client revenue in a single event was £6,203. Another significant gain was more visibility into energy efficiency leading up to and during events, with one client making a £9K annual saving as a result.

DSR schemes run by organisations such as the National Grid ESO and UK Power Networks have empowered business to provide energy flexibility enabling them to become active participants in the smart grid while reducing the cost of connecting renewables to the network². Businesses are increasingly generating their own renewable energy, such as with solar and wind. Unlike privately owned fossil fuel backup generators, on-site renewables combined with battery storage can provide businesses with their own clean energy while participating in turn-off DSR schemes.

The engagement in DSR is connecting businesses with smart grid development by enhancing its efficiency, reliability, and sustainability through active participation. Real-time communications are enabling interaction between grid operators, energy companies and businesses, providing greater visibility and control over electricity consumption, optimising usage based on cost, environmental factors and grid conditions. Smart grids are generating a wealth of data on electricity consumption patterns that can be analysed to gain insights into operations and demand trends. Advanced analytics are a key component of a smart grid's ability to help businesses plan for future energy needs.

The National Grid ESO relaunch of the Demand Flexibility Service is planning 12 events between November 2023 and March 2024 with the first 6 taking place before the end of 2023 so early registration is essential to capitalise on the full potential of the scheme. There may be events that will take place to support system security during times of exceptionally high demand and when other existing services and market mechanisms have already been used. To get a better idea of how much your business could earn with Demand Flexibility Service and other DSR schemes, CUB can guide you through the end-to-end process.

1. <https://www.nationalgrideso.com/electricity-explained/electricity-and-me/esos-demand-flexibility-service>
2. <https://smartgrid.ukpowernetworks.co.uk/flexibility-hub/>