Flex Assure

Flex Assure Guidelines for

Industrial and Commercial Business Energy Users

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These guidelines are intended as a resource for businesses engaging flexibility service provider(s) to participate in energy flexibility markets.

Disclaimer

These guidelines are for general information purposes only. You should not rely upon the information in these guidelines as a basis for making any business, legal or any other decisions.

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1. Introduction

Introduction

Energy Flexibility; a Business Opportunity

The need for new sources of flexibility in the energy system presents a wide range of opportunities for energy users of all shapes and sizes to engage with, contribute to and benefit from the transition to a net-zero society. Ofgem (2025) defines energy flexibility as:

> "modifying generation and/or consumption patterns in reaction to an external signal (such as a change in price) to provide a service within the energy system".

By engaging in flexibility markets, energy users are paid to turn interruptible processes[1] down or off at times of high demand and low generation – or conversely, to increase electricity use at times of excess generation – thereby helping the network operator to balance the electricity system. Thus, energy flexibility offers opportunities for businesses[2] to earn revenue and reduce energy bills, while reducing their carbon footprint and helping to reduce the carbon intensity and improve resilience of the wider energy system.

Engaging Flexibility Service Providers

As energy may not be their primary business, businesses wishing to take advantage of these opportunities can choose to work with flexibility service providers, who specialise in coordinating or aggregating sources of flexibility from individual consumers to more effectively deliver services to the grid and generate revenue for their customers. Flexibility providers have technical and policy expertise, which can help sites fully capture the benefits of flexibility, providing a route to market for those businesses that do not have the time and capital to invest into energy specialisation.

[1] Typical processes which are turned down or off include lighting, air conditioning, electric heating, pumps, and other non-essential equipment. Participating in DSR is voluntary and is designed not to impact on day to day business operations or comfort.
[2] Supermarkets, industrial manufacturers, universities, commercial and public buildings, and hospitals are just some examples of businesses which are providing DSR services.

These guidelines are meant to support business energy users in their interactions with flexibility service providers. To this end, this document sets out:

- A list of questions to ask and matters to consider, when requesting an offer from, and before entering into a contract with, a flexibility service provider; and
- Types of information, which business energy users may wish to provide to flexibility service providers to achieve the most accurate, relevant and comparable offers.

What is Flex Assure?

These guidelines have been produced by Flex Assure, with input from flexibility service customers and Scheme Members. Flex Assure is a Code of Conduct and Compliance Scheme. sets standards for flexibility service providers and encourages best practice amongst Scheme Members (as of 2025) and in the wider energy flexibility sector.

The Flex Assure Scheme offers business energy users assurance of the service they can expect from flexibility service providers, who are signed up to the Scheme. Members of the Scheme commit to abide by the rules set out in the Code of Conduct, and Flex Assure conducts periodic audits to assess compliance with the Code.

Scheme Members (as of 2025) can be identified by the Flex Assure Mark (right), a mark of trust and integrity. The Members Register, accessible on the Flex Assure website, includes information about all Scheme Members (as of 2025) and their status under the Scheme, including audit results.

Flex Assure does not dictate contractual terms between a Flexibility Services Provider and their customers. However, energy flexibility customers may use the Flex Assure Code of Conduct as appropriate, in their dealings with Flexibility Services Providers. An energy flexibility customer may, for example, include in their contractual arrangements with a Flexibility Services Provider, requirements for compliance with the Flex Assure Code of Conduct. Flexibility Services Providers, who are signed up to the Flex Assure Scheme, are periodically audited by Flex Assure to monitor their compliance with the Code.

Energy Flexibility Services

This section provides a brief introduction to some of the most important energy flexibility services used by NESO balance supply and demand on the electricity network. Please note, this is not a complete overview and, whilst reasonable endeavours are taken to keep this document up to date, this is a rapidly developing space, and Flex Assure does not guarantee that information is accurate and up-to-date. Further information is available via, for example, NESO and Elexon.

Balancing Mechanism

The Balancing Mechanism is one of the National Energy System Operator's (NESO) most important tools for balancing electricity supply and demand in close to real time. This is an ad hoc market with no forward commitments and highly dynamic prices.

The purpose of the BM is to balance supply and demand in every half hourly trading period of the day; where NESO predicts an imbalance between electricity generation and demand for a certain time period, they may accept bids or offers from consumers to increase or decrease generation or consumption.

Previously the BM was only open to licensed generator and licensed suppliers, meaning your electricity supplier would need to be the counterparty responsible for monetising your flexibility in this market.

However, from April 2025, NESO has opened up the BM through Wider Access, allowing pre-qualified flexibility service providers (known in this context as Virtual Lead Parties) to submit and dispatch flexibility into this market without the prerequisite of being the supplier for the site.

Demand Flexibility Service (DFS):

The Demand Flexibility Service offers a simple way to earn revenue while supporting the electricity system. By reducing or shifting power use during specific periods when the grid is under strain, participating sites are paid for the flexibility they provide. NESO gives advance notice of each event, so businesses can plan adjustments without disrupting core operations.

Participation can be managed directly or through an aggregator, and no complex equipment or real-time control is required. The service is especially suited to sites with flexible processes, energy storage, or controllable loads. DFS allows businesses to cut costs, demonstrate sustainability leadership, and play an active role in maintaining a reliable, low-carbon energy system. See the registered provider list here.

Reserve Services:

Reserve services enable NESO to access extra sources of power in case of greater than forecast demand on the transmission system, either in the form of increased generation or demand reduction.
See NESO's guidance for further information.

Frequency Response:

NESO and DNO use Frequency Response services to maintain system frequency[3] second by second.
Read more on NESO's website

Capacity Market

The Capacity Market exists to ensure sufficient capacity to meet projected levels of future electricity demand. Generators and consumers are paid to guarantee provision, one or four years ahead of delivery, of additional capacity when needed
Visit the ERM Delivery Body website for further information

Peak Avoidance

NESO used Transmission Network Use of System (TNUoS) fixed charging bands to calculate charges for half hourly metered consumers. Transmission Network Use of System (TNUoS) fixed charging bands are the three half-hour settlement periods of highest demand on the GB electricity transmission system between November and February. By reducing consumption at periods where winter peak electricity demand is forecast, consumers can reduce their transmission network charge. The Triad system has now been replaced by a new system based on a series of fixed 'charging bands'.

DNO/DSO Flexibility Services

DNO & DSO Flexibility Services offer a way to earn payments by helping local electricity networks manage demand and capacity. When a Distribution Network Operator (DNO) or Distribution System Operator (DSO) expects congestion or high electricity usage, participating sites can reduce consumption, shift operations, or export power from on-site generation or storage to help manage local grid constraints. In return, the businesses receive payments for the flexibility delivered.

Flexibility varies by region and is often procured through third-party platforms, creating a diverse and dynamic market for flexibility providers. As the electricity system becomes smarter and more decentralised, DNOs are evolving into DSOs, taking a more active role in real-time management of local supply and demand.

Speak to a flexibility service provider to find out more about which services best suit your business.

[3]Frequency is determined (and managed) by the second-by-second balance between system demand and generation. If generation is greater than demand, frequency increases, and if demand is greater than generation, frequency falls. National Grid must maintain a system frequency within 1% of 50Hz.

3. Questions to Discuss

Questions to Discuss with Flexibility Services Providers

It can sometimes be difficult to evaluate offers and bids from different flexibility service providers, and to assess which is the best fit for your organisation or site. Here, we have compiled a list of questions and things to consider, when engaging with one or more flexibility service provider(s). These are just suggestions, and the list is not exhaustive. You should always consider and discuss all matters of relevance to your site and circumstances.

Details of Full-Service Offering

1)What services do you offer and into which services can I enter with my assets?

2) Do you enter portfolios of assets into the Capacity Market and emerging Local Flexibility Markets? Are my assets suitable?

3) Do you provide holistic services for Supply, PPA, Energy Management, Metering, Data Collection?

4) Are your aggregation services provided in house or through a third party?

Minimum Requirements for Each Service

5) What are the minimum requirements for each service; for example, minimum response duration, speed of response, minimum entry threshold (MWs)?

My asset does not meet the minimum entry threshold for a service, what can I do?

- Look for information on aggregation options via a flexibility service provider. What requirements are there for aggregating, for example similar technology type, availability, location? Does the aggregator have customers that are able to aggregate with my asset now, or do I have to wait for the portfolio to grow and allow for this opportunity?

How are Contracts procured by the Flexibility Provider with the "Client" (e.g. NESO or DNO)?

6) Request details on tender cycles, market structure, contract length, etc.

7) How far in advance can the flexibility service provider contract for a service with National Energy System Operator (NESO) or DNOs? Will, or can, this impact service/revenue longevity and continuity?

8) Details of alternative procurement routes for energy flexibility services, for example, if public sector can I contract with you via an existing framework agreement[4]? What are the criteria and how do I go about running a mini-competition under this framework?

Equipment & Operations

9) How will engagement in energy flexibility markets effect the day-to-day operations of my assets? (Details of asset operational schedule will need to be provided, as set out in section 4 of these guidelines).

10) Do I need to install equipment on site? What is required and what is the cost of this equipment?

11) What hardware and software capabilities are required, and what operational tasks are we, the customer, required to perform?

Communication Channels

12) Request details of the flexibility service provider's cyber-security protocols, and any standards they are signed up to.

13) Are communication channels maintained and paid for by the flexibility service provider?

Added Value

14) What sets the flexibility service provider apart from other actors in the market? Can they provide details of other projects, participation in workgroups, membership to schemes (e.g. Flex Assure)?

After Sales Support

15) Do you have 24-hour operational support?

16) How will I be supported in terms of on-going collaboration, new opportunities, market information or regulatory updates?

17) What sort of reporting do you provide for your customers – financial, operational – and how regularly?

Case Studies and References

18) Can you provide details of similar customers you have worked with in the past (e.g. case studies or independent feedback)?

[4]Guidance from Crown Commercial Service for energy flexibility under the HELGA framework is available via the DPS portal.

Assumptions in Modelling:

19) What assumptions underpin the modelling/revenues provided?

20) Is your modelling underpinned by a realistic operational strategy (i.e not overcounting hours, not over-assuming success in grid service tenders, arbitrarily high market values etc.)?

21) Are there any future regulatory developments, which could impact on future commercial returns? [A Flexibility Services Provider should have a good understanding of the regulatory landscape and be able to clearly explain to customers along with any risks / impacts on future commercial returns].

a. What future developments are expected, and (how) will this impact on current flexibility service provision (e.g new response and reserve products etc)

b. Have reforms to network charging been factored into strategies or commercial modelling?

c. Other sensitivities or assumptions, e.g. expected DNO connection/ commissioning cost assumptions (and exposure to changes)?

Fees & Income:

22) What is the structure for management fees/income share; what are the costs of integration of any required outstations and comms?

23) How is your aggregator fee calculated? Is this fixed or percentage share of revenues?

24) What are the payment terms?

Information to Share with Flexibility Services Providers

Below is an overview of the types of information and data a business energy user may wish to share with (a) flexibility service provider(s), in order to ensure that you receive the best and most accurate offers.

Assets:

1) Detailed information on the asset estate including, for example:

a. MPANs, GSP Name and/or site location;

b. Asset technology type (e.g. load management (please specify), cold storage, battery system, generator (CHP, gas engine, diesel generator), other (please specify);

c. capacity (size) of asset(s);

d. make, model, serial number;

e. operating regime/schedule;

f. electrical efficiency;

g. possible response speed, including ramp rate;

h. min/max duration.

2) Details of all assets on site and how they interact;

This includes assets that you may not necessarily be considering for energy flexibility services. For example, do you have a CHP on site that modulates with site load? This will affect service delivery if shutting down loads on site, so options would need to be discussed.

3) Operational restrictions / limiting factors;

a. This may include shift / personnel related constraints, additional embedded generation prohibiting running at specified hours, existing grid or DSR contracts, pathfinder projects.

b. Other periods of non-availability e.g. for maintenance or due to a DNO ANM connection.

4) Any embedded generation on site

5) Warranty information (e.g. for batteries)

6) Maintenance schedule

Connection & Metering

7) Site Half Hourly metering data: Provide a years' worth of Half Hourly metering data (if available; this may not be possible for a new build site/asset).

a. Any supporting commentary to provide context to the data e.g. operational/shift-pattern, product-order dynamics, or other (seasonal/ weather) factors

8) Cost details, including:

a. price of electricity (fixed or variable);

b. cost of fuel;

c. carbon costs (if applicable);

d. O&M contract costs on a per £/MWh basis;

e. breakdown of costs (e.g. copy of invoice for winter period: to assess applicability of time-of-use structures;

f. applicable cost exemptions.

9) Details of connection arrangement with distribution network operator, including:

a. kVa connection capacity;

b. voltage connection (11kV, 33kV or 132kV).

This is for both import and export arrangements, where applicable.

10) Details of metering arrangement, including any sub-metering. This should include:

a. meter make;

b. model;

c. accuracy class;

d. single line diagram.

Air Quality Restrictions

11) Provide details of any air quality restrictions in the local area.

Depending on asset type, participation in DSR services could be limited if emission value levels are not met (MCPD legislation) – aggregators will need to know, for example, if you are considering entering a diesel generator into a DSR scheme, that the asset is abated and permitted before taking forward any new balancing services or Capacity Market and emerging Local Flexibility Markets contract.

FLEX ASSURE

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