

UK Power Networks/EPEX Spot – Local Flexibility Markets

Berlin, 3/6/2024

Localflex background

An innovation powered by EPEX SPOT

- Since 2016, EPEX SPOT **committed to facilitate emergence of market-based flexibility**
- Bring Exchange expertise, systems, neutrality & transparency to DSOs & FSP community

- EPEX SPOT has participated in various initiatives:
 - (1) First with pilot projects:
 - Enera (Germany) & Enflate (Switzerland)
 - (2) Now with commercial Flexibility markets:
 - Localflex Continuous market in the Netherlands, connected to **GOPACS**.
 - EPEX SPOT's Localflex now complemented by the **LEM platform** to improve/facilitate flexibility reservations & activations, increase engagement of consumers/producers.



Partnership with UK Power Networks, leading electricity distributor in London, the South-East & East of England to maximize FSP participation and “**Supercharge**” **Flexibility Market**

Localflex GB - UKPN

EPEX SPOT x UK Power Networks partnership to pave the way to the future of flexibility markets in GB

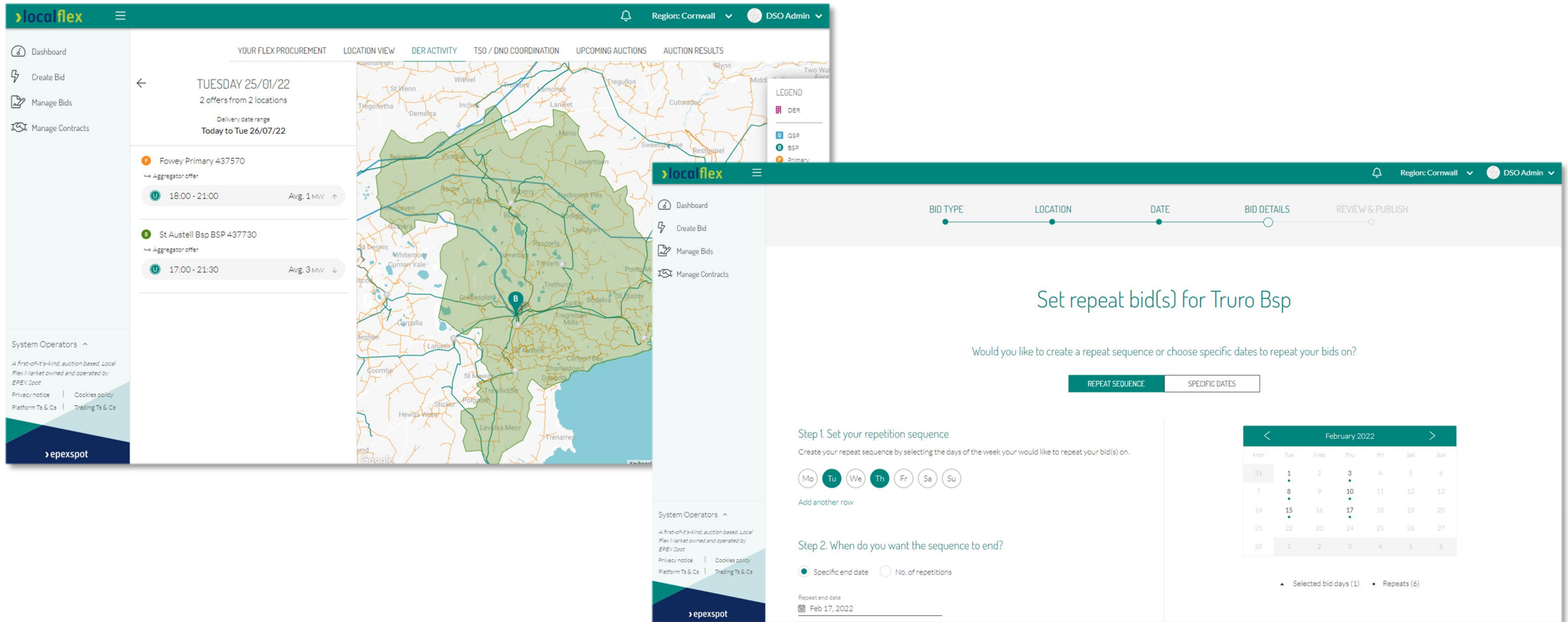
- UKPN & EPEX SPOT high complementarity to take flexibility markets to the next level and make them a success
- As part of the competitive tender UKPN identified the solution providing
 - Good combination of market accessibility, functionality & value
 - User friendly and fit for FSPs and SOs needs

- Platform developed **by the users for the users**.
- Supports auctions for **long-term reservation + short-term utilisation** (day-ahead timeframe).
- **Alignment with ENA Open Networks standards**
- Auction algorithm for simple or more complex constraints (network and/or assets) + T&D coordination
- Focused on the future large community of FSPs, assets and orders/transactions

Product Characteristics		
	Reservation auction	Utilisation auction
Location	Trading nodes (Zones, HV subs, LV subs)	
Trading modality	Pay-as-bid (pay-as-clear also supported)	
Granularity	30-minute delivery periods (multi-delivery period orders are supported) (configurable)	
Direction	Upward and Downward flexibility	
Gate closing	Auction specific, Long-term Bi-Annual, Utilisation at Day Ahead	
Price limits	As set per buy order (configurable)	
Tick size (price)	£0.01 (configurable)	
Tick size (volume)	0.01MW (configurable)	
Settlement	Scaled on monthly delivery proportion	Deviation from baseline

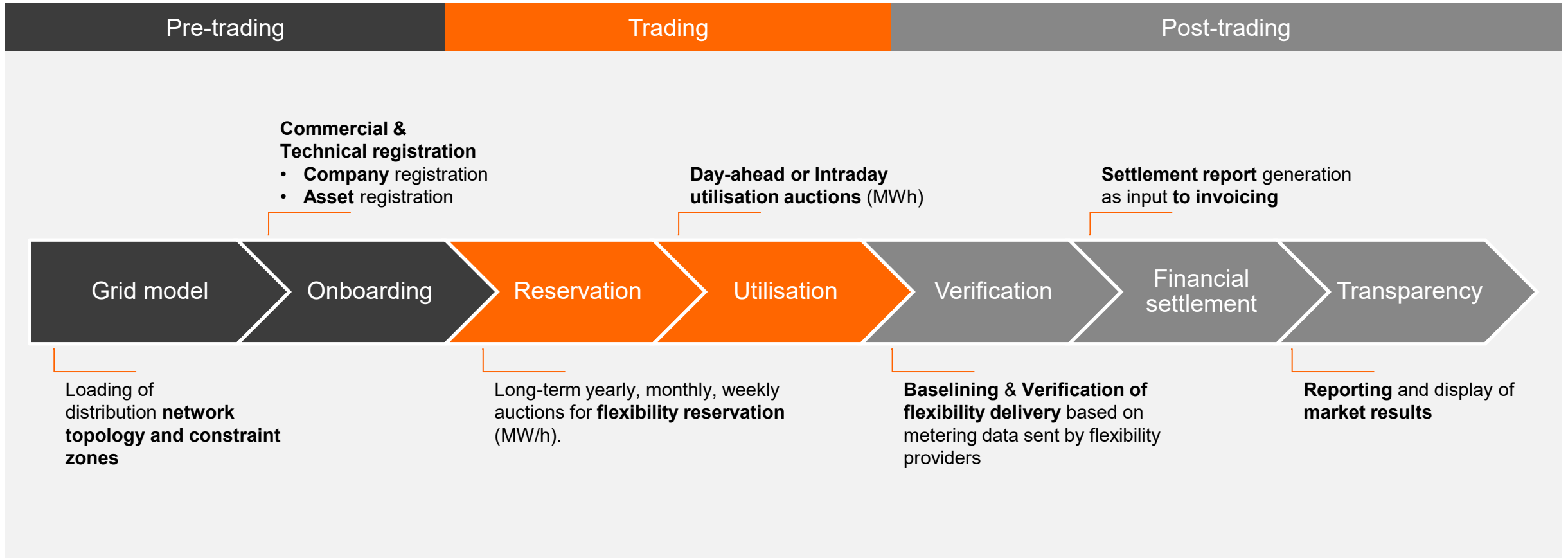
Localflex GB - UKPN

View of the platform's web-based interface



A market supported by the localflex solution

One-stop-shop solution: from onboarding to reporting

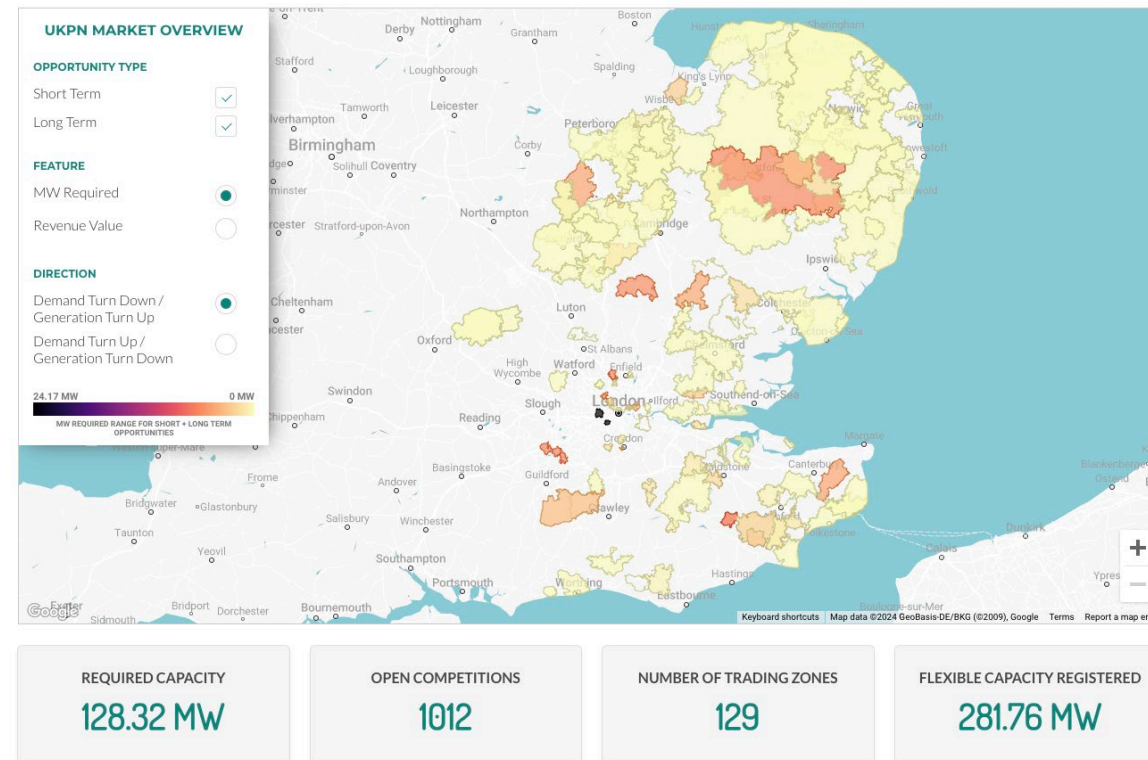


Both Day-ahead auctions and Long-term auctions are live!



In May both day-ahead and long-term auctions have gone live:

- 408MWh requested by UKPN
- 205MWh contracted
- 56 FSP approved to connect the platform
- 80 assets approved by UKPN
- 281.76 MW of Flexible capacity registered
- 129 trading zones



Those values will grow significantly as we are onboarding FSPs
This is just the beginning