

FLEXIBILITY PROCUREMENT STATEMENT

July 2023

VERSION CONTROL

Document Title	Status	Owner	Date
Flexibility Procurement Statement 2023	Document for Public Consultation	Future Networks	10/07/2023

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GLOSSARY OF TERMS

Term	Definition
Customer Flexibility	Flexibility Services delivered to NIE Networks by customers connected to the distribution system.
DER	Distributed Energy Resource - small scale generation asset connected to the distribution system.
DSO	Distribution System Operator - actively manages the power flows on the network using flexible connections and/or services, in addition to the traditional distribution network operator approach of reinforcement and switching.
Flexible Asset	A single standalone Distributed Energy Resource (DER) or asset capable of providing Flexibility Services.
Flexibility Product	A specific manner in which Flexibility is operated to help resolve network congestion.
Flexibility Provider	A commercial operator of a Flexible Unit which owns or has rights to operate Flexible Assets.
Flexibility Service	Commercial arrangements between NIE Networks and Flexibility Service Providers which can help avoid undesirable network conditions. Achieved via a Flexible Unit/Asset changing consumption with respect to an instruction.
Flexible Unit	A unit capable of providing Flexibility Services which may be an aggregated unit comprising multiple Flexible Assets or a non-aggregated unit comprising a single Flexible Asset.
Network Flexibility	Flexibility delivered via utilising network assets owned by NIE Networks.
RP6	This is the name given to the price control for NIE Networks which will cover the period from 1 October 2017 to 31 March 2025.
RP7	This is the name given to the price control for NIE Networks covering the period from 1 April 2025 to 31 March 2031
SONI	Transmission System Operator for Northern Ireland.
TSO	Transmission System Operator - In Northern Ireland, this role is carried out by SONI.

1. INTRODUCTION

1.1 Who We Are

Northern Ireland Electricity Networks (NIE Networks) owns the electricity transmission and distribution networks in Northern Ireland, transporting electricity to over 900,000 customers including homes, businesses and farms.

Our primary role is to maintain and build the electricity infrastructure across Northern Ireland, connect customers to the network and ensure that our equipment is safe and reliable. We plan, develop and operate the distribution network and work with the TSO with regard to the transmission system.

The distribution system is undergoing an evolution, shifting from being largely passive to a dynamic system with significant volumes of distributed generation, demand through electrification and increasing levels of customer flexibility. These factors are creating a much more dynamic system with more complex power flows and in order to manage this we are taking on new functions of Distribution System Operation (DSO).

1.2 Purpose of this Statement

This Procurement Statement has been prepared in accordance with Condition 19 Paragraph 7 of NIE Networks' Electricity Distribution Licence¹, issued under Electricity (Northern Ireland) Order 1992². This Procurement Statement sets out the principles and criterion implemented by NIE Networks' when procuring System Support Services or Flexibility Services. This Statement aims to provide parties interested in participating in future Flexibility Services procurements relevant information regarding our principles and criterion.

This Statement also demonstrates how NIE Networks fulfils the obligations outlined within Condition 19 (Distribution System Security and Planning Standards and Operation of the Distribution System) of its Electricity Distribution Licence, in particular the obligations detailed within paragraph 6.

This Procurement Statement represents NIE Networks' general approach to the procurement of Flexibility Services at the date of issue and applies to subsequent Flexibility Service tenders. This statement is not intended to provide details of any specific tender. Information and documentation relating to a specific tender process will be made available online via eSourcing NI³.

Updates to this Statement will be made as procurement principles and criterion evolve. Changes to our procurement principles will be communicated in the form of an updated Statement, which will be available on NIE Networks' website before any affected tendering exercise commences.

This document also includes details of procurement processes applied, this has been provided for information purposes only. Procurement processes and procedures will evolve as requirements change and if procurement principles and criterion are updated.

¹ www.nienetworks.co.uk/documents/regulatory-documents/nie-distribution-licence-effective-22-january-2018.aspx

² www.legislation.gov.uk/nisi/1992/231/contents

³ www.e-sourcingni.bravosolution.co.uk

2. THE NEED FOR FLEXIBILITY SERVICES

2.1 Drivers

2.1.1 Energy Transition

The energy system is undergoing a rapid transformation as we transition towards net-zero, and our networks are at the heart of this change. In order for Northern Ireland to meet the targets laid out in the 2030 Energy Strategy and achieve net-zero by 2050, we need to decarbonise the whole energy system. This includes reshaping the power system as a means to decarbonise other crucial vectors in transport, heat and industry.

The Northern Ireland Energy Strategy published in December 2021, 'Path to Net Zero Energy'⁴, outlines the energy pathway to 2030 which enables zero carbon energy by 2050. A key principle of the strategy is to 'create a flexible, resilient and integrated energy system', the main objectives of this principle are to develop networks and markets to integrate low carbon energy sources, an accessible energy system and decentralised solutions which enable active participation from customers within the energy transition. Our objective is to develop a smart and flexible system to facilitate all credible decarbonisation pathways at least cost to customers. Flexibility Services are a key component in achieving this goal, utilising customer and whole system flexibility alongside other forms of network flexibility minimising investment in expensive, irreversible network reinforcement.

2.1.2 Network

The energy transition will place new and significant demands on our electricity networks being a means through which other crucial vectors such as transport, heat and industry decarbonise. At ever growing volumes, customers are choosing to adopt electric vehicles and heat pumps placing demands on our networks for which they were not traditionally designed. Further, customers are increasingly choosing to produce their own electricity and become flexible reacting to price signals and available renewable energy.

Traditionally, network operators would respond to this through network expansion replacing existing assets with those of greater capacity and building new network to manage growth in demand, generation and more complex power flows. Through technological developments enabling visibility and digitisation of networks and allowing customers to become more flexible, there are now opportunities to use customers to manage network congestion, delaying or avoiding expensive, irreversible network reinforcement.

This transition from a larger passive network to a dynamic system where power flows are actively managed, NIE Networks is on a journey to evolve to a Distribution System Operator (DSO) meaning we will be better placed to manage and optimise the network and enable customers to decarbonise at least cost.

While network reinforcement will still be required in the form of upgrading assets and building new portions of the network, NIE Networks, through its' innovation portfolio is seeking to find new ways to defer or avoid the need for investment in costly conventional reinforcement solutions. Through procuring Flexibility Services from Distributed Energy Resources (DER) connected to the distribution system, the stress on network assets can be reduced by customers adjusting their generation or demand.

⁴ www.economy-ni.gov.uk/publications/energy-strategy-path-net-zero-energy

2.2 The Role of Flexibility Services

As NIE Networks transitions from a Distribution Network Operator (DNO), to a Distribution System Operator (DSO), more active management of the network will occur, increasing the importance of procuring Flexibility Services. Additionally, as the volume of Low Carbon Technologies (LCTs) connected to the low voltage network increases, there is an opportunity to utilise a wider range of flexible technology classes, enabling customers to become prosumers and the opportunity to participate in flexibility markets.

NIE Networks is joining DNOs in GB in committing to a 'Flexibility First' approach to managing the network and making investment decisions. This means that where network congestion arises, local flexibility markets will be tested and where a flexible solution is determined as being most cost-effective, then it shall be implemented.

In the preparation of NIE Networks' RP7 business plan, a four-stage approach will guide our approach to managing network congestion and investment decision-making.



FIGURE 1: INVESTMENT DECISION PROCESS

NIE Networks considers a range of scenarios which the distribution network may face and models these scenarios based on the capability of existing assets. This modelling is then used to identify network locations that are at risk, which could require intervention to accommodate expected changes or growth in generation and demand. Where not already in place, network monitoring is utilised to prioritise investment using real time data to view exactly what is happening on the network.

Network monitoring can reveal areas which require constraint management. The use of innovative techniques and flexibility will be considered as an alternative conventional reinforcement. These methods consist of active management through network flexibility; for example, reconfiguring or adjusting existing assets as required or by utilising customer flexibility. Flexibility Services contracted by NIE Networks from customers will incentivise customers to increase or decrease electricity usage or generation. Only when these options have been exhausted or the expected growth is too rapid will reinforcement via the replacement or upgrading of assets take place.

3. PREVIOUS EXPERIENCE

3.1 FLEX Innovation Project

As part of the RP6 innovation programme, we are progressing our FLEX innovation project (previously called Demand Side Response or DSR). This project is focused on developing an initial technical and commercial framework through which NIE Networks can procure and operate Flexibility Services, demonstrating the use of customer Flexibility to support network operation and integrate this approach into Business as Usual (BaU) processes. Note, this trial only considered active power Flexibility Services.

Summer 2022 marked the completion of the main phase of the FLEX trial period in which Flexible Units comprising a range of capacities and technology classes provided Flexibility Services to the network over a 6-month trial period.

During this phase, three distinct Flexibility Products were procured and trialled in network locations known as Flexibility Trial Zones (FTZs):

Sustain (scheduled congestion management) – scheduled to regularly support security of supply during system intact conditions. NIE Networks procures, ahead of time, a pre-agreed change in the import or export of a Flexibility Provider over a defined Utilisation period to prevent a breach of network limits.

Secure (pre-fault congestion management) – used to support security of supply if and when a network limit is forecast to be breached. NIE Networks procures, ahead of time, the ability to access a pre-agreed change in a Flexibility Provider's import or export during pre-defined Service Windows. Utilisation is instructed by NIE Networks, close to real-time, based on loading forecasts or network conditions (e.g. when loading is expected to exceed network limits).

Dynamic (post-fault congestion management) – used to support the network following a system fault to maintain system security. NIE Networks procures, ahead of time, the ability to access a pre-agreed change in a Flexibility Provider's import or export during pre-defined Service Windows. Utilisation is then instructed by NIE Networks if and when a fault occurs on the network and loading is beyond the rating of the remaining intact network assets.

For the purposes of the FLEX project, NIE Networks has committed to defining and branding all current Flexibility Products in alignment with the Energy Networks Association's (ENA) Open Networks Project⁵ definitions for simplicity, standardisation and alignment with Flexibility Markets in Great Britain. As network needs evolve there may be a need to adopt new products which are more suited to specific use cases within Northern Ireland.

⁵ www.energynetworks.org/creating-tomorrows-networks/open-networks/flexibility-services

4. LICENSE CONDITIONS

NIE Networks' Electricity Distribution Licence lays out our specific requirements with respect to System Support Services or Flexibility Services. Condition 19 Paragraph 6 of our Electricity Distribution Licence states that where NIE Networks procures System Support Services (Flexibility Services) it shall:

- a) Procure Flexibility Services from the most economical sources available to it, having regard to:
 - The quantity and nature of the System Support Services that are required by NIE Networks to enable the discharge of its obligations under the Order, the Energy Order, the SEM Order and the Licence.
 - The diversity, number and reliability of System Support Services that are at that time available for purchase or acquisition.
 - Obligations under the Distribution Interface Arrangements.
 - Quantity and nature of the services that are purchased or acquired by the TSO in accordance with Condition 29 of the TSO licence.
- b) In a manner that does not:
 - show any undue preference to, or unduly discriminate between, any person or class or classes of persons;
 - prevent, restrict or distort competition in the availability of, or in any of the markets for, System Support Services to the detriment of electricity consumers.

Condition 19 Paragraph 7 also states that the licensee (NIE Networks) shall:

- a) following consultation with persons from whom it may purchase or acquire System Support Services and with the Transmission System Operator, prepare and submit to the Authority for its approval, a document that sets out the principles and criterion the licensee will follow in establishing procurement processes and procedures that meet the requirements of paragraph 6 (the Procurement Principles);
- b) establish and at all times have in force, implement and comply with such procurement processes and procedures as will facilitate the licensee's compliance with the requirements of paragraph 6 (the Procurement Procedures); and
- c) publish on its website, and send free of charge to any person requesting, an up to date copy of the Procurement Principles and the Procurement Procedures.

This document, our Procurement Statement, is intended to fulfil the requirements in Condition 19 Paragraph 7.

This document sets out the principles and criterion NIE Networks has followed in establishing processes and procedures for the procurement of System Support Services (Flexibility Services) and the subsequent procurement processes and procedures demonstrating compliance with Condition 19 Paragraph 6. Note, procurement processes have been included for information purposes only.

Following approval by the Regulatory Authority, this document will be published on NIE Networks website, and sent free of charge to any person requesting an up to date copy of the Procurement Statement.

Formal flexibility tender documentation i.e. Pre-Qualification Questionnaires, Invitation to Tender, will be published on eSourcing NI and not NIE Networks' website.

5. PROCUREMENT PRINCIPLES

NIE Networks' Procurement Policy applies to the procurement of all supply, works and service contracts, including Flexibility Services. This policy ensures procurement processes and procedures comply with the principles of non-discrimination, equal treatment and transparency and the requirements laid out in the Utilities Contracts Regulations (2016) and the licence conditions placed on NIE Networks with respect to procuring Flexibility Services.

We have also considered the following overarching principles, developed collaboratively through the ENA's Open Networks Project, as principles that guide our procurement and use of Flexibility Services which complement the principles set out in our Electricity Distribution Licence:

- Championing a level playing field
- Visible and accessible opportunities
- Open and transparent procurement
- Clarity on the utilisation of services
- Transparent reporting
- Promoting whole system outcomes

5.1 Obligations

NIE Networks confirms that the procurement of Flexibility Services will be carried out in line with the Procurement Principles outlined in Section 4. NIE Networks will also ensure that procurement principles and criterion comply with relevant components of the legislation contained in Annex 4 of the Northern Ireland Protocol⁶.

Consideration is given to the requirements outlined in Articles 31 and 32 of the Clean Energy Package Electricity Directive⁷. These Articles stipulate principles DSOs shall follow when procuring services and are expected to be transposed into law in Northern Ireland soon.

With regard to interactions with the TSO, cooperation and information exchange will take place in accordance with Article 57 of Regulation 2019/943⁸ and Article 182 of Commission Regulation (EU) 2017/1485⁹. This is in addition to those obligations set out within the existing Transmission Interface Arrangements and any future obligations included within Distribution Interface Arrangements.

⁶ www.legislation.gov.uk/eut/withdrawal-agreement/attachment/1/adopted

⁷ www.energy.ec.europa.eu/topics/energy-strategy/clean-energy-all-europeans-package_en

⁸ eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R0943

⁹ eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R1485

5.2 Procurement Criterion

In order to have bids considered within any flexibility tender any Flexibility Providers, Flexible Units and/or flexible assets must meet the Procurement Criterion. This is in addition to fulfilling the specific technical and commercial requirements of a Flexibility Services tender. The criterion can be met by complying with all applicable requirements within the following provisions:

- Electricity Safety, Quality and Continuity Regulations (2012) (ESQCR)
- Distribution Code
- Grid Code (where applicable)
- Utility Regulator licencing requirements. Except Assets/Units which are exempt by the Electricity (Class Exemptions from the Requirement for a Licence) Order (Northern Ireland) 2013¹⁰.
- Connection or Generator Agreement with NIE Networks
- Applicable European Network Codes

¹⁰ www.legislation.gov.uk/nisr/2013/93/contents/made

6. PROCUREMENT PROCESSES

Based on these principles and criterion, we have established procurement processes and procedures that will facilitate compliance with the obligations set out in our Electricity Distribution Licence. NIE Networks will at all times have in force, comply with and implement these Procurement Principles and Criterion respectively.

In 2021, through the FLEX project, a trial framework for the procurement and utilisation of Flexibility Services was developed enabling us to procure Flexibility Services for the first time for Winter 2021/22. This procurement process was designed on a competitive and technology agnostic basis, with low technical and commercial barriers to participation. The procurement processes and procedures are separate to and follow on from the principles and criterion but have been included to demonstrate how NIE Networks could fulfil the procurement principles.

The FLEX project was a milestone initiative, representing the first instance of Flexibility Services being procured and used by NIE Networks and the island of Ireland. This area is still nascent and further development is required to promote availability and participation in service provision, and a wider range of technology classes.

The stages of NIE Networks' current procurement process are outlined in Figure 2. Specific timelines for any future procurement will be communicated within the pre-tender stakeholder engagement activities.



FIGURE 2: HIGH-LEVEL PROCUREMENT PROCESS

6.1 Publication of Requirements

Feedback from Flexibility Providers and learning from other jurisdictions has highlighted the need to provide visibility of opportunities, sharing as much information and as far in advance of need as is possible. The general methods of stakeholder engagement are outlined in Section 8.1.

This section pertains to the information published as part of a Flexibility Service procurement however we recognise the value that long-term signalling has in promoting Flexibility market growth through early Signposting of needs. Details of Flexibility Services will be communicated with stakeholders including the TSO ahead of procurement. The nature of services sought will ensure whole system outcomes without adverse impact on consumers as a result of impacting System Services markets.

Publication of Required Services: Locations on the network requiring Flexibility Services, previously known as Flexibility Trial Zones (FTZs), have been renamed as Flexibility Managed Zones (FMZs) for business as usual implementation. These zones are identified through a combination of network modelling and demand and generation scenario analysis with congestion characterised in a format that is useful for potential Flexibility Providers. FMZ locations, technical and commercial requirements are

published ahead of the tender process. Technical requirements that are communicated include product type, volume, voltage (ceilings), temporal parameters e.g. daily service windows, and utilisation estimates as appropriate for each specific FMZ.

FMZ opportunity locations and technical requirements will be published in an accessible and intuitive manner e.g. through a web based interactive map.

Pricing Strategy: Indicative guide prices or FMZ budgets will be published ahead of Flexibility Service tenders. Using this information in conjunction with published technical information, potential Flexibility Providers can estimate their revenue potential prior to tender. Tenders are based on an open competitive structure. A qualified Flexibility Provider will be required to submit a bid for each Flexible Unit it is submitting within an FMZ. This may include an availability and a utilisation rate depending on the specific Flexibility Product being tendered.

6.2 Tender Process

At the commencement of any tender process a document package will be made available online via eSourcing NI. This will include, but is not limited to: The Pre-Qualification Questionnaire, Memorandum of Information, Instructions to Tender and Tender Response documents.

6.2.1 Asset Registration and Qualification

The procurement process will invite Flexibility Providers to complete a Pre-Qualification Questionnaire (PQQ). The information collected via the PQQ is used to assess technical, commercial and legal suitability of commercial entities to fulfil tender requirements and deliver Flexibility Services.

Flexibility Providers must register their Flexible Assets within each FMZ so they can be verified. This includes verification of electrical location and compliance with procurement Criterion so that Flexible Assets can be nominated for the correct FMZ competitions. Additional Flexible Asset information may be collected at this stage e.g. baselining information. The objective of this stage is to ensure the quality of subsequent tender submissions and reduce the likelihood of tenders being rejected as invalid.

6.2.2 Invitation to Tender (ITT)

Qualified Flexibility Providers will receive an Invitation to Tender (ITT). The ITT requires Flexibility Providers to nominate technical and commercial parameters for each Flexible Unit in each FMZ competition. While FMZ dependent, commercial parameters typically include Availability and/or Utilisation rates while technical parameters include volumes and utilisation capabilities at a Flexible Unit level.

Additional Flexible Asset information may be collected at this stage e.g. baselining information.

6.3 Bid Assessment

The exact rules of Bid Assessment will be set out in ITT documentation for each FMZ competition but generally follow a similar structure. Following closure of the tender window, each bid received will undergo a techno-economic assessment, the Most Economically Advantageous Tender (MEAT) which meets the zone requirements is selected. This process is carried out on an FMZ by FMZ basis.

In each FMZ, bids are selected in order of Most Economically Advantageous Tender (MEAT), until the FMZ technical (volume) requirements is met i.e. most economic bids selected first. If the cumulative technical (volume) capability of all FMZ bids fails to meet FMZ technical requirements that FMZ tender may be abandoned as the network cannot be secured. A hybrid solution utilising the available Flexibility Services in an FMZ in combination with another solution e.g. network flexibility or asset build may be pursued.

The total estimated cost of the Flexibility Services solution based on selected bids is calculated based on bid rates and forecast service utilisation. The total estimated cost of the Flexibility Service solution is then compared with the cost of alternative options e.g. conventional asset build, with the most economical solution selected for implementation. This approach ensures neutrality in decision making and that the optimal solution for all customers is always implemented on the network.

6.4 Notification & Contract Award

Following completion of the Bid Assessment process, Flexibility Providers are notified of a provisional decision regarding the results of the tender process. This includes details of the Flexibility Providers' performance against the criteria detailed within the ITT documentation. Within this notification the timeline for the formal contract award is detailed for successful Flexibility Providers.

A contract is then awarded by NIE Networks to the successful Flexibility Provider(s). This details the requirements placed on both parties in terms of the relationship and obligations in place for the duration of the contract length, including the payment mechanics and structures, expected behaviours, and agreed communication methods.

Ahead of contract commencement the Provider shall complete specified testing which demonstrates the ability of each Flexible Unit to achieve their nominated capacity with respect to a given baseline value.

6.5 Delivery and Settlement

Service Delivery and Settlement is considered beyond the scope of this Procurement Statement but marks the transition from the procurement stage to the operational stage with NIE Networks utilising Flexibility Services in the agreed manner in order to maintain security of the distribution network.

Periodically or on a continual basis, Flexibility Providers will submit meter data necessary to verify Flexible Unit(s) performance which will be cross checked with other data sources held by NIE Networks. Performance will be assessed and calculated in line with the terms of the Flexibility Service agreement and payment made to Flexibility Providers. Where there is under-delivery of Flexibility Services, payments will be reduced in accordance with the payment mechanics in the Flexibility Services agreement.

6.6 Application of Procurement Principles

NIE Networks has developed the procurement processes in accordance with the principles and licence conditions outlined in Section 4. The application of these principles is evidenced by the following:

Championing a level playing field

- Competitive open procurement
- Non-discriminatory and technology agnostic requirements i.e. open to all persons, classes (or technologies)
- Low technical and commercial barriers to participation e.g. 50 kW de-minimis Flexible Unit and no de-minimis Flexible Asset capacities, financial requirements linked to contract values

Visible and accessible opportunities

- Industry engagement via webinars, and in person events
- Open web access to locations where Flexibility opportunities are detailed e.g. interactive map
- Support on the tender process offered to providers as required
- Expected revenue ranges or indicative values published prior to procurement

Open and transparent procurement

- Publication of Procurement Principles (contained in this document)
- Technical and commercial criteria published with procurement materials
- FMZ selection based on objective network studies and signposted where possible
- Flexibility Providers notified of tender outcomes in a timely manner, with detailed explanation of decisions against published criteria
- Clear bid assessment methodology

Clarity on the utilisation of services

- Flexibility Providers have a defined service window within which Flexibility Services can be utilised
- Flexibility Providers given indication of potential contract values based on asset size and availability at ITT stage
- Estimated volume of Flexibility Services and utilisation frequency published before ITT stage
- Alignment with ENA standardised Flexibility Products where appropriate

Transparent reporting

- Non-confidential post-tender information published.
- Availability and utilisation payment methodologies published before procurement to signal value to potential Flexibility Providers
- Publish periodic Flexibility report on utilisation
- Openness to receipt of feedback

Promoting whole system outcomes

- Flexibility is only procured when it is cost effective to do so
- Savings due to Flexibility Services shared with general customer base in line with applicable regulatory framework
- Commercial arrangements enable revenue stacking and minimise conflict with other markets
- Engagement with TSO and joint TSO-DSO working group supporting the development of a new operational model including data exchange, conflict management and co-optimisation

7. FLEXIBILITY SERVICES DEVELOPMENT

As learnings from previous projects, procurements and other jurisdictions are considered, NIE Networks recognises that the process of procuring Flexibility Services will evolve and the items below represent a roadmap of potential developments:

- Flexibility Trial Zones to be renamed as Flexibility Managed Zones (FMZs) to reflect progress from pilot to Business as Usual (BaU)
- More standardised approach to procurement. e.g. greater use of framework agreements and more dynamic procurement
- Wider range of contract lengths and more targeted service windows
- Reduction in barriers to entry and a facilitation of wider technology classes within the flexibility portfolio
- Continued engagement, further co-ordination and data exchange with SONI recognising Flexibility providers participating in energy, balancing and ancillary service arrangements
- Increased commitment to network and process digitalisation and Open Data
- Implementation of a robust investment decision-making framework such as the Common Evaluation Methodology (CEM) for cost benefit analysis of Flexibility Services against alternative solutions
- Implementation of Flexibility Services within BaU activity, utilising enterprise platforms to manage scheduling, operation and settlement
- Exploration of closer to real-time procurement for existing flexibility products benefitting from increased accuracy of forecast requirements via utilising more up to date system information

8. STAKEHOLDER & INDUSTRY ENGAGEMENT

8.1 Stakeholder Engagement

Our experience has told us that stakeholder engagement is vital in order to successfully procure and operate the required Flexibility Services. This includes engagement via the following methods:

- **Webinars:** Periodically, NIE Networks will hold free public webinars (or in-person events) outlining developments and signposting upcoming tender(s).
- **Bilateral Meetings:** Throughout the procurement process there is an opportunity for potential Flexibility Providers to submit queries through the procurement process to explore the services being procured and address any specific questions.
- **Dedicated Forums:** The DSU forum in NI involves the SONI, NIE Networks, AGU and DSU operators. Through the forum, or future evolutions of it, any issues regarding the participation in distribution Flexibility Services can be raised and considered, in addition to providing a means of contact for Flexibility Providers.
- **Mailing List:** Stakeholders can subscribe to a mailing list to receive the latest information regarding Flexibility Services and any upcoming procurement exercises.
- **Industry Events:** Ahead of Flexibility Services procurement, NIE Networks will publicise the upcoming opportunities by hosting/attending events, trade/innovation shows and contribute to innovation forums.
- **Flexibility Provider Feedback:** Following specific projects, tenders or operational periods, feedback sessions are held with the involved parties to review the procurement processes as well as utilisation of services. NIE Networks will apply any appropriate learnings from these sessions to future procurement exercises.

NIE Networks will continue to engage with stakeholders and wider industry as procurement processes continue to develop, including applying the learning gained from providers and stakeholders. Procurement Principles and Procedures will be communicated via the dedicated webpage on NIE Networks' website, as well as mailing lists and social media as deemed appropriate.

8.2 Whole System Considerations

NIE Networks will continue to engage with SONI and other key whole system parties with regard to the procurement and management of Flexibility Services. This has included providing information ahead of utilisation regarding the scheduling of Flexibility Service provision.

NIE Networks are committed to the TSO-DSO joint working group. The aim of this engagement is to develop improved whole system operations, specifically in the development of a new operating model for TSO and DSO. This will seek to promote whole system outcomes which minimise conflicts, thus promoting co-optimisation, efficiency and consistency, which in turn offers greater certainty to providers participating in both TSO and DSO markets.

NIE Networks recognise that assets utilised by Flexibility Providers for DSO Flexibility Services may also be participating in other markets such as wholesale energy, balancing and ancillary service arrangements. To promote participation in all markets, continued engagement is required around information sharing as the procurement process allows. The details of this information exchange are part of work underway on a future DSO-TSO operating model.

8.3 Industry Engagement

The Energy Networks Association (ENA) is the trade body that represents energy networks in the UK and Ireland including NIE Networks. The ENA's Open Networks project is a world leading initiative that brings together network and system operators, regulators and government from across the UK and Ireland with the aim of a coherent and standardised approach to the DSO transition and Flexibility Services. NIE Networks is represented across relevant workstreams, specifically those regarding the development of Flexibility Services, including procurement.

NIE Networks recognise that there are differences between the operation of markets in Great Britain and Northern Ireland, specifically with regard to the self-dispatch model used in Great Britain and the central dispatch model in Northern Ireland. Membership of these groups enables examples of best practice to be considered and implemented where appropriate within the NIE Networks Flexibility Services procurement principles, processes and contractual arrangements. NIE Networks is also a member of European Distribution System Operators (E.DSO) and will consider relevant learnings as they become available.

9. CONTACT US

Feedback on the Procurement Principles and Criterion should be submitted by emailing: flexibility@nienetworks.co.uk