

BIZTALKS · UTILITIES

Britain's Flexibility Advantage Is on the Demand Side. Now It Needs to Scale.

UK Utilities · Distribution System Operators · Consumer-led flexibility

UK distribution networks have spent years turning local flexibility from a pilot concept into an operating market. The next challenge is not to prove that demand can flex, but to industrialise the market: make participation simpler, connect local and national value pools, move closer to real time and embed flexibility into everyday network decisions.

Research cut-off:
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A. At a glance

The UK flexibility story starts with demand

Battery storage is an important part of Britain's flexible power system, but it is not the whole story. One of the UK's most distinctive strengths is the development of consumer-led and distribution-level flexibility: households, businesses and distributed assets changing when they consume or export electricity in response to system and local network needs.



The government's Clean Flexibility Roadmap places consumers at the centre of the transition. Its 2030 ambition includes **10–12 GW of consumer-led flexibility**, with around 4.5 GW expected from smart EV charging and 1.7 GW from non-domestic flexibility.^[1]

The significance is structural. Consumer-led flexibility can be sourced from millions of households, businesses and public institutions and can potentially participate across dozens of markets. The July 2026 Roadmap update therefore describes scaling it as a **systems challenge**, not simply a technology rollout.^[2]

“ The next UK flexibility question is not “can demand respond?” It is “can the market coordinate millions of flexible assets reliably enough to make demand flexibility a routine network resource?”

B. What the evidence says

Local flexibility is already an operating market, not a pilot

Britain's DSOs have been procuring local flexibility for years. The market has progressively moved from periodic long-term tenders towards shorter procurement horizons, common service definitions, digital platforms and more accessible participation.

Different DSOs are following different operating models, but the direction is consistent: increase liquidity, reduce barriers for flexibility service providers, shorten procurement cycles and use flexibility more systematically alongside conventional reinforcement.

179 MW

Major UK DNO · 2024/25

Accepted bids across long- and short-term markets; 511 MWh dispatched. Its dedicated digital market platform supported simplified participation.[\[3\]](#)

10 cycles

Regional UK DNO · 2024/25

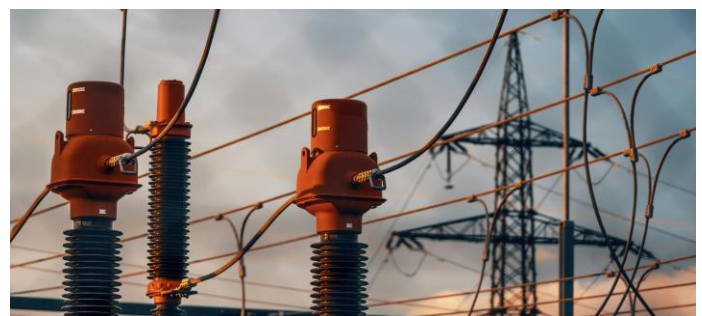
Month-ahead tender cycles ran from June 2024 to March 2025, alongside operational flexibility procurement. The operator is exploring week-ahead and day-ahead models.[\[4\]](#)

10 kW

Leading UK DSO

Minimum flexibility threshold for direct or aggregated participation in competition zones advertised through its independent local market platform.[\[5\]](#)

And the scale continues to increase. In September 2026, a major UK distribution network operator launched a long-term procurement round covering **more than 800 zones**, with a stated total flexibility requirement above 2.8 TWh and a potential market opportunity of up to £4.6 million.[\[6\]](#)



This matters because it changes the strategic debate. The UK no longer needs to decide whether local flexibility markets are viable in principle. The challenge is how to make them repeatable, interoperable and operationally material.

The market is now moving from proliferation to coordination

Discover need



Register asset



Qualify



Bid & dispatch



Measure



Settle & learn



C. Implications and scenarios

Market evolution: what the UK flexibility market looks like next

The direction of travel is towards a market in which flexibility is less visible as a separate programme because it becomes embedded in normal network and energy operations.



The UK's advantage will not come from having the greatest number of flexibility platforms. It will come from making flexibility easier to access, easier to coordinate and dependable enough to defer or avoid investment where that is economically and operationally justified.

D. NTT DATA point of view

The next phase is industrialisation

Our view is that the UK has largely passed the “prove local flexibility” phase. The investment question is shifting towards the digital and operational infrastructure required to make flexibility scalable, liquid and dependable enough to influence day-to-day network decisions.

NTT DATA market experience.

During 2025, NTT DATA participated in three UK DSO flexibility-platform tenders. That exposure reinforced a consistent lesson: the hard part is no longer the auction screen itself. Value sits in the end-to-end operating model around the market — asset onboarding, network need, forecasting, dispatch, measurement, settlement, integration and governance.



INVESTMENT GAP 01

Asset visibility and portable registration

Flexible assets need trusted identity, location, technical characteristics and market eligibility that can move across services without repeated onboarding. Flexibility Market Asset Registration is a critical foundation, but value will depend on data quality and integration into DSO workflows.

INVESTMENT GAP 02

From tenders to automated market operations

As markets move from long-term procurement towards month-, day- and potentially nearer-to-real-time horizons, manual workflows become a scaling constraint. Qualification, bidding, dispatch, exception handling and settlement need much higher levels of straight-through automation.

INVESTMENT GAP 03

Interoperability across local and national value pools

A flexible asset should not be trapped in a single market design. Common rules, APIs and conflict-management logic are needed so aggregators and asset owners can stack value while DSO and NESO operational requirements remain secure.

INVESTMENT GAP 04

Forecasting, baselining and performance evidence

The closer procurement moves to real time, the more market quality depends on credible availability forecasts, transparent baselines, accurate metering and rapid verification of delivery. These are market-design and data-engineering problems as much as analytics problems.

INVESTMENT GAP 05

Integration with network operations

Flexibility cannot remain a side market disconnected from planning and control. The long-term value comes when market outcomes can influence network planning, constraint management and operational decisions through controlled interfaces with DSO platforms such as DERMS, ADMS, OMS and asset systems.

INVESTMENT GAP 06

Trust, cyber and participant experience

Scaling participation means more external actors, devices and interfaces. Security, consent, auditability and simple provider journeys must be designed into the market architecture rather than added after scale has arrived.



From a leading market to a scalable operating model

Britain has already built one of the most developed local flexibility environments in Europe. DSOs procure flexibility through operating markets; providers participate through digital platforms; procurement horizons are shortening; and regulation is moving towards common market rules and asset-registration infrastructure.

The next step is harder because it is less visible.

It requires connecting market platforms with network planning and operations, reducing repeated onboarding, automating increasingly short-term processes, improving performance evidence and coordinating local and national value pools.



“NTT DATA's view is that the next competitive advantage in UK flexibility will not come from another isolated market platform. It will come from the digital operating layer that allows demand flexibility to scale across assets, markets and network decisions.

That is the investment gap the sector now needs to close.

E. What leaders should do

What DSO leaders should do now

Now

Map the full market operating chain

Measure friction from network need through asset registration, tender, dispatch, verification and settlement. Identify where manual hand-offs or duplicated data limit market liquidity.

Next 12 months

Invest in interoperability before scale

Prioritise common data models, APIs, market-rule implementation and integration with planning and operational systems rather than building another isolated flexibility application.

Towards ED3

Make flexibility decision-ready

Embed flexibility availability, cost and delivery confidence into build-versus-flex optioneering so it can be assessed alongside reinforcement on a consistent basis.



Three boardroom questions

- 01 What prevents a flexible asset registered today from participating efficiently across every market for which it is technically eligible?
- 02 Which steps in our flexibility operating model still require manual intervention that will not scale with shorter procurement horizons?
- 03 Can network planners and operators see flexibility as a dependable resource with the same confidence they have in conventional network options?

Bibliography

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