

New milestone: Over 100,000 operational assets connected to Local Flexibility solution

Service provision of EPEX Localflex© market platform unlocks flexibility use in Great Britain

The Local Flexibility market platform operated by EPEX SPOT on behalf of UK Power Networks Distribution System Operator (DSO) in Great Britain has reached a new milestone: Over 100,000 live assets are connected to the Local Flexibility Market. This illustrates the scale of the potential that Local Flexibility markets bring to System Operators (SOs) based on a performant system solution.

The UK Power Networks DSO Local Flexibility market is operated by EPEX SPOT as service provider and went live in April 2024 for Day-Ahead flexibility trading and in May 2024 for long-term flexibility reservation. Market Operations rely on the [EPEX Localflex© platform](#) via daily auctions. Assets to participate in the Localflex© market are registered and approved by UK Power Networks DSO. They have surpassed the mark of 100,000 live assets, making over 2 GW available for activation in the DSO's Local Flexibility market. The services and operational setup of this Local Flexibility market provided by EPEX SPOT are scalable and support market growth, making it fully transposable to other countries and regions.

Alex Howard, Head of Flexibility Markets at UK Power Networks, said: "Through our collaboration with EPEX SPOT, we're creating new opportunities for customers of all scales - from tens of thousands of households through to grid-scale batteries and generation. As we continue to grow participation, we're proving that Local Flexibility markets can be relied upon as a key enabler of the UK's Net Zero goals."

Ralph Danielski, Chief Executive Officer of EPEX SPOT, commented: "Reaching this milestone in less than a year of operation confirms our conviction: Local Flexibility markets are needed by flexibility providers and System Operators alike. They hold an enormous potential, especially with their implementation and use expanding. This generates significant savings on the overall costs of the green transition."

By using demand-side flexibility, i.e. the capacity of consumers to increase or decrease electricity use, System Operators can avoid congestions on the electricity grid or reduce the need to build additional grid infrastructure. Grid congestions occur when more electricity is injected into the grid than is drawn from it. They are a risk to grid stability and solving them is costly for SOs. In the context of the energy transition, more and more usages become electrified, decentralised and controllable. Batteries, industrial consumers, electric vehicles, heat-pumps, etc., can adjust their consumption according to the needs of the grid. Such need for adjustment is transmitted most efficiently via a market mechanism based on flexibility supply, i.e. the aforementioned consumer side, and flexibility requests from System Operators. Supply and demand are made transparent anonymously on EPEX Localflex© platform via buy- and sell-orders that are matched automatically, delivering a reference price. SOs can use the traded flexibility to avoid spendings on redispatch measures and flexibility providers generate additional revenue to refinance their investments in flexible assets.

From pilot projects to European standard

EPEX SPOT started off as a pioneer in the field of Local Flexibility markets, when the research project Enera, completed in Germany from 2018, delivered [extremely promising results](#). A similar setup was then deployed in 2023 to [connect the EPEX SPOT trading system to GOPACS](#), the Dutch platform of System Operators to resolve congestions in the Netherlands. In parallel to the rollout of these continuous markets, EPEX SPOT developed a new auction-based [dedicated Localflex© trading platform](#). This platform is used for the UK Power Network DSO Local Flexibility market and in the context of the Research and Development project [ENFLATE](#) in Switzerland.

EPEX SPOT was appointed by UK Power Networks DSO as flexibility market platform provider in November 2023 after a competitive tender. The DSO has committed to generate substantial savings for customers by utilising flexibility as an alternative to the traditional approach of delivering network capacity by building more infrastructure.

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The European Power Exchange EPEX SPOT operates physical electricity markets for the largest trading community in Europe, with over 400 companies connected to our platforms. Committed to innovation, we deliver a full range of services across the value chain of electricity trading, with the highest standards of performance. Our gateway of market solutions include Day-Ahead, Intraday and After-market power trading, Capacity and Guarantees of Origin (GOs) auctions, Local Flexibility and Data services.

Building on its unique expertise as a co-creator of the Internal Energy Market for electricity, EPEX SPOT's services span over 19 countries: From power trading across Central Western Europe, the United Kingdom, Switzerland, the Nordics and Poland to Market Operation services in Ireland, Hungary, Montenegro, North Macedonia, Serbia and Slovenia. In the environmental market, EPEX SPOT's Pan-European GOs auctions cover a scope of 22 countries.

As part of EEX Group, a group of companies serving international commodity markets, EPEX SPOT enables a price-responsive power system, to achieve a competitive and climate neutral Europe. 49% of its equity is held by a holding of major European Transmission System Operators.

For more information, please visit www.epexspot.com.

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