

Driving inclusive flexibility access – workshop summary

Executive Summary - Key Workshop Insights

Stakeholders from a range of organisations came together to review issues affecting participation of households in DSO flexibility markets. The workshop had focused initially

Barriers are spread across the value chain, with the nascency of the market creating co-ordination and access issues

- Vulnerable consumers are underserved due to low commercial incentives for FSPs, but opportunities exist to improve inclusion and test assumptions on the limited flexibility these households have
- Smart tariffs and technologies (e.g. storage heaters, V2G) are lacking, creating an opportunity gap
- A lack of standardisation across DSO markets and limited co-ordination with NESO markets creates complexity for stakeholders which increases the cost to serve all customers
- Consumer awareness is low, with trust and digital access barriers prominent

Flexibility Service Providers play a pivotal role, with consumer and advocacy groups playing a supportive role

- FSPs could improve support and innovation for low-income and vulnerable consumers, particularly if wider system benefits can increase the end value that flows to these consumers and supportive policies (e.g. smart meter roll out) improves customer access to flexibility services
- Simplified consumer offers (e.g. bundled services, automation) can improve access
- Use of trusted intermediaries can help consumer engagement

System Operators and Market Facilitators can drive change

- Valuation of flexibility must reflect whole-system, social, and long-term benefits
- Elexon and the ENA have key roles to play in standardising market requirements and facilitating value stacking across DSO and NESO markets
- Reviewing procurement, baselining methods and ways that networks manage diversity are all opportunities for these stakeholders to explore

Government and Ofgem have policy levers to pull

- Smart meter rollout delays and regulatory constraints (e.g. on peer-to-peer trading) are limiting inclusion
- Clear national communications and public engagement on flexibility are needed
- Reviewing rules about network ownership of assets could unlock some innovative and inclusive opportunities, such as community co-ownership of flexibility assets.

The workshop has resulted in a collaboration between NG DSO, Motability and EV.Energy to explore options for Motability's customers. Other FSPs and consumer organisations are encouraged to get in touch if they'd like to discuss opportunities widen participation of households in NG DSOs services.

Background

In March 2025, the Centre for Sustainable Energy (CSE) published the [Access to Flexibility Report](#) in collaboration with National Grid Distribution System Operator (NG DSO). The report analyses the households that make up NG DSO's constraint managed zones (CMZs) and the success of flexibility procurement in those areas. It also explores options for the DSO to reduce barriers to low-income or vulnerable consumer groups.

NG DSO committed to using the report findings and recommendations to explore opportunities for widening participation in their flexibility services. Together with CSE they ran a workshop in June 2025 to engage with a wider set of stakeholders to review the report and take forward possible solutions.

Aims and objectives of the workshop

The workshop aimed to explore the barriers to inclusive access to flexibility markets and co-create potential actions that would enable participation and remove the barriers. The objectives were:

- Disseminate the *Access to Flexibility* report and discuss findings with stakeholders.
- Stimulate and gather interest of some FSPs for involvement in the next project phase.
- Gather ideas that can shape the design of the next project phase and build buy-in for potential future involvement in joint projects and initiatives.
- Inform a forward DSO action plan to increase household participation in flexibility during ED2.

Key details

The workshop, organised by NG DSO and facilitated by CSE, was held in-person on Monday 2nd June in London. There were 11 workshop attendees from 3 different stakeholder groups: other DSOs (4), FSPs (4), consumer groups (3).

The day started with keynote introductions from Cordi O'Hara (President, National Grid Electricity Distribution) and Janine Michael (Chief Executive, Centre for Sustainable Energy) on the importance of flexibility inclusion in ED3 and CSE's Smart & Fair research programme. High level findings from the *Access to Flexibility* report were presented to set up the first discussion. This focused on the systemic and market barriers to flexibility inclusion and the sources of these barriers. The recommendations from the *Access to Flexibility* report were presented to introduce the second discussion. This was focused on actions that would unlock more flexibility access, which stakeholders would need to be involved, and when they could feasibly happen.

Insights: Understanding barriers across the value chain

The groups reviewed the barriers to household participation presented in the report. There was broad recognition that the nascency of the market and the evolving nature of the barriers that are faced both by consumers and by industry as the viability of different approaches to deliver flexibility are developed.

The groups worked to understand the spread of barriers across the value chain and identify which different stakeholders could act to resolve them.

Flexibility Service Providers:

Flexibility service providers hold the relationship with customers and are therefore recognised as the key actor able to increase participation. The reality of the costs to serve different types of customers was discussed, as were the difficulties of creating value with and for customers with low volumes of flexible load to bring to market. However, there was also discussion over whether enough innovation was focusing

on assets associated with lower income households. The lack of smart tariffs for storage heaters was raised, for example.

Key barriers relating to the customer-FSP relationships included:

- Lack of recognition of the commercial value in working with more vulnerable consumers, as they may have less energy demand to move and less capacity to move their demand. No other stakeholders in flexibility supply chains are currently incentivising this work.
- Limited valuing of inclusive flexibility is contributing to a lack of flexibility market options for vulnerable consumers (such as a range of storage heaters and related tariffs) being developed by FSPs. Other market developments have been generally slow, for example vehicle to grid (V2G) technology.
- There is poor understanding of the opportunity gap of engaging more vulnerable consumers who may have the flexibility to contribute: e.g. storage heater users.

Workshop participants also considered the barriers stemming from the FSP-DSO relationship. A lack of standardisation across DSO flexibility markets was flagged as a challenge. Specifically the following points were flagged; the variation in the price of flexibility across CMZs; the different methods used to assess the value of flexibility vs reinforcement across DSOs; and the different data requirements. All these points make it harder to drive value to customers.

DSOs, NESO and Market Facilitators

The role of procurement was discussed with recognition that the sector is still in the phase of developing guidelines, mechanisms and standards, but also that a lack of alignment between DSOs and NESO is stifling the benefits of whole system flexibility and value stacking. The conversations highlighted specifically the need to reflect on progress to date with developing co-ordinated approaches and signalled a need for Elexon and the ENA, as market facilitators, to remove key barriers.

The main barriers for system operators and market facilitators were:

- Whole system and long-term value of flexibility, especially in the form of demand turn-up and energy efficiency, is not being fully recognised. This makes it harder to pass on fair prices and benefits to different types of consumers and flexibility stakeholders.
- Current baselining practices reduce the use of diversity in network management and are a relatively risk-averse approach that tend to favour groups like EV users.
- Other key challenges: lack of day-ahead procurement options, some assets (e.g. storage heaters) are not being recognised as flexibility assets. Difficult to overcome the fact that most CMZs are caused by concentrations of electrical assets (EVs, heat pumps) that are more commonly owned by wealthier households.
- Rurality may be a particular source of inequality due to lower concentrations of EV users compared to suburban areas.

Government and Ofgem

Discussion of the barriers situated within the responsibility of Government and the Regulator covered the underperformance of current policy (such as the smart meter roll out) as well as the need for additional policy, such as communicating the need and benefits of flexibility to the public.

However, there were also some more specific issues raised:

- 20% VAT on public EV charging and local authorities unwilling to enable cross-pavement charging limits options for supporting EV charging for consumers without off-street parking.
- Limitations on DSOs owning batteries or generation and on peer-to-peer trading restricts the scope for creative projects.

- Continued slow progress in the smart meter rollout, including issues with 5 limb smart meters, economy 7 meters, limits consumer access to flexibility markets.

Consumer and Advocacy Groups

The issue of consumer understanding and buy in was also recognised as one related to consumer advocacy groups as well as government. Low customer awareness was attributed to a number of factors: market complexity, few stakeholders willing to take responsibility for consumer engagement, focus on online information excludes some vulnerable consumers, and many vulnerable consumers lack trust in energy suppliers or the market.

As well as a general need for better information and a growth in consumer confidence, there were some more specific issues raised:

- A lack of co-ordinated communication. For example, social housing residents are not given good information on how to use their heat pumps (let alone adjust their usage for demand flexibility purposes); there are also examples of the car industry providing wrong information on demand flexibility
- Data barriers can contribute to baselining issues, including in social housing and with storage heaters.

Insights: recommendations

The Access to Flexibility report presents nine recommendations for NG DSO that could help drive more inclusive flexibility:

Table 1 Recommendations from the Access to Flexibility report

Reporting and targeting	Market rules and approaches	Building collaboration and consent
Repeat analysis of inclusion and evidence changes.	Lobby for other electric heating to be recognised as a flexibility asset.	Incentivising FSPs to capture more inclusive flexibility.
Share information on system benefits and calculations.	Review baselining to ensure fair outcomes for low users.	Engage with and support HOMEflex rollout.
Targeting support for vulnerable consumers in CMZs.	More longer-term flexibility options (procurement and notice period).	Advocate for a national flexibility communications campaign.

Key themes emerging from the discussion of the recommendations and other potential actions for flexibility stakeholders to mitigate identified barriers to flexibility access were identified and attributed to actors:

Flexibility Service Providers

Target vulnerable consumers with most to gain

- Participants agreed with the principle of targeting support and product innovation at those vulnerable consumers with most to benefit. These could be: social housing tenants with LCTs (including support on basic function), storage heater users, as well as Motability customers (currently 1% of their EV consumers are involved in flexibility).

Simplify the consumer journey

- More bundled or automated or AI options, such as all-in-one packages that reduce the need to shop around or engage with the market too deeply. These could be suitable for certain vulnerable consumer groups, including the digitally disadvantaged. But again, these are likely best delivered in partnership with more trusted groups (and in line with HOMEflex principles) to counter potential trust issues.
- Using existing channels like the priority services register (PSR) to raise awareness and participation in flexibility services.
- Case studies can be a useful tool for engaging consumers directly.

Consumer advocacy groups

Trial and demonstrate inclusive approaches

- More work is needed to calculate and demonstrate the potential value of more inclusive approaches to flexibility. This could start with calculating the potential opportunity gap, but also trialling interventions and sharing examples of what works, for example, around energy efficiency flexibility.
- Other mechanisms (like social tariffs) as well as the report recommendation around sharing information about system benefits, should help to publicise and distribute the benefits of flexibility to other vulnerable consumers.

Empower community-based approaches

- Recommended communications campaign likely best delivered by trusted local intermediaries.
- These trusted intermediaries are crucial for building consumer buy-in. With enabling regulation, bottom-up approaches should be a focus for future trials, for example community asset co-ownership.
- Installers and housing providers could be supported by DSOs to identify areas where installations could provide the most system value.

Market Facilitators (e.g ENA, Elexon) & Flexibility Procurers

Ensure flexibility is valued correctly

- Adapting how flexibility is valued will help drive greater inclusion. This should focus on the whole system and long-term value, community and social as well as economic value, and changing Ofgem's 45-year payback period. ED3 provides a good foundation for undertaking some of these changes.

Enhance collaboration

- Elexon to ensure DSO and NESO markets work together better. This can enable stacking to recognise and unlock the whole market value. DSO services could help provide headroom for more central flexibility.

Create more supportive flexibility procurement arrangements

- As well as the relevant report recommendations, it could be valuable for DSOs to consider more day-ahead approaches, more demand turn-up, as well as enhanced general standardisation with other DSO approaches.
- Consider the trade-offs between baselining and using diversity to encourage more flexibility

Government and Ofgem

Improve the effectiveness of policy and regulations

- Implement changes to the identified legal and regulatory barriers to flexibility.
- Encourage more demand turn-up, and faster and more effective smart meter rollout and usage.

Actions from the workshop were categorised by stakeholder and timescales for when they need to happen (now, next and later). The below list of actions is broadly ordered so that actions that were prioritised earlier appear higher in the list.

Table 2 Summary of actions generated in the workshop

Actions	Lead	Support
Target support & innovation at vulnerable consumers with the most to gain	FSPs	DSOs, NESO, Consumer & Advocacy Groups
Trial and demonstrate inclusive approaches	Consumer & Advocacy groups	FSPs, DSO, NESO
Ensure flexibility is valued correctly	Market Facilitators	FSPs
Enhance collaboration	Market Facilitators	FSPs, DSO, NESO
Simplify the consumer journey	FSPs	Consumer & advocacy groups
Create more supportive flexibility procurement arrangements	DSOs, NESO	Market Facilitators
Empower community-based approaches	Consumer & advocacy groups	FSPs, Govt & Ofgem

Next Steps

For the next stage of the *Access to Flexibility* research, CSE and NG DSO are looking to work FSPs on the design of a targeted flexibility trial for vulnerable consumers in a constraint managed zone. The design will aim to build on the recommendations and ideas from the report and the workshop discussion, but the emphasis will be on participating FSPs shaping the design to maximise feasibility and demonstrate industry commitment. If you are an FSP and interested in getting involved in the trial, please contact catherine.sage@cse.org.uk.

NG DSO is continuing its programme of widening participation in flexibility markets and will be taking forward a range of actions.