Demand Flexibility Service (DFS) Market Information Report

Published: 11 August 2026

Key Points

- We are aiming to conduct **three tests** between the **29 Aug and 13 September 2026.**
- Two of these tests will be for **delivery on a weekend**.
- The tests will include a **Guaranteed Acceptance Price** (GAP)
- If required, further updates will be communicated via an additional Market Information Report.

Testing Summary

NESO is proposing to run three DFS test events with a Guaranteed Acceptance Price (GAP) between the 29 August and 13 September 2026. These targeted tests are intended to provide a robust evidence base to inform future service development, operational planning and locational constraint management go live preparation. The tests will support a clearer assessment of available consumer flexibility across different zones, service directions and seasonal conditions, while also increasing confidence in the role DFS can play in supporting both national and locational system requirements.

The proposed programme of tests has been designed to focus on areas where the resulting insight is expected to be of greatest operational value. This includes assessing full volume demand turn up ahead of future summer operability planning, testing locational demand turn down in an area where import constraints are considered most likely, and assessing locational demand turn up in a zone with potential export constraint relevance outside the Local Constraint Market (LCM) area. Please see Appendix 1, Figure 1 for the DFS Zone Model. In line with our announced change to use DFS for constraint management, this will give process assurance and volume

information ahead of the autumn period where higher wind output typically results in higher constrained volumes.
Test Schedule Insights:

- Each upwards (demand turn up) test will carry a GAP of £180/MWh.
- Each downward (demand turn down) test will carry a GAP of £500/MWh.
- 1 test will be available to all zones.
- 2 tests will be targeted for zones 4 & 12.

The GAPs have been set to be in line with the high end of attainable revenue, informed by actual scenarios observed this year.

Each proposed test will remain subject to operational assessment and may be cancelled at any point up to the time the event is run. Where system conditions make it appropriate, a scheduled test may also be converted into a live event. The Electricity National Control Centre (ENCC) may also determine that a test should not proceed where there are wider operational considerations.

Additional Information

For further information relating to the DFS, refer to our latest DFS Participation Guidance document v.18.

For contractual information pertaining to the service, refer to the Service Terms v.4 and Procurement Rules v.5 documents.

Appendix 1

In April 2026, NESO introduced Zones for DFS to align with key transmission constraints. These zones are shared via a GeoJson file on our DFS webpage but are outlined below for illustrative purposes in Figure 1.

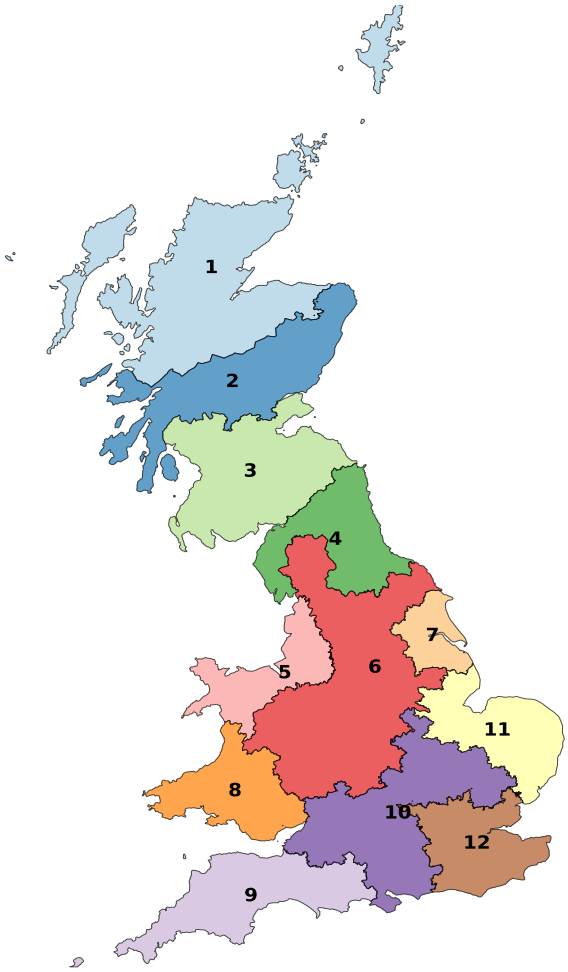

Figure 1: 12 Zone model