



Last Mile Electricity – 2024 to 2025 Distribution Flexibility Service Procurement Statement

I Distribution Flexibility Procurement Statement

1. Introduction

Last Mile Electricity Limited (LMEL) is an Independent Distribution Network Operator that owns electricity distribution networks throughout the UK, with approximately 280,000 connected customers. Last Mile Asset Management Limited (LMAM) operates and maintains LMEL networks under an asset management services agreement.

These networks are predominantly 'last mile' connections, constructed as extensions to existing electricity networks, to service domestic, commercial, and industrial customers, and are thus embedded within the upstream Distribution Network Operators' systems.

As a result, LMEL networks are of a relatively young age, and have been designed with more modern load requirements considered for the users connected to its networks. The current need for LMEL to procure flexibility services to support the operational requirements of its networks is therefore limited.

2. Flexibility Services Requirements

All LMEL networks have been constructed within the last 22 years and have been designed to meet the load requirements of the customers connected. LMEL's current design standards align with those of the Independent Networks Association, of which it is a leading member, and include allowances for Photovoltaic generation, Electric Vehicle Charging Points and Air Source or Ground Source Heat Pumps.

LMEL has no current plans for widespread replacement or reinforcement. However, both LMEL and LMAM are aware that the transition to 'Net Zero', including increased electrification of transport and heat could change this situation in the future, as existing properties include retrofit installation of EVCP and Heat Pumps. Over the longer term there may be a requirement to consider procurement of Distribution Flexibility, and this will be regularly reviewed.

There is currently no requirement to procure Distribution Flexibility as there is sufficient capacity for current and projected future demand during the year 1st April 2024 to 31st March 2025.

3. Tendering Process

LMEL and LMAM are subsidiaries of the Last Mile Group of companies and complies with the documented tendering and procurement processes of the group, as well any business specific processes.

At this time there is no forecast requirement for procurement of Distribution Flexibility and so those processes have not been implemented in this scenario.

4. Stakeholder Engagement

Currently there are no identified requirements for procurement of Distribution Flexibility in the foreseeable future and therefore no plans for wider stakeholder engagement.

Where upstream network operators might need to procure flexibility services, and wish to consider customers connected to LMEL networks, then LMEL would engage with those upstream networks operators in assisting with such procurement.

5. Detailed Quantitative Assessment

Some initial Distribution Future Energy Scenarios (DFES) modelling and assessment has been carried out to help understand any increase in demand that may occur across existing LMEL networks due to the retrofitting of demand side micro-generation, electric vehicle charging, and alternative (to natural gas) heating solutions, and where these may impact existing network performance.

Investigation of available digital technologies is also being undertaken to better understand the performance of LMEL networks, and this will support further DFES modelling and assessment. Importantly this will provide early warnings as to where the use of distribution flexibility services may be required to ensure LMEL networks continue to operate efficiently.



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