

Flex your way

Three ways in which consumers can leverage flexibility tariffs and services

by Lorenzo Sapochetti & Julia Hildermeier

Introduction

Demand-side flexibility enables European consumers to access cheaper electricity by shifting when they use energy — for example, using power when renewable generation is high and prices are lower. As electrification expands across heating, transport and households, flexibility is becoming increasingly important for reducing bills, whilst also supporting power system balance and renewable energy integration.

Consumers now have more ways to access these benefits.[1] Some offers ask consumers to respond directly to price signals, while others package flexibility through rewards or bundled technology offers, reducing both effort and market price risk.[2] When more consumers participate in flexibility, this can also put downward pressure on overall energy system costs — benefiting all households, including those who do not or cannot actively shift their use.

This infographic shows how consumers can benefit from flexibility in different ways, depending on their preferences and circumstances. It presents three common modes — price-based, reward-based and service-based offers — through which consumers can engage with flexibility, depending on how tariffs and services are designed. The three modes differ according to four main characteristics:



Pricing



**How flexibility
is managed**



**Degree of
consumer control**



**Which technologies
are involved**

It then uses examples from European markets to illustrate how these design choices translate into different consumer experiences. To make the offers easier to compare, they are assessed in terms of price exposure, consumer effort, automation, technology requirements and consumer control.

Together, these examples show how differently designed flexibility offers can suit households with diverse needs, technologies and preferences.

[1] The European market for flexible tariffs and services has roughly tripled between 2022 and 2025, see: Burger, J., (2024, updated March 2025), *Imagine all the people: Strong growth in tariffs and services for demand-side flexibility in Europe*, Regulatory Assistance Project.

[2] Yule-Bennett, S. & Sunderland, L., (2024), *Flex-ability for All: Pursuing socially inclusive demand-side flexibility in Europe*, Regulatory Assistance Project. This infographic focuses on residential offers.

Mode

Price-based (Time-varying tariffs)

“I want to save by using electricity when prices are lower.”

Consumers benefit from electricity prices that vary over time. They may respond manually or use timers, apps or smart devices to shift flexible uses such as EV charging, heating or appliances, helping them use more electricity when prices are lower and renewable generation is abundant.

Key features

- € Prices vary by time or market conditions
- ↔ Consumers actively shift flexible electricity use to save money
- ⚙️ Automation tools can support response to price signals
- ⚡ Usually applies across household electricity use, including flexible assets like EVs or heating

Pros

- Strong potential savings when electricity prices are low
- Gives consumers greater control over when and how they use electricity
- Can work with simple tools or smart automation

Cons

- More dynamic prices can be harder to understand or manage
- Savings depend on ability to shift flexible electricity use
- Households unable to shift electricity use may face higher bills

Reward-based (Upside-only flexibility)

“I want to be rewarded for flexibility, without being penalised.”

Consumers receive rewards for reducing or increasing electricity use at specific times, usually during events or targeted periods, without facing higher prices if they do not participate.

Key features

- € Consumers receive rewards, bonuses or bill credits for flexibility
- ↔ Providers typically invite consumers to respond during specific events or periods
- ⚙️ Consumers respond manually or through simple automation
- ⚡ Can apply across different household uses or technologies

Pros

- “Upside-only” flex: consumers can gain rewards without facing higher prices if they do not respond
- Can also be available as add-ons to a regular tariff to let consumers opt in to flexibility
- Suitable for a wide range of households and technologies

Cons

- Rewards may be only available at specific times
- Responding to rewards often requires reacting to events or notifications
- Savings are typically less continuous than in price- or service-based offers

Service-based (Provider-managed flexibility)

“I want a simple, predictable offer with minimal effort and risk.”

Flexibility is largely managed by providers, apps or automated services, often through connected technologies such as EV chargers, heat pumps, batteries or smart home systems. Providers optimise electricity use on behalf of consumers, reducing the need for active engagement.

Key features

- € Pricing is typically more stable or predictable
- ↔ Flexibility is managed automatically by a provider or platform
- ⚙️ Consumers hand over some control in exchange for convenience and automation
- ⚡ Often linked to specific technologies such as EVs, batteries or heat pumps

Pros

- Minimal effort required from consumers
- Can optimise flexibility automatically through connected technologies
- Offers a simple and predictable user experience

Cons

- Consumers may have less visibility or control over optimisation decisions
- Savings and flexibility benefits may be shared with the provider
- Simple “all-in-one” offers may limit opportunities to switch to lower-cost offers over time

Examples of flexibility offers across European markets

The examples below illustrate how different flexibility offers are being implemented across European electricity markets. While many tariffs apply to total household electricity consumption, flexibility is often delivered through specific uses or technologies, such as EV charging, heating, batteries or appliances, which are easier to shift in response to system conditions.

Price-based



EDF's ZEN Estival [↗](#)

EDF ZEN Estival is a static time-of-use tariff with clear off-peak pricing benefits during summer months, encouraging consumers to shift flexible uses such as heating or hot water to lower-price periods through manual response, timers or smart devices.

Price exposure: medium / time-based

Effort: medium

Automation: optional/supportive

Technology requirements: none, though timers and smart devices can help

Control: primarily consumer-led



Tibber's Dynamic Tariff [↗](#)

Tibber combines dynamic pricing with smart home automation, helping consumers shift flexible electricity use. When automation is enabled, consumers can also benefit from balancing services in addition to price optimisation.

Price exposure: high / dynamic

Effort: low-medium (depending on automation)

Automation: strongly integrated

Technology requirements: smart connected devices improve benefits

Control: consumer-led, with optional automation

Reward-based



ENGIE Happy Hours [↗](#)

ENGIE Happy Hours offers consumers free dynamic electricity during specific periods, encouraging consumers to shift certain uses to these windows of zero-cost electricity.

Price exposure: no downside exposure to higher prices

Effort: requires responding during specific periods

Automation: optional/simple automation possible

Technology requirements: flexible household uses and appliances

Control: primarily consumer-led



Groupe-E's Bonus [↗](#)

Groupe-E offers a bonus scheme where consumers receive financial rewards for adjusting consumption during specific periods, without changes to the base tariff.

Price exposure: stable base tariff with reward incentives

Effort: occasional participation during events

Automation: limited/simple automation possible

Technology requirements: can apply across different household uses

Control: shared between consumer and provider

Service-based



Octopus Energy's Intelligent Octopus Go [↗](#)

Intelligent Octopus Go combines smart EV charging with automated optimisation, allowing Octopus Energy to schedule charging during cheaper and lower-carbon periods while maintaining user-defined charging needs. Consumers retain overall control through the app, but flexibility is largely managed by the provider.

Price exposure: more stable and partially managed

Effort: very low after setup

Automation: central to the service

Technology requirements: compatible EV or smart charger required

Control: shared between consumer and provider



1KOMMA5°'s Dynamic Pulse + Heartbeat AI [↗](#)

1KOMMA5° combines electricity supply with solar, batteries, heat pumps and EV charging, using automated AI-based optimisation to manage whole-home flexibility with minimal consumer involvement.

Price exposure: more stable and provider-managed

Effort: very low

Automation: central to the service

Technology requirements: very strong (integrated smart energy systems required)

Control: largely provider/platform-managed

Conclusion

Flexibility tariffs and services are becoming more diverse, offering different ways for consumers to participate depending on their preferences, technologies and desired level of involvement. As flexibility markets continue to evolve, more evidence is needed on real-world uptake, consumer experience, and distributional impacts across different household groups. Strengthening this evidence base will be important for designing flexibility offers that are effective for the energy system while remaining accessible, understandable and trusted by consumers. The three modes presented here are illustrative rather than exhaustive — as electrification continues and markets mature, new offer types are emerging that may combine or go beyond these categories.