

The Voice of the Networks



Energy Networks Association

Open Networks Project Advisory Group Response

March 2019

Restriction: Public

Introduction

The first Advisory Group meeting of 2019 took place on 7th March at ENA’s offices in London. This included segments addressing the *2019 Workplan Consultation, Flexibility Market Principles, Workstream 4: Whole Energy Systems, Real Time Data Exchange (Workstream 1B Product 2)* and the *Impact Assessment Consultation*. Comments from these items were captured in the meeting and this paper highlights key questions/observations as well as the responses.

2019 Workplan Consultation
<p>We presented the summary of responses, areas of priority and other key messages of note gained from the 2019 Workplan consultation. The Advisory Group were in agreement with the key messages, areas of work listed as priorities, dependencies and areas for wider/additional stakeholder engagement.</p> <p>We will be publishing a more detailed response outlining key messages and actions in a ‘you said, we did’ format.</p>

Workstream 5: Comms & Stakeholder Engagement Activity for 2019	
<p>We provided an update on stakeholder engagement activity and other deliverables planned for 2019 from a communications and stakeholder engagement perspective as well as a high level summary of the work completed in 2018 – including content created for public consumption.</p> <p>This was well received by stakeholders and a number of suggestions were made for further improvement. These are outlined below along with our response.</p>	
Feedback	Response
<p>The Advisory Group provided general comments around the need for the project to broaden stakeholder engagement to reach out to wider actors and industry players such as community energy reps, disruptors and investors. Suggestions were made to engage with these groups of stakeholders via existing industry forums and events that are specific to these stakeholders.</p> <p>The group also provided more specific feedback on how we can improve engagement by :</p> <ul style="list-style-type: none"> Using language and terminology specific to the stakeholder groups and making ENA events more easily accessible. 	<p>Each of the workstreams have been challenged to identify stakeholder input through the development of their products.</p> <p>We are identifying industry forums, but would welcome any stakeholder approaching us to come to a forum to present/invite input.</p> <p>We now have a dedicated communications officer on the project.</p>

<ul style="list-style-type: none">• Widening the diversity of subject matter experts employed by ENA to ensure a larger spread of perspectives and expertise.• Providing more visibility of events by publication and/or circulation of a calendar stipulating upcoming stakeholder events for the year and highlighting dates to allow preparation for attendance.	<p>We will look to publish a calendar of events on the ENA website.</p>
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Workstream 1A Product 1: Flexibility Market Principles	
<p>We shared our work to date on <i>Flexibility Market Principles (WS1A P1)</i>, providing an overview of the timeline and scope, planned stakeholder workshops and a future consultation as well as the seven proposed key themes for the development of principles and asked stakeholders for input on them.</p> <p>Stakeholder agreed with the broad spectrum of themes that had been identified and provided input on a number of considerations as part of these, which have been captured below and will be fed into our work going forward.</p>	
Feedback	Response
Standard Agreements with schedules that can be turned 'on and off'. Parties don't want to worry about different contracts with different terms and conditions for the same contacts across different DNOs.	Commercial arrangements and contract terms are under consideration in Product 4 and we are looking at what we can standardise as part of that with legal advice.
ANM arrangements in the context of how ENA plan to introduce flexibility markets into existing ANM arrangements.	This is one of the key areas to consider.
<p>The points of interest:</p> <ol style="list-style-type: none"> 1. Technology agnostic 2. Investable 3. Consider alongside the Capacity market and visibility with ESO more generally. 	To be considered in WS1A
Interoperability and convergence of market entry and registration between markets. A conscious focus on interface.	To be considered in WS1A.
Underlying principle needing to allow the stacking of revenue.	The ability for customers to stack revenue across markets and services is a key principle.
The necessity of considering the transition to these principles – i.e. should they be applied at EHV/GSP level first then considered down to LV/domestic connections. The use of a route map was also mentioned.	We will start by identifying the principles and the roadmap for implementation will be considered as part of change.
The Universal Market Enabling Interface is an initiative in the EU which explores boundaries between regulated and market worlds. This work encapsulates a number of these aspects and should be looked at.	Under consideration in Workstream 1A

Consideration regarding the definition of what a platform is and what aspects DNOs can cover/what they cannot.	Ofgem are undertaking research on market platforms that will help inform this development. Ofgem can provide input through WS1A.
The flexibility competition that BEIS has launched and how work done under this product can be linked to it.	BEIS attend our workstreams and we are linking into this initiative.
The focus and how it should not only be on platforms, but also on the markets – principle on open & competitive markets.	That is the intent.
The need to ensure that there is room for new entrants and encourage competition.	That is the intent.
The importance of remembering that it's about the market and encouraging competition (an open investing market).	That is the intent.
Inclusion of ESO (transmission level) services in addition to DSO services.	To consider in WS1A
The need to highlight independence of decision making while remaining neutral and transparent.	This is key to WS1A developments. All market participants ^[AS1] need to demonstrate independence of any decision-making.
Independence of system operator decision making and consistency across DSOs is key.	This is key to WS1A developments. All market participants ^{need} ^[AS2] to demonstrate independence of any decision-making.
Consideration regarding how governance for these principles will work and whether it would be through DCUSA (codes of practice may not be appropriate as they are more consumer facing).	Implementation of any Code changes will have to be considered as output of products in WS1A. This is not really a principle.
Regulation and that fact that it will be required on some aspects of these principles while being mindful not to allow regulation to constrain development.	WS1A will need to identify any barriers and/or potential regulation changes to deliver improvements (e.g. Codes).
Consideration of cyber issues through interoperability.	WS1A to consider that resilience to cyber-security should underpin markets
The publication of Ofgem's research piece on platforms, structures and taxonomy – an objective view and will be published before June.	We look forward to Ofgem's research and any early input to our developments.

Workstream 4: Whole Energy Systems	
<p>We introduced the new Workstream: <i>Whole Energy Systems</i>. The objectives, reasoning behind the workstream’s creation and the proposed products for 2019 were discussed. We also advised that this is a 3 month scoping exercise to gauge whether there is value to deliver to customers and if more cost effective decisions for planning/operations could be made by electricity networks and infrastructure providers if a whole energy systems view was taken into account.</p> <p>Stakeholders agreed that now is the right time for us to look at whole energy systems solutions and that the work that we deliver as part of this needs to deliver tangible outcomes that deliver benefits to customers.</p>	
Feedback	Response
How far can this work go – is it a thought-piece?	This is not a thought-piece. We are scoping analysis of improvements and implementation of change to provide benefits to customers and consumers.

Workstream 1B Product 3: Real Time Data Exchange	
<p>We provided an update on our ongoing work under <i>Real Time Data Exchange (WS1B P3)</i> that is supported by Regional Development Programmes. This product is looking at service conflicts (both incremental and decremental), distribution network characteristics and how they potentially fit into the Future Worlds.</p>	
Feedback	Response
<p>This was well received by stakeholders and the key feedback from the group was for us to consider how we link the learnings back from this product into our work on Future Worlds. This work is building on the Regional Development Programmes that reflect the current operating model therefore are more aligned with Future World B. The group asked us to consider how we can extend the approach to understand data exchange requirements and costs for other Future Worlds.</p>	To consider in WS1B
<p>Transparency in decision-making for dispatch was again highlighted as important.</p>	Yes, this is a key principle under WS1A and will need to be considered across all of Open Networks.