



# Open Networks Project

## Advisory Group Meeting Response (19 Jul 17)

17 August 2017

Energy Networks Association

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## Introduction

The second Advisory Group meeting for the ENA Open Networks Project was held on 19th July 2017 in London with papers presented from all workstreams on the project.

Comments from these feedback sessions were captured in the meeting and this paper captures the key comments and how they have been addressed in our materials.

This paper sits alongside the published updated versions of the project material.

## Workstream 1 – T- D Processes

The project team presented three items from this workstream for feedback:

- Gaps & Issues
- Commercial Principles Paper
- Statement of Works headlines

The below table shows the headline feedback received from the Advisory Group and how this has been taken into account by the T-D Processes Workstream:

Advisory Group Feedback	Open Networks Workstream Response
<b>Need to ensure appropriate links with the work stream 3 (DSO functionality) so that the DER models are accounted for in the planned SGAM assessment.</b>	The models from the Commercial Principles paper will be used by work stream 3 to inform the SGAM assessment.
<b>Supplier involvement in this work is key, as with balance responsibility, the consequences of DER service provision need to be managed to avoid imbalance exposure.</b>	Supplier issues will be factored in to ongoing service developments through Product 4 and beyond. Relevant stakeholder engagement will include Suppliers.
<b>Exclusivity issues with service contracts need to be overcome where possible to enable DER to optimise across markets.</b>	Exclusivity issues will be addressed through National Grid's ongoing ancillary services review and simplification work.
<b>Gas-fired DER flexibility could have a significant impact on gas D networks. To what extent has the link between electricity and gas been considered from a distribution perspective?</b>	Issue to be referred to the 'future of gas' forum for consideration.
<b>Transmission and Distribution might place different values on constraint management services – important to ensure DER get the best value (highest price) from the shared procurement of such services.</b>	To be considered in service development. Important to ensure DER can optimise across markets, but that those markets deliver value for consumers.

## Workstream 2 – Customer Experience

The project team presented a set of Customer Journey maps and issues that will be used in the project to capture issues for resolution.

The below table shows the headline feedback received from the Advisory Group and how this has been taken into account by the Customer Experience Workstream.

Advisory Group Feedback	Open Networks Workstream Response
<b>Suggested that the customer journey categories are used against the maps to ensure all issues have been captured.</b>	A new map will be drafted to cover the connection of small DG currently covered by the G83 process (to become G98 from May 2019). Issues are also being captured from other stakeholder fora.
<b>Feedback on the pre-connection journey maps: 1. Consider how DSO Transition may affect these maps. 2. Update the steps between 'Accept offer' and 'Construction work Commences, including when customers incur costs? 3. SoW process should show the difference between the standard process and Appendix G. Also need to reflect transmission impact of large demand customers or energy intensive technologies.</b>	1. This is an activity for the future to review the output from the DSO Transition workstream. 2. Map update to show the initial payment following the agreement of payment terms. 3. 'As is' MAPs will develop to reflect new T/D interface processes being developed in WS1.
<b>It has been raised that there currently is a lack of consistency between DNOs at process level.</b>	We will seek to apply consistent high level processes and principles as appropriate. There will be some variances at detailed level between DNOs e.g. for constrained and non-constrained areas.
<b>Need to further clarify how we process the demand element of storage within connections. Processes also need to be able to cope with changing technology (i.e. EV, solar, heat pumps)</b>	We have updated the current pre-connection journey map to reflect the larger element of design work for storage connections. Network design policies will need to continue to adapt for new technologies.
<b>What are the queue management processes?</b>	Being considered under WS1 for storage smart systems plan action 1.6. Milestones developed by the DER Connections Steering Group (was DG Steering Group) are now in new DG connection offers to mitigate against capacity being retained by stalled projects.
<b>More visibility around network constraints on either Transmission or Distribution and stronger market signals would help customers highlight these issues up front and better evaluate where to apply.</b>	Being captured for next WS2 product: Customer Information Requirements.
<b>Curtailed connections can affect revenue estimates and project finance. Explain alternative connection options and expand on types of curtailment and level of information/historical data.</b>	Being captured for next WS2 product: Customer Information Requirements.
<b>Should there be a process to capture aggregators who install controllable demand/generation capabilities which may impact the network but do not currently trigger these processes?</b>	To initially consider in WS2 and pass to WS3 for consideration how to capture how DER service aggregators should work with network operators before connecting new DER at customers premises.
<b>Feedback from storage members is that they would like to review how modifications to agreements are made if there are restrictions at the time of connection.</b>	Being captured for next WS2 product: Customer Information Requirements. This is being reflected in the post connection journey map.

### Workstream 3 – DSO Transition

The project team presented draft DSO Functional Requirements to the Advisory Group. The below table shows the headline feedback received from the Advisory Group and how this has been taken into account by the DSO Transition Workstream:

Advisory Group Feedback	Open Networks Workstream Response
<b>How are the social aspects of the energy system being taken into account?</b>	Addressing the energy trilemma is one of the overall objectives. LEC's are now captured in the <b>"Services / Market Facilitation"</b> Function.
<b>It would be good to have some imagined case studies for DSO to help to visualise the DSO</b>	This has been fed back to WS5 (The Communications Workstream), and they are looking at producing some relevant DSO animations
<b>What competences and functions do other entities need, especially when for example we are talking about data gathering for local forecasting?</b>	The Open Networks team understand that this will be a transition for many of its stakeholders, not just the networks. ENA and its Members are more than happy to help others to understand what they require to participate in the future electricity network, and would welcome recommendations for how we can help towards that being achieved.
<b>Balancing: Frequency Management – make this definition less market focussed</b>  <b>The DSO will need to consider/take into account local network services provided by DER and how they affect frequency nationally; what is the effect on the DSO?</b>	The <b>"Balancing"</b> function has been renamed <b>"System Co-ordination"</b> and the related activities have been updated to emphasise the need to co-ordinate power transfers with other networks and systems. These interfaces would include the GB System Operator, other DSOs and local energy systems.
<b>DSO-DSO coordination needs to be added</b>	DSO to DSO co-ordination has been included in the functions <b>"System Co-ordination"</b> and <b>"Services / Market Facilitation"</b> .
<b>Links to other energy vectors is missing</b>	Links to other energy vectors have been included in the <b>"System Co-ordination"</b> function.
<b>Do we actually want to collect the 'market' functions/attributes that we want the markets to provide first, before we actually look at the market models themselves? We need to ask the customers about the market functions they require. For example: Peer-to-Peer, LEC trading, etc</b>	The <b>"Services / Market Facilitation"</b> function has been modified to capture market attributes (see updated Product 2 for more detail).
<b>Connectivity, IT, Internal Systems, etc? Can we do this yet, or do we need to figure out what the DSO and functions are first?</b>	We believe that this sort of information will become clearer once the DSO SGAM work has been undertaken, as this sort of information will be defined on the Communication and Data layers of the SGAMs.
<b>Procurement of services provided by the market?</b>	The <b>"Contractual Arrangements"</b> and <b>"Contract &amp; Service Compliance"</b> competences have been combined as these areas overlapped.

	The <b>“Commercial Relationships”</b> and <b>“Pricing”</b> competences have been combined as these areas overlapped.
<b>Customer Service; what do we need for the next era of customer service (inc. dispute resolution)?</b>	The complex customer and service interactions that will be needed from DSOs have been captured in an additional <b>“Customer Account Management”</b> competence.
<b>How is innovation captured? Can it be captured as change management?</b>	The need for DSOs to develop rapidly and take on new roles has been captured in an additional <b>“Change Management”</b> competence.
<b>Data provision and visibility need to come out more explicitly</b>	Data provision and visibility including knowledge and representation of distributed networks have been included in the <b>“Data Management”</b> competence.
<b>Need to define the difference between market services and network services (i.e. between function 6 and 7)</b>	This has been raised with the Open Networks WS3 group and is being addressed accordingly.
<b>What level of public consultation (i.e. beyond the Advisory Group) will occur?</b>	We realise that the SGAM work will be critical for understanding the DSO. Hence we have built several public consultations into the programme of work for the remainder of 2017.
<b>Market models need to be future proof for technologies that we don't know yet</b>	One of the key principles of the DNO is that a DSO is non-discriminatory and technology neutral; favouring solutions that provide the most optimal solutions rather than particular technologies. This will enable future-proofing.

## Workstream 4 – Charging

The project team presented the following draft papers for comment by the Advisory Group:

‘Analysis of Commonality of Approach’ and ‘Principles and Options for increasing commonality of approach in Transmission and Distribution Charging’.

The below table shows the headline feedback received from the Advisory Group and how this has been taken into account by the Charging Workstream:

Advisory Group Feedback	Open Networks Workstream Response
<b>Organisations/companies (particularly associations) would appreciate an Open Networks charging workstream representative to meet to discuss the charging group’s work.</b>	Open Networks charging workstream representative(s) are happy to meet with Advisory Group organisations/companies (particularly associations) to discuss the charging group’s work.
<b>Advisory Group format worked well for informing workstreams but didn’t really allow for feedback on the Open Networks group as a whole.</b>	Noted.
<b>The role of the ENA was raised in relation to charging change. The Charging workstream is in a good place because of the linkage to a broader accessible stakeholder platform, the Ofgem Charging Coordination Group (CCG). On this basis there was support for the charging workstream being a good opportunity for networks to take on an advisory capacity to the CCG (the scenarios paper seems well received). There is greater concern if the ENA charging workstream is seen to be developing policy in isolation.</b>	Noted. The charging group will take future direction from the CCG including the potential for it to act in an advisory capacity.
<b>The need for setting a vision and future-proofing changes was raised several times; although this may be more perceived to be a role for the CCG. Setting principles was also raised and Energy UK felt that the charging group should focus on a larger range of principles than were provided and assess charging change against these. The group also needs to be mindful that the future is uncertain.</b>	Noted. The working group has developed a comprehensive set of guiding principles (which were presented to the Advisory Group in April) that draws together work by the Council of European Energy Regulators (CEER), the EDCM/CDCM review and Ofgem’s Targeted Charging Review. No suggestions were offered in the context of additional principles.
<b>Fairness in change was raised on several occasions with stakeholders supporting the need to understand the benefit to the end consumer. There was some support for the charging group undertaking further work on the scenarios paper in this area.</b>	The working group fully recognises the ‘benefit to end consumers’ aspects of this work and the potential for this to constitute part of any future work as required by the CCG.
<b>It was suggested that the scenarios paper could be made more accessible to a broader audience, for example, through producing charts/ graphs as outputs in addition to the existing tables. This may assist with wider presentation. It was asked that the TNUoS zones used in the examples are named.</b>	Noted. The working group will consider the production of graphs/charts as an aid to communicate this work, if further development is required by the CCG. The paper will be amended to include the TNUoS zone names.
<b>In terms of the issues ‘behind the meter’ generated a fair amount of debate, with people generally recognising that this should form part of Ofgem’s SCR. There was also some support for access reform.</b>	Noted.
<b>A number of positive comments were made on the EDCM/CDCM paper in it being a useful summary,</b>	Whilst the EDCM/CDCM review groups have attempted to engage with stakeholders via the Distribution Charging Methodology Forum

<p><b>although stakeholders weren't aware of the E/CDCM review.</b></p>	<p>(DCMF) it is helpful that this work has now been communicated to a wider audience.</p>
<p><b>A number of comments were made around governance transparency for charging change.</b></p>	<p>Noted.</p>
<p><b>A number of comments were made around the current governance process and the current arrangements giving rise to a large number of industry change proposals (across both Transmission and Distribution). This makes full engagement in the process resource intensive and is therefore an issue for smaller companies/organisations.</b></p>	<p>The working group will amend the Charging Issues paper to include a new issue relating to current governance processes.</p>