



Challenge Group
ENA Open Networks

12th November 2024

Agenda

1	13:30	13:35	5	Welcome Apologies - Natasha Mills (ADE) - Olly Frankland (Regen)	Hussein Osman (Challenge Group Chair)	
2	13:35	13:40	5	Recent industry developments	Hussein Osman (Challenge Group Chair) & All	
3	13:40	13:55	15	Market Facilitator Update	Hussein Osman (Challenge Group Chair)	
4	13:55	14:15	20	Flexibility Products and Stackability	Alex Howard (Technical working group lead, UKPN)	
5	14:15	14:25	10	Quick working group updates	Reece Breen Begadon (ON Technical Advisor, ENA)	
7	14:25	14:30	5	AOB	All	

Recent Industry Developments

Market Facilitator Update

Hussein Osman (Challenge Group Chair, Elexon)

Flexibility Products & Stackability

Alex Howard (Technical working group lead, UKPN)

What we need from the Challenge Group

1. **Advice on how to communicate 2024 outputs to maximise impact**
2. **Feedback on design principles – what are we missing?**
3. **Help shape 2025 priorities**

Reminder: why the group exists

Barriers to revenue stacking limit the efficient use of flexibility and prevent some providers from entering DSO markets.

Failure to remove these barriers may result in over-build of flexible assets, over-reliance on new network infrastructure and a higher cost of Net Zero.

This is particularly true in the context of the emerging CP30 plan.

We also committed to look for opportunities to rationalise the 12 DSO product variants defined at the start of 2024. A simpler set of standard DSO products will support better participation and simpler resolution of issues like stacking.

Update to last Challenge Group

- Reviewed August focus group feedback
 - keep going
 - keep it simple
 - integrate with Primacy
 - move beyond 'better comms'
- Updated on progress against 2024 plan
- Demonstrated revenue stacking tool
- Updated on rationalisation of DSO flex products

What we will deliver this year

Clearly set out what is possible today

New stacking page on ENA website

- Simple descriptions and examples – across jumping, splitting and co-delivery
- Frequently Asked Questions
- Table of all NESO & DSO services and their key technical characteristics
- Stacking tool, allowing providers to see how services can be combined
- Outline stacking improvement work and give stakeholders a route to feed in

Reduce the number of DSO products

Reduction from 12 to 9 product variants

- Agreement to retire 3 product variants:
 - Scheduled Utilisation (Blocks)
 - Operational Utilisation (Week Ahead)
 - Scheduled Availability + Operational Utilisation (2 mins)
- Justifications for decisions
- Clear summary of which DSO is procuring what
- Simplified document setting out parameters of remaining services

Improve potential for future stacking


Agreed set of design principles

- Common blockers to stacking identified and to be built into design and review processes for new and changed NESO/DSO products

How do we maximise the impact of these?

One of the things we will deliver is a set of design principles for more stackable products

The following features, identified as common barriers to stacking, should be avoided wherever practical. This checklist should be updated as required by the Market Facilitator and embedded within the design and approval processes for both NESO and DSO services:

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- A warning icon consisting of an orange triangle with a white border and a white 'X' inside.
1. Services launched without explicit guidance on stacking
 2. Use of Exclusivity Clauses
 3. Carve outs for particular services which cannot be easily updated
 4. Use of historic baselines without a practical way of adjusting for a wide range of service events
 5. Dispatch after Balancing Mechanism gate closure
 6. Long availability windows with no incentive or mechanism to release capacity
 7. Penalisation of over-delivery
 8. Preventing a single asset from being paid twice where it is capable of delivering two separate benefits simultaneously

What are we missing?

Priorities for 2025 can still be shaped

Further clarification of
what's possible

Set out vision and
roadmap for co-delivery

Holistic stacking plan
(across all ON, MF, BSC
and NESO/DSO activities)

Integration with primacy

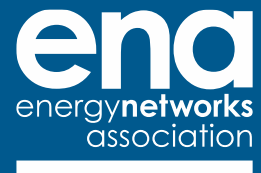
More data / measurement
of stacking

Anything else?

Quick working group updates

Reece Breen Begadon (ON Technical Advisor, ENA)

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