

Principles		Stakeholder Issues	2019	2020	2021	2022	2023	2024 -
1. Champion a level playing field	Market neutrality is a fundamental principle of operating Britain's energy network infrastructure. We will procure flexibility services in a way that creates a level playing field for all energy technologies and services. ENA's electricity network members (i.e. all DNOs, TOs, the ESO and GTC) will facilitate and provide convergence and standardisation for customers in order to support this.	<ol style="list-style-type: none"> <li>1. Use of ANM from flexible connection agreements perceived to be foreclosing flexibility markets</li> <li>2. Barriers exist to participating in flexibility markets (e.g. thresholds, exclusivity, metering &amp; testing etc.)</li> <li>3. Data is not available to support secondary markets (e.g. peer-to-peer trading, capacity trading)</li> <li>4. Opportunities are restricted to customers for shared access or behind the meter DER assets</li> <li>5. Without increasing volumes in flexibility markets, confidence and subsequently liquidity in these markets is compromised</li> <li>6. Lack of clarity re: frequency, duration and type of curtailment &amp; preventing greater integration of ANM assets in ESO markets / services</li> <li>7. Segmentation of generation and demand TU/DTU is preventing local DTU from being used to avoid ANM curtailment</li> <li>8. Flexibility service provision at distribution level is not connected for wholesale market imbalance</li> </ol>	T&D: Flexibility Commitment 5	<p>Stakeholder Review &amp; Feedback</p> <p>T: First mid-term flex contracts start (stability, voltage)</p> <p>ED2 methodologies decision</p> <p>D: CEP DSO Licence Conditions</p> <p>D: Potential BSC Issues Group for DSO Services ABSVD consideration (2019 WS1A P5 row 7) 8</p> <p>T &amp; D: Provision of curtailment information (WS1A P9) 6</p> <p>Consider BSCP MP375 and associated settlement issues 4, 3, 7</p> <p>T &amp; D: UC &amp; Col Register Mitigation Implementation &amp; quarterly updates (WS3) All</p> <p>T&amp;D: Facilitation of Non-DSO Services e.g. peer to peer, capacity trading (WS1A P6) 3</p> <p>D: Shared Access Trials from SCR (Part of WS1A P6) 3</p> <p>T&amp;D: Non-DSO Services Common approach (WS1A P6) 3</p>				T: Co-ordinated / co-optimised network development solutions
2. Ensure visibility and accessibility	We will highlight where and when opportunities exist for flexibility services to play a role in ensuring a secure, consistent energy supply via electricity networks. We will remove barriers and enable all customers to access multiple markets to provide services, for example where they can earn revenue from both the national balancing services market and local flexibility services market. This will be undertaken consistently and easily and include sharing data with flexibility service providers to develop transparent markets.	<ol style="list-style-type: none"> <li>1. Lack of visibility of potential areas of constraint/market activity and future size and value of DNO flexibility prevents targeted investment by DER providers/investors</li> <li>2. Lack of consistency in future forecasts (e.g. FES, DFES, NDP, LTDS) results in confusion for investors, potential market participants</li> <li>3. Visibility of more real-time data, particularly if linked to closer to real-time markets</li> <li>4. Need to recognise batteries can behave as generation or demand; by treating them as generation this prevents connections in some DNO areas</li> <li>5. Need more harmonisation across markets and networks to reduce market entry costs to grow participation</li> <li>6. Multiple "sign-posting" sites increases difficulty of identifying flexibility opportunities</li> <li>7. Potential to promote flexibility in connection queues to release capacity</li> <li>8. Facilitating markets across all of the above</li> </ol>	5 applies of all standardisation products	<p>BEIS Flex Competition</p> <p>T&amp;D: Regional Development programmes</p> <p>T: ESO Pathfinders</p> <p>D: Queue Management Enhancements (WS2 P2) 7</p> <p>D: Review Flexibility Promotion (WS2 P2) 7</p> <p>T &amp; D: Investment Planning (WS1B P1) 2</p> <p>D: Operational Data sharing (WS1B P7) 3</p> <p>Better Planning Data? 3.10</p> <p>T&amp;D: Scenarios &amp; Forecasts Improved Electricity Scenarios &amp; Forecasts and more consistent DFES (WS1B P2) 2</p> <p>D: Identifying &amp; signposting DNO network requirements (WS1B P5) 1</p> <p>D: LTDS consultation response</p> <p>D: NDP CEP proposals</p> <p>D: Operational DER visibility and monitoring (WS1B P6) 3</p> <p>D: Network Signposting Capacity Report (WS1B P5) 6, 1</p> <p>D: Network Development Plan (WS1B P5) 6, 1</p> <p>T &amp; D: SWRR Phase 1 (WS2 P1) 1</p> <p>D: DCUSA DCP350 Mod Approved 1</p> <p>D: SWRR Phase 2 Implementation (Embedded Capacity Register) (WS2 P1) 1</p> <p>T &amp; D: ECR Release 3 ESO Enhancements (WS2 P1) 1</p> <p>T &amp; D: CBA for ECR Release 4 &lt;1MW, national (WS2 P1/FlexR) 1</p> <p>T &amp; D: ECR updates subject to CBA and consideration of central options (WS2 P1/FlexR) 1</p> <p>D: Pre-Qual (WS1A P2) 6</p> <p>D: ITT (WS1A P2) 6</p> <p>D: Standardizing EZE Procurement Process (WS1A P2) 5</p> <p>D: ESO DNO timelines (WS1A P2) 5</p> <p>Treating Batteries as generation or demand? 4</p> <p>T&amp;D&amp;G: Data Working Group</p> <p>T&amp;D: Companies implementing EDF recommendations</p> <p>T: Real time balancing opened to small users</p> <p>T &amp; D: DSO Implementation Plan (WS3) 5</p>				D: NDPs 6, 1
3. Conduct procurement in an open and transparent manner	We are committed to being open and transparent when deciding how and why services have been procured from different solutions in order to meet network needs, such as flexibility services from the market, smart grid solutions and traditional network reinforcement. We will define common methodologies for all network operators to follow and be transparent about the criteria used in decision-making. The guiding principle underpinning all decisions is that the solution chosen must be most cost effective for consumers, while meeting the needs of all customers, the system and the networks.	<ol style="list-style-type: none"> <li>1. Fairer regulatory arrangements for access and future looking charges, avoiding unfair penalties on customers connecting where reinforcement required</li> <li>2. Lack of transparent and fair valuation of flexibility against network reinforcement and ANM and in target prices in procurement processes</li> <li>3. Multiple platforms increase complexity for market participants</li> <li>4. Variation in terms for DER providers between different services difficult to manage (e.g. risk profiles)</li> <li>5. Carbon intensity is not taken into account in decision-making, compromising delivery of net-zero</li> <li>6. Lack of transparency in decision-making undermines confidence in markets</li> <li>7. DER providers unable to stack revenues between different ESO and DNO services (e.g. exclusivity)</li> <li>8. DER providers able to move between different markets</li> <li>9. DER with flexible connection agreements precluded from participating in service markets</li> <li>10. Closer to real-time markets to improve services and efficiency of networks</li> </ol>	D: Standard definition of DSO Services (WS1A)	<p>D: Common Evaluation Methodology &amp; Tool (WS1A P1) 2, 9, 6</p> <p>D: Enhance Standard DSO Service Parameters (WS1A P3) 1, 2, 4</p> <p>D: Common contract for flexibility services Release 1 (WS1A P4) 4</p> <p>D: Common DSO flexibility contract Release 1.2 (WS1A P4) 4</p> <p>T&amp;D: Flexibility procurement evolution (WS1A P4) 4</p> <p>T&amp;D: Stackability of flexibility services (2019 WS1A P5)</p> <p>D: CEP Distribution Flexibility Procurement Statement</p> <p>D: TBM Review (WS1B P8) 3</p> <p>D: Licence conditions on Flex procurement?</p> <p>D: CEM option value/carbon (WS1A P1) 2, 5, 6</p> <p>D: Access SCR minded-to position 1</p> <p>D: Access SCR decision 1</p> <p>D: Trial Future Access Options in Baringa CBA Tool? 1</p> <p>T&amp;D: DSO ESO consolidation flexibility contract v2 (WS1A P4) 4</p> <p>T&amp;D: Contract v2 Consultation &amp; update (WS1A P4) 4</p> <p>T&amp;D: Future Common flexibility contract releases (WS1A P4) 4</p> <p>New Standard DSO Services (WS1A) 4</p> <p>D: Consider procurement of flexibility services closer to real-time 10</p> <p>D: Access reforms implemented 1</p> <p>D: Common Specification for Technical Interfaces (WS1A) 3</p> <p>D: CEP Distribution Flexibility Procurement Statement</p> <p>T&amp;D: Apportioning Curtailment Risk (WS1A P9) 7, 8, 9</p> <p>T&amp;D: ESO DNO data sharing for ANM interaction (WS1A activity) 1, 1, 8, 7</p> <p>T&amp;D: Principles to Review Legacy ANM Contracts (WS1A P3) 8, 9</p> <p>D: Review of rights &amp; obligations in connection agreements (WS2 P4) 10</p> <p>D: Implementation of DSO Flexibility CEP requirements</p>				
4. Provide clarity on the dispatch of services	Following transparency in the procurement process, we will take a fair and clear approach to the dispatch of flexibility services to meet electricity system or network needs by setting out the terms and methodology adopted. This includes any decision-making criteria underpinning the dispatch of services.	<ol style="list-style-type: none"> <li>1. Potential conflict in the dispatch of ESO and DNO services resulting in sub-optimal outcomes for customers and markets and the potential opportunities to game markets</li> <li>2. Need clear principles/primacy rules for addressing service conflicts; commercial &amp; financial issues - not just technical network issues</li> <li>3. Lack of transparency of baselining methodology results in customers being disadvantaged</li> <li>4. Greater consistency / coordination / standardisation between the DNOs and ESOs to resolve current barriers faster</li> <li>5. Lack of transparency and consistency across DNOs in how dispatch decisions are made</li> </ol>	T & D: Dispatch & Settlement (2019 WS1A P3)	<p>D: Baselining flexibility services (WS1A P7) 3</p> <p>T &amp; D: Real-time Data Exchange (WS1B P3) 4</p> <p>T &amp; D: Service Conflict Primacy Rules (WS1A P5) 1, 4, 2</p> <p>T &amp; D: Revised good practice for dispatch &amp; settlement based on learnings (WS1A) 5</p>				
5. Provide regular, consistent & transparent reporting	Having committed to be transparent in our processes and methods, we will then also provide regular, consistent and transparent monitoring and reporting to provide confidence to the public and ensure all parties learn from what flexibility is used, why and how this contributes to running energy networks in a smarter, more efficient way. All decisions and reasoning, such as traditional reinforcement compared to flexibility services options and cost benefit analysis, will be clear and readily available. We are committed to sharing these and best practice across the wider industry.	<ol style="list-style-type: none"> <li>1. Lack of transparency in procurement results means lessons aren't learnt to improve future procurements</li> <li>2. Compliance with CEP flexibility reporting requirements</li> </ol>	T&D: Consistent ENA Flex Market Reporting	<p>T&amp;D: Consistent ENA Flex Market Reporting, including curtailment volume 1</p> <p>T&amp;D: Consistent ENA Flex Market Reporting 1, 2</p> <p>T&amp;D: Ofgem Flexibility Reporting Initiative 1, 2</p>				
6. Work together towards whole energy system outcomes	All ENA member electricity networks will continue to work closely to facilitate coordinated and efficient arrangements which benefit households and businesses, including activities relating to the decarbonisation of heat and transport. This work is being expanded to the wider energy industry, including the gas, heat, transport and waste sectors, to ensure that changes deliver the best outcomes for everyone on a whole energy system basis. This applies to all six of the steps outlined above.	<ol style="list-style-type: none"> <li>1. Lack of whole system thinking beyond electricity into gas, heat and other vectors results in whole energy system efficiencies being missed, increasing overall costs to consumers</li> </ol>		<p>T&amp;D&amp;G: Scenarios &amp; Forecasts Improved Gas Scenarios &amp; Forecasts (WS4 P3) 1</p> <p>T&amp;G: Updated Net Zero Compliant FES 1</p> <p>T&amp;D &amp; G: Whole Systems CRA (WS4 P1) 3, 5</p> <p>T&amp;D: Interactivity User Guide (WS2 P3) 1</p> <p>T&amp;D &amp; G: Coordinated Gathering Regional Data (WS4 P3) 1</p> <p>T&amp;D &amp; G: Investment Planning (WS4 P4) 1</p> <p>T&amp;D&amp;G: Coordinated Adjustment Mechanism Consultation</p> <p>T&amp;D &amp; G: Whole Systems CRA (WS4 P1) 3, 5</p> <p>T&amp;D: Update Interactivity Guide from GMP328 (WS2 P3) 1</p>				

This is not intended as an exhaustive list of all issues associated with the Flexibility Commitments, but a starting point for consideration as to whether our planned future initiatives address key issues. This has been developed from project issues and stakeholder feedback.

Legend/Key:

