

Open Networks Project May Advisory Group Response

06 May 2021

Introduction

The second Open Networks Advisory Group meeting of 2021 took place on 06 May 2021. Due to the ongoing COVID-19 situation the meeting was held digitally. The [agenda](#) and the [material](#) can be found on the ENA website.

Generally, the session included updates on key areas of work and also included more detailed breakout sessions to get stakeholder feedback into the development of these deliverables. The sections below capture the questions raised and the feedback that was shared.

Progress Updates

The project presented a number of updates on general progress, comms activity, and product updates. The tables below capture the questions that were asked during these update sessions.

General project updates	
Questions	Response
What are networks doing to get the overall energy system to net zero and to decarbonising their own activities?	<ul style="list-style-type: none">• The Open Networks projects looks to enable the connection of renewable resources through removing barriers to market, promoting investment, and have recently started work to facilitate Local Area Energy Planning.• DNOs have a responsibility to decarbonise their own organisations but are also decarbonising the networks and energy systems.

<p>Are there any concerns over the number of responses to the workplan consultation?</p>	<ul style="list-style-type: none"> We typically receive 7-8 responses to the consultation each year, in 2021 we received 8 responses which includes trade bodies that represent multiple companies. We kicked off the scoping process in Q3 last year and have sought stakeholder input throughout the development process. We would welcome and thoughts from the group on how we can get further engagement.
--	---

The product team presented the findings from recent market simulations that were undertaken on trading and sharing of capacity. The table below captures the questions that were asked during this session.

Product updates WS1A P6: Non-DSO Services Trading & Sharing	
Feedback	Response
<p>How does this trading and sharing of capacity relate to Ofgem's SCR?</p>	<ul style="list-style-type: none"> We are working closely with Ofgem's non-SCR working group who are looking at the trading and sharing of capacity. The findings of this work have been incorporated in the Open Networks Project work. Ofgem will release a minded-to position on the SCR later this year. We will be starting trials for Trading and sharing later this year and expect them to continue into 2022. These trials will take into account any SCR decisions.

<p>How robust were the rules developed by the non-SCR working group used in the trials?</p>	<ul style="list-style-type: none"> • The principles developed by the non-SCR working group were used in both our market simulations and the TRANSITION project. • Full details of the rules and principles developed by the Non-SCR working group can be found on Charging Futures and Ofgem websites. This publication outlines the current state/robustness of the rules and principles.
<p>Could trading and sharing of capacity be extended down to domestic level? e.g., if someone wants to install a fast EV charger so buys spare cap from a local business?</p>	<ul style="list-style-type: none"> • In principle yes however we are some way off that.
<p>What is the potential for trading and sharing of capacity to replace ANM features, and how are these markets expected to be organised?</p>	<ul style="list-style-type: none"> • It may be possible to use this to reduce constraints imposed by some ANM sites. However ANM is already used in some current solutions to allow the sharing of capacity. • The ongoing effects of energy trading functionalities and new market rules on ANM (and vice-versa) will be one of the considerations for future work on WS1A P6 to further develop the rules around trading and sharing capacity.
<p>Would trading capacity conflict with flexibility markets, reducing liquidity?</p>	<ul style="list-style-type: none"> • We are only looking at trading available capacity so don't envision any conflicts with the flexibility market.

<p>A concern was raised that the longer term contracts required for trading capacity may prevent participation in future flexibility markets. Multiple market options may also reduce network usage efficiency.</p>	<ul style="list-style-type: none"> Flexibility providers are able to increase their capacity to provide flexibility however customers may want a longer-term agreement. We will take this concern into account.
---	--

Product Updates WS2 P2: Queue Management	
Feedback	Response
No questions received.	

Product updates WS4 P1: Whole System CBA	
Feedback	Response
<p>A concern was raised that some assumptions used by the tool may not be clear and so will influence the output in unforeseen ways.</p>	<ul style="list-style-type: none"> The output of the CBA will depend on the assumptions fed in as it doesn't have any inbuilt assumptions to allow it to be used in a broad range of environments. The assumptions selected will force the user to consider some specific costs related to the assumption e.g., cost to consumer, cost to network companies.
<p>There is a risk that the costs may change dramatically depending on policy and market conditions. Does</p>	<ul style="list-style-type: none"> No, alternative future costs are not incorporated in the tool. However, policy data such as BEIS value per kg

the CBA allow users to forecast future costs?	of carbon is included along with the source referenced. Highly variable costs such as EVs and fuel per mile are not pre-set.
Will the Whole System CBA be used by DNOs in circumstances where stakeholders have flagged wider system or societal impacts not covered by the CEM?	<ul style="list-style-type: none"> • Yes, this is how we use the CBA and CEM (Common Evaluation Methodology) tools.
The CEM is only from the perspective of the DNO. Does the Whole System CBA consider other points of view?	<ul style="list-style-type: none"> • Yes it considers all DNOs, gas and electricity, and non-networks as well as considering the impact on customers (e.g., consumer bill impact) as well. You can include regulated and non-regulated stakeholders and wider societal costs and benefits.

Flex Generation Forecasting Update	
Questions	Response
What is the difference between upper forecasts and higher forecasts?	<ul style="list-style-type: none"> • The Upper is 1 standard deviation from the 'best' forecast, and the higher is 2 standard deviations. These are error margins to allow us to capture the range.
Will CHPs be considered in the flex generation forecasting model?	<ul style="list-style-type: none"> • WWU will focus on flexible generation for now. If in the future CHP has increased operational impact e.g. due to increased use of heat networks, then we may consider building models for those which might use some of the same input data but with different or additional drivers. CHPs behave differently to flexible gas generators so

	we haven't include them in the current model.
--	---

Breakout Sessions

The project facilitated in-depth breakout sessions on Baseline methodologies, Common Evaluation Methodology User Forum & Open Governance, and Operational Data Sharing. The feedback that was shared in captured in the tables below.

Breakout Session	
WS1A P7: Baseline methodologies	
Feedback	Response
For aggregators there are more complexities; delivery at service level across aggregated portfolio, and then verifying delivery at individual provider level.	<ul style="list-style-type: none"> Initial work done by DNV with the ADE sought the input of aggregators into the design however we haven't had a direct response from aggregators to our recent consultation and welcome further feedback.
There is a significant impact on revenues for renewable generation depending on the baseline used. Allowing renewables to adjust their baseline on a very short timeframe would ensure accurate demand forecasting.	<ul style="list-style-type: none"> We will investigate this, including the academic paper discussed, and will take into consideration.
The report on baseline methodologies will be welcome. Will there be any additional sessions to provide feedback on it?	<ul style="list-style-type: none"> The report will be included in the flexibility consultation ENA run every July seeking wider stakeholder feedback.

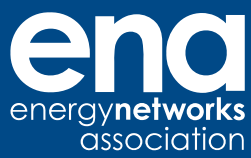
<p>Will the report and consultation break down how this baseline could impact different technologies and types of provider?</p>	<ul style="list-style-type: none"> It is in the early stages but we will try to include a breakdown by different technology type.
---	--

<p align="center">Breakout Session WS1A P1: Common Evaluation Methodology User Forum & Open Governance</p>	
<p align="center">Feedback</p>	<p align="center">Response</p>
<p>Do categories outlined in the slides apply to organisations in the power sector, will gas/transport representatives also be invited</p>	<ul style="list-style-type: none"> The User Forum will be as inclusive as possible however due to the usual interested groups in Open Networks it is unlikely we will target gas/transport reps although they will receive all comms. The CBA User Forum will include gas and wider representatives.
<p>Recommendation to engage with broader stakeholder categories, i.e. Large customers, finance/tech sector and other sectors that can advise on similar CBAs.</p>	<ul style="list-style-type: none"> This is the first open CBA to be used in industry and will be supported by consultancies with financial expertise. We will consider including guidance on the types of additional participants desired to help draw on knowledge from outside the industry.
<p>Longer timelines were requested for expression of interest – ideally 3-4 weeks</p>	<ul style="list-style-type: none"> We agree that a longer timeline of 3-4 weeks would be more suitable, and will consider providing early warning to Trade Associations and to amend timetable accordingly, sharing a week in advance of general invitation to participate.

<p>What would the time commitment be for participants of the User Forum</p>	<ul style="list-style-type: none"> • A reasonable level of commitment would be required. This could include meeting once a month (approx. three hour session on the same day every month) and the expectation that participants would get involved in the sub-groups and discussions in between the main session.
<p>Received a suggestion on how issues can be raised and assessed. For example including a recommendation or treating it like code mode so the group can consider alternatives</p>	<ul style="list-style-type: none"> • This will be left open to allow the User Forum to decide whether issues should be pushed forwards as a change.
<p>An enquiry was made regarding if the forums could be combined with Whole System CBA in the future</p>	<ul style="list-style-type: none"> • At the moment they will be kept separate as the CEM tool is much further down the line. • This option will be considered in for the 2022 workplan.
<p>It was suggested if there should be two groups as part of the User Forum – those who know the tool very well and others who are less familiar but can offer an informed opinion</p>	<ul style="list-style-type: none"> • The User Forum will be as inclusive as possible including the Advisory Group who are able to provide wider feedback.
<p>Received an enquiry as to whether the Whole System CBA and the CEM User Forums Communicate with one another</p>	<ul style="list-style-type: none"> • The two products teams will be in regular contact.

WS1B P7: Operational Data Sharing	
Feedback	Response
<p>Utilisation needs to be at half hour granularity to inform FSP whether constraints can be solved by flexibility (low utilisation) or reinforcement (high utilisation).</p>	<ul style="list-style-type: none"> We are targeting half hourly data initially for utilisation of Extra-High Voltage sites however it is likely this data will be published monthly or quarterly. We will trial some sections of network for lower voltages to work out scalability and allow customers to provide feedback to understand how data can and will be beneficial.
<p>Recommend networks share all network data available with the market for a period and seeing which data is useful. This was one of the findings from the Energy Data Taskforce from the release of transport data.</p>	<ul style="list-style-type: none"> We will start with DNOs publishing data currently available, let the market indicate what is useful and still required, and then build on this to avoid large upfront costs with little benefit.
<p>Will operations data be accessible via APIs?</p>	<ul style="list-style-type: none"> We will initially produce data in a downloadable format. APIs are being investigated for certain aspects of the data, (e.g. EHV Outage information) however they may not be suitable for all data types unless there is a justification driven by the frequency of updates to the data. For example, the data produced for utilisation will be a periodically update; if this is quarterly then there should not be a need to provide an API for this.

<p>Can you share further setting out where the DNOs see challenges in releasing certain types of data?</p>	<ul style="list-style-type: none">• We will be looking to understand what data can and cannot be released into the public domain due to commercially sensitivity or security concerns. We propose data that is not suitable for wide public visibility should be available to customers with a business need via applying for access through a secure portal.
--	---



Energy Networks Association

4 More London Riverside

London SE1 2AU

t. +44 (0)20 7706 5100

w. energynetworks.org

 [@EnergyNetworks](https://twitter.com/EnergyNetworks)

© ENA 2020

Energy Networks Association Limited is a company registered in England & Wales No. 04832301
Registered office: 4 More London Riverside, London, SE1 2AU