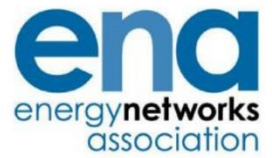


The Voice of the Networks



Energy Networks Association

Open Networks Project

Advisory Group Response

26 September 2018

Restriction: Public

Introduction

The Advisory Group meeting for the ENA Open Networks Project was held on 26th September in London. Products from workstreams 1, 2 and 3 were presented to the group for input, in addition to a Baringa breakout session centred around the Independent Impact Assessment work on the Future Worlds. An update on stakeholder engagement and the latest consultation plan was also shared with the group.

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

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

Breakout Session 1 | T-D Process (Workstream 1) & Customer Experience (Workstream 2)

This project team presented both *DER Services Procurement – End to End process* (WS1 P2) and *Guidance on Post Connection Changes* (WS2 P6) from the T-D Process and Customer Experience Workstream accordingly.

The below table shows the headline feedback received from the Advisory Group.

| Advisory Group Feedback | Open Networks Workstream Response |
|---|--|
| How long would it take to get to process 4 where we test proposed DSO service? How are we managing risk of our requirements changing during this period? | For simpler processes, 6 months and for more complex processes may be months. At this point, the process is a broad outline and will be tested. |
| Ensure that customers can tell you what their technologies can do as this is an opportunity to create a new process. | This is partly covered in the first stage of the process. WS2 P6 takes this work forward from a customer interfacing side. |
| Level playing field needs to be a core principle in establishing the procurement process (contract length currently vary for different types of flexibility). | Contract lengths are difficult to design and will ultimately depend upon the service being provided. Need to recognise that D network requirements are different to T networks requirements. Balance needs to be struck as too long a contract may not keep requirements relevant and too short may not attractive enough to providers. |
| Some networks have discussed that it can take up to 4 years to complete a reinforcement. How do we give confidence to DER that their services are required? | Confidence will be provided by contract length which will itself be a function of time required to reinforce the network. |
| How do we deal with those customers who don't have a connection agreement or have a connection agreement in place but aren't aware of what is agreed in it? | We recognise that there are different types of customers and some don't have connection agreements in place. DNOs could provide copies of connection agreements on request and provide guidance to customers on where to look and what to look for. |
| Have we had any interaction with the Ofgem team looking at under CFF. | We have liaised with Ofgem's Charging Futures Forum team to ensure that the ONP products and areas of development are aligned with the direction of travel for the CFF. |

Breakout Session 2 | DSO Transition – Least Regrets Analysis (Workstream 3)

This project team presented the latest work from the product team on the market agnostic elements across the Five Future Worlds and asked the Advisory Group members for feedback on the areas that they believe should be a higher priority for implementation.

The below table shows the headline feedback received from the Advisory Group.

| Advisory Group Feedback | Open Networks Workstream Response |
|---|---|
| <p>The following were the areas that the Advisory Group members identified as high priority areas for development and implementation:</p> <ul style="list-style-type: none">• Greater visibility of network constraints (including LV level) to allow stakeholders to make investment related decisions.• Visibility of potential network reinforcements• Level of consistency across networks in how data is presented | <p>We recognise that data visibility and a degree of consistency across networks in how this is presented are areas of high priority for stakeholders.</p> <p>We have developed a number of products in 2018, such as the System Wide Resource Register (WS1 P8) to look at the feasibility of having a central register for stakeholders and networks to access information on networks resources and reinforcement queues. As part of our scope for 2019, we will be taking the recommendations of this feasibility study forward to continue development of this register.</p> <p>We are in the process of developing our scope and products for 2019 and taking a similar approach to 2018, we will be consulting on this in 2019 to give stakeholders an opportunity to shape our direction of travel.</p> |
| <p>Some members shared concerns that there may be some unintended consequences as a result of increased network visibility that may enable people to target an area of the network that they think might be falling over.</p> | <p>Baringa have been commissioned to lead a piece of work (as part of the Impact Assessment) to look at unintended consequences and potential conflicts of interest for actors in the Future Worlds. Baringa will be holding a stakeholder workshop with the Advisory Group to understand some of these unintended consequences and possible mitigation measures on 4th December. The ONP will be sharing the outcomes from this and any proposed next steps for taking this work forward in 2019.</p> |

Breakout Session 3 | DSO Transition (Workstream 3)

The Baringa team led the discussion on their Impact Assessment (WS3 P4) as part of the DSO Transition Workstream.

The below table shows the headline feedback received from the Advisory Group.

| Question | Response |
|---|--|
| Are the aspects mentioned in the 'summary of proposed approach' the only criteria you are assessing? | The ones displayed are the criteria listed by ENA, however, there are more. There are actually about 30 different aspects we are covering. |
| What criteria will you be using for the qualitative assessment? | |
| Is there any reason this is based off the National Grid FES scenarios and not the other ones available? | They're the most commonly known ones and there's a good distinction between centralized and de-centralized. |
| Within the cost assessment – once you know where everything sits, does this include who's going to pay etc.? The consumer's going to pay for it, but how? | <p>That's not something we're up to yet. We will provide some insight into where the charges fall out of the networks. There is a link to work underway in the Charging Futures Forum to look at ANM charging.</p> <p>The analysis will show where costs sit but not how they follow through to consumers as this would require assumptions around how future regulation and tariffs might operate.</p> |
| We think it's good that they haven't put any weight against any of the criteria yet as that can potentially be quite socially or politically charged. Do you plan to weight any of the criteria? | No, because different stakeholders with different perspectives will have their own priorities and we don't think that the impact assessment should decide what the balance of those priorities are. It will allow stakeholders to see how the World's perform against the criteria they value most, rather than driving to a specific answer. |
| It may be worth Baringa dealing with some of the smaller customers as well – Community Energy England, storage networks, ADE and BEAMA. | We are engaging these bodies through input from the Advisory Group. Regarding 'initial methodology' section: There are 30 different criteria that we have to look at, assess the worlds against of those and then rank them accordingly. |
| What happens after we have the results? What would your ideal response from Ofgem look like? | We don't have any commitments as to how that would sit at the moment or a pre-conceived preference, but we want an evidence set that is consistent with Ofgem's policy changing/building guidelines. Ofgem and BEIS are involved in the groups developing this impact assessment to mitigate risks of it not flowing well with them in the future. What's really driving this is the changing of the energy landscape. |