



Open Networks Project

Workstream 3: Future Worlds Consultation - Webinar
(21 August)

21 August 2018

Energy Networks Association

Document Ref: ON-WS3-FWC Webinar Response

Restriction: N/A

Introduction

The ENA Open Networks Project, which is laying the foundation for a smart grid in the UK and Ireland, has launched its Future Worlds consultation to seek industry view on the future electricity network, which is open from the 31st of July to the 25th of September 2018.

ENA hosted a dedicated webinar on the 21st of August for stakeholders to engage directly with the project team to better understand the Future Worlds consultation and ask any questions.

Questions on Future Worlds consultation

The below table summarises feedback and questions received from webinar participants.

Questions	Open Networks Response
<p>A, B and C have individual DSO's for each DNO, whereas D and E have single points of DSO/ESO – is that correct?</p>	<p><u>Andrew Wainwright – National Grid</u></p> <p>That's an interesting question. It comes out in the principle of neutral market facilitation section. We started off in a place where the DSO functions were seen to be functions of an entity, but now they have really become the functions that are required to become a system operator of distribution networks. The way the worlds look is that there are a range of parties that perform that function to different degrees, but those functions are always required, regardless of the party.</p> <p>World A very much has the DNO acting in that role of SO, World D has the ESO in that role and World E has a neutral third party. In worlds B and C, the ESO is very much looking for DER products to meet transmission system needs, but in terms of the system operation of distribution, that still resides with the DSO. I wouldn't paint 'B' and 'C' as being black-and-white, but I would say 'yes', it's close to the DSO being the system operator for distribution networks.</p> <p><u>Jason Brogden - ENA</u></p> <p>Model B is building on where we are with the 'here and now' where we have actions being taken for system operation by the two parties and there is an element of coordination. But in Model B we have much more structured coordination and a much greater flow of information between the two parties so there's more knowledge on what is happening with coordinating that procurement and dispatch.</p>
<p>Do any of the future worlds aligns with FES scenarios? Do the the worlds represent the market architecture required to deliver the outcomes of the FES?</p>	<p><u>Andrew Wainwright – National Grid</u></p> <p>The future energy scenarios were published last month. Both sets of publications came out around the same time – within a couple of weeks of each other. As such, certainly in terms of the 2018 FES scenarios, we wouldn't have been able to incorporate</p>

	<p>what was in those into work that was being done through 2017 and into 2018 for the Future Worlds.</p> <p>It is on my radar, as a DSO person, to see how the two marry up, and I look to be taking away in the next few months just to see where we're at and where we're going. I don't necessarily think they are moving in different directions, they're doing slightly different things. But I do think there's more scope for opportunities to see what we can do about similarities between the two.</p> <p><u>Jason Brogden - ENA</u></p> <p>It might be that ability to deliver against FES scenarios is something that we look at in the Impact Assessment and Relativity Assessment between the worlds – it's certainly something we need to cover. I've been looking through the responses from some of the consultants that we're going to use to do this independent work and at least a couple of them have referenced the use of the FES in their assessment of the relative worlds, so I think it's very much in mind. But to answer the direct question – I hope so, because that's fundamentally what we're trying to do.</p>
<p>Can you clarify whether 'DSOs' refers to new functions within each existing DNO, while DSO refers to a new, single, central DSO?</p>	<p><u>Jason Brogden - ENA</u></p> <p>I think we may be combining the DSO role and the actor in the diagram with DSO and the functions. So we have a DNO/DSO actor in the consultation paper and as part of the SGAM modelling, which is effectively the development of the distribution network operators' role and we are looking at the functions for a DSO and the models look at who has the responsibility for discharging the different functions and functionality that we've defined as the DSO. Hopefully that clarifies what we're describing as the actors and you can see that in the actor descriptions and if there is any lack of clarity in that, please provide us with feedback against those stakeholder views.</p> <p><u>Andrew Wainwright – National Grid</u></p> <p>In World E, we have the flexibility coordinator with the third party who, from a market facilitation perspective, is carrying out the role we would expect a SO to do, and in that regard it sort of looks like (for that aspect) a separate party carrying out some of the DSO roles. When we're talking about DSO functions, we're talking about a wide range of things that we will come onto in a slide or two's time. There is certainly that nuance in the work so far, but we're happy to take your feedback – that's maybe something that we need to think about in the future and certainly in 2019's work programme.</p>

<p>Regarding connection and connections rights – if you have made this a DSO responsibility, what is the function of the DNO in connections? Would it not be logical to leave this as a DNO role?</p>	<p><u>Jason Brogden</u></p> <p>The key things on each of these eight functions areas are – we have modelled the interactions between each of the actors with each of the functions within each of the five models. So if you go into the detail of the SGAM models and see how the interactions work between ‘D’ networks connecting customers, ‘T’ networks connecting customers and how the connection and connection rights work for connection agreements. We haven’t pre-judged ‘who does what’ – we’ve shown what actors undertake what roles and you’ll see in the details of the models that for ‘D’ network connecting customers, then we do expect the DNO/DSO to have a key role in receipt of application for connection – processing those connections and interacting with the connecting customers.</p> <p>I think logically, yes for the network operators that customers are connecting to, they will have a key role in processing those connection applications. What we’re trying to do in the models and one of the objectives in neutral market facilitation and whole system thinking is to make sure that we are ensuring that customer are getting the best value out of connection and not distorted message as to where they need to connect to. That is one of the overall objectives of whole system thinking.</p>
<p>Wondering if the customer category, assuming it’s domestic, relies on those with solar EV battery storage, EV charging points etc. is likely to have different needs and services to offer?</p>	<p><u>Andrew Wainwright – National Grid</u></p> <p>Last year, Workstream 2 defined four categories of customer in another Open Networks project – Workstream 2 is the ‘Customer’ Workstream. We’ve used those definitions, but to fit in with the SGAM structure, we’ve taken two of them – the ‘active customer’ and the ‘passive consumer’ – and they sit within the customer category in that stakeholder group. The other two customer types, which were the ‘active participant’ and ‘<i>(passive participant?)</i>’ sit within the DER distributed energy resource actor bracket – so those are the ones whose primary role is to provide energy resource for flexibility services as opposed to the others, whose primary resource is to use electricity for their own business requirements. Hopefully, that’s relatively clear, but if you would like to email me later, we can hopefully make that a bit clearer.</p> <p><u>Jason Brogden - ENA</u></p> <p>If you can’t see where you fit in with the actors that we have defined, then we need to change, so please do let us know.</p>
<p>How is Ofgem Access and forward looking charging SCR interacting with this work?</p>	<p><u>Jason Brogden - ENA</u></p> <p>We’ve had a Workstream underway in the Open Networks Project looking at charging and the entirety of the development work recently has been providing</p>

	<p>input into the task forces for access and forward looking charges. We have mobilised a second resource to sit in those taskforces and provide network expertise into the deliberations that Ofgem has had under the taskforce development under the charging future forum (CFF) and therefore we have contributed into consultation papers that have been out from Ofgem on that.</p> <p>At the moment, we have to be agnostic as to what the policy might be for charging, but as soon as we get the policy positions out of that, we can reflect it in our development work. The answer to the question is: we've been interacting with in integral part of the development work in the taskforces up to now and we will need to reflect the output from the Ofgem work in the model development for the future, in particular, with the price signal model – obviously that is very dependent on the policy positions that are coming out of that charging work.</p>
<p>Is the advisory committee involve in securing an independent consultant, to do the impact assessment or will the ENA find a consultant on their own?</p>	<p><u>Jason Brogden - ENA</u></p> <p>We are going through a tender process to find that consultant. That's an internal process that we're doing through ENA, but the Advisory Committee and stakeholders will be very involved in the provision of information to inform to form that impact assessment. We will select an independent consultant from a short list we are running through at the moment and we will be reaching out to all stakeholders to look at how we gain market information and stakeholder data into that assessment work.</p>
<p>Are Ofgem/BEIS feeding in to the process at regular intervals or will they be simply be reviewing the evidence pack at the end of the process.</p>	<p>Question unanswered</p>