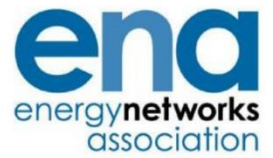


The Voice of the Networks



Energy Networks Association

Open Networks Project Advisory Group Response

September 2019

Restriction: Public
Draft 1

Introduction

The fourth Advisory Group meeting of 2019 took place on 5th September at ENA's offices in London. This included segments addressing the 2020 workplan, BEIS and Ofgem open letter on Open Networks, and updates on the System Wide Resource Register and Workstream 3 Product 7: Conflicts of Interest and Unintended Consequences. The Advisory Group also had 2 breakout sessions for detailed stakeholder input on Workstream 1A Product 6: Facilitation of New Markets, and one on Workstream 4 Product 2: Day Ahead Real Time Operations, and Product 4: Investment Planning.

General Project Updates	
We provided a general update on the project and its key outputs, including updates on the Flexibility Services and Interactivity & Queue Management consultations, ENAs response to the BEIS / Ofgem open letter on Open Networks, and the 2020 Workplan.	
Feedback	Response
<ul style="list-style-type: none"> Are responses to the Flexibility Services consultation mostly from electricity, or are there responses that take a wider industry point of view? 	<ul style="list-style-type: none"> No responses back from the gas industry. Focused on DSO for electricity.
<ul style="list-style-type: none"> Is ENA looking for anything specific from stakeholders who want to participate in WS1A developments? 	<ul style="list-style-type: none"> Looking to boost our expertise in certain areas like markets, customers, and commercial. Looking to gain a fresh perspective on our products.
<ul style="list-style-type: none"> Support all opportunities to provide input and feedback, especially from a consumer point of view 	<ul style="list-style-type: none"> Consensus in the room for the proposal presented. In order to provide an opportunity for stakeholders to provide early input into the 2020 workplan, a 'soft' consultation lasting 4 weeks on the back of ENA's response to the BEIS & Ofgem letter, and a formal workplan consultation in January will be held.
<ul style="list-style-type: none"> Will the open letter response on Open Networks be exclusively focused on electricity, or will there be a whole systems aspect to it? 	<ul style="list-style-type: none"> It will include the whole systems aspect highlighted by Ofgem & BEIS in their letter and reference our work in Workstream 4.

Workstream 2 Product 1: System Wide Resource Register	
<p>Following approval from the Open Networks Steering Group, an update was provided to the Advisory Group on the proposed enduring option of a DER services register. Separate registers for each network company areas will be published by January 2020.</p>	
Feedback	Response
<ul style="list-style-type: none"> Has there been a consultation or open market views on what's included in the register? 	<ul style="list-style-type: none"> No formal consultation, but we have tried to capture views as we have developed the product and this has been subject to multiple Advisory Group review and input sessions, as well as discussions at the DER Connections Steering Group. We have run a webinar on the register, and organisations are talking to the customers about it. DCUSA modification has been raised and is up and running – this will be another opportunity for industry participants to share their views.
<ul style="list-style-type: none"> Will the data be in open source format? 	<ul style="list-style-type: none"> Yes – as open as possible. Interoperability will be high on the agenda. Trying to link it to the EDTF data catalogue should that be set up, all the Meta data will be available.
<ul style="list-style-type: none"> What will be the refresh rate for data? 	<ul style="list-style-type: none"> ENA are proposing that this is done monthly, DCUSA mod is looking at something more frequent, so there will be a bit of further industry debate before it's settled.
<ul style="list-style-type: none"> Next stage is quite important. Will you need data from stakeholders as well as network data? 	<ul style="list-style-type: none"> Not in the beginning, but that's the route it might go down after some product development. If there are potential providers that want to supply data it's something we could consider including in the register or as part of any wider data initiatives from the EDTF recommendations.
<ul style="list-style-type: none"> Interaction on long term development statements: a lot of crossover that these aren't in a consistent format currently 	<ul style="list-style-type: none"> One of the areas we're keeping an eye on and we are expecting a consultation from Ofgem later this year on LTDS.

	<ul style="list-style-type: none">• If there is more change of format we will have to change the way we approach it, but at the moment were getting in place the register and making it work before we start to branch out to new data / format.
<ul style="list-style-type: none">• Should be called a System and Service Register, so you know what people are doing as a service as well.	<ul style="list-style-type: none">• Now that we have set the name and people are familiar, we think this would now cause more confusion on what it is.

Workstream 3 Product 7: Conflicts of interest and Unintended Consequences	
<p>The Workstream 3 Product 7 team presented an update on the Conflicts of Interest and Unintended Consequences tracker, including updates that were made following stakeholder feedback. This product will be a live tracker, due to be published shortly.</p>	
Feedback	Response
<ul style="list-style-type: none"> In the last session, Advisory Group feedback was that the more appropriate ownership of the product might be BEIS / Ofgem 	<ul style="list-style-type: none"> Still waiting on their feedback, meeting with them was more to introduce the product. Ownership will be discussed with Ofgem, however the document will be made available online and anyone can comment on it The key is identifying ownership of the mitigating actions, and BEIS and Ofgem are willing to pick up actions that are relevant to them.
<ul style="list-style-type: none"> Fantastic piece of work to get all these things out there, the last session was really good 	<ul style="list-style-type: none"> The detailed line by line feedback we received on the product really helped in the development.
<ul style="list-style-type: none"> Is this two way? Flagging up government policy for example? 	<ul style="list-style-type: none"> Yes – this tracker will be used for all Conflicts, not just those relevant to networks. For example one item identifies CFDs and how they could potentially interact with Queue Management.
<ul style="list-style-type: none"> What stakeholder engagement has been undertaken as part of the development of this log? 	<ul style="list-style-type: none"> This has been through multiple prior reviews at Advisory Group, including role-playing walk-throughs. Sent around the product to the Advisory Group ahead of the meeting. Reviewed with the other Open Networks Workstreams and Ofgem/BEIS Still open to receiving comments on the log – stakeholders are welcome to send any comments back for us to collate. This will be a live product, which is updated regularly We will be presenting this back to the Advisory Group whenever significant changes have been made.

Workstream 1A Product 6: Facilitation of New Markets	
<p>The breakout session on Workstream 1A Product 6 presented a detailed scope and outputs for the product, seeking feedback on what data needs to be provided to facilitate new markets, what data needs to be sent to network operators after any action / trade, and trial scenarios that can help develop and understand these markets and the required DSO actions to facilitate these.</p>	
Feedback	Response
<ul style="list-style-type: none"> Once peer-to-peer trading has been set up, it can become an option for a DSO. Will these markets need to interact and has this been considered? 	<ul style="list-style-type: none"> We're not trying to define these markets, they should be developed naturally, however we are looking at what we might be able to do to facilitate them (e.g. provision of data). We will be party to some of those transactions from an information point of view. P2P could contribute to potential mitigation of reinforcement activities.
<ul style="list-style-type: none"> From a data perspective, have you factored in the EDTF work? There is big government support and should be taken seriously. 	<ul style="list-style-type: none"> Product 1 of WS1A, embodies data principles from EDTF and we are looking more widely at how they are reflected across ENA development.
<ul style="list-style-type: none"> What would success look like? Would it be as and when new markets organically emerge, the networks aren't a barrier to delivering savings and benefits for customers? Set of principles and data sets that would be needed. High level guidance as an output? 	<ul style="list-style-type: none"> Yes – at the end of this year we would like to have a good handle on what the prioritised data sets are.
<ul style="list-style-type: none"> Longer term from a network perspective all the data will be out there, so this is about finding a pragmatic way forward, rather than waiting for a fully developed solution 	<ul style="list-style-type: none"> Correct – making sure the data is in the most appropriate format and available to all. New entrants might need data in different formats, so we want to help with that.
<ul style="list-style-type: none"> Danger with a lot of these things that we look to solve future problems with current thinking. Only doing that because that's what we're familiar with and comfortable with. We should turn the paper over and ask 'what's the best way of solving this?' 	<ul style="list-style-type: none"> We are open to providing whatever facilitation might be required for these markets.

<ul style="list-style-type: none"> Looking to Europe, what are the barriers there? What're the data sets that the Europeans using? 	<ul style="list-style-type: none"> Noted: would be very interesting to look into this.
<ul style="list-style-type: none"> Over cautiousness about what it means to be neutral, and networks have quite a passive definition of facilitation. Might want to consider how we can be more active, not just here is the data. Industry is obsessed with risk, and not looking at opportunity. Need to start thinking about the two. 	<ul style="list-style-type: none"> Nothing stopping the industry investing in platforms that bridge the gaps, but as networks it is important that we remain neutral.
<ul style="list-style-type: none"> New markets: is there a definition? 	<ul style="list-style-type: none"> For the purposes of this product it's anything that isn't a DSO service / purchasing a product: trading capacity, trading constraint, could be selling energy locally. In those circumstances, what's the information that could be useful to new markets?
<ul style="list-style-type: none"> Is there a risk with capacity trading, that as you start trading it, it gets used. Networks now have a faster rate of reinforcement etc. 	<ul style="list-style-type: none"> Interesting point and it is an issue. There is a difference between reinforcement and maintenance, and bringing in more flexibility will lead to reduced maintenance cycles.
<ul style="list-style-type: none"> Does this link with the charging review? Interested in how this works in practice if there is P2P trading but using a DNOs wires. 	<ul style="list-style-type: none"> It will be an implication, but is not part of this product. Charging arrangements are being developed through the SCR.
<ul style="list-style-type: none"> All very well taking the data in, but you have to translate it and put it into a readable format. 	<ul style="list-style-type: none"> Potential role for Ofgem to look at what are monopoly or regulated activities – what belongs to the market, and how the two can / need to work together.
<ul style="list-style-type: none"> Has any thought been put into what the platform would be? 	<ul style="list-style-type: none"> The approach by the workstream has been purposely passive, we don't want to constrain or dictate the market or how these things will work. It's a valid challenge back to say that providing data doesn't create things on its own, and who should be leading the effort?
<ul style="list-style-type: none"> Transport for London has experience with a 'blank page' and putting data out there. 	<ul style="list-style-type: none"> Noted: would be useful to engage with TfL to see what has worked and what hasn't, what is helpful and what isn't, and how they might have been active neutral facilitators for markets.

Workstream 4 Product 2: Day Ahead Real Time Operations, and Product 4: Investment Planning	
Products 2 and 4 from Workstream 4 were seeking feedback on the recommendations that have been identified to improve coordination between gas and electricity.	
Feedback	Response
<ul style="list-style-type: none"> What information could be useful for iDNOs and more generally across the market? 	<ul style="list-style-type: none"> This will have to be considered under this work. Any specific input from CAN would be welcome. Open Networks to distribute data template for consideration by AG. We can then assess data requests.
<ul style="list-style-type: none"> Input from regional bodies is important to planning process. Noted that it takes time to get information from regional bodies/local government. 	<ul style="list-style-type: none"> This is included in consideration of Use Cases.
<ul style="list-style-type: none"> Has consideration been given to the benefits of sharing relevant data more widely across the industry? 	<ul style="list-style-type: none"> We have developed a data request template and will make this available to advisory group participants
<ul style="list-style-type: none"> Going forward large CCGT is likely to be replaced with smaller flexible generation in distribution networks and the ESO will need to understand what is happening in local networks 	<ul style="list-style-type: none"> Agree, as well as the distribution networks needing new processes for managing significant increases in loads of these types – this is one of the primary considerations of this workgroup
<ul style="list-style-type: none"> Historically macro level models have worked but we now need data at micro level recognising the growth of flex gen and interactivity between gas and electricity 	<ul style="list-style-type: none"> Agree
<ul style="list-style-type: none"> Is the view that codes should be changed so that data could be shared between networks / control centres 	<ul style="list-style-type: none"> Believe this would be the ultimate objective but we recognise the lengthy steps to achieve this.
<ul style="list-style-type: none"> General discussion that regulators should 'already' be supportive of cross vector optimisation. 	<ul style="list-style-type: none"> This will be the case in some areas, however, existing licences and compliance arrangement specifically restrict the sharing of information in many cases which it now seems appropriate to review.
<ul style="list-style-type: none"> Whole system needs to go a lot further than the examples currently under discussion and consider e.g. interaction between FIT and RHI and whether these 	<ul style="list-style-type: none"> Agree in the longer term

<p>drive the right behaviour from a whole system perspective. Should look at Power to gas, Hydrogen , electric and gas</p>	
<ul style="list-style-type: none"> • Modifications to allow sharing of ESO dispatch plans and other relevant data between control centres only (to mitigate risk of market distortion in the initial stages). It's tangible, a quick win, and all stakeholders are likely to be supportive 	<ul style="list-style-type: none"> • Product 2 group to take away and consider incorporating into implementation plan
<ul style="list-style-type: none"> • Whole system thinking is usually seen when discussing long term concepts such as power-to-gas or electrification of heat – this work feels very operational. 	<ul style="list-style-type: none"> • The workstream has been intentionally scoped based on stakeholder feedback to consider current whole system issues, such as flexible gas generation profiles. The intent is to provide real world case studies for network companies to build the foundation for collaboration across the whole system. These foundations will be critical for enabling and driving larger scale and more disruptive changes in the long term.