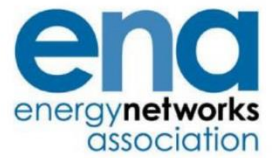


The Voice of the Networks



Energy Networks Association

Open Networks Project

Consultation on Phase 3 2019 Work Programme

21 January 2019

Energy Networks Association

Document Ref: ON-Phase 3 Project

Introduction and Background to the Open Networks Project

In December 2016, Energy Networks Association (ENA) members gave their commitment to the Open Networks Project, a major collaboration that will transform the way that electricity networks will operate and work for customers.

Launched in January 2017, ENA's Open Networks Project has started to lay the foundations of a smart energy grid in the UK. It is a key initiative to deliver Government policy set out in the Ofgem and BEIS Smart Systems and Flexibility Plan, the Government's Industrial Strategy and the Clean Growth Plan.

The Open Networks Project has introduced real momentum into the development work required to enable the UK's energy networks to:

- Facilitate our customers' transition to a low carbon future, including the electrification of heat and transport.
- Address the challenges rising from the continued uptake of local generation.
- Evolve to be market enablers for a whole range of new smart energy technologies.
- Reduce costs to customers by contracting for flexibility services alongside investment in traditional and innovative network solutions.
- Play a key role in delivering overall lowest energy system costs for customers.

In order to facilitate open debate and discussion across industry, all outputs from the Project are being published to our website¹ alongside annual reports that summarise our progress and achievements.

Purpose of this Consultation

Following our successful delivery in 2017 and 2018, we have scoped and planned our development work for 2019 and it is this plan of work, set out in the attached Phase 3 2019 Project Initiation Document, which we are inviting responses to in this consultation. It is very important for the success of the project that we focus on the right topics and that we are informed by the widest possible stakeholder perspective.

This Phase 3 workplan has been built up with stakeholder input through our Advisory Group, but this consultation is an opportunity for all stakeholders to consider the full workplan and feedback on priorities, scope, time-scales and those areas where detailed consultation is proposed through 2019.

The paper outlines the 2019 workplan and asks a short set of questions. We have established the project to be adaptable and feedback will be used to:

- Prioritise the work to be carried out in Phase 3.
- Add further products to the Phase 3 programme if needed or defer proposed products from the Phase 3 programme if these do not address priority areas of work.
- Adjust the detailed scope and timing of products.
- Adjust the proposed stakeholder engagement, communication and consultation plans.

Consultation responses will be processed quickly so that feedback can be used to adjust the Phase 3 workplan. The consultation is not holding up progress on the project, as we have begun Phase 3 on the basis of what is set out in the Phase 3 2019 Project Initiation Document.

¹ <http://www.energynetworks.org/electricity/futures/open-networks-project>

How to Engage and Respond

Stakeholders requested longer to respond to our consultations in 2018, so we have extended the time to respond to this consultation from 3.5 weeks last year to 5 weeks this year. Extending this further would reduce our ability to react to any changing priorities.

The consultation closes on 22nd February 2019. Please send your responses electronically to opennetworks@energynetworks.org.

We will be hosting a breakfast event at the ENA offices in London on **1st February** and an open webinar/webex on this consultation late January/early February. Further details will be provided on the ENA website and to people on our stakeholder distribution list. You can sign up for this distribution list or ask any questions by emailing the Open Networks project at the email address above.

We intend to publish all responses on the ENA website, therefore if your response is confidential and not for publication, please clearly notify us or if elements are confidential, please provide us with a full version for consideration and a non-confidential version for publication.

All are welcome to respond:

Feedback on this paper is welcomed from all stakeholders, including (but not exclusively): network users, energy market participants; network operators, independent distribution network operators, aggregators, suppliers, DER, consumers, community energy schemes, new and existing business models and technologies.

Phase 3 2019 Project Overview

The Phase 3 work in 2019 will build on and add to the work carried out in Phase 2, as well as considering a number of new areas of work and feedback that we have received from stakeholders to date. We will continue to take an agile approach to ensure that what we deliver is fit for purpose, taking into account emerging developments and stakeholder needs.

The project has evolved from 5 workstreams into 6 that are defined in more detail in the associated sections of this PID and workstream scoping documents. These define the outcomes and products for each workstream.

We have 3 workstreams on shorter term improvements that can be developed and progressed whilst the transition to future world(s) is in development. This has been split into 3 workstreams as there are 3 different topic areas to focus development work on and because the body of work would be too great for 1 workstream. We are creating a new, dedicated work-stream on Flexibility Services to facilitate the growth of existing and new flexibility markets:

- **Workstream 1A – Flexibility Services** will continue work to define and develop standardised approaches across DNOs in their procurement of flexibility services, as well as initiating new work to design changes to facilitate and encourage new markets and platforms for flexibility (e.g. peer-to-peer trading).
- **Workstream 1B – Whole Electricity System Planning & T-D Data Exchange** will take forward the work completed in 2018 on investment planning and forecasting to implement new processes as BAU and to further develop coordinated planning approaches in investment, operational and real time timescales.
- **Workstream 2 – Customer Information Provision & Connections** will roll-out good practice developed in 2018, bringing a level of convergence across networks in the connections process, progress queue management developments and will further improve visibility of information for customers and between network operators.

We have focused **Workstream 3 – DSO Transition** to inform the transition to DSO and be targeted on activities required to transition to future world(s). WS3 will continue to support the assessment of the

Future Worlds and the various pathways to the transition to DSO to continue to build an evidence base for any Ofgem and BEIS regulatory decision making.

We have initiated a new **Workstream 4 – Whole Energy System** to scope and progress cross vector thinking and developments.

Workstream 5 – Communications and Stakeholder Engagement will continue to promote stakeholder engagement and communications for the Open Networks Project.

There are a number of dependencies with other industry work including Ofgem’s Significant Code Review of network charging and access and the work of the recently established Energy Data Taskforce. These and other dependencies will be managed closely by the project.

Longer Term View

The Open Networks project remains a long-term piece of work to deliver network improvements and transition them into our existing market arrangements which ENA will set out in a long-term programme. Phase 2 of the project has been completed in 2018 and Phase 3 will run through 2019. Following that, ENA will continue to support a collaborative development project along the journey to transition to DSO.

We expect that project development work will evolve over time and we will adapt, but a broad timeline for development is set out below. Different initiatives will take different times to complete and there is the potential for staggered roll-out of some processes across different geographic areas, as Open Networks can’t deliver “one-size-fits all” solutions for many of the challenges which can be geographic.

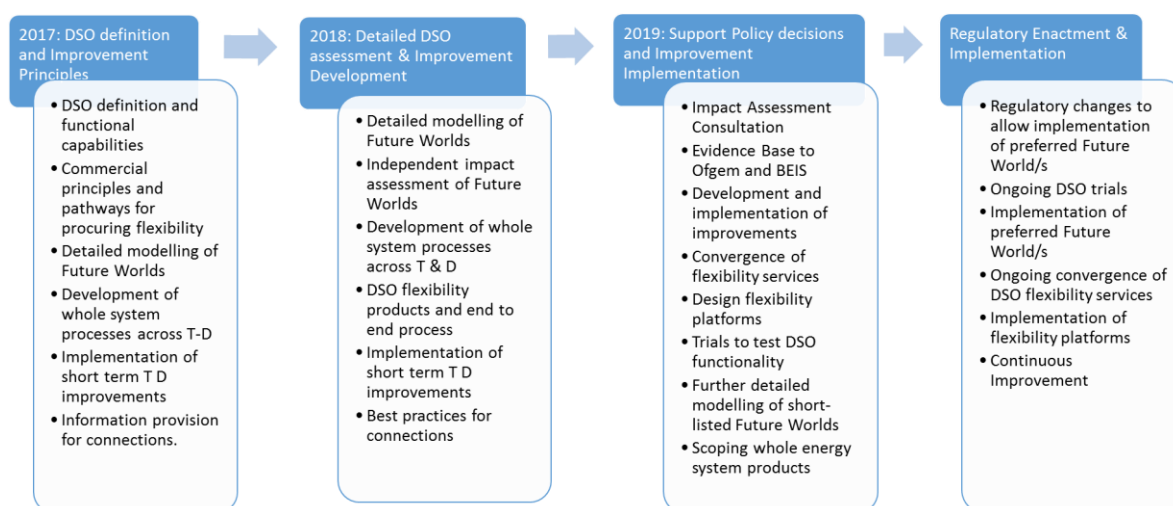


Figure 1 Open Networks Development Timeline

Stakeholder Engagement & Products Proposed for Consultation

We will continue to use the Stakeholder Advisory Group² to provide input to our development work as we progress and we will continue to engage other groups (e.g. DER Connections Steering Group) for input to particular products.

There are some key products that we wish to go beyond our project stakeholder groups and put out to public consultation to gather the widest possible set of stakeholder views. We recognise that it is a challenge for stakeholders to digest and respond to Open Networks Project consultations amongst

² The Stakeholder Advisory Group is a representative group containing approximately 40 experts from across the GB energy industry including Suppliers, Aggregators, iDNOs, industry groups, academia, Generators, consumer groups, the gas industry, Government, Ofgem and other industry parties. The group works closely with the Open Networks project team to shape and review workstream products. Membership of the Stakeholder Advisory Group is detailed at the following link [Stakeholder Advisory Group](#).

many other industry consultations, so we have restricted the number of proposed consultations to broadly 1 per quarter in 2019, spread over the year, for the outputs that we believe are the most critical for stakeholders to provide feedback on.

We would welcome your views on whether this is the right number and frequency of consultation papers as well as whether we have identified the right outputs to consult on, as below.

Product	Description	Launch Timing
Overall Project		
Future Workplan & Prioritisation for 2019		Jan 19
WS3 – DSO Transition		
P1	Impact Assessment	Early Mar 19
WS1A – Flexibility Services		
P1	DSO Services – Market Principles	Jun 19
WS1B – Whole Electricity System Planning & T-D Data Exchange		
	N/A	
WS2 – Customer Information Provision & Connections		
P2	Queue Management	Aug 19
WS4 – Whole Energy Systems		
	Dependent on scoping work	

Key Questions on Phase 3 Programme

Please consider and respond to the following questions, referring to the Phase 2 Project Initiation Document where possible:

- Q1. Which specific areas of 2019 work or Products are most important to you and why?**
- Q2. Are there any other areas of work or Products you would like to see included in the Open Networks Phase 3 workplan and if yes, why and how should they be prioritised compared with other work?**
- Q3. Should any areas of work or Products be removed or deferred and if yes, why?**
- Q4. Do you agree with the proposed Products for wider consultation and what other work should be consulted on and why?**
- Q5. Do you agree with the defined Dependencies, have we prioritised dependencies inappropriately or are there any missing?**
- Q6. Is one consultation per quarter a suitable number and frequency, can you only support fewer or would you rather see more?**
- Q7. Do you agree with the proposed Whole Energy Systems Workstream 4 and can you please provide any relevant Whole Energy Systems projects, initiatives or views that you would like considered as part of that new workstream?**
- Q8. How would you like to provide input to the Open Networks Project and be kept informed of developments?**
- Q9. In what ways might the Open Networks Project improve the way it consults with stakeholders, beyond the Stakeholder Advisory Group?**
- Q10. Do you feel the Open Networks Project has held enough stakeholder engagement events in 2018? What type of events would you like to see more of in 2019?**

Next steps

The consultation closes on **22nd February 2019**. Please send your responses to opennetworks@energynetworks.org.

Energy Networks Association

T +44 (0) 20 7706 5100 W www.energynetworks.org.uk E info@energynetworks.org