

Energy Networks Association

ONP WS1A P2 – SG Update

24/10/19

ENA London

Background and proposed option

Background

- Stakeholder engagement has identified market appetite for greater consistency across flexibility products procured by different DNOs.
- The scope of WS1a P2 was then widened to address this concern, aiming to achieve consistency across the branding of flexibility products.
- In 2018, WS1 P2 developed a high level framework that identified key parameters of flexibility products to act as a basis for DNOs develop their individual flexibility strategies (which either already are or will be shortly implemented by all DNOs).
- As the output of the work in 2018 was produced at a high level, DNOs have individually developed each of these products further for implementation on their own network and as a result, despite each DNO adopting the work carried out in 2018 an inconsistent suite of products have been rolled out across DNOs.
- The most notable of inconsistencies between DNOs is the terminology used to describe each of the services. A consistent group flexibility product brands that is relatable back to the outputs of 2018 WS1P2 would add value and clarity to the existing DNO flexibility offering.

Proposal

1. Adopt consistently branded product suite across DNOs based on existing market brands that have been developed and tested in the market.
2. Align implementation of P2 with P4 WS1a P4 (commercial arrangements) to ensure smooth transition from the existing suite of products

	Scheduled Constraint Management	Pre-Fault Constraint Management		Post-Fault Constraint Management	Restoration Support
		Manual	Automatic		
Minimum / maximum bid size	100kW minimum capacity (can aggregate within area); no maximum				
Minimum / maximum duration	0.5hr minimum; longer is more valuable				3hr minimum; longer is more valuable
Definition of congestion point (identification of the congested area)	Infrastructure-dependent, although will tend to be 'below' the congested asset(s) in terms of voltage. Will be more				
Bidding period (time granted to the market parties to offer bids)	Months ahead				
Selection period (time required by the DSO to select the bids which will be activated)	Months ahead				
Activation period (time before activation signal and ramp up period)	Months ahead	Closer to real time (depends on driver) - e.g. day-ahead; week-ahead	Real time (pre-fault; time TBC)	Real time (post-fault; time TBC)	Real time (post-fault; time TBC)
Maximum ramping period	Scheduled, so not an issue...		Of the order of minutes (i.e. 'fast', with link		N/A
Minimum full activation period	2 hours	30 minutes	(link with granularity of metering)		At least 3 hours
Mode of activation	Scheduled	Manual	Automatic (or manual, depending on post-fault distribution asset capability)	Automatic (triggered by signal from DSO)	Manual
Availability windows	Defined at procurement according to requirement (e.g. could be winter weekday evening				N/A - 'as required'...
Maximum number of activations (per day, per week, per year)	Scheduled - most likely on a 'one call per day/ basis	Defined at procurement according to requirement			TBD
Recovery time: Minimum time between activations	Scheduled - most likely on a 'one call per day/ basis	Defined at procurement according to requirement			N/A
Baseline methodology (basis upon which availability is assessed/delivery is compensated)	TBC (likely to vary both by product and by technology of provider)				
Measurement requirements	Minute-by-minute metering				
Aggregation allowed	Yes (within appropriate geographical area)				
Penalty for non-delivery (fixed or dependant on the bid size and/or duration, €10.000, €1.000, ...)	Loss of revenue; impact on future procurement/utilisation, and potential for termination of contract				N/A

- The output of 2018 WS1 P2 was four flexibility products developed from specific network use cases.
- These were, or in some cases shortly to be, deployed in 2019 (either in part or in full) by all DNOs under the objective the commitment to deliver customer flexibility.
- As there was minimal flexibility market engagement in 2018, each of the flexibility products were developed at a high level, without scoping each and every parameter within each of the products.
- Despite each of the DNOs looking to implement the consistent products, as no branding between the products was established confusion within the flexibility market place has grown as to the differences between the flexibility offerings of each DNO.
- An example of this confusion is illustrated through 'pre-fault' flexibility where the although the triggering event across DNOs remain the same (utilisation prior to a network fault) other parameters that vary include (but are not limited to); product branding, DER instruction method, procurement methodology, approach to baselining and technical specifications of the DER are all different.

Considered options

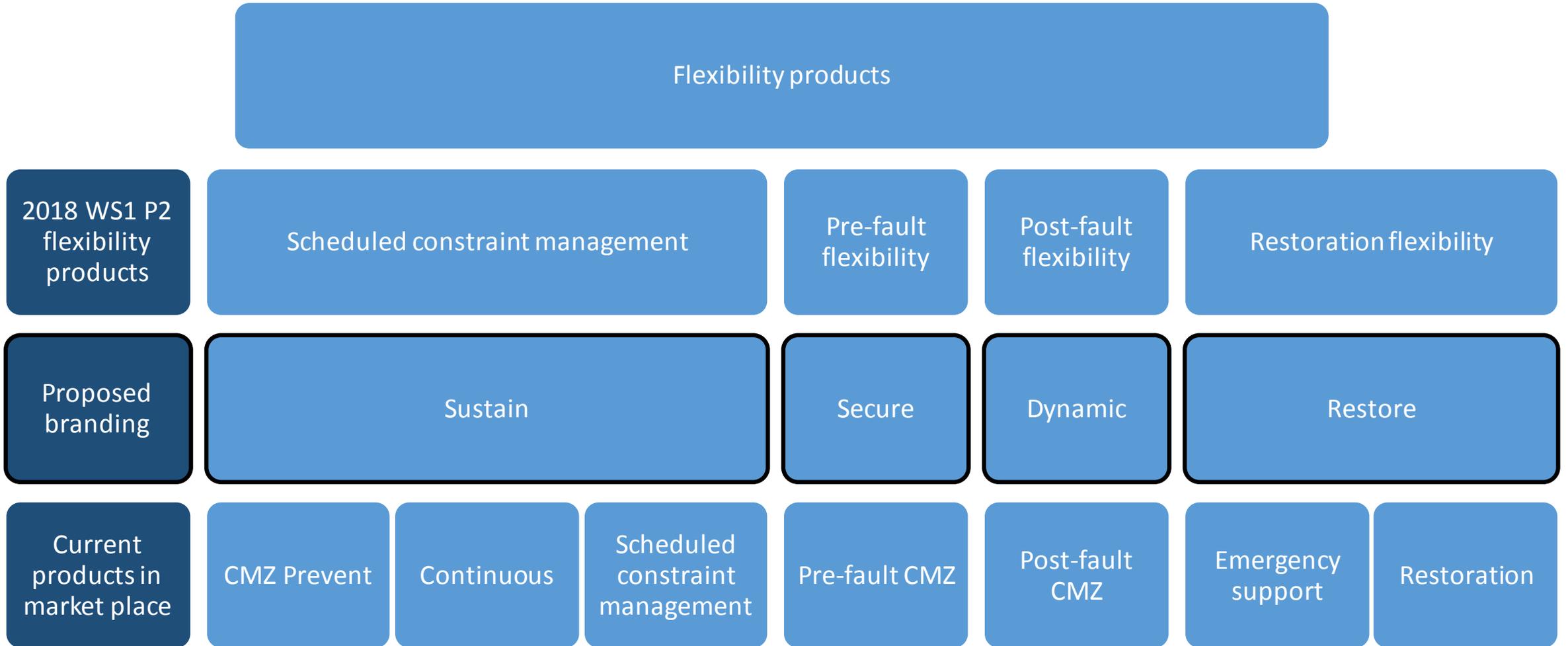
In response to stakeholder concerns over the confusion between flexibility offerings of different DNOs, two options were considered for implementation;

Option 1 – proposal

- Adopt consistently branded product suite across DNOs flexibility services using brands that have been developed and tested in the market.
- WPD's brands 'Dynamic', 'Secure' and 'Restore' are adopted across all DNOs for the customer facing brand of the relevant flexibility product.
- Given WPD don't currently have a brand for the scheduled constraint management product, it is proposed that this be branded as 'Sustain' as this corresponds most accurately to the characteristics of that particular product.
- The product team believe that this approach delivers the desired result of consistent branding across flexibility products, building on the product development work in 2018 WS1 P2.

Option 2 – dismissed

- Continue with the current DNO approach of implementing flexibility products as per the outputs of 2018 WS1 P2 without the requirement for consistency across product branding.
- As there is still inconsistency across DNOs in how they have deployed the 2018 products, it was considered that consistent branding across inconsistent flexibility products there would result in further confusion to stakeholders.
- Once 'best practice' has been established, deliver a timeline to roll out both branding and product parameters across DNO flexibility offerings across the remainder of ED1.
- It was determined that the advantage of this approach was outweighed by stakeholder appetite for branding consistency in the immediate/short term.



Next steps

Implementation plan

- As the development of WS1a P2 is closely aligned with that of P4, it is proposed that the implementation of consistent branding across flexibility products is delivered in parallel with P4.
- P4 is currently on track to deliver a consistent flexibility contract across all DNOs in March 2020. Aligning the two ONP products would allow for a seamless transition between contracts and product brands.

Development of new products

- As the DNO flexibility market is still developing, new flexibility products will continue to emerge over the coming years. As these products develop, work within P2 will ensure branding consistency across flexibility products on offer from DNOs.