

The Voice of the Networks



Energy Networks Association

Open Networks Project Advisory Group Response

May 2020

Restriction: Published

Introduction

The second Open Networks Advisory Group meeting of 2020 took place on 6th May 2020. Due to the ongoing COVID-19 situation the meeting was the first Advisory Group to be held digitally, with detailed product discussions (which would have been the breakout sessions) held first, followed by general ENA / Open Networks Project updates.

In-depth Discussion: WS1A P1: ANM vs Reinforcement Common Methodology	
Feedback	Response
<ul style="list-style-type: none"> Presumably carbon value and option value will be included in the common methodology, despite lack of DNO approach to these at the moment? How will they be developed if so? 	<ul style="list-style-type: none"> The discussions on carbon value and option value are ongoing but the Product team is recommending that the functionality for these areas are developed in the sandbox area of the tool, potentially for use in the future.
<ul style="list-style-type: none"> How firm is the recommendation for Option 2a? Open to stakeholder feedback? Because 3a looks interesting to the ADE 	<ul style="list-style-type: none"> These are our initial recommendations of the Product team and we are seeking feedback on the scope of the methodology and potential future developments if we can start on one option (e.g. 2a) then develop further to another (e.g. 3a).
<ul style="list-style-type: none"> On slide 16 - what does the colour coding indicate - green recommendation vs yellow recommendation? 	<ul style="list-style-type: none"> Green indicates that the Product team are aligned and have agreed to include this area in the baseline methodology and tool for implementation in April 2021; whilst yellow indicates that the Product team are continuing to discuss this area and as such have agreed to develop in a sandbox area of the tool these areas, potentially for implementation into the model at some point in the future.
<ul style="list-style-type: none"> It'd be good to hear more about the regulatory barriers to 3a and whether the option could be sufficiently developed via a sandbox to be easily switched on (or if it wouldn't be sufficiently developed). Happy to chat offline if that's more helpful 	<ul style="list-style-type: none"> The Product team will discuss with Ofgem those areas identified in yellow. Thank you for your offer to discuss and we may reach out to you in the future.
<ul style="list-style-type: none"> Is the Ofgem CBA Template the one from RIIO-ED1? 	<ul style="list-style-type: none"> Yes.

<ul style="list-style-type: none"> • How does this work tie into the ED2 workstream looking at incentives and volume drivers relating to capacity and utilisation? 	<ul style="list-style-type: none"> • The common evaluation methodology and tool will be implemented in ED1 and be carried forward into ED2 to ensure that DNOs are making clear and transparent decisions on the development of the distribution network.
<ul style="list-style-type: none"> • From a BEIS perspective this is also a really important piece of ENA's work and strongly encourage active feedback from the group. 	<ul style="list-style-type: none"> • We would also encourage all our stakeholders to review and comment on the development work for a common evaluation methodology and tool we presented to the Advisory Group today. Thank you to BEIS for their ongoing support for this important piece of work.

In-depth Discussion: WS1A P2: Procurement Processes	
Feedback	Response
<ul style="list-style-type: none"> Have you considered different timelines for different contract lengths - i.e. multi-year versus short-term products? 	<ul style="list-style-type: none"> It may not be practical to shorten the procurement cycle for shorter duration contracts as the process of identifying the network constraint will likely be the same. Every effort is made to make network information as transparent as possible during the modelling process.
<ul style="list-style-type: none"> Signposting is helpful, but precise requirement 2 years out, not 1 would be really helpful. Recognise that's hard, but any scope for extending the timeline further (i.e. signpost 2.5-3 years ahead, publish requirements 2 years ahead)? 	<ul style="list-style-type: none"> DNOs are looking to strike the correct balance of providing network information as far in advance as possible, yet with enough certainty that provides purpose to stakeholders. This will range from providing initial network information up to 5 years in advance of a requirement and in some cases, firm requirements up to 2 years ahead of utilisation date.
<ul style="list-style-type: none"> Suggest that individual DNOs should not preclude procuring more frequently than every 6 months. 	<ul style="list-style-type: none"> This may be a possibility at some point in the future, but there is not a currently a network need.
<ul style="list-style-type: none"> To respond to the Question 1 - as this is a nascent market, we do not have enough experience of participating in multiple DNO procurement processes to give a clear preference at this stage. We suggest avoiding clashing with Capacity Market (CM) events as CM can be very time consuming. 	<p>We can look to incorporate this into the procurement timeline.</p>
<ul style="list-style-type: none"> Standardised timetable is useful to parties with assets in different areas provided standardisation of approach/requirements/ pre-and post-qual information etc. Otherwise run the risk of increasing/ multiplying work for tenderers in a condensed timeframe. From a provider's perspective the ideal if there is standardisation would be a single platform eventually (however feasible that might be). 	<p>A key output of this work stream product is to reach alignment across DNOs and ESO on key milestones in the procurement process.</p>
<ul style="list-style-type: none"> Could there be a day-ahead auction for a product (e.g. for constraint management on the day)? If so, would 	<ul style="list-style-type: none"> As we are still operating in a nascent market, currently this type of product would be procured in advance and then utilisation instruction issued in the

<p>the procurement process still start a year ahead?</p>	<p>shorter term for example how the existing secure and dynamic products work. There is currently not enough liquidity within the market to operate in-day auctions, and significant work is still required by the networks in order to facilitate these markets and manage the operational risks that these pose.</p>
<ul style="list-style-type: none"> • What's the typical awareness/forewarning of flex/reinforcement need? I think that feeds into answer for standardisation question. Presumably, there's a difference between short term peaks and strategic reinforcement and planning processes from a DNO perspective. 	<ul style="list-style-type: none"> • Typically to defer a network reinforcement, signposting of the potential need may be available up to 5 years ahead of need with firm network requirements available up to 2 years in advance of utilisation.

In-depth Discussion: WS1A P3: Active Power Services Parameters	
Feedback	Response
<ul style="list-style-type: none"> I think there should be an action to confirm that all this development is in line with the Demand Connection Code and DPC9 of the D-Code. It probably will be - but needs a check. 	<ul style="list-style-type: none"> We will ensure that all definitions and parameters are consistent with all relevant codes. Additionally, we will ensure consistency with the glossary published as part of ON 2018 WS2 P3, and the Common Flexibility Agreement published as part of ON 2019 WS1A P4, and that these documents are updated where required with any newly defined terms.
<ul style="list-style-type: none"> Baselining will be a key element to consider - can we ensure industry is able to feed in on this? Lot of work being done on this 	<ul style="list-style-type: none"> This will be addressed as part of the dedicated baselining product (WS1A Product 7) which will be consulted upon in July and initiated later in the year.
<ul style="list-style-type: none"> BSC mod P376 has some interesting ideas on baselining - worth looking into when the workstream kicks off 	<ul style="list-style-type: none"> This will be addressed as part of the dedicated baselining product which will be initiated later in the year.
<ul style="list-style-type: none"> Surely the answer for 3 must be yes. If you are recruiting customers nationwide, it will make life much easier if the rules are defined in the same way. 	<ul style="list-style-type: none"> The aim of this product is to simplify the information and converge where possible to facilitate these markets.

In-depth Discussion: WS3 P2: Conflicts of Interest and Unintended Consequences Tracker	
Feedback	Response
<ul style="list-style-type: none"> Will the mitigation routes considered be limited to actions possible within ONP? Or will the process also make recommendations to Ofgem - where more guidance is needed or something like a Licence change is needed? 	<ul style="list-style-type: none"> We identify what we think the most appropriate mitigating action is and allocate this to the appropriate party, which may be Ofgem, BEIS or other non-network parties.
<ul style="list-style-type: none"> How will the workstream on conflicts and unintended consequences take account of the economic shock and low demand - and potential for regional difference in recovery rates 	<ul style="list-style-type: none"> This will be identified as a key risk in the next iteration of the risk register.

Wider ENA Update: Innovation Strategies and Data Working Group	
Feedback	Response
<ul style="list-style-type: none"> • Would be interested to know if or how Flexr (Phase 1) and the Flexr NIC 2020 proposal relate to the Energy Data WG? Is Flexr separate or is it in the scope of the Data WG? 	<ul style="list-style-type: none"> • Flexr is a separate Network Innovation Competition project that ENA has not been involved with to date but is monitoring as part of DWG.
<ul style="list-style-type: none"> • Thank you for sharing this information. How do consumers fit in with the digitalisation strategies? Is there a direct link between the digital investment and consumer engagement? 	<ul style="list-style-type: none"> • The ENA DWG is very much taking a customer-centric approach; we want to design a digitalised energy network that delivers real value to customers. All of the digitalisation strategies have, and will go through further, stakeholder engagement and input
<ul style="list-style-type: none"> • On datasets, are there use cases for data needed by DNOs that should come from the outside world that have been considered under the work of the Data Working Group? 	<ul style="list-style-type: none"> • In short, yes – the use cases go both ways. The System Wide Resource Register is a good example of this. In the future we see the maps going well beyond simply networks data and even more generally beyond energy industry data
<ul style="list-style-type: none"> • Is ENA Data Working Group giving any thought to basic commonality of smart meter data (e.g. formats etc) to be accessed via DNO data privacy plans 	<ul style="list-style-type: none"> • This isn't directly being led by our Data Working Group but is under review by our Smart Metering Steering Group (SMSG). We will be working closely with SMSG accordingly.
<ul style="list-style-type: none"> • The Digital Systems Map YouTube video was very useful! Thank you for posting. • Thank you - support the need for coordination on this. 	<ul style="list-style-type: none"> • Thank you very much; we welcome your further support and input.