

Thank you for joining this webinar on the Open Networks Standard Flexibility Contract.

- We will start this webinar at 14:03.
- If you are unable to play the audio through your device, you can **dial in by calling 020 3478 5289 and using access code 844 026 258.**
- Please ensure that your microphone is switched to 'mute' to avoid background noise, and that your camera is not in use.
- You may ask questions or make comments via the Q&A function throughout the meeting.
- This webinar will be recorded and published on the Open Networks website.
- If you would like to receive information about the Open Networks Project or have any feedback you would like to submit, please get in touch with us at opennetworks@energynetworks.org.

ON WS1A P4 – Common agreement

WS1 P4 Members in 2020

Company	Primary Representative
SSEN-D	Alex Howison – Product Lead Gemma Lampert
NG (SO)	Andrew Rice
NIEN	Andy Smith
NPG	Andrew McKenna
SPEN-D	Wendy Mantle
ENWL	Lois Clark
UKPN	Stathis Mokka, Helen Hassan & Rebecca Slattery
WPD	Helen Sawdon

Agenda

Overview

Engagement and Feedback

Implementation Pan

Focus points for Review

Doc ownership & review process

Summary

ON WS1A P4 – Common agreement

Overview

- Common Agreement has been developed using source information provided by all DNO's and the ESO from existing contracts/agreements and those in development
- The agreement has been constructed using the examples of good/best practice identified in the June 2019 P4 report
- Stakeholder feedback has been collected at Presentations, workshops and consultations and has supported the development of the agreement structure, content, clauses and schedules.
- External legal support has been secured by the ENA to aid with drafting and finalisation of the agreement as well as offering non-industry perspective on the agreement structure, weighting and content.
- The agreement is available to view/download now on the ENA Website;
<https://www.energynetworks.org/electricity/futures/open-networks-project/workstream-products-2020/ws1a-flexibility-services.html>

ON WS1A P4 – 2020 Timeline

March 2020

- Version 1 finalised and approved
- Implementation plans for DNO's released alongside version 1

April – June 2020

- ESO Alignment work commences (expected to lead to version 2)
- Defined stakeholder engagement and feedback period
- DNO's commence adoption of version 1

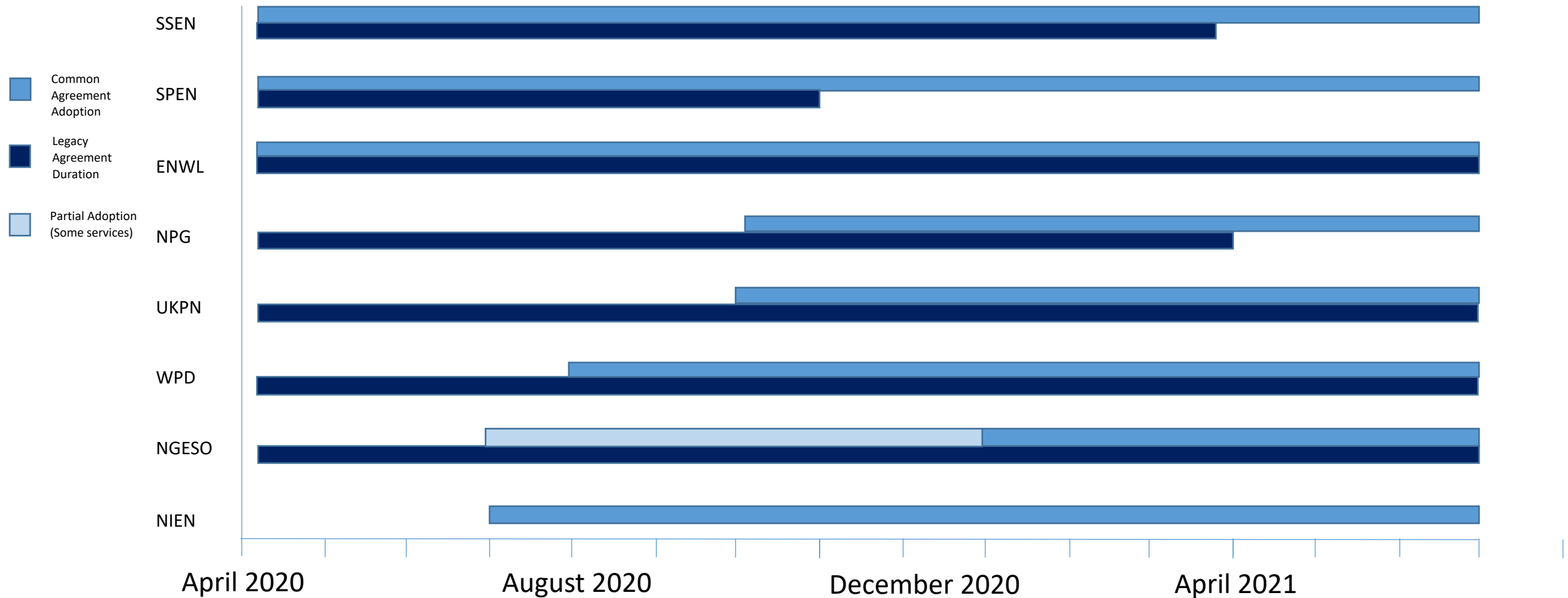
June – December 2020

- ESO alignment works drive updated version 2 drafting
- Further 'active' engagement planned for August-October, either webinar, meeting or consultation based
- Version 2 expected release December 2020

ON WS1A P4 – Implementation plan

- All DNO's and the SO have confirmed the P4 Standard Agreement will be implemented across 2020
- DNO's have confirmed the Agreement will be used for all Flexibility Services, SO to confirm which services the Agreement will be implemented against
- Legacy contract durations are Organisation specific, but range from 4 months to 3 years
- Each Organisation committed to internal approval and adoption process as per this plan
- Each Organisation contributing to Version 2 works with a wider SO rollout and DNO implementation expected December 2020

ON WS1A P4 – Implementation timeline



ON WS1A P4 – Implementation plan - Key dates

Organisation	Standard Agreement Implementation	Legacy Contract Duration
SSEN	April 2020	April 2021
ENWL	April 2020	April 2023*
WPD	June 2020	September 2021
NPG	November 2020*	April 2021
SPEN	April 2020	November 2020
UKPN	October 2020	April 2023*
NIEN	July 2020	October 2020
NGESO	July 2020**	TBC

* Estimated Dates to be confirmed

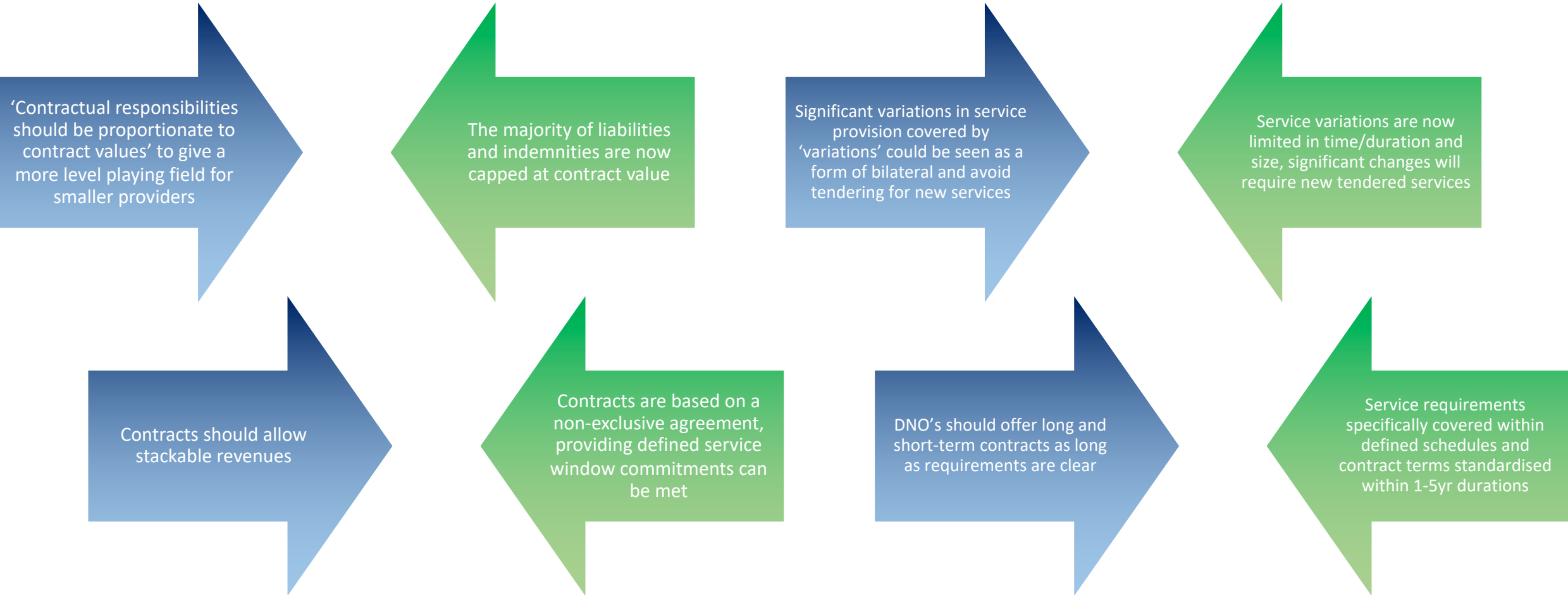
**Estimated date and only for partial services, full implementation expected 2021

ON WS1A P4 – Common agreement – Focus Points

Key points for review

- Feedback from stakeholders and best practice points have been absorbed throughout the agreement
- Agreement has been formed around the basis of;
 - Mutuality of clauses to create a fairer agreement
 - Capping of most liabilities & indemnities to contract value, enabling an agreement which works for both large and small service providers
 - Common terminology, clauses and schedule structure
 - Necessary variances, such as service specific requirements, pricing information, site details and communication specifications have been moved to schedules
 - Clauses have been simplified, reduced, merged and removed to create a dynamic, simplified agreement
- ESO contribution to v1 has already provided initial alignment, ESO-DSO alignment works in 2020 combined with feedback collated in the Apr-Jun engagement period will inform version 2

ON WS1A P4 – Feedback examples



ON WS1A P4 – Common agreement – Focus Points

Key points for review

- There is still discussion required on Indemnities, Liabilities and Insurances to ensure as close to a ‘one size fits all’ approach can be implemented, further refinement of these clauses is expected for Version 2 of the agreement.
- There are a range of processes or systems used across the SO and DNO’s in the procurement, management and settlement of flexibility services, clauses and schedule detail have been designed to allow these variances while the industry evolves a standard approach.
- New service types or innovations projects seeking to understand wider market interactions may opt to use a variance of the standard contract, with learning feeding back into future versions.
- Original ‘Good Practice’ points will also be revisited as the market, services and management techniques evolve and services become adopted on a more widespread fashion.

ON WS1A P4 – Common agreement – Focus Points

Key points for review

- Time/notice requirements are now broadly equivalent if not the same across the adopting organisations, for example in termination notices, invoicing times and communication requirements.
- The agreement has and will continue to take input from the wider Open Networks products, such as dispatching and settlement processes and service alignment works underway within WS1A
- Legal support from the host organisations has been sustained throughout the P4 works.
- External legal support secured by the ENA has carried out ‘normalization’ works to ensure the contract is accessible, linear and formatted correctly. A breakdown of specific clauses/schedules and key points of note has also been produced by CMS, also available here; <https://www.energynetworks.org/electricity/futures/open-networks-project/workstream-products-2020/ws1a-flexibility-services.html>

ON WS1A P4 – Ongoing Review Process

- ENA will host the final agreement – *Flexibility Services Common Agreement V1*
- Defined Stakeholder engagement and feedback will be undertaken April-June 2020
- P4 Product team to continue activities (DSO-SO alignment) until December 2020 – likely to release *Flexibility Services Common Contract V2* end of December
- Post 2020, Contract review board (to consist of original P4 members/DNO & ESO representation) to meet bi-annually to discuss industry changes, new service alignment and feedback with the output of implementing document update as required
- Ongoing feedback to be collected individually and through ENA webpages/events & direct feedback to DNOs/ESO
- Ad-hoc meetings and change consultations to bolster bi-annual reviews as required
- In 2023 Review board and ENA to discuss potential to codify Agreement

ON WS1A P4 – Common agreement - Summary

- Feedback and good practise points integral to version 1 complete
- All contributing DNOs & ESO have approved this version for implementation
- Agreement designed to be simple, accessible and fair for all providers
- Next feedback round will inform version 2, expected in Dec 2020
- ENA hosting will enable ongoing 'active' feedback from providers post 2020