

## Open Networks Challenge Group Meeting Minutes

The first Open Networks (ON) Challenge Group meeting of 2024 took place via Microsoft Teams on 19<sup>th</sup> February. The [presentation materials](#) can be found on the ENA website.

The sections below capture feedback that was shared during the session. Alongside this, a [Challenge and Actions Log](#) captures key areas for Open Networks to consider and address. Any further feedback outside of Challenge Group meetings can be sent to [opennetworks@energynetworks.org](mailto:opennetworks@energynetworks.org).

### Welcome and Apologies

Maxine Frerk (Independent Chair) welcomed all to the group and noted apologies.

The session was attended by those in green below. Attendees marked with \* attended part of the meeting.

Company	Name
Independent Chair	Maxine Frerk
Octopus	Emma Burns
E.ON	Charlotte Tremouilhe
Centrica	Helen Stack
Energy UK	Naomi Baker
Smarter Grid Solutions	Flo Silver
The Association for Renewable Energy and Clean Technology (REA)	Samuel Adekanle
The Association for Decentralised Energy (ADE)	Natasha Mills
Everoze Partners	Nithin Rajavelu
Joint Radio Company (JRC)	Peter Couch
Piclo	Ayan Aman
Elexon	Hussein Osman
	Alina Bakhareva
Regen	Olly Frankland
Community Energy England	Philip Coventry
Electralink	Atzin Madrid
Energy Systems Catapult	Greg Johnston
Imperial College London	Goran Strbac

Welsh Government	Ron Loveland
Citizens Advice	Caroline Farquhar
Independent Networks Association (INA)	Peter Owen
Ofgem	Joseph Cosier
UK Power Networks (UKPN)	Sotiris Georgiopoulos*
Scottish and Southern Electricity Networks Distribution (SSEN D)	Gavin Stewart
National Grid Electricity Distribution (NG ED)	Matt Watson*
Energy Networks Association (ENA)	Avi Aithal
	Reece Breen Begadon
	Helen Jarva

## Recent Industry Developments and ON impact

Maxine Frerk (Challenge Group Chair) invited the Group to flag any industry developments that ON should be aware of. Industry developments flagged will be discussed with ON Steering Group and any subsequent actions reported to the Challenge Group in the next meeting. The Group was reminded that a consultation remains open on Ver 3.0 of the Standard Agreement.

Feedback	Response
Ofgem's consultation on selecting the Market Facilitator has closed and a decision is pending.	Feedback noted.
Ofgem are consulting on DSO incentives as part of R100. The plans for full metrics have been dropped and incentives would now be reliant on stakeholder surveys and a performance panel.	Feedback noted.

## Flexibility Products and Stackability

Matt Watson (NG ED, technical working group member) shared [a report](#) published in Dec 2023 from a collaboration of NG ED and Cornwall Insights for a review of flexibility service stacking and existing challenges. Feedback was sought on any other challenges missed in the report, highest priority challenges to address first, and any recommendations for a way forward.

Avi Aithal (Head of ON, ENA) added that next steps will be to update the report with the latest standard product definitions which were agreed following publication of the report. Work in this area will aim to be strategic rather than deal with individual use cases.

Feedback	Response
Where an FSPs response provides multiple benefits to the grid at both DSO and ESO level, payment for both benefits provided should be considered.	There is currently no aligned view on this, which will need to be developed in collaboration with Ofgem,

	DESNZ, ESO and DSOs to then consider how to deliver the end goal operationally.
It has previously been flagged that onus is currently on FSPs to ensure they are not registered to provide conflicting services.  The DESNZ Asset Registration programme captures information around domestic assets and is currently in the design phase. There is potential to extend the minimum scope of this work to include market involvement by assets. This also links into the Ofgem digital infrastructure work.	Feedback noted.
Making fast progress is the priority, but more complex issues like codelivery should not be dropped from the radar.	Feedback noted.

## Settlement

Gavin Stewart (SSEN D, technical working group Lead) shared working group progress to date. Tranche 1 deliverables are now being implemented, with Tranche 2 deliverables including calculating performance/delivery payments and penalties will be delivered by Mar 2024. The last Tranche 3 will be delivered by Jun 2024. Challenge Group feedback was sought on continued relevance of the future deliverables, any challenges to consider in implementation, and sufficiency of the guiding principles for performance calculations.

Feedback	Response
Smaller asset portfolios have a more volatile response in comparison to large portfolios. Impact on liquidity should be considered, as well as a tolerance range where a penalty can be avoided.	Non-provision of a service creates a risk to the network, and positive and negative reinforcement are needed to minimise risk. To find a middle ground, the equation will include a scale down factor of the payment. There is a 5% grace factor where no penalty will apply.
It was queried whether standard rules can be opted out of.	ON work focuses on alignment of market processes and standard processes will apply to all providers. Innovations can be looked at individually. Governance of these processes will be set up in the interim ahead of a Market Facilitator taking responsibility for this.

## Open Networks 2024

Avi Aithal (Head of ON, ENA) shared a list of working groups active in 2024 and noted that the programme will continue to deliver on the committed outcomes with a view to review governance and next steps following the Market Facilitator announcement from Ofgem.

Feedback	Response
The Challenge Group requested a deep dive at the next meeting on Dispatch API.	The deep dive will be included in the next Challenge Group meeting in Mar 2024.

## AOB

No other business was noted.