Challenge Group

ENA Open Networks

21st September 2023

Agenda

Item	Start	Finish	Time	Item	Presenter
1	13:30	13:35	5	**Welcome and apologies**	Maxine Frerk (Challenge Group Chair)
2	13:35	13:45	10	**Recent industry developments and DSO Directors round table update** Updated 2023 progress and implementation tracking	Maxine Frerk (Challenge Group Chair) & Avi Aithal (Head of ON, ENA)
3	13:45	14:05	20	**Carbon Reporting** Methodology updates	Sam Do (UKPN, Working Group Lead)
4	14:05	14:25	20	**Flexibility Products** Alignment on five common products	Laura Brown (NPg) & Guy Shapland (SPEN D) (Working Group Co-Leads)
5	14:25	14:35	10	**Break**	
6	14:35	14:55	20	**Procurement Processes** Alignment of pre-qualification	Helen Sawdon (NG ED, Working Group Lead)
7	14:55	15:35	40	**Dispatch Systems Interoperability**	Tim Manandhar (UKPN) & Joe Davey (NG ED) (Working Group Co-Leads)
8	15:35	15:45	10	**Break**	
9	15:45	16:20	35	**Future of Open Networks** Early discussion on 2024 scope	Avi Aithal (Head of ON, ENA) & All
10	16:20	16:25	5	**Agreeing the next Challenge Group agenda**	Avi Aithal (Head of ON, ENA) & All
11	16:25	16:30	5	**AOB**	Maxine Frerk (Challenge Group Chair)

Recent industry developments and DSO Directors round table update

Updated 2023 progress and implementation tracking

Maxine Frerk (Challenge Group Chair) &
Avi Aithal (Head of ON, ENA)

Carbon Reporting

Overview of methodology updates

Sam Do (UKPN, Working Group Lead)

Agenda

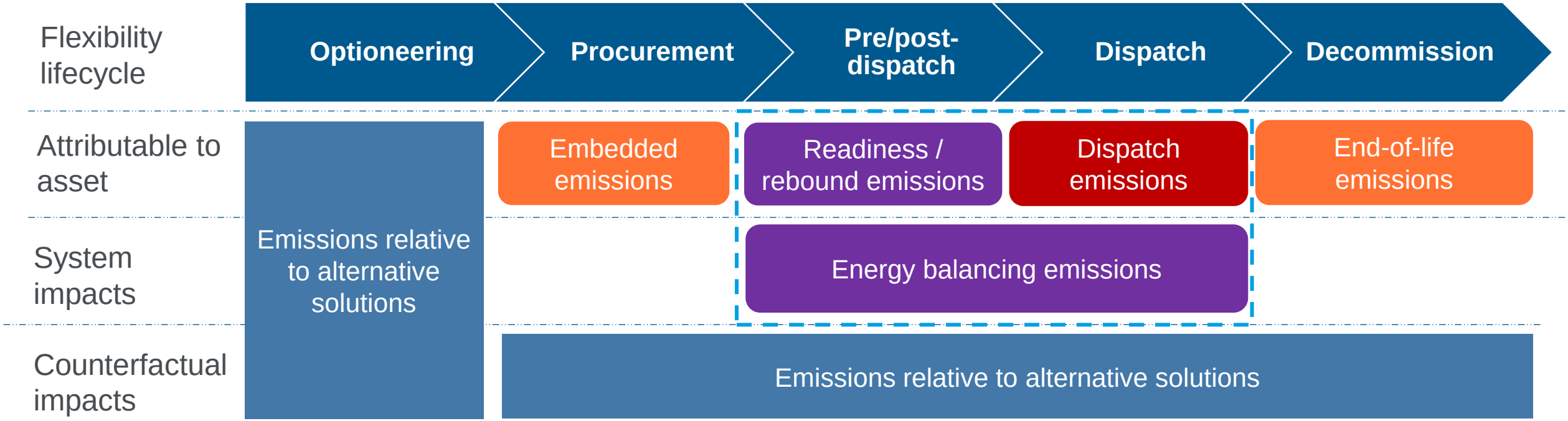
- Background
- Deliverables in 2023
- Updates to methodology

Background – purpose and scope of carbon reporting

- **Smart Systems and Flexibility Plan** – networks and system operators to have consistent methodologies for carbon reporting by 2023.
- **ENA Technical Working Group** – formed in 2022 to deliver.
- **Policy intent** – increase transparency and consistency of carbon impact to inform future possible interventions to make consistent with net zero.
- **Scope** – consistent methodology for April 2023 Procurement Report submission and recommendation for future work.
  - Representatives from DSOs, ESO, BEIS, input from Ofgem
  - Deliverables – agreed scope, review of other approaches, and proposed methodology
  - Industry consultation and final methodology

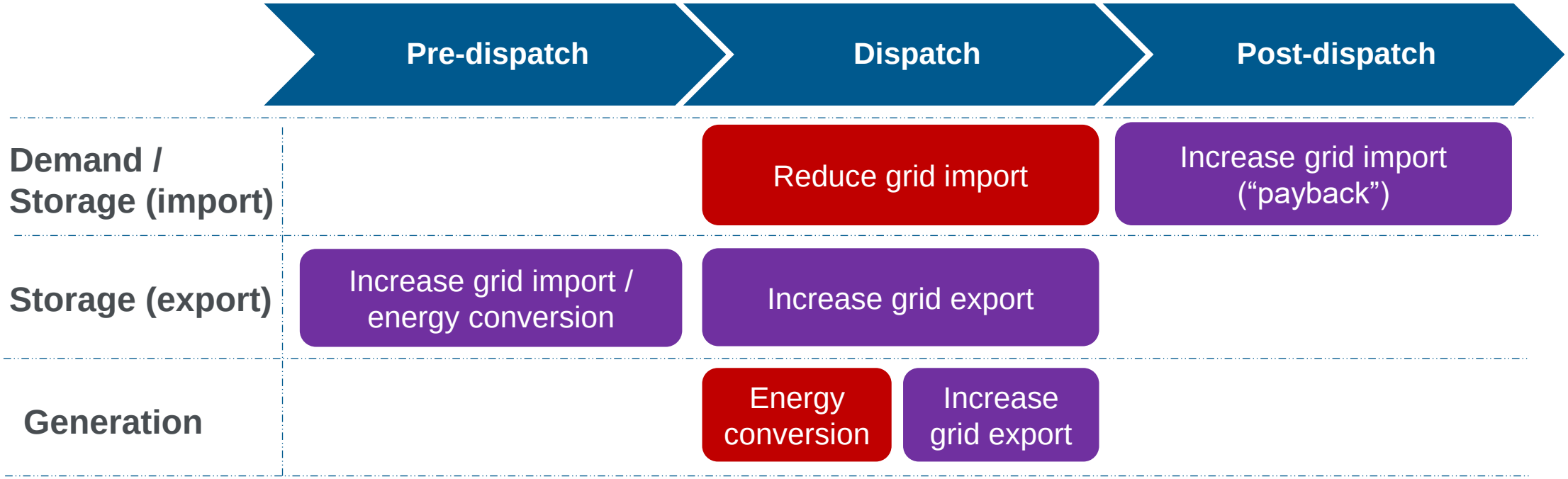
Background – scope of calculation methodology

- Carbon impact of flexibility services only
- Calculate outturn **direct** and **consequential** carbon impacts
- Indirect, counterfactual (and relative) impacts not in scope of report



Background – calculation methodology

- Demand Turn Down / Generation Turn Up
- Calculation approach varies by generation, demand / storage import, and storage (export)



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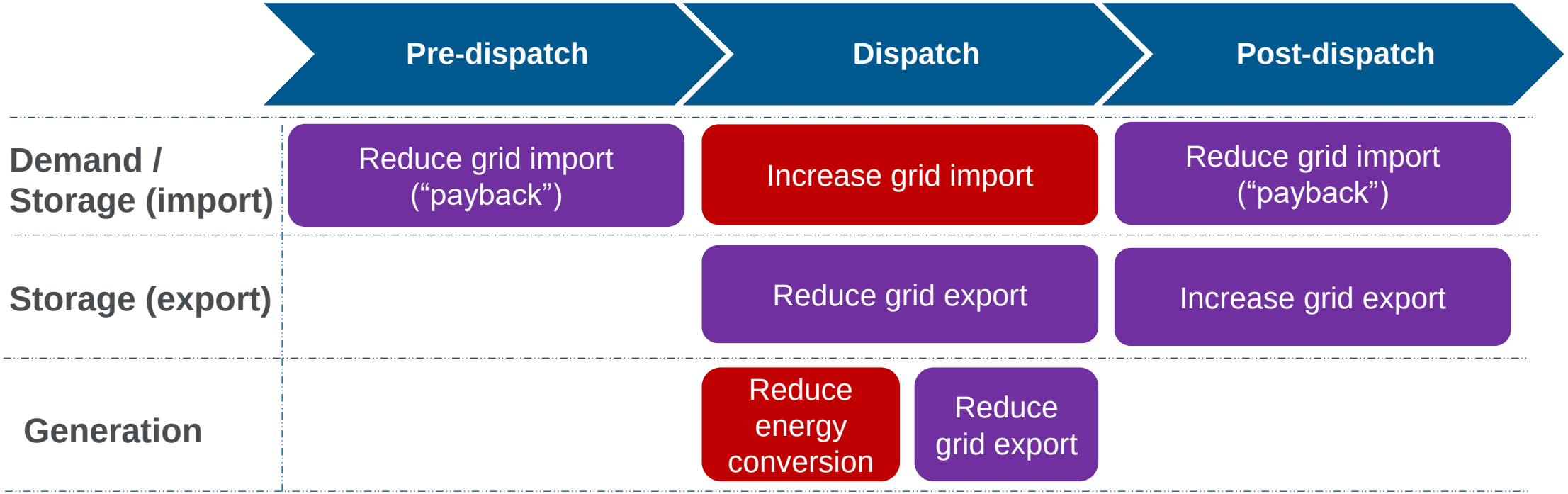


Deliverables in 2023

1. Implement methodology in C31E Procurement Report ✓
2. Identify gaps in current methodology based on DNO feedback ✓
3. Develop methodology based on last year's recommendations ✓
4. **Update methodology**
5. Review enduring governance and repository
6. Implement in 2024 Procurement Report

Updates to methodology – based on DNO feedback

Format recommendations

- Add conversion technology field to improve technology grouping
- Report carbon impacts per dispatch to provide more granular dataset
- Standard methodology wording in report

Guidance clarifications

- Storage (imports) treated in same way as demand
- Make conservative assumptions if limited/missing data
- Make demand-turn-up / generation-turn-down methodology more visible
- Guidance on categorising multi-technology solutions

Updates to methodology – development areas

Incorporating asset specific data

DNO adopts unilaterally

- Could improve accuracy
- Verification problem
- DNO divergence

ENA governance reviews and disseminates

- Improves accuracy over time
- Validated / consulted
- DNO consistency

Updates to methodology – development areas

Grid intensity factor used in consequential impact calculations

Change in demand causes change in marginal supply (not average)

Marginal generator driven by gas -> limited temporal variation

No openly available time-series marginal grid intensity factors available

Relatively high DNO implementation cost

Adopting marginal time-series factors currently not justified
Should be reviewed when conditions change in future

Updates to methodology – provider feedback

EV aggregator stakeholders want to incentivise load shifting

↓

- Incentivising desired policy outcome is not purpose of DNO carbon reporting
- But, we recognise users might want to use methodology in different ways

↓

Publish excel tool to clearly illustrate calculations and datasources to allow users to adapt ✓

Q&A

Flexibility Products

Overview of five aligned products

Laura Brown (NPg) & Guy Shapland (SPEN D)
(Working Group Co-Leads)

Slides will be shared as soon as possible

Break

Procurement Processes

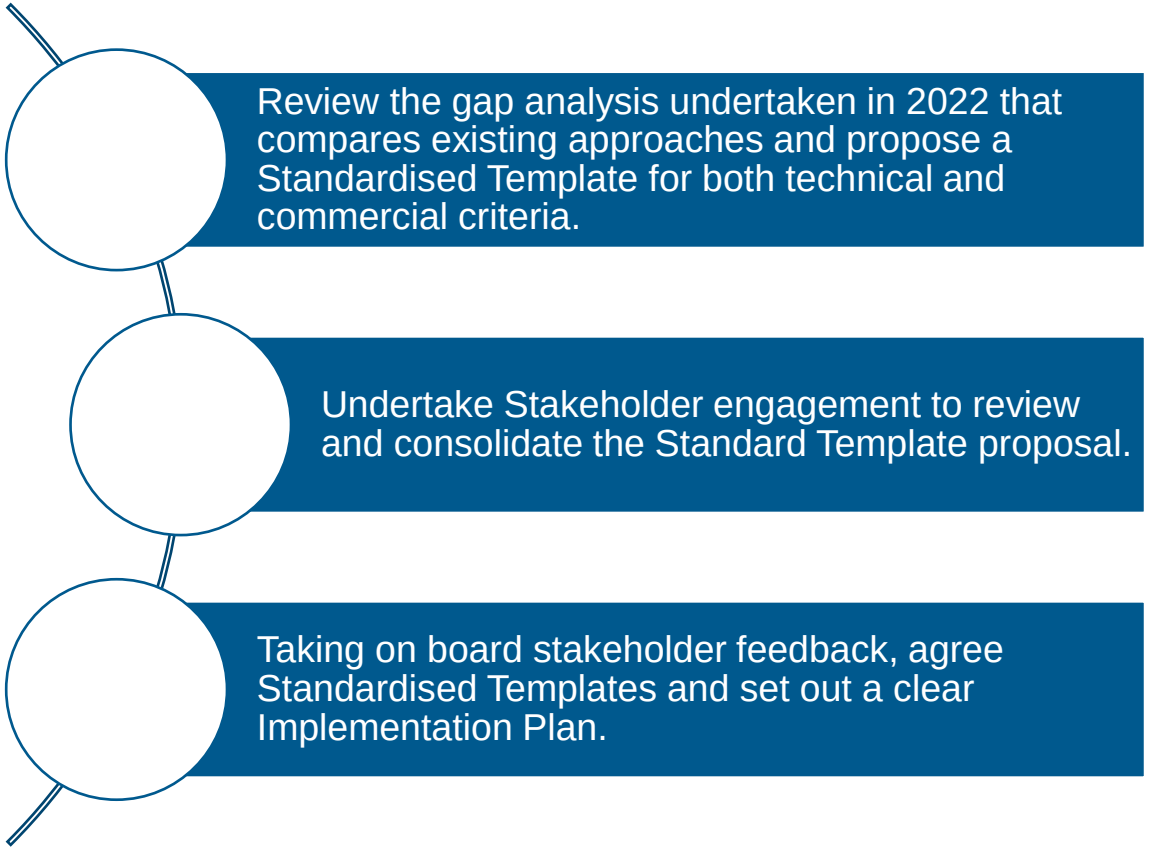
Alignment of pre-qualification

Helen Sawdon (NG ED, Working Group Lead)

2023 Objectives

Open Networks Steering Group challenge for 2023;

- Deliver full Technical & Commercial standardisation
- Exceed TWG deliverable timeline
- Remover barriers to achieve prompt internal implementation



Outcomes - Summary

Then;

No. of questions asked at point where gap initial analysis was carried out;

	Commercial	Technical	**Total**
ENW	93	80	**173**
NIEN	80	22	**102**
NPg	16	47	**63**
SPEN	25	30	**55**
SSEN	45	32	**77**
UKPN	44	80	**124**
NGED	17	16	**33**
Grand Total	320	307	**627**

Now;

- 30 standard questions for Commercial Qualification
- 34 standard questions for Technical Qualification
- Standardised replicable data layer

Commercial Template

Area	Field Name	Commercial Qualification Questions	Allowable Responses	Pass Criteria
Company Information	COMM_CI_CNAME	Registered or legal name of the contracting party	free text	completed
	COMM_CI_REGNO	Company Registered Number [Or Charity/Trust]	free text	completed
	COMM_CI_REGA1	Registered address 1	free text	completed
	COMM_CI_REGA2	Registered address 2	free text	completed
	COMM_CI_REGA3	Registered address 3	free text, blank	completed, blank
	COMM_CI_POSTC	Registered address postcode	free text	completed
	COMM_CI_FIRST	Key contact First Name	free text	completed
	COMM_CI_CLAST	Key contact Last Name	free text	completed
	COMM_CI_EMAIL	Key contact email	free text	completed
	COMM_CI_TELNO	Key contact number	free text	completed
	COMM_CI_WEBSI	Organisation website	free text	completed
	COMM_CI_RELAT	Legal relationship with flexibility asset/s	Owner, Operator, Aggregator	one code completed
	COMM_CI_VATNO	VAT Registration Number	free text	completed
Terms and Conditions	COMM_TC_ACCEP	Confirm; Acceptance of ENA_Standard Flexibility Services Agreement	Y, N	Y
	COMM_TC_DECLA	Do you declare that you have the authority to submit this application and by confirming you declare that to the best of your knowledge, the information in this form is accu	Y, N	Y
Due Diligence	COMM_DD_FLEXA	Is the contracting party a member of Flex Assure Code of Conduct?	Y, N	Y, N
	COMM_DD_ACHIL	Contracting parties Achilles UVDB Registered No. if applicable	free text, blank	completed, blank
	COMM_DD_CHECK	Where Achilles UVDB registration has not been advised, you understand that the DNO may access the contracting Parties most recent audited financial accounts via Comp	Y, N, NA	Y, NA
	COMM_DD_RECEI	Is this contracting party currently, or has it ever been in receivership?	Y, N	N
	COMM_DD_ADMIN	Is this contracting party currently, or has it ever been in administration?	Y, N	N
	COMM_DD_LIQUI	Is this contracting party currently, or has it ever been in liquidation?	Y, N	N
	COMM_DD_DEBTS	Is this contracting party currently, or has it ever been unable to pay its debts as they fall due (within the meaning of Section 268 Insolvency Act 1986)?	Y, N	N
	COMM_DD_WINDI	Is this contracting party currently, or has it ever had, in the past 3 years, any petitions for winding up (other than vexatious petitions)?	Y, N	N
	COMM_DD_BANKR	Is this contracting party currently, or has it ever had any petitions for bankruptcy (or their equivalent in the country in which the Applicant is incorporated) within the last three years?	Y, N	N
	COMM_DD_OFFEN	Is this contracting party currently, or has it ever been convicted of any of the offences or has any discretional exclusion occurred, as contained in Regulation 80 of the Utilities Contract Regulations 2016 (UCR), and listed in Regulation 57 (1) and 57 (8) of the Public Contracts Regulations 2015 (PCR)? [IF IN SCOTLAND, Is this contracting party currently, or has it ever been convicted of any of the offences or has any discretional exclusion occurred, as contained in Regulation 78 of the Utilities Contract (Scotland) Regulations 2016 (UC(S)R), and listed in Regulation 58 of the Public Contracts (Scotland) Regulations 2015 (PC(S)R)?]	Y, N	N
	COMM_DD_TERMI	Is this contracting party currently, or has it ever had, in the past 3 years, any similar contracts terminated prematurely and/or had damages claims or other comparable sanctions brought against the contracting party for any significant or persistent deficiencies in performance of a substantive requirement of the contract?	Y, N	N
	COMM_DD_LITIG	Has the contracting party been subject to any material non-employment related litigation (pending, threatened or determined) or other legal proceedings against the contracting party within the last three years that may be relevant to your ability to deliver services.	Y, N	N
Insurance	COMM_IN_EMPLO	Does the contracting party have or commit to have Employer's liability insurance with a minimum limit of £5m	Y, N	Y
	COMM_IN_PUBLI	Does the contracting party have or commit to have Public liability insurance with a minimum limit of £10m	Y, N	Y
	COMM_IN_COPIE	Will the contracting party provide copies of such insurances upon request	Y, N	Y

Commercial - Big Wins and Deviations

Contracting Party

Clear questions, reducing the number of ‘in the case of’ questions

Due Diligence

No. of questions vastly reduced and less onerous to complete

Insurance

Reduced to only two requirements and values lowered to minimum statutory limits remain

Deviations

NGED have already adopted an overarching contract approach and as such need to collect billing information from FSP at the point of contract; this will happen through a separate secure system/process.

NPg will continue to collect information security data, this will likely be collected through a separate process

Alignment of these will happen as more DNOs adopt an overarching contract approach

Technical Template

Area	Field Name	Technical Qualification Questions	Allowable Responses	Pass criteria
Connection	TECH_CN_STATUS	DER Connection status	Energised, Awating Energisation, Planned,	Energised, Awating Energisation, Planned,
	TECH_CN_AWAI1	If awaiting energisation, firm date of energisation	DD/MM/YY, NA	Completed
	TECH_CN_AWAI2	If awaiting energisation, connection reference number	Free text, NA	Completed
	TECH_CN_PLAN1	If planned, connection voltage level	11, 33, 132, NA	Completed
	TECH_CN_PLAN2	If planned, connection offer status	Not yet applied, applied awaiting offer, offer	Not yet applied, applied awaiting offer, offer
	TECH_CN_PLAN3	If planned, connection reference number	Free text, NA	Completed
	TECH_CN_PLAN4	If planned, what is the target delivery date?	DD/MM/YY, NA	Completed
	TECH_CN_SPEC1	If speculative, service readiness date	DD/MM/YY, NA	Completed
	TECH_CN_SPEC2	If speculative, recruitment status	ASSET CONTRACTED, ASSET KNOWN, ASSET	
	TECH_CN_SPEC3	CMZ Location	Free text, NA	Completed
Site/Location	TECH_LN_POSTC	If Energised, Awating Energisation, Planned; Postcode	free text	Completed
	TECH_LN_IMPAN	If Energised, Awating Energisation, Planned; Import MPAN (Meter Point Administration Number) If known	free text (13 Characters), NA	Completed
	TECH_LN_EMPAN	If Energised, Awating Energisation, Planned; Export MPAN (Meter Point Administration Number) If known	free text (13 Characters), NA	Completed
	TECH_LN_MSID1	If Energised, Awating Energisation, Planned; MSID (where applicable)	free text, NA	Completed
	TECH_LN_ANAME	DER [IF SPECULATIVE, THEN AGGREGATED GROUP] Name/Ref	free text	Completed
Technology	TECH_TG_GROU1	Asset Scale	DOMES, CANDI	Completed
	TECH_TG_GROU2	Metering Point	POIOC, ASSEL	Completed
	TECH_TG_GROU3	DER Type; Generation &/OR Storage	Y, N	Y, N
	TECH_TG_GROU4	DER Type; Demand	Y, N	Y, N
	TECH_TG_GSCL1	If Generation &/OR Storage, Energy Source	BACAS, COMAS, ENGCR, GASTU, GEOPP, HYDPS,	Completed
	TECH_TG_GSCL2	If Generation &/OR Storage, Energy Conversion Type	ADVAF, BIFAD, BIOLG, BIOOT, BIOSG, BIOMA,	Completed
	TECH_TG_DDCLS	If Demand, Technology Type	AIRSO, GRSHP, WASHP, HYBHP, EVCHP, EVVTG,	Completed
	TECH_TG_ACTIV	Service Type; Can respond to Active Services	Y, N	Y, N
	TECN_TG_REACT	Service Type; Can respond to Reactive Services	Y, N	Y, N
DER Parameters	TECH_PS_INCAP	DER [IF SPECULATIVE, THEN AGGREGATED GROUP] Installed capacity (MW)	free text	Completed
	TECH_PS_FCDTU	DER [IF SPECULATIVE, THEN AGGREGATED GROUP] Flexible Capacity - Demand Turn-up (MW)	free text	Completed
	TECH_PS_FCDTD	DER [IF SPECULATIVE, THEN AGGREGATED GROUP] Flexible Capacity - Demand Turn-down (MW)	free text	Completed
	TECH_PS_FCGTU	DER [IF SPECULATIVE, THEN AGGREGATED GROUP] Flexible Capacity - Generation Turn-up (MW)	free text	Completed
	TECH_PS_FCGTD	DER [IF SPECULATIVE, THEN AGGREGATED GROUP] Flexible Capacity - Generation Turn-down (MW)	free text	Completed
	TECH_PF_MINOD	DER [IF SPECULATIVE, THEN AGGREGATED GROUP] Min Operating Duration (HH:MM)	HH:MM	HH:MM
	TECH_PF_MAXOD	DER [IF SPECULATIVE, THEN AGGREGATED GROUP] Max Operating Duration (HH:MM)	HH:MM	HH:MM
	TECH_PS_RESPO	DER [IF SPECULATIVE, THEN AGGREGATED GROUP] Response Time (minutes)	HH:MM	HH:MM
	TECH_PS_RECOV	Recovery Time; The time required by the DER [IF SPECULATIVE AGGREGATED GROUP] to recover from one instruction until the next instruction can be actioned.	HH:MM	HH:MM
Metering	TECH_PS_METER	Metering Granularity (minute, HH)	MIN, HH	MIN, HH

Technical - Big Wins and Deviations

Connection Status

A one size fits all approach to DER with different statuses

Technology identity

As standard set of groupings aligned to reporting needs

DER Parameters

Future proof and aligned to other TWG outcomes

Deviations

NGED are proposing to collect an additional granularity of data where multiple DER of varying technology types are metered at the same Point of Connection, this will improve baseline accuracy.

Next Steps – DNO Implementation

2023										2024		
March	April	May	June	July	August	Septembe	October	Novembe	December	January	February	March
Propose Standardised templates				Stakeholder Feedback	Finalise templates		Implement					

- All DNOs expect to adopt when they carry out their next procurement activity, provided the templates are final and there is time to implement (most will launch an Oct round)
- However, dependencies may delay full implementation out to next procurement (generally in Spring);
  - It may be logical for DNOs to align implementation with any change to a ‘Overarching Contract’ (Framework style) approach to flex contracting.
  - Any required process and system development (internal/external) completed in time.
  - DNOs currently undertaking individual assessment, more detail to be collated at next TWG meeting.

Q&A

Have we met the objective and reduced barriers in this area?

Dispatch Systems Interoperability

Tim Manandhar (UKPN) & Joe Davey (NG ED)
(Working Group Co-Leads)

Slides will be shared as soon as possible

Future of Open Networks

Early discussion on 2024 scope

Avi Aithal
(Head of Open Networks, ENA)

Open Networks - going forward (discussion)

Initial discussions with:

- Ofgem
- DESNZ
- ON Steering Group and working group leads

Key points of discussions:

- Delivering the 2023 work plan in full is most important, followed by picking up next steps on these areas of work
- Strategically communicating with non-network stakeholders needs to be a key part of future plans
- The programme should remain agile to react to regulatory/policy changes and have the ability to swiftly adapt to ongoing developments change direction to deliver the best value for networks and customers

Open Networks - going forward (discussion)

What should we put our efforts on?

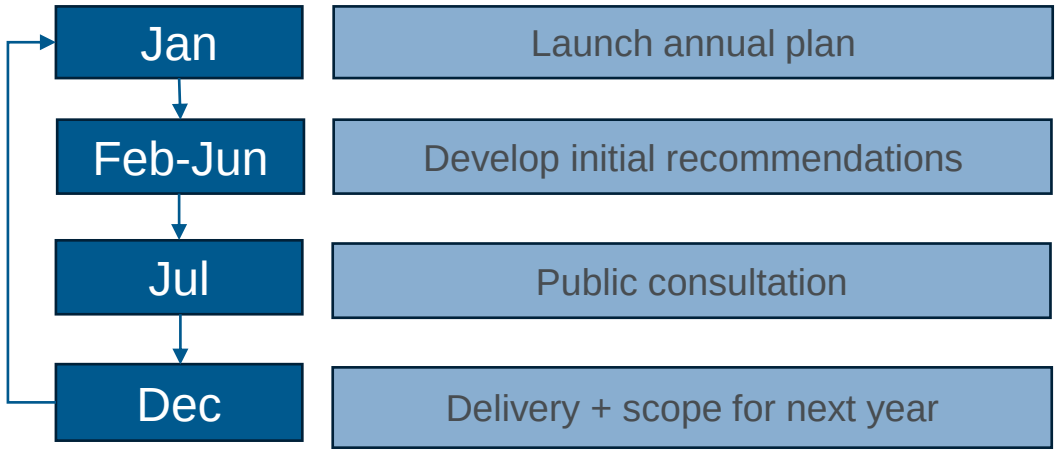
• Important and urgent		• Important and not yet urgent		• Important and not yet urgent		• Important but not urgent
Option A		Option B		Option C		Option D
• **Continue with 2023 activities, defining new timed outcomes** **Continued development of ongoing work:** • **primacy rules,** • **operational data sharing,** • **dispatch interoperability** • **baselining** • **common evaluation methodology** • **Service stacking**	+	• Continue with 2023 activities, defining new timed outcomes • Remain agile to add to portfolio based on outcomes from local institution consultation and key other policy decisions	+	• Begin to think wider: • Focus on the interactions and coordination of the local flex market with other markets (ESO, implicit flex, domestic market, etc)	+	• Identify key activities/ enablers that we'll need to think of in preparation or to respond to key industry developments • Inform ourselves (not the industry) of a future view, e.g. what the flex market should look like in 2026
• Maximum effort		• Agile and available to adapt		• Internal and external resource		• Mostly external resource

Dependencies:

- FSO, expected to launch in 2024 (will not be mature)
- Outcome of Ofgem local energy governance consultation, expected autumn 2023
- Ofgem consultation on distributed flexibility, expected winter 2024

Open Networks - delivery approach

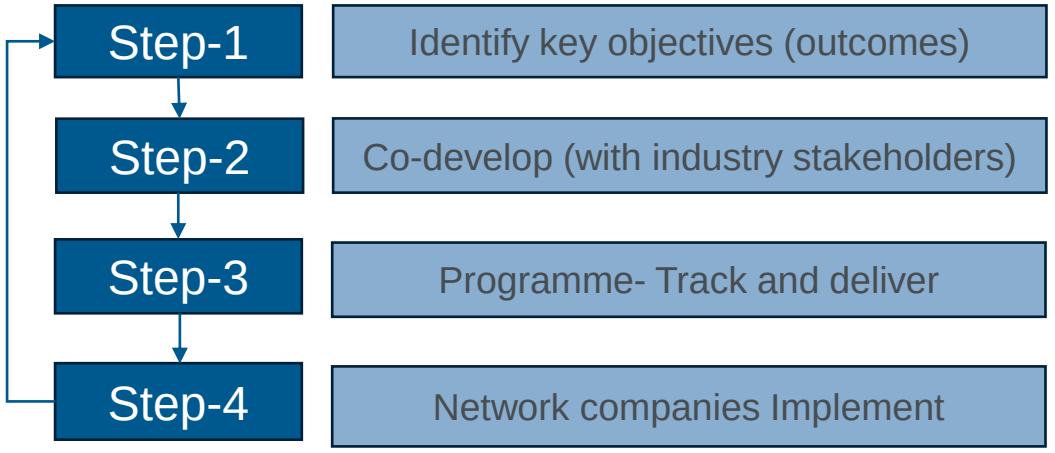
2017-2022



Feedback

- Spend more time discussing rather than doing
- Progress is too slow
- Fit for purpose during initial years- where we didn't know what needed to be done
- Lack of long-term vision

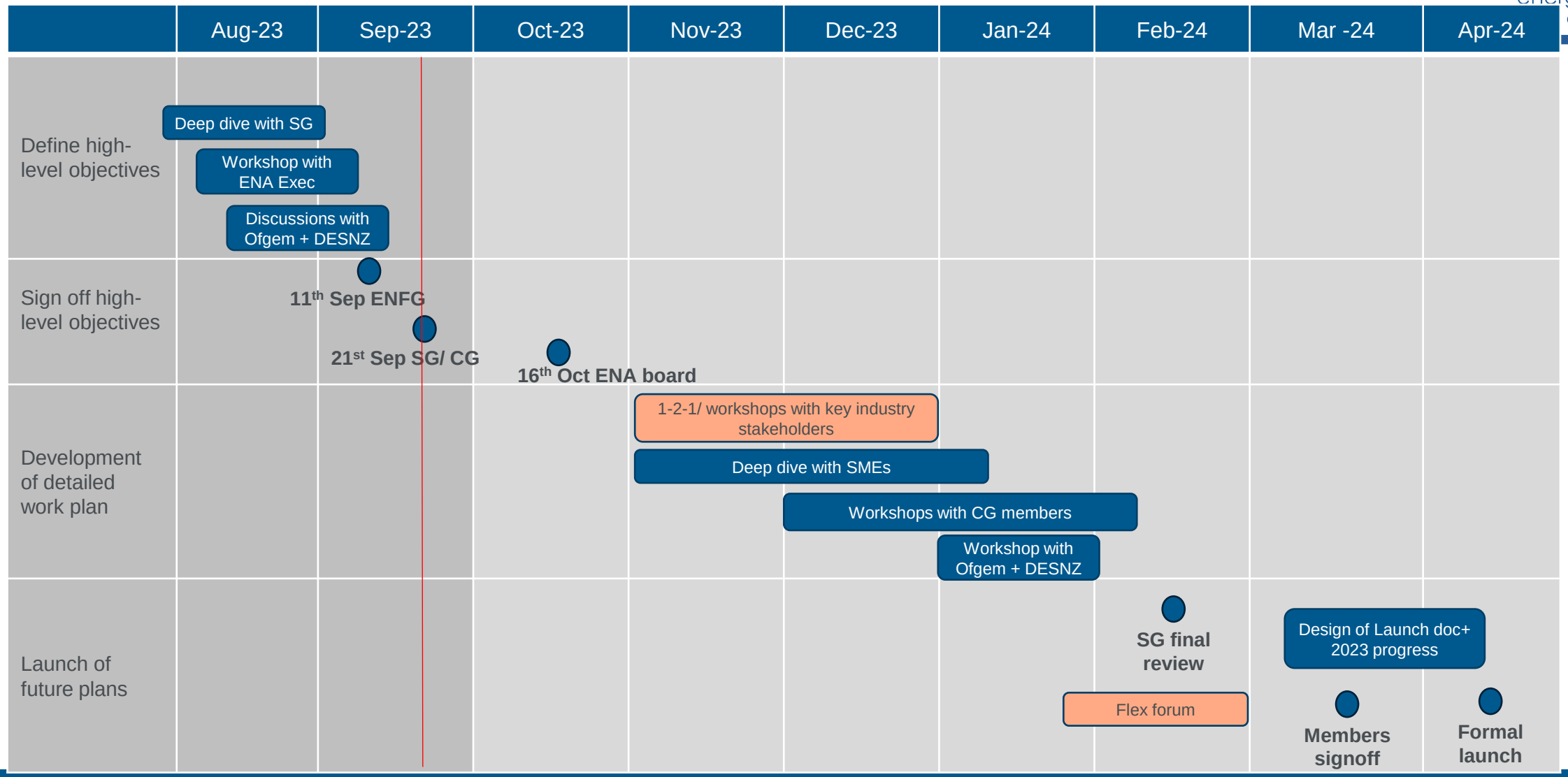
2023



Feedback

- Strong support for the approach from both internal and external stakeholders (CG, Ofgem, DESNZ)
- Stakeholders understand our journey and therefore contribute to the development

Timeline


Aug-23
Sep-23
Oct-23
Nov-23
Dec-23
Jan-24
Feb-24
Mar -24
Apr-24
Define high-level objectives
Deep dive with SG
Workshop with ENA Exec
Discussions with Ofgem + DESNZ
Sign off high-level objectives
11th Sep ENFG
21st Sep SG/ CG
16th Oct ENA board
Development of detailed work plan
1-2-1/ workshops with key industry stakeholders
Deep dive with SMEs
Workshops with CG members
Workshop with Ofgem + DESNZ
Launch of future plans
SG final review
Flex forum
Design of Launch doc+ 2023 progress
Members signoff
Formal launch

Agreeing the next Challenge Group agenda

Avi Aithal
(Head of Open Networks, ENA)

The next Challenge Group agenda

At our next meeting on 2nd November, we are looking to seek your feedback on:

- **Primacy Rules** – Increment 2 rule development
- **Standard Agreement** – Version 3.0 potential updates
- **Dispatch Interoperability**
- **Open Networks Scope for 2024**

AOB

Upcoming ENA events

AOB & Upcoming ENA events

Open Networks Insights Forum

28 September 2023

Register here to attend the next Open Networks Insights Forum on the 28th September.

Energy Innovation Summit

31 October – 01 November 2023

Join us in Liverpool for this year's Energy Innovation Summit (and Halloween!). Registration will open on the ENA website in Summer.

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