Open Networks 2023

Focus Group Engagement

4 July 2023

PURPOSE OF DOCUMENT

This document serves as an introduction to a series of virtual focus group sessions hosted by ENA's Open Networks programme.

These focus group sessions are an opportunity for subject matter experts and relevant industry stakeholders to help shape the developments in improving participation within the local flexibility market.

During the sessions, the technical working groups will give an overview of the work done so far and raise a series of queries for open discussion. We encourage those with the interest and expertise to actively contribute to the discussions, to indicate their interest in attending the groups detailed within this document, by filling out the ENA Open Networks Focus Group Form.

The schedule along with the key discussion points of each session being held on Tuesday 4 July can be found below. For more general details on Open Networks focus group sessions, please refer to the terms of reference.

Timetable

The table below shows the timetable for the focus group sessions we will be hosting on Tuesday 4 July.

Focus Group Session	Session Time
Implementation of DER visibility	10:00 am – 12:00 pm
Carbon reporting in flexibility	12:30 pm – 2:30 pm
Settlement process for local flexibility services	3:00 pm – 5:00 pm

Focus Groups - Topics

The ENA Open Networks Programme Technical Working Groups would like to invite you to the following focus group sessions. To express your interest in attending any of the sessions below on the Tuesday 4 July, please complete the ENA Open Networks Focus Group Form.

Implementation of DER visibility	**Session Time:**
	10:00 am – 12:00 pm

Background

A power outage in August 2019 caused interruptions to over 1 million consumers' electricity supply. Following this event, Ofgem opened an investigation into the power outage which resulted in nine specific actions, one of them being to consider options to improve real time visibility of DG to DNOs and the ESO.

In August 2020, Ofgem published a call for evidence on DG visibility, highlighting the shortfall in the collection and recording of real-time data associated with DG, clearly signalling their intention to establish a policy on DER monitoring requirements.

In 2022 this group carried out an analysis on the level of operational visibility DNOs have over generation sites, it was identified that there is a considerable gap in monitoring. The working group proposed a technical specification of a minimum set of 'mandatory' data requirements which may be differentiated based on generation capacity, technology and service provided, etc. These key findings were passed on to Ofgem to inform their future policy decisions.

This year the working group plan to engage with DER customers and asset develops to develop an appreciation of state-of-the-art DER control systems, to understand the current range of capabilities, and the impact of obtaining these additional data points on customers. Using this to inform the indicative cost

passed on to consumers and to determine the governance options required to harmonise DNO-DER data exchange requirements across DNOs, to standardise market data transfer between DER and DNOs.

Purpose of focus group

Engage with asset developers to determine what is required to harmonise the DER monitoring and control requirements at the connection interface for DER connections across different DNOs

Key discussion points

- Capabilities of asset developer's existing metering systems, circuit breakers and network status data systems

Relevant publications

- Cost benefit analysis for operational DER visibility and monitoring
- DER visibility and data sharing proposed change of scope

Carbon reporting in flexibility	**Session Time:**
	12:30 pm – 2:30 pm

Background

The Standard License condition (SLC) 31E was introduced in December 2020. The licence condition sets out the conditions in which distribution licensees can procure flexibility, what principles they should apply during the procurement process, and the need to take a coordinated approach with other parties to the procurement and use of flexibility services.

The Carbon reporting technical working group was introduced to Open Networks in 2022 based on action 3.6 in the Smart Systems and Flexibility Plan that requires networks to develop common methodologies for carbon reporting and monitoring of flexibility markets by 2023. The working group successfully recommended and carried out a consistent methodology for 2023 reporting required for Flexibility procurement and use reporting requirements as set out in the SLC 31E.

In 2023 the working group continues to support DNOs to implement the methodology recommended by the working group in 2022. The group will also seek to further developments of the carbon reporting methodology based on recommendations from BEIS, Ofgem, Challenge group and external stakeholders.

Purpose of focus group

Engage with asset developers/owners, service providers to incorporate asset specific information or calculations to improve exiting carbon reporting methodologies accuracy.

Key discussion points

- Industries views on the assumptions used to determine the carbon input of storage and Demand Side Response (DSR)
- Availability of data points for specific assets, that could be incorporated into the carbon reporting methodology to increase accuracy
- Assumptions to be made make on the timing of storage charging and demand payback if time-series grid intensity factors were used

Relevant publications from 2022

- Carbon Reporting Methodology
- Updated Carbon Reporting Methodology

Settlement process for local flexibility services	**Session Time:**
	3:00 pm – 5:00 pm

Background

The methods used for settlement of flexibility services delivery and the level of other post-action reporting / analysis carried out by System Operators presently vary. Some DNOs utilise the dispatch platform's performance reporting while some have more manual processes to review delivery post-event and provide settlement.

This year, the working group is conducting a gap analysis to identify variances in the settlement processes. The group then aims to align on key elements where possible such that DNOs adopt a common settlement approach for local flexibility contracts.

Purpose of focus group

The purpose of the focus group session is to gather flexibility service providers and wider industry stakeholder feedback on the key elements of the settlement process where network and system operators are looking to align. This direct feedback will help shape an implementation plan for network and system operators.

Key discussion points

- Explore the elements of alignment that stakeholders value the most for settlement.
- Performance-related incentives and fines

Relevant publications from 2022

- Dispatch interoperability and settlement review of existing practices and gap analysis
- Dispatch interoperability and settlement key service parameters

ENERGY NETWORKS ASSOCIATION

Energy Networks Association (ENA) represents the owners and operators of licences for the transmission and/or distribution of energy in the UK and Ireland. Our members control and maintain the critical national infrastructure that delivers these vital services to customers' homes and businesses.

As the voice of the energy networks sector, ENA acts as a strategic focus and channel of communication for the industry. We promote the industry's interests and good standing and provide a discussion forum among company members.

We help our members to:

- Create smart grids, ensuring our networks are prepared for more renewable generation than ever before, decentralised sources of energy, more electric vehicles and heat pumps. Learn more about our Open Networks Programme.
- Create the world's first zero-carbon gas grid, by speeding up the switch from natural gas to hydrogen. Learn more about our Gas Goes Green programme.
- Innovate. We're supporting over £450m of innovation investment to support customers, connections and more.
- Be safe. We bring our industry together to improve safety and reduce workforce and public injury.
- Manage our networks. We support our members manage, create and maintain a vast array of electricity codes, standards and regulations which supports the day-to-day operation of our energy networks.

Together, the energy networks are keeping your energy flowing, supporting our economy through jobs and investment and preparing for a net zero future.

Figure 1- ENA member companies

ENA Associates

Chubu	Heathrow Airport	Network Rail
EEA	Jersey Electricity	TEPCO
Guernsey Electricity Ltd	Manx Electricity Authority	

Energy Networks Association
4 More London Riverside
London SE1 2AU
t. +44 (0)20 7706 5100

w. energynetworks.org
@EnergyNetworks