

## Open Networks Challenge Group Meeting Minutes

The fourth Open Networks (ON) Challenge Group meeting of 2022 took place over MS Teams on 01 September 2022. The [agenda](#) and [presentation materials](#) can be found on the ENA website. The session focused on key flexibility developments, a range of products the Challenge Group had expressed an interest in, 2023 scoping, and the next meeting agenda.

The sections below capture feedback that was shared during the session. Alongside this, a [Challenge and Actions Log](#) has also been updated to capture 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	Kieron Stopforth
E.ON	Matt Cullen
Centrica	Helen Stack
Energy UK	Charles Wood
Energy UK	Callum Chalmers (alternate rep)
Zemo Partnership	Jonathan Murray
The Association for Renewable Energy and Clean Technology (REA)	Frank Gordon
The Association for Decentralised Energy (ADE)	Caroline Sejer Damgaard*
Everoze Partners	Nithin Rajavelu
Joint Radio Company (JRC)	Peter Couch
Siemens Energy	Vijay Shinde
Piclo	Gemma Stanley
Elexon	Hussein Osman
Regen	Olly Frankland
Community Energy England, Scotland and Wales	Philip Coventry

Electralink	Emma Carr
Energy Systems Catapult	Greg Johnston*
Imperial College London	Goran Strbac
Welsh Government	Ron Loveland
Citizens Advice	Caroline Farquhar
National Grid ESO (NG ESO)	Andy Wainwright*
National Grid ESO (NG ESO)	Abisola Dapo-Akinpelu*
National Grid ESO (NG ESO)	Keith Parker*
UK Power Networks (UKPN)	Sotiris Georgiopoulos*
UK Power Networks (UKPN)	Jialiang Yi*
Western Power Distribution (WPD)	Ben Godfrey*
Western Power Distribution (WPD)	Helen Sawdon*
Western Power Distribution (WPD)	Matt Watson*
Energy Networks Association (ENA)	Avi Aithal
Energy Networks Association (ENA)	Connor Innes
Energy Networks Association (ENA)	Helen Jarva

## Challenge Log

Avi Aithal (Head of Open Networks) noted that there are currently no challenges logged, however, key Challenge Group feedback and its implementation progress can be seen on a dedicated Feedback page of the [Challenge and Actions Log](#).

The Challenge Group highlighted the importance of including the cost of flexibility in the secondary reinforcement volume driver as part of Ofgem's ED2 Draft Determinations.

## Recent flexibility developments

Andy Wainwright (Whole Energy Systems Chair) and Ben Godfrey (Flexibility Services Chair) presented an overview of recent industry and flexibility developments from the ESO, DSO and Flexibility workstream areas. The Challenge Group were invited to share feedback on further industry developments that ON should consider in delivering its work.

Feedback	Response
Open Networks should keep informed of new demand flexibility services being considered by National Grid ESO.	Stakeholders can engage with National Grid ESO's Demand Flexibility consultation, open until 3 <sup>rd</sup> October 2022.

## Flexibility consultation

Avi Aithal (Head of Open Networks) presented an overview of the open [flexibility consultation](#) and encouraged Challenge Group members to respond ahead of the closing date on 12<sup>th</sup> September.

## Procurement Processes (WS1A P2)

Helen Sawdon (Product Co-lead) presented an overview of work on Procurement Processes so far and sought input on steps identified for moving to real time procurement in the short, medium and long term, and best ways of providing visibility of DNO implementation timelines.

Feedback	Response
Consider a single marketplace where flexibility providers can access all products across DNOs.	Development of a single marketplace for flexibility services does not fall within the scope of this product in 2022. Feedback has been noted in the feedback log to be considered in future scoping.
Increase clarity of market value.	Individual DNOs will be able to indicate value when they start service procurement.
Require flexibility providers to only complete pre-qualification once to pre-qualify for all markets.	<p>Suggestion noted in the feedback log to provide more detailed information on pre-qualification to flexibility providers, however, this may apply to individual DNOs rather than provide a high-level view across markets at this stage.</p> <p>The flexibility consultation seeks feedback on a standard pre-qualification form and Challenge Group are encouraged to provide feedback on this as part of their consultation response.</p>

## Standard Agreement (WS1A P4)

Abisola Dapo-Akinpelu (Product rep) presented an overview of proposed service-based schedule structure and sought input on concerns in moving to service-based schedules, current contractual terms and pain points relating to the current Standard Agreement.

Feedback	Response
The Challenge Group noted strong support for standardised schedule structure across DNOs and highlighted the importance of reducing administrative requirements for ease of participating in the market.	Support noted.

## ANM Curtailment Information (WS1A P8)

Jialiang Yi (Product lead) presented an overview of the implementation plan to provide improved curtailment information and progress so far in 2022, and sought input on current and future curtailment reports.

Feedback	Response
The Challenge Group noted support for aligned curtailment reporting across DNOs.	Support noted.
Exiting pre-connection curtailment assessments provided by DNOs can sometimes underestimate generation of a project. Sharing network capacity and LIFO stack data would be useful for projects to carry out independent analysis.	LIFO stack information will be published as part of an upcoming deliverable. This feedback has been tracked in the feedback log will be considered by the product team under the relevant deliverable.
Predicted curtailment can often be different to actual curtailment and there is uncertainty around the methodology for potential constraint payments to generators.	Feedback noted and tracked in the feedback log.
There is a lack of clarity on conditions and implications for exiting flexible connection agreements.	The product team is discussing implications of Access SCR on the product and will review past and upcoming deliverables accordingly.

## Primacy Rules for Service Conflicts (WS1A P5)

Matt Watson (Product Co-Lead) and Keith Parker (Product Rep) presented an overview of work so far on developing primacy rules for ESO-DSO flexibility service conflicts and sought input on the clarity of analysis and next steps.

Feedback	Response
The analysis would benefit from exploring newer services which may shortly replace STOR.	The analysis focuses on STOR and ANM as these services were sufficiently developed at the time of analysis and able to provide historic data. The product team is aware of some differences between STOR/ANM and newer ESO services and will consider a direct comparison of STOR and Slow Reserve in further analysis.
Recommendation to consider an overall system operator to avoid operational conflict.	This product is focused on the ESO-DSO specific operational conflict. An operational conflict would remain between distribution and wider balancing requirements regardless of roles and responsibilities.

## Evolution of ON and scoping for 2023

Avi Aithal (Head of Open Networks) sought views on low engagement with flexibility tenders, noting evolution of ON and 2023 scoping will be covered in depth at the 20<sup>th</sup> October Challenge Group meeting.

Feedback	Response
Flexibility providers would benefit from visibility of potential flexibility market value over one to two years, compared to the current six months.	Feedback noted and tracked in the feedback log.
In research collated by Piclo, flexibility providers noted a lack of knowledge of DSO flexibility markets, a disparity in flexibility contracted and flexibility dispatched, and noted penalties may be a barrier to participation or provide incentive to participate with real rather than planned assets.	Feedback noted and tracked in the feedback log. Piclo will share further information with ON in September.
Flexibility providers are not perceiving sufficient value in participation due to value constraints and variability across geographies.	Feedback noted and tracked in the feedback log.

## Proposed agenda for next meeting

The agenda for the 20<sup>th</sup> October Challenge Group meeting was agreed as including a deep dive on the 2023 scope and prioritisation of outcomes, and a reflection on Challenge Group engagement over 2022.

The 20<sup>th</sup> October Challenge Group meeting will be held in-person at the ENA office in London Bridge and will include a lunch with the Open Networks Steering Group beforehand.

## AOB

Maxine Frerk (Independent Challenge Group Chair) noted upcoming ENA events.

No other business was raised.