

Executive Summary/Key recommendations

All UK DNOs recognise the market benefits offered from evolving their flexibility programmes to include real-time/closer to real-time procurement of flexibility services.

During 2022, work has been undertaken through the Energy Networks Associations Open Networks Programme Workstream 1A Product 2 to consider what steps need to be undertaken to support such evolution. These steps were agreed across all DNOs and published [on the ENA website](#). Following publication, Stakeholders were consulted through the ENA annual flexibility consultation. Feedback was clear that providing visibility of implementation progress was a priority and that oversight from the ENA was needed to ensure DNOs progress collectively.

This document outlines how such visibility and oversight will happen.

Introduction

About ENA and Open Networks

Energy Networks Association represents the companies which operate the electricity wires, gas pipes and energy system in the UK and Ireland. We help our members meet the challenge of delivering electricity and gas to communities across the UK and Ireland safely, sustainably and reliably.

Britain's energy landscape is changing, and new smart technologies are changing the way we interact with the energy system. On behalf of its members, ENA is leading the Open Networks programme that is transforming the way our energy networks operate. New smart technologies are challenging the traditional way we generate, consume and manage electricity, and the energy networks are making sure that these changes benefit everyone.

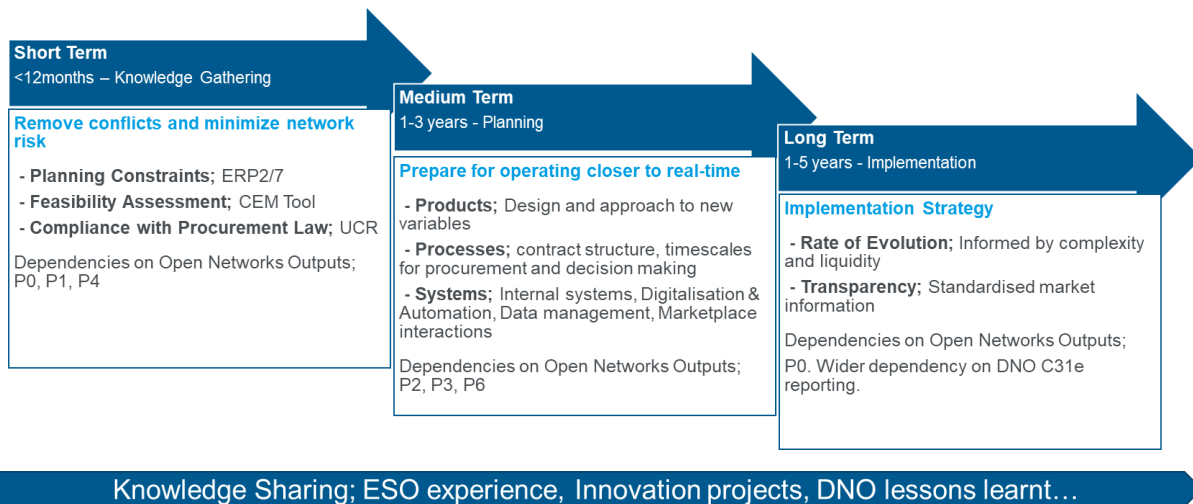
ENA's Open Networks programme is key to enabling the delivery of Net Zero by:

- opening local flexibility markets to demand response, renewable energy and new low-carbon technology and removing barriers to participation
- providing opportunities for these flexible resources to connect to our networks faster
- opening data to allow these flexible resources to identify the best locations to invest
- delivering efficiencies between the network companies to plan and operate secure efficient networks

Visit our [website](#) for further information on the programme and to access our deliverables.

Steps towards evolution

Below is a summary of the agreed steps towards evolution as detailed in the published paper. Short terms step should complete within 2023 and it is expected that medium and long terms steps will be delivered in parallel.



The steps include dependencies on ongoing work being carried out through the Open Networks project, learning and knowledge sharing from across the industry alongside some development of individual DNO activities.

DNOs may progress at different rates through the medium and long term steps depending on the level of complexity involved with their own development activities. However, it should be noted that DNOs are committed to collectively developing their activities and standardising wherever possible.

Oversight of near real-time implementation

Oversight of the activities identified in the short, medium and long term steps will fall across **two key areas**;

1. Reporting on progress through the ENA’s Open Networks Product 0; Common Framework, specifically the inclusion within its annual reporting which is made available on the ENA website [here](#). It is proposed that reporting will include updates on the following Key Indicators;

Development area	Key Indicator
Products	Product design
	Evaluation methodology
	Settlement mechanics and penalties
Processes	Inclusion within Common Contract
	Procurement and service selection timelines
Systems	Developing existing and new tooling requirements

	Developing system interfaces
Engagement	Reporting and market transparency
	Market liquidity
	Stakeholder consultation
Knowledge sharing	Relevant industry trials/roll-outs

2. As per the timetable below, regular consultation with Stakeholders through;
- a. DNOs annual C31e engagement
 - b. ENA Annual Open Networks Consultation

April - May	Sept - Oct	Oct - Nov	Jan - Mar
<ul style="list-style-type: none"> DNOs publish their C31e Flexibility Procurement Statements with details of their annual procurement intentions 	<ul style="list-style-type: none"> ENA ON Consultation seeks feedback from stakeholders on work undertaken through Open Networks Project 	<ul style="list-style-type: none"> Consolidation of feedback to inform ON priorities and programme for following year 	<ul style="list-style-type: none"> DNO Consolidation of feedback to inform next C31e Flexibility Procurement Statement

2022 Reporting on near real-time implementation

As we are nearing the end of 2022 and P0 will soon be publishing its end of year report, the product team have provided a completed key indicators table;

Development area	Key Indicator	DNO Commentary	Dependencies on ON Project	Expected progression
Products	Product design	The most recent Open Networks consultation received feedback indicating that DNOs should look to create new products to accommodate near real-time services.	To date, P6 has worked to standardise product design.	To be updated once 2023 ON Programme is established.
	Evaluation methodology	The Common Evaluation Methodology (CEM) tool should look to define the use case for shorter term markets, and specify within the CEM Good Practice Guide.	Further scope of work for P1 CEM use cases is not yet determined.	To be updated once 2023 ON Programme is established.
	Settlement mechanics and penalties	Further work through Open Networks should be undertaken to establish	P3 Dispatch & Settlement;	From 2024.

		common approaches to settlement and penalty mechanisms.	establish metrics. P4 Common Contract; implement contractual elements	
Processes	Contract inclusion	Work completing in 2022 by the P4 Common Contract Product will allow the common contract to be used as a framework, a key enabler for the adoption of near real-time procurement. Further work through Open Networks should be undertaken to agree standardised approaches for the addition of near real-time processes within the Services Terms.	P4 Common Contract; Standardisation of Service Terms	From 2023.
	Procurement and Service selection timelines	To date the P2 Product has looked to consult with Stakeholders and standardised the timelines DNOs use for their existing flexibility procurement activities. Once near real-time products are established, P2 should look to similarly align. In addition, work currently being undertaken within the P5 Primacy Product will inform how service conflicts across the DNO and ESO will be resolved.	P2 Procurement Processes; look to standardise timelines in consultation with stakeholders. Dependant on any standard product design work undertaken in P6.	From 2023.
Systems	Developing existing and new tooling requirements	DNOs are already identifying their tooling requirements and looking to collaborate on standardising these where possible. Attention is being given to the digitalisation and automation of processes and establishing commonality where possible.	P1 CEM tool work completed. P2 Procurement processes will look to establish standard data layer for pre-qualification.	From 2023.
	Developing System interfaces	P3 Product has recommended that common APIs should be established for the benefit of market interactions.	P3 Dispatch and settlement - Specify	From 2023.

		Further work should continue to develop these.	common interfaces for market dispatch interfaces.	
Engagement	Reporting and market transparency	As we approach ED2 further development of reporting practices will be needed. Defined reporting requirements from Ofgem will better enable this once they are established.	Standardised reporting requirements could fall under the remit of P2 or potentially P0 Common Framework.	To be updated once 2023 ON Programme is established.
	Market liquidity	DNOs continually consider the liquidity of their network as it is essential to the success of near real-time markets. Better visibility of operational assets through the work recommended by P2 to establish a standard data layer for pre-qualification is needed to support this.	P2 Procurement Processes- Develop standardised templates for pre-qualification.	From 2023.
	Stakeholder consultation	Processes to consult with Stakeholders and respond to their feedback is in place through annual C31E & ENA consultation – collectively respond through Open Networks.	P0 Common Framework.	Annually.
Knowledge sharing	Relevant industry trials/roll-outs	Outcomes from notable projects like the ESOs Single Market Platform and projects trailing near real-time procurement through Ofgem's Strategic Innovation Fund (SIF) such as TEF, Intraflex and Bi-traDER are regularly shared across Network Operators both within Open Networks and within innovation led events like the annual Energy Innovation Summit (EIS) event.	WS1A Flexibility Services.	As required.

Visit our website to find out more about [Open Networks](#)