

Open Networks Flexibility Consultation Summary

Flexibility Services are already playing an important role in managing capacity on the network, a fundamental part of enabling the decarbonisation of heat and transport.

In order to expand these markets and get as many homes, businesses, and communities providing services as possible, the Open Networks Project is standardising services, processes and contracts wherever possible to create a level playing field across the country.

In 2020, the Open Networks Project publicly consulted on all work on flexibility services, seeking views from stakeholders on flexibility developments throughout 2020 and beyond, in order to update and adapt our work accordingly. It's important for the project to regularly hear feedback from a wide range of respondents, to make the UK's future smart grid work for all, and in addition to our consultations, we will publish short summary documents to reduce industry jargon as a barrier, and continue our extensive programme of events, including webinars and community energy forums.

This year, a substantial body of work was undertaken by Open Networks on flexibility services, consulting on eight key areas.

To find out more detailed information on the consultation, its results, and the Open Networks Project's response, see our [full consultation response slide deck](#).

Key consultation areas

Common Evaluation Methodology

Procurement Processes

Active Power Services Parameters

New DSO Services

Non-DSO Services

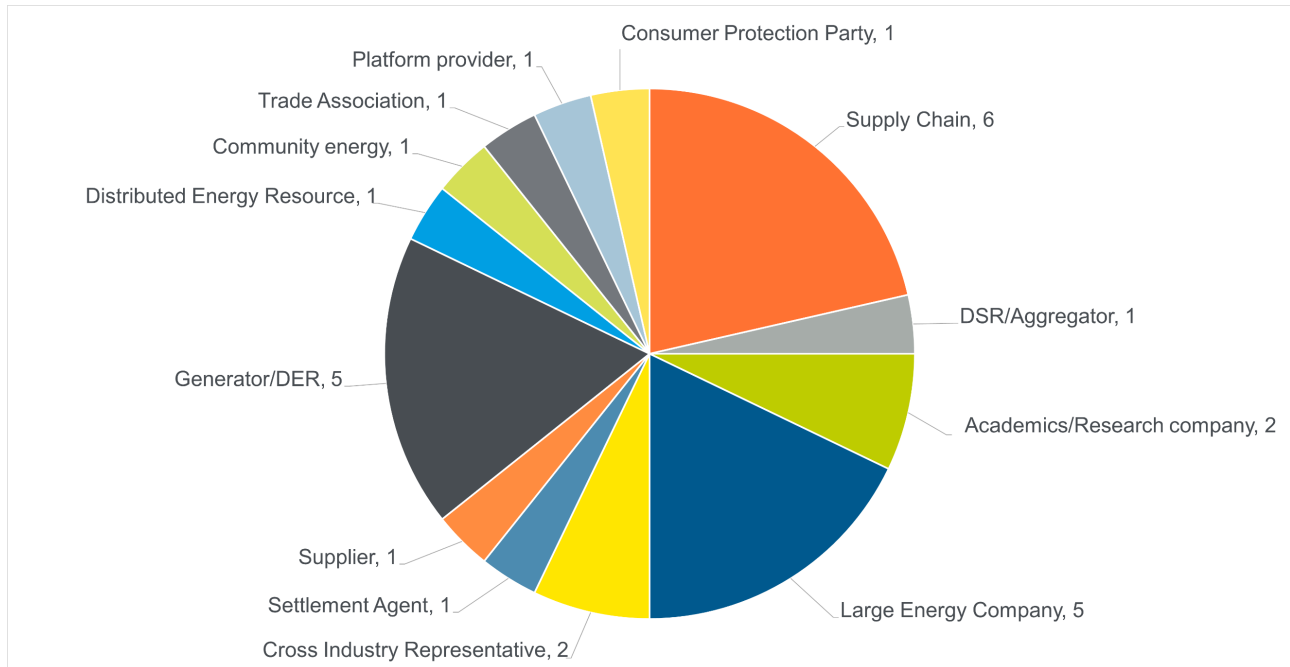
Baseline Methodologies

Interactions between Flexible Connections (ANM) and Flexibility Services DNO Flexibility Services Stacking

Residential Flexibility

Consultation overview

The consultation received 27 responses from a broad range of stakeholders.



Respondents to the consultation were broadly supportive of the Open Networks Project and its objectives, citing support for continued standardisation, increasing transparency, and increasing confidence in markets.

In addition to general support for the standardisation and alignment the project is spearheading, a number of respondents picked out priority areas to address or particular areas of interest:

- Incentivising green flexibility
- Adopting a “flexibility first” approach
- Increase aggregation and residential flexibility opportunities
- Proposing potential changes to existing flexible connection arrangements to reflect their interactions with competitive flexibility markets

The project has provided a comprehensive response to the points raised on our consultation showing where and how we are taking these points into account and we summarise the key points in each area on the next page.

The standards the Open Networks Project is creating are world-leading; they allow for flexibility providers of all types to more easily offer their services consistently across the country. In doing so they create a competitive marketplace, driving down prices all whilst directly enabling more renewable power to be built-out

Consultation feedback summary and our response

Check out below for a summary of the feedback for each product, and how Open Networks will take this forward in 2021.

Common Evaluation Methodology

Open Networks, together with Baringa Partners, has developed a Common Evaluation Methodology and tool for DNOs to assess flexible vs non-flexible options to meet network needs – increasing confidence and transparency in markets through a standard method of decision-making, which was welcomed by stakeholders.

In line with stakeholder feedback, Open Networks will further develop carbon assessment and optionality valuation in the tool, as well as consideration of a wider range of costs (inputs) and benefits (outputs) of the provision of flexibility.

Active Power Service Parameters

In 2019 Open Networks standardised four active power services, creating a consistent customer experience across the country. The consultation this year focused on options to improve the parameters for these services, including reducing the threshold for participation to open up these markets to more customers.

There was strong agreement among the respondents with both the parameters and the implementation plan, as well as positive feedback on the aim to reduce barriers to participation through standardisation.

Procurement Processes

Open Networks asked for views on the use of a Pre-Qualification Questionnaire (PQQ) in flexibility procurements and the alignment of timings across DNOs to deliver a consistent and simpler approach for customers to participate.

In 2021 the project will now progress the preference for a PQQ before publishing the tender and two procurement cycles, as well as other development work to encourage participation, including information to be provided as early as possible.

New DSO Services

Stakeholders were asked in the consultation whether there were any more services we should consider standardising and when in the development of a service standardisation should take place.

Respondents were unequivocal in their support for Open Networks continued drive on standardisation, but that we should wait to standardise new products to avoid stifling innovation. Demand turn up and real time products were recommended to be standardised in the short term.

Consultation feedback summary and our response (cont.)

Non-DSO Services

As the networks transition to Distribution System Operation (DSO), there are a range of services that networks must facilitate without being the principal beneficiary, such as peer-to-peer trading. The consultation asked industry for priorities for non-DSO services under Open Networks.

An overwhelming majority of respondents supported Open Networks looking to establish the best way to open up this market. Stakeholders identified some key areas that networks can progress, such as visibility of the network and providing the right datasets to market participants to allow the market to innovate and proliferate.

Interactions between Flexible Connections (ANM) and Flexibility Services DNO Flexibility Services Stacking

Our Flexibility Workstream carried over some work from 2019 to better explain the interaction between flexible connections enabled with Active Network Management (ANM) and flexibility services and we asked some questions on the direction of travel of this important work.

Open Networks will develop further work in this area as a key priority for 2021 and we will continue to engage with stakeholders in the development of solutions, as supported by most respondents. We will seek to address the concerns raised that flexible connection (ANM) schemes are deterring current growth in flexibility services.

Baseline Methodologies

To adequately understand the impact of a connected asset on the network, a consumption baseline must be established. The Open Networks consultation tested the best way to establish this baseline.

All respondents to the consultation welcomed a move towards a more standardised approach for distribution flexibility baselining, and most stakeholders believe that a range of different baselining methodologies should be used for differing types of technology. A range of challenges, such as gaming and potential data accuracy were also identified through the consultation.

Residential Flexibility

We asked whether stakeholders had any ideas on how we might better engage and encourage participation of residential flexibility in flexibility service provision, alongside any barriers and potential solutions.

There was considerable support for encouraging participation of residential flexibility and we will continue to reduce barriers with initiatives such as the common DSO contract.