

## ENA Open Networks programme – consultation on high-level scope for 2022

### Response from Regen and the Electricity Storage Network

#### Background

Regen<sup>1</sup> and the Electricity Storage Network (ESN)<sup>2</sup> are an existing member of the ENA Open Networks advisory group. This group has been superseded by the Challenge group due to start in early 2022. Regen and ESN are interested in continuing to engage with this work and the new group to be formed.

We are also active members in BEIS and Ofgem's Smart Systems and Flexibility forum, Ofgem and National Grid's Charging Futures forum, and Ofgem's Full Chain Flexibility stakeholder group. We use experience from these groups and our wide range of advisory work in the sector to inform this consultation response.

We are also using feedback from the Regen and ESN members' working group on accessing the grid, which first met on 21 October 2021. This meeting provided an opportunity to hear from the DNOs, followed by a members-only discussion on the key issues with connecting to the network, with the aim of agreeing whether there is value in an ongoing Regen members' working group to address these. Members and other key parties in the sector attended, including the following speakers:

- Randolph Brazier, director of innovation and electricity systems, Energy Networks Association
- Paul Jewell, policy manager, Western Power Distribution
- Catherine Cleary, grid connections specialist, Roadnight Taylor
- Nikki Pillinger, grid connections manager, GRIDSERVE.

Members discussed the key issues for grid connections, guided by the following questions:

- What are the key barriers to connecting the volume of renewable and low carbon technologies required?
- Are the processes and channels in place for market participants to address these issues with DNOs/ENA, or is there a role for Regen and its members to press for greater urgency?

Key issues discussed were:

- **DNO resourcing/funding** – this does not match the pace of change needed for a net zero power system by 2035.
- **Timescales for connections** – developers are facing significant delays, particularly on details of any potential curtailment.
- **Interaction between DNOs and National Grid** – too slow and inefficient to provide solutions.
- **Interaction between transmission/distribution (statement of works)**

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<sup>1</sup> Regen, 2021 <https://www.regen.co.uk/>

<sup>2</sup> ESN, 2021 <https://www.regen.co.uk/the-electricity-storage-network/>

- **Impact of Ofgem's Significant Code Review (SCR)** – this will change the dynamic between DNOs and customers.
- **Reviewing connection codes/policies for energy storage (e.g. derogating EREC P28 in a frequency event)**

Members agreed that it would be valuable to set up a 'task and finish' working group on this topic and to raise these issues in a coordinated way with Ofgem, BEIS and the DNOs.

**Many of these points are directed at BAU functions within DNOs. However, it was felt that there were some specific products in the ENA Open Network high-level workplan that interact with the above points. Therefore, an action from the inaugural meeting was to provide a short consultation response to this consultation and follow up with other relevant working groups as appropriate.**

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### About Regen and the Electricity Storage Network

Regen is an independent, not-for-profit centre of expertise in sustainable energy with nearly 20 years' experience in transforming the energy system and delivering independent expert advice and market insight on all aspects of sustainable energy delivery.

Regen is a membership organisation and manages the Electricity Storage Network (ESN) - the UK industry group formed in 2008 dedicated to electricity storage. Regen and the ESN have over 150 members from business, local authority, community energy, clean energy developers, academic institutions, and research organisations across the energy sector.

## Summary of response

After discussion with a member of the Open Networks team we have provided the below response.

In general, we support the following:

- **Further standardisation between DNOs on flexibility services (WS1A P1,2,3 4, and 5)** – Good progress has been made in this area and the focus on continuing the development is very welcome. The updated version of the Common Evaluation Methodology (CEM) and tool with additional carbon value and reporting elements is particularly welcome, as was the flexibility connections explainer and Q&A report which helped to increase awareness of this technical area.
- **Additional carbon reporting product in flexibility services (WS1A P7)** – Regen and ESN have been raising this issue for a number of years (e.g. our position paper published in 2020<sup>3</sup>) and it has been a policy area we have focused on as part of our ongoing discussions with National Grid ESO in the ESN Markets and Revenues working group. Broadly, we are asking for better valuation of carbon in electricity markets, including clear carbon reporting on all markets and services, and setting emissions limits where feasible/appropriate, and we are looking for this product to deliver on these areas.
- **Developing a set of primacy rules for DSO and ESO service conflicts (WS1A P5)** – After our suggestion during a recent advisory group meeting, the product leads have made contact and two members of the ESN have joined the primacy working group. The issue of primacy is one that will grow in importance as the DSO-led flexibility markets continue to mature. This is an issue we think needs further attention and ESN is keen to work with Open Networks to discuss how the experience from electricity storage developers can be integrated into the design of these rules.
- **Focus on widening data availability for customers (WS1B P7)** – Regen has produced a number of pieces of work looking at the values and use cases from open energy data in the past few months, including a project that supported the development of customer journeys for BEIS, Ofgem and Innovate UK in the first Energy Digitisation Strategy<sup>4</sup>. From this work, we have evidenced that there is further appetite from the sector for more data to be shared by network operators across a number of data areas and we are happy to see that further data areas will become available under this workplan.
- **Widening availability of curtailment information for customers (WS1B P7)** – Allowing further data for customers to use for curtailment assessment will help improve transparency and uptake of ANM and other flexible connection types in development. In a recent project we completed for SP Energy Networks, we showed the benefits of ANM as a technology solution for the Dunbar Grid Supply Point, allowing 50 MW of generation to connect, with £200 million of capital investment, and 98,000 tonnes of CO<sub>2</sub> saved<sup>5</sup>. Giving

<sup>3</sup> Regen, 2020 <https://www.regen.co.uk/building-flexibility-markets-for-a-net-zero-electricity-system/>

<sup>4</sup> Regen, 2021 <https://www.regen.co.uk/energy-digitalisation-strategy/>

<sup>5</sup> Regen 2021 <https://www.regen.co.uk/project/an-economic-evaluation-of-the-active-network-management-scheme-at-the-dunbar-gsp/>

more data to customers on curtailment will help reduce risk, increase deployment, and deliver the wider benefits of this technology solution in other areas.

Following a review, we believe the following is missing from the high-level workplan:

- **Further details on BAU implementation** – From attending the advisory group and our wider engagement with the sector, there seems to be a lack of understanding about the process and progress of BAU implementation from Open Networks products. Better communication to stakeholders and customers on BAU implementation from the Open Networks products that are developed and delivered would help resolve this knowledge gap, including a list of current working groups that are used by network operators to implement changes and interaction with other workstreams and products. This would help monitor and evidence the impact of the project, and the new Open Networks dissemination group could be used to amplify any messages to the wider sector.
- **Addition of interactions with other policy/regulatory changes** – The increasing level of policy and regulatory change in recent months is difficult to track and monitor. Adding more links and explanation to relevant policy changes and other areas of work (e.g. SCR, Full Chain flexibility...) that will have an impact on Open Networks project products and workstreams would help provide context to your audience and show the importance of the work. This is closely linked to the point made above on BAU implementation and is particularly important for the content shared in the upcoming Open Networks project challenge group and dissemination group meetings.
- **Supplementary details on the resourcing per workstream and product** – The consultation document does provide a high-level estimate of the likely resource commitment by category. However, more details on the estimated budget and DNO contacts responsible would help stakeholders understand the current priorities for the Open Networks project and how this work will be delivered. DNO resourcing was an issue raised by members in the forum we held in October. Improved transparency on this area would be welcome.
- **Integration of Future System Operator (FSO) role in DSO plans (WS3 P1)** – The recent consultation from Ofgem on the FSO<sup>6</sup> will have a considerable impact on the role of DSOs in the future. Regen hosted a webinar to discuss the implications in September 2021 and responded to the consultation<sup>7</sup>. In our response, we recommended a stronger role for the FSO in system planning, the need for decarbonisation as a central remit, and the need for key decision-making and direction setting. Broadly, we would emphasise this as a fundamental area of policy to monitor and report back to stakeholders on in WS3 P1, that should be explicitly cited and explained.
- **Faster implementation, monitoring, and promotion of flexible resources within new queue management policy and user guide (WS2 P2)** – Regen and ESN are very interested to see how we can harness the potential of electricity storage (and other technologies) in the system and promote those connections in the queue that can help alleviate the constraints that are evident. We recommend that these changes are implemented as quickly as possible, to help additional flexible resources connect to the

<sup>6</sup> Ofgem, 2021 <https://www.ofgem.gov.uk/publications/consultation-proposals-future-system-operator-role>

<sup>7</sup> Regen, 2021 <https://www.regen.co.uk/event/regen-public-policy-webinar-series-future-system-operator/>

system, making sure that DNOs implement the changes in a standardised approach and that this progress is monitored and reported on by WS2 P2 to a wide stakeholder audience.

Overall, Regen and ESN are very supportive of the Open Networks project and would welcome the opportunity to continue the development of the products in the future as a member of the challenge group and dissemination group as required.

If you have any questions regarding our response, please get in contact.

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