

**Reference: 2021 Work Plan Consultation
Open Networks Project (ON-P)
04 March 2021**

Dear Energy Networks Association – Open Networks Project,

Origami is pleased to respond to the ENA Open Networks Project 2021 Work Plan consultation.

ENA Open Networks Project 2021 Work Plan Consultation

We are pleased to note the PID is a comprehensive report which advances many key areas of work. WS1A (Flexibility Services) is of particular interest to Origami as we are intimately involved in projects TRANSITION, FUSION and LEO. Discussions with project partners on these projects shows there is a real appetite to use Flexibility Services to replace or work with ANM schemes to enable earlier and / or lower cost connections.

There are two major challenges we perceive;

- **maintaining the neutrality of the ESO and DSO** who are operators of monopolistic markets in which they buy services (and may have to sell back if the future changes). If this is not adequately managed, this could affect the confidence of all the market actors and the growth of the market.
- **the value of flexibility** is at a historically low level for ESO services and there appears to be little or no recognition of the low levels of revenue and / or profit received by flexibility providers other than the 2020 Future Energy Scenarios published by the ESO.

Notes on Flexibility Services (WS1A)

- Developing Transparency and Standardised approaches across all DNOs Flexibility Procurement, and Consistency in Delivery with the ESO
 - Origami agrees with this focus. Standardisation is required as it is vital to remove barriers to market entry (where possible) or reduce them – DNOs must come together and agree standardisation on everything from service name to types of services required and why, or flexibility providers may turn away from the opportunity. Origami has recently completed some work on behalf of TEF that directly supports the development of these requirements.

- DNOs must also be transparent with the performance of the network before and after events e.g. indicate where there was a problem on the network and share this information with the providers.
- Enabling New Markets and Platforms for Flexibility (peer to peer trading).
 - Origami agrees with this focus. To assist community groups and individual companies, and encourage them to act as prosumers we need urgently to develop new markets e.g. Peer-to-Peer (P2P) and others like, ESCOs etc. Origami is currently involved in key work in this area with Project LEO and TRANSITION through the trialling of P2P capacity trading services and through work with the ENA aiding to lead stakeholder engagement in understanding of capacity trading and capacity sharing.
- Reducing reliance on Flexible Connection ANM contracts
 - Origami agrees with this focus. ANM constrained networks are becoming more widespread and a potential barrier to the development and construction of new DERs and the availability of flexibility, which could result in flexibility providers being discouraged to take part in opportunities due to connection uncertainties and lack of operational transparency.

Other High Priority Products

- Principles to Review Legacy ANM Contracts (Reduce the reliance on ANM)
 - Origami believes that ANM needs to be phased out and commercial flexibility solutions offered to customers during the connection process of a project which can provide network security whilst encouraging market participation and delivering benefits to the customer. Further, ANM should not be considered a route to low cost or free flexibility for the DNO.
- Non-DSO Products (Facilitation of new non-DSO products e.g.P2P)
 - Origami agrees there is a need to work with the industry to establish new non-DSO products. Origami believes these products are critical in enabling the delivery of Net Zero and increasing penetration of LCTs.
- Apportioning Curtailment Risk (How can we spread the risk)
 - Origami believes the DSO must assume some of the risk and not pass all of it on to users as this is having a detrimental effect on new LCTs connecting to the network. Transparency will play a key role here and aid distinguishing between avoidable (and compensable) network outages with unavoidable events instigating Force Majeure. The DSO could even be incentivised to take on this additional risk and operate the network efficiently.
- Curtailment Information to Improve information flows and encourage market actors to take part

- Origami agrees that transparency and sharing of data is critical for the development of flexibility markets and creating an investment case for new flexibility. Origami recognises the challenge will be keeping the data relevant and up to date and determining which data is required to be shared; we suggest this is an area of focus for the Open Networks Project in this area.

Other Products

- Procurement Process (Alignment of DSO and ESO Procurement Timescales)
 - Origami agrees with this point, which would avoid a large number of conflicts. Origami suggests that the Open Networks considers which body / bodies will oversee the trades. We would urge Open Networks to consider the cost effectiveness of DNO procurement every 6-months, when having the ability to tailor requirements nearer real time is likely to be more cost effective for customers.
- Privacy Rules for Service conflicts (Help economic and efficient management)
 - Origami agrees with this approach and this could support procurement processes and help market actors better understand how flexibility could be affected. The rules would have to consider the effect on income streams for flexibility providers. Origami has undertaken significant work in this area through the development of Basic Market Rules for TRANSITION and ran a workshop on conflict management attended by all DNOs, the ESO and Ofgem. We suggest that Open Networks can obtain further learnings from this ongoing work as well as develop other areas of conflicts (such as ANM and flexibility interactions).
- Baselining Flexibility Services (Implementation of common baseline for DNOs)
 - Origami agrees that baselining methodologies should be well considered and commonly applied. Existing baselining methodologies disadvantage less predictable generation and demand that do not have regular patterns. This acts as a barrier to entry or increases the costs through the provision of local asset metering. Origami believes baselining methodologies need to be coordinated with metering available and draws particular attention to P375 modification to the Balancing and Settlement Code allowing asset meters located behind the boundary point to be used for settlement purposes. Origami notes that this development is critical to the success of smaller flexibility solutions and could simplify baselining methodologies.

Notes on WS1B Focus Area & Products

- FES and Central Scenario – Improving quality and alignment across forecasting processes.

- Origami agrees with this focus. Origami believes that forecasting processes are critical to aid the identification of network constraints when they occur (preferably with high resolution) and how they can be mitigated. Also, forecasting will play a vital role in conflict management between market actors, including ESO and DSO.
- Network Development Process – Capacity Signposting and processes for Network Development plans
 - Origami agrees with this focus. Transparency and clarity of information will play a vital role in ensuring coordinated efforts between market actors in the future.
- Operational DER visibility & Monitoring – Defining needs cases, CBA Frameworks informing policy on DG visibility
 - Origami agrees with this focus. Identifying the contribution of DGs to securing the network will aid the understanding and implementation of these technologies as part of the business-as-usual tools in managing network risk. Cost benefit analysis frameworks need to consider evidence-based developments of DG security contributions and the value added to flexibility markets.
- Operational Data Sharing – Improve operational data sharing – improving license conditions
 - Origami agrees with this focus. Operational data sharing is a fundamental requirement to manage conflicts in operation of networks and the transmission system. The more data that can be shared in an effective and efficient manner, the earlier conflicts can be identified and mitigated, reducing the cost impact.
- Review of Technology Business Management – Scoping activity to review current IT/OT systems and establish feasibility of adopting
 - Origami agrees with this focus. This is a critical area for the development of the networks and as flexibility solutions and evolved system operation advances, the reliance on IT infrastructure will be integral to maintaining system security. Origami would like to see an increase in focus on this area.

Notes on WS2 – Focus Areas & Products

- Embedded Capacity Register – Incorporate improvements and consider including of <1MW
 - Origami agrees with this focus. Greater visibility of what is connected to the network will improve modelling and system operation assumptions. This provides an added benefit of having a greater certainty of compliance with technical requirements for connections such as Loss of Mains and fault ride-through requirements.

- Connection agreement review – review current DNO connection agreements in light of more recent smart grid developments
 - Origami agrees with this focus. Origami notes that barriers presented by current connection processes and timescales can prevent the uptake of LCT connections and would like to see Open Networks seek more flexible connection solutions that incorporate smart grid technologies and the use of flexibility services to enable quicker and reduced cost connections.
- User Commitment Improvements – Review of process and recommend actions is merited
 - Origami agrees with this focus. Origami acknowledges that user commitments are critical to ensuring a reliable system and is encouraged to see Open Networks focus on this area.

Questions

- Is the ENA looking at projects such as Nottingham Council tender for a “smart network” where it is being driven by a third party rather than the DNO?
- In relation to WP3, will Network Performance data be made available for use by flexibility market actors?
- In relation to WP3, how is the security of Critical Infrastructure information going to be managed should the amount of Data and the granularity of that data be increased?
- In relation to the Procurement Process (WS1A P2), should there be one body overseeing all the trades?

Origami has a very good understanding of a number of the issues and challenges that face the DNOs on their transition to DSOs through our work on FUSION, TRANSITION and LEO. We would be more than happy to explore any of the above points further with the ENA or to support their development.

Yours faithfully

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