

Open Networks Challenge Group

24th February 2022

Agenda

Item	Start	Finish	Time	Item	Presenter
1	14:00	14:10	10	Welcome Welcome from the chair	Maxine Frerk (Challenge Group Chair)
2	14:10	14:40	30	Introductions	All
3	14:40	14:50	10	2022 Overview	Farina Farrier (Head of ON, ENA) Sotiris Georgiopoulos (ON Steering Group Chair, UKPN)
4	14:50	15:10	20	Terms of Reference (ToR) Seek feedback from the Challenge Group on the ToR and ways of working	Maxine Frerk (Challenge Group Chair)
5	15:10	15:20	10	Break	
6	15:20	16:05	45	2022 Work plan & areas for Challenge Group input Present an overview of planned 2022 developments and proposed areas for Challenge Group input through the year	Ben Godfrey (Chair of Flexibility Workstream, WPD) Andy Wainwright (ON ESO Lead, NG ESO)
7	16:05	16:10	5	Upcoming ENA events	Emily Jones (ON Communications Lead, ENA)
8	16:10	16:20	10	AOB	All

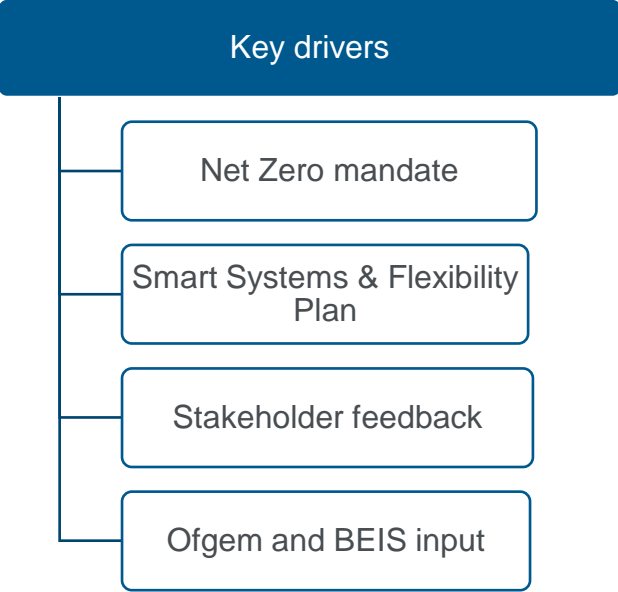
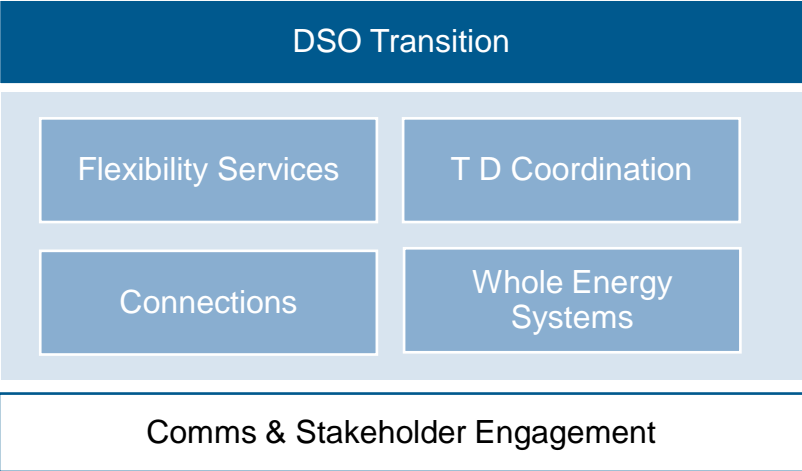
Introductions

2022 Overview

Open Networks – Delivering a Smart Grid

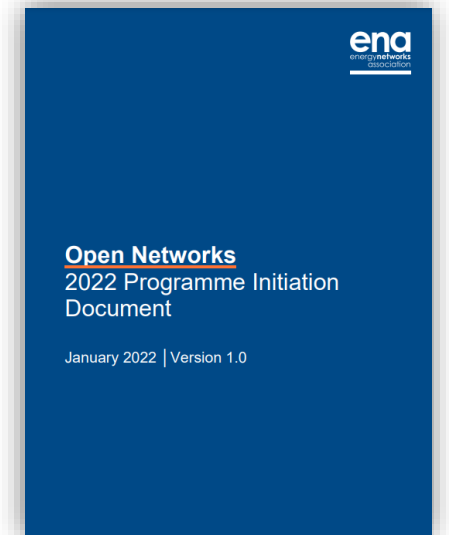
Started in 2017, Open Networks is working with the networks and industry to lead the transition to a smart and flexible energy system that will enable net zero.

- ✓ Opening local flexibility markets to demand response and renewable energy
- ✓ Helping customers connect faster
- ✓ Opening data to enable customers identify best locations to invest
- ✓ Delivering efficiencies between network companies to operate secure and efficient networks



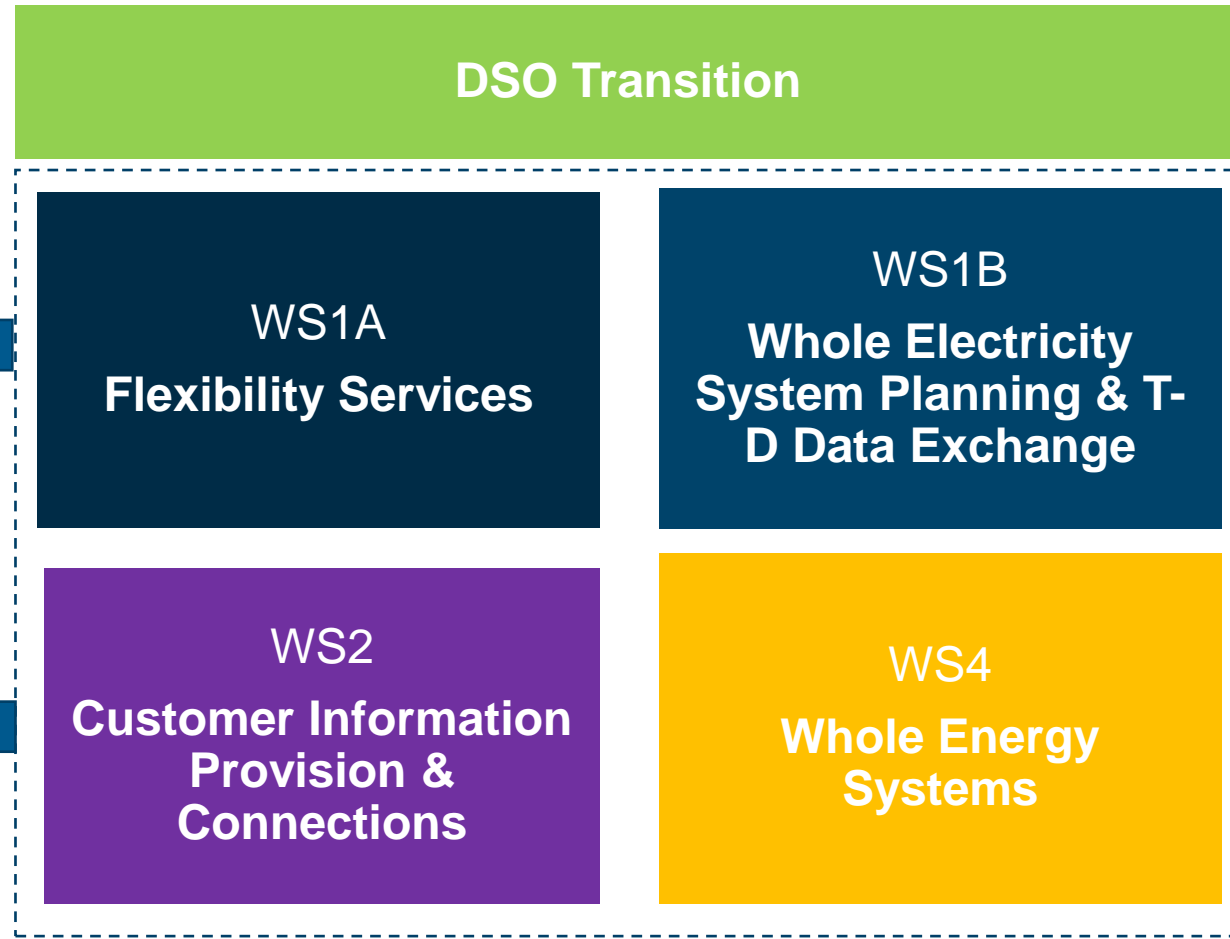
2022 work plan

- Launched 2022 work plan following public consultation and input from Challenge Group representatives.
- Delivering 24 products across six workstreams.
- Delivery against the Smart Systems Plan and doing this in collaboration with the wider industry are priorities for the programme.
- Programme Objectives
 - Enable networks to deliver open, transparent, accessible, and efficient markets for local flexibility, in coordination with the ESO and accounting for impacts across transmission and distribution systems (as per the Ofgem and BEIS Smart Systems and Flexibility Plan).
 - Improve and optimise existing network functions to achieve efficient coordination across T-D boundaries, including through coordination in planning, forecasting, network and flexibility operations, and data sharing.
 - Apply a whole system approach to work across gas and electricity networks to deliver greater coordination across existing functions and to work with the industry, Government, and Ofgem to address key strategic industry challenges in the move to Net Zero.



2022 Areas of Work

- Standardising flexibility products, contracts and processes
- Embedded Capacity Register
- Queue Management Improvements to free capacity in the queue
- Interactivity Process Improvements for connections with cross-network implications



- T-D processes
- Future Network Requirements
- Data visibility and sharing

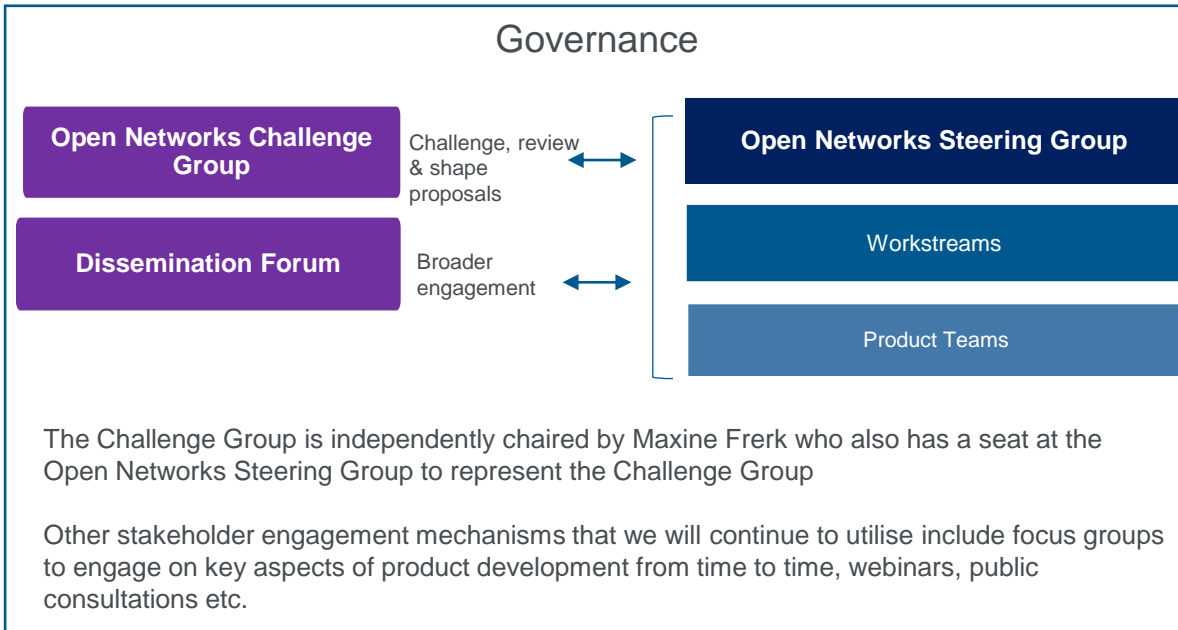
- Gas & Electricity Network co-ordination

WS5
Comms & Stakeholder Engagement

Overseeing stakeholder engagement and comms across the project.

Open Networks Challenge Group

The Open Networks Challenge Group is a key forum that we have introduced in 2022 that will enable us to work more collaboratively and transparently with the industry.



Open Networks Challenge Group Members		
Challenge Group Independent Chair: Maxine Frerk		
Representing	Company	Name
Flexibility providers (Supplier, trade or representative body, aggregator, generator, storage, demand customer)	Octopus	Kieron Stopforth
	E.ON	Matt Cullen
	Centrica	Helen Stack
	Energy UK	Charles Wood
	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
Supply chain and smart solutions	Origami	David Middleton
	Joint Radio Company (JRC)	Peter Couch
Platform provider	Siemens Energy	Vijay Shinde
Platform provider	Piclo	Gemma Stanley
Settlement agent	Elexon	Peter Frampton
Community, local energy and local authorities	Regen	Olly Frankland
	Community Energy England, Scotland and Wales	Philip Coventry
Data	Electralink	Anthony Bivens
Academia	Imperial College London	Goran Strbac
Government	Welsh Government	Prof. Ron Loveland
Consumer Protection Party	Citizens Advice	Caroline Farquhar

Note: Ongoing discussion with ESC and Scottish Government to confirm membership.

Terms of Reference

Seeking feedback from the Challenge Group on the ToR and ways of working

We welcome feedback on the Terms of Reference

- Objectives & scope
- Governance
- Roles & responsibilities
- Ways of working
- Membership

Access Terms of Reference [here](#)

2022 work plan & areas for Challenge Group input

Overview of planned 2022 developments and discuss areas for Challenge Group input through the year.

2022 WS1A Objectives

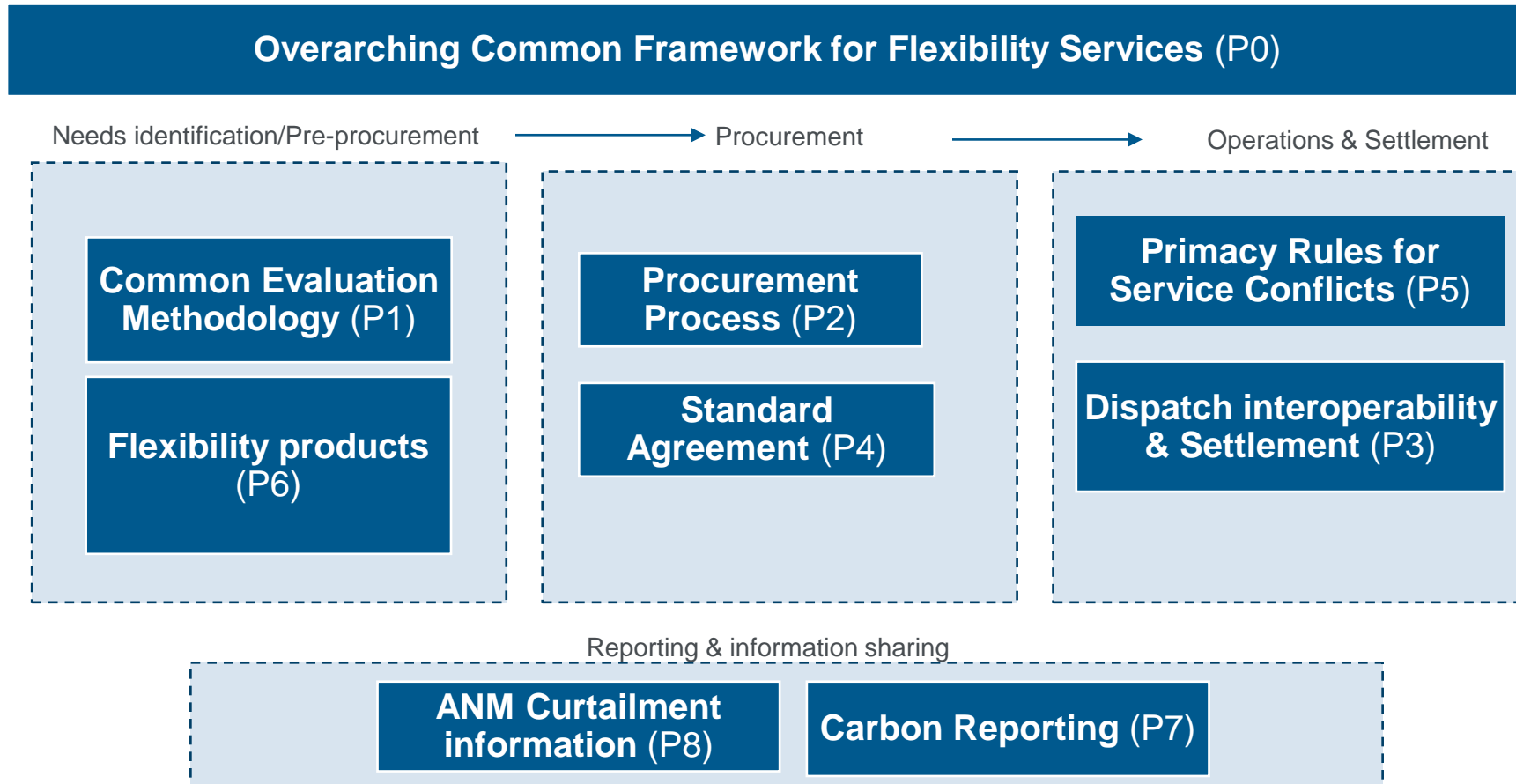
Key deliverables for 2022 (As per action 3.2 and 3.3 of the Smart Systems Plan)

- Deliver a standardised approach across distribution networks to procure flexibility .
 - Commonly defined flexibility services, common approaches to valuing flexibility, baselining methodologies, pre-qualification, dispatch and settlement, and monitoring requirements.
- Deliver a common framework for flexibility that delivers a step up in alignment and standardisation across distribution flexibility services, and ESO balancing and ancillary services.
- Develop and implement a set of primacy rules to resolve service conflicts between ESO and DNO procured flexibility.
- Enable greater participation of ANM enabled Flexible Connections through improved provision of curtailment information.

Broader focus

- Support the proliferation of new market services by extrapolating learning from innovation trials to help customers realise more value from flexibility and allow more effective use of network capacity.
- Support key strategic initiatives and their outcomes, such as Ofgem's work on Full Chain Flexibility, Access and Forward-Looking Charges SCR.

Summary of planned areas of work for 2022



Common Evaluation Methodology & Tool (P1)

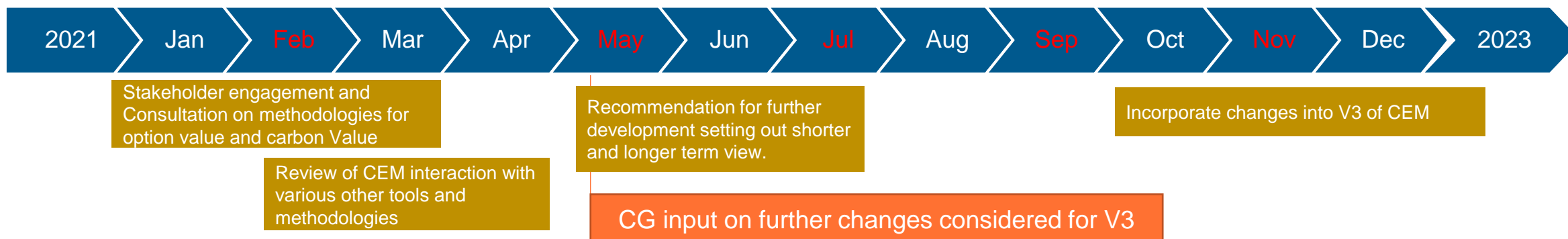
Background

Methodology and tool developed by Open Networks to enable DNOs to evaluate flexibility against traditional intervention options to meet a particular network need. This methodology enables DNOs to value flexibility.

Development to date

- Initial development of Ver 1 (2020)
- V1 implemented by all DNOs from 1st April (2021)
- Development of Ver 2 – Further development to include carbon value and consideration for incorporating option value

Planned activity for 2022



Flexibility Products (P6)

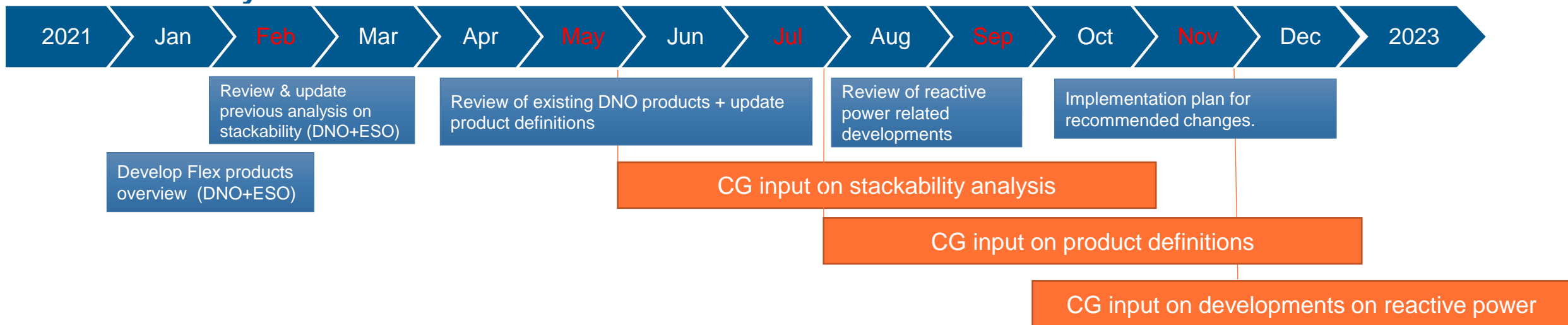
Background

Review of existing and new Flexibility products and undertaking further analysis on stackability to address barriers

Development to date

- Developed common definitions and common parameters for 4 active power services that are being procured by DNOs
- Preliminary view of stackability (2019)

Planned activity for 2022



Procurement Process (P2)

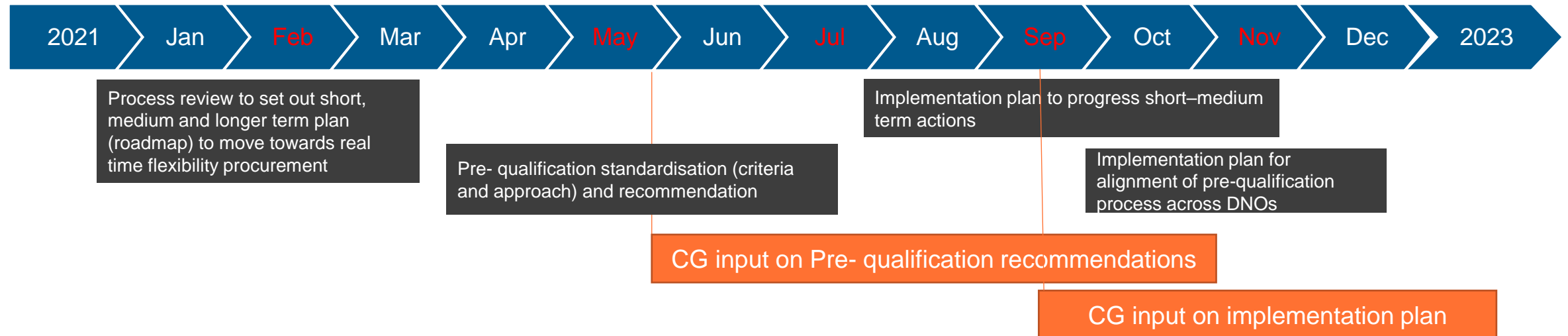
Background

Alignment of Flexibility services procurement processes across DNOs and ESO, including pre-qualification and planning move to real time procurement.

Development to date

- Development of Procurement process and timelines across DNOs (2019)
- Implemented by all DNOs from (2020)

Planned activity for 2022



Standard Agreement (P4)

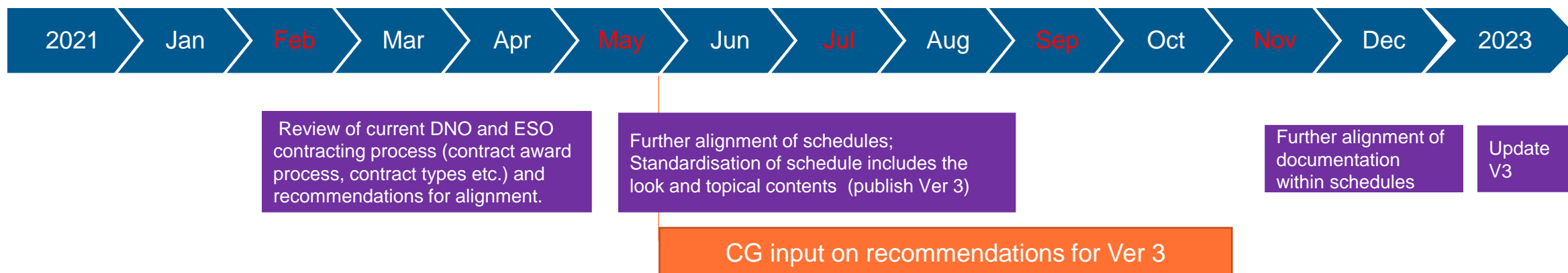
Background

The Standard Agreement is a common contract for procurement of DNO (select ESO) services that has helped to standardise and simplify the flexibility procurement process.

Development to date

- The Standard Agreement for flexibility services was first implemented by all DNOs in April 2020
- Version 2 brought the Agreement another step closer to a framework approach and delivered further simplification, similar to the ESO's suite of services (2021)

Planned activity for 2022



Primacy rules for service conflicts (P5)

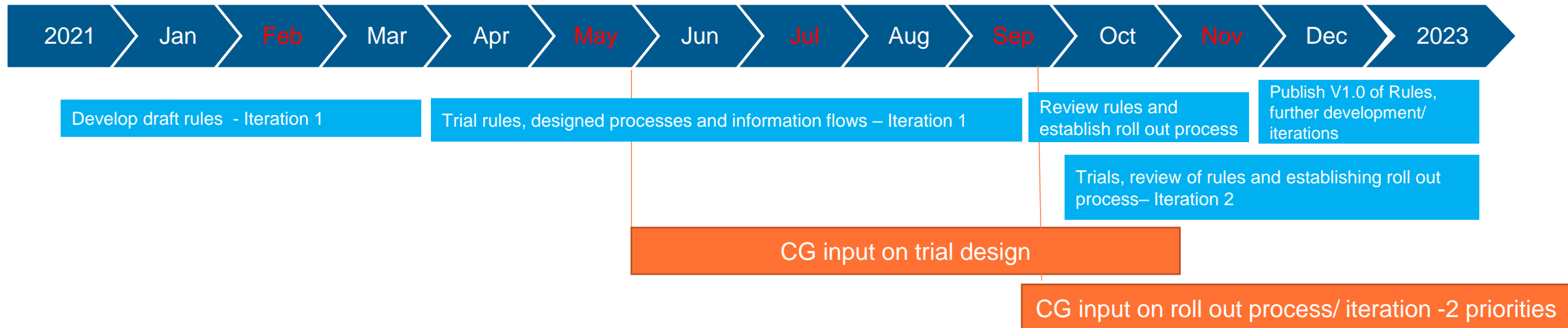
Background

Defining and implementing ‘Primacy Rules’ for the ESO and the DNOs to manage service conflicts.

Development to date

- Product has identified and agreed a range of likely scenarios; prioritised by value to networks and FSPs, and the likely needs timeframe and deliverability (2021)

Planned activity for 2022



Dispatch interoperability & Settlement (P3)

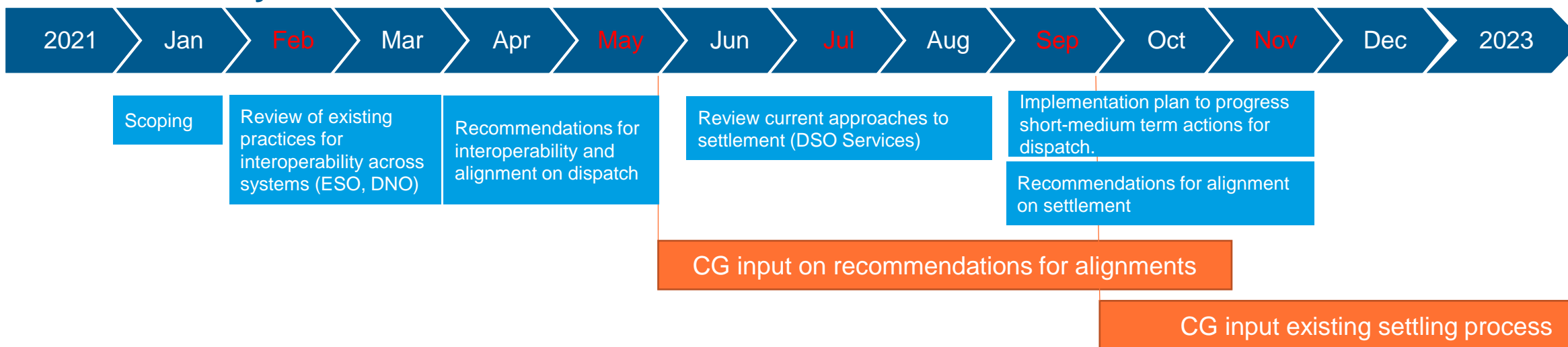
Background

Review of interoperability of systems across DSO and ESO. Review approach to settlement across DSO services.

Development to date

- Developed good practice for activation and dispatch along with capabilities required to support these (2019)
- Implemented by all DNOs from (2020)

Planned activity for 2022



ANM Curtailment information (P8)

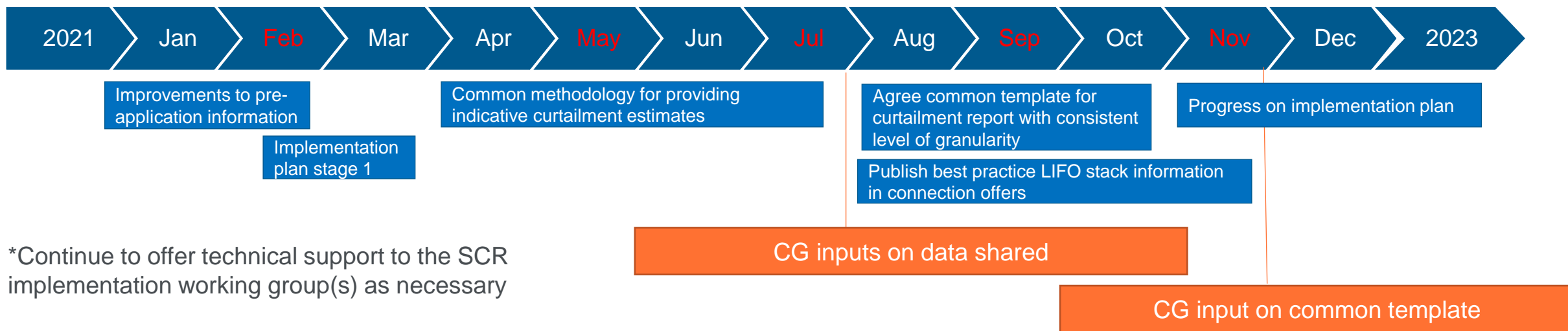
Background

Active Network Management (ANM) enabled Flexible Connections are provided with information on the prospective long term curtailment risk associated with their site.

Development to date

- Developed an implementation plan for improving the provision of curtailment information (2021)
- Broader work on Apportioning Curtailment Risk handed over to Ofgem’s SCR implementation WG (2021)

Planned activity for 2022*



Carbon Reporting (P7)

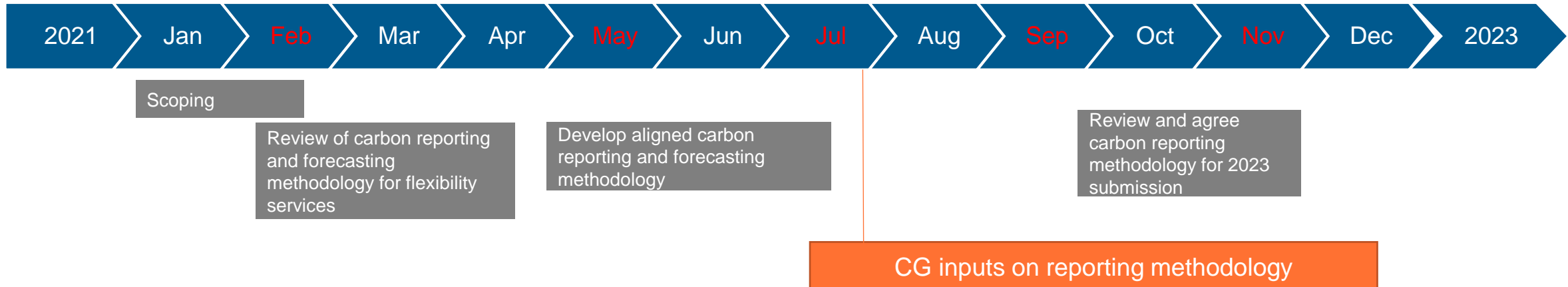
Background

New area of work introduced to feed into Ofgem’s work on developing the reporting requirements for all DNOs under Standard Licence Condition 31E

Development to date

- The product will have limited input into 2022 reporting against SLC31E due to timing.

Planned activity for 2022*



Overarching Common Framework for Flexibility (P0)

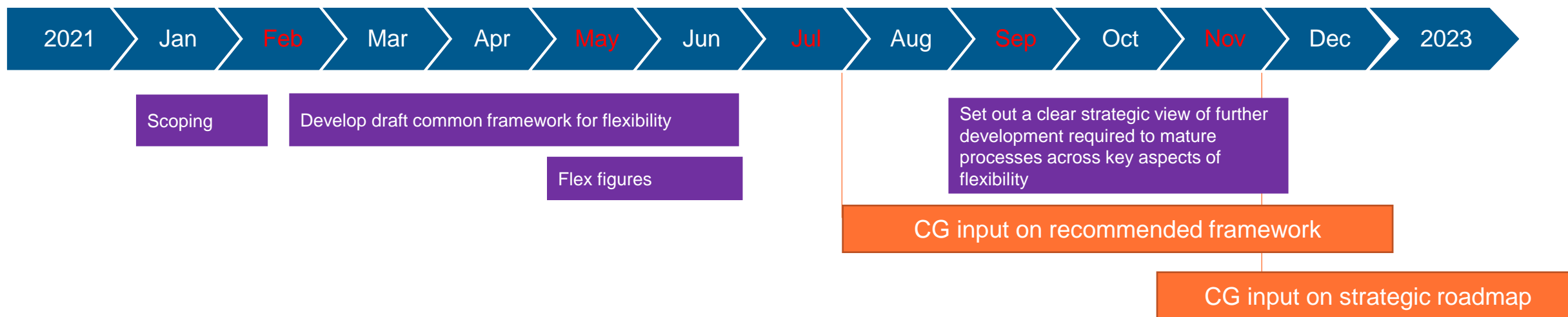
Background

This is a new overarching product that is being introduced to integrate the various components of flexibility work (covered across multiple products) into a common framework for flexibility.

Development to date

- ENA through ON developed Flexibility Commitment - Six Steps for Delivering Flexibility Services (2019)

Planned activity for 2022



Summary

24 Feb	05 May	07 Jul	01 Sep	03 Nov
<ul style="list-style-type: none"> Set context and agree Terms of Reference Product overview 	<p>Inputs on</p> <ul style="list-style-type: none"> further changes for V3 of Common Evaluation Methodology (P1) Input on pre-qualification requirements (P2) Further changes to std agreement (P4) Recommendations for interoperability and alignment on dispatch (P3) Primacy trial design (P5) Stackability analysis (P6) 	<p>Inputs on</p> <ul style="list-style-type: none"> Mid-year progress review Flex product definitions (P6) Carbon reporting methodology (P7) ANM Curtailment data shared (P8) Overarching Common Framework for Flexibility (P0) 	<p>Inputs on</p> <ul style="list-style-type: none"> Implementation of steps towards real time flex procurement (P2) Existing settling process for flex services (P3) Roll out Primacy rules/ second iteration priorities (P5) Further items TBC 	<p>Inputs on</p> <ul style="list-style-type: none"> Developments on reactive power (P6) Common template for curtailment report (P8) Strategic roadmap for flexibility (P0) Further items TBC

Upcoming ENA events

AOB

Useful Links

Programme
Scope for 2022

2021 End of Year
report

Stakeholder
events &
supporting
material

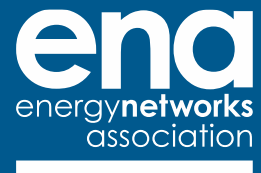
DSO Roadmap

Dissemination
Forum
applications

We welcome feedback and your input

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The voice of the networks