

Open Networks 2022 Flexibility Consultation Wrapper Document

August 2022 | Version 1.0

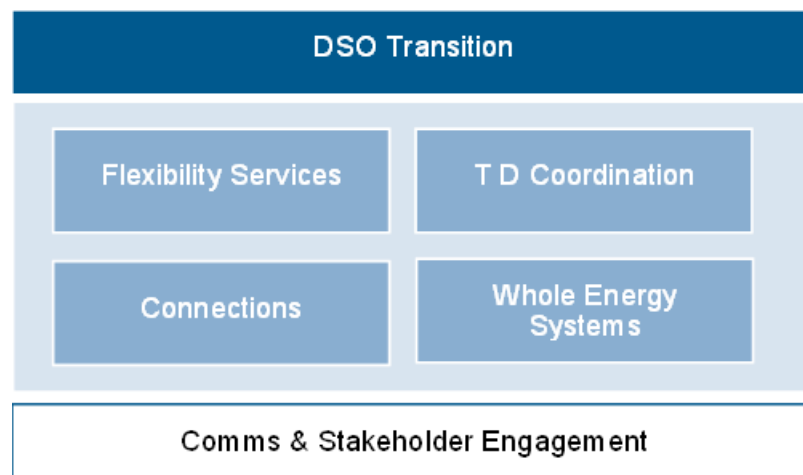
Table of Contents

Table of Contents	2
Introduction and Background to Open Networks	3
Purpose of this Consultation.....	3
How to Engage and Respond.....	4
Next Steps	4
Open Networks 2022 Flexibility Developments	5
Products for Consultation	9
Appendix A - Summary of consultation questions and relevant publications	19

Introduction and Background to Open Networks

Energy Networks Association (ENA) represents the owners and operators of the transmission and/or distribution of energy in the UK and Ireland. On behalf of its members, ENA leads a number of cross-industry initiatives on behalf of networks to address the key challenges across the energy sector and to facilitate low carbon flexibility. The Open Networks programme is one of these strategic initiatives that is leading the transition to a smart and flexible energy system and getting networks ready for Net Zero.

Launched in January 2017, Open Networks is laying the foundations of a smart, flexible energy system in Great Britain and informing future developments in Northern Ireland and Ireland. Over the years, the programme has focussed on the six areas below to enable this transition. The programme has made substantial progress and contributions to the sector, including informing the transition to Distribution System Operation and helping to establish the largest local flexibility market in Europe.



A key priority for the programme is 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 noted in the 2021 Smart Systems and Flexibility Plan).

Purpose of this Consultation

The purpose of this consultation is to seek views and input from stakeholders into flexibility related developments to date, as set out in the 2022 Programme Initiation Document¹. This feedback will be used to update and finalise these developments in the second half of the year and move to

¹ See 2022 PID - [https://www.energynetworks.org/industry-hub/resource-library/on22-prj-2022-programme-initiation-document-\(pid\)-\(13-jan-2022\)-published.pdf](https://www.energynetworks.org/industry-hub/resource-library/on22-prj-2022-programme-initiation-document-(pid)-(13-jan-2022)-published.pdf)

implementation. This feedback will also be considered in the development of our work plan for next year, which we will be consulting on towards the end of this year.

How to Engage and Respond

This consultation will be open for six weeks and closes on **12th September 2022**. Please send your responses to the consultation by email to opennetworks@energynetworks.org.

While the consultation is open, you are invited to join two public webinars on [16th August](#) and [24th August](#). The former will be an in-depth overview of all areas of the consultation and the latter will be a panel session, titled 'A smart, flexible grid: what does it mean for you and your organisation?'. Additionally, we are hosting a dedicated online workshop for Community Energy representatives on 8th September 2022 to provide feedback on our proposals. Community Energy organisations can register [here](#).

All consultation responses are intended to be published on ENA's website, therefore if your response is confidential and not for publication please notify us clearly. Or, if elements of your organisation's response are confidential then please provide us with a full version for consideration and a non-confidential version for publication.

Everyone is welcome to respond: Feedback is welcomed from all stakeholders, including but not limited to: network users, energy market participants, independent distribution network operators, aggregators, suppliers, DER producers, flexibility service providers, consumers, community energy schemes, new and existing business models, and technology businesses.

Please respond as you can: As with all of our recent Open Networks' consultations, we would encourage stakeholders to respond in whatever format and with whatever level of detail they wish to respond with. If that is a few bullets with key points or a comprehensive answer to all of our questions, all feedback is welcome.

Next Steps

The consultation closes on 12th September 2022. Please send your responses to opennetworks@energynetworks.org.

All responses will be analysed by the Open Networks team and will be used to update proposals and to inform future developments, including the development of the 2023 work plan that we will be consulting on towards the end of this year.

It is our intention to review the responses to this consultation and publish our comments on the feedback by the end of October 2022 on ENA's website.

Open Networks 2022 Flexibility Developments

Size and Scale of Local Flexibility Markets

Since the Flexibility workstream (WS1A) was first launched in 2019 our work has helped to standardise and simplify processes in a transparent way, contributing to the development of world leading local flexibility markets.

We have monitored the growth of the flexibility services market since 2018, publishing an annual breakdown showing the volumes of flexibility tendered, and volumes contracted per DNO, per flexibility product, per year.

The latest figures reveal that Great Britain's flexibility market continues to be world leading with a record level of local flexibility contracted by Britain's electricity distribution networks. In the last financial year, over 3.7GW of flexibility was made available to the market to respond to and around 2GW of this was contracted. Looking forward to this financial year, networks have already contracted 1GW of capacity and this is set to increase in the coming months as more flexibility is expected be tendered closer to real time over the course of the year.

Whilst these figures indicate strong progress, there is more that needs to be done to help bring further liquidity into these markets and this will be a key priority and focus area for 2023.

These figures are published on the [ENA website](#).

DSO Tenders (Industry Total)	Sustain (MW)	Secure (MW)	Dynamic (MW)	Restore (MW)	Reactive Power (MVar) (if applicable)
	Peak Capacity (MW)	Peak Capacity (MW)	Peak Capacity (MW)	Peak Capacity (MW)	Peak Capacity (MVar)
Contracted for 2018	0	24	34	59	0
Contracted for 2019	0	10	121	125	0
Contracted for 2020	2	105	556	502	0
Tendered for 2020	14	493	771	778	7
Contracted for 2021/22	28	375	926	538	0
Tendered for 2021/22	57	840	1584	1149	5
Contracted for 2022/23*	37	192	643	220	0
Tendered for 2022/23*	141	802	1289	961	11

* Contracted/Tendered to date, more expected over the remainder of 2022

Focus Areas

A key objective for 2022 is to build on work to date to further 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.

Over the years, our Flexibility workstream has incrementally developed and translated all aspects of the flexibility services lifecycle into 'Business as usual' through greater standardisation (across DNOs and with the ESO), simplification and transparency in decision-making². In 2022, Open Networks is building on this and is traversing into more complex aspects of flexibility markets (such the move to closer to real time procurement of flexibility and developing primacy rules) to help improve offerings for providers and to increase liquidity in these markets.

The Ofgem and BEIS 2021 Smart Systems and Flexibility Plan has been a key input into our work plan for this year and a number of deliverables are progressing actions from this plan, as noted in the 2022 PID.

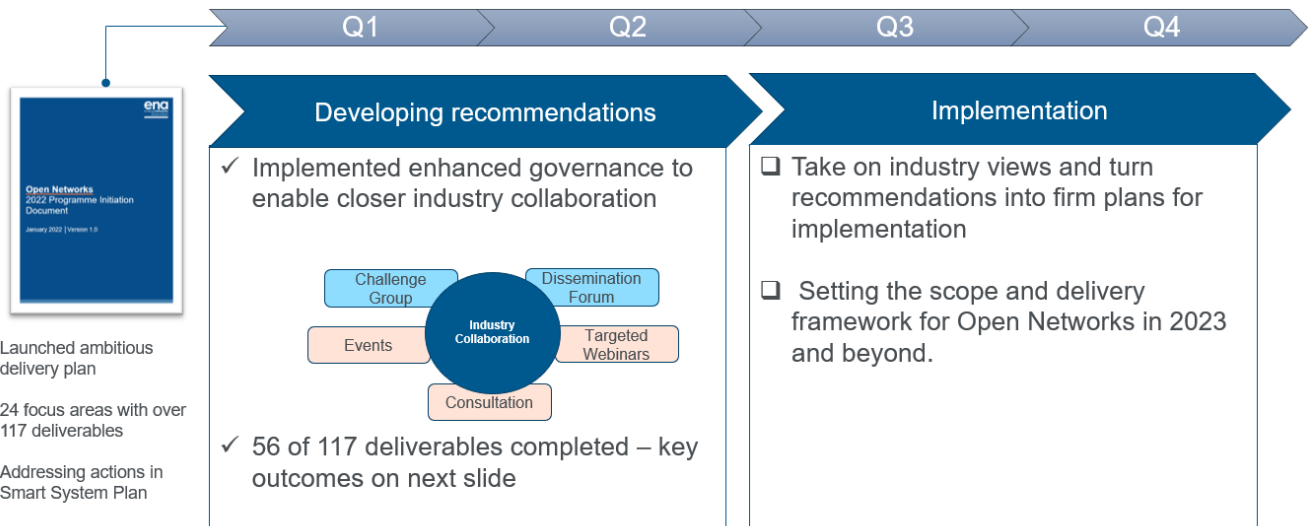
Delivery Approach

As we started the year, a key focus was getting the fundamentals right and making sure that we have the right governance in place to work more closely with key stakeholders and the broader industry. As part of this we revised our governance to provide more platforms and avenues for the industry to engage with us in ways that work for them. This resulted in the setting up of the Open Networks Challenge Group³ that is independently chaired and has over 21 key representatives from the sector that are providing ongoing input and challenge into our development work. We also setup a Dissemination Forum for broader engagement with the sector that has enables us to have a wider reach. Alongside this, we are continuing engagement through other channels such as focus groups for key products, industry workshops, and public consultations.

The way the 2022 programme has been setup, the focus in the first half of the year has been on developing recommendations for change and opening them up for wider industry feedback in the form of this public consultation. Our focus for the second half of the year will be on taking this feedback on board and turning recommendations into firm implementation plans.

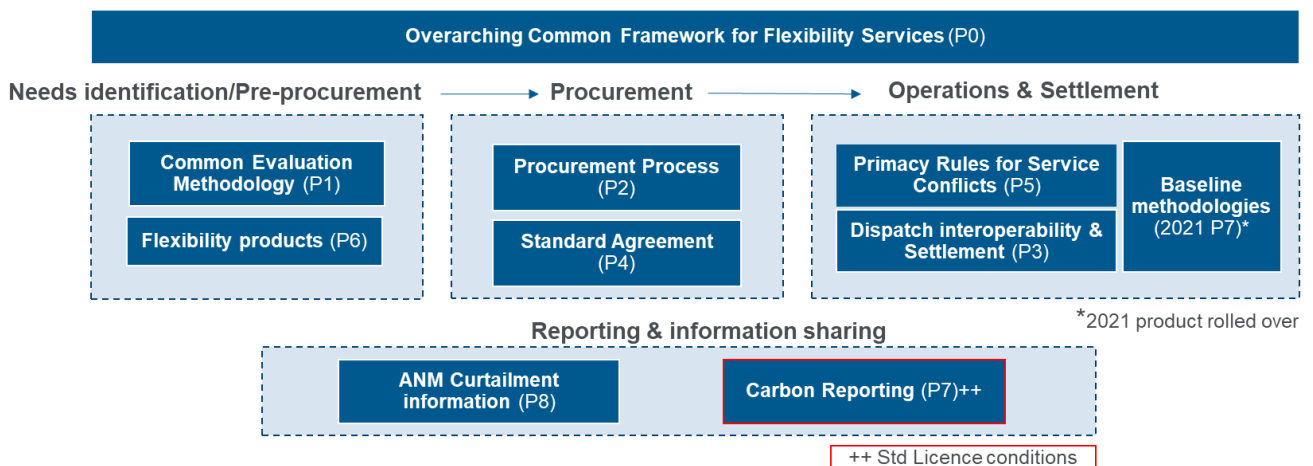
² See 2021 End of Year Review - [https://www.energynetworks.org/industry-hub/resource-library/on21-prj-end-of-year-review-\(17-feb-2022\).pdf](https://www.energynetworks.org/industry-hub/resource-library/on21-prj-end-of-year-review-(17-feb-2022).pdf)

³ See Terms of Reference - [https://www.energynetworks.org/assets/images/Resource%20library/ON22-PRJ%20Open%20Networks%20Challenge%20Group%20Terms%20of%20Reference%20\(03%20Mar%202022\).pdf](https://www.energynetworks.org/assets/images/Resource%20library/ON22-PRJ%20Open%20Networks%20Challenge%20Group%20Terms%20of%20Reference%20(03%20Mar%202022).pdf)



Summary of Flexibility Product Areas

The Open Networks Flexibility programme consists of 9 product areas across the flexibility lifecycle, as indicated in the diagram below. Some of these products are new areas of work in the programme and others were initiated a few years ago that are now being developed further or improved continually. This year, we introduced an overarching product based on stakeholder feedback, that consolidates work across the various aspects of flexibility and sets out a clear strategic view of further development.



Below is a brief description of these products:

- **Overarching common framework for Flexibility services (ON22 WS1A P0)**: Develop a strategic framework and roadmap that is accessible to an industry-wide audience to set out a consolidated view of key areas of work that are relevant to the proliferation of flexibility.
- **CEM (ON22 WS1A P1)**: Enhancements to the Common Evaluation Methodology (CEM) (and tool) used to evaluate flexibility vs the counterfactual.
- **Procurement Process (ON22 WS1A P2)**: Alignment of flexibility services procurement processes across DNOs and ESO, including pre-qualification and planning move to real time procurement.
- **Dispatch interoperability & Settlement (ON22 WS1A P3)**: Review of interoperability of systems across DNO and ESO. Review approach to settlement across DNO services.
- **Standard Agreement (ON22 WS1A P4)**: Improvement to existing Standard agreement for procuring flexibility services across DNO and ESO.
- **Primacy Rules for service conflicts (ON22 WS1A P5)**: Defining and implementing 'Primacy Rules' for the ESO and DNOs to manage service conflicts.
- **Flexibility Products (ON22 WS1A P6)**: Review of existing and new flexibility products for standardisation (where divergence is deemed a market barrier) and undertake further analysis on stackability to address barriers.
- **Carbon Reporting (ON22 WS1A P7)**: Support Ofgem's/BEIS' initiative to achieve common methodologies for carbon reporting and monitoring across DNOs.
- **ANM Curtailment Information (ON22 WS1A P8)**: Improved provision and accessibility of curtailment information for ANM enabled Flexible Connections.
- Additionally, Open Networks completed the implementation of common Baseline Methodologies for measuring delivery of flexibility services (*continuation from 2021) and delivered a common tool in Apr 2022.

Although this consultation is focused on developments undertaken through the Flexibility workstream, Open Networks continues to deliver work across its other workstreams including T-D Co-ordination, Customer Connections and Information provision, DSO Transition and Whole Energy Systems.

Products for Consultation

This section summarises all the products and proposals that we are consulting on and the questions that we are seeking input on.

(ON22 WS1A P0)	Overarching Common Framework for Flexibility
<p data-bbox="151 595 829 629"><i>Consolidation of work on flexibility - initiated in 2022</i></p> <p data-bbox="151 663 325 696">Background</p> <p data-bbox="151 696 1449 965">The Smart Systems and Flexibility Plan (2021) coupled with stakeholder feedback provided through a public consultation undertaken in Q4 2021, have guided prioritisation of the development of a common framework in the 2022 workplan. This product was introduced to coordinate and consolidate the various building blocks of flexibility into a common framework and to set out a clear strategic view of further development required for the proliferation of existing and future flexibility markets. The framework and roadmap are intended to cater to an industry-wide audience, setting out the high-level trajectory of the industry and is not specific to the outputs from the Open Networks programme or any individual network company.</p> <p data-bbox="151 999 730 1032">2022 progress and areas for consultation</p> <p data-bbox="151 1032 1449 1167">We have developed an initial draft of the Common Framework for Flexibility and the Strategic Roadmap. It is to be noted that this is still very much an early draft and we are looking for early stakeholder feedback on the structure and layout to help us build this further in a way that is useful for the industry.</p> <p data-bbox="151 1200 1449 1435">The framework is structured to reflect existing (e.g. ESO and DNO) and future flexibility markets (e.g. Peer-to-Peer, Capacity trading) and are contextualised under Ofgem's three main Distribution System Operation Roles that are identified in their RIIO-ED2 business plan guidance. Together with the roadmap, this framework will help industry stakeholders track key developments in the flexibility landscape over the past years (RIIO-ED1) and get a clear strategic view of further development required to mature processes across key aspects of flexibility in short, medium and longer term (across RIIO-ED2).</p> <p data-bbox="151 1469 1449 1570">It is to be noted that this roadmap is not intended to track individual company progress against activities as it is intended to be high-level, and this detail is already covered in the Open Networks' DSO Implementation Plan.</p> <p data-bbox="151 1603 1449 1771">We will continue to develop this roadmap further in H2 of 2022, using it to guide the discussion around the key priorities for the Open Networks programme in 2023. A more developed version of the framework and the roadmap, reflecting feedback received via the consultation will be published in Dec-22, along with the proposed work plan for the Open Networks programme for 2023.</p> <p data-bbox="151 1805 1449 1872">Going forwards, this framework and roadmap will be maintained periodically to reflect the latest industry developments and to guide our work in Open Networks.</p>	

The draft Common Framework for Flexibility and the Strategic Roadmap are published on ENA website. This year’s Flex figures are also published as a part of this product.	
Consultation questions	
P0-1	Is a high-level framework and strategic roadmap useful to your business area? If yes, how would this be put to use?
P0-2	How can we improve the framework and roadmap to make it more useful for your business area?
P0-3	Are you aware of the Flex figures being published each year on ENA website? How does your understanding of GB’s growing flexibility market size help you and how are you using this information?
P0-4	What would the industry like to see from the Open Networks programme to facilitate the move to more liquid, developed and coordinated local flexibility markets?
Relevant publications	
<ul style="list-style-type: none"> • Overarching Common Framework and Strategic Roadmap for Flexibility 	

(ON22 WS1A P1)	Common Evaluation Methodology (CEM)
<p><i>Incremental development – Work initiated in 2020</i></p> <p>Background V1.0 of the Common Evaluation Methodology (CEM) and Tool developed by the Open Networks programme in 2020 went live on 1st April 2021 and is being used by all DNOs to evaluate flex and traditional intervention options for an identified network need. The CEM provides transparency and alignment on how DNOs make decisions in the pre-procurement stage to choose the most suitable solution from options such as ANM schemes, flexibility services, reinforcement, or others (including non-firm connections).</p> <p>2022 progress and areas for consultation In Q1 2022, this product continued stakeholder engagement with academics and industry “critical friends” followed by a standalone consultation to seek inputs on the methodologies for incorporating option value into the CEM and the changes to carbon valuation which were developed in 2021 and then published as CEM V2.1, in Jan 2022.</p> <p>In addition, the product team have clarified the interaction of the CEM tool the Whole System CBA (WS4 P1- A complementary tool developed by Open Networks, that allows the user to evaluate a range of options from a whole systems perspective) and other related CBA tools and methodologies. The interaction report sets out how these fit into existing processes for network options assessment across the ESO and DNOs short term, medium and longer term.</p> <p>Based on the feedback received through the consultation there is a clear steer from stakeholders that whilst they support ENA’s work on evaluation tools they want greater transparency on a range of points and greater clarity on the scope and use of CEM tool. Further details of the feedback received, and outcomes of the consultation were published on ENA’s website.</p>	

No additional feedback is sought at this stage.

Relevant publications

- [CEM Ver 2.1 tool](#)
- [CEM Interaction report](#)
- [Summary of outcomes from consultation and recommendations](#)

(ON22 WS1A P2) Procurement Processes

Incremental development- Work initiated in 2019

Background

Previously, this product has delivered alignment across DNOs on activities relating to procurement of flexibility services including definition of common flexibility services, alignment across DNOs on procurement activities, timelines including how and when tenders are assessed by DNOs.

2022 progress and areas for consultation

This product has built on the [2021 WS1A P4 Evolution Report](#) that detailed the steps required to move towards a framework style agreement for procuring flexibility. A review of current network processes and development plans was undertaken, and a report was generated which set out a best view of steps required in the short, medium, and longer term to move towards real time flexibility procurement.

Alongside work on real time procurement, this product has also reviewed approaches to pre-qualification employed across DNOs and ESO, capturing the pros and cons of the different methods. The report utilises some of the inputs from the [gap analysis](#) of procurement process undertaken by WS1A P4 (Standard Agreement – Alignment of Contract for DNO/ESO services) to develop a view of which criteria can be standardised whilst identifying the product specific pre-qualifications incorporating key learnings from the roll out of ESO single market platform.

We are seeking feedback on both the reports delivered by the product team, namely, the report setting out recommendations to move to real time and the report which include recommendations for the alignment of certain criteria and the approach to pre-qualification across the organisations, seeking to align where possible.

Following the outcomes from the consultation, the product team will develop a clear and detailed implementation plan that sets out how the steps identified above will be delivered by network operators and by when.

Consultation questions

P2-1	Are there any key considerations for enabling local flexibility markets' evolution towards real-time/closer to real-time procurement that the P2 Product haven't included in the paper 'Recommended steps to move to real-time procurement'?
P2-2	Do you agree that prioritising the alignment of technical pre-qualification processes ahead of the alignment of commercial pre-qualification processes offers the most significant benefits to the market as detailed in the paper 'Recommendations for the alignment of Pre-qualification processes'?
Relevant publications	
<ul style="list-style-type: none"> • Recommended steps to move to real-time procurement • Recommendation for alignment for pre-qualification 	

(ON22 WS1A P3)	Dispatch Interoperability and Settlement
<i>Incremental development with new elements on interoperability - Work initiated in 2019</i>	
<p>Background This product builds on the 2019 WS1A Product 3 Dispatch and Settlement activity. Previously, this work concluded that due to the DNOs having varying levels of experience operating flexibility services and settlement processes, this activity should be undertaken later when more knowledge and experience of these activities has been gained.</p> <p>2022 progress and areas for consultation The product team undertook a detailed review of existing dispatch practice along with a gap analysis that captured individual network companies' processes across DNOs and ESO. This review showed that currently there are a range of different approaches for how dispatch is managed and communicated by different System Operators. At this stage the most significant alignment across DNOs is the use of the Flexible Power platform to manage dispatch. However, this alignment is the result of a common choice of platform for managing dispatch rather than as the result of a decision to align practices between DNOs.</p> <p>We are seeking inputs on the longer term view set out in the recommendations report to transition to using APIs as the primary way of communicating dispatch requirements with Service Providers as this will allow the greatest level of automation and make it easier to operate at scale, noting that alternative dispatch methods may also be necessary to engage with smaller providers who may not be willing or able to afford the costs of integrating with an API based platform.</p>	
Consultation questions	
P3-1	Do you agree that APIs should become the main method for System Operators to dispatch flexibility services?
P3-2	If a new dispatch API is developed for managing dispatch, how long do you think is a reasonable timeframe for flexibility service providers to implement the changes required to use the new API (i.e. how long should the use of old APIs by existing service providers be

	permitted)?
P3-3	Are there any interim steps that could help contribute to dispatch interoperability ahead of the development of a common API?
Relevant publication	
<ul style="list-style-type: none"> • Recommendations for alignment of dispatch 	

(ON22 WS1A P4) Standard Agreement - Alignment of Contract for DNO/ESO services	
<i>Incremental development - Work initiated in 2020</i>	
<p>Background</p> <p>The Standard Agreement is a key deliverable from Open Networks that has helped to standardise and simplify the flexibility procurement process. The Standard Agreement for flexibility services was first implemented in April 2020 by all DNOs. Version 2.0 of the Agreement was subsequently released following consultation in July 2021 and is the first version to be utilised by both the DNOs and the ESO. This version brought the Agreement another step closer to a framework approach and delivered further simplification, similar to the ESO’s suite of services.</p> <p>2022 progress and areas for consultation</p> <p>The product team undertook a detailed gap analysis to understand the end-to-end contracting journey and associated procurement processes of each DNO and the ESO. A report was then generated that outlines the differences and areas of convergence in contracting journeys and associated procurement processes. The learnings from this product were also shared with 2022 WS1A P2 Procurement Process, to ensure they are appropriately reflected in developing their recommendations</p> <p>Following the gap analysis, the product team have delivered recommendations for the initial step to standardising Schedules which is to move to service-based Schedules. It was noted that service-based Schedules allow service specific details to accommodate some of the service specific differences due to the subtle variation of how each service is procured by distribution companies, whilst still enabling uniformity across organisations in the structure and format of each schedule.</p> <p>We are seeking views from the industry on the proposed move to service-based schedule structures as part of a standard agreement.</p>	
Consultation questions	
P4-1	Do you support the move to a service-based schedule structure? If not, please provide reasons why.
P4-2	Going forward what other areas of work would you like to see the P4 Product address as part of the next tranche of work for the Standard Agreement and supporting documents?
Relevant publication	

- [Recommendations for standardisation of schedule](#)

(ON22 WS1A P5) Primacy Rules for Service Conflicts

New area of work – Work initiated in 2021

Background

There is a need for both the DNOs and the ESO to have a set of clear principles and primacy rules for addressing conflicts between the transmission and distribution networks for a range of scenarios. A series of Primacy Rules will be required as the system needs, products, and services evolve over time.

In 2021, the product identified and agreed a range of primacy principles as well as likely scenarios prioritised by value to networks and FSPs, and an initial delivery plan for the first few iterations of rules development. A Primacy focus group consisting of users with relevant experience and / or currently navigating both DNO and ESO service provision was also created to review and challenge the assumptions, processes, and outcomes of the product team, to ensure the maximum value is created.

This product is a continuation of the work initiated in 2021, with the detailed plan [here](#).

2022 progress and areas for consultation

In 2022, the product scope covers the delivery, testing, and initial implementation of the first version of Primacy Rules for flexibility providers, networks, stakeholders, market platform designers etc. for the limited use [cases identified](#) for the first iteration. The use cases selected for trial include the conflict between the below services, on different assets in the same local network:

- DNO Services and the new Transmission Constraint Management Service
- Within the Balancing Mechanism (BM); ESO actions that cover Voltage Management, Inertia Management and Constraints in conjunction with DNO service

Within each use case a number of rules were identified and scored. Draft rules for testing were selected, acknowledging the trade-off between deliverability and efficiency. The draft rules are published [here](#). These are now being tested by the relevant DNOs and the ESO with roll out where needed targeted by April 2023.

In parallel we are also looking at a second more complex use case, which we have identified for the second rules development iteration. This looks at the interaction between generators on ANM connections, and nearby providers of STOR. With the support of consultants, we are running a more detailed CBA to assess the trade-offs between different scenarios of ESO and DNO priority to ensure the rule that is deployed delivers the best overall outcome for GB consumers.

Given the complex nature of the product, and the existing route to provide feedback via the Focus Group, no specific questions have been included in this consultation. Should you want to get more involved in the product, please register your interest in the focus group by emailing to opennetworks@energynetworks.org .

Relevant publications

- [Detailed Product delivery plan](#)
- [Draft Primacy rules](#)
- [Use case Prioritisation](#)

(ON22 WS1A P6) Flexibility Products

Fresh Review - Reinitiated in 2022

Background

Open Networks has previously developed common definitions and technical parameters for four active power services that have been procured by DNOs since 2019. DNOs have continued to develop their flexibility offerings over the years in response to stakeholder feedback and refined their processes to best suit their respective operational requirements as they learn from implementation.

This has resulted in some variance between the DNOs based on how they have interpreted the service to best suit their networks and internal processes to drive the most value for their customers. It is also important to note that not all the DNOs are currently procuring all four products, and some of the reflections on variance are speculative on that basis.

2022 progress and areas for consultation

The product team have undertaken a gap analysis to identify where DNO’s interpretation of products maintains some divergence, and to understand the reasons for this. The table below summarises the findings from this gap analysis, highlighting the key areas of divergence.

Parameter	SUSTAIN DNO interpretation	SECURE DNO interpretation	DYNAMIC DNO interpretation	RESTORE DNO interpretation
Network constraint	Pre-Fault	Pre-Fault / planned outage	Network abnormality	Network abnormality
Procurement timescale	Annual/Season	Annual/Season	Annual/Season	Annual/Season
Payment mech	Utilisation only	Availability & Utilisation	Availability & Utilisation / Utilisation only	Utilisation only
Availability Agreement period	Pre-determined	Year ahead / 2 weeks ahead / Week ahead	No availability / Week ahead / 2 weeks ahead	N/A No availability
Utilisation Instruction	Scheduled contract stage	Week ahead / Real time / Within day	Real time / Within day / day ahead	Real Time
Dispatch mechanism	Scheduled / Self dispatch	API - 15 mins / Phone / Email	API - 15 mins / Phone / Email	API / Phone / Email

We are seeking feedback from the industry to understand their priorities for alignment of the existing four active power products before undertaking work to align them. We are keen to understand whether industry would value the creation of a new product whereby DNO’s procure at the day ahead stage any further flexibility required to address a forecasted shortfall.

Consultation questions	
P6-1	Are the 4 active power products clear and easy to understand? If no, please provide further detail.
P6-2	What are the most important parameters to you in terms of distinguishing between products?
P6-3	Do you view the current divergence between different DNO's interpretation of products, such as through response times, procurement timescales, and payment mechanics as a barrier to participation? If yes, which parameter is the biggest barrier?
P6-4	Do you have a view on whether future work should focus on further development of closer to real time procurement or longer-term contracts? If so, should this be applied to all flexibility products or specific ones?
Relevant publication	
<ul style="list-style-type: none"> Review of active power services and areas of divergence 	

(ON22 WS1A P7)	Carbon Reporting
<i>New area of work - initiated in 2022</i>	
<p>Background This is a new area of work for Open Networks and has been introduced based on action 3.6 in the 2021 Smart Systems and Flexibility Plan that requires networks to develop common methodologies for carbon reporting and monitoring of flexibility markets by 2023.</p> <p>2022 progress and areas for consultation With a view to develop a common methodology for inclusion in each DNO's Distribution Flexibility Services Procurement Report, as required under the distribution Standard Licence Condition 31E, this product team have reviewed the options for carbon reporting. The product team then published a report which proposed a methodology that all DNOs will adopt for future reporting, with notes and recommendation for further development.</p> <p>This methodology specifies the calculation of direct and consequential impacts, whilst indirect impacts are recommended for inclusion as part of future work. Direct impacts can include emissions from burning fuel in the case of a generator when dispatched. Consequential impacts can include displacing another generator as a result of changing the energy balance, and indirect impacts can include emissions embedded in the materials used by the flexible asset. There are also counterfactual carbon impacts, such as network reinforcement or using a backup generator, from which flexibility services impacts could be evaluated. However, they were deemed beyond the scope of the product for this year.</p> <p>The proposed methodologies are standardised depending on whether the resource is generation, storage, or demand. But within these broad groupings there are sub-categorisations such as the</p>	

<p>type of generation, which determines the conversion factors used, such as fuel emission factors or generator efficiencies. These factors generally come from standard industry accepted sources.</p> <p>We are seeking views from the industry on the proposed methodology that all DNOs will adopt for future reporting and areas for future development.</p>	
<p>Consultation questions</p>	
P7-1	Do you agree with the reporting boundary adopted – direct and some consequential impacts, whilst indirect impacts recommended to be reviewed as part of future work?
P7-2	Do you agree with the proposed carbon impact calculation formula?
P7-3	Do you agree with the data sources used? If not, do you have alternative data source recommendations?
P7-4	If time-series grid intensity factors were used, what assumptions should we make on the timing of storage charging and demand payback?
P7-5	Do you agree with the proposed areas of future work? Which areas of future work should be prioritised?
<p>Relevant publications</p> <ul style="list-style-type: none"> • Proposed carbon reporting methodology for flexibility services 	

(ON22 WS1A P8)	ANM – Curtailment Information
<p><i>Incremental development - Work initiated in 2020</i></p> <p>Background In 2021, the product explored the availability of curtailment information in order to enhance opportunities in flexible services and revenue stacking for assets with Flexible Connections (ANM) and to create additional services for flexibility service providers who can replace the need for curtailment through flexibility products.</p> <p>2022 progress and areas for consultation The product team have followed through on the steps identified in the implementation plan published in 2021 for improving the provision of curtailment information. The product team have delivered a report to establish a common methodology across all GB DNOs for providing indicative pre-application curtailment estimates, based on technology type and location. The product team are continuing to coordinate the publication of generation profiles, such that asset developers and non-networks stakeholders are able to use these for further curtailment studies.</p> <p>The product team have also worked with stakeholders to develop a strategy for improving the availability of curtailment information with a phased delivery of improved curtailment information throughout the remainder of ED1. A common methodology and a set of recommendations have been developed so that DNOs can agree on a consistent timeframe for updating constraint information on heat maps.</p> <p>We are seeking views from asset owners and wider industry on whether we need to make any</p>	

changes to our plans for sharing the curtailment information in light of Ofgem Final Decision on Access and Forward-Looking Charges Significant Code Review.	
Consultation questions	
P8-1	An Implementation Plan for Improving sharing of Curtailment Information was published in 2021. Does the scope still meet your needs? If not, what additional requirements are there?
P8-2	In light of the Ofgem Final Decision on Access and Forward-Looking Charges Significant Code Review, what curtailment related information would be useful to you at pre-application stage and why?
Relevant publications	
<ul style="list-style-type: none"> • 2021 data sharing implementation plan & implementation tracker • Common methodology for providing curtailment estimates 	

(ON21 WS1A P7)	Roll out of baselining tool
<p>Background and areas for consultation</p> <p>Led by the 2021 P7 product team, working in collaboration with the Transition Project (SSEN led NIC project) the baselining tool was formally released for public use in 2022. The tool enables the exploration of the calculated baselines and provides an indicative view of the delivery of the required flexibility. This tool helps flexibility service providers follow a clear and common approach to understand and verify of the volume of flexibility services provided to the network operators. After the user provides their historical site demand/export data a range of baselining methodologies can be applied to generate a corresponding baseline. Following a flexibility event, the tool can also be used to verify a user’s actual demand or generation profile against the baseline to give an initial view of the success of the service delivery.</p> <p>We are seeking feedback from the industry on the use and usability of the tool.</p>	
Consultation questions	
P7-1 (2021)	Are you aware of the Baseline tool on ENA Website? Do you use or intend to use this tool?
P7-2 (2021)	Do you have any feedback on the tool and potential areas for further development for us to consider?
Relevant publications	
<ul style="list-style-type: none"> • Flexibility Baseline Tool • User guide • Supporting mathematical calculation 	

Appendix A - Summary of consultation questions and relevant publications

(ON22 WS1A P0) Overarching Common Framework for Flexibility	
Consultation questions	
P0-1	Is a high-level framework and strategic roadmap useful to your business area? If yes, how would this be put to use?
P0-2	How can we improve the framework and roadmap to make it more useful for your business area?
P0-3	Are you aware of the Flex figures being published each year on ENA website? How does your understanding of GB's growing flexibility market size help you and how are you using this information?
P0-4	What would the industry like to see from the Open Networks programme to facilitate the move to more liquid, developed and coordinated local flexibility markets?
Relevant publications	
<ul style="list-style-type: none"> • Overarching Common Framework and Strategic Roadmap for Flexibility 	
(ON22 WS1A P2) Procurement Processes	
Consultation questions	
P2-1	Are there any key considerations for enabling local flexibility markets' evolution towards real-time/closer to real-time procurement that the P2 Product haven't included in the paper 'Recommended steps to move to real-time procurement'?
P2-2	Do you agree that prioritising the alignment of technical pre-qualification processes ahead of the alignment of commercial pre-qualification processes offers the most significant benefits to the market as detailed in the paper 'Recommendations for the alignment of Pre-qualification processes'?
Relevant publications	
<ul style="list-style-type: none"> • Recommended steps to move to real-time procurement • Recommendation for alignment for pre-qualification 	
(ON22 WS1A P3) Dispatch Interoperability and Settlement	
Consultation questions	
P3-1	Do you agree that APIs should become the main method for System Operators to dispatch flexibility services?
P3-2	If a new dispatch API is developed for managing dispatch, how long do you think is a reasonable timeframe for flexibility service providers to implement the changes required to use the new API (i.e. how long should the use of old APIs by existing service providers be permitted)?
P3-3	Are there any interim steps that could help contribute to dispatch interoperability ahead of

	the development of a common API?
Relevant publication	
<ul style="list-style-type: none"> • Recommendations for alignment of dispatch 	
(ON22 WS1A P4)	Standard Agreement - Alignment of Contract for DNO/ESO services
Consultation questions	
P4-1	Do you support the move to a service-based schedule structure? If not, please provide reasons why.
P4-2	Going forward what other areas of work would you like the see the P4 Product address as part of the next tranche of work for the Standard Agreement and supporting documents?
Relevant publication	
<ul style="list-style-type: none"> • Recommendations for standardisation of schedule 	
(ON22 WS1A P6)	Flexibility Products
Consultation questions	
P6-1	Are the 4 active power products clear and easy to understand? If no, please provide further detail.
P6-2	What are the most important parameters to you in terms of distinguishing between products?
P6-3	Do you view the current divergence between different DNO's interpretation of products, such as through response times, procurement timescales, and payment mechanics as a barrier to participation? If yes, which parameter is the biggest barrier?
P6-4	Do you have a view on whether future work should focus on further development of closer to real time procurement or longer-term contacts? If so, should this be applied to all Flexibility products or specific ones?
Relevant publication	
<ul style="list-style-type: none"> • Review of active power services and areas of divergence 	
(ON22 WS1A P7)	Carbon Reporting
Consultation questions	
P7-1	Do you agree with the reporting boundary adopted – direct and some consequential impacts, whilst indirect impacts recommended to be reviewed as part of future work?
P7-2	Do you agree with the proposed carbon impact calculation formula?
P7-3	Do you agree with the data sources used? If not, do you have alternative data source recommendations?
P7-4	If time-series grid intensity factors were used, what assumptions should we make on the timing of storage charging and demand payback?
P7-5	Do you agree with the proposed areas of future work? Which areas of future work should

	be prioritised?
Relevant publications	
<ul style="list-style-type: none"> • Proposed carbon reporting methodology for flexibility services 	
(ON22 WS1A P8)	ANM – Curtailment Information
Consultation questions	
P8-1	An Implementation Plan for Improving sharing of Curtailment Information was published in 2021. Does the scope still meet your needs? If not, what additional requirements are there?
P8-2	In light of the Ofgem Final Decision on Access and Forward-Looking Charges Significant Code Review, what curtailment related information would be useful to you at pre-application stage and why?
Relevant publications	
<ul style="list-style-type: none"> • 2021 data sharing implementation plan & implementation tracker • Common methodology for providing curtailment estimates 	
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Consultation questions	
P7-1 (2021)	Are you aware of the Baseline tool on ENA Website? Do you use or intend to use this tool?
P7-2 (2021)	Do you have any feedback on the tool and potential areas for further development for us to consider?
Relevant publications	
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Click to access documents below

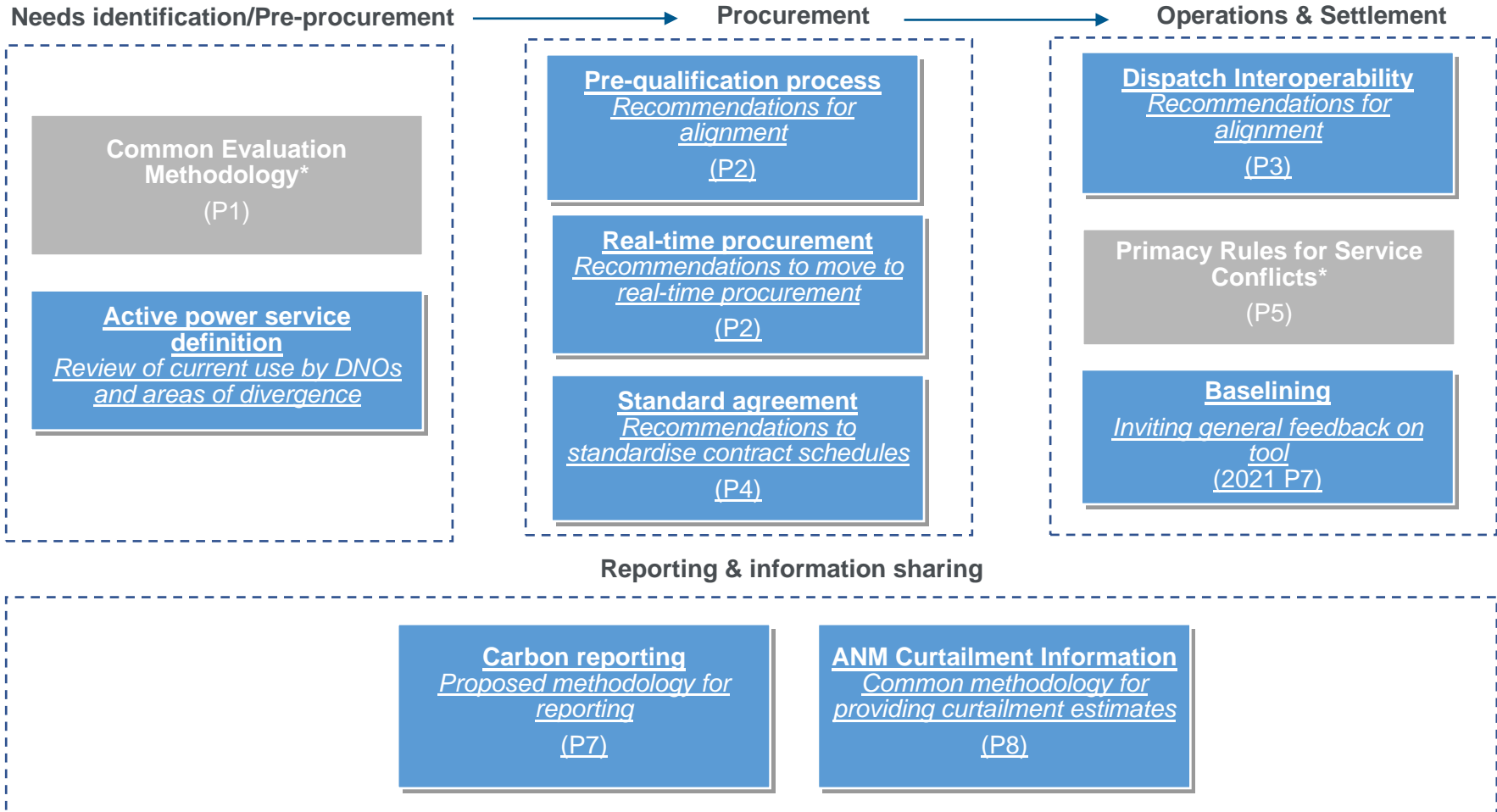
Flexibility Consultation Wrapper

Overview and summary

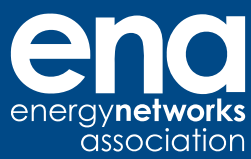
Overarching Common Framework and Strategic Roadmap for Flexibility

Early draft of framework and roadmap

(P0)



* No deliverables seeking input as part of this consultation. Please see the relevant product section of the Flexibility Consultation Wrapper for full details.



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