

By e-mail to: opennetworks@energynetworks.org

23 March 2020

Dear Open Networks Project Team,

ELEXON's response to your consultation on the Open Networks 2020 workplan.

We are highly supportive of the ambitious 2020 workplan set out by the Open Networks project, tackling issues of critical importance to the deployment of flexible energy resources across GB. We are looking forward to providing continued support to Open Networks and the government's Smart System and Flexibility plan.

ELEXON is the Code Manager for the Balancing and Settlement Code (BSC). We are responsible for managing and delivering the end-to-end services set out in the BSC and accompanying systems that support the BSC. This includes responsibility for the delivery of balancing and imbalance settlement and the provision of assurance services to the BSC Panel and BSC Parties. We manage not just the assessment, but also the development, implementation and operation of changes to our central systems and processes. In addition, through our subsidiary, EMR Settlements Ltd, we are the Electricity Market Reform (EMR) settlement services provider, acting as settlement agent to the Low Carbon Contracts Company (LCCC), for the Contract for Difference (CfD) and Capacity Market (CM). EMR services are provided to the LCCC through a contract and on a non-for-profit basis.

Our views in relation to the consultation are explained below. For the avoidance of doubt these views are those of ELEXON Ltd alone, and do not seek to represent those of the BSC Panel or Parties to the BSC.

If you would like to discuss our response in detail, please contact Peter Frampton, peter.frampton@elxon.co.uk.

Yours sincerely,

Peter Frampton,
Market Architect, Design Authority

OPEN NETWORKS 2020 WORKPLAN CONSULTATION: ELEXON'S RESPONSE

1. Please provide us with any comments on our 2020 Open Networks Project workplan set out in v1.0 of the Project Initiation Document

Consistency of process across distribution regions is a key aspect in unlocking the full value of flexibility. Service providers will benefit from standardised processes and products, avoiding the need to develop systems and processes which vary across the country. While we appreciate that there will be some differences between distribution regions, the project should seek to align processes as far as possible.

We believe that provision for spending on flexibility solutions to distribution problems is a key component in establishing the flexibility value stack. The Open Networks project should consequently ensure that its findings from previous years and work for 2020 are effectively distilled and presented into a case for provision of funding in RIIO-ED2. The considerations should focus on best value for money for consumers, which may include diverting capital expenditure to flexibility projects. The requests should also consider the efficiencies gained by reuse of existing energy infrastructure in delivering flexible services.

With regards 2020 work focus, we believe that the Open Networks project is best utilised to develop solutions to problems which cannot be solved by competitive market solutions or have other existing solutions within the industry. In particular, this work includes the work on Future Energy Scenarios, asset registers and system mapping, and TSO/DSO coordination on operational timescales corresponding closely to Workstream 1B.

The development of markets for flexibility will be key to establishing efficient and reliable delivery of flexibility services where needed, including to DSOs. The Open Networks project will need to continue to engage with and learn from the development of flexibility exchanges and incorporate their facilitation where appropriate, for example in the DSO transition workstream.

As ever, we are looking forward to continuing to work with the Open Networks projects and DNO flexibility projects to bring new solutions to the GB energy market.

We note that at the last Power Responsive Steering Group meeting on 5 March Ofgem expressed a strong desire for coordination between the Open Networks project and Power Responsive. It may be worth drawing this point out at some point in the work plan.

There is a lot of focus on the production of various FES documents within the work plan. There may be a case for looking into the possibility of producing a single FES document in place of the ever growing number of separate documents. This could also be produced independently, removing the risk of the current documents being too focussed through the lens on an individual company's view of the world. It is also worth noting that the FES has been produced for nearly ten years now, so there could be scope for a piece of work analysing the accuracy of FES predictions. This would help inform users of the document as to the reliability of the forecasts.

On the exchange of real time and forecast data, it is worth noting that the Grid Code, BSC and European Transparency Regulations all place obligations on ESO to publish data to the market. It may be worth considering whether the principles of Open Data and Transparency would be best served by the publication of some of the data addressed by this work.

We note the comment on the potential need for code modifications to support whole system CBA. It may be of interest to note that the BSC Panel recently raised modification P398 aimed at embedding the principles of Open Data within the BSC. It is likely that this change will make it easier to obtain

any data held under the BSC that is required for a whole system CBA without the need for a further code modification.