

# Energy Networks Association

## Open Networks Project – Engaging Communities

Regen September 2018  
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# Open Networks - Introduction



ENA's Open Networks Project is a major energy industry initiative that will transform the way that both local Distribution Networks and national Transmission Networks will operate and work for customers.



The Open Networks Project will help customers connect and realise value; as well as reducing cost for consumers through more cost effective planning and more efficient use of distributed energy resources.

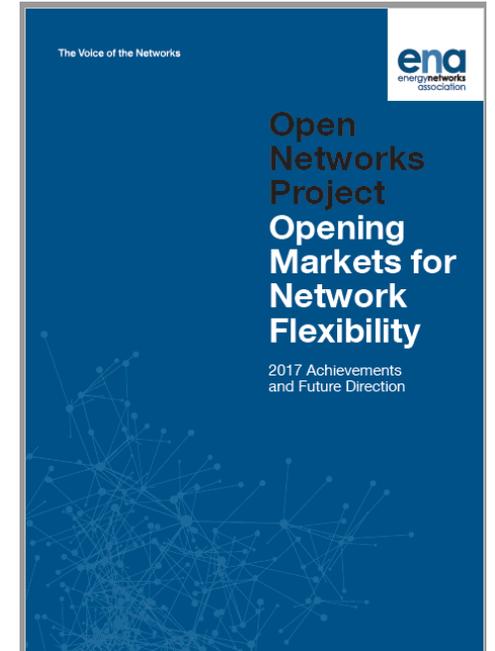


Making a positive difference  
for energy consumers

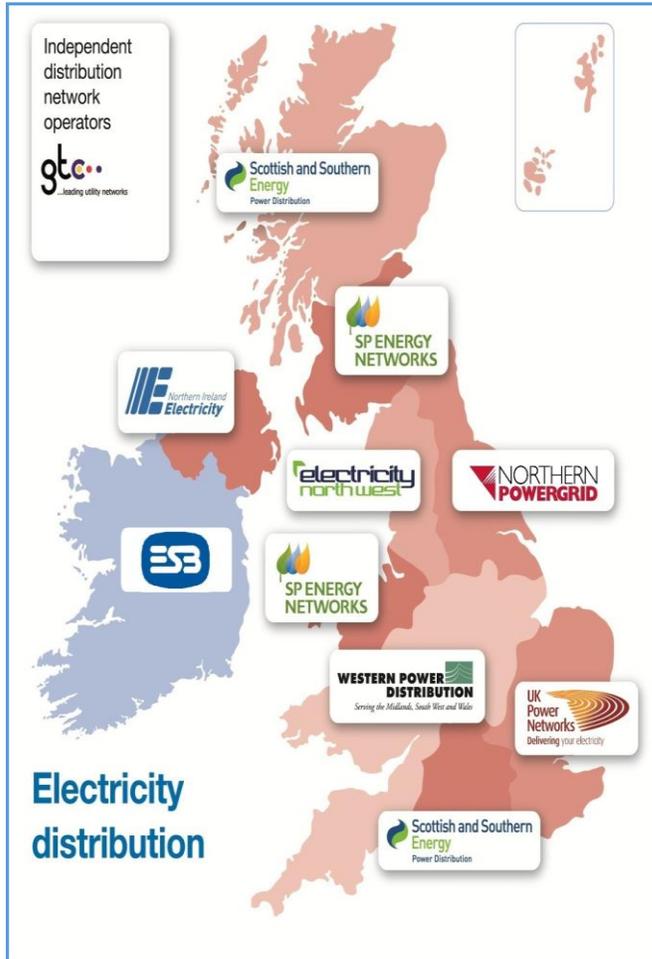


HM Government

The Open Networks Project is a key initiative to deliver Government policy set out in the Ofgem and BEIS Smart Systems and Flexibility Plan, the Government's Industrial Strategy and the Clean Growth Plan.



# Collaborating Members



# What does it mean for Communities?

Open Networks Project will open opportunities to:

- Realise Commercial Value for Connected Technology
- Lower costs for all by using flexibility services as an alternative to traditional asset investment
- Decarbonise by more efficiently using connected energy resources

How?:

- Opening markets for flexibility for DSO services
- Improving connection processes, information provision and capacity management for customers
- Improving processes between Transmission and Distribution to deliver efficiencies through whole system thinking

# Opening Markets for Flexibility Services

Open Networks Project is defining:

- DSO Services to be procured (active power services first)
- The market structure and roles and responsibilities to deliver DSO (e.g. procurement & dispatch)

If we can give greater clarity on the services DSO's require, then service providers will have greater certainty that what they connect will realise value and contribute to decarbonisation and lower overall costs to all.

Intent for ESO to remove exclusivity for balancing services contracts, facilitating more revenue streams for connected DER

This is happening now with tenders from DNO companies – we are learning by doing

We will be implementing Least Regrets improvements early

# Opening Markets for Flexibility Services

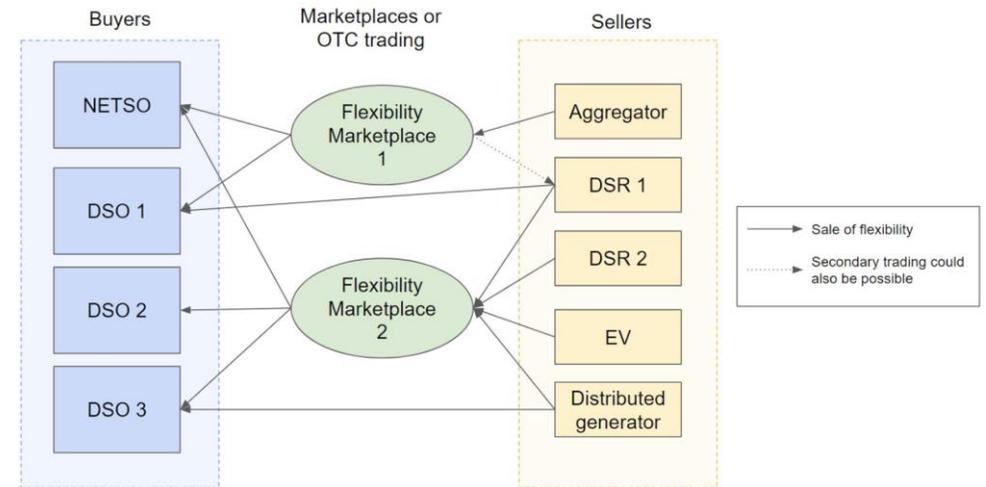
It is a key principle that any party executing DSO functions must act as a neutral market facilitator for flexibility services.

We can make things easier for customers who may want to participate by setting some standardisation for:

- Definition of DSO services
- Procurement processes
- DSO Market platforms/interfaces

Open platforms will facilitate tertiary markets, e.g.:

- Peer to Peer trading; marketplaces
- Aggregation
- Community service provision



Ref: Open Utility Piclo



# Future Worlds Consultation



In collaboration with stakeholders, we have taken our definition of the functions and activities for DSO and looked at which parties could do what for future DSO.



We are looking at what Future World might be best to deliver the most cost effective DSO for the future.



There are different implications for different models, so it would be good to get your feedback on how you envisage being engaged and any input to our assessment criteria.

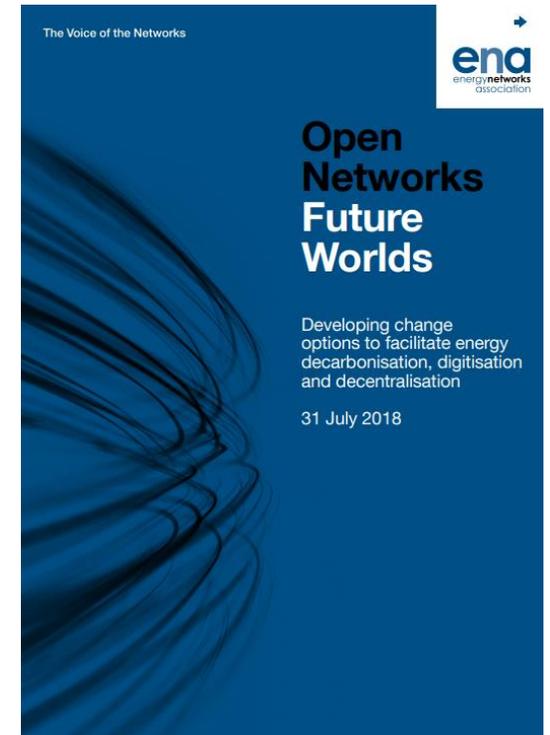


If short on time, concentrate on:

- “The Future Worlds” Summary
- Stakeholder Insights
- Assessing the Worlds



Any response is better than none, so just email thoughts if not enough time to answer questions



# Stakeholder Insights – Local Energy System



## Local Energy System

### What is a Local Energy System?

Local Energy Systems (LES) utilise peer-to-peer trading/local energy market to the benefit of their participants (e.g. communities, companies, individuals). LES participants provide each other with energy and trade out the aggregate 'balance' in the wholesale electricity market. LES can provide flexibility services to Electricity System Operators (e.g. ESO, DSO) for electricity system balancing and transmission and distribution network constraint management. LES can include DER and active Customers. LES can incorporate innovative energy distribution, management and metering, novel business models as well as clean transport systems. LES are emerging actors in the current World and include community energy projects.

### How will its role evolve in the future?

Many of the resources that LES participants utilise, including DER, will play a more significant role in the operation and development of networks including under emergency conditions, such as Black Start.

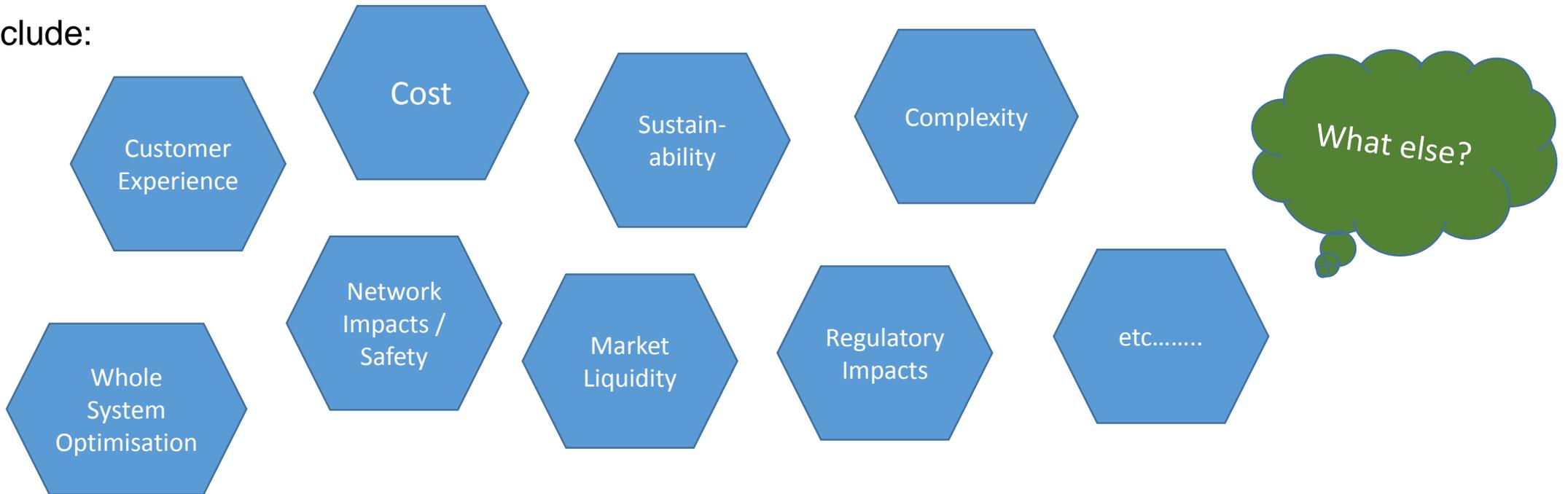
The opportunities for LES to provide flexibility services will increase and it will become easier for parties to do so. Arrangements will increasingly facilitate direct participation in markets, although many LES will continue to see a benefit in having a commercial agreement with a Supplier or third-party commercial Aggregator.

### Questions

1. Which SGAM actor(s) best describes your future role(s)?
2. Do you have any thoughts on the insights gained on this role(s) in each of the Worlds?
3. Do you have any comments on the insights drawn on any of the other roles described?
4. If you do not feel represented by any of the actors, how do you believe we should capture your role?

# Next Steps: Assessing the Worlds

- We have commissioned independent consultants, Baringa, to undertake a comprehensive and independent relative 'Impact Analysis' on the 5 worlds
- This will help us understand the relative costs and benefits between the different Worlds to provide an evidence base for future market structures and corresponding policy/regulatory thinking (BEIS and Ofgem)
- Criteria include:



# How to get involved

We have used a variety of means to reach out to stakeholders during the consultation period, which will run between **31st July 2018 and 25th September 2018** inclusive.

Please visit the [ENA Open Networks Future Worlds page](#) for further information. You can respond to the consultation via email; [opennetworks@energynetworks.org](mailto:opennetworks@energynetworks.org)

**Email us to receive newsletters and project communication**



- LCNI Conference 2018
  - 16-17<sup>th</sup> October in Telford
  - <http://www.lcniconference.org/>

# Open Networks Animation

Short Animation that can be found at:

<https://www.youtube.com/watch?v=8GxeWsppmBI>

Please feel free to share and forward