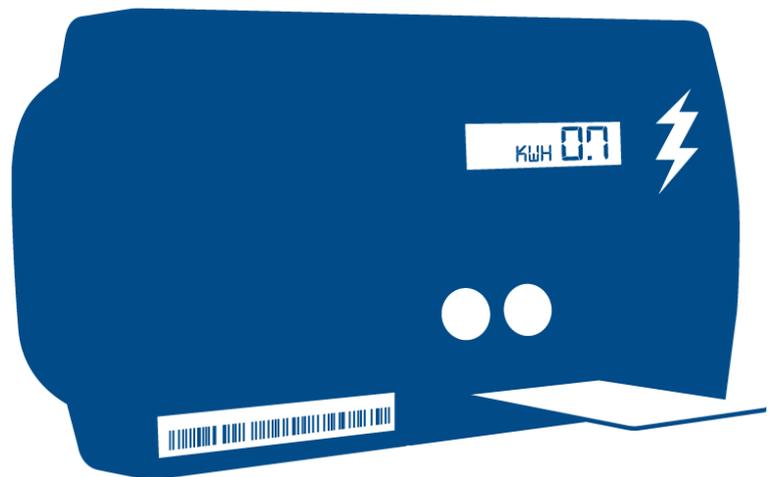


ENA Open Networks Flexibility Consultation 2021

Citizens Advice submission
September 2021



Citizens Advice welcomes the opportunity to respond to this consultation as part of our statutory role to represent energy consumers in Great Britain. Our response is not confidential and may be freely published.

We welcome the continued engagement with stakeholders for the Flexibility and associated workstreams. We believe that consultation and the use of workgroups are essential to capture views and ensure that there is ongoing progress in this vital contribution to the achievement of Net Zero.

We contribute to the Energy Networks Association (ENA) Open Networks project via our participation in the ENA Open Networks Advisory Group as well as responding to consultations. Relevant consultation responses to the Flexibility workstream include:

- Response to the ENA Open Networks Flexibility consultation, October 2020¹
- Response to the Ofgem Distribution System Operation (DSO) key enablers consultation, February 2020²
- Response to the Ofgem DSO Position Paper, October 2019³
- Response to the ENA Open Networks Flexibility consultation, August 2019⁴

In this response, we have answered those questions where we feel that we have a particular interest or expertise.

Consultation questions

Q1 – Do you agree with our proposals within this consultation paper and if not, please provide us with any rationale and alternative proposals? (This feedback can be generic to our proposals or provided on a product-by-product basis.)

An equal focus on energy efficiency

This consultation concerns the flexibility services workstream activities. We believe that an equal focus needs to be placed on the role of energy efficiency to

¹ Citizens Advice, [Response to ENA Open Networks Flexibility consultation](#), October 2020

² Citizens Advice, [Response to Ofgem Key enablers for DSO programme of work and the Long Term Development statement consultation](#), February 2020

³ Citizens Advice, [Response to Ofgem Position paper on Distribution System Operation: our approach and regulatory priorities](#), October 2019

⁴ Citizens Advice, [Response to ENA Open Networks Flexibility consultation](#), August 2019

ensure all options are captured for delivering Distribution System Operation (DSO) functions. At present, there is no separate workstream for energy efficiency within the Open Networks project, nor a sufficient focus within the flexibility workstream. For instance, the Flexibility Roadmap mentioned within the consultation does not address energy efficiency or any links between flexibility services, tendering, and their providers. The reference to the Common Evaluation Methodology (CEM) on page 7 also only mentions the options of flexibility and traditional intervention options, even though we understand that the CEM can consider energy efficiency. We note that one DNO has stated that they have used the CEM for that purpose but this does not appear to be universal in the sector.

It should be noted that consideration of energy efficiency is also now an electricity distribution licence condition as well as an ED2 DSO roles and activities requirement.

We recommend that energy efficiency is given equal weight within the ENA Flexibility workstream, or that a separate workstream is established, to ensure that there is a 'flexibility and energy efficiency first' focus.

Q2 – Are you aware of the Flex figures being published each year on ENA Website? How does understanding of GB’s growing Flexibility market size help you and how are you using this information?

Yes, we are aware of the Flex figure published on the ENA website. We have found it useful to monitor the progress of flex tendering and contracting by networks. We have also found it useful to note the variability across Distribution Network Operators (DNOs) and the Electricity System Operator (ESO).

It would be helpful to have a narrative explanation to explain the progress of the use of flexibility services as well as the differences between the development of the use of these services between the companies.

Common Evaluation Methodology

Q3 – Open Networks members are committed to implementing outputs and driving the benefits of recommendations. Which product or area would swift implementation of the outputs be most desirable?

No response provided

Q4 – What factors do you believe have led to the lack of response to the call to join the User Forum for the CEM this year?

We are aware of the call for stakeholders and users to join the User Forum for the CEM this year. It was welcome to see an open governance model for progressing CEM development. However, people have limited time to be able to join and actively contribute to these forums. Therefore, while it would have been good to have stakeholders that may not be regular users of the CEM on the Forum, it would be unlikely that they could spare the necessary time commitment to contribute, especially where they may not be a user of the CEM.

It may be preferable to continue to seek feedback on the CEM via the relevant workstream and the ENA Open Network Advisory Group, where it is possible to access a wide group of stakeholders to provide comment and feedback on the CEM and similar initiatives.

Q5 – We are keen to understand whether our model of open governance for the User Forum was a factor in the lack of response, do you believe that a User Forum approach would be useful to consider for progressing key products next year or are there alternative approaches that we should consider?

See our response to Q4.

Alignment of Flexibility Services procurement processes and timescales between DNO and ESO

Q6 – Do you agree with the P2 team’s findings regarding the alignment of DNO and ESO timescales? Please provide your rationale and any supporting evidence that we can use to inform our approach, particularly in short – medium timescales (now – start of ED2)?

On a principle basis, it would appear better to have aligned DSO and ESO market procurement to progress efficient tendering and procurement of flexibility services. We note that other stakeholders, such as flexibility providers, will have user experience on this topic and therefore be able to contribute more effectively on the topic and also describe the nature of any disadvantages to delay alignment.

Q7- How could we further evolve alignment of procurement processes in future?

No response provided

Q8 - Do you agree that the proposed improvements to visibility of requirements will be of direct benefit to your sector of the industry, if so, please share your rationale and how you would utilise this information? Do you have thoughts on how we can improve visibility further?

No response provided

Principles to review Flexible Connection (Active Network Management) contracts

Q9 - Do you agree that there is an exit route, using the current G99 approach, for existing FC(ANM) customers who want access to firm(er) connections? If not, what do you see as the barriers?

We have noted in previous consultation responses the need for the issue of flexible connections under Active Network Management (ANM) contracts to be given due consideration as these contracts could be in perpetuity and had been entered into with a potential imbalance of knowledge between the DNO and the customer.

We note the project has identified that there is a process for exiting such contracts and that there will be an emphasis on improving the visibility and communications of this process. We welcome the drive for customers to understand that they can exit these contracts. Customers should be informed of any cost implications, including the potential effects from changes to charging regimes from the Access and Forward Looking Charges Significant Code Review (Access SCR). It was not clear from the consultation that this aspect had been considered or the implications of a different charging regime may possibly mean that customers may be better waiting to exit contracts. We would welcome further information about the costs of exiting such contracts and the implications for customers from the Access SCR. We would expect that cost implications would be fully explained to customers wishing to exit a flexible connection contract, including any lower-cost options that might result from Access SCR changes.

We would also welcome from the Open Networks project an analysis of implications of the Access SCR changes and the potential extent of cancellations of flexible connections contracts, including the needs and costs of networks to respond through either increasing flexibility services procurement, or other measures, such as increased use of energy efficiency or traditional reinforcement.

Q10 - Do you agree with the findings of the Product 3 report and if so, which area(s) are of most interest going forward?

No response provided

Defining 'Primacy Rules' for the ESO and the DNOs to manage service conflicts

Q11 - Are there any particular projects/reports we should be considering as part of our initial review of work carried out on Primacy to date? This could include international examples.

We welcome the continued work on addressing flexibility service conflicts when both the DNO and ESO are seeking to procure flexibility from the same flexibility provider. Other stakeholders with direct experience of the implications of this matter will have more input on the details to respond to this question. We await with interest the result of the outputs from the product team.

Support non-DSO services (such as peer-to-peer) and align/utilise their proliferation for grid resilience

Q12 - Is the trading and/or sharing of capacity or curtailment risk of interest? What do you see as the major barriers currently?

We believe other stakeholders with direct experience will be better placed to provide detailed comments for this question. We note the various trials and initiatives to gauge stakeholder appetite for trading and/or sharing capacity which we welcome. The progression of secondary trading between peers is an important part of better managing demand on the network as well as reducing carbon footprint and costs for consumers. We would recommend that this product is progressed with urgency.

Implementation of common Baseline Methodologies for measuring delivery of Flexibility Services

Q13 – Does the roadmap outlined for the delivery and development of aligned distribution constraint baseline methodologies (as detailed in the Product 7 interim report) meet the needs of the market?

We welcome the continued development of aligned baseline methodologies to gain the benefit of consistency across networks for flexibility providers. While the timeline for continued consultation is noted, it was not clear that there was a target date for completion of the work. It would be useful to set a target date for aligned methodologies.

Apportioning Curtailment Risk for Flexible Connections (ANM)

Q14 – We are exploring the use of curtailment caps and collars to apportion curtailment risk better; do you agree with our high-level impact assessment on the various parties?

No response provided

Q15 – Do you support the use of caps and collars as described in the report?

No response provided

Q16 – Do you have any views on the alternatives presented? E.g. Peer-to-peer flexibility trading; an incentive scheme similar to that currently used for Customer interruption/ Customer minutes lost (CI/CML)?

No response provided

Strategy for improving the availability of Curtailment Information for Flexible Connections (ANM)

Q17 – We have used a Flexible Connection (ANM) Stakeholder Focus Group to help us identify the specific curtailment information needs and priorities for current and potential users of Flexible Connections; do you agree with this approach?

The use of a stakeholder group is a valuable way to capture appropriate views. The stakeholder group will need to comprise the relevant stakeholders that may be impacted or can contribute to this work. Ongoing review of the membership and their contribution to the stakeholder group may be valuable to ensure that the views are representative of the broadest range of stakeholders. It will also be valuable to continue to put considerations out to wider consultation and to the overarching Advisory Group.

Q18 – Do the curtailment information requirements we have identified as a priority, with input from the Stakeholder Focus Group, meet your needs? If not, what additional requirements are there?

No response provided

Q19 – In addition to improving curtailment data provision, Product 9 has also considered the role of third-party curtailment information providers where more sensitivities can be provided specific to customer assets. Would you consider using a third party for more curtailment tailored information and if so, should we explore this option further or leave it to the market?

No response provided

Residential Flexibility

Q20 – Do you have any ideas on how we might better engage and encourage participation of residential flexibility in flexibility service provision and identify any barriers that might currently exist along with potential solutions?

We welcome a focus on targeting all potential flexibility provision, including the potentially sizeable and growing use of flexibility from residential properties. The use of such flexible resources will be necessary to meet net zero ambitions as well as to ensure that network costs that consumers have to pay are as low as possible.

We have undertaken research into third party intermediaries (aggregators/load controllers) and protections that are needed for consumers in these new markets. Our March 2020 report (see below) on third party intermediaries may be particularly relevant when considering the risks in new domestic markets and

the implications for confidence for consumers in participating. It may be valuable for the working group to ensure that these other factors are considered and addressed, and that stakeholders with relevant knowledge are included within the working group.

It may be helpful to review these publications:

- Citizens Advice and others, [Joint letter to the Prime Minister on net zero protections](#), August 2021
- Citizens Advice, [Rough trade. Balancing the winners and losers in energy policy](#), June 2021
- Citizens Advice, [Navigating net zero: A framework to give people the confidence to invest in home energy technologies](#), March 2021
- Citizens Advice, [Demanding attention: Managing risks with demand-side response, to improve consumer experience tomorrow](#), January 2021
- Citizens Advice, [Stuck in the Middle: How to improve protections for people using energy third party intermediaries](#), March 2020
- Citizens Advice, [Zero Sum](#), January 2020

We recently published our [views on the recent draft electricity distribution \(ED2\) business plans](#). We have made a number of comments relating to the issue of vulnerability and Distribution System Operation, and the 'no-one left behind' strategies of companies. These views may also be useful in assessing barriers for engaging with domestic consumers and those with vulnerabilities. See page 39 for comments relating to the full range of options that could be used to meet DSO needs, including energy efficiency.

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