NATIONAL GRID ELECTRICITY DISTRIBUTION

ELECTRICITY FUTURES WORKSHOP 1: FEEDBACK REPORT

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INTRODUCTION

On 12 September 2023, National Grid Electricity Distribution (NGED) hosted a stakeholder workshop at the QEII Conference Centre in London to seek feedback on the company's Distribution System Operator Strategy action plan.

The workshop was the first of a series of four workshops to engage on future actions for the Distribution System Operator (DSO) Strategy as part of their wider stakeholder engagement programme, 'Electricity Futures'.

The theme of this first workshop was 'Shaping the Future Together'. The workshop was designed to elicit feedback from stakeholders on the DSO mission statement, objectives and action plans being developed to implement the DSO Charter, which comprises three pillars or roles: Flexibility Market Development; Network Operation; and Planning and Network Development.

Each session was introduced with a short presentation on one of the three roles, given by National Grid representatives, followed by facilitated table discussions.

National Grid instructed EQ Communications, a specialist stakeholder engagement consultancy, to independently facilitate the workshop and to take notes of the comments made by stakeholders. Every effort has been made to faithfully record the feedback given. In order to encourage candour and open debate, comments have not been ascribed to individuals. Instead, notes have been made of the type of organisation each stakeholder represents.

EXECUTIVE SUMMARY

PARTICIPANTS

- A total of 49 stakeholders participated in the workshop, representing 40 organisations.
- 64% of attendees who filled out a feedback form told us that they found the workshop to be ‘very interesting’, with another 36% opting for ‘interesting’.

OPENING SESSION

The workshop opened with a 'Fireside chat' between Akshay Kaul from Ofgem and Cordi O’Hara OBE, President, UK Electricity Distribution at NGED, on the topic of 'The electricity system of the future.' This set the scene for the day, with an emphasis on the importance of stakeholder engagement in the DSO’s challenges of meeting increasing energy demands while playing a pivotal role in the transition to Net Zero.

VISION STATEMENT

A brief overview of the DSO’s strategy, vision and charter was presented by Ben Godfrey, Director of DSO, after which stakeholders were asked for feedback on the vision statement.

- Feedback on the vision statement was mixed. Positive feedback generally focused on alignment with other organisations’ vision statements or goals, the value of data accessibility, and the comprehensive nature of the vision statement.
- Negative feedback included concerns about a lack of consumer understanding, confusion over some of the wording used, inadequacy in dealing with complex issues like inclusivity, and vagueness that makes the statement impractical for tangible actions or timelines.

SPRINT 1: FLEXIBILITY MARKET DEVELOPMENT

After the introductory sessions, the first sprint session was introduced by Matt Watson, Head of Commercial and Operability, who gave an overview of the proposed objectives and actions for the Flexibility Market Development role.

- In terms of the objectives: feedback was generally positive, with a focus on simplicity being well received and general agreement on the importance of improving the value of flexibility services. However, concerns were raised about energy security, and also around the meaning of ‘value’ in the context of flexibility services.
- In terms of the actions: standardisation, market alignment, flexibility procurement, digitisation and transparency around information and data were key priorities. There was a strong sentiment that many

of these actions have been under discussion for a long time, and that there was an urgency to move from planning to implementation.

SPRINT 2: NETWORK OPERATION

To introduce the second sprint session, Matt gave an overview of the proposed actions for the objectives for the Network Operation role.

- In terms of the objectives, stakeholders felt that they needed to be more forward-looking. Concerns were raised that the objectives were not sufficiently clear, and did not adequately reflect the new DSO role and the new sector landscape of more localised flexibility. Overall, there was a view that more transparency in decision making would be a better focus to encourage collaboration across the sector.
- When considering the actions overall, stakeholders were keen to see these driving a more whole-system and data-driven approach that reflects the need for more collaboration across DNOs and the sector as a whole. There was an appetite for more involvement in sharing data, and for pooling skills to ensure that agile practices can improve the market, but it was also acknowledged that decisions need to be taken to ensure standardisation and improve efficiency.
- When asked to prioritise these actions, stakeholders acknowledged that all of the actions were essential; however, it was largely felt that whole-system coordination should be the priority in order to ensure the efficient running of the system overall.
- Improving the forecasting and transparency of decision making was also acknowledged as being key to improving the market more widely.

SPRINT 3: PLANNING AND NETWORK DEVELOPMENT

For the third sprint session, Oli Spink, Head of System Planning, gave an overview of the proposed actions for the objectives for the Planning and Network Development role.

- There were mixed views on the objectives. While stakeholders generally agreed with the principles behind the objectives, they challenged some of the clarity or timeliness of the objectives as they were currently worded.
- In terms of demonstrating evidence of the delivery of strategic investment, stakeholders felt that this objective could be clearer. Some were unsure about what the objective means, and questioned whether it referenced investments or outcomes. Others felt that it lacked a 'whole-system' perspective.
- There was a general consensus on the importance of flexibility first as an approach in decision making. However, questions were raised about the complexity of the real-world application and evidential basis for this approach.

- In terms of incorporating customers' decarbonisation plans into long-term plans, stakeholders agreed that it made long-term sense, but queried whether this was the right objective at this stage, when focusing on enabling decarbonisation should be the priority.
- Overall, stakeholders agreed with most of the actions, but there was a concern that the cultural change to a DSO has not been captured in the actions, which are missing a facilitating, enabling or leadership focus that stakeholders were expecting. There was a strong feeling that the DSO should be enabling collaboration across the sector; for example, through standardisation, to enabling improvements, to data transparency and data sharing. Stakeholders had a keen appetite for a more collaborative approach.
- Delivering reinforcements was considered to be important, but it was noted that flexibility markets were only just gaining traction and clarity around timescales, and decision making was also key. Stakeholders sought assurances around the detail and clarity of the actions, and suggested tailoring information and data for appropriate audiences to expedite engagement and market development.

CLOSING SESSION

The final plenary session took the form of an ‘expert panel’ discussion, where the audience asked questions of the panel, which included Fiona Campbell, Head of DSO Governance, Ofgem; William Goldsmith, Head of Grid and Data Services, ev.energy; Kate Ashworth, Energy Infrastructure Lead, West Midlands Combined Authority; and Ben Godfrey, Director of DSO, National Grid Electricity Distribution.

The audience asked questions about the capabilities needed of the DSO and what the DSO should prioritise, the corporate structure of the DSO, how the culture can successfully change in order for the DSO to drive Net Zero changes, and the direction of travel for the industry in prioritisation of demand-side and generation-side customers.

METHODOLOGY

A select group of stakeholders from across National Grid’s distribution area were invited to the workshop. These stakeholders were sent several email invitations for the consultation events to ensure that they were given the opportunity to participate. The first invitation was sent in mid-August to give stakeholders at least four weeks’ notice. In addition to the email invitations, pre-identified stakeholders also received telephone calls with the aim of ensuring a mix of different stakeholder groups across the workshops. As standard practice, ahead of any workshops, all stakeholders who had registered were reminded about the event via telephone and email with a view to maximising participation.

PROVIDING ACCESSIBLE INFORMATION

The workshop comprised three short presentations, each followed by breakout table discussions in smaller groups to enable stakeholders to provide verbal feedback. Relevant slides from the presentation were shared on the tables to ensure that stakeholders had sufficient information in front of them to participate.

If stakeholders did not answer a question, the facilitators asked them to confirm whether their silence indicated tacit approval or whether they felt unable to respond.

OPENING PLENARY

The event opened with a 'Fireside chat' between Akshay Kaul from Ofgem and Cordi O'Hara, CEO NGED DSO, on the topic of 'The electricity system of the future'.

SUMMARY OF THE 'FIRESIDE CHAT'

The talk highlighted the central role that the Distribution System Operator (DSO) will play in facilitating the transition to a Net Zero carbon economy. Amid increasing electrification of the transport and heating sectors, the DSO would serve as the linchpin for efficiently meeting this surge in electricity demand. Beyond the traditional approach of "putting copper in the ground," the focus has shifted towards digitisation, enabling a more nuanced understanding of customer needs.

The importance of unlocking consumer-generated power is key: households with solar panels and ground heat pumps can potentially monetise their surplus power if the DSO structure is optimised. Failure to optimise would lead to inability to meet demand or potentially unsustainable costs, thereby acting as barriers rather than enablers.

Data is one of the key priorities: visibility into the distribution network will facilitate informed decisions and better coordination across the system. There has been progress in creating digital assets, but more work is needed to make the distribution system transparent and accessible.

The development of local authorities' Local Area Plans is a key part of the work: collaborative expertise between local authorities and the DSO teams is needed to make flexible plans that can adapt to changing demands and requirements. DSO teams are not spatial planning experts, local authorities are not energy planners. Both parties have to bring their planning expertise and functions together to ensure that plans can respond in the correct way to the demands and requirements, but also be flexible enough to respond to that increase in demand. We need to plan from the 'bottom up' with local authorities, to add clarity and spur action.

The Regional System Planner will offer a coordinated approach to regional planning, which will necessitate the integration of gas and electricity systems, breaking down existing silos. A phased approach is needed, to initially focus on creating an integrated pathway; creating that central pathway is elusive as there isn't currently a model for whole-system planning. The Future System Operators (FSO) could play a coordinating role to help facilitate integration between distribution and transmission systems. Governance is one immediate issue to be addressed; specifically, the coordination and approval of first drafts of plans among all involved parties.

A collaborative approach is essential as we move forwards. We need ongoing dialogue and openness to quick, iterative learning, rather than waiting for a perfect solution. A lot of innovation has already been done and a bright future lies ahead, particularly in flexibility markets and active network management.

VISION STATEMENT

A brief overview of the DSO's strategy, vision and charter was presented by Ben Godfrey, Director of DSO, after which stakeholders were asked for their feedback on the vision statement: 'to create a decarbonised energy system for our communities that is open, accessible, reliable and affordable'.

SUMMARY

Feedback on the statement was mixed. Positive feedback generally focused on alignment with other organisations' vision statements or goals, data accessibility, and the comprehensive nature of the vision statement.

Negative feedback raised concerns about a lack of accessibility of the vision statement to all audiences, inadequacy in dealing with complex issues like inclusivity, and vagueness that makes the statement impractical for tangible actions or timelines.

STAKEHOLDER FEEDBACK: VISION STATEMENT

Many stakeholders were positive about the suggestion of openness, transparency and accessibility, and the fact that this signified an intention to make data more accessible, although queries were raised about how that would be done within regulatory frameworks. Another aspect that received positive feedback was the vision statement's alignment with vision statements and language used by other organisations, as this demonstrates a level of consistency across the sector. The vision statement's comprehensive focus was also well received, as it encompassed accessibility, affordability and reliability. There was positive feedback that this reflected the bigger picture and was not coming from a singular perspective.

Concerns were raised regarding the DSO's current lack of visibility and engagement with consumers, and that the language used in the vision statement may not resonate with consumers. Terms such as 'accessible', 'open', 'community', and 'create' were considered ambiguous by some participants, therefore making the vision less actionable. 'Community' was also queried, with concerns that this suggested segmenting the market.

Some participants criticised the lack of actionable plans, and felt that the vision statement felt too idealistic rather than practical. Some participants felt that timelines, key performance indicators or references to speed would be more useful.

Some participants felt that the vision statement was too similar to others' statements, and therefore lacked a unique or ambitious perspective. The statement was also criticised for appearing to maintain the status quo rather than pushing for significant changes in the sector, such as a move toward Net Zero or 'smart' initiatives.

VERBATIM COMMENTS

What do you think of the vision statement?

Positive feedback:

- “I’m pleased to see data is at the forefront of these objectives. We want to make data more accessible for better outcomes.” Business customer
- “It’s positive that the vision statement is aligned with our [vision] statement. It uses similar language.” Utility
- “I was really pleased [with the vision statement] because ‘accessibility’, ‘affordability’ and ‘reliability’ are words that we have in our framework when we talk about what we need for our investment in our county.” Local authority
- "I have one comment: decarbonisation; no one could argue with that. I would like to see the DSO thinking about that and reimagining what we could be doing." Energy aggregator

Negative feedback:

- “That slide from a consumer perspective means nothing to them.” Government
- “Given the huge amount of change that needs to happen and the different way DSOs and DNOs have to operate, your vision statement sounds a bit status quo.” Business customer
- “Sounds great. Impossible to argue against, but absolutely pointless at this stage to have broad statements such as this.” Utility
- “There’s a remoteness to this statement. Nothing there gives an outsider like me any idea of what this practically and tangibly means.” Local authority

Neutral feedback and suggestions:

- “What is the difference between ‘open’ and ‘accessible’? To me they mean the same thing.” Energy aggregator
- “What is the definition of the word ‘create’? This means different things to different people.” Utility
- “How do you measure the carbon intensity of a local network?” Energy aggregator
- “The level of change needed to deal with this matter needs reflecting more in the vision statement.” Business customer
- "Initially it sounds like a marketing slogan, which makes me sceptical. How it will be implemented is the real issue." Storage and renewables provider/installer

- "Slight confusion on what you mean by ‘community’. Feels like you are segmenting the marketplace. What does ‘community’ actually mean?" Energy consultant
- "I’d like to push the boundaries more. The other DSOs will have the same mission statement. You need to add the word ‘smart’ or ‘intelligent’ in there." Energy consultant
- “I worry the words that have been chosen, ‘accessibility’ and ‘affordability’, do not equate to inclusivity.” Charity
- "There is a real benefit of National Grid being visible in communities regardless of the efficiency of the service." Utility

SPRINT 1: FLEXIBILITY MARKET DEVELOPMENT

Matt Watson, Head of Commercial and Operability, gave an overview of the proposed actions for the objectives for the Flexibility Market Development role.

Stakeholders were asked for feedback on the DSO Charter's mission statement and the actions under the outcomes that the NGED DSO is hoping to achieve under the 'Flexibility Market Development' pillar. Stakeholders were asked for their views on the objectives and action points, how they would prioritise the action points, and whether there were any action points that they would remove.

The overall objectives are to:

- Simplify interactions with our flexibility services; and
- Improve the value of our flexibility services.

The actions aligned to this are:

- **Digitise the flexibility procurement process:** continue to develop our market gateway to digitise the full process, with APIs available for asset registration and trades.
- **Deliver standardisation:** deploy the standardised open networks pre-qualification parameters, standard agreement, products and settlement as soon as possible.
- **New market opportunities:** develop a demand turn-up/generation turn-down service.
- **Increase value:** review the delivery periods and baselines for our Sustain product, as well as low voltage (LV) and high voltage (HV) stacking.
- **Market alignment:** produce a stackability report to improve understanding on how our services can be stacked with the wider market, and suggest changes where needed.
- **Data and information:** review and improve the service requirement data we publish to ease access.

SUMMARY

In terms of the objectives: feedback was generally positive. The focus on simplicity was well received, and there was general agreement on the importance of improving the value of flexibility services. However, concerns were raised about energy security, and also around what 'value' means in the context of flexibility services: who the intended beneficiaries are and how it would be achieved.

When asked for feedback on the actions: standardisation, market alignment, flexibility procurement digitisation, and transparency around information and data were key priorities. There was a strong sentiment that many of these actions have been under discussion for a long time, and that there was an urgency to move from planning to implementation.

OBJECTIVE 1: SIMPLIFY INTERACTIONS WITH OUR FLEXIBILITY SERVICES

The feedback on the 'Simplify interactions with our flexibility services' objective was generally positive. Some stakeholders liked the focus on simplicity, especially as the energy industry evolves towards more complex systems, and felt that the objective was well aligned with the current need for transformation. However, the need for whole-system working was raised by several stakeholders.

Reservations were expressed, however. Concerns were raised about the importance of the security of the power supply, and security threats more generally, such as cyber-security threats. Issues related to documentation and fragmented processes across different DSOs were also noted. Stakeholders suggested that DSOs need to work collaboratively to standardise and simplify processes.

Stakeholders mentioned the need for better awareness among the public regarding flexibility services. Some called for more incentive structures to encourage participation and behaviour change. It was highlighted that the term 'flexibility' is broad and encompasses various sources that can provide flexibility to the grid. Therefore, building consumer confidence and understanding the different kinds of flexibility would be necessary in order to successfully achieve the objective. Overall, while the objective was generally considered to be promising, there was a consensus that it needs to be implemented thoughtfully and across the energy sector so as to address various complexities and concerns.

VERBATIM COMMENTS:

Objective 1: Simplify interactions with our flexibility services

- "It's great to have 'simplify' front and centre. The risk with this process is that the rollout becomes more and more complex and less effective as more markets are introduced. Simplicity is very important as things get more complicated." Utility
- "They should be harvesting flexibility instead of selling flexibility. If they do that, the engagement will be different. How can I aggregate and sell flexibility? That's where most of the flexibility in the system is." Energy aggregator
- "If all the big business players can't connect up, that will impact end users. So I see real value in simplifying. The problem is all the DSOs are doing different things." Consumer body
- "I think it's perfect; considering the transformation we need to achieve to meet the needs of our society, technically speaking it makes sense to do it at this lower level of DSO." Storage and renewables provider/installer
- "It's not just about being a simple process. We need this to be consistent across the DSOs. The processes are currently very fragmented." Energy aggregator

- “Who’s doing the translation of the complexities of these systems to the general stakeholders who have to interact with these systems.” Utility
- “I think the incentives have to be there for people to change their behaviours. If people can participate conveniently, not just when you’re selling it but when it unites them, I think you will get participation.” Energy aggregator

OBJECTIVE 2: IMPROVE THE VALUE OF OUR FLEXIBILITY SERVICES

Stakeholders’ feedback on the ‘Improve the value of our flexibility services’ objective was again mixed: there was general agreement on the importance of improving the value of flexibility services; however, there were questions around what ‘value’ means in this context, who the intended beneficiaries are and how it would be achieved. There was also discussion about the merits of flexibility services, who would be able to participate, and what kinds of technologies would be considered.

Stakeholders representing local authorities and consumer bodies raised particular concerns around the challenges of balancing needs for consumers or in local areas. Issues such as the unique needs of rural areas, or how to balance energy supply when tourists increase demand in specific regions, were raised. The issue of integration of locally generated renewable energy into such communities was raised.

Although new market opportunities were welcomed, concerns were also raised that additional challenges could arise if flexibility services become too attractive and an influx of 'opportunistic' businesses occurred just to provide flexibility, potentially exacerbating issues. The need for a regulatory framework to ensure a fair playing field was also raised.

VERBATIM COMMENTS

Objective 2: Improve the value of our flexibility services

- “This is important, but I would like to know more of the specifics of where this value is being created and for whom.” Energy consultant
- “What does the word ‘value’ mean? Is it for customers or consumers?” Utility
- “We would prefer to say ‘maximise consumer value by increasing efficiency’. Specifically, this could be savings for consumers.” Utility
- “How do we make sure that […] the market is a level playing field?" Utility
- “There’s no central regulatory body to create fairness in conflict management and open services, based on that central system.” Energy consultant

- "NGED are clearly thinking of interactions with business. It's important that customers aren't left out." Energy consultant

ACTIONS

- **Digitise the flexibility procurement process:** continue to develop our market gateway to digitise the full process, with APIs available for asset registration and trades.

The stakeholders largely view this priority as important and urgent, but concerns were raised about security and a lack of expertise in this area. Some participants felt that this action addressed market entry barriers for smaller participants. Suggestions were made about how this process could be improved; for example, an energy aggregator suggested the ability to add new assets themselves.

- **Deliver standardisation:** deploy the standardised open networks' pre-qualification parameters, standard agreement, products and settlement as soon as possible.

There was significant stakeholder interest in this action. Overall, while there was general agreement that standardisation is crucial, stakeholders urged a balanced and cautiously implemented approach to ensure that it neither stifled innovation nor created unwanted complexities. There was recognition of the need for standardisation; especially for ensuring streamlined contracts across DNOs and facilitating market access. Some felt that standardisation would improve accountability and collaboration. However, some felt that standardisation could negatively impact innovation, and suggested a more agile approach to nurture what is an early and emerging market.

Mixed views were expressed around existing standardisation efforts, such as the Open Network programme, which some stakeholders felt was successful but others felt was hindering progress. Others highlighted the necessity of detailed planning behind standardisation, and expressed reservations about its implications for innovation and market agility.

- **New market opportunities:** develop a demand turn-up/generation turn-down service.

For some stakeholders, creating markets where curtailment and demand changes are a level playing field – and investment is incentivised – is crucial. Battery operators expressed interest in the potential for demand turn-up operations; it was also noted that the process could potentially be smart meter enabled, meaning that there is a further incentive for smart meter installation.

- **Increase value:** review the delivery periods and baselines for our Sustain product, as well as LV and HV stacking.

Stakeholders again questioned the definition of 'value' and who this would benefit. Some felt that reviewing the delivery periods would be useful; there were also comments that NGED's baselines were good, but that it would be easier if they were used by others as well. While some stakeholders felt that this was a useful action, there was also some confusion about the action, and some stakeholders commented that it needed to be made more accessible.

- **Market alignment:** produce a stackability report to improve understanding on how our services can be stacked with the wider market and suggest changes where needed.

The offer of a stackability report was of interest to many stakeholders, and generated a significant amount of discussion. Overall, stakeholders believed that a well-executed stackability report could significantly improve market dynamics, but its efficacy depends largely on its actual utilisation, financial incentives and the alignment of the market more widely.

Stakeholders broadly viewed a stackability report as being essential for taking the guesswork out of planning, and informing decision making. Stakeholders also stressed the need for financial incentives and market alignment to aid the development and implementation of new market opportunities. Some stakeholders expressed the necessity for DSOs to practically implement the insights from a stackability report, questioning the viability of providers without stackability.

- **Data and information:** review and improve the service requirement data we publish in order to ease access.

While data and information were considered to be of key importance to some stakeholders, it was noted that there are challenges in ensuring that the data shared was simple enough to be manageable, and in whether the detail of how data will be received and utilised has been defined. There was also concern about the potential for risks around the sharing of consumer data.

ACTIONS OVERALL

When asked for overall feedback on the actions, and whether anything should be removed or added, stakeholders did not want to remove any actions. Some stakeholders felt that there was a need for better coordination of actions, more collaboration, clearer timelines and more urgency.

When asked for suggestions for additional actions, some stakeholders felt that there should be more emphasis on reducing barriers to accessing the market, and educating the market so that there is better knowledge of what services are available and how people can work better together. It was suggested that realistic modelling of asset availability from a pessimistic perspective is needed to release private capital into the markets.

Stakeholders also brought up the issue of fairness, and the need for actions that would make the energy market more equitable, as well as more standardisation across DSOs, DNOs, and ESOs. Consumer education was also raised as a potential additional action: emphasising the need to simplify interactions with consumers in order to make the market more accessible.

PRIORITISATION OF ACTIONS

Stakeholders were asked how they would prioritise these actions. Overall, standardisation, market alignment, flexibility procurement digitisation, and transparency around information and data were key priorities. There was a strong sentiment that many of these actions have been under discussion for a long time, and that there is an urgency to move from planning to implementation. There was also a call for the industry to speak with one voice so that messaging is clearer to end users.

- **Deliver standardisation:** This was cited as a critical priority for stakeholders: it was felt that without effective standardisation across DSOs and the wider sector, other actions are likely to be far less effective. It is regarded as foundational for effective coordination, collaboration and information sharing.

- **Market alignment/stackability report:** More data and information to better understand the market is a top priority for some stakeholders, to ensure that solutions are compatible with existing commitments and that balanced input can be sought from across the industry, not just DNO perspectives.

- **Digitise the flexibility procurement process:** This was a priority for some stakeholders, in order to give a clear ability to plan and make business decisions.

- **Data and information:** Transparency and accessibility of data and information was a key priority for some stakeholders.

VERBATIM COMMENTS

Comments on Flexibility Market Development actions:

- “Standardisation is a top priority. We can’t coordinate unless DSO and industry are sharing the information effectively; we all need to do our jobs.” Utility
- "The actions here have been going around for five years. At this point in the development process the apparatus for these actions should be standardised and shared across the multiple DSOs and across the whole industry." Utility stakeholder
- "The biggest barrier is the disaggregated approach we’ve got with the networks. Products are similar, but not identical. There are different tools, different processes and so on." Energy consultant

- "The ability to access multiple markets, and understand how to stack them, shapes the bottom line, and this is not currently clear enough." Energy consultant
- "We can live without stacking in the short term but it will prevent us from participating in the long term." Energy aggregator
- "[Value of flexibility services] is important, but I would like to know more of the specifics of where this value is being created and for whom." Energy consultant
- "APIs are the most important thing. Progress is very slow because relevant APIs aren't always available. The process to link in the relevant APIs needs to be sped up." Energy aggregator
- "Getting the digitisation right around the flexibility procurement process, and aligned with the market in a way that gives us a clear ability to plan, is crucial to us." Storage and renewables provider/installer
- "The main thing is coordination and pace of change. This is a period in our lives where we really have to change the narrative. We can't go on talking about it, we need to do it, we just need to move the pace up, and then refine it." Utility
- "It's vital to get the community involved in the process." Utility stakeholder

SPRINT 2: NETWORK OPERATION

Matt Watson, Head of Commercial and Operability, gave an overview of the proposed actions for the objectives for the Network Operation role.

Stakeholders were asked for feedback on the actions under the outcomes that the NGED DSO is hoping to achieve under the ‘Network Operation’ pillar. Stakeholders were asked for their views on the objectives and action points, how they would prioritise the action points, and whether there were any action points that they would remove.

The overall objectives are to:

- Dispatch Flexibility Services in a transparent and efficient manner; and
- Minimise the curtailment faced by customers on our network, where economical.

The actions aligned to this are:

- **Better decision making:** Recruit a strategic partner to help us develop our service selection capabilities and tooling.
- **Improved efficiency:** Develop and implement operational forecasting capabilities to better target our dispatches.
- **Reduced curtailment:** Implement processes to review the requirements for curtailment to support outages.
- **Delivery of standardisation:** Deploy the standardised ON Dispatch API as soon as possible.
- **Whole-system coordination:** Continue to develop and implement ON Primacy rules. Provide wider visibility and control of DER to the ESO to enable faster, more efficient connections.

SUMMARY

In terms of the objectives, stakeholders felt that they needed to be more forward-looking. Concerns were raised that the objectives were not sufficiently clear, and did not adequately reflect the new DSO role and the new sector landscape of more localised flexibility. Overall, there was a view that more transparency in decision making would be a better focus to encourage collaboration across the sector.

When considering the actions overall, stakeholders were keen to see these driving a more whole-system and data-driven approach that reflects the need for more collaboration across DNOs and the sector as a whole. There was an appetite for more involvement in sharing data, and for pooling skills to ensure that agile practices can improve the market, but it was also acknowledged that decisions need to be taken to ensure standardisation and improve efficiency.

When asked to prioritise these actions, stakeholders acknowledged that all of these actions were essential; however, it was largely felt that whole-system coordination should be the priority in order to ensure the efficient running of the system overall. Improving forecasting and the transparency of decision making were also acknowledged as being key to improving the market more widely.

OBJECTIVE 1: DISPATCH FLEXIBILITY SERVICES IN A TRANSPARENT AND EFFICIENT MANNER

Concerns were raised that this objective looks backwards to the old paradigm of central control, and it was felt that the focus needed to shift from a centralised model to a localised and distributed energy system. Stakeholders felt that this objective should instead focus on a cultural shift towards a bottom-up and not a top-down approach, emphasising the need for local balancing, and should export the remaining balance out of the system.

Stakeholders noted that achieving this flexibility will require significant transformation, specifically pointing to the need for real-time responsiveness and scalability.

There were suggestions that this objective needed to be made more understandable to end users, so that it is clear how they will be affected.

Some stakeholders felt that this objective should focus on greater transparency in the dispatch process. They expressed concern that the decisions are opaque, and argued that more market information around dispatch decisions, particularly those related to location, price, and carbon intensity, should be made available. Stakeholders expressed a need for information to aid understanding of the granularity of local balancing, and how that data will be managed. The complexity is acknowledged, but is seen as necessary for more effective localised control. Greater clarity would assist in forming better business cases to foster investor confidence and also wider collaboration across the sector.

VERBATIM QUOTES:

Objective 1: Dispatch Flexibility Services in a transparent and efficient manner

- “This has been written from the old perspective and it needs to reverse. If the FSO is a coordinating body, the risk is that of the old world of the transferring into the new – the FSO sees itself as the master of the DSO and RSP. As far as network operations are concerned, you need to think about balancing at a local level and then exporting the remaining balance out of that system. That is a very different proposition to what is described here.” Government stakeholder
- "Instead of top-down, we need bottom-up." Energy aggregator
- “Something that is missing for me here [is] where the most transformation is needed. [...] We need to be more real-time, and that needs a massive amount of transformation and scalability.” Government stakeholder
- "As we’re larger assets, we’d like knowledge of what you guys are after volume-wise or capability-wise." Energy consultant
- "NGED need to better consider how end users will understand and engage with these plans." Business customer

- “We need clarity on the merits of the decisions and where decarbonisation and green energy comes into this. If the decision is to use a power station, we need to know why. We need to be maximising green technology, and need clarity about the decision.” Energy consultant
- “I think transparency is key. Information is key. So that everyone working towards this goal is all on the same page and knows how they can help and whether it’s viable to help.” Energy consultant

OBJECTIVE 2: MINIMISE THE CURTAILMENT FACED BY CUSTOMERS ON OUR NETWORK, WHERE ECONOMICAL

Stakeholders felt that the wording of the objective was ambiguous, in that it suggested that curtailment would only be minimised where it was economical to do so. Stakeholders also noted that curtailment may be planned, and that this objective should clarify whether this was also included.

Some stakeholders felt that the objective was unclear overall, particularly as systems were already designed to minimise curtailment, and asked whether this objective suggested that curtailment was anticipated to become an increasing problem in the future.

Stakeholders also questioned whether more clarity and transparency around curtailment decision making would be a more useful objective.

VERBATIM QUOTES:

Objective 2: Minimise the curtailment faced by customers on our network, where economical

- “We already design our systems to do as little curtailment as can safely be managed. It feels performative to make this one of your objectives.” Energy consultant
- “This sounds weaselly. You’re saying, ‘we’ll sort it out behind the scenes and you have to just trust us: don’t hold us accountable’.” Business customer
- “This suggests that curtailment is too high. These statements need to also state *why* these are important things to tackle.” Utility
- “They don’t match, I don’t like the ‘economical’ part.” Consumer body
- “I assume part of this is about publishing how you make the decisions?” Storage and renewables provider/installer
- “I think having better visibility of curtailment. Rather than having direct carbon targets, you just want measuring, tracking.” Energy aggregator

ACTIONS

- **Better decision making:** Recruit a strategic partner to help us develop our service selection capabilities and tooling.

This action did not receive much engagement, and there was some confusion over what this means or why it is needed. Stakeholders asked whether this action refers to what is needed, or how it will be implemented. Greater clarification or specificity on this action may be helpful for stakeholders.

- **Improved Efficiency:** Develop and implement operational forecasting capabilities to better target our dispatches.

Stakeholders acknowledged the importance of this action, but felt that it should be more explicit about digitisation and employ better use of data to aid planning and decision making. The complex nature of forecasting was noted, and, again, improvements to transparent data sharing were felt to be key in encouraging collaboration. Clear performance indicators were suggested, and the idea of adopting an agile, 'DevOps'-like approach was proposed, in order to facilitate quicker iterations and encourage more innovation.

There was some discussion about whether 'efficiency' is the right term to focus on in relation to forecasting, where 'accuracy' might be more pertinent.

- **Reducing curtailment:** Implement processes to review the requirements for curtailment to support outages.

Although reducing curtailment was acknowledged as a positive aim, it was felt that a robust framework was also essential in giving confidence to investors and ensuring that more assets are added to the network. Stakeholders felt that more granular curtailment predictions were a key element of planning and decision making, encouraging asset development and attracting investment.

There was a call for more transparent data to ensure improvements to whole-system forecasting; there was again an appetite for collaboration, and the sharing of data and solutions across the sector. The use of battery units as balancing mechanisms was given as an example.

- **Deliver standardisation:** Deploy the standardised ON Dispatch API as soon as possible.

There was some confusion over this action, which did not resonate with all stakeholder groups; there may be opportunities to clarify this with language that is more accessible for different stakeholders. Those who did feel it was important (more operational stakeholders) felt that it was urgent, but that systems were still too fragmented and lacking a single decision maker to take it forward in a standardised way. It was noted that if data was being collated through APIs, then decisions needed to be made about how that data was utilised.

Some questioned whether an opportunity to align systems was being missed, and it was not felt to be efficient to use several APIs 'bolted together'.

- **Whole-system coordination:** Continue to develop and implement ON Primacy rules. Provide wider visibility and control of DER to the ESO to enable faster, more efficient connections.

There was significant discussion about this issue; overall, there is a strong call for a coordinated, transparent, consistent, data-driven approach, to ensure progress towards standardisation and clear decision making.

Data monitoring, visibility and standardisation were considered to be critical, particularly for older systems. The need for a whole-system approach, considering utilities in future plans, particularly in relation to other sectors like gas, was raised. Concerns were expressed about the potential market impact of the implementation of primacy rules, which could either foster new investment or deter it, depending on the approach taken.

The need to acknowledge the culture change from competition to collaboration was emphasised, to foster shared learning and coordinated efforts across DSOs. Again, there was an appetite for collaborative working in the data science space, particularly where capability exists outside the DNOs.

The issue of service stacking was raised as a point of potential conflict, and an area where transparency over prioritisation decision making is needed.

ACTIONS OVERALL

When asked for feedback on the actions overall, and whether anything should be removed or added, stakeholders did not want to remove any actions. Some stakeholders felt that actions should be added in order to include an emphasis on sustainability or the carbon impact of solutions. The need for clear cross-sector working across gas and transport was also raised, along with defining a scope for whole-system coordination. Others felt that a clear action was needed about digital strategy, particularly across all DNOs; the need for common data standards to improve the quality of data was also raised.

Clarity around timescales and a robust action plan were also highlighted.

Prioritisation of actions:

Stakeholders were asked how they would prioritise these actions.

Stakeholders felt that all of these actions were essential; however, it was largely agreed that whole-system coordination should be the priority in order to ensure the efficient running of the system overall.

It was acknowledged that improving the efficiency of forecasting and decision making would also improve the market more widely by enabling real-time procurement, which was also important.

Stakeholders felt that curtailment was an issue that was obviously important, but that it felt like an ongoing priority, and could not really be something that was described as 'completed'.

VERBATIM COMMENTS

Comments on Flexibility Services actions:

- “I would like to see more specificity on what it means to make better decisions. More timely? Geographically?” Storage and renewables provider/installer
- “What rules would you need to implement [to make better decisions], and how quickly can you create those rules? The rate of pace is going to be difficult.” Storage and renewables provider/installer
- “[Improved efficiency is] a great action, but you’ve got a runaway train. You’re getting different sources and demands all the time. It’s hard to know what will come along with so many moving parts. Are we looking at this standing still, or exponentially? Scalability is everything.” Energy consultant
- "There’s an absence of mention of digitisation and using data science [for the action around improved efficiency of forecasting]. That is important. Approach a gap analysis of those and make sure they talk to this. Decision-making tools could be too analogue and that won’t set you up for what you need to do.” Government
- “We have a lot of data relevant to curtailment. Will you be reaching out to people to get data and forecasting help?” Energy aggregator
- “One of the big selling points of standalone battery units is to aid curtailment. But they’re not being utilised as much as they should be as a balancing mechanism. We can aid curtailment, it’s just a question of trying to be utilised in a way that’s beneficial to DSOs and DNOs. More data and information is needed about how participants and consumers can help the greater picture.” Energy consultant
- "We are ready to build an industry standard ([API] but things are too fragmented. There is no clear decision maker, so we are building things that are later thrown away because the standard is not decided." Storage and renewables provider/installer

- “[Regarding stacking] we should start not only identifying conflicts and when they’re likely to arise and what the risks are, but then actually there are solutions to them beyond saying ‘we can’t, no stacking’.” Energy aggregator
- “Three priority actions joined together are the whole-system coordination, improved efficiency and improved decision making. The result of these is to move towards more real-time procurement, which might align with the ESO and improve market liquidity.” Energy aggregator
- “You should be asking a room full of end users, and not inside-industry technical people, what the priorities should be. To do that, you would need to make all of this information presented today much clearer and more accessible.” Utility

SPRINT 3: PLANNING AND NETWORK DEVELOPMENT

Oli Spink, Head of System Planning, gave an overview of the proposed actions for the objectives for the Planning and Network Development role.

Stakeholders were asked for feedback on the actions under the outcomes that the NGED DSO is hoping to achieve under the 'Planning and Network Development' pillar. Stakeholders were asked for their views on the objectives and action points, how they would prioritise the action points, and whether there were any action points that they would remove.

The overall objectives are to:

- Demonstrate evidence of the delivery of strategic investment across our network;
- Adopt a flexibility-first approach to all strategic investment decisions; and
- Ensure that the decarbonisation plans of our customers are incorporated into our long-term plans.

The actions aligned to this are:

- **Network opportunity mapping:** Improved open data for customers to undertake network assessment and curtailment analysis.
- **Accelerating connections:** Reduce the impact of the transmission interface on distribution generation connections.
- **Data and information:** Continue to improve CIM model publication, including secondary networks.
- **Transparency of strategic plans:** Publish a suite of documents outlining how we plan to develop our network.
- **Stakeholder engagement:** Ensure that the future needs of our customers are included in our network development plans.
- **Demonstrate delivery:** Deliver reinforcement/conventional build solutions in anticipation of projected need.

SUMMARY

There were mixed views on the objectives. While stakeholders generally agreed with the principles behind the objectives, they challenged some of the clarity or timeliness of the objectives as they were currently worded.

In terms of demonstrating evidence of the delivery of strategic investment, stakeholders felt that this objective could be clearer. Some were unsure about what it means, and questioned whether it referenced investments or outcomes. Others felt that it lacked a 'whole-system' perspective.

There was a general consensus on the importance of flexibility first as an approach in decision making. However, questions were raised about the complexity of the real-world application and evidential basis for this approach.

In terms of incorporating customers' decarbonisation plans into long-term plans, stakeholders agreed that it made long-term sense, but queried whether this was the right objective at this stage, when focusing on enabling decarbonisation should be the priority.

In terms of the actions, overall, stakeholders agreed with most of the actions, but there was a concern that the cultural change to a DSO has not been captured in the actions, which are missing a facilitating, enabling or leadership focus that stakeholders were expecting. There was a strong feeling that the DSO should be enabling collaboration across the sector; for example, through standardisation, to enabling improvements, to data transparency and data sharing. Stakeholders had a keen appetite for a more collaborative approach.

Stakeholders sought assurances around the detail and clarity of the actions, and suggested tailoring information and data for appropriate audiences to expedite engagement and market development.

Delivering reinforcements was considered important, but it was noted that flexibility markets were only just gaining traction and clarity around timescales, and decision making was also key.

OBJECTIVE 1: DEMONSTRATE EVIDENCE OF THE DELIVERY OF STRATEGIC INVESTMENT ACROSS OUR NETWORK

There were mixed views on this objective. Overall, stakeholders felt that it could be clearer. Some stakeholders were unsure about what this objective means, and questioned whether it referenced investments or outcomes. Some felt that only the latter was of interest, and they did not like the assumption that if they were connecting then they were paying for upgrades elsewhere.

Stakeholders commented on the need for transparency of the underlying rationale behind the targets and strategy, not just the data.

The question of whether customers will pick up the cost of investment was raised, and whether investment will be fairly distributed; if the demand is followed, it may lead to an increase in socioeconomic inequality.

Stakeholders commented that 'whole-system value' is missing from the objective. Some felt that a better objective would be to develop the network with the lowest cost to consumers and carbon.

VERBATIM COMMENTS

Objective 1: Demonstrate evidence of the delivery of strategic investment across our network

- “Are you delivering evidence of the investment or evidence of the successful result with advantages to customers?” Storage and renewables provider/installer
- “I don’t care if you show me if you invested or not. I only care if you show me if you delivered a successful result on the investment.” Storage and renewables provider/installer
- “Does the idea of demands for investment play to certain demographics? There will be poorer areas without the education or scope to drive that investment. You can follow the demand, but will it lead to the divide widening? Ensure nowhere is left behind.” Energy consultant
- “The objective should overall be to deliver the lowest cost to consumers and carbon.” Storage and renewables provider/installer

OBJECTIVE 2: ADOPT A FLEXIBILITY-FIRST APPROACH TO ALL STRATEGIC INVESTMENT DECISIONS

There was a general consensus on the importance of flexibility first as an approach. However, questions were raised about the complexity of the real-world application and evidential basis for this approach.

The complexity of implementing a flexibility-first approach was acknowledged, particularly given the multiple variables that need to be considered. It was acknowledged that the systems, methodology and data needed to implement this approach in real time were very complex. The importance of standardisation was again raised.

Stakeholders also raised the question of whether the underlying assumptions driving the flexibility-first approach were sufficiently and robustly evidenced; the question of whether customer behaviour change is realistic was also raised.

There was a question as to whether the DNO is incentivised towards flexibility first, when there is more money to be made in building assets. Stakeholders suggested a more concrete commitment and roadmap, as well as a need for a holistic approach that considers environmental factors, including carbon impact.

VERBATIM COMMENTS

Objective 2: Adopt a flexibility-first approach to all strategic investment decisions

- “This is very important, and I would like to get a more concrete commitment as to when this strategy will kick in.” Developer
- "The bulk of flexibility will be unconscious. A lot of it you won’t be able to plan for, it will happen. If you don’t have the systems to aggregate it for real time, then you’re going to have a problem.” Energy aggregator
- “I think it’s really good. It makes a lot of sense. Flexibility first is what’s going to make things more affordable and carbon neutral as well, because we’re not building so much infrastructure.” Trade Association
- “They need to decide how these settlements will be made. The methodology depends on so many variables, it’s very complex. There could be a proportion of schemes that have to be flexible, but that is also constraining. It’s a good idea but implementation will be tough.” Energy aggregator
- "Evidence is key in terms of planning the future. [...] We need to understand how people live and what their lives are like. If you lean into the demand side, how are people changing their lives? Then, you may find the way you strategise and plan for the network will be profoundly different. [...] I do believe

flexibility should be first, but you have to lean into the evidence, and if you lean into the evidence, you lean into the demand side, not the supply side.” Energy aggregator

OBJECTIVE 3: ENSURE THE DECARBONISATION PLANS OF OUR CUSTOMERS ARE INCORPORATED INTO OUR LONG-TERM PLANS

Stakeholders queried what plans these were exactly and whether they would include Local Area Action Plans, or how FSO would fit into this objective. The need for agile plans was raised, alongside the fact that significant work would be required to take into account all customers’ plans. Some felt that this objective made sense in the long term but was not a priority at the moment.

Some stakeholders commented that this seemed like an odd objective at this early stage of the process, sounding like it is being led by others, whereas the DSO needed to lead on enabling decarbonisation first.

VERBATIM COMMENTS

Objective 3: Ensure the decarbonisation plans of our customers are incorporated into our long-term plans

- "This is a weird ambition and feels like the tail wagging the dog at this early stage in the process." Storage and renewables provider/installer
- "It should be about helping customers decarbonise, not aligning long-term plans with them. You should be leading the way.” Charity
- "Realistically they need to work firstly on enabling decarbonisation, but they cannot assure it." Utility
- "Nobody knows what will happen in the future, so the plan must be agile." Energy consultant
- “Long term, this makes sense, but in the short term, customers are struggling to connect. They need to develop the strategy of how they are going to do this. We need tangible actions in the short term for the low-hanging fruit. What are you going to do right now? We can’t critique the plan yet because it doesn’t exist, but there are still things we can be doing now.” Business customer
- “My main problem with this is that it assumes a stable world. There’s an awful lot happening there, which means there’s less certainty. When you’re talking about planning, you can get locked in, decide the way forward, but you have to have plans that are flexible, can be amended. The word missing from that slide is innovation. To deliver that, there’s a need for innovation and to be flexible.” Government stakeholder

ACTIONS:

- **Network opportunity mapping:** Improved open data for customers to undertake network assessment and curtailment analysis.

Stakeholders agreed with the need for improved open data for network opportunity mapping. They commented that the current data was not always particularly useful, and required improvements so that it was suitable for customer needs; the data was often available, but they could not always get what they needed from it. The data needed a 'customer-first' focus, to ensure an intuitive, simple process that was tailored to customers' needs.

- **Accelerating connections:** Reduce the impact of transmission interface on distribution generation connections.

Stakeholders agreed that accelerating connections was a key action, but felt that it was a big ambition, and needed clarity about how it would be achieved. Stakeholders also sought assurance that a long-term and collaborative approach was being considered.

- **Data and information:** Continue to improve the CIM model publication, including secondary networks.

While some stakeholders welcomed the CIM model and a standardised approach to information, others did not understand what this action meant. There was little feedback on this action.

- **Transparency of strategic plans:** Publish a suite of documents outlining how we plan to develop our network.

Transparency of strategic plans was welcomed as an action, and stakeholders felt that this would help drive the direction of work across the system. Stakeholders felt that this would prevent local plans from being tied up to out-of-date assets, and this could help support local authority targets and plans.

Transparency around strategic plans and also decision making was welcomed, although it was felt that it went hand-in-hand with engagement and coordination across the system, particularly with local authorities and regional system planners.

- **Stakeholder engagement:** Ensure that the future needs of our customers are included in our network development plans.

Stakeholders felt that stakeholder engagement and communication were important so that customers knew they were ‘behind them’ and had a greater understanding of the sector. It was also noted that engagement was important so that the sector had a better understanding of customers' priorities.

It was suggested that more could be done for local authorities looking for guidance on stakeholder engagement from DSO. Similarly, the importance of improving engagement with local authorities themselves was raised, particularly to improve flexibility planning, but also to ensure that paths to engagement across the system were smoother for local authorities. Local authorities raised the issue of the support that they needed to develop Local Energy Action Plans, which was a challenge they were having to meet with little resource and limited in-house expertise.

- **Demonstrate delivery:** Deliver reinforcement/conventional build solutions in anticipation of projected need.

Stakeholders agreed that delivering ahead of need was important, but felt that flexibility markets were only just gaining traction, and stakeholders felt that clarity around timescales and decision making was also very important. It was also noted that if flexibility was used to defer reinforcement, then timescales and decision making should be clear so that plans for local delivery can be tested.

It was queried whether this was an appropriate action for the DSO, or whether it should focus on supporting DNOs in delivery.

ACTIONS OVERALL

Stakeholders were asked for feedback on the actions overall, and whether anything should be removed or added. In terms of removing actions, some stakeholders felt that some actions were more outcomes (accelerating connections) or overlapped with the objectives (demonstrating delivery).

When asked about whether there were any actions that were missed and that should be added, suggested actions included a commitment to flexibility first to support investment decisions, and more of a focus on decarbonisation and longer-term planning. Stakeholders also suggested a commitment to making data accessible and easy to understand for all stakeholders, including customers, and also to reduce the burden on local authorities where possible.

Some stakeholders felt that there was a lack of specificity in the actions; for example, no mention of EVs, Smart Energy Action Plans, smart meters or solar panels. Some felt that more specificity would make the actions more accessible to a wider audience.

PRIORITISATION OF ACTIONS:

Stakeholders were asked how they would prioritise these actions. There was very little engagement with the question of prioritising actions in this section, although suggestions included planning the network, and stakeholder engagement.

VERBATIM COMMENTS

Comments on Planning and Network Development actions:

- "[The action plan] doesn't capture a facilitator role. It doesn't capture the need to help others to deliver." Trade Association
- [Improving data:] "At the moment, it says download the data, do your analysis and make your own conclusion. To create a vision of the future, we should break down the archetypes. What does 'good data' mean for customers, aggregators, developers etc? Define the groups and help them focus in and provide them the data points they need." Energy consultant
- "I'm really pleased to see the CIM model called out as tangible model." Energy consultant
- "Transparency is important. I think it goes hand in hand with engagement." Energy aggregator
- "Take a cross-section of user cases and look at what's there and what's missing. We have ways of working that do not respond to the innovation needed." Energy consultant
- "Tell us what you want to demonstrate, give us a plan, we will execute on it." Storage and renewables provider/installer
- "It needs to be interactive. This event is great stakeholder development; a suite of documents online isn't enough." Consumer body
- [On stakeholder engagement:] "To do anything, I have to speak to SSE and E.ON and countless others. If the DSO could package that information into a single point of information, it would both help us to streamline and help you to get a full understanding of planning across the region." Local authority
- "If we want to do something well, which we do, and we're putting a lot of energy, effort and resources into trying to decide what is it that we need, who do we go to, to commission it, and simply how do we not get ripped off by consultants who are offering all these services to us? And how do we then talk to our politicians to convince them that this is a worthwhile investment for us? So we are working hard to build a business case for our Local Area Energy Plan [...] And we definitely want to be able to say 'These are our needs, we want to work with you to get what we need.' But it's very difficult for us to get to that position without resource and technical expertise, and they're probably two things that we don't have in abundance. So that's just the challenge back from us." Local authority

- [On demonstrating delivery:] "What NGED could do to make this all work, where it says 'demonstrate delivery of strategic investment', if they demonstrated customer value by emphasising flexibility first, it means we save off our bills, but those customers who provided flexibility got paid, so double bubble. You don't just get paid for utilising it, you get paid for producing it." Energy aggregator
- [On demonstrating delivery:] "The world is likely to change. You can model now, but things can change. You need to model things in a way that allows for a range of outcomes." Consumer body
- "[Building reinforcements] sounds like a very long-term project. Reinforcement/conventional build solutions take a long time. How long do we have in order to prove that flexibility is an option before we just have to crack on? It feels challenging because the flexibility markets are only just getting going." Energy aggregator
- "Some parts of society are engaged in energy in a way that holds potential for local communities to take an active role in shaping local plans. I'd like to see space for them being actively engaged as stakeholders." Energy consultant
- "We're going to overload customers with information. You can publish documents, but we need to provide visualisations and accessible information." Business customer

EXPERT PANEL

An Expert Panel session was chaired by Simon Virley, Head of Energy and Natural Resources at KPMG. The panel members were:

- Fiona Campbell, Head of DSO Governance, Ofgem;
- William Goldsmith, Head of Grid and Data Services, ev.energy;
- Kate Ashworth, Energy Infrastructure Lead, West Midlands Combined Authority;
- Ben Godfrey, Director of DSO, National Grid Electricity Distribution.

SUMMARY

The audience asked the following questions of the panel:

- "We've added lots of priorities on the to-do list, what are the one or two things you'd really want the DSO team to focus on in the next 12 months?"
- "Can you talk more in terms of the governance regarding full legal separation?"
- "The architecture around us is changing, how are you going to approach that?"
- "What capabilities do DSOs need going forward?"
- "What we've been discussing is a move from a top-down system controlled by the DSO to a bottom-up-driven system with demand-side flexibility, and ideally a world where you have local balancing and you export the balance. We're still in a world where the FSO rules the roost, and that doesn't work. How do we ensure a culture where the regional system planner is seen as an equal planner to the FSO planning and the DSO system is seen as driving the route to Net Zero?"
- "[Communications and Information Technology company] is looking at how we do sustainability reporting with all the changes that are happening. One of the things we've seen is financial PPA (Power Purchase Agreement) are just on the books only, and there's a concern that we'll have to report the actual energy consumption if you're going to claim to be green. How does the DSO play into that reporting?"
- "We have had an obligation from Ofgem to treat all customers equally. Over the last year or two, we've seen more of a steer to a distinction between demand customers and generation or storage customers. What's the direction of travel with this? Where can we see the industry going? Should the DSO's focus be on all customers or on demand customers?

APPENDIX 1: ATTENDEES

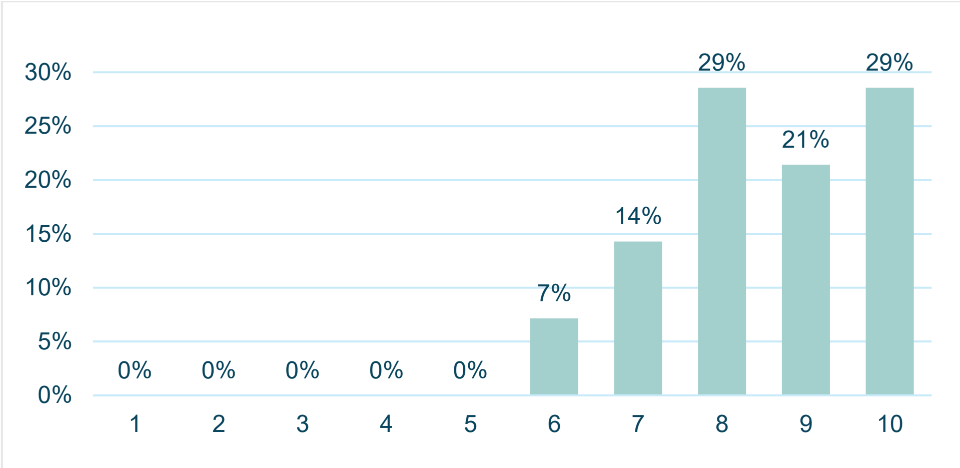
A total of 49 stakeholders attended the workshops, representing 40 organisations. The organisations represented across the workshop are shown below:

8 Minute Energy Ltd
AMP Clean Energy
AMP Energy Services Limited
Amp X
Baringa Partners
BSR Energy
Capula
Centre for Sustainable Energy
Centrica
Citizens Advice
Cornwall Insight
Eelpower
ElectraLink
Electric Miles Ltd
Energy Networks Association
Energy Saving Trust
EPEX SPOT
ev.energy
GE Digital Grid
GE Vernova
Independent Networks Association
LCP Delta
Levelise
Lincolnshire County Council
National Grid Electricity Transmission
National Grid ESO
Nokia
Northern Powergrid Plc
Octopus Energy
Ofgem
Oracle
PA Consulting
Piclo
Regen
Severn Trent Water Ltd
Smarter Grid Solutions
SSEN Distribution
Urban Growth Company
Welsh Government
Welsh Power

APPENDIX 2: WORKSHOP FEEDBACK

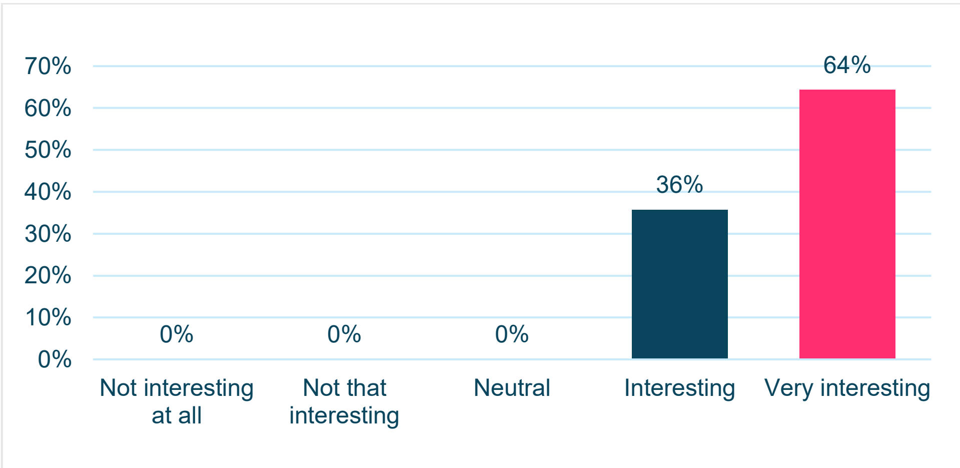
After the workshop, stakeholders were asked to complete a short feedback form. The feedback was as follows:

1. Overall, how satisfied were you with today's workshop?



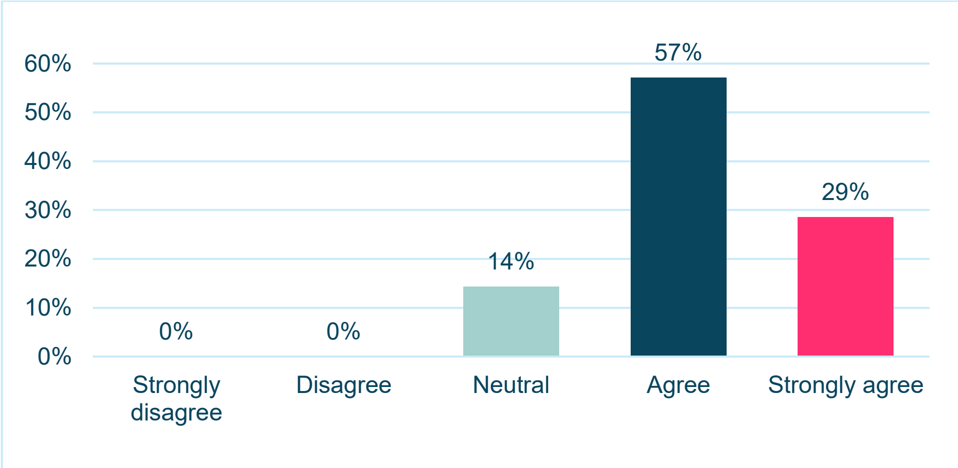
Where 1 is strongly dissatisfied, and 10 is strongly satisfied.

2. Overall, did you find this workshop to be:



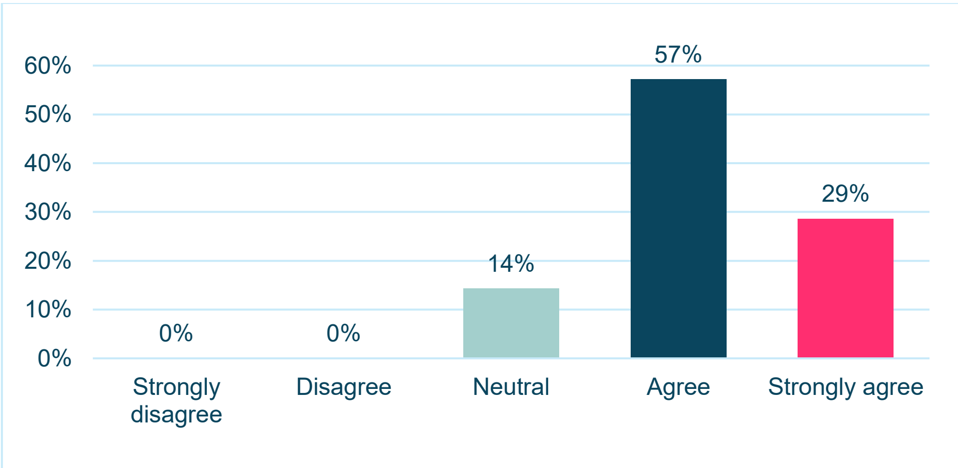
- "Mix of new and tangible actions with some presentations remaining somewhat vague on actions."
- "Good range of topics and great to provide input. Wonder what comes next."
- "Opening my eyes & widens my thinking."
- "Very helpful overview of NGED current thinking re DSO role."
- "The objectives etc were very internally focused and it would be helpful to be clear where this takes NGED and how will this take it forward to be fit for the future."

3. **Do you feel you had sufficient opportunity to contribute to the discussion and ask questions?**



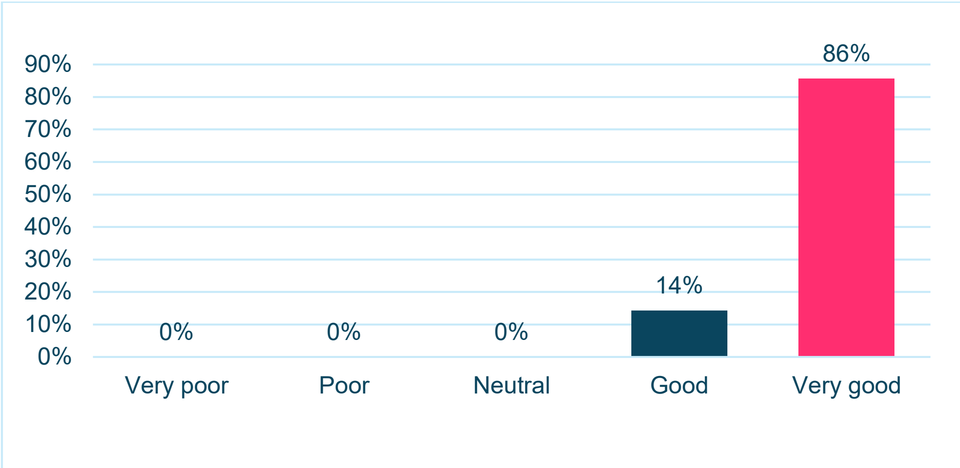
- "Very well facilitated."
- "Excellently moderated."
- "Having prep material would have been good."

4. **Did the range of topics discussed meet your expectations?**



- "I feel sharing the topics and / or slides in advance may have resulted in a more effective discussion."
- "Didn't have expectations so all very stimulating."
- "Enjoyed the breath on the panel, especially the inclusion of the EV aggregator which provided a similar viewpoint to what is important to us."
- "Topics were timely and of interest."

5. What's your assessment of how the workshop was chaired and facilitated?



- "Very good facilitators to lead discussion."
- "Moved along well and sharply."

6. What could we do to improve future events like the one you have attended today?

- "Have more targeted sessions for specific stakeholders. My interest is flexibility market development but the broad scope of this event meant this topic was only a small part of the discussion today."
- "More opportunity to work with those on other tables... not just networking or via coffee or lunch."
- "More time for networking."

EQ Communications Ltd.
The Dock, Tobacco Quay,
London, E1W 2SF

0203 3617 6359
info@eqcommunications.co.uk
eqcommunications.co.uk