piclo®

Flex Forum, May 2023

Summary

Organised with:

UK Power Networks — Delivering your electricity

SP ENERGY NETWORKS

electricity north west
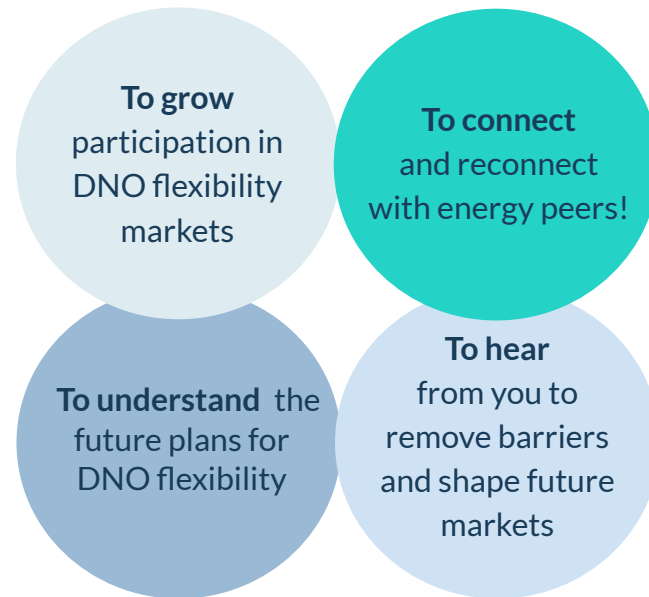
NORTHERN POWERGRID

Background

Event coordinated by Piclo, and four UK Distribution Network Operators (UK Power Networks, Electricity North West, SP Energy Networks, Northern Powergrid)

- 3 panel sessions

- 3 collaborative workshops

- 71 attendees

To grow participation in DNO flexibility markets

To connect and reconnect with energy peers!

To understand the future plans for DNO flexibility

To hear from you to remove barriers and shape future markets

Thank you to everyone who attended and for your input. We have summarised the discussions, and our next steps.

We will provide updates through our UK newsletters, and also a progress report in Dec 2023

Testimonials

" The event was informative and open. Lots of discussion between peers was encouraged which helped to answer varying questions that some had maybe not contemplated previously. Looking forward to the next event to get more details on the progress being made.

Mark Canterbury, Grid Engineer
Greentech Energy

" It's really useful for people with distinct experiences, working in different parts of the sector, to come together and compare their own experience

Naomi Baker, Senior Policy Manager
Energy UK

" The regular cadence of this event, bringing more people, more momentum, shows this is an industry that's accelerating.

Nina Klein, Interim Head of Distributed Flexibility and Enablers
Ofgem

" An informative and friendly gathering of the folk responsible for procuring and supplying flexibility in UK electricity markets.

Archy de Berker, co-founder
axle energy

" Excellent event - good mix of practical workshops and thought leadership panel discussions. Also a good mix of attendees from DNO, flex providers and other relevant bodies - this interaction was valuable.
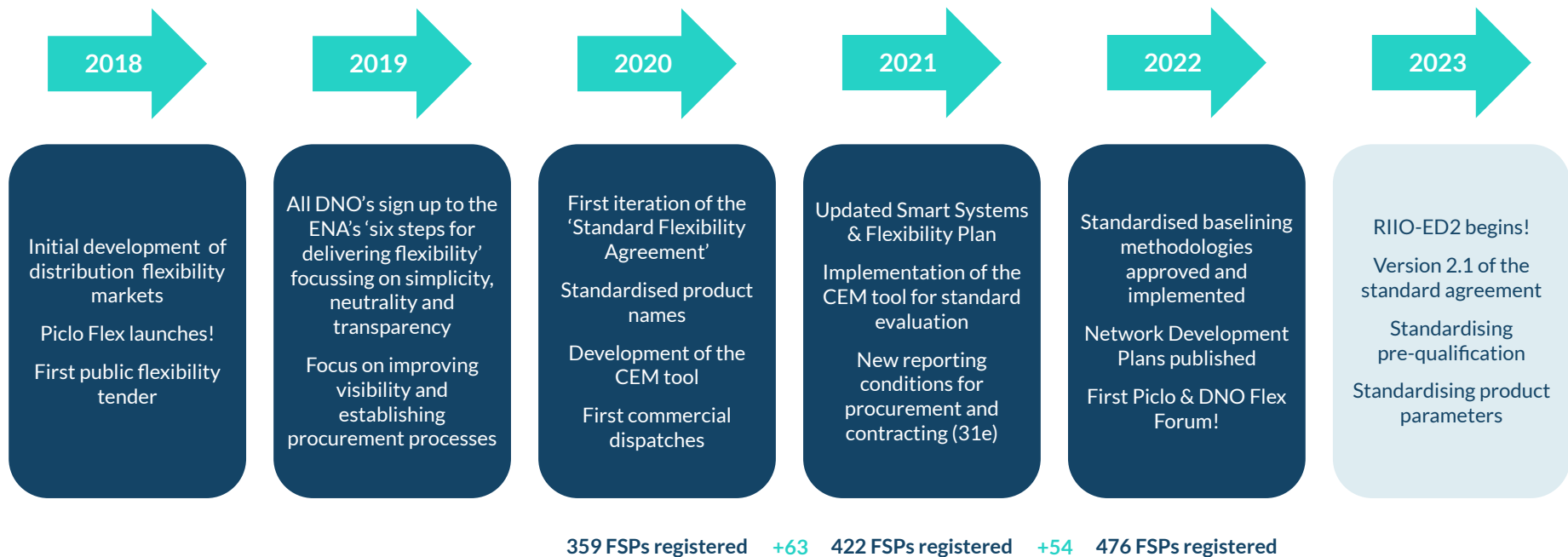
Anon

Recap from 2022

Flex Forum: Growing DNO flexibility markets to reach net zero

57
attendees

14 June
Manchester

Stimulate
market
engagement

Boost
confidence and
transparency

Drive
participation
and liquidity

Evolution of distributed flexibility

2018
Initial development of distribution flexibility markets

Piclo Flex launches!

First public flexibility tender

2019
All DNO's sign up to the ENA's 'six steps for delivering flexibility' focussing on simplicity, neutrality and transparency

Focus on improving visibility and establishing procurement processes

2020
First iteration of the 'Standard Flexibility Agreement'

Standardised product names

Development of the CEM tool

First commercial dispatches

2021
Updated Smart Systems & Flexibility Plan

Implementation of the CEM tool for standard evaluation

New reporting conditions for procurement and contracting (31e)

2022
Standardised baselining methodologies approved and implemented

Network Development Plans published

First Piclo & DNO Flex Forum!

2023
RIIO-ED2 begins!

Version 2.1 of the standard agreement

Standardising pre-qualification

Standardising product parameters

359 FSPs registered   +63   **422 FSPs registered**   +54   **476 FSPs registered**

Progress since 2022

Data availability:

"The value proposition of DNO flex services must be made clearer, DNOs must increase visibility of what kind of services will be needed in future"

Visibility on future services is available through the NDP Reports published by each DNO

APIs

"APIs can help with automation for FSPs", "There is a lack of standardisation across operations and dispatch is a barrier - e.g. Dispatch APIs"

Piclo have published a number of APIs for FSPs and DNOs to make use of and will work alongside industry to move towards common APIs by summer 2024

Short term markets

"Short term markets are a significant opportunity for DNOs to prioritise over ED2", "A variety of short, medium and long term contracts should be available to suit different FSPs"

Piclo has developed end-to-end functionality to deliver short-term markets and are working alongside the DNOs on how to enable this

Procurement Standardisation

"The procurement process is flawed and needs to change", "The lack of a framework contract acts as a barrier to participation"

Piclo will work alongside DNOs to deliver a standardised PQQ and Framework contract from Autumn 2023

Distribution Flexibility Services Procurement Summary

Capacity to be tendered 23/24	Value to be tendered 23/24	Capacity awarded 22/23
1536 MW	>£15.5m	2212 MW

Value awarded 22/23	Capacity dispatched 22/23	Value dispatched 22/23
>£1m	1162 MWh	£0.21m

Flex Forum: reducing barriers in distribution flexibility markets

Time	Session	
9:30	Welcome & recap of 2022 findings	
9:45	DSO flexibility update and Q&A	
10:30	Data & information	Workshop
11:15	Break	
11:30	FSP panel: Experiences of DSO flex competitions	Panel
12:15	Lunch	

Time	Session	
13:15	Flex market development: Qualification & contracts	Workshop
14:15	Break	
14:30	Decision making: Bid & dispatch	Workshop
15:30	Break	
15:45	Future thinking: Short term markets and the future of flexibility	Panel
16:30	Closing remarks	
16:45	Drinks reception on Roof Terrace	

Panel sessions

Panel 1: **Update from DNOs**

- Speakers from UKPN, SPEN, ENWL, NPg

Panel 2: **FSP panel: Experiences of DNO flex competitions**

- Chaired by EnergyUK
- Speakers from EV.energy, AMP Energy, Octopus Energy

Panel 3: **Future thinking : Short term markets and the future of flexibility**

- Speakers from Piclo, Ofgem, GridImp, ADE

Collaboration sessions

Workshop 1: **Data & information**

Discussion prompts included:

- How do Flex Providers find out about the tenders?
- What information do Flex Providers need to assess whether to participate in any tenders?
- What do Flex Providers think about the information/support provided by Piclo and the DNOs, in terms of helping decide whether to participate in a tender?
- Previous competition data available on the Piclo data hub. Do Flex Providers access this? Is this useful in informing future decisions?

Items raised in discussions included:

- Flex Providers use a range of sources to find out about competitions (Linkedin, twitter, emails) - no clear main source used
- Some frustration at needing to look at different information across the different DNOs, and at different documents, as well as Piclo
- Some FSPs mentioned difficulties in uploading large file sizes
- Some FSPs mentioned they would like more information on how much flexibility was actually dispatched post competition - some were unaware on information already available

Collaboration sessions

Workshop 2: **Qualification & contracts**

Discussion prompts included:

- What are the challenges you are currently facing with the asset and company qualification processes?
- What other experience do you have of signing Framework Agreements? What has that experience been like (pros and cons)?
- What are the challenges you foresee with the standardisation of providing asset data / company data?

Items raised in discussions included:

- It was generally felt that company qualification was relatively straightforward, although some FSPs would prefer that once qualified for one DNO, that could be replicated to others instead of re-entering the same process
- Some FSPs asked to standardise DPS and company qualification and its duration further
- There was a range of understanding and experiences of Framework Agreements
- Some, typically larger, FSPs indicated that Framework Agreements would require more senior-level sign-off
- Most FSPs welcomed the move to standardisation in contracts, including removing concerns from new entrants that other FSPs were negotiating terms
- Some FSPs asked whether it would be useful to keep their asset information up to date, event when tenders were not live - it was felt it would be useful, but there was discussion on how to encourage FSPs to do that given differing levels of resourcing within FSPs

Collaboration sessions

Workshop 3: **Decision making: Bid & dispatch**

Discussion prompts included:

- Do you understand why your bids are accepted / rejected?
- How do you use this information to inform your future bidding strategies?
- What other information would help you improve your bidding strategies?
- How do you dispatch your assets currently?
- How would you like this process to work in future?
- What are the opportunities and challenges with short term competitions?

Items raised in discussions included:

- On dispatch of assets, some FSPs talked about working with the DNOs and the process working well.
- Some FSPs, particularly aggregators, voiced interest in short-term markets given at domestic level, consumers need to be able to come and go , so certainty of fulfilling longer term contracts can be more challenging
- In general, FSPs would like more information on why assets end up being dispatched / activated, and which ones; and why bids are rejected
- Some FSPs asked for more info on how frequent dispatch will be - although estimated utilisation hours are provided within tenders.

Key comments & Next steps

Standardisation

- **Standardisation of PQQ**
  FSPs asked for greater standardisation, as well as an indication on what clauses where mandatory
  - **Next steps:** This is a priority across all DNOs through the ENA Open Networks programme, with the Standardised PQQ expected to be implemented from the Autumn 2023 tenders

- **Standardisation of DPS**
  DPS durations vary across DNOs. Several FSPs suggests greater alignment could be helpful.
  - **Next steps:** The DNOs using Piclo Flex will explore how to standardise the DPS process

Key comments & Next steps

Visibility

- **Better visibility of historical data**
  Several FSPs were not aware of the historical data available through the Piclo Data Hub
    - **Next steps:** Piclo will publish insights from the Data Hub to raise awareness of the site. Existing data sets include: GB DNO competition boundaries; GB competitions on Piclo Flex; historical data on confirmed bids
    - All DNOs also published an annual Flexibility Services Procurement Report on their websites

- **Visibility of future tenders**
  FSPs would like better visibility of future tenders. Several were not aware of the information already available through the DNO websites
    - **Next steps:** In the Autumn, a refreshed Piclo website will build on the existing signposting to available information provided by the DNOs

- **Value of flex - forecasting and pricing at specific sites**
  Forecasting for specific sites and location, and visibility of this including aspects such as utilisation, would help FSPs in choosing to bid, and also help attract investment; and FSPs asked for more support on pricing strategies
    - **Next steps:** Piclo and DNOs are in discussion on how to improve forecasting and pricing visibility, including reviewing available calculators
    - DNOs already publish ceiling prices

Key comments & Next steps

Support

- **More information, in one place**
  FSPs would like a better overview of key information, in one place, which is currently available across different websites and documents
  - ○ **Next steps:** In the autumn, Piclo will conduct detailed research on what information would be most helpful to FSPs to inform any refreshed Piclo website with a GB overview of the competitions on its platform

- **Support for less experienced FSPs**
  Less experienced FSPs asked for more support, particular at the earlier stages of the bidding process, with more practical guidance
  - ○ **Next steps:** FSPs can seek 1-2-1 meetings with DNOs; Piclo offer training and support; Piclo will release additional training support from Autumn 2023

- **Asset location - more support to confirm correct location**
  A "pain point" was confirming asset location, with several FSPs asking for support to explore a better method for doing this
  - ○ **Next steps:** Piclo and DNOs are in discussion on how to improve

Feedback & input

We are continue to develop our Piclo Flex platform with new functionality. If you are a Flexibility Service Provider, and want to feed into product testing please email us at support@picloflex.com

flexible.contracts@enwl.co.uk

Host regular 1-2-1 discussions - to request a meeting click here.

flexibility@northernpowergrid.com

flexibility@ukpowernetworks.co.uk

Flexibility@spenergynetworks.co.uk