

Consultation Summary	
Title:	Call for Input on Ofgem's "Guidance for reporting requirements under Electricity Distribution Licence Condition 31E: Procurement and use of Distribution Flexibility Services"
Organisation:	Ofgem
Response	SP Renewables (SPR)

Q1. Does the Guidance require specific amendments or additions?

Response:

SPR will like to highlight that the guidance published by Ofgem regarding procurement of flexibility services by Distribution Network Operators (DNOs) is at a high level and only covers the overall guidelines for procurement and reporting. The interpretation and implementation of this guideline by DNOs may vary and the overall procurement process may turn out to be completely different from one DNO to the other.

The overall success of the use of distribution flexibility services will come down to how efficiently DNOs execute the overall procurement process. This will include but will not be limited to, the underlying studies and analysis performed to determine the type and volume of flexibility required, data sharing with stakeholders and providing adequate information to the service providers, to offer their services part of the tendering process. Ofgem should consider expanding the guidance process, to cover some of these granularities to establish a more transparent process, where yearly assessments by DNOs are published along with alternate reinforcements planned and a clear methodology is provided of estimation of regional flexibility requirements.

Q2. How would you propose to use the information provided through the Distribution Flexibility Services Procurement Statement? Do the contents and format proposed in this Guidance support or complicate this use case?

Response:

SPR would use the information provided in the distribution flexibility services procurement statement to inform our decision to participate in service procurement process with DNOs where our assets can support and meet the local DNOs flexibility requirements. The statement will also inform our decision to install additional technology and solutions at our generation sites, to enhance our capabilities to better meet the flexibility requirements of the local DNO.

SPR will like to highlight that the following requirement from Ofgem, requires further explanation as the consistency benchmark is not clear to us. We understand the information that the information provided by DNOs need to have consistent nomenclature with other wider network development reports published by the DNO. However, for the benefit of the service provider, it will be helpful to have the nomenclature and other associated information clearly identified in the procurement statement itself or at least a glossary or mapping document provided which will allow us easily to correlate the information to other documents published by the DNO. This will further ensure consistency in procurement statements published by different DNOs.

"Clause 1.23 in supporting guidance document

a) Consistent information on the state of the network and the detailed quantitative assessment showing the need for flexibility.

b) Consistent nomenclature, metadata and unique identifiers across the Procurement Statements and Reports and wider network publications."

Additionally, it will greatly benefit SPR and other service providers, for Ofgem to expand on clearly explain the exact definition of the product types highlighted in clause 2.11 of the guidance document namely; a) Sustain b) Secure c) Dynamic d) Restore e) Other (e.g., Reactive Power) . The current list provided is high level and could leave room for misinterpretation.

Similarly, under clause 2.12 pertaining to the size of flexibility requirements; d) forecast requirements for the year e) required availability windows, which is currently required to be published once a year does not take the high level of variability of generation and demand over the year into account. It will not be possible for renewable generators to quantify and estimate their service capabilities for a year in advance. Similarly, given the variability of generation and demand, DNOs may not be able to accurately predict this a year in advance. SPR requests to Ofgem to re-consider these requirements to be routinely published on DNOs procurement page, which could be a month, week or day ahead and weekly and daily auctions to enable more renewable generation to participate in flexibility services.

SPR will also request Ofgem to provide more clarity regarding the frequency of the tendering process by DNOs for flexibility services. It is not clear from the guidance and the requirements of the procurement statement, how often such tendering process will be made available over the year for flexibility service providers to participate in and how will DNO ensure enough transparency regarding the procurement windows.

Q3. How would you propose to use the information provided through the Distribution Flexibility Services Procurement Report? Do the contents and format proposed in this Guidance support or complicate this use case?

And

Q5. How would you propose use the data provided in the Supporting Data template?

Response:

SPR welcomes the opportunity to be able to access and review distribution flexibility services procurement report submitted by DNOs to Ofgem each year. We presume, this report will be made public and provide us with key insight into DNOs flexibility requirements and regional and local capabilities to meet these requirements. We will use the report to inform our decisions for the next procurement period regarding the level and type of flexibility services we can provide and whether we need to modify our operational parameters to be able to better support DNOs with flexibility services.

It will be useful as highlighted in our response to Q4, to provide the supporting data for each region separately to consider the locational granularities.

Q4. What level of locational granularity is preferable to understand flexibility procurement activity, and for what applications? At what level of granularity are the proposed use cases limited?

Response:

SPR believe that locational granularity is key to ensuring technology diversity in procurement of flexibility services by DNOs to meet their flexibility requirements. Given the nature of the current generation and demand patterns, there is a great variation between regions and locations and during the day. Although, the underlying requirements regarding type of services may remain the same between different locations, the quantity and requirement periods may vary greatly between locations.

It is important the procurement process, statements and reports acknowledge the locational flexibility requirement differences and are created to highlight these differences between the locations. The procurement process should also publish locational requirements to encourage more diverse technologies to participate in the flexibility procurement process.

The locational requirements could be limited to a Grid Supply Point (GSP) or a local generation and demand cluster. This will be especially important for remote locations with limited connectivity to wider grid, where demand could vary greatly over the year and also over the course of the day, or where in certain areas sustaining a microgrid could be more beneficial to the consumer.

Q6. Do you have a strong preference for the provision of primary data, at a glance summaries, or other means of data sharing?

Response:

SPR will welcome publication of rationale behind procurement strategies and quantification of flexibility services by DNOs. It will be useful to have a common report published for the industry through collaboration among all DNOs. It will provide us with an overview of activities across all DNOs and the key synergies and differences between DNOs.

A “At a glance summary”, will also be useful for each procurement statement and report, which should include key figures and graphs highlighting the level of flexibility required and procured. It will also be useful to include this summary; the key barriers to procurement of flexibility services and expectations from DNOs regarding type of technical and commercial solutions required to meet their flexibility requirements.