

**1. What do you think distributed flexibility could contribute to the energy system?**

Distributed flexibility could contribute to lower energy costs for consumers, increased security of supply and the attainment of the UK's ambitious carbon reduction targets. These are major goals, and in our view the case for distributed flexibility is unassailable.

**2. Will a focus on CER flexibility also help enable other forms of flexibility, especially distributed flexibility?**

Yes. the challenges faced by CER flexibility are particularly acute versions of the problems faced by distributed flexibility in general: complexity, volatile short-term price signals, high cost of deployment and end-user inconvenience. Addressing these challenges in a way that enables CER flexibility will necessarily help to enable distributed flexibility.

**3. Is there a 'case for change' and a need for a common vision for distributed flexibility?**

The case for change is well-made; we agree that solutions to the problems of flexibility are unlikely to emerge organically on a sufficiently prompt timeline. Furthermore, even though no single market actor is in a position to establish a credible vision for distributed flexibility, a coherent vision is essential to solving the coordination and investability challenges that bedevil the sector.

**4. What is your vision for how to accelerate the delivery of accessible, coordinated and trusted markets for distributed flexibility?**

As a minor player in the industry, there is not much point in us setting out our own vision, as we lack the levers to move larger entities into alignment with such a vision. With that said, it seems obvious that a fully digital infrastructure is an essential substrate to any future market, and that rationalisation of market mechanisms and standards must be part of the vision. As such, we fully support the vision set out in the Call For Input.

**5. Will certainty of an end vision help accelerate enabling work and make it cohesive?**

Yes. Many of the barriers to enabling work occur because no one entity has incentivised to view the various initiatives in a holistic manner; a clear end vision will serve to align participants, projects and ultimately outcomes.

**6. When should a common digital energy infrastructure be in place? And therefore, when should development begin?**

A common digital energy infrastructure should be in place before divergent approaches increase the complexity faced by FSPs; 2021 would have been about the right point, based on the emergence of multiple independent DSO flexibility programmes. More constructively, development should begin as soon as the overall architecture of the future infrastructure achieves sufficient buy-in from market participants. This consultation is an essential stepping-stone to that point.

**7. What should a common digital energy infrastructure look like, and why? Please consider the archetypes or develop your own proposition.**

A common digital energy infrastructure should improve information provision and market coordination promptly and without stifling innovation. In our opinion, none of the archetypes discussed in the Call for Input achieves the right set of trade-offs, so we propose a new archetype which is similar to “Thin” in terms of implementation complexity, but delivers many of the benefits of “Medium”. We call this the “Distributed” concept.

The Distributed concept is based on the ideas of agility and openness. It does not require the creation of any specific shared infrastructure, but simply requires that certain data flows be established. It allows for innovation at a rapid pace, while removing obstacles to the adoption of distributed flexibility at a lower total cost.

A description of the archetype is attached:

***8. What is your view on the desirability and feasibility of the archetypes or your own alternative proposition?***

Please see discussion included in the Distributed Archetype document. Suffice to say that we feel it is superior to the Thin, Thick and Medium archetypes.

***9. Should a common digital energy infrastructure be new-build, or should it build-out from existing infrastructure?***

The common digital energy infrastructure should leverage existing systems where these are performing effectively, and be new-build where functions are not currently supported. In particular, this implies new-build infrastructure for Federated Identity management, the Wiki, the Asset Discovery Market and the Enablement Market.

***10. What are the important areas for consideration when designing institutional delivery models for a common digital energy infrastructure?***

NFT does not have significant experience of the design of institutional delivery models, and defers to more experienced parties on this question.

***11. What are the important areas for consideration when designing financial delivery models for a common digital energy infrastructure?***

NFT does not have significant experience of the design of financial delivery models, and defers to more experienced parties on this question.