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Ofgem  
10 South Colonnade  
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FAO: Euan Kirkmorris, Nina Klein, Francis Mosley | Decentralised Energy Systems

**Subject: Consultation | Flexibility Market Asset Registration**

Dear Euan, Nina and Francis,

CGI welcomes the opportunity to respond Ofgem's Consultation on Flexibility Market Asset Registration. Our response is based on our practical experience of designing, delivering and operating public interest digital assets in the utilities sector and other sectors across the globe.

The Consultation is timely given the important role that digitalisation and access to data will play in delivering the 2030 Clean Power Mission. Flexibility Market Asset Registration, as part of the Flexibility Digital Infrastructure, can play an important role in removing barriers to asset participation in flexibility markets and rewarding consumers.

CGI is among the largest IT and business consulting services firms in the world, operating across 21 industry sectors in 400 locations worldwide. We deliver digital services and solutions across the utilities industry, including the electricity, downstream natural gas, and water and waste sectors. CGI is at the forefront of market change and innovation in the utilities sector and is trusted to deliver, operate and secure the systems that enable competitive utility markets around the globe to operate efficiently. These include the data systems at the heart of the GB Smart Metering Implementation Programme for the DCC, the balancing and settlement systems for ELEXON and the systems for MOSL in the competitive non-household water market.

Yours sincerely,

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## 2 Flexibility Digital Infrastructure Policy

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### 1. Do you agree that policy intervention is needed to deliver common Flexibility Market Asset Registration?

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We agree that policy intervention to support the delivery of a common means for Flexibility Market Asset Registration is required. Our position is based on the market not having delivered a common mechanism for the registration of assets with flexibility to participate in the markets for flexibility; that this has inhibited the development of liquid markets for flexibility; and specifically limited the development of markets for flexibility from demand-side, distributed flexibility.

Policy intervention for Flexibility Market Asset Registration should be considered in the context of the strong stakeholder support of the need for wider policy intervention identified in Ofgem's Call for Input on the Future of Distributed Flexibility. The approach to Flexibility Market Asset Registration must be aligned with the policy interventions required to enable the establishment of the Flexibility Digital Infrastructure (FDI) and how it can leverage the Data Sharing Infrastructure (DSI).

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### 2. Do you agree that for other FDI outcomes policy intervention is not needed at this stage? Are there any risks to consider with this approach to FDI delivery?

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We do not agree that other policy interventions are not needed to support delivery of FDI outcomes at this stage.

As detailed in our answer to Question 1, the approach to Flexibility Market Asset Registration must be aligned with the policy interventions required to enable the establishment of the Flexibility Digital Infrastructure (FDI), how it can leverage the Data Sharing Infrastructure (DSI) and integrate with wider initiatives, such as Consumer Consent. Therefore, it is difficult to see an effective pathway to delivering Flexibility Market Asset Registration in isolation from the interventions required to support the development of the FDI and the DSI, and the development of the role of the Market Facilitator Delivery Body.

Developing the policy interventions to support Flexibility Market Asset Registration in isolation from or ahead of any policy interventions required to support the FDI or DSI risks limiting the development of these wider policy interventions, potentially leading to sub-optimal outcomes or requiring late modifications to the approach to Flexibility Market Asset Registration.

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### 3. Are there any other policy alignments or industry developments, in the UK or internationally, which should be considered as part of ongoing FDI policy development?

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We note that Flexibility Market Asset Registration has a stated dependency on the DSI to provide a mechanism to securely exchange standardised data between organisations across the energy sector<sup>12</sup>.

Access to sources of system and distrusted flexibility is seen as critical to delivering the 2030 Clean Power Mission (CP2030) by stakeholders from across the energy system<sup>3</sup>.

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<sup>1</sup> [Flexibility Market Asset Registration Consultation \(ofgem.gov.uk\)](#), page 16, 2.26

<sup>2</sup> [Governance of a Data Sharing Infrastructure \(ofgem.gov.uk\)](#), page 24, 2.41

<sup>3</sup> Flexibility Forum Meeting 4: The 2030 Mission and Energy Flexibility, Utility Week and CGI, 19 September 2024.

We also note the opportunity for the development of Flexibility Market Asset Registration to be informed by learning from various completed and on-going innovation projects including the NZIP Flexibility Innovation Programme funded Automatic Asset Registration phase 1 and phase 2 projects, the Strategic Innovation Funded Powering Wales Renewably programme, the Network Innovation Competition funded TRANSITION, EFFS and FUSION projects, the Flex funded TraDER project and the Network Innovation Allowance funded RecorDER project.

### 3 Flexibility Market Asset Registration – Aims, Scope & Approach

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4. Do you agree with the scope proposed for markets, assets, and data? Should anything else be considered?
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It is sensible to prioritise ESO and DSO markets. However, the design of the digital infrastructure should include from the start the requirements to support rapid extension to cover Wholesale markets and the Capacity Market. By identifying these requirements at the design stage, it will reduce the risk of unintentionally creating barriers to the inclusion of additional markets for flexibility at a later stage.

We broadly agree with the approach to the scope of assets. However, 3.10 focuses on small-scale domestic and small business assets. We believe that markets for flexibility would benefit from visibility of larger assets below 1MW associated with larger business sites, which could be delivered by Flexibility Market Asset Registration.

The list of asset data items is as we would expect from our experience in various innovation projects focused on enabling flexibility. We believe that some dynamic data (specifically asset availability and possibly pricing information) should also be in scope.

We advocate that consideration is given to two additional factors:

1. Multiple different assets can sit behind an MPAN. Whilst this is implicit within 3.17, it is worth this being made explicit for the avoidance of doubt.
  2. Processes need to be established for updating (i) the FSPs with agency over assets or meter points, and (ii) for adding or removing assets associated to an MPAN. In the former case, this should be considered in any regulation of FSPs and associated consumer protections.
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5. Do you agree with the functional outcomes? Should anything else be considered?
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As high-level functional outcomes, those detailed cover the major areas we would expect for registration of assets. The detail of the functional requirements should be refined as the wider digital architecture (including the FDI, DSI and consumer consent solutions) is developed.

We would expect security to be explicitly high-lighted as a non-functional requirement as well as it being implicit within functional requirements (eg, role-based access control and secure data exchange mechanisms). Additionally, given the evolving nature of the DSI and FDI initiatives, future-proofing should be considered within the non-functional requirements.

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6. Do you agree with the design principles? Should anything else be considered?

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We broadly agree with the design principles outlined.

With the introduction of the 2030 Clean Power Mission, Design Principle 2 (Timely and Pragmatic Delivery) should be expected to become increasingly important. In order to accelerate the delivery of Flexibility Market Asset Registration, Ofgem should take the opportunity to use its convening power and, during the interim period whilst the Market Facilitator Delivery Body is established, collaborate with the Market Facilitator to establish industry working groups and refine the requirements. Precedent exists for this approach from the Prospectus Phase of the GB Smart Metering Implementation Programme when Ofgem collaborated with the Department of Energy and Climate Change to establish the requirements for the smart metering programme ahead of the appointment of the Smart Meter Communication Licensee.

## 4 Flexibility Market Asset Registration – Activities & Delivery

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7. Do you agree with the enablers and design activities needed and for the Market Facilitator to coordinate Working Groups for them? If not, what other activities and governance arrangements should be considered?
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We agree that the Market Facilitator is best placed and has the necessary skills to coordinate the industry working groups to align market processes and facilitate the design activities for the digital infrastructure.

As per our response to Question 6, we note that the 2030 Clean Power Mission should be expected to increase pressure to accelerate the delivery of Flexibility Market Asset Registration. Ofgem should take the opportunity to use its convening power and, during the interim period whilst the Market Facilitator Delivery Body is established, collaborate with the Market Facilitator to establish industry working groups and drive forwards these activities. Precedent exists for this approach from the Prospectus Phase of the GB Smart Metering Implementation Programme, when Ofgem collaborated with the Department of Energy and Climate Change to establish the requirements for the smart metering programme ahead of the appointment of the Smart Meter Communication Licensee.

The enablers and design activities focus exclusively on the alignment of the ESO and DSOs. As we noted in our answer to Question 4, the design of the digital infrastructure should include from the start the requirements to support the rapid extension to cover Wholesale markets and the Capacity Market. By identifying these requirements at the design stage, it will reduce the risk of unintentionally creating barriers to the inclusion of additional markets for flexibility at a later stage.

We agree that the approach to development must align with the DSI from both the technical and governance perspectives. However, we recognise the potential for the timescales of these programmes to be mis-aligned. Strong inter-programme governance will be required to manage these inter-dependencies and the associated delivery risks. With the Market Facilitator Delivery Body already appointed and the consultation on the Interim DSI Co-ordinator underway, the mechanism for coordination between these bodies should be considered, as recognised in (4.14).

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8. What are the advantages and disadvantages of the proposed delivery body options for the Flexibility Market Asset Registration digital infrastructure? Are there any additional options that should be considered? Do you agree with the justification for discounting approaches?
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We agree with Ofgem's assessment of why the delivery activities should be assigned to the Market Facilitator for the reasons stated in the consultation.

Given the interim period whilst the Market Facilitator Delivery Body is established and the importance of timely and pragmatic delivery, we encourage Ofgem to use its convening power to collaborate with the Market Facilitator to establish industry working groups and drive forwards these activities. This presents an opportunity to accelerate the establishment of the Market Facilitator. Precedent exists for this approach from the Prospectus Phase of the GB Smart Metering Implementation Programme, when Ofgem collaborated with the Department of Energy and Climate Change to establish the requirements for the smart metering programme ahead of the appointment of the Smart Meter Communication Licensee.

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9. Do you agree with the timelines proposed? Should anything else be considered?

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We believe that the 2030 Clean Power Mission is likely to increase pressure to accelerate delivery of enablers for decarbonisation of the electricity system. We therefore expect pressure to increase for the Flexibility Markets Asset Registration solution and the FDI to deliver in the earlier part of the stated time window in 4.32 (that is, 2025-2026).

As detailed in our response to Question 3, access to sources of system and distrusted flexibility is seen as critical to delivering the 2030 Clean Power Mission (CP2030) by stakeholders from across the energy system<sup>4</sup>.

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<sup>4</sup> Flexibility Forum Meeting 4: The 2030 Mission and Energy Flexibility, Utility Week and CGI, 19 September 2024.

## 5 General Asset Visibility

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10. What existing or new policy levers could be used to improve asset visibility?

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There are organisations better placed to provide insights on policy levers based on their roles and responsibilities.

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11. What use cases for asset visibility should be considered as priorities and why?

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There are organisations better placed to provide insights on use cases for asset visibility based on their roles and responsibilities. However, we would suggest that asset visibility can help inform system planning.

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12. What costs, benefits or factors should be considered in a Cost-Benefit Analysis for asset registration solutions?

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There are a number of likely benefits associated with the efficiency of the asset registration process, the management of asset data and the accessibility of that asset data. However, the substantive benefits will accrue from the role that an efficient asset registration process has in improving the liquidity in the markets for flexibility and accelerating the decarbonisation of the electricity system. Consideration should be given to how the benefit from avoided investment in generation assets accruing from the improved access to distributed flexibility from consumer energy resources should be attributed to Flexibility Market Asset Registration. This avoidance of investment in generation capacity was highlighted by stakeholders from across the energy system during the most recent session of the Flexibility Forum<sup>5</sup>.

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<sup>5</sup> Flexibility Forum Meeting 4: The 2030 Mission and Energy Flexibility, Utility Week and CGI, 19 September 2024.