

Flexibility Market Asset Registration Response – Axle Energy

Section 2

Q1. Do you agree that policy intervention is needed to deliver common Flexibility Market Asset Registration?

Yes. We agree that significant policy intervention is needed to standardise market entry requirements, particularly metering requirements for small-scale distributed assets. Currently, inconsistencies across flexibility requirements (e.g., baselining, operational metering, asset vs boundary metering, metering accuracy) serve as a deterrent to market participation.

Ofgem should also ensure that Asset Registration facilitates effective and balanced competition between FSP's and energy suppliers, enabling customer choice, engagement and trust to be developed as these markets mature. This includes formalising the acceptability and use of asset metering (without half-hourly settled boundary metering) across markets.

We believe that the aforementioned access, competition, and standardisation is the core priority, not a single platform/interface for market access.

Q2. 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?

Yes. We agree that policy intervention isn't currently needed for the other FDI outcomes. User Registration and Data Standards either have existing solutions in place, or are covered by existing policy/ongoing processes.

Q3. 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?

The issue of asset meters located behind non-half hourly settled boundary meters must also be considered. This requirement inhibits participation for a majority of asset meters and must be addressed in the period between now and Market Wide Half Hourly Settlement. The implications of varying metering standards for the flexibility sector, such as the requirements of the Measuring Instruments Regulations (MIR) which currently contradict government policy on smart assets, including the EV Smart Charge Point Regulations 2021 (EV Regulations) and the Energy Act 2023 (owned by DESNZ) should also be considered.

Section 3

Q4. Do you agree with the scope proposed for markets, assets, and data? Should anything else be considered?

No. We believe the proposed approach is too rigid, and attempts to implement a one-size-fits-all solution across divergent products. The data requirement needs for, say, DNO services is materially different than that for the BM (for good reason). We believe a 'standards and principles' approach would be better suited than an a working group determining "exact data fields".

Axle is one of the largest FSPs for small-scale assets, with participation across DNO flex markets (all 6 DNOs), the ESO (FFR, DFS, LCM, BM), and CM. Inconsistent data fields aren't a barrier; inconsistent technical standards, explicit regulatory barriers (eg, HHS for asset metering), and poorly-built platforms that can't support 10s of thousands of individual assets are.

We also encourage including Wholesale, and, if possible with Government alignment, the CM.

Q5. Do you agree with the functional outcomes? Should anything else be considered?

We agree with functional outcomes 3, 6, and 9. We don't agree with the other functional outcomes.

The other functional outcomes are likely to lead to unnecessary technical scoping and development, overbuilding products that will continue to change in coming years. In technical terms, the proposal is to build a 'monolith' - a Single Solution to solve all problems. Modern engineering practices have moved to a 'microservices' approach - a network of connected but independent solutions that are able to speak to each other with a common language. Monoliths tend to be costly to build (as it's trying to do everything for everyone), slow to adapt, and fragile to disruption.

Data standards and interoperability requirements should be sufficient to ensure disparate systems can work together and exchange data as needed.

Q6. Do you agree with the design principles? Should anything else be considered?

Yes, we agree with the proposed Design Principles.

Section 4

Q7. 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?

We agree with the 'enablers activities for alignment'. We believe the Enables should be prioritised and delivered prior to the Design Activities. Most of the value is in the Enablers, and most of the potential cost is in the Design Activities.

Q8. 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?

We believe the proposed approach is overly centralised, and will lead to long development times and high costs (which will ultimately be borne by the consumer).

We're unclear why the approach in 4.25 (IMPs holding data) has been discounted; IMPs (and other 'centralised' market platforms, like the ESO's), can be required to collect, store, and make

available to access the data under a common framework and standards. Although they aren't licensed, the DNOs and the ESO are, and they can be required (and held accountable) to only work with IMPs that meet certain technical and security standards (as in Options 2 and 3).

This approach would be an equivalent of the 'Open Banking' approach; standards and mandates, over a single (brittle, expensive) centralised system.

Q9. Do you agree with the timelines proposed? Should anything else be considered?

We agree with the proposed timeline; we'd encourage the 'enablers' to be the immediate focus in 2025, in-line with MHHS, Load Controller license condition development, etc.

Section 5

Q10. What existing or new policy levers could be used to improve asset visibility?

No response.

Q11. What use cases for asset visibility should be considered as priorities and why?

No response.

Q12. What costs, benefits or factors should be considered in a Cost-Benefit Analysis for asset registration solutions? Consideration should be given to:

- a) the time (in minutes) and resources required to complete current EREC G98, EREC G99 and MCS asset registrations (accounting for any recent process improvements, including ENA's Connect Direct)
- b) the current rate of duplicative registration processes for assets (e.g. networks and MCS)
- c) whether any additional asset data (beyond that of the current registration processes) needs to be registered to enable the benefit cases to be realised
- d) the costs to establish, manage and maintain a register of assets
- e) the process required to assess suitability in accessing asset data
- f) what the essential asset registration requirements are to enable the benefit cases to be realised

No response.