

Sent by email to:  
[flexibility@ofgem.gov.uk](mailto:flexibility@ofgem.gov.uk)

Euan Kirkmorris  
Decentralised Energy Systems  
Ofgem

23<sup>rd</sup> September 2024

Dear Euan,

### **Flexibility Market Asset Registration Consultation**

We welcome this opportunity to respond to Ofgem's Consultation on Flexibility Market Asset Registration.

This response is written on behalf of the Distribution Network Operators ("DNOs") listed below, and the ESO. This response sets out the collective views of our members, each of whom may be providing their own company specific responses to the questions contained in the Consultation.

If you would like to discuss any of the points raised in this submission, please contact  
[reece.breenbegadon@energynetworks.org](mailto:reece.breenbegadon@energynetworks.org).

Yours sincerely,

### **Energy Networks Association**

On behalf of:

1. Electricity North West Limited
2. Northern Powergrid (Northeast) plc
3. Northern Powergrid (Yorkshire) plc
4. SP Distribution plc
5. SP Manweb plc
6. Scottish Hydro Electric Power Distribution plc
7. Southern Electric Power Distribution plc
8. Eastern Power Networks plc
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11. National Grid Electricity Distribution (East Midlands) plc
12. National Grid Electricity Distribution (West Midlands) plc
13. National Grid Electricity Distribution (South West) plc
14. National Grid Electricity Distribution (South Wales) plc
15. National Grid Electricity System Operator (ESO) plc

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## Introduction

The Energy Networks Association (ENA) welcomes the opportunity to respond to Ofgem's consultation on Flexibility Market Asset Registration. Please note that this response is submitted on behalf of ENA's electricity members and the ESO. Alongside this response, we refer you to individual electricity network company responses for their detailed views.

## Executive Summary

- ENA members broadly support Ofgem's proposal for a Flexibility Market Asset Registration (FMAR) system that will offer visibility and transparency for flexible assets in markets as well as a simpler means for flexibility providers to participate in ESO and DSO services.
- ENA agrees a policy intervention may be helpful, but emphasises that the number of parallel initiatives already underway should be coherently steered and aligned for the greatest efficiency and whole system gain.
- Further refinement of data in scope is recommended to drive efficiency and avoid creating new barriers in the longer term.
- Whilst a lot of progress has been made with aligning individual DSO data requirements, consideration should be given to the different data requirements of ESO and DSO markets, and inclusion of IDNOs and aggregators. This needs to be balanced against the risk of making it harder, all round, to register for flexibility markets, with some members noting that essential operational data should be considered within scope to add efficiencies to dispatching flexibility services.
- Additional consideration could be given to Independent Market Platforms as an existing vehicle to collect data and interact with customers, with the central database owned and managed by another entity.
- There is a need to carefully balance the principles of accessibility and resilience; timely and cost effective, which will likely be a challenge.
- ENA members support the Market Facilitator becoming the owner of the FMAR system.
- ENA supports furthering this initiative at pace and upon being provided sufficient clarifications and inputs, is open to supporting early development before the new Market Facilitator becomes operational and takes ownership.

## Flexibility Digital Infrastructure Policy (Questions 1-3)

ENA members support the development of Flexibility Market Asset Registration (FMAR) as a first step in achieving a Future Digital Infrastructure (FDI), as a central source of truth offering transparency and visibility of assets in markets would aid ESO-DSO coordination, for example in the delivery of primacy rules.

Our members broadly agree that policy intervention will be beneficial to deliver FMAR and detail the long-term governance and ownership of this system. However, in depth consideration should be given to the existing initiatives that have or are looking to deliver similar benefits, as some of these may be combined, repurposed or enhanced to drive the same outcome at pace with the least duplication of efforts. Existing databases, such as the Meter Point Registration System (MPRS), Embedded Capacity Registers and Feed-in-Tariff (FIT) database could also be used to feed into a central FMAR.

Networks agree that other FDI outcomes can be achieved without additional policy intervention. Many of these areas are being progressed through network innovation projects and ENA initiatives including the Open Networks programme and Data and Digitalisation Steering Group (DDSG). As noted in the consultation, work on several enablers is underway by Open Networks. To highlight a few areas progressed by Open Networks, technical and commercial pre-qualification data requirements have been aligned across DNOs, with ESO having committed to aligning with this standard where technically and commercially feasible. DSO flexibility services have been harmonised through aligned technical requirements and processes. The standardisation of DSO settlement processes is underway, including a standardised set of equations to establish a consistent value of services provided across the network. Open Networks is also progressing further areas of ESO-DSO coordination through enhancing and standardising operational data exchanged across T-D boundaries and developing processes and defining data requirements for establishing primacy rules.

## FMAR – Aims, Scope and Approach (Questions 4-6)

Further refinement of data in scope is recommended to drive efficiency and avoid creating new barriers. As the consultation sets out a focus on both ESO and DSO markets for the FMAR, the majority of ENA members recommend inclusion of all assets in the scope irrespective of size, particularly as assets below 1 MW are not currently included within the ESO SMP (Single Markets Platform). It should also be noted that ESO and DSO data requirements for assets participating in their markets are different, with ESO requiring additional data, which would impact the data fields required for FMAR. Some members recommend that there should be a strong initial focus on EVs and heat generating assets to avoid creating many separate databases, again irrespective of size.

ENA recommends not limiting the FMAR to static data as a core design principle, to avoid limiting the register's potential uses and ensuring data remains accurate. However, we do agree that 'static' data is a sensible place to start; please refer to individual DSO responses for more specifics on what additional data is recommended to be included. We also recommend defining a robust process for handling any conflicting data to ensure the FMAR system is a reliable source of truth for the industry. It is important to note that some of the data listed in the consultation as static can be dynamic. For instance, the name of the FSP (Flexibility Service Providers) and the duration of the FSP contract can change with a change in ownership, the transition to framework contracts and the closer it is to real time procurement. In addition, some assets may participate in ESO markets with one

aggregator, and in DSO markets with another aggregator, meaning that static registration data may not offer an accurate representation of the asset's commercial information. This may create the need for additional systems and processes to manage these conflicts.

Some members feel that additional consideration in early scoping of the work should be given to the inclusion of aggregators in the registration process, and IDNOs who account for a large number of new domestic MPANs, so they are not excluded from entering the markets.

Consideration should be given to cyber security where FSPs are able to access customer data and there are possible critical national infrastructure interactions. A process should be defined for authentication of who is registering an asset at the user/FSP level or asset level. A parallel can be drawn with social security numbers in the US and the ability to prove ownership of a designated user ID. We recommend that robust processes are developed to not only collect but also validate asset registration data where possible, and to avoid duplication.

## **FMAR – Activities and Delivery (Questions 7-9)**

ENA members support the delivery of the design activities set out in the consultation by the Market Facilitator through working groups and intend to work with the Market Facilitator to best support developing the solutions.

We recommend some additional consideration is given to Independent Market Platforms as part of the FMAR system. These platforms are existing vehicles that are easily able to communicate with customers and collect registration data, and DNOs are currently incentivised to work with these platforms. This data could then be held, managed, and governed by another entity such as the Market Facilitator.

ENA supports furthering this initiative at an ambitious pace and is open to supporting early development before the new Market Facilitator becoming fully operational. It is noted that the Market Facilitator should be actively engaged throughout this process to ensure that the early development aligns with their long-term strategy for the system.

We welcome Ofgem sharing additional details on the enablers that can be delivered through ENA and the Open Networks programme to support the delivery of the FMAR system, beyond the initiatives already being progressed.

## **Asset Visibility (Questions 10-12)**

Policy changes to the FIT scheme could be used to improve asset visibility by allowing network operators to back-fill their registers with data held within the FIT scheme. It is believed that generation asset owners are more incentivised to register for this scheme than notify their respective network operator of the installation. As such, this database is potentially more comprehensive than network operators' internal data systems and allowing this data to be shared with network operators could improve generation asset visibility.

We suggest the prioritisation of use cases and services that have been noted as stackable within our recent [Revenue stacking assessment for DSO services](#) report, as this is likely where the administrative burden is currently the greatest and hence where the greatest benefits could be found.

ENA members have no input at this time on the prioritisation of use cases, costs, benefits and factors to be considered in a CBA for asset registration solutions.

## Conclusion

We thank you for the consideration of ENA members' views as part of the consultation. Should you have any further questions, please do not hesitate to contact us at [opennetworks@energynetworks.org](mailto:opennetworks@energynetworks.org)