



FLEXIBILITY MARKET ASSET REGISTRATION

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WRITTEN BY GEMSERV



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BACKGROUND

Gemserv is pleased to provide our response to Ofgem's 2024 consultation on Flexibility Market Asset Registration. Gemserv has a 25-year long history of providing services to the electricity and gas markets. We are currently providing code management services for the Smart Energy Code, Retail Energy Code and the Independent Gas Transporters Uniform Network Code. Gemserv also provides data protection, information security and digital transformation capabilities to the Utilities industry, and feel we are both experienced in, and well placed to comment on Flexibility Market Asset Registration.



GEMSERV RESPONSE

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

We agree with Ofgem that intervention is required to establish Asset Registration for this emerging market.

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?

We understand Ofgem's reasons for wishing to prioritise this component of the design. However, there is a risk that the existing industry initiatives to develop other parts of the solution which were mentioned in the consultation may not be fully inclusive of all interested industry parties. We would welcome guidance from Ofgem on good practice for parties looking to establish solutions in this space.

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?

No specific comments

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

We agree that there is value in common asset registration across different markets and across different scales. It is sensible to exclude the capacity or wholesale markets at this point and to keep asset registration requirements below 1MW. We also note Ofgem's intent to have common data items across the different markets. However, any 'retail' solution comprising many thousands (millions) of end points and less-specialised registrants will likely differ from a wholesale version comprising hundreds of end-points with data entered by specialists. Moreover, data controls and other governance is likely to be much stronger around a wholesale version. These issues are worth bearing in mind as the data structures are developed within future workshops.

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

We broadly agree with the list published in the consultation, However, in respect of the 'Single Master Record', it should be clearer how DNOs will adopt the solution, what they will do with their existing localised inventories, and how to multiple versions of the truth can be prevented.



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

To effect the design principles, we suggest explicit recognition of a ‘design authority’ within the governance that looks at whole system considerations. We also have the following comments.

1 – Quality, performance and usability – the list could be expanded to include that the solution must be (i) dynamic (i.e. must be easily updatable as information changes about an LCT or its owner/location) and (ii) capable of acting as an intermediary in load control. We think reference should be made too the premise that different markets may have different definitions of performance and deliverability

3 - Cost effective –The principle that the solution must maximise benefits at minimum cost is a useful starting point. However, further elaboration and nuance would be helpful. For example, given this scope will form part of a wider complex system that will be refined over time, we suggest adding the requirement that efficient and economic change should also be a requirement. Finally, considering the ‘whole cost lifecycle’ drives design-thinking to ‘begin with the end in mind’ rather than add expensive features post-implementation.

4 – Security, resilience and privacy – this list could be expanded to include reference to explicit consideration of vulnerable customers.

5 – Competitive and innovative – avoiding lock-in and being technology agnostic are helpful principles. However, where possible solutions should be competitively procured and carefully scoped so that different solutions generated by the market can be compared.

7 – Effective accountability – ‘convening stakeholders’ and ‘transparent processes’ are a few of the many components of good governance which should be mentioned explicitly.

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 that the working groups should have appropriate stakeholder representation and these should include code delivery bodies. Whilst the market facilitator happens to be a code administrator, it does not mean that the stakeholder community should lose out on the experience of a wider group of code managers and administrators which are all very close to the markets and capable of making valuable contributions.



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?

Our favoured options are 4 and 5.

For either option 4 or 5, any assurance role must be conducted by a separate body.

We note that Ofgem actively considers 'in-house development' in Option 3, but does not elaborate on this possibility in Option 4. It is important that the procurement of any solution is fully contestable and is 'market tested'. This encourages 'whole system' innovative approaches. Partial external procurement with parts of the solution developed in-house by the market facilitator (which is already occupied with an established market role) risks sub-optimum outcomes and a potential lost opportunity for customers.

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

We believe that it would be important that this major programme is aligned with the other major programs such as the DSI to ensure a smooth transition to the new digital vision. We also recommend that a program of work to include all legacy installations is considered so that early adopters are not left behind and that they can also take part in future flexibility markets.

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

Lessons should be learnt from the FiT scheme which ensured that installations were MCS registered by only giving access to the scheme via registration. This helped ensure some quality of installations.

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

It may be beneficial to work with the network operators to ensure that assets in areas where they have a high density of monitoring equipment in place are considered as a priority to ensure early value is demonstrated.

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)

Not all installers have digitalised their processes. The time it may take an installer who records data during installation on a digital device which then auto-populates the registrations documents may vary considerably to another less digitally savvy operative. This should be considered when carrying out the CBA.

b) the current rate of duplicative registration processes for assets (e.g. networks and MCS)

no comments

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

no comments



d) the costs to establish and maintain a register of assets

The cost of registering systems under the MCS and completing G98 and G99 certificates are largely paid by the customer. However, the benefits of being able to visualise assets and utilise greater flexibility will be mainly realised by the network companies. It follows that they should contribute towards the costs of establishing and maintaining the register.

e) the process required to assess suitability in accessing asset data

Cyber security and consumer data protection is key here and appropriate governance should be put in place to ensure that processes are secure and that customers are protected. Gemserv has been providing similar governance to schemes across the energy sector and would be well placed to assist with governance here.

f) what the essential asset registration requirements are to enable the benefit cases to be realised

The asset register is not developed in isolation. To realise full benefits, it must be considered to be part of the wider data sharing infrastructure. Care must be taken to consider those features which facilitate integration into the whole system – such as the digital spine.



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