

Flexibility Services webinar

April 2021

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www.enwl.co.uk

Meet the presenters



Lois Clark



DSO commercial manager

Lois' role is centred around flexible services and contracted capacity, helping to find innovative alternatives to traditional reinforcement solutions.

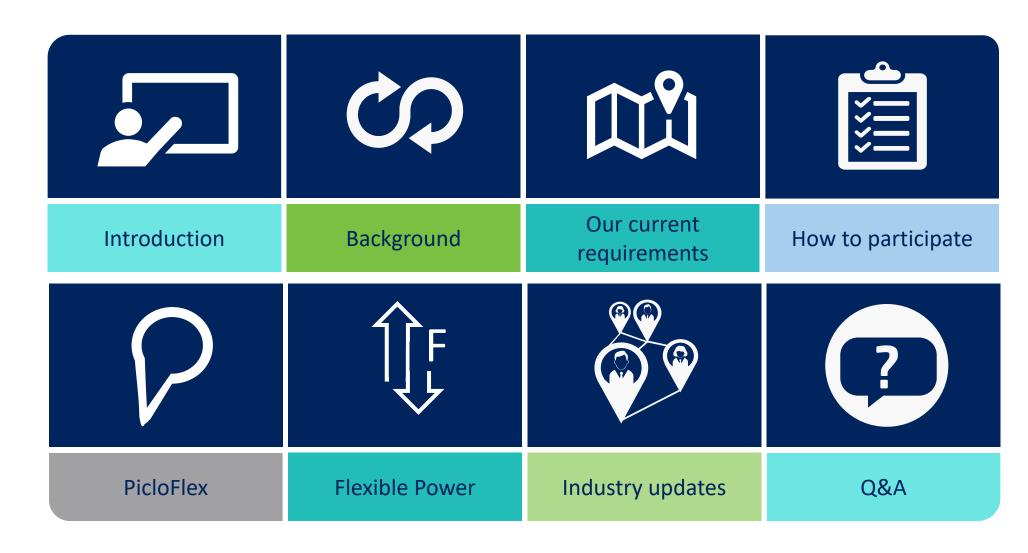
Kate Stewart



Flexible Solutions Analyst

Kate works within the DSO Commercial team, assisting with the procurement and visibility of Flexible Services and developing processes to help break down barriers to participation.



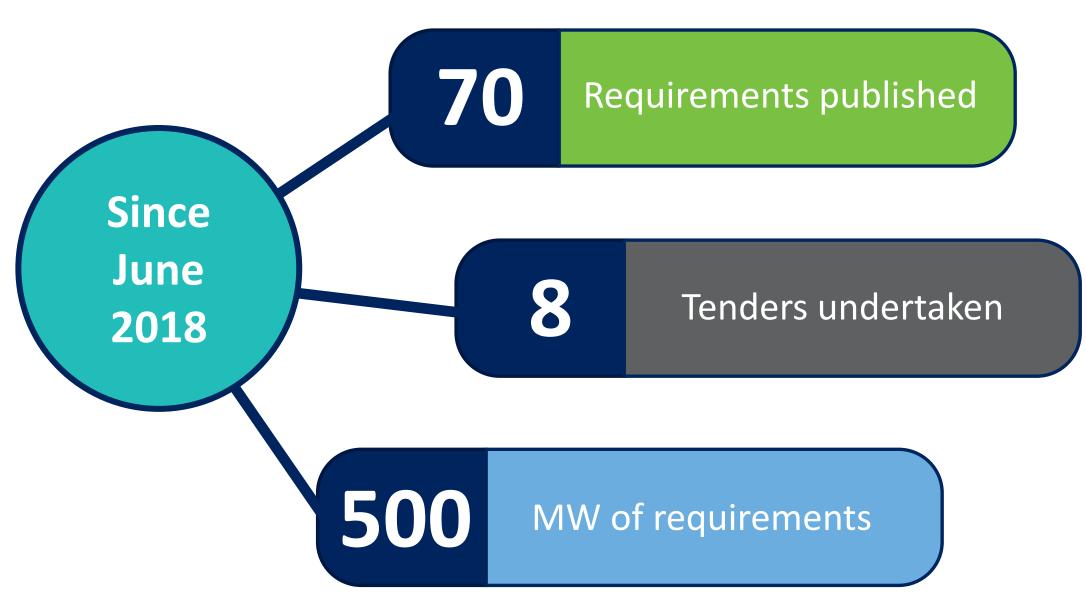


Background









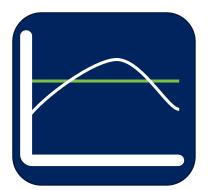
What are Flexible Services?



Flexible Services is the term given to the act of reducing or increasing consumption or generation following receipt of a signal, due to a network constraint.

In simple terms, it means a customer generating more or using less electricity after we've asked them to.





A network constraint is when safe network operating limits are breached.

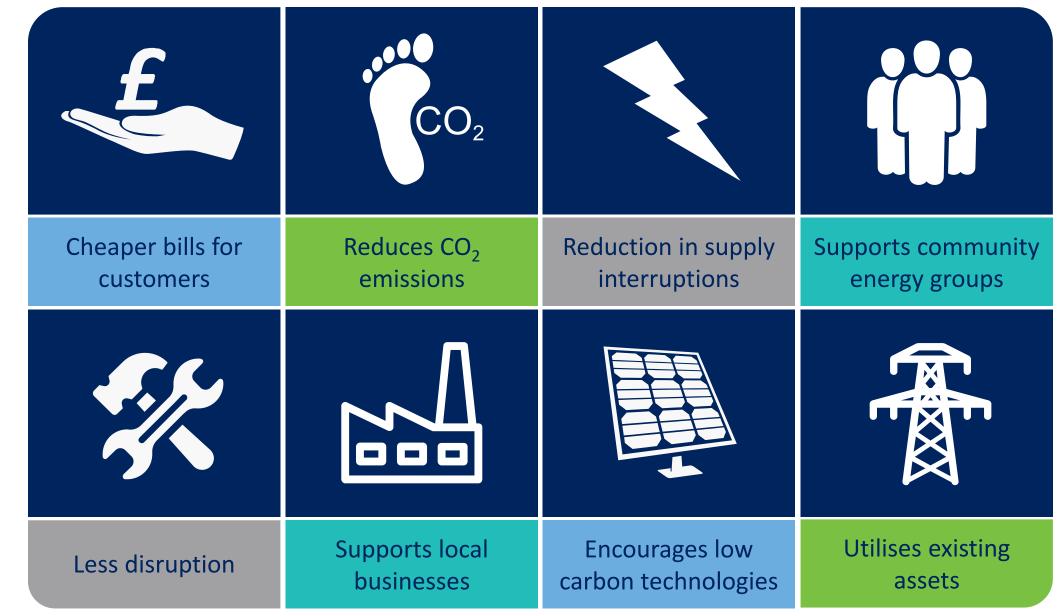
This means the requirement for electricity in the area is greater than the amount that the local network is capable of providing.

In return for providing Flexible Services a customer will receive payment



What are the benefits?





So why now?



A revolution is currently underway as the UK embraces a zero carbon future, and the way energy is generated, stored, consumed and traded is all evolving at a significant pace. The electricity industry is facing one of it's biggest challenges yet.



Increase in low carbon technologies

For the UK to meet it's decarbonisation targets, we expect to see a huge uptake in low carbon technologies



More demand on the network

This uptake will result in an increased demand on the network, which wasn't originally designed to cope with low carbon technologies



Reinforcement required

To be able to meet
this demand, we will
need to invest millions
of pounds in
reinforcing the
network



Increased cost to customers

These costs are ultimately passed down to our customers through their electricity bills



Disruption

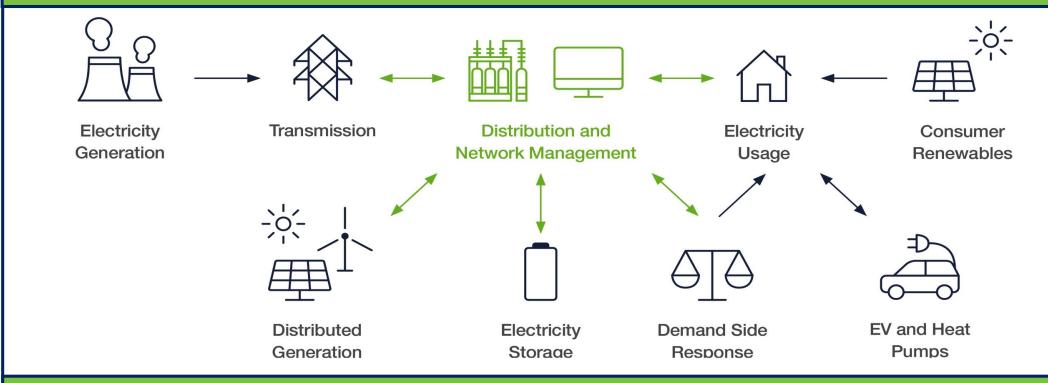
In addition, these reinforcement works have the potential to cause a lot of disruption in terms of road closures and supply interruptions

It's our responsibility to find smarter, more flexible ways to meet future needs, and procuring Flexible Services is one of the ways in which we plan to tackle this challenge.

Distribution System Operation (DSO)



The facilitation of flexible services will play a crucial role in our transition to Distribution System Operation-the systems and processes needed to operate energy networks in the net zero carbon future



"DSO balances capacity on the distribution network to enable new connections and meet the requirements of existing customers through the use of flexible distributed energy resources, network investment and commercial services ensuring security and quality of supply standards are delivered"

Types of flexibility



Service parameters

Maximum Ramping Period

Utilisation Instruction

Notification Period

When required?

Risk to Network

Availability Agreement Period





DYNAMIC <2 mins <2 mins Contract stage Contract stage **Real Time Real Time** Network abnormality Network Abnormality / planned outage High High High High Low Low Medium High Low Low

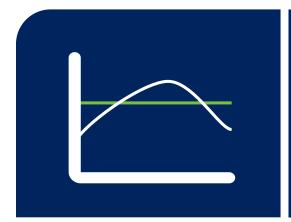
Utilisation Certainty

Frequency of Use*



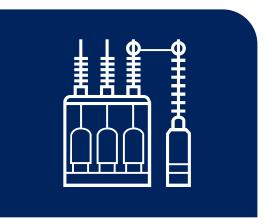


Provide a scheduled response to prevent network constraints









Using our demand and generation forecasts we will identify times in which demand is likely to exceed capacity

We will then specify

– in advance - a
schedule in which we
require flexible
services

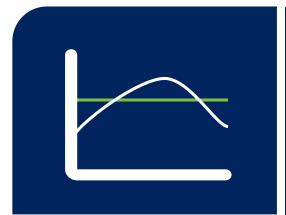
Each day during the specified time period a DER will provide Flexible Services

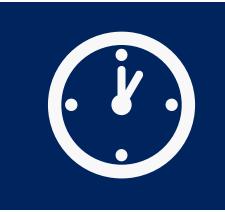
This supports the network in providing additional capacity and capability



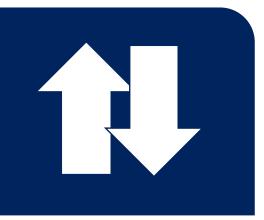


Provide a scheduled response to manage network loading









Using our demand and generation forecasts we will identify times in which demand is likely to exceed capacity

We will ask a DER to be readily available to provide flexible services during these times

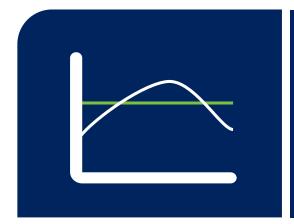
provide flexible services only on days where demand is forecast to exceed capacity, in line with a schedule

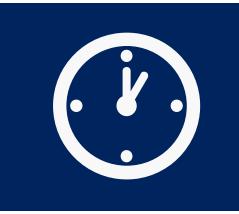
This will help to manage the load on the networks and prevent exceeding it's capabilities





Help us to keep the power flowing during an unplanned network event









Using our demand and generation forecasts we will identify times in which demand is likely to exceed capacity

We will ask a DER to be readily available to provide flexible services during these times

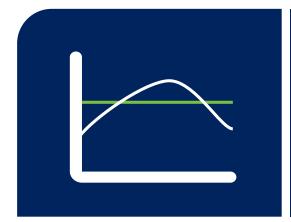
Following a network fault, the DER will be required to provide flexible services

This will allow the load to remain within the rating of the assets, avoiding loss of supply for customers





Help us to get the lights back on following an unplanned network event









Using our demand and generation forecasts we will identify times in which demand is likely to exceed capacity

We will ask a DER to be readily available to provide flexible services during these times

Following a loss of supply due to a network fault, the DER will be required to provide flexible services

This will help us to restore the supplies to more of our customers at a quicker rate

Current requirements







Autumn 2020 tender

20 bids

6 zones

30 MW

We have evaluated the bids received for this tender using the newly developed Common Evaluation Methodology and Tool, and are confirming contractual agreements with successful participants.

Further information will be made available on our website in due course.

Spring 2021 tender

35 zones

339 MW Mar – Jul 21

This is our largest ever tender!
We are now tendering for
Restore services across 19 of
our EHV sites to further aid
restoration following loss of
supply.

This is now <u>open for</u>
<u>submissions</u> until 2 July
for delivery over FY22 & FY23

RIIO-ED2 forecast

32 EHV zones

Up to 200 HV/LV zones

>200 MW

We have updated our flexibility map to include the sites forecasted to require flexibility from 2023-28.

You can view the details of these requirements and help shape our future approach to flexibility by completing our survey here.

Current site requirements



Our Spring 2021 tender asks Flexibility Providers for 339MW of flexibility across **35 locations** in the North West:

- Alston
- Ardwick
- Askerton Castle
- Bentham
- Blackfriars
- Bolton by Bowland
- Chester Rd
- Church
- Claughton
- Coniston

- Easton
- Flat Lane
- Frederick Rd BSP
- Gillsrow
- Helwith Bridge
- Ingleton BSP
- Kirkby Lonsdale
- Lower Darwen BSP
- Lyons Road
- Marple
- Melling

- Mosley Road
- Moss Lane
- Moss Side (Leyland)& Seven Stars
- Newbiggin on Lune
- Newby
- Scarisbrick
- Sebergham
- Sedbergh

- Settle
- Strangeways
- Trafford
- Wigton
- Yealand

Visit our

website or

Piclo to view
these sites on
a map



Delivery from October 2021

FY22 159 MW



FY23 180 MW

2



10



SECURE

4

DYNAMIC

19



RESTORE

Flexibility requirements map





Our flexibility map displays the locations within our distribution area where we are currently seeking Flexible Services, or may have a requirement in the future.

The icons next to each location name relate to the response type that we are looking for:









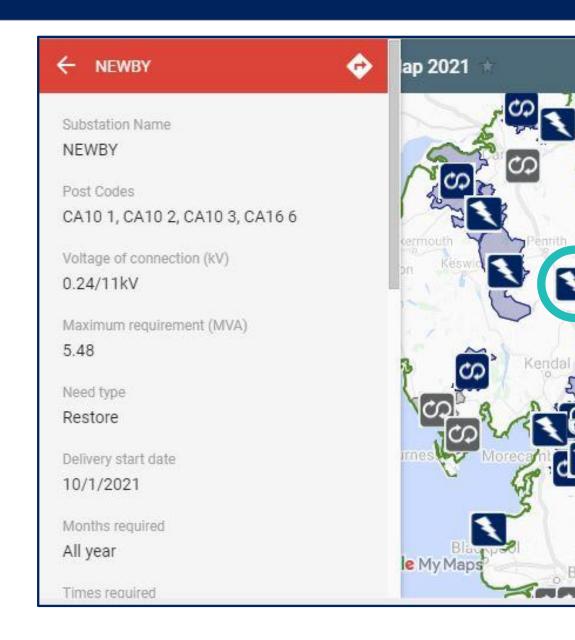
Secure

Flexibility requirements map



Newc

Bradford



Select an icon to expand the details of each site requirement

You can find this map on our:

- Flexible Services homepage
- Current requirements page
- <u>Distribution Flexibility</u>
 <u>Procurement Statement page</u>



Our full invitation to tender documentation is on our website, and includes:

- Invitation to Tender terms and conditions
- Standard Flexibility Agreement
- Technical specification
- Summary site requirements
- Half hourly flexibility requirements
- > **NEW** online Pre-Qualification Questionnaire
- Post-code checker





https://www.enwl.co.uk/go-net-zero/flexible-services/latest-requirement/spring-2021/

Procurement updates



We have listened to your feedback and continue to adapt and develop our approach to procuring flexibility to meet your requirements, making it easier than ever to participate in our tenders



We introduced **ceiling prices** to encourage flexibility providers to submit competitive prices for the competition zone at the bidding stage of each tender.

- Determined using new <u>Common Evaluation Methodology and Tool (CEM)</u>
- Can be found within Appendix 3 of our <u>current tender documentation</u> and on our flexibility map



We embedded the <u>Pre-Qualification Questionnaire (PQQ)</u> on our website for this tender, replacing the previous Word document version to:

- Improve and simplify the pre-qualification process;
- Save you time and effort; and
 - Ensure we have all of the required information to assess your application.

Pre Qualification Questionnaire (PQQ)

Flexibility Providers are required to complete our <u>PQQ</u> to participate in our tenders. This questionnaire can be submitted once you have already:

- ✓ Successfully registered onto our Dynamic Purchasing System (DPS) on Piclo.
- ✓ Uploaded your assets on Piclo.
- Asks for technical details of the site and the capability for delivering flexibility.
- All fields must be accurately completed by 2 July
 2021 to receive an invite to submit a bid.
- If you need assistance when completing the PQQ, you can book a 1-2-1 surgery appointment with a member of our team.

Details of protection arrangements including loss of mains protection	e.g. RoCoF, Vector Shift, Intertrip.
Is this site already connected to the ENWL network?	
	Yes
	O No
If not, does this site have an accepted offer for connection to the ENWL network?	
	Yes
	O No
If the site has an accepted offer please provide quote reference number	
If not already connected to the network, please indicate development timescales for this site including progress of application, and energisation date, and upload development proposals if available	
Upload	Choose File No file chosen
If not currently connected, please outline the expected typical demand/ generation profile and upload data/charts if available	
Upload	Choose File No file chosen

Procurement timeline







In order to participate in our procurement rounds, you will need to:

1

Sign up to the
Dynamic
Purchasing System
via PicloFlex

2

Register and upload your assets via PicloFlex

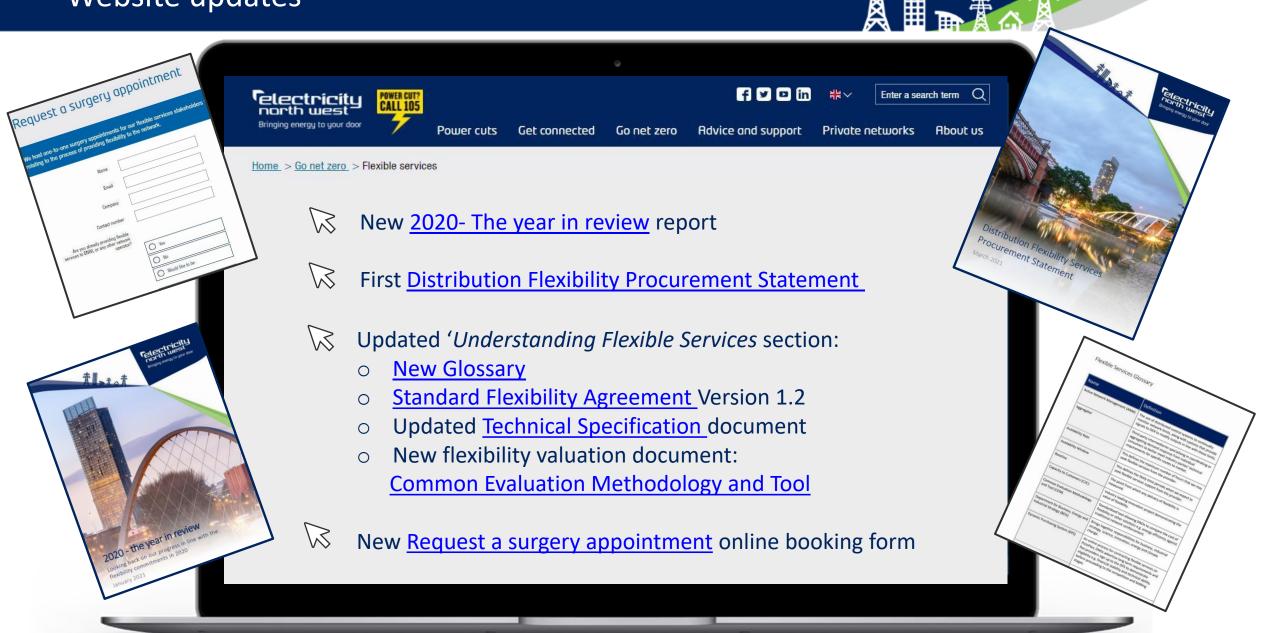
3

Complete the pre-qualification questionnaire on our website

4

Submit a bid via PicloFlex

Website updates



PicloFlex Platform







In 2018 we began signposting our flexibility requirements on the PicloFlex platform and last year we joined UKPN and SPEN in utilising the platform for the procurement of our tenders and the Dynamic Purchasing System (DPS)

Benefits:



UK's leading marketplace for DSO flexibility procurement



Provides market visibility and transparency



Streamlines processes for flexibility procurement (qualification, auctions and contracts)

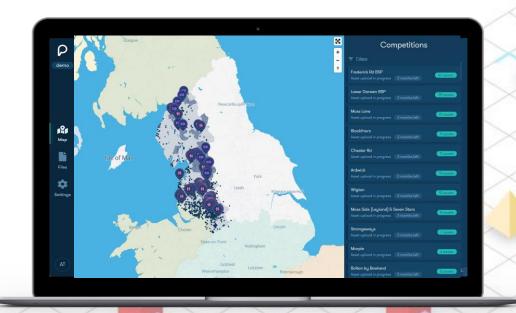


Stimulates participation from Flex Providers



Visit https://picloflex.com/ to:

- View our current requirements
- Sign up to the free DPS
- Upload and pre-qualify your flexibility assets
- Submit a bid
- View past competition data



Contact support@picloflex.com for all queries relating to the platform or to book a personalised demo with a member of the team

Flexible Power

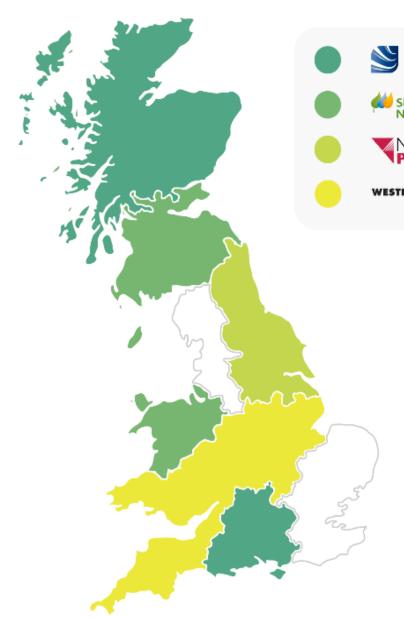






It's our intention to join Northern Powergrid, Scottish and Southern Electricity Networks & Scottish Power Energy Networks in utilising Western Power Distribution's Flexible Power platform for the dispatch and settlement of our flexibility requirements.

Ongoing developments of the platform will be conducted in collaboration with the other networks in line with best practice from the industry.



Flexible Power Portal- Dispatch and Settlement



By collaborating with the other four DNOs on the Flexible Power Portal, we can support flexibility providers in utilising a single platform to:



Declare their flexible assets' availability



Receive dispatch signals



View all information relating to the service they provide to different DNOs including performance and settlement reports all in one place



Measure the energy provided to DNOs through the portal enabling automatic settlement built on common baselining principles

For more information, visit: https://www.flexiblepower.co.uk/

Industry updates





New Distribution Flexibility Procurement Statement



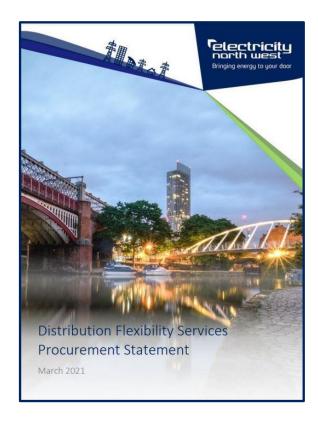
- Clean Energy for all Europeans Package introduced by UK Government in December 2020
- Ofgem added a new condition to our Electricity Distribution Licence:

Condition 31E: Procurement and use of distribution flexibility services

We published our first <u>Distribution Flexibility Procurement Statement</u> which sets out our plans for procuring Flexible Services for the upcoming regulatory year and supports the flexibility market in Great Britain as we cooperate with other DNOs and IDNOs to deliver:



throughout our flexibility processes in this fast-developing new sector.



Open Networks Project 2021



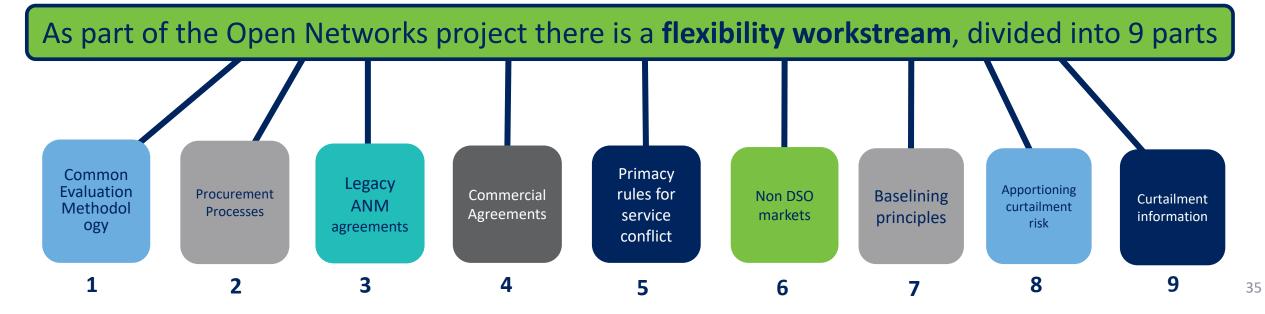
We participate in the Open Networks Project hosted by the Energy Networks Association

This project sees all 6 DNOs working together along with BEIS, Ofgem and the TO's









ON2020 - WS1A P3 - Consistent parameters











- Implementation of consistent branding across all networks
- Consistency of parameters for each of these products
- Reduction of minimum aggregated capacity to 50kW
- We were the first DNO to adopt these as part of our Autumn 2020 tender



ON2021 - WS1A P1 - Common Evaluation methodology



A new Common Evaluation Methodology (CEM) tool has been developed in collaboration with all the GB DNO's and Baringa



- Built on Ofgem CBA, it compares flexibility vs network intervention
- From April, the tool will be utilised by the networks
- Compares network capacity, network losses over the 5 different DFES scenarios to identify the most cost effective solution and optimise contract lengths
- We have used this tool to evaluate out Autumn-20 tender, and to identify the ceiling prices for our Spring-21 tender

Find out more about the CEM and Tool here



Bi-annual procurement windows and ESO alignment

Use of DPS and PQQ to save wasted effort

Clear and consistent reporting



ON2021 WS1A P4 - Standard flexibility agreement



A Standard Flexibility Agreement was established back in Spring 2020



- Following stakeholder feedback, we are now using a revised version (Version 1.2)
- We recently published version 1.2 on our website, which implements further improvements for aggregated portfolios
- Utilised for this tender
- Work is continuing for Version 2 which is being developed with the ESO for further consistency

ON2020 - WS1A P7 - Baselining principles



Work is underway within the Open Networks to establish a common baselining principle to

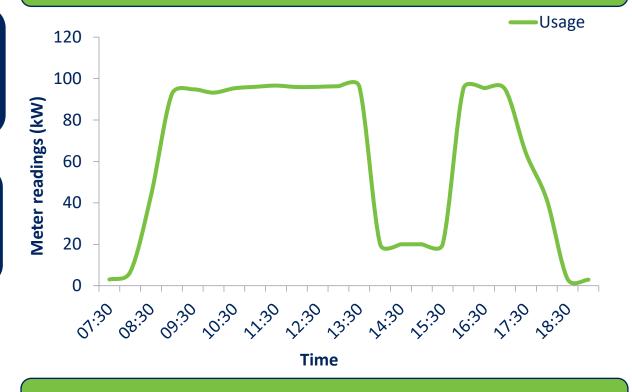
be implemented in 2021

An additional workstream will be undertaken looking at metering requirements

Identified different products need different methodologies

DNV-GL are currently working on this on behalf of the networks

How much energy you have delivered



How much payment you're going to receive

ON2021 - WS1A P3,5,8 & 9



Following stakeholder feedback from last years' flexibility consultation, WS1A in 2021 has a focus on conflict management, coordination and information provision relating to connections

Improving and standardising curtailment information providing assurance to connecting customers

Establish principle and primacy rules for dispatch of service to ensure optimisation and efficiency

Ensue transparency for market participants across transmission & distribution markets



ED2 Requirements





Flexibility Expression of Interest: RIIO-ED2



Last year we asked flexibility providers to express an interest in providing us with flexibility in the next price control period (2023 to 2028) to identify both current and future levels of flexibility available on the network.

We forecasted that 208MW will be required over 5 years across 21 different Grid & Primary sites:

- Cumbria 4 sites
- Lancashire 4 sites
- Greater Manchester 13 sites



Although the deadline for responses was February 2021, you can still view the details of these requirements and help shape our future approach to flexibility by completing our survey here.
Or, register your asset, and we will notify you when there is a requirement in your area.



Our early draft business plan for 2030-2038 is now available on our engagement hub for consultation and we want to hear your views.

We have engaged with more than 18,000 stakeholders to develop this plan which would see us invest almost £2bn in the region.

To help summarise the plan we want to invite you to our <u>Powering Up the</u> <u>North West: Our Future Plan</u> webinar on **Thursday 22nd April**.

We'll also be inviting questions and comments from attendees before submitting the plan to Ofgem.

22 April

12:30-13:30

Register Now

Take a look at our consultation and share your thoughts before 3 May 2021

In brief, our outline business plan is proposing to:





Invest £1.97bn between 2023 and 2028



Continue increasing the capacity of the network to meet rising demand



Cut the number and duration of power cuts by a further 20%



Provide support for those in fuel poverty



Limit annual bill increases to just £2.14 for domestic customers



Go even further in protecting the network from storms and floods













For all queries
relating to this
event, or
flexibility
services, please
contact our
team at
flexible.contracts
@enwl.co.uk

Alternatively, you can fill out our <u>online</u> <u>feedback form</u>

You can
register your
asset(s) on our
website to be
notified when
we have a
requirement in
your area

We offer 1-2-1
surgery
appointments to
assist with any
queries relating to
the process of
providing flexibility

Book here

Sign up to our distribution list to receive our newsletters, tender information and event invites

Thank you!



