

DCP 350 - CREATION OF EMBEDDED CAPACITY REGISTERSTo: **Richard Colwill**Email: DCUSA@electralink.co.ukDue Date: **27 February 2020**

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Response ¹ :	Non-confidential

1. Are you comfortable with the proposed amendments to the intent statement of this change?

Yes, with the exception of areas of concern listed below.

2. Do you understand the intent of the CP?

Yes

3. Are you supportive of the principles that support this CP, which is to increase the availability of accessible data which is expected to improve the economic and efficient and operation of the energy market, while driving towards a lower carbon economy?

Yes

¹ All responses will be treated as non-confidential unless indicated otherwise.

Anonymous responses will omit the detail of the submitting party but the content of the response will be provided to the Working Group and published on the DCUSA website.

Confidential responses will not be published on the DCUSA website but submitted solely to the Working Group for the analysis of the CP. For all other confidentiality requirements please contact the secretariat at DCUSA @electralink.co.uk or 0207 7432 3017

4. Do you agree with the data items that the Working Group have decided should be included in an ECR? If not, what items would you remove/add and why?

We agree in principle with the data included for embedded generation. However we have two recommendations for future-proofing the development of the register. These recommendations are: to consider <1MW assets and to consider all flexibility assets.

<1MW assets:

The use of 1MW is in line with many clip sizes for new products, such as those introduced through Project Terre and the new suite of Ancillary Services procured by National Grid ESO. We understand why this is the recommended size. However, in a more decentralised system - with increased aggregation mechanisms - assets under 1MW are increasing in quantity and importance. We therefore believe that the panel should also be looking at <1MW assets.

The two aforementioned routes to market allow for aggregation of smaller units to fulfil the clip size requirements. As such, considering <1MW assets will provide a beneficial overview of all technologies on the grid that will play an increased role as the GB electricity system decentralises. Incorporating these smaller assets will give the ESO greater visibility for future forecasting; particularly in the case of a rapid uptake of household distributed energy resources (DER) such as household generation, storage, and electric vehicles (EVs).

We therefore recommend that the Panel reviews the clip sizes of assets being aggregated into these markets and bases the minimum clip size for registry upon this. As this is explored, care should be taken to align the register with the Energy Data Taskforce's proposal for a national asset register.

Case study:

We wanted to draw the panel's attention to a development that has been announced in Australia. This comprises a new DER register due to be launched on 1 March: <https://aemo.com.au/energy-systems/electricity/der-register>.

We hope that this model will be of interest and would like to particularly note its granularity, incorporating small-scale DER <1MW.

Flexibility assets:

It is currently unclear whether assets such as EV chargers and heat pumps are to be included in the register in future development. The register currently toes the line between generation and flexibility assets in several places, but does not go far enough to incorporate all flexibility assets. If the register seeks to comprehensively address DER capacity then inclusion of these items will be necessary. Furthermore, a process for incorporating additional flexibility technologies developed in future is required to ensure the register retains comprehensive reach in future.

5. Do you have any comments on the definitions that have been used for each item proposed to be contained in the ECR?

No

6. Do you agree with the format chosen by the Working Group for publishing the ECR?

No. We recommend that data should be published nationally to avoid unnecessary error potential in regional data collation and updating.

Although the logic of publishing regionally is understandable in the absence of a 'home' for the national register, this presents a risk of fragmentation and error potential. Publishing separately risks undermining the aim of the modification to bring data together. Despite planned interoperability of regional datasets, publishing these separately pushes the task of data collation onto users working across different scalar contexts. This adds an unnecessary barrier to data accessibility/usability, particularly if it must be done manually every time the databases are updated. Regular manual collation further adds unnecessary increased risk of human error. In the absence of a national register (which would be the preferred publication format), regional databases should at a minimum be machine-readable and published in a format where it is possible to automate national data collation with each update.

We further recommend that added value could be unlocked if the register were linked to related data regarding network heat maps. Given that grid constraints can enable or limit the deployment of renewables, the state of the local network is important to investment decisions and forecasting. Linking the networks' heat maps as closely as possible to this register will therefore improve its value. As such, we advocate for the extension of the national collation approach described above to network heat maps.

7. Do you agree with the proposal that each DNO and IDNO is to publish a populated version of the common ECR on their individual website? Please provide rationale.

No – rationale for national publication is presented in section 6 above.

However, we would like to iterate the importance of DNOs undertaking DER Plans within their respective network areas in order to value the DER resource available and to take this resource into account when network planning. DER is one of the vital, inter-related whole system building blocks upon which a smart and flexible energy system rests.

The value of DER assets therefore has to be conducted in the context of an expected smart and flexible energy system, rather than calculating the value of DER in the current, conventionally operated system. In this respect the 1MW limit proposed is far too high in order for DNOs to understand and assess the granularity of resource available. This level of DER planning is already underway in California and New York and lessons can be learnt from their example.

In addition, DNOs should be regulated to capture this information in order to know in real detail what their areas could provide and this should be monitored via Ofgem to ensure compliance with an agreed assessment methodology.

For further information we would point you to a 2017 article by Catherine Mitchell on how DER planning should occur: <http://projects.exeter.ac.uk/igov/new-thinking-reset-the-reset-3-der-walking-the-walk/>

8. Do you believe that the publication of a national register by a third party in the future would be of most use to all market participants? If so, in what timeframe would you like to see this in place by?

This does not necessarily need to be undertaken by a third party. Data could instead be published on a website that is run by a decentralised collective of the individual bodies collecting and publishing data. To facilitate this, agreed update schedules and publication format must be established and enforceable.

9. Do you agree with the proposal to mandate that the ECR is to be updated on a monthly basis on a set date?

Yes

10. Do you believe that the governance arrangements proposed by the Working Group as to how the ECR is populated will lead to DNOs and IDNOs updating it in a consistent manner?

We have some concern regarding the absence of detail included with regards to the 'mechanism' by which data errors could be flagged and corrected. We also have some concern regarding the absence of any penalty for the failing to correct inaccurate information and/or missing update schedules.

More fundamentally, we are concerned that there is currently no detail on how the DNOs/IDNOs will be compelled/obliged to comply with this amendment. We recommend that the obligation to share data is written into DNO license agreements to provide a concrete obligation. We also recommend the introduction of an appropriate financial penalty for incursion, with Ofgem as the enforcing body.

11. Do you agree with the Working Group's proposed mechanism to deal with future amendments to the structure of the ECR?

There is insufficient detail in this section to be able to definitively comment.

12. Do you believe that the Working Group has sufficiently covered off concerns related to data privacy regulations and potentially commercially sensitive information, specifically given the range of benefits as described in sections 1 and 3? And if not, then what else do you consider that Working Group needs to do?

In point 3.10 there is an assumption that the DNO owns all data that they will be required to publish. This may be the case. However, ownership does not automatically entitle them to publish all data on an open register. There are two key reasons here. Firstly, the issue of commercial sensitivity, and potential dispute-resolution, has not been adequately addressed in this consultation document. The amendment may

benefit from dialogue with the Energy Data Taskforce with regards to establishing a triage system if appropriate. Secondly, in other data-sharing initiatives to date, electricity system actors have identified additional barriers to data-sharing written into existing licenses and codes. These can bar data-sharing even when the owner is willing to share. We recommend that Elexon be consulted to review any relevant barriers that could impede the publication of otherwise shareable data.

On a separate topic, if the register develops to include more granular data in future, there would need to be a review of where data such as customer name/address may interact with GDPR. For example, it may not be possible to publish the name and address of domestic solar/storage assets without explicit consent from the data owner. It would be useful to explore these items from the outset, as without due consideration these could substantially impede the future development of the register, particularly at the <1MW scale.

13. Do you consider that DCP 350 better facilitates the DCUSA General Objectives? If so, please detail which of the General Objectives you believe are better facilitated and provide supporting reasons. If not, please provide supporting reasons.

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14. Are you supportive of the proposed implementation date being 10 Working Days following Authority approval?

Yes

15. Do you have any comments on the draft legal text for DCP 350?

No