

NG Network Capability and Development Roadmap Consultation

Q1.

Do you consider there is value in expanding the NOA to allow network and non-network solutions across the transmission and distribution networks to compete to meet transmission network needs at least cost? What are the downsides or complexities we should consider? How could we go further in promoting competition?

There is value in using a cost benefit methodology to assess capital and operational whole system solutions, however we are concerned as to whether the NOA process is suited to take on this role. NOA has been specifically developed to consider boundary transfers and is not fully developed to assess other network investment needs, particularly those that span the transmission and distribution boundary. Whilst it may be appropriate to expand the current NOA process to allow network and non-network solutions for transmission constraints, an overarching cost benefit methodology developed collaboratively under ENA's Open Network project should be the mechanism to recommend whole system investment. This would also spread the burden of resourcing such a process across all the system participants and not just NG.

The least worst regrets analysis currently undertaken in the NOA process uses the output from the FES which needs significant development to cater for whole system analysis. The FES does not adequately deal with the regional variations in anticipated DG and demand growth scenarios or the greater likelihood of variances compared to a national overview. The NOA process also places an equal weighting on all the FES outcomes, which heavily relies on the national scenarios selected as being representative of all the regional potential futures.

Increasing competition in this area will rely heavily on an increase in the level of information on system needs and requirements being transparently published. Currently there is a large focus on system needs once they have been identified as a system constraint, but to more effectively stimulate competition in providing non-network solutions, more details need to be provided to signal future system requirements, particularly at a regional level. With this greater level of transparency, business cases and models for providing solutions can be developed across a longer time period.

Q2.

What do you see as the opportunities and limitations of bringing a probabilistic approach into analysis?

Moving from a deterministic planning standard to a probabilistic investment approach could reduce the investment required or length the time until that reinforcement is triggered, but care needs to be taken to ensure the operability of the system is maintained and there is not a significant risk or consequence from high impact, low probability events.

Whilst there are disadvantages to deterministic planning standards, they do provide a backstop and it is easier to verify that compliance with the standard is being maintained.

Q3.

Do you consider there is value in expanding the network needs covered by the ETYS and NOA to a greater extent across the year and to more regional voltage challenges? What are the downsides or complexities we should consider?

There is significant value in providing further details on regional system needs across multiple conditions through the year. Providing this detail on current and future system needs will help markets develop to provide solutions. However, with regional voltage challenges, whilst the SO may have a role in co-ordinating actions, it is not clear that they are best placed to determine any whole system regional requirements or operate these markets. More value can be delivered to the whole system through greater involvement of the DSOs, particularly due to the onerous exclusivity conditions placed on resources by the SO in other markets.

To maximise certainty to the market, there needs to be a transparent procurement methodology so that the value of these services can be defined and confidence given to enable investment in the provision of further services.

Q4.

Do you consider there is value in expanding the NOA to cover system stability needs? What are the downsides or complexities we should consider?

The SO is currently responsible for ensuring the system stability is adequate for operation and they should be free to explore all available methodologies for assessing investment requirements.

Q5.

Which other network requirements do you consider the NOA approach could be expanded to cover in order to drive value to consumers? What are the key benefits and considerations?

Q6.

Do you agree with the proposed approach to phasing information throughout the year? If not, how could we best present this information, with the aim of avoiding publishing all in one large publication per year?

Phasing the information across a year would seem sensible, but care must be taken to adequately define the boundaries and phasing schedule to ensure a fair allocation of time and effort based on the prioritisation of system needs and likely investment requirements.

Q7.

What information and in what format would you find beneficial in order to understand the network needs and submit well thought-out options? This could be specific data, guidance to understand the process or support as you go through it.

We would be happy to work with the SO to identify the best way to share information that achieves a balance of transparency and confidentiality. We would welcome further collaboration on how that information exchange should occur, through the Open Networks project or specific case studies under RDPs.