

ESO RIIO-2 Stakeholder group

Drive consumer benefits from improved system access planning

Agenda item: ERSG-4.5

Meeting date: 03/04/2019

Our ambition

We will drive the whole energy system transition through;

- working with stakeholders to optimise planning, development, investment and operation of GB energy networks.
- reducing friction for participants in their interactions anywhere on the electricity network thereby accelerating the efficiency and effectiveness of the energy transformation.

This paper focuses on how we can deliver this ambition through system access planning such that system outage impacts for customers and operational costs for all network users are optimised. System access planning is one of the deepest areas of co-ordination between network organisations ensuring that networks owners can safely work on their equipment whilst customer and consumer impacts are minimised. We believe that these relationships need to broaden in RIIO-2 facilitating efficient delivery of major infrastructure projects, appropriate incentivisation on network owners and improved notification of outage impacts for customers.

Stakeholder engagement and guidance

Over the past few years we have worked closely with stakeholders to develop a shared understanding of what whole electricity system will mean in RIIO-2 and beyond. This work has principally occurred through the ENA Open Networks project which is a collaboration between network companies supported by the participation of many other energy system stakeholders.

One of the deliverables of the Open Networks project is called “Future Worlds”. This work considered how all aspects of system operation at transmission and distribution would work in various potential future worlds. In July we led an ENA consultation to get stakeholders’ views on these possible models and more recently we have been closely involved in an impact assessment which quantitatively compares them. Of these models “World B – Coordinated DSO-ESO Procurement and Dispatch” is closest to the approach which we believe offers the most value to consumers and this appears to be supported by the consultation and impact assessment.

We also used the consultation responses to inform our thinking on how the ESO can support the transition to World B. We identified six specific enabling topics which were discussed both with ERSG and a RIIO-2 workshop late last year. This feedback helped shape our ‘Whole Electricity System Thinking’ thought piece and we have received seven responses to this work.

This thinking and its feedback along with the Future Worlds work has been used to describe in more detail what a whole system approach to the energy system transition means for the ESO, and in particular, the additional activities we will need to undertake during RIIO-2 to support this transition. The relevant activities for System Access Planning are described as proposals later in this paper.

In addition we have discussed System Access at our RIIO-2 workshop in December at round tables with 22 organisations, including representation from network companies, service providers, public and consumer interest organisations. The key areas of feedback on this topic were:

1. ESO role
 - a. We need to consider the transparency and visibility of information we provide on constraint costs and the drivers of these costs – if parties don't know the cost impact they create then how can they respond / change behaviour?
 - b. We need to understand the issues surrounding system access in more detail including a cost-benefit analysis
2. We asked stakeholders about possible incentives in this area and they suggested:
 - a. There is merit in looking at new incentives around system access but we need to consider:
 - i. What is the baseline against which good or poor performance could be measured
 - ii. Need to avoid unintended consequences e.g. TOs putting in long outage requests just so that they can do some simple things to perform well under an incentive
 - iii. TOs need flexibility in outage planning to be efficient
3. Whole system thinking – Transmission outages and system access can have consequences for distribution networks

We have started to talk to the Transmission Owners in more detail about our respective proposals and are using engagement opportunities such as the Network Access Policy meetings as a channel to do this. We also want to understand the TOs' thoughts and proposals in this area to ensure that they ultimately align and deliver in the interest of consumers.

Going forwards, we intend to undertake the following engagement prior to our July draft business plan.

Channel	Date	Stakeholder groups	Approach
Bilateral meetings	Various	Existing customers – transmission connected demand, generation	Further test our proposed activities with different groups of customers
Bilateral meetings	Various	DNOs and TOs	TOs and DNOs as network companies have investment plans to deliver and require flexibility as to when they access the system. We will talk to these companies about possible incentives and mechanisms to drive different behaviours and what our role should be. We have asked network organisations through the Open Networks programme how they would like us to engage on our business plan and they have indicated a preference for bilateral meetings.
Industry association committees and meetings	Ongoing March, April and May	We have invitations from Energy UK, the Association for Decentralised Energy and Renewable UK to attend the relevant meetings to canvass member views on our emerging proposals for connections	Dependent on meeting but likely to include a presentation with Q and A
RIIO stakeholder workshop	11 th April	All stakeholder groups	Targeted round table to discuss our proposals for connections.

Our proposals

From feedback to date we have identified three proposed transformational activities for the ESO in RIIO-2. We believe that these activities are critical to delivering our ambition to drive whole energy transition. These activities are referenced in our RIIO-2 ambition paper. In this ERSG paper we provide further context including how they add value and how they have been informed by stakeholder views to date.

Proposal 1 – Deeper outage co-ordination across the T/D interface

What is this; Increased volumes of DER and increased System Operation capabilities mean that DNOs are more able to actively manage their distribution networks. These changes present new opportunities to more efficiently co-ordinate system access requirements, particularly major infrastructure project delivery, across the T-D interface. This activity will see the ESO co-ordinate more strongly with other network organisations to optimise access requirements with project delivery options to find a programme that maximises consumer value.

How this adds value; Optimising project delivery options alongside the cost of system operation across the whole electricity system will drive value for the end consumer.

Stakeholder views; Stakeholders recognise the interaction between transmission and distribution networks and the need for co-ordinated outage planning. DNOs have agreed a flexibility first approach with some looking at introducing access management flexibility schemes.

Development timeline position; initial scoping

Proposal 2 - Whole system outage notifications

What is this; In RIIO-T1 we have improved our access planning tool, TOGA. In RIIO-2 we propose to extend this tool to larger parties connected to distribution networks (i.e. at 132kV and 33kV). We will also further develop TOGA to provide text alerts of outages and allow views on mobile devices.

How this adds value; Customers will be able to have a portfolio view of the impact of system outages on their entire generation fleet. They will be able to access this information remotely and will have guidance on what outages mean for them. This will improve customer service whilst also enabling them to more efficiently manage their operations.

Stakeholder views; Stakeholders have told us they value consistent information and data.

Development timeline position; initial scoping

Proposal 3 - Facilitating short term access to network assets that delivers consumer value

What is this; We believe that TOs and DNOs should be incentivised to consider the impact of system access, and short notice changes to system access, on system costs to maximise consumer value. A process for providing visibility of the expected cost of access would need to be developed by the ESO to allow the network users to plan more efficiently and deliver overall value to the consumer. Ultimately this would include mechanisms for the network owner to be exposed to the effect of high cost outages or being rewarded for demonstrably reducing the overall cost to the consumer, such as the current SO-TO Procedure on TO Outage Change Costing.

How this adds value; Better incentivisation of short term access would reduce consumer bills.

Stakeholder views; Stakeholders support the need for appropriate incentivisation of constraints driven by system access but recognise the need for continued flexibility of that access. Stakeholder also noted that any mechanism needs to be carefully designed to avoid unintended consequences.

Development timeline position; option development

Next steps

Our proposed engagement is described earlier in this paper. This engagement will help to shape the development of the three proposals described in this paper which will then be considered for inclusion within our July submission document.

Ask of ERSG

We would value your feedback on the following questions:

- 1) What are your views on the proposals in the paper?
- 2) Are you comfortable with the stakeholder engagement that has taken place on this subject and how the feedback has been used?
- 3) Are there any potential areas of consumer value you believe we have not sufficiently explored?