

HOMEflex



**Household Or Microbusiness
Energy Flexibility**

HOMEflex



**A Network Innovation
Allowance funded project**

 **Scottish & Southern
Electricity Networks**



**centre for
sustainable
energy**



**Scottish & Southern
Electricity Networks**



ABOUT SSEN DISTRIBUTION

One of six DNOs in Great Britain, our electricity distribution network delivers power to over 3.9 million homes and businesses across the diverse and unique geographies of the north of Scotland and central southern England.



DNOs have a critical role in **facilitating our net zero future** at a local and regional level and that's why SSEN's purpose and vision is all about **empowering the communities we serve** to make that transition.

The **DSO** capabilities we have built (*and continue to build*) are the tools that will **make that happen**.

OUR NETWORK AT A GLANCE

Over **3.9 million** homes and businesses

More than **978,200** customers on our Priority Services Register

Over **128,000km** of overhead lines and underground cables

460km subsea cables powering island communities

Over **4,400** employees across the country

Figures as of September 2024

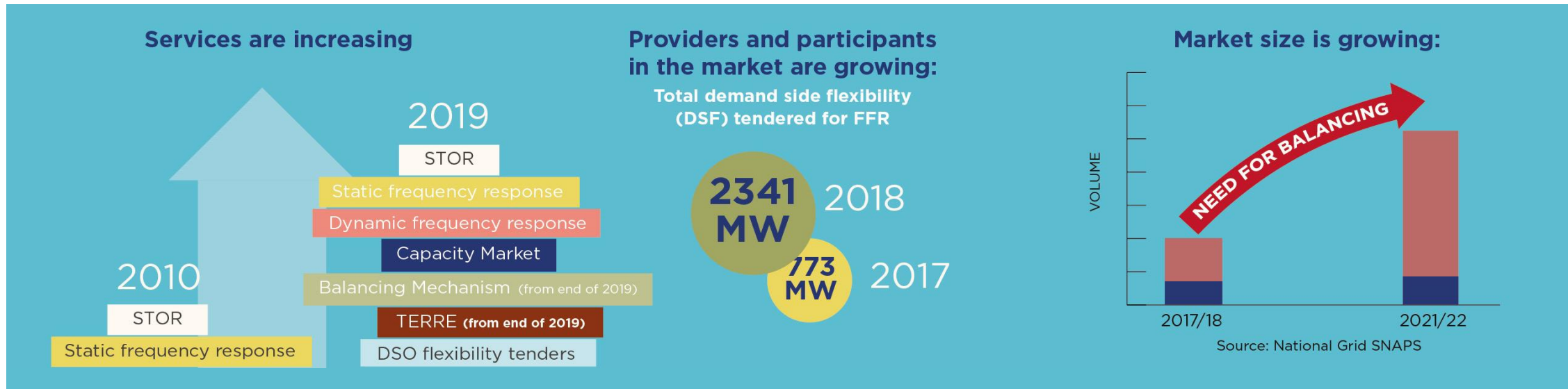




FLEXIBILITY EVOLUTION

2016 - Ofgem report on growth of Demand Side Response (DSR):

- Rapidly growing and changing flexibility markets
- Concern that many flexibility service providers are not licensed or regulated
- Flexibility providers want to ensure a high level of customer trust



2022 to 2024 - DNOs, via Open Networks, decided innovation was required to protect consumers:

- HOMEflex was created as an NIA funded project and a stakeholder led Code of Conduct launched
- Engagement following the Code of Conduct launch realised the need for a compliance scheme too



WHO ARE THE HOMEFLEX PARTNERS?



Scottish and Southern Electricity Networks (SSEN)

The Electricity Distribution Network for the North of Scotland and central Southern England serving over 3.9 million homes and businesses.



Flex Assure

Part of the Association for Decentralised Energy (ADE). Flex Assure work to build trust in the energy flexibility sector by setting standards and promoting best practice.



The Centre for Sustainable Energy (CSE)

A leading UK charity working for sustainability, carbon reduction and energy justice. CSE lead the consumer engagement for HOMEflex.

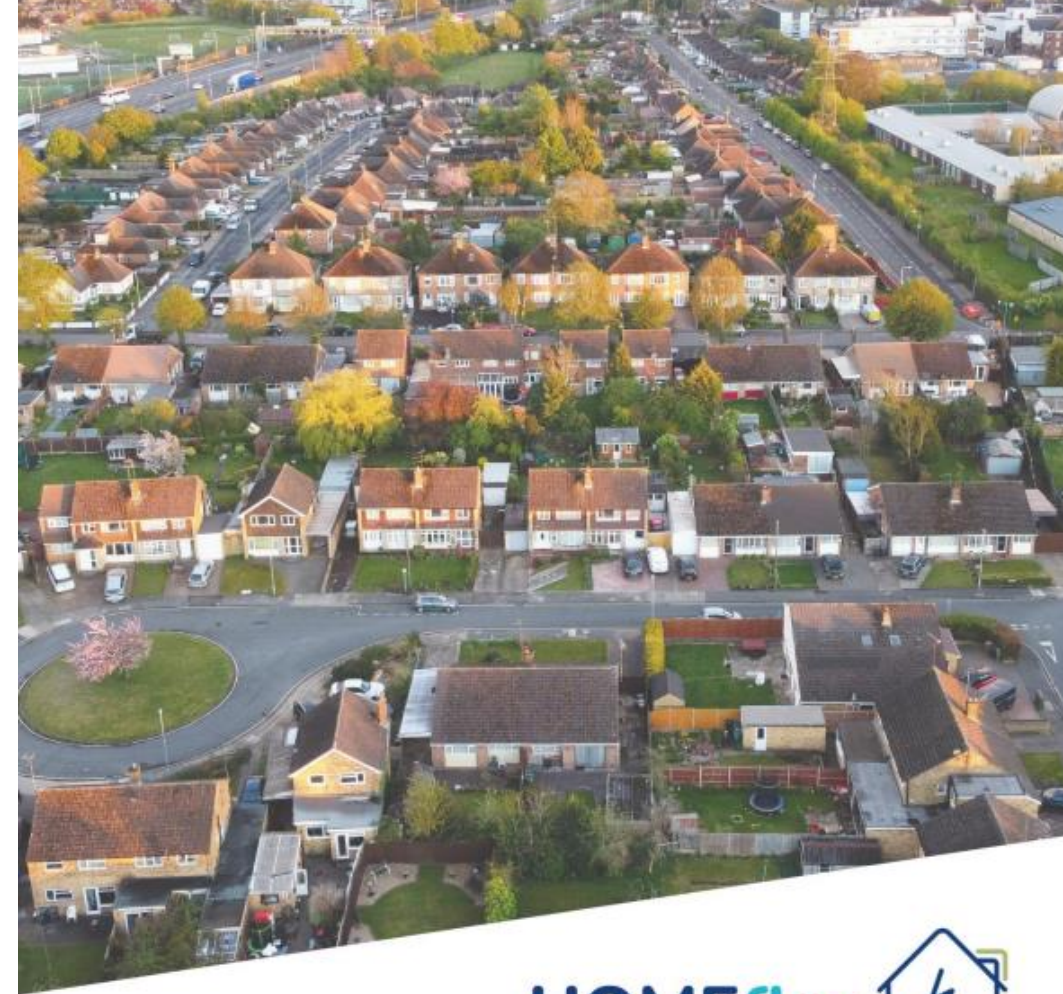


THE HOMEflex CODE OF CONDUCT

Minimum standards in five areas:

- ✓ Sales & marketing
- ✓ Customer Contracts
- ✓ Technical due diligence, data, cyber security and Installation
- ✓ Ethical and Fair Conduct
- ✓ Complaints and Dispute Mechanism

The HOMEflex Code of Conduct is available here:
flexassure.org/HOMEflex



DFS Registered Participant – Domestic Households – 2023/24

Axle Energy Ltd	HOMEflex
British Gas	HOMEflex
CarbonLaces Solutions Ltd	
Chameleon Technology (as Ivie)	
Easee UK Ltd (via Axle Energy Ltd)	HOMEflex
Ecotricity Group Limited via (SMS – Solo Energy Ltd)	
EDF	
E.ON Next Energy Ltd	
Equiwatt	HOMEflex
Foxglove Energy Supply Ltd T/A Outfox the Market (via SMS – Solo Energy Ltd)	
GivEnergy (via Axle Energy Ltd)	HOMEflex
100 Green (via SMS – Solo Energy Ltd)	HOMEflex
Good Energy (via SMS – Solo Energy Ltd)	HOMEflex
Hildebrand Technology Ltd	
Hugo Energy App (via SMS - Solo Energy Ltd)	HOMEflex
Levelise Limited	
Loop_ (via SMS - Solo Energy Ltd)	
Octopus Energy	
MakeMyHouseGreen (via SMS – Solo Energy Ltd)	
Ohme (via Axle Energy Ltd)	HOMEflex
OVO Energy_	HOMEflex
Passiv UK (via SMS – Solo Energy Ltd)	
Perse Technology Ltd	
Power Rewards App (via Orange Power Ltd)	
Rebel Energy Supply Limited (via SMS – Solo Energy Ltd)	
Scottish Power (via Equiwatt)	
So Energy (via SMS – Solo Energy Ltd)	
SMS (Solo Energy Ltd)	HOMEflex
SolarEdge Technologies (via SMS – Solo Energy Ltd)	
Uswitch Ltd (via Hildebrand)	
Utilita Energy Ltd	

HOW HOMEFLEX IS ALREADY HELPING CONSUMERS

Demand Flexibility Service (DFS):

- ✓ National Grid ESO allowed flexibility services providers to opt into the HOMEflex Code during the 2023/24 DFS
- ✓ 11 aggregators and suppliers registered to agree by the HOMEflex Code of Conduct, representing 40% of DFS participants, including British Gas, OVO, Equiwatt, SMS, and Good Energy
- ✓ Over 50% of consumers estimated to be covered by the HOMEflex Code of Conduct DFS 2023/24
- ✓ Far more FSPs expected to follow the Code this winter

Improving service:

- ✓ New flexibility service providers are basing business models on the Code of Conduct
- ✓ Existing service providers are embedding best practice into their businesses



WHAT'S NEXT FOR HOMEFLEX?

Starting as an initiative from the Open Networks programme HOMEflex has become widely recognised, respected, and even award winning.

Engagement with consumers, the energy industry, regulators and flexibility service providers has ensured good outcomes for all.

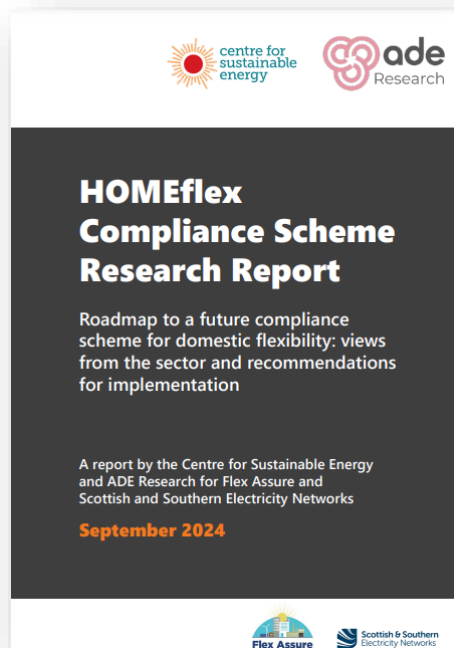
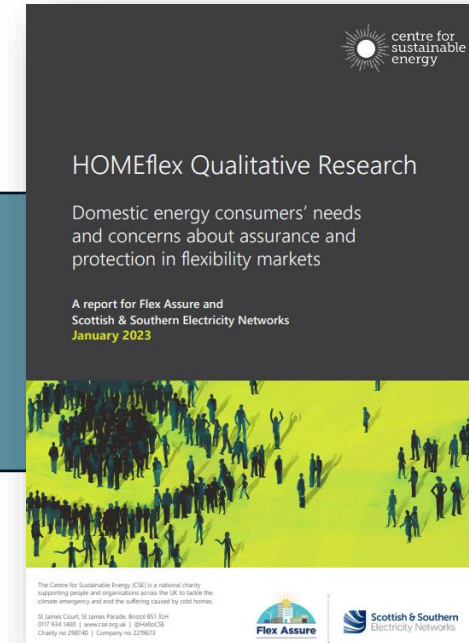
The next step is to safeguard consumers in a more controlled and open way by implementing the findings of the HOMEflex Compliance Scheme Research Report published last month.





CONSUMER AND STAKEHOLDER RESEARCH

First round of consumer research elicited input from a diverse range of consumers on the design of the guidelines in the HOMEflex Code of Conduct (January 2023)



New research focussed on gathering recommendations for the design of a compliance scheme to support the Code of Conduct (September 2024)

Both documents can be downloaded from: flexassure.org/HOMEflex



TRANSPARENCY FOR THE COMPLIANCE SCHEME REPORT



- **Survey and interview with DFS FSPs (aligned and non-aligned with Code of Conduct)**
- **12/26 eligible FSPs responded: representing >64% of DFS domestic load**
- **Questions on experience of the Code of Conduct, as well as general views on customer protection in sector**



- **Online co-design workshop with FSPs and other key domestic flex stakeholders (26 in total)**
- **Focus on co-designing recommendations for the compliance scheme**



EXAMPLE ENGAGEMENT RESULTS:

SUPPORT FOR A SCHEME

- ✓ **Broad support** for a compliance scheme amongst participants
- ✓ All but one of the poll respondents **agreed on need for a compliance scheme for domestic flex**
- ✓ **75% survey respondents felt compliance scheme needed** to support the Code of Conduct
- ✓ Amongst, FSPs, **energy suppliers generally more supportive** than other organisation types

CORE PRINCIPALS

- ✓ **Build on existing HOMEflex Code of Conduct** through existing guidelines and requirements
- ✓ **Work with existing regulation** and avoid duplication, fill any missing gaps, and bridge gaps to future regulation
- ✓ **Adaptability**, any scheme will need to be dynamic given pace of change in a nascent sector
- ✓ **Independent and unbiased** with a fair fee structure for membership and use of the scheme



GROWING SUPPORT AND EVER-INCREASING NEED

For domestic and microbusiness to be a success the process needs to be trusted

Without public trust the industry will lose political, media, and consumer confidence

A strong compliance scheme, backed or run by a reputable organisation or organisations can build awareness, trust and confidence



Please visit the SSEN stand or email me to discuss how you can be involved with this award-winning project



Domestic flexibility compliance scheme needed to protect consumers



A compliance scheme for providers of domestic flexibility, including energy suppliers, should be established to protect consumers, build trust in the emerging industry and, if needed, lay the foundations for formal regulation.

That's the finding of a new report produced as part of the Ofgem-funded HOMEflex project, which has already seen the creation of a code of conduct for providers of flexibility from homes and microbusinesses.



THANK YOU

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