

EIP044

Can we simplify tendering flex products to DNOs?

Problem Statement Details

There is currently no indicator (or poor indicators), of when flexibility services are coming online. A heat map will be made available to indicate where flexibility services will be available in six months with 100% certainty. However, to build flexibility markets with confidence, it may be better to have – for example – 90% certainty of having flexibility services inside three years. Retailers need *more* flexibility services *faster*.

DNOs use different platforms to procure flexibility products and to dispatch flexibility products (inc. emails, a number of portals...). However, too many different platforms and/or ways to dispatch flexibility causes additional admin for energy retailers; a national standardised approach would be useful.

Each flexibility product has different needs, but the response time and duration are not standardised. The list of products desired by the DNOs is also (currently) too static.

So, how can we simplify the process for suppliers to tender DNOs flex products?

Key Stakeholders

DNOs, ENA, INA, EIC, Ofgem.

Target Market

DNOs, Ofgem.

Key Enablers and Constraints

Existing Network innovation projects such as *Transpower* and *Optimise Prime* may help accelerate flexibility growth. Secondary generation of non-firm connections on DNO networks may increase the appetite to participate.

Scalability & Target Implementation Date

The scalability pathway should align to National Grid's FES 2022 (or appropriate DFES) for projected increase in flexibility services and demand side response.

Seed Question

To what extent would regulation and standardisation be required to ensure networks report timescales with repeatability and reproducibility?

Innovation Strategy Target Areas

Innovation Theme	Target Area	Primary or Secondary
Data and Digitalisation	<p>The shift to data-driven, digitally-enabled networks is critical as we move towards Net Zero.</p> <p>We need your help to drive standardisation, interoperability, security and digital skills whilst accelerating our transformation to data-driven networks by the mid 2030s.</p>	
Flexibility and Market Evolution	<p>Energy networks must quickly and efficiently respond to the rapidly evolving needs of the energy system transition. We need your support to eliminate barriers to new market entrants, deploy novel commercial and network management solutions whilst ensuring fair participation and eliminating regulatory barriers within the RII0-2 price control periods.</p>	Primary
Net zero and the energy system transition	<p>In order to meet the UK net zero targets of 2050 we must start converting our networks to deliver low carbon fuels today. We want to work with you to develop the role of our gas networks into the future by investigating, trialling, implementing and delivering safe, low carbon alternatives to natural gas such as Hydrogen.</p> <p>Net Zero requires connection of more low and zero carbon sources of energy generation, storage and demand to both the transmission and distribution networks. We need your innovative methods for effective network management and accessing flexibility to improve visibility, forecasting and modelling of low carbon technologies.</p>	
Optimised assets and practices	<p>Innovation has a key role to play in ensuring our networks continue to remain reliable, safe, secure and resilient to our changing climate. We are constantly looking to improve and welcome support to identify methods to prevent interruptions, ensure resilience, reduce climate impact and future-proof our networks.</p>	
Supporting Consumers in Vulnerable Situations	<p>Equality and fairness are the foundations of a just transition to Net Zero. We hope you can provide insight into the transient and situational nature of vulnerability and how we can overcome the impact the energy system has on consumers, building strong relationships for the future.</p>	
Whole Energy System Transition	<p>The energy system must consider the full range of opportunities, risks and interdependencies that exist across the energy networks to integrate and optimise them in a way that best serves the consumer. We are looking for ways to improve visibility of the networks and transitional options, co-ordinate approaches and collaborate across the UK.</p>	