

DCP442 – Working Group discussion note – potential additions

1. It is our understanding that the proposer's high-level intent of DCP442 is to improve the way Ofgem's Access SCR works. As such, we consider that DCP442 is an ideal opportunity for some further amendments which would support this intent, as well as meet wider energy policy aims.
2. In particular, the proposal could include measures that would align with the recommendations of the [Energy Data Taskforce](#) (EDTF) which was commissioned in 2018 by the Government, Ofgem and Innovate UK to develop an integrated data and digital strategy that helps unlock the opportunities of a modern, decarbonised and decentralised Energy System. The EDTF's work is now being continued via the [Modernising Energy Data - GOV.UK](#) initiative.
3. In summer 2019, the EDTF set out five key recommendations that are to modernise the UK energy system and drive it towards a net zero carbon future through an integrated data and digital strategy throughout the sector. These were:
 - i. **Data Visibility:** Understanding the data that exists, the data that is missing, which datasets are important, and making it easier to access and understand data.
 - ii. **Infrastructure and Asset Visibility:** Revealing system assets and infrastructure, where they are located and their capabilities, to inform system planning and management.
 - iii. **Operational Optimisation:** Enabling operational data to be layered across the assets to support system optimisation and facilitating multiple actors to participate at all levels across the system.
 - iv. **Open Markets:** Achieving much better price discovery, through unlocking new markets, informed by time, location and service value data.
 - v. **Agile Regulation:** Enabling regulators to adopt a much more agile and risk reflective approach to regulation of the sector, by giving them access to more and better data.
4. Further extracts from the EDTF's findings are set out in the Appendix below.
5. We would like the Working Group to consider including in their consultation the following four proposals, in the spirit of the EDTF's key recommendations:
 - a. Add an **alternative option of the Flexible Connection** whereby quarterly curtailment reporting, as per Schedule 2D, paragraph 4, also applies to Flexible Connections. This would improve the current 'Flexible connection' arrangements by making them more transparent for the customer.

Add to the proposed changes of Schedule 22 (CCCM) – glossary (current draft legal text as marked up):

Flexible connections - ~~are means a connection arrangements to the Company's Distribution System whereby a Customer's export and/or import of electricity is managed (often through real time control) based upon contracted and agreed principles of available capacity. Flexible Connections typically allow quicker and cheaper connection to the Distribution System but are made~~ can be restricted by the Company other than in accordance with DCUSA Schedule 2D (Curtaillable Connections); on the basis that there is no limit on the extent to which a user's access can be interrupted the Company can restrict such export and/or import.

Proposed amendment – lifted from the existing curtaillable connection arrangements, Schedule 2D - Curtailment reporting:

“Where a Customer has been subject to Curtailment within a Quarter, the Company shall notify the Customer of the number of Full Import Curtailment Hours and/or Full Export Curtailment Hours that the Customer has been instructed to make. Each such notification shall be made within 30 days after the end of the Quarter, and shall include each period of Curtailment during the Quarter (with start and end dates and times).”

- b. Add a requirement that DNOs **publish a collation of the individual curtailment reports** they already provide under paragraph 4. of Schedule 2D (Curtaillable Connections), and, if included and approved as per point a., for Flexible Connections. These collations should contain the number of Full Import and/or Export Curtailment Hours that Customers have been instructed to make, with each curtailment start and end time, and the applicable Curtailment Price (in the case of Curtaillable Connections).
- c. Amend Schedule 2D, paragraph 6.8, to **increase the reporting frequency of the Flexibility Market Price Statement** from six-monthly to quarterly, in line with the frequency of the current curtailment reporting by DNOs to connectees. This would also reflect the fact that flexibility markets are becoming more developed, with more price data being generated more frequently.
- d. Add a requirement that DNOs **publish a quarterly statement listing the various types of connection agreements they have contracted for**, similar to the data which the WG obtained via its Request for Information. This ought to include the number of Curtaillable Connections, Enduring Curtaillable connections, Flexible Connections (by distribution and transmission constraints) and Non-Curtaillable Connections, by demand and generation connection.

Appendix

In terms of the types of data that DNOs have access to, the EDTF noted that:

“Energy System Data that has value to the wider system and has been generated by monopoly or consumer subsidy should be available for the benefit of the ‘system as a whole’.”

In summary, the EDTF identified many benefits from data transparency, examples of which include:

- (i) Improving operation of the system;
- (ii) Optimising operation of the system;
- (iii) Optimising across energy vectors;
- (iv) Unlocking the flexibility market;
- (v) Enabling clarity across the multiple actors in the system;
- (vi) Securing the new Energy System;
- (vii) Regulatory oversight and risk assessment;
- (viii) Optimising procurement and cost reduction;
- (ix) Opening the system to new markets and better price discovery;
- (x) Data visibility creates opportunity for all; and
- (xi) Attracting new players to the sector.

The EDTF helpful also identified the detrimental effect of following the networks’ approach of not providing full transparency, examples of which include:

- (a) Slower more expensive transformation;
- (b) Fragmented datasets reducing efficiency;
- (c) Increased risk to system stability; and
- (d) Reduced innovation.

The negative effects, from a lack of energy data transparency, was summarised by the EDTF, in the following terms: “The value of data is not being maximised: innovation is being stifled, the system is less efficient, and the consumer is worse off”.