

Flexitricity response to Ofgem Flexibility Market Asset Market Asset Registration Consultation

Flexitricity welcomes the opportunity to comment on the consultation. We believe the FMAR is an important solution as part of a package of measures to ensure positive outcomes for domestic and small non-domestic consumers as they enter the flexibility markets at scale.

Flexitricity has contributed to consultation responses submitted by the ADE and the Energy Technology Group, both of which we largely stand behind. Our Flexitricity specific responses in this consultation largely focus on Section 3, with the support of our Head of Data and Chief Technology Officer.

Q1. Do you agree that policy intervention is needed to deliver common Flexibility Market Asset Registration?

Yes, we support Ofgem's intervention to avoid multiple asset registers being developed across different networks and/or platforms, which would be to the detriment of customers. This work is also important in ensuring that Suppliers do not continue to have an advantage over other flexibility providers through direct access to the boundary metering data which is required for many services. The FMAR will therefore support more innovation and competition.

As Ofgem is aware, this is one strand of a multifaceted piece of work to enable streamlined, value-added domestic participation in flexibility, as well as, for example, the development of rational operational metering requirements, improvements to skip rates, and Market Wide Half Hourly Settlement (MHHS). As these improvements will be realised incrementally from 2025 onwards, it is important that the delivery of the FMAR between 2025 and 2028 does not become a prerequisite for market participation in the interim period. Flexibility providers are providing important system support and establishing value streams for customers as barriers to markets are lowered: waiting for the FMAR should not create a new barrier. When the FMAR is fully operational, usage should be mandatory, but we cannot wait to bring consumer assets online in the meantime.

Q2. Do you agree that for other FDI outcomes policy intervention is not needed at this stage? Are there any risks to consider with this approach to FDI delivery?

We are less certain that all eight of the FDI outcomes are sufficiently resourced and clearly mapped out for delivery by when and by whom. If Ofgem has assessed the delivery status of the core and supporting outcomes, it would be reassuring for industry to see it. For example, in the consultation Ofgem mention ENA Open Network's progress on ESO-DSO coordination, but we have found that their work on stacking over the last year has been mainly about cataloguing the barriers to contracting for a combination of DNO and/or ESO services (which most flexibility providers were aware of) rather than setting out actions to improve stacking. As the initial Call for Input on the Future of Distributed Flexibility was undertaken in Q1 2023 it may be prudent to reassess delivery against the FDI outcomes and whether policy intervention is needed to keep them all on track.

Q3. Are there any other policy alignments or industry developments, in the UK or internationally, which should be considered as part of ongoing FDI policy development?

We defer to the answer provided by the ADE for this question.

Section 3

Q4. Do you agree with the scope proposed for markets, assets, and data? Should anything else be considered?

Yes, we agree with the scope of what is to be included. In terms of what is currently excluded, we think that in time it will be important to include the Capacity Market, but as members of CMAG and long-standing CM DSR providers, we appreciate that this would be too cumbersome to include in the first iteration. We suspect that inclusion of the wholesale market would be less complex to integrate into the scope of this work.

Q5. Do you agree with the functional outcomes? Should anything else be considered?

The functional outcomes guiding the proposed digital infrastructure are largely sound and align with key principles that were expected by Flexitricity's Data teams. We would flag the following issues for improvement:

- We are pleased to see an API-first approach, recommending the use of common client and backend APIs for data collection and access. We would expect to see an additional functional outcome committed to data lineage and versioning. Data lineage ensures each piece of data is traceable from point of submission to final arrival with a user across the data access interface. This is particularly important for the use of customer data in a regulated industry. As changes to data must happen, including models, APIs and scheme migrations, it is imperative that the risk to data integrity issues is foregrounded. Ofgem should introduce a requirement for common API participants to sign up to a strategy for version controls in data schemas and APIs to reduce disruption to users of the data submitted.
- Related to this, a critical outcome is missing in that there is no functional outcome to ensure that data quality will be actively managed. Maintaining data quality is an onerous, largely manual task which could overwhelm smaller market participants if the data being pulled from the data access interface is not continually monitored for accuracy, completeness, consistency, and timeliness. For example, the inclusion of a rogue column or different data format can break a data model. Ofgem must make clear where responsibility for data quality management lies, including specific mechanisms for monitoring, measuring and improving data quality.
- The specific data quality outcome includes the important tasks of proving feedback loops to users of the data collection interface and handling real-time data exchanges with real-time data governance. Both of these issues could be handled through a data governance body and/or oversight mechanism to ensure that data policies and procedures are complied with. There may be little incentive for some users, especially incumbents, to ensure that data is accurately submitted, because it will increase competition. It is important that Ofgem establish a formal data

governance mechanism to ensure ongoing compliance with static submission in general as well as more detailed real-time issues like latency and processing constraints.

Q6. Do you agree with the design principles? Should anything else be considered?

Yes, we agree.

Section 4

Q7. Do you agree with the enablers and design activities needed and for the Market Facilitator to coordinate Working Groups for them? If not, what other activities and governance arrangements should be considered?

Yes, we agree that Elexon as Market Facilitator should coordinate Working Groups. In order not to fall behind the increasingly rapid consumer adoption of ESAs we agree that this work must move forward in the interim. If ENA is to take this on, additional resource must be found as their current pace is much too slow (as acknowledged in Ofgem's open letter of July 2023), the outputs too academic rather than action-oriented, and engagement beyond the member networks and academics often seems like an afterthought. For example, engagement from ENA is frequently requested at much too short notice for smaller companies to provide input. If they are to coordinate Working Groups for two years, ENA's stakeholder engagement processes and available resources to ensure delivery should be closely monitored to stay on track to be passed to Elexon.

Q8. What are the advantages and disadvantages of the proposed delivery body options for the Flexibility Market Asset Registration digital infrastructure? Are there any additional options that should be considered? Do you agree with the justification for discounting approaches?

We would point to the Energy Technology Group's answer to this question, emphasising the importance of consumer facing organisations' input into this work.

Nonetheless, we consider that this work could be competently delivered by Elexon as Market Facilitator or by the Retail Energy Code Company (REC). Our engagement with both of these bodies gives us comfort that they have the appropriate neutrality, programme development processes, IT skills and data coordination skills necessary to be a success. We note in particular DESNZ's minded-to position to house the Tariff Data Interoperability Standard within the REC after a detailed assessment of their abilities.

Q9. Do you agree with the timelines proposed? Should anything else be considered?

We defer to the timeline supplied in response to this question by the Energy Technology Group. 2025-2028 is too vague a timeline. At the very least the asset register should be completed in time for the MHHS launch.

Section 5

Q10. What existing or new policy levers could be used to improve asset visibility

No response.

Q11. What use cases for asset visibility should be considered as priorities and why?

No response.

Q12. What costs, benefits or factors should be considered in a Cost-Benefit Analysis for asset registration solutions? Consideration should be given to:

- f) the time (in minutes) and resources required to complete current EREC G98, EREC G99 and MCS asset registrations (accounting for any recent process improvements, including ENA's Connect Direct)**
- f) the current rate of duplicative registration processes for assets (e.g. networks and MCS)**
- f) whether any additional asset data (beyond that of the current registration processes) needs to be registered to enable the benefit cases to be realised**
- f) the costs to establish, manage and maintain a register of assets**
- f) the process required to assess suitability in accessing asset data**
- f) what the essential asset registration requirements are to enable the benefit cases to be realised**

No response.