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Flexibility Market Asset Registration Consultation

Thank you for the opportunity to provide our views regarding the proposed flexibility market asset registration in Great Britain.

Ofgem's attention on developing the flexibility markets is welcome. Progress has been made to standardise products and contracts but more can be done, particularly around the issue of T-D coordination, primacy and stacking.

- An asset register focussed on the collection of physical data would help facilitate onboarding of flexible assets. However, as we argued in our response to the previous consultation on flexibility infrastructure, a set of common technical and data standards, prequalification recommendations and CIM models that DSOs/FSP/flex suppliers must follow would go a long way to lower barriers of participation.
- We would encourage Ofgem to develop a clear strategy that provides the priorities for the Market Facilitator and industry. We would encourage the prioritisation of product standardisation and developing the rules around primacy/stacking over the design and build of an asset register.
- That said, we support the approach of making the Market Facilitator responsible and would be happy to continue to engage with Open Networks and the proposed working groups to help deliver its objectives.

Any questions regarding this response can be addressed to Howard Wright (h.wright@epexspot).

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The response is not confidential.

About EPEX SPOT

EPEX SPOT operates a power exchange in Great Britain, Central Western Europe, the Nordic countries, and Poland, providing a market-place for companies to trade electricity. We facilitate trading in a transparent manner, according to public rules and publicise prices which serve as a benchmark for the wholesale and retail markets.

In GB, EPEX SPOT has been active since 2000 and currently operates 4 daily auctions and a continuously traded market. There are over 100 companies actively trading across these markets to optimise their portfolios and manage their imbalance positions.

As a service provider to system operators, EPEX SPOT is proud to be delivering the successful day-ahead local flexibility auctions for UKPN. EPEX SPOT has previously worked for National Grid ESO to develop, build, and operate their frequency response products.

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

Neutral. The registration of assets is distinct to market operation. Assuming the focus remains on static data then there can be some simplification on onboarding and verification.

Onboarding assets could be simplified where there are common data fields and communication standards. These enablers would reduce the onboarding burden for market participants and market operators. The work on these should continue to avoid the potential hiatus of waiting for centralised infrastructure.

There has already been good progress on this. EPEX SPOT's Localflex follows the latest pre-qualification alignment recommendations from ENA (ON22-WS1A-P2) and we are committed to follow ENA's outcomes for DER data standardisation.

The verification process by the system operators could be simplified if there is a way to identify the asset across markets. This process could be streamlined if each market operator (or system operator) is able to rely on the verification process of another via an asset register, but this also needs to accompany improving T-D coordination.

Additionally, we would seek for there to be clear standards, rules, responsibility around the development and operation of the FMAR. We would seek to have a clear separation of roles to avoid any potential conflict of interest.

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?

Yes, as mentioned in responses to previous consultations we want to see as thin an infrastructure layer as possible and focus on standardisation based on existing standards and TSO-DSO coordination. We also see a risk that the development of the FMAR could distract from other important enabling work.

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?

There are many developments happening internationally and there is a large amount of literature to read on the topic. We support Ofgem's approach to coordinate and frame the GB policy/regulatory approach in the context of these developments.

We see similar challenges existing across all of Europe and that the Agency for the Cooperation of Energy Regulators (ACER) has drafted the Demand Response Network Code which is currently under consultation before being sent to the EU Commission in Q1 2025 for further legislative processing. We would hope that we can avoid significant regulatory divergence between the EU and GB regarding the

approaches for asset registration. This should include the handling of personal data and the capturing of consent as part of the asset registration.

Given the need to manage consent, Ofgem could help provide clarity over what information is considered personal data when capturing/storing/maintaining asset information.

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

Dynamic vs static data

FMAR should support the functioning of the flexibility markets through capturing static, technical data. We agree that the data described in paragraph in 3.17 is a starting point for which static information (such as installation information) should be captured as part of an asset register. By comparison, the data in 3.16 is dynamic and commercial and should not be the focus of the register. We see this type of information as distinct from the asset information.

Prequalification vs Asset Registration

We are potentially concerned with linking the FMAR into a common prequalification mechanism. As a market operator, we consider prequalification about the onboarding of flexibility service providers which is a commercial task involving companies taking a view on the risk that a counterparty may pose. Having an asset register that captures dynamic/commercial information which is part of a common pre-qualification mechanism would lead to complex governance arrangements where companies rely on 3rd party commercial assessments and would not necessarily result in a simplified onboarding of FSPs and flexibility assets.

Which assets?

For market purposes, the assets will provide a response in aggregate but if there is a dependency on a register to be up-to-date then the complexity to do that (presumably on FSPs shoulders) should not become a new barrier to participation.

We are also unclear what would happen to speculative assets. How should they be treated, and should there be a validity period for the data?

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

The functional outcomes appear sound. However, you have defined a solution to deliver uniqueness (Unique ID) rather than the functional outcome that you desire (uniqueness) which should be part of data quality. The government already describes common data quality dimensions ([Meet the data quality dimensions - GOV.UK \(www.gov.uk\)](#)).

The identification of the uniqueness of an asset needs to consider which company has control over the asset as unique sites could be controlled by various actors (aggregators/FSPs/suppliers).

Appropriate collection points: Assets exist independently of ownership and operations. To avoid creating entry barrier for owners and operators, data could be created by sellers / installers of assets when it is sold / installed. This could be done before the asset is proposed to a market (market entry point), as it could help SOs to know if an asset exists, which has value. As a process, this option should be kept avoiding the need to return to the consumer at a separate point when an asset is onboarded to market(s).

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

These are broadly ok.

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?

Enabler activities

- 4.1 strongly disagree: they only need to align their registration process, not their procurement.
- 4.2 strongly disagree: standard "static" data attributes are needed, but nothing else: the FMAR should expose those elements in a standard way.

Design activities

- No comments

Market Facilitator

- 4.9 agree: good that there is a single accountable body
- 4.13: agree: we would support a clear handover plan between the ENA and Market Facilitator to avoid losing time
- 4.14: unnecessary: As the accountability has been assigned to the Market Facilitator it should be up to them to decide how, knowing that they are accountable for it.

Stakeholders

- 4.16: add market operators in order not to close off potential developments in the markets not linked to a direct service

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?

General comment: The digital infrastructure section was too detailed, and section 4.17 was sufficient. We would like to follow the process that allows the design to be determined according to stakeholder engagement and lead by the Market Facilitator. For example, not all FSPs have APIs developed and ready to be used for asset registration. Therefore other means – or a progressive roadmap - needs to be considered to allow maximum participation (e.g. csv files import in GUIs).

Under paragraph 4.20 we would also like to see that Market Operators are able to access the data.

We broadly agree with the assessment of the delivery body options. The chosen approach should ensure that the regulator can assess and take action to prevent conflicts of interest.

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

The timeline is particularly broad. To better define the timeline the roles and responsibilities need to be clearly set. For example, who is inputting data for existing assets? Who is doing so for new assets (and when should it be done in the lifecycle of the asset)? Who is maintaining the data? Depending on the answers to these questions the timeline could be set differently for (i) the technical availability of the platform, (ii) the migration / registration of existing assets, and (iii) the moment new assets are routinely registered.

The remainder of the questions are unanswered.

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

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

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

- a) 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)
- b) the current rate of duplicative registration processes for assets (e.g. networks and MCS) Consultation – Flexibility Market Asset Registration 44
- c) whether any additional asset data (beyond that of the current registration processes) needs to be registered to enable the benefit cases to be realised
- d) the costs to establish and maintain a register of assets
- e) 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