

## **Flexibility Market Asset Registration Response – Energy Technology Group**

### **Energy Technology Group Introduction**

The Energy Technology Group (ETG) consist of Low Carbon Technology focussed businesses developing solutions for consumers across EV charging, Heat Pump, Home Energy Management and Domestic Flexibility markets. We exist to **promote the interests** of distributed LCT companies across industry and Government through an informal **forum** where members address shared policy and regulatory challenges.

As fast-growing innovators in the energy sector, we are delivering the technology that unlocks the flexibility required by the system, aggregating this capability, engaging with the end consumer and shaping the system's needs around customers' preferences. As we are linked to those assets that customers value – EVs, heat technologies, PV assets – we have a unique and different relationship and connection with customers and our technology is what delivers the “smartness” in the system. In addition, and as importantly we are the fixed asset with the connection to the customer for the long-term whichever energy supplier they chose.

With 000'000's of engaged consumers using ETG products and services in the UK and Europe, our innovative businesses are delivering new business models and consumer centric, digitalised ESA and DSR solutions that are more impactful than the traditional supplier-centric views of energy system customer relationships.

### **Context**

Overall, ETG members support the principles detailed in the Ofgem consultation. However, much work is to be done within the Industry Working Groups to map out the detail and ensure that the outcomes deliver the required responses.

In summary, some of the key points for Ofgem to consider in refining their proposals include:-

- **The Customer Journey:** We are keen to urge policy and regulation to be totally customer centric. Consumers purchasing an ESA, whether an EV Charging Point, a Heatpump or Solar PV and Battery will undertake a customer journey that is very different to the traditional process of switching energy supplier. ETG recommend these different journeys are understood, and how Assets are registered alongside the capture of Customer Consent, when designing the Industry processes.
- **Energy Industry Focus:** Regulation needs to reflect the customer needs and desires and we are concerned about the choice of delivery partners. ESO, DNO's, Elexon and RECCo are not customer focussed entities, will struggle to develop consumer focused solutions and will design a solution which works for the 'industry', but delivers a less than satisfactory UX for the end user.
- **Product Alignment:** We need to ensure alignment of all ESA asset types across both DESNZ and Ofgem Consultations. This needs to include EV's undertaking D2V charging.
- **Policy and Regulatory Change:** We would urge all policy and regulatory actors to see beyond the boundary meter and consider that there are new players that can and will be able to deliver the flexibility needed across the system. We would hope that the references to suppliers or boundary meters as the default deliverer is revised and that ESA operators are given equal consideration in all consultations and policy development.

- **Architecture Alignment:** Ofgem needs to consider alignment of architecture across both Asset Registration and Customer Consent databases between:-
  - The asset database – at premise level, relatively static, but needs to consider asset replacement / upgrades.
  - The consent database – at customer level, relatively static, but needs to account for housemoves / change of tenancies/ change of customer preferences.
  - The products / services database – across ESO / DNO markets
- **Consultation Processes:** Ofgem / DESNZ should consider aligning ‘working groups’ / further input, as the ETG members don’t have the resources large energy suppliers, which risks bias of future thinking and solution delivery.

## **ETG Responses**

### **Section 2**

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

Yes. Disjointed requirements for ESO and DSO markets, via differing / multiple platforms, results in increased workload and costs whilst creating a barrier to entry for many domestic ESA owners.

Energy Suppliers currently have an unfair advantage versus ESA Manufacturers / Operators, having direct access to boundary metering data required for particular services, which requires additional customer consent should the customer choose an alternative Flexibility Service Provider, (FSP). Ofgem should ensure that Asset Registration facilitates effective competition between FSP’s and Energy Suppliers, enabling customer choice, engagement and trust to be developed as these markets mature.

Asset registration, allowing direct access to all flex markets via an Asset Meter, without the need for Boundary Meter data, will enable all domestic consumers to benefit from flexibility services, smart metered or not, Half Hourly settled or not, removing a significant barrier to entry.

Aligning data requirements for differing ESO / DSO services, alongside a consistent approach towards metering and baselining of flexibility across differing services, stored as a common single source of truth, will reduce the costs of administering these services and remove an important barrier to domestic consumer participation in Explicit Flexibility Services, as well as reducing administration and registration costs.

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?

ETG believe it is far too early for other FDI policy intervention given that domestic flexibility markets have yet to develop to any meaningful scale. With delays to smart meter roll-out and half hourly settlement, many domestic customers are not yet able to participate in many Flexibility markets with their ESA’s.

However, ETG would like to see Ofgem's assessment of who is currently responsible for delivering the 8 FDI outcomes, what the progress is and when industry will be further engaged in delivering the FDI outcomes.

In addition, Asset Registration proposals need to be aligned with the proposals for capturing Customer Consent, ensuring customers have a simple, streamlined process for enabling their ESA devices to benefit from participating in the developing markets for flexibility services. This significant outcome appears to be missing from the current FDI framework.

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?

Having learned from the experience of the mismatch between MIR legislation and the EV Smart Charging Regulations, Ofgem need to ensure that outcomes from separate consultations across the industry are consistent.

The Asset Registration database must be aligned with the Customer Consent database, enabling consumers to choose whether to consent to individual assets being registered for flexibility services and / or bundles of assets to be registered at a household / boundary meter level.

In addition, asset types need to be consistent across both Asset Registration and the ESA standards being consulted upon with the Smart Secure Energy System consultation being undertaken by DESNZ. Electric Vehicles being controlled directly via an energy supplier / DSRSP, (though a 'dumb' EVSE), must be considered across both consultations, ensuring a consistent approach is adopted for this specific use case.

### **Section 3**

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

ETG agree that all ESO / DSO markets requiring flexibility from registered assets should be within scope of this policy, with data being accessible by the ESO and DSO's.

Data sharing with other FSPs, IMPs, and asset owners, however, needs to be aligned with Customer Consent to ensure Assets are only being used in accordance with the end consumer agreement. If we are to develop customer engagement and trust in the developing flexibility markets it is crucial that customers do not experience adverse outcomes and that assets are only used in line with the consumers wishes.

ETG agree that the Digital Infrastructure should focus initially on small-scale domestic and small business assets, particularly flexible domestic assets like electric vehicles, heat pumps, and home battery storage systems, Ofgem also needs to consider how Electric Vehicles, allowing direct control of charging, should also be registered, (alongside the relevant EVSE providing the physical 'dumb charging' capabilities).

ETG agree with the proposed data scope for static data, including Flexibility Service data and Technical Asset data.

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

ETG agree that the proposed Functional Outcomes.

However, there are a number of questions that need addressing: -

- Is Ofgem proposing that industry all write their own APIs to submit data via the collection interface? And that there will be a common API for those pulling data out of the access interface? I think there is a question of cost here for non-supplier businesses:
- Who is responsible for processing all the raw, error-filled, not-standardised but “common” data when it is ingested into the collection interface? And again, who is responsible for the data quality when it is pulled out from a centralised or non-centralised store?
- Aggregators already have manual pressure dealing with non-standardised data – this will be even worse if it’s across different installers, FSPs and ESA operators. Will the asset register coordinator take on responsibility for data quality or will that cost be pushed onto individual market participants?

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

ETG agree with the proposed Design Principles.

However, whilst security, resilience, and privacy must be upheld, and competition and innovation be supported, the Digital Infrastructure must be delivered in a cost-effective manner, enabling the commercial opportunities being presented with the emergence of these flexibility markets to be fulfilled, encouraging competition and innovation in this market between FSP’s and legacy energy suppliers.

## 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?

ETG agree with the enablers and for Elexon to co-ordinate Working Groups, ensuring that all Asset OEM's and ESA Operators are represented alongside FSP's. However, the Design Activities need to align with the Cost-Effective principle ensuring FSP's and end consumers benefit fully from the flexibility being provided from their assets, and that participating in these emerging markets is not cost prohibitive.

ESO and DSO's aligning procurement processes, data requirements, architecture and communication protocols will be a key enabler in fulfilling this principle.

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?

None of the proposed bodies are Consumer Facing organisations with experience in designing simple, effective User Experiences for the end consumer. Whilst ETG support the proposal to adopt Elexon as the delivery body, the Customer Journey for purchasing and using an ESA must be considered when designing both the Asset Registration database and Consumer Consent database, alongside Industry needs.

Alienating consumers and making this process unnecessarily complex will risk disengagement and optimising the full potential of domestic flexibility.

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

The development and deployment of the common Flexibility Market Asset Registration digital infrastructure needs to be aligned with a number of other policy / market developments: -

- Smart Meter roll-out and Market Wide HH Settlement – Required by some Flexibility Services
- Confirmation of Metering Standards for EVSE's by DESNZ to align with MIR requirements
- Development and adoption of ESA standards, as detailed in the Smart Secure Electricity Systems Consultation.
- Development of Load Controller licence conditions, as detailed in the Smart Secure Electricity Systems Consultation.
- Alignment with the Customer Consent database.

It is therefore recommended that development is undertaken during 2025 – 26, with clear alignment across the various workstreams highlighted, with deployment taking place from 2027 onwards. This is particularly important for ETG members, who do not have the resources to contribute to the development of all these market changes.

## 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:

- 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)
- 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, manage 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

Each ESA installation, whether an EVSE, Heatpump or Solar PV / Battery involves surveying the customer, processing the survey, following up missing information, accessing the MPAN and then providing this information to the DNO. ETG members therefore need to recover the costs of time to collect the data from the customer, the licence costs associated with managing the application software and the costs of accessing accurate MPAN data.

Registering these same assets in multiple ESO / DSO markets, avoiding duplication amongst FSP's, ensuring compliance with Flex Service requirements, and having to group into specific 'units' is a time-consuming process, requiring additional headcount / resource, which will only grow as the portfolio of connected ESA devices expands. There is also an opportunity to challenge existing data requests for certain services, e.g. latitude and longitude is currently requested for some ESO services...

Having a single Asset Registration solution, combining DNO connection applications alongside multiple Flex Service applications will clearly drive significant cost savings for ETG members, whilst also avoiding assets being entered into markets by multiple FSP's, (therefore mitigating the impact of duplicate applications upon the end consumer).

## **Summary**

The Energy Technology Group represent a group of innovative, digital, technology focussed businesses that have the potential to address many of the challenges being faced by Ofgem as we look for solutions to delivering our net zero objectives.

We look forward to further engaging with this process to develop proportionate, customer focussed proposals which support the delivery of enabling consumer confidence in ESA's and DSR, reducing system costs for all consumers and delivering benefits to all consumers with an ESA device from the emerging markets for flexibility.