



# Reducing Barriers to Flexibility Service Providers

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## Power to Participate Response

**At Western Power Distribution (WPD) we are committed to working with community organisations to better understand and remove the barriers they face in providing flexibility services to us.**

Following our involvement in Regen's Power to Participate project, 13 barriers preventing communities from participating in flexibility markets were identified. This report summarises the work we have done, and are planning to do to reduce barriers and ease participation.

This sits in the context of a fast developing market place for Distribution System Operator (DSO) Flexibility Services. Used to help us manage our networks more effectively by deferring network reinforcement, WPD has committed to a Flexibility First approach, assessing Flexibility Services for all relevant reinforcement schemes of significant value. We procure services under the Flexible Power brand, which has since been adopted by a number of other Distribution Network Operators (DNOs). Full details can be found at [www.flexiblepower.co.uk](http://www.flexiblepower.co.uk).

As an industry we are working to develop standardisation and consistency across DNOs. This is primarily being driven by the Energy Networks Association's Open Networks project. This is trying pull together the best learning and experience across the DNOs to ease participation across the country, whilst acknowledging the need for new services to be tested and developed.

Within WPD we have done extensive work to improve access to Flexibility Services both through our Innovation programme and our Business as Usual Activities. Improving access in our Flexibility markets is a key objective for WPD and all DNOs. As more organisations participate, volume and competition will grow giving us more options to manage our networks in an effective way.

For simplicity, this report contains a table of each recommendation from the project, with as summary of WPD's response and any relevant links to further more detailed information where appropriate. It should be noted that many future commitments are tied to our latest business plan which is out for consultation at the time of publishing. As such the commitments may alter slightly.

For more details on how we plan to support community groups as they push towards decarbonisation, see out [Net Zero Communities Strategy](#).



## Reducing Barriers to Flexibility Services

Barrier Identified	How we have reduced the barrier	How we will further reduce the barrier
<p><b>Awareness: People aren't generally aware that these opportunities exist</b></p>	<p>WPD has run an extensive Community Energy Engagement programme over the last 8 years with over 40 events held. These have adapted as the requirements from Community Energy groups have evolved.</p> <p>Last year, ahead of COVID restrictions, we ran 4 events (1 in each licence area). These explained Flexible Power and the opportunities available.</p>	<p>In 2021 we will be hosting virtual community energy festivals due to COVID restrictions</p> <p>Within our business plan for (2023-2028) we are proposing to hold 30 Community Energy Surgeries per year. One per WPD operating region per year</p>
<p><b>Skills: Community Energy Group members are not necessarily energy system experts and won't always know why flexibility is needed, or why it is relevant to them</b></p>	<p>As part of our Community Energy events we have been increasing awareness of our needs around our Flexibility services as well as highlighting how Community Energy groups could participate.</p> <p>We have also created simple <a href="#">animations</a> and <a href="#">case studies</a> to help highlight our requirements as well as creating a communities section on the <a href="#">Flexible Power website</a>.</p> <p>Finally we continue to take on stakeholder feedback to try and make our services as simple and accessible as possible, and regularly support various initiatives that help us test this.</p>	<p>We will continue to engage with Community Energy Groups and relevant projects to help identify and develop the relevant skills.</p>
<p><b>Messaging: The messaging about why flexibility is needed is not relevant to communities</b></p>	<p>Our <a href="#">Net Zero Communities Strategy</a> has reiterated the importance of Community Energy Organisations in our transition to Net Zero, working from the ground up as trusted intermediaries.</p> <p>Through the "Pro Low Carbon" work in our Future Flex project we have also developed <a href="#">a methodology</a> for the assessment of the carbon intensity of the Flexibility Services we procure.</p>	<p>We will continue to update the messaging around our services and ensure they are as relevant and clear as possible.</p>

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<p><b>The playing field is not level. Many community energy organisations are voluntary and only have limited time to explore new opportunities</b></p>	<p>We now deliver targeted information for Community Energy groups. This includes the Community Energy Events, and the tailored section on the <a href="#">Flexible Power website</a> which signposts the members of the Association of Decentralised Energy (a trade body for aggregators) who may be able to provide support.</p> <p>We also endeavour to make all information as clear and accessible as possible. We have <a href="#">online maps</a> (with full requirement details), <a href="#">postcode checkers</a> and <a href="#">value tools</a>. We also publish all the <a href="#">technical requirements</a> so Community groups can make a quick assessment on the value of the opportunity.</p> <p>Finally in 2020 we ran our first NIA call for projects with a community focus and provided WPD Innovation Engineer support for the proposals. A number of proposals are currently in development.</p>	<p>We will continue to update the tools on the Flexible Power website to provide clarity on the opportunities available.</p> <p>As part of our plan for the next price control we have proposed that we continue to run innovation projects for Community Energy Schemes</p> <p>We have also added a proposal for 1,000 paid staff volunteer days per year to support a range of community and charity initiatives.</p>
<p><b>Flexibility is low value and a secondary income stream. Community energy groups are struggling to find viable business models that flexibility could support</b></p>	<p>Flexible Power has reviewed its online onboarding information to ensure it is as simple as it can be whilst conveying all relevant information. This aimed at reducing costs for all potential participants.</p> <p>The Flexible Power portal also includes a service <a href="#">value calculator</a> to allow providers a clear view on the potential revenues. Our contracts also include no exclusivity clauses to aid revenue stacking and income maximisation.</p>	<p>We will continue to work the wider industry to make services as stackable as possible to ensure value can be maximised for each asset.</p> <p>We are also developing a simplified domestic flexibility service through our Future Flex Innovation Project. This is based on simplified qualification, dispatch, metering and baselining principle.</p> <p>Learning should be shared from the project in late 2021.</p>
<p><b>Risk: Contract lengths are short (normally about 1 year). Even with the ‘expectation’ that contracts would be renewed annually for up to four years, this is too great a risk for community energy groups</b></p>	<p>Current Flexible Power Contracts are available at lengths between one to four years depending on customer choice. The full terms and conditions are available on the <a href="#">Flexible Power website</a> for potential providers to review.</p> <p>Risk is further reduced by providing clear details of the payment mechanics and baselines on the <a href="#">Flexible Power website</a> (baseline methodology document &amp; payment mechanics document)</p>	<p>We will continue to review the lengths of contracts we offer. These must provide benefits to providers, but also to WPD, and the wider customer.</p> <p>We are investigating closer to real time procurement in our IntraFlex Innovation project.</p>

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<p><b>Notification timescales: Few community energy groups have projects ready to enter into flexibility markets, i.e. with batteries and it takes months to build a business case and take an investment decision about whether to bid into a flexibility market. Notification of opportunities is currently far too short</b></p>	<p>WPD has worked hard to create clearer views on our network requirements. Each year we update our <a href="#">Distribution Future Energy Scenarios</a> (DFES). These look out all the way to 2050 and predict the growth of key technologies on our network. Details are available on our website.</p> <p>The DFES output feed into our long term flexibility requirements. These are communicated as part of our <a href="#">signposting</a> work. This is aimed at providing a long term view of requirements. These then transition into active zones closer to real time. The signposting information, and the active zones were communicated as part of the flexibility events held in 2019/2020.</p>	<p>We will shortly be publishing our Distribution Network Options Assessment (DNOA) document providing more information on the schemes we are assessing for Flexibility Services.</p>
<p><b>Jargon: DSOs still use overly complicated language and technical terminology to talk about these markets and services. This is fine for industry incumbents, but not potential new entrants</b></p>	<p>The Energy Networks Association glossary of terms is provided on the Flexible Power website.</p> <p>Our marketing material has also been reviewed by an external marketing agency to test its suitability and produced more tailored documentation where required.</p> <p>We have recently published a <a href="#">jargon buster</a> document as part of Future Flex project.</p>	<p>We will continue to review the language used to ensure it is as accessible as possible.</p>
<p><b>Procurement Process: There are too many steps for community energy groups to participate</b></p>	<p>The current procurement process was developed to be as simple as possible whilst also complying with relevant procurement regulations. We aim to collect information only when necessary.</p> <p>We have also adopted the standardised Open Networks Procurement process and contract terms and will continue to push for their improvement based on stakeholder feedback.</p>	<p>We will continue to review the processes to see whether improvements can be made including the facilitation of access via market platforms wherever possible.</p>
<p><b>Additionality: The additional value community energy groups can bring is not recognised</b></p>	<p>Existing innovation projects such as OpenLV have looked to harness the additional knowledge and use cases that can be driven by local communities.</p>	<p>We will continue to look at how we can unlock the additional value and local knowledge provided by Community Energy groups.</p>

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<b>Not having access to all the facts</b>	<p>We understand that providers must have full information in able to participate. As such we have published extensive documentation on the <a href="#">Flexible Power website</a> on how our services operate. These include details on our requirements, the results of tenders, the latest contractual terms, details of the payment mechanics, baselines &amp; clearing processes, overviews of the technical requirements as well as monthly forecasts of needs.</p> <p>We also publish full information of the <a href="#">DFES</a> process and outputs are available on the WPD website.</p>	<p>We will continue to publish as much information on our services as we can. In the near term we expect to add more details as we publish our DNOA process and our Distribution Flexibility Services Procurement Statement.</p> <p>As we progress through our Digitalisation Strategy we aim to use a Presumed Open approach to data sharing</p>
<b>Metering: Projects must have minute by minute metering</b>	<p>Current Flexible Power metering requirements were developed to fit alongside the provision of ESO service such as STOR which require minute by minute metering. Metering requirements are deliberately open to asset or settlement boundary metering to give participants options as well as allow for alignment with wider industry metering changes.</p>	<p>Within our Future Flex project we are investigating the options for wider standards on metering, including the use of Half-hourly metering for domestic scale assets. The initial findings can be found <a href="#">here</a>. These will be supplemented by further trial data towards the end of 2021.</p>
<b>Consistency across DSOs and aggregators</b>	<p>Work has been carried out on standardisation as part of the Open Networks project. For example there are now standard products across DSOs, standard procurement processes as well as a standard contract.</p> <p>Furthermore the Flexible Power platform and processes is now in use by the majority of UK DNOs.</p>	<p>We will continue to push for standardisation to simplify the processes for participants.</p> <p>Further standardisation is underway through the Open Networks project. This includes work on common Baseline Methodologies and aligning procurement processes and contract terms with the Electricity System Operator. WPD is also involved in work with the BSI aiming to provide standardisation for control signals around smart appliances.</p>

In summary, we have and will continue to reduce barriers to the participation in Flexibility Services. Improved participation should increase volumes available to us to help manage our network effectively, whilst also creating competition and driving down costs.

These are key objectives for us as we look to manage our network as efficiently as possible as we move towards Net Zero

If you have any feedback on this document please contact:  
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