

DOCUMENT TYPE: EXTERNAL

RESPONSE TO WPD'S CONSULTATION TO ENGAGE COMMUNITIES IN FUTURE DSO STRATEGY

<https://www.regen.co.uk/wp-content/uploads/WPD-DNOtoDSO-Community-Consultation-Paper.pdf>

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Questions 1-8 are about TECs as an organisation and its activities, so not included here.

9. Q. Do you want to participate in the transition to DSO?

Yes, TECs would like to participate in WPD's transition.

10. Q. How do you want to participate, and which areas are of most interest?

We are interested in improving Local Supply options, especially within industrial parks. Our approach is detailed in: <http://teignenergycommunities.co.uk/wp-content/uploads/2018/05/TECs-Local-Supply-Model-Options-v1.1.pdf>
We would like to explore/test the capabilities needed within Primary & Bulk substation areas and associated operational systems for DSOs.

We would welcome the opportunity to develop this model and trial it with WPD.

11. Q. Are these principles correct?

The 12 principles appear to reflect a broad range of areas and priorities. The wording of these is sometimes a little vague or too general, making it difficult to interpret the 'real' intent behind the statements. It may be more useful to reduce the number of principles and use simple language to explain what the transition to DSO intends to achieve, without including those that a DNO already does.

In fact the grouping of questions and associated explanatory text makes these strategic priorities much clearer.

12. Q. Is there anything missing?

Difficult to say given our answer to Q11. Giving examples is useful, but could leave the reader thinking that this is the limit to the scope of the principle. For example point #12 states that the DSO would commission storage for flexibility as no viable market solution exists. Would it also commission renewable generation where market conditions do not exist, e.g. where it is only viable to progress these if there were a different Local Supply model?

13. Q. Do you have enough information about alternative connection solutions?

Yes, we are aware of connection options. We operate largely in unconstrained areas, although this may change as more Low Carbon energy is generated/delivered through the electricity network.

14. Q. If not, what information do you need?

N/A

15. Q. Are you considering, or have you applied for an alternative connection? If yes, please give details:

N/A

16. Q. What could WPD do to make the process of applying for an alternative connection easier for you?

N/A

17. Q. Did you know these tools were available?

Yes.

18. Q. Have you used either of them?

We've used the substation capacity map and data in the past. We have also seen the network flexibility map when this came out more recently, but concluded that most were outside the area where we could feasibly contribute.

19. Q. Will you use them now?

We only look at these when there is a need, e.g. when approached for a project.

20. Q. Do you have any feedback on these online tools?

Our interest is mostly for Primary substations (11kV) within Teignbridge. Ideally these should display close to real time information. Also the average daily/seasonal consumption/generation profiles would be very useful?

Will an API be made available to allow access to raw or pre-processed data? This would allow bespoke application to be developed and made available to local users/organisations. WPD could of course charge for this access if used for commercial purposes.

21. Q. Are you interested in providing flexibility services to help balance the network?

Yes, specifically for new low-carbon generation/demand.

22. Q. How much controllable demand/generation/storage do you or your organisation manage or have access to? Please state kW and/or kWh per annum.

Currently only 2-3 MWh p.a. from one live site (50kW PV), but realistic potential for 40-100% of energy from two larger rooftop PV sites (100 & 200 kW) and 60-100% from one hydro site (40 kW, 160 MWh p.a.).

23. Q. Do you or your organisation have any electricity storage? Please state the storage power rating (MW/kW) and capacity (MWh/kWh)?

No, only residential level of some members.

24. Q. How should WPD facilitate neutral markets that will enable a level playing field for community and local energy stakeholders to participate?

We are particularly interested in accelerating the access and charging reforms proposed by Ofgem and BEIS's proposals to support small-scale low-carbon distributed generation (DG). It is clear to us that unless the electricity network is able to cope with a significant increase in capacity (peak power and total energy), UK's decarbonising targets will not be met.

We believe that in addition to the large centralised low-carbon generation, small-scale DG will be necessary. Indeed small-scale DG is probably a faster, more effective, solution which addresses many of the challenges likely to be faced by ESOs/DSOs.

It would be good for WPD to be pro-active in developing the technology and systems needed for this local supply transformation. Ensuring that the real magnitude of the challenge is presented to Ofgem/BEIS would help too.

As a not-for-profit Community Energy organisation we believe that working with local authorities, public/private organisations and the DNO, we are in an ideal position to develop an effective Local-Supply model.

25. Q. Is there anything that would stop you being able to provide flexible power to WPD?

We are also a commercial organisation with shareholders. A key principle is the financial viability of projects we undertake. Currently the flexibility services and rates being offered are insufficient to progress our marginal projects.

The link to our Local-Supply model proposals given above provides explanations and solutions to how we can make our projects financially viable. The flexibility services, as currently on offer, are not appropriate.

26. Q. What can WPD do to help remove barriers that might prevent you participating in flexibility markets?

Without subsidy, our 'best' small-scale renewable projects (without storage!) need PPAs of 15-25 years to be financially viable. Signing PPAs with commercial organisations with those timescales is almost impossible. We'd need the ability to sell to different consumers (within a substation area) and/or provide flexibility services for the long term.

Storage, at least smaller scale, would not be viable at the proposed Secure Utilisation payment rates (£150 MWh). Just to break even, our modelling/experience suggests that these would need to be closer to £300 /MWh.

27. Q. Would you like to be able to provide services to both the national Electricity System Operator as well as the local Distribution System Operator?

DSO only.

28. Q. What do you need to make this easy for you, and are there any barriers that would prevent you stacking services?

N/A

29. Q. Is there a different way we could describe these services to make it easier for communities to engage?

The information provided when these flexibility services were launched was clear enough. It is not necessarily an area for a non-technical lay person. Presumably you are asking because you have not received many enquiries.

30. Q. Is this table clear?

Yes.

31. Q. Is there anything missing?

No.

32. Q. Is there a different way we could present this to make it more useful?

We have not considered this.

33. Q. Is this map clear?

Yes.

34. Q. Is there anything missing?

Not immediately for our purposes. Although a list of post codes is provided, it may be useful to show the substations involved on the area map so that one doesn't have to look at the map/info for these.

35. Q. Is this diagram clear?

Mostly, sometimes the overlap of colours for different months is not clear. Especially when there are several monthly variations. It may be better to use lines only (with different colour/size/type) and not fill the space underneath with colour.

36. Q. Is there anything missing?

Not immediately obvious, but we are not considering flexibility services at this point.

37. Q. Is there a different way we could present this to make it more useful?

As well as answer to Q35, a summary statement on longer term signposting could help get an overall forward estimate.

38. Q. How long would you need a contract to be for you to participate in flexibility markets?

As our answer to Q26 suggests, a fairly long time. We need to be able to switch our generation between different consumers within the substation area when flexibility services are not required/offered.

39. Q. To enable greater participation WPD has not set a minimum entry threshold but anticipate around 100 kW of flexibility and upwards being a viable amount. Do you have a view on entry thresholds?

This is not unreasonable given the total level of flexibility sought, but high in our terms unless we aggregated. However, aggregation would presumably have to be within a substation area, which would be challenging for most such areas.

40. Q. Is this table clear?

Yes.

41. Q. Is there anything missing?

No, at least when considering the documentation provided.

42. Q. Is there a different way we could present this to make it more useful?

No, it provides sufficient information for 'broad brush' financial modelling.

43. Q. There are no penalties if someone does not deliver the amount of flexibility they said they would. Instead it's a sliding scale of reduced payment or no payment. Do you have a view about this approach?

This is not unreasonable.

44. Q. Flexible power contracts will require minute-by-minute metering. Will you be able to provide that if you decide to participate, or do you have another solution?

This is not unreasonable given the application.

45. Q. How would you like WPD to engage with you in future?

We very much appreciate WPD's pro-active stance on engaging with Community Energy through Regen and by providing a dedicated contact person. It has also been possible to explore specific and general opportunities/options with WPD specialists, albeit sometimes a little slowly.

Occasionally it is frustrating that WPD appears to be unwilling to challenge Ofgem/BEIS when it comes to strategic policy, especially on how to decarbonise through the distribution network. While we understand that these are not WPD's priorities or business remit, we would welcome a greater involvement in presenting solutions to government on both regulatory and technical aspects around decarbonising.

Overall we believe WPD should continue to maintain the levels of contact and how/what it provides in terms of information.

46. Q. Is there anything else you want to talk to WPD about?

Having completed this consultation, it feels a little like the consultation was more about the flexibility services currently on offer and less about the broader transition to DSO and the strategic opportunities/challenges the heading and introduction suggested.

As mentioned earlier, we'd welcome a more in-depth discussion on our proposed model for Local-Supply. Although we have been given the impression that this is outside WPD's remit and that we should wait for regulatory changes or energy price increases. However, the most recent Ofgem and BEIS consultations appear to point to the type of model we are proposing. We believe this has a lot of merits especially for WPD's efforts to maintain network balance while allowing greater access. So we'd welcome the opportunity to talk this through again.