DCode

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Distribution Code Review Panel

Meeting 62 – 8 December 2016

ER P2 Revision – Phase 1 update and next steps

Paper by Code Administrator

With the final delivery of the WS 9 report the Phase 1 work is now complete.

Next steps:

Subsequent to the publication of WS8 and WS reports the DNOs have arranged three dates to discuss the next phase (2) of the P2 project.

The first meeting was held on 31 October. The main purpose of the meeting was to consider closing down Phase 1 of the project and for the Network Operators to discuss the next steps in particular to develop a strategic direction for the P2 project (phase 2) now that the consortium has completed the work it was commissioned to undertake (Phase 1).

The Phase 2 work was always envisaged to be separately tendered based on the deliverables from Phase 1 work. The WS9 report appears to have been prepared based on the presumption that DNV GL/Imperial consortium will continue with Phase 2, this will not be the case as ENA has always been clear that any Phase 2 will be tendered.

There were some concerns as to the ownership of the collateral developed in the project and where this resides and how much of the modelling work will be needed/ will be available to whoever is awarded phase 2 work.

The DNOs discussed a possible strategy for phase 2. Following some initial discussion it was suggested that rather than progressing straight into a Phase 2 as envisaged, there may be an option to split the next phase into two or possibly three stages. It was proposed that Phase 2a would be an immediate update of P2, ETR130 & ETR131 covering DSR, Energy Storage, Generation contribution, EV flexible demand and should be undertaken based on the models used to develop P2/6 i.e. retaining the existing P2/6 approach.

The intention would be to address some stakeholder concerns by explicitly developing each issue to the 'next stage'. In parallel with 2a, a separate piece of work to confirm / establish the implicit level of risk that DNOs should be designing networks for – e.g. quantify the VOLL (potentially different values at different voltage levels) that would be needed to deliver the networks of today (on the basis that customers are generally happy with the present level of service and Network Operators are generally happy with the implied present level of risk). This value of VOLL could then be used as the baseline for assessing future changes. It may be that there is a different metric other than VOLL, but the intention would be to maintain the present level of risk. Then use the above baseline to assess how best to implement a new security standard i.e. a deterministic or probabilistic approach.

It was agreed that it would be important to establish the acceptable level of network risk as a first step to establish a baseline, then establish the most appropriate means of delivering that level of risk via P2 i.e. a deterministic or CBA based approach. There will also be a need to consider the interaction between IIS drivers and P2.
P2 is a Licence Condition so a deterministic standard helps demonstrate compliance. There was a suggestion that any future work would need to be mindful of the linkage to Losses Indices as well. Such an approach would certainly require sign off by DCRP and Ofgem.

Further discussion on the future proposals for a phase 2 will take place at next meeting scheduled for 21 December at ENA.