

Power Potential Regional Market Advisory Panel

Outcomes, 9th March 2018

Participants:

Panel Chair	Dame Fiona Woolf	Chair, Regional Market Advisory Panel and Partner, CMS Cameron McKenna
Panel Members	Hanaé Chauvaud de Rochefort	Association for Decentralised Energy
	Alastair Martin	Flexitricity
	Andrew Robbins	Innogy
	Ian Larive	Low Carbon
	Louise van Rensburg	Ofgem
	Alex Howard	Origami Energy
	Sammy Blay	Reactive Technologies
	Frank Gordon	Renewable Energy Association
Representing National Grid	Claire Spedding	Head of Business Development, System Operator
Representing UK Power Networks	Sotiris Georgiopoulos	Head of Smart Grid Development
Power Potential project team attendees	Dr Biljana Stojkovska Amy Boast Mike Robey	Project Lead Commercial Workstream Lead RMAP Secretariat

Outcomes

1	<p>Actions</p> <ol style="list-style-type: none"> 1. Provide further clarity on the instruction for synchronous generators (will they receive an MVar signal or Voltage set point?) 2. Provide clarity on communications between the DERMS system and trial participants, including how an aggregator API will work to enable participants to estimate the cost of changing control systems. 3. Provide further granularity on progress against the project plan and risks, using KPIs updated and circulated regularly. 4. Provide details of the size of the reactive power market at each Grid Supply Point. 5. Provide details of the project's approach to conflicts of service. I.e. what is OK and what is not OK. 6. UKPN to complete the review of connection agreements and potential impacts on DER ability to participate in trials. To include consideration of derogation, the mechanism of derogation and implications for Distribution Use of System (DUoS) charges. 7. National Grid to report back on the potential requirements of DER within Power Potential under the Grid Code. 8. Consider RMAP feedback on trial design and share an updated trial design including how feedback has been considered. 9. Confirm the approach being taken with regard to imbalance as a result of delivering a Power Potential service. 10. Project Team to share back further details of the contractual including the approach to be taken regarding contract changes and learning. 11. Share meeting schedule for future meetings of the Regional Market Advisory Panel.
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Regional Market Advisory Panel questions and challenges

The Advisory Panel raised several considerations for the project team to enable the project's success including:

1. When referring to lead and lag Mvars, clarify whether this relates to DER 'consuming' or 'providing' MVars.
2. Wave 1 of the trials supported by panel with guidance provided to consider:
 - how participants' capital and other costs in preparing for the trials can be recovered through the pricing structure;
 - the merits of fixed price / prices; bilaterally negotiated prices within fixed range; open book approach etc. are most appropriate for the pricing structure;
 - how the choice of pricing structure may support or inhibit cost efficient pricing;
 - the risk that over-rewarding DER in wave 1 might prevent true price discovery in wave 2;
3. Wave 2 and 3 guidance provided by the panel recommended consideration of:
 - the relative merits of wave 2 as a safe space for DER to participate in a market approach and enable price discovery by all parties;
 - whether to proceed directly to wave 3 – full market participation alongside transmission assets subject to mandatory market price;
 - how local provision may be rewarded as more effective at tackling local issues than the mandatory market price;
 - the balance of service supply and demand at Grid Supply Points given the potential for a low number of participants during the trial and the impact this may have;
 - whether wave 3 could be financed from business as usual funds to protect the finite project budget for wave 1 and wave 2 of the trial design;
 - the importance of publishing the trials track record on pricing to inform the wider market and to encourage participation in the market in the future
4. Contractual framework considerations:
 - How derogations will be reflected
 - Clarity on conflict of services
 - Impact of the Power Potential service on off-takers
 - How contract changes will be governed