

Report on Northern Powergrid's (NPg) DSO Review Panel (DRP) meeting

February 2024

Summary

This was the first full DRP meeting the panel has held. Two mobilisation meetings between the DRP and NPg and a deep dive on the engineering inputs to the Flexibility First decision making have previously been held.

The main items discussed in this meeting were the specific steps within Northern Powergrid's Flexibility First decision making framework and how NPg demonstrates its application of this, through the Autumn 2023 flexibility tender round.

It was noted the meetings to date have been quite engineering focused and so the next meeting will spend more time looking at the regulatory framework and the benefits to customers.

Reporting

It has been agreed with NPg that the DRP will collate and produce its first annual report summarising the work to date. This will be drafted and circulated to all DRP members by mid-March for comment. Once finalised the report will form an appendix in NPg's DSO Performance Panel Submission and will include specific updates on how the DRP is now fully established, the objectives of the DRP, the progress the DRP have made to date, and it will also include any recommendations made to NPg so far.

Flexibility Options Evaluation Methodology

An open discussion was held around NPg's flexibility assessment process and decision making framework¹, specifically on the options evaluation methodology.

We asked NPg to share all of the sites which had been considered for flexibility, not just those which are being taken forward. It is an area the DRP feel needs greater transparency. NPg need to ensure it is getting as much information as it can out to potential flexibility service providers and was asked to consider publishing a heat map for load as the DRP considers that stakeholders could derive more value in accessing and interpreting the raw data themselves; This could be an opportunity for NPg to get ahead of the curve and lead in this area given no other distribution network operators (DNO) currently publish this.

NPg shared a learning from the recent tender process that the cyber security element / IT questionnaire which forms part of the tender can be a barrier. Subsequently NPg has undertaken a lot of work to standardise and simplify the pre-qualification questions. The DRP did add that NPg still

¹ You can find out more about Northern Powergrid's Flexibility services here: [Flexibility Services | Northern Powergrid](#)

needs to protect its customers to ensure proper IT security is in place, and that it is not putting its customers at risk.

The common evaluation methodology (CEM)

NPg explained what the CEM tool is and how NPg use it, as there are different ways the tool can be used that effects the outcome. It was also shared that the tool isn't currently utilised for LV flex which will form the majority of NPg tenders. Given the interest and questions raised in the meeting, the DRP would like to have a Deep Dive session specifically on the CEM tool with NPg to get a broader understanding.

Decision making process 2023 Autum Flexibility Market

NPg provided an update on its approach to flexibility; explaining how it was to test the market as it sees flexibility will be an incremental build for them, and it hasn't seen the big need for flexibility as yet, unlike some other DNOs.

Whilst NPg DSO do have a lot of conversations with its engineering colleagues to gather predicted lead times and minimum timescales for asset reinforcement options before they go to market with its tenders, these conversations are not documented or published. The DRP considers that it would be reassuring for Flexibility Service Providers (FSPs) to have more narrative from NPg around its tender plans, as an example; when only a percentage of flexibility has been procured, if NPg intend on going back out at a later date to tender for the remainder. FSPs having sight of that would be useful.

Whilst NPg didn't secure all the flexibility it tendered for in Autum 2023, it is confident that additional flex will be brought forward in future tender rounds.

¹ You can find out more about Northern Powergrid's Flexibility services here: [Flexibility Services | Northern Powergrid](#)