

Project Closedown Report Document

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Project Title

Social Constrained Managed Zones (CMZs)

Project Reference

NIA_SSEN_0036

Funding Licensee(s)

Scottish and Southern Electricity Networks

Project Start Date

Mar 2019

Project Duration

9 months

Nominated Project Contact(s)

SSEN NIA Programme Delivery Manager – Colin Mathieson

Year

2020

Scope

The project has three aspects:

- Work in the Drayton and Coxmoor Wood and will support community groups to submit tender responses to the ongoing procurement process for the CMZ zones in those locations. The project scope includes the provision of support in relation to the tender in these locations only (SCMZ Delivery Document)
- Work on the documentation of a longer-term process, to allow for the replication of this process in other areas
- Identify a method for accounting for the social and environmental benefits for the SCMZ providers participation

Objective(s)

The objectives of the project are:

- 1) To reduce the barriers of participation in the CMZ process for smaller community groups by:
 - Producing documentation that will aid smaller community groups in understanding the process and requirements of the SCMZ process
 - Providing direct support to interested providers in the Drayton and Coxmoor Wood areas, through seed funding and/or consultant support
- 2) Determining the internal processes required for a future rollout of SCMZ to encourage participants in other CMZ areas by:
 - Working with legal, planning, regulation, CMZ and procurement teams to design processes for the trial

- which pass approval from all these internal teams
 - Gain approval for use of these processes for BAU applications
- 3) Determine a method for calculating the social and environmental benefits of SCMZ provider participation to include in network planning decisions in future by:
- Working with BEIS and Ofgem on calculations and approval

Success Criteria

- The project will be deemed successful if:
- 1) SCMZ Providers are passed to the CMZ team to take part in a BAU process
 - 2) The SCMZ processes are approved to be rolled out across other CMZ areas
 - 3) A method for calculating the social and environmental benefits of SCMZ participation is developed and approved

Performance Compared to the Original Project Aims, Objectives and Success Criteria

The project delivery against the success criteria is as follows;

- 1) SCMZ Providers are passed to the CMZ Team to take part in a BAU process

The project successfully engaged with a number of stakeholders who previously had no opportunity to engage with the flexibility markets. It paired community groups with technology providers and allowed community groups to share experiences and project ideas. Initially documentation and a video were produced to explain the project, the requirement for flexibility and the methods which could be used by smaller organisations to participate in the flexibility markets – including information about different technologies.

One full tender response was received and passed to the Constraint Managed Zone (CMZ) Team, to assess the practicalities associated with the proposed tender and evaluate if it is suitable to be progressed forwards into a Business as Usual (BAU) solution. The result of their application is pending a decision at present.

- 2) The SCMZ processes are approved to be rolled out across other CMZ areas

This was successfully achieved by engaging with various business departments to develop contracts and processes that worked for SSEN, as well as community groups, with regards to rolling out SCMZ in locations that require marginal electrical energy flexibility schemes. This has laid a path for future rollouts of flexibility tendering, in terms of having approved contract wording and procurement scoring methodologies for tenders. The learning is being shared at wider network stakeholder groups such as the Energy Networks Association (ENA).

The project’s SCMZ process document produced by Navigant (project partner) has documented this process to ease integration across other DNOs.

- 3) A method for calculating the social and environmental benefits of SCMZ participation is developed and approved

A method for calculating the social and environmental benefits for SCMZ participants was investigated but not fully achieved, as it was identified that a number of factors influence the outcome. Further development and acceptance testing is required in future flexibility rollouts, to enable an appropriate method for calculating SCMZ benefits.

The project also produced an SCMZ supplier manual with National Energy Action (NEA) providing an indication of the load-reductions that SCMZ providers might expect to achieve from different technologies and to resultantly ease future customer Cost Benefit Analysis (CBA) in flexibility markets.

Details of how the Project is investigating/solving the issue described in the NIA Project Registration Pro-

forma. Details of how the Project is performing/performed relative to its aims, objectives and success criteria.

Required Modifications to the Planned Approach During the Course of the Project

After the launch event, the feedback from community organisations and technology providers voiced strongly that more time was required to form and submit proposals for the project, and more support was required from SSEN and the project team during this time. As a result of this feedback, a project extension Change Request was submitted. A revised timescale, extending the project by 3 months, allowed for extended time at each stage of the procurement process.

The Network Licensee should state any changes to its planned methodology and describe why the planned approach proved to be inappropriate.

Lessons Learnt for Future Projects

There are several lessons to be considered for future projects and deployments of flexibility in the electricity networks, they are as follows:

- During the tender process, several community groups required additional support to register on the procurement platform (Achilles). In future, procurement logistics support should be available for small scale organisations to allow for equal access to the flexibility markets.
- The SCMZ funding allocation was complex due to the nature of network investment calculations. It should be considered how to best represent this in the easiest manner for all stakeholders.
- The launch event feedback highlighted that there was a level of assumed knowledge in the presentation material. In future, it was recommended that a 'pre event' or 'pre event pack' should be available for those with limited interaction with the electricity network. To remedy this in the SCMZ project, several one to one follow up sessions were held and 'drop in' sessions for each of the zones for further contact and time with the project team.
- Feedback gathered by the consultant support provider highlighted the main reason for not submitting a tender response was the level of funding available: i.e. the contract value was too low to consider. This should be taken into consideration for future flexibility projects.
- Due to the nature of the DSO world moving quickly, it is important to keep regular communication with the ENA Open Networks (ON) projects to understand and build upon the industries growing knowledge base around DSO/flexibility markets both within SSEN and across GB DNOs. SSEN will achieve this through its designated leads on specific ON work-streams

The work during the project was effective in widening the knowledge, awareness and engagement in flexibility markets and should be seen as a stepping stone in the transition to DSO.

Recommendations on how the learning from the Project could be exploited further. This may include recommendations on what form of trialling will be required to move the Method to the next TRL. The Network Licensee should also state if the Project discovered significant problems with the trialled Methods. The Network Licensee should comment on the likelihood that the Method will be deployed on a large scale in future. The Network Licensee should discuss the effectiveness of any Research, Development or Demonstration undertaken.

The Outcomes of the Project

Positively the project demonstrated that community groups and small businesses are engaged and supportive towards seeking out opportunities of changing their electrical usage patterns in a way that is beneficial to networks. Community meetings were mostly well attended and interest continued with up-take of a small seed-funding grant to explore their ideas further. Although several participants were unable to submit full tenders, engagement with them has remained positive, and feedback on the market structure and tender

methods have been taken on board – namely around timescales and financial levels.

Working with the community at the seed-feeding stage allowed ideas around how they could change their electricity usage to be explored in greater depth. It was at this stage that the costs were examined, and it became apparent that the potential remuneration did not meet the associated effort, hence deterring most of the participants from submitting full proposals.

When available, comprehensive details of the Project’s outcomes are to be reported. Where quantitative data is available to describe these outcomes it should be included in the report. Wherever possible, the performance improvement attributable to the Project should be described. If the TRL of the Method has changed as a result of the Project this should be reported. The Network Licensee should highlight any opportunities for future Projects to develop learning further.

Data Access Details

See Network Innovation Competition (NIC) and Network Innovation Allowance (NIA) Data Sharing Procedure at <https://www.ssen.co.uk/InnovationLibrary/Distribution/>

A description of how any network or consumption data (anonymised where necessary) gathered in the course of the Project can be requested by interested parties. This requirement may be met by including a link to the publicly available data sharing policy.

Foreground IPR

The production of the booklet by NEA to explain different technology types that can be used to adopt flexibility is owned by SSEN but is in the public domain and can be shared by NEA in their networks freely.

A description of any foreground IPR that have been developed by the project and how this will be owned.

Planned Implementation

The learning taken from this project is being integrated into business as usual (BaU) via the development of processes and new procurement methodologies for the CMZ Team. This will enable, when and where suitable, smaller scale community groups to present their options to managing energy in a flexible way, which then will be reviewed and progressed if suitable.

Other Comments

N/A

Standards Documents (Electricity projects only)

The results of this project have been shared with the relevant ENA Open Networks (ON) project work streams.

The ENA Open Networks project was initiated to understand and build upon the industries growing knowledge base around DSO/flexibility markets across GB DNO.