

# Power Potential Regional Market Advisory Panel

## Terms of Reference

Issue 1

15/02/2017

### Introduction to Power Potential

Power Potential (formerly Transmission Distribution Interface TDI 2.0) is an £8m Ofgem Network Innovation competition (NIC) award to National Grid and UK Power Networks. The purpose of the project is to develop technical and commercial solutions to maximise the use of distributed energy resources to resolve transmission voltage constraints, and explore a Distribution System Operator (DSO) route to market.

The three year project is based in the South East of England, where the growth in renewable energy generation is significant. The generation mix, both in transmission and distribution networks, means it can be challenging to manage the network.

Distributed Energy Resources (DER) may have the potential to deliver reactive and commercial constraint management services. The Power Potential project is aiming to develop a route to market for such services. Hence work is required to develop understanding of how the distribution network would impact or be impacted by the provision of these services. The Power Potential project will play a key role in unlocking the technology barriers and facilitating a route to market for DER, as well as establishing a scalable solution to help meet transmission constraints while considering distribution network constraints.

Therefore, Power Potential represents a 'whole system approach' to the generation and storage of power, and could transform the regional power market.

### Purpose of the Regional Market Advisory Panel

The purpose of the Panel is to provide a forum for interested stakeholders and industry experts to help shape technical and commercial developments of the Power Potential project, through providing different perspectives and ways of thinking to an area of focus. The Panel will support the fundamental principles of developing market solutions in a coordinated and transparent manner, whilst creating a level playing field for all parties.

### Scope

**Technical and commercial developments** – Advice will be sought from the Panel on the technical, regulatory and commercial arrangements underpinning the project, with a focus on:

- ensuring a competitive process,
- minimising barriers to entry,
- maximising engagement and participation,
- technology neutrality, and
- ensuring there are no unintended negative impacts on other services.

**Timeframe** – the Panel will focus on developments within the timeframe of the Power Potential project i.e. out to December 2019, however it may be appropriate to discuss and capture views on future challenges or opportunities outside of the agreed timeframes and the steps that could be taken to mitigate adverse impacts or maximise benefits.

## Remit

The Panel will take an advisory capacity and will not be part of the approval process for the Power Potential project. Whilst the group will have no formal decision-making power, members will act as a sounding-board and their views will be valuable in informing technical and commercial decisions taken by the Power Potential project team.

## Ways of working

**Reasonable expectations of members** – by agreeing to form part of the Panel, members agree to: attend meetings prepared to participate and be equipped with appropriate feedback from their part of the industry or area of expertise; to be the voice of their customers and stakeholders by utilising their networks and relationships; provide their inputs and feedback based on their own personal experiences; and help to develop problem statements, identify issues, causes and possible solutions.

**Frequency of Panel meetings, duration and location** – the Regional Market Advisory Panel will convene quarterly, for approximately 3 hours, either at the offices of National Grid, UK Power Networks, another Panel member or venue arranged by the Power Potential project team

**Agenda and relevant papers** – the agenda will be informed by the latest project developments, feedback received by DER or suggestions from Panel members other stakeholders. The agenda and background papers will be sent one week before the Panel convenes.

**Meeting minutes and actions** – a note of the meeting will be taken by the Power Potential project team and circulated within one week after the meeting.

**Reporting** - The Regional Market Advisory Panel will share topics discussed and action taken with the industry through publications following each meeting of the Panel. These will be published on the Power Potential website.

## Members

**Chair** – An independent chair will be appointed for the Regional Market Advisory Panel.

**Membership** – the panel will be comprised of approximately 10 members that represent a cross-section of interests in distributed flexibility services and market design, including Ofgem, BEIS, new and existing DER parties (directly connected customers and aggregators) and the Association of Decentralised Energy.

**Guests** – guests will be invited to present and participate in discussions on an ad hoc basis as appropriate

**Managing agreements and disagreements** – the chair will seek to build consensus to the extent possible amongst group members on the approach taken. If disagreements arise, the chair will work to resolve them.

**Competition** – in taking part in this meeting, participants agree that they will not discuss matters that would or might lead to any breaches of competition law.