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Citizens Advice response to BEIS consultation on 'Review of Electricity Market Arrangements'

We welcome the opportunity to reply to this consultation on the 'Review of Electricity Market Arrangements' (REMA) as the statutory consumer voice for energy in Great Britain. We look forward to engaging further on these topics as more detailed proposals are brought forward. We support the goals set out in REMA and view its successful design and implementation as vital in order to:

- Deliver a decarbonised power system by 2035 at an effective cost
- Put consumers at the heart of net zero by enabling all consumers, including those in vulnerable circumstances, to benefit from flexibility
- Manage escalating constraint costs on the network

Successful reform must be delivered fast enough to be able to influence the investment decisions made this decade that will shape a decarbonised power system in 2035. However, the impacts of any reforms will be long-lasting, and will affect consumer outcomes and system operability for years to come. Without careful design and testing, consumers, especially those in vulnerable circumstances, may end up worse off.

We therefore support the approach taken by REMA in taking a comprehensive assessment of different options to address system challenges. We view it as too early to take definitive positions on specific reforms that BEIS is considering, and compelling evidence is required to exclude options at this stage.

However, consumer outcomes, and the system value their actions will provide, cannot be determined by viewing wholesale market reforms in isolation. We stress that reforms to the retail market and network planning must also be considered when assessing the distributional impacts of any changes. There are two main risks of not considering possible retail reform as part of the REMA process:

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- **Locking in unfair outcomes:** Without thinking through how costs are passed on in the retail market, it will not be possible to understand the distributional impacts of any wholesale reforms this risks locking in unfair outcomes, and risks failing the objective of reforms being adaptable
- Limiting the ability of BEIS to accurately assess the system value of
 wholesale market reforms: It will also make it impossible to properly assess
 different wholesale market reforms if this does not include a full assessment of
 how consumers may respond to wholesale reforms. This feedback loop from
 consumers will be crucial in determining the system value of reforms in a future
 electricity system where consumers are an active and engaged part of the power
 system

We also emphasise the rapidly changing nature of our electricity system which will mean that it's vital for the REMA framework to be adaptable if market arrangements are to keep pace with consumer needs and drive positive system outcomes. We welcome the inclusion of adaptability as a criteria for assessment of policy options, but emphasise that there are a number of additional regulatory considerations to ensure any option can successfully adapt to changing consumer needs and behaviours, as well as new technology types.

In light of this, we recommend that the Department for Business, Energy and Industrial Strategy (BEIS) should:

- Develop consumer engagements and protections as part of, rather than separate to, the REMA process
- Conduct distributional analysis which considers possible retail market futures in combination with any proposed changes to wholesale market arrangements
- Take a proactive and transparent approach to understanding consumer interests, through the set-up of a consumer forum, and the development of a framework for assessing what constitutes fair outcomes

We have outlined these recommendations in more detail below.

Develop consumer engagements and protections as part of, rather than separate to, the REMA process

As set out above, understanding possible reforms to the retail market will be crucial in assessing the distributional impact of wholesale market reforms, and the system value that can be derived from consumer actions in a future electricity system. The REMA consultation document sets out that the government is viewing 'wholesale markets (under REMA) and retail market reform in separate but parallel programmes that work side-by-side'. We are concerned whether this will be able to happen as originally planned due to the prioritisation of urgent interventions in the retail market.

REMA provides an opportunity to ensure that the future electricity system is able to adapt to changing consumer needs and behaviour over time. An adaptable framework would also avoid some of the pitfalls of ex-post consumer protection regulation. Currently this can include a slow pace of regulatory change once harm is identified, and limited scale of enforcement of regulation. There are a number of regulatory considerations that would ensure REMA is able to deliver on this agenda and quickly respond to the changing needs and behaviour of consumers:

- **Support targeting** better linking of data assets that reflect the operation of the energy system, this includes consumers and their devices. This would enable the prompt and cost efficient addressing of market and system failures
- Price signal dampening the ability to remove price signals to energy demand around location and time of use where it will be an unavoidable or punitive cost on some or all domestic consumers
- Enabling local derogations to meet community priorities where local initiatives may need operational control or to provide price subsidies to deliver a whole systems value to a community
- Demand management strategy better communication in the planning and installation of network assets about anticipated electricity demand to support energy system scaling. Currently demand is an untapped resource and untapped flexibility could cost billions if unaddressed
- Managing enhanced role of suppliers there is suggestion of enhanced roles
 for suppliers in procuring and packaging green power. The ability of suppliers to
 manage this role could represent a security of supply risk and may require
 protections in areas of failure

Conduct distributional analysis which considers possible retail market futures alongside any proposed changes to wholesale market arrangements

We welcome the assurance from BEIS in the consultation document that 'We will carefully consider the impact of REMA options on consumers and suppliers'. However, we stress that without the development of possible futures for the retail market, we do not believe it is possible to meaningfully assess the distributional impacts of changes to wholesale markets.

We emphasise that any impact assessment for the wholesale market reforms laid out in REMA should be done in combination with a set of possible future retail market scenarios in order to yield meaningful results. Without accounting for possible future scenarios in the retail market, the detail of consumer impacts could likely be missed. BEIS should construct a set of retail market scenarios which can be combined with any proposed package of wholesale market reforms to meaningfully assess its impacts on consumers.

Take a proactive and transparent approach to understanding consumer interests

Since many of the reforms proposed in REMA will lead to consumers being a more active part of the electricity system than ever before, it is especially critical that their interests are properly represented throughout this process. BEIS should set up a working group, made up of relevant stakeholders across government, consumer interest groups and civil society, to scrutinise any proposals from the perspective of their impact on consumers. In order to be more transparent about how it will assess the impacts of different policy packages on consumers, BEIS should also develop an assessment framework that sets out what it would view as fair outcomes for consumers.

We would be happy to discuss our response further, please do not hesitate to contact us if you have any questions.

Kind regards,

Euan Graham, Senior Policy Researcher

Questions

Chapter 1

- **1.** Do you agree with the vision for the electricity system we have presented? No response provided.
- 2. Do you agree with our objectives for electricity market reform (decarbonisation, security of supply, and cost effectiveness)?

We agree with the objectives, but suggest that improved and fair outcomes should also be an overarching objective of any reform to the electricity market. We strongly support the empowerment of consumers, including currently those worst served, through market arrangements to realise the value of their flexibility and benefit from a future electricity system. However, this exposure could result in negative outcomes for certain consumers without enhanced consumer protections and complementary regulation in the retail market.

As such, we recommend that improved end-user outcomes be made a topline priority of these reforms, in order to highlight the need for any reforms to be inclusive-by-design to deliver an electricity system that works for all as the electricity transition progresses.

Chapter 2

3. Do you agree with the future challenges for the electricity system we have identified? Are there further challenges we should consider? Please provide evidence for additional challenges.

We are in broad agreement with the challenges laid out in the consultation document. We would add a further two, that arise from the increased role of the consumer in the electricity system:

- Ensuring distributional fairness whilst adequately incentivising flexibility. Locational and time of use price signals will provide an opportunity for many domestic consumers to realise the value of their flexibility, which will result in lower overall system costs. This represents a key way in which people will benefit from a low-carbon flexible electricity system. However, in order to achieve fair outcomes, some consumers will need to be shielded from receiving punitive costs which they will be unable to respond to. Another key consideration will be the degree to which responsive consumers should receive the full value of their flexibility.
- Market arrangements must continue to drive positive system outcomes as consumer behaviour changes over time. As smart devices become more

widespread, and consumer engagement with net zero technologies such as Electric Vehicles (EVs) and heat pumps increases, the degree of flexibility that consumers can provide will change significantly. Market arrangements will have to be able to keep pace with this changing behaviour in order to continue to deliver positive system outcomes.

REMA must be adaptable to changing consumer needs and behaviour in order to meet these challenges. This requires a range of parallel regulatory considerations to be addressed as part of the REMA process, including:

- **Support targeting** better linking of data assets that reflect the operation of the energy system, this includes consumers and their devices. This would enable the prompt and cost efficient addressing of market and system failures
- **Price signal dampening** the ability to remove price signals to energy demand around location and time of use where it will be an unavoidable or punitive cost on some or all domestic consumers.
- Enabling local derogations to meet community priorities where local initiatives may need operational control or to provide price subsidies to deliver a whole systems value to a community
- **Demand management strategy** better communication in the planning and installation of network assets about anticipated electricity demand to support energy system scaling. Currently demand is an untapped resource and untapped flexibility could cost billions if unaddressed.
- Managing enhanced role of suppliers there is suggestion of enhanced roles
 for suppliers in procuring and packaging green power. The ability of suppliers to
 manage this role could represent a security of supply risk and may require
 protections in areas of failure.

4. Do you agree with our assessment of current market arrangements / that current market arrangements are not fit for purpose for delivering our 2035 objectives?

We agree that changes to current market arrangements will be needed to deliver the UK's 2035 power system objectives. We view the successful design and implementation of REMA as vital in order to:

- Deliver a decarbonised power system by 2035 at an effective cost
- Put consumers at the heart of net zero by enabling all consumers, including those in vulnerable circumstances, to benefit from flexibility
- Manage escalating constraint costs on the network

Chapter 3

5. Are least cost, deliverability, investor confidence, whole-system flexibility and adaptability the right criteria against which to assess options?

We welcome the criteria detailed above, but would stress that in many cases the success of policy options in meeting criteria such as investor confidence and adaptability would often depend on parallel mechanisms and regulation (such as grandfathering or price signal dampening) rather than on the policy option itself. This reinforces our point that a key challenge of REMA will be ensuring that these regulatory considerations are developed as part of the REMA process so that the impact of any policy option can be more accurately assessed.

As laid out in our answer to Question 3, we see the delivery of fair consumer outcomes alongside the other objectives for REMA as being a non-trivial exercise. To ensure the future electricity decision is as inclusive as possible, **BEIS should assess options** against an additional criteria of distributional fairness, underpinned by a 'Fair Outcomes Assessment Framework', in order to facilitate a transparent discussion around what a fair set of outcomes would look like.

6. Do you agree with our organisation of the options for reform? No response provided.

7. What should we consider when constructing and assessing packages of options? As highlighted in our response to question 3, we would stress that any package of reform should be assessed on its ability to adapt to changing consumer needs and behaviour, and on whether it is able to deliver fair outcomes for consumers. This is of paramount importance given that consumers will become a far more active part of the energy system if reforms are successful.

When constructing packages of policy options, BEIS must also take into account the parallel regulatory considerations that would ensure reforms can adapt to changing consumer needs. We lay out what these regulatory considerations are in our response to question 3.

To aid in the development of these protections, we suggest the implementation of a consumer forum, made up of relevant stakeholders across government, consumer interest groups and civil society, that would be able to scrutinise and give feedback on any proposals from the perspective of their impact on consumers.

When assessing the impacts of policy options, distributional analysis of any package should include a range of different scenarios for the retail market. Without this, BEIS will not be able to understand the ways in which wholesale reforms may actually affect consumers, and as a result the magnitude of the system value that is obtained from their response to these signals. Packages of options should also be assessed against an additional criteria of distributional fairness using a Fair Outcomes Assessment Framework which BEIS should set out. The Fair Outcome Assessment Framework should be developed making use of the new consumer forum.

Chapter 4

- 8. Have we identified the key cross-cutting questions and issues which would arise when considering options for electricity market reform?

 No response provided.
- **9.** Do you agree with our assessment of the trade-offs between the different approaches to resolving these cross-cutting questions and issues? No response provided.
- 10. What is the most effective way of delivering locational signals, to drive efficient investment and dispatch decisions of generators, demand users, and storage? Please provide evidence to support your response.

We support locational signals as a way of driving improved investment decisions and lower system costs. We do not yet believe there is sufficient detail regarding how costs will be passed onto consumers in any particular locational pricing model to definitively compare one to another. However, we have concerns over the efficiency and consumer outcomes when locational signals are passed onto consumers through a supplier-driven approach:

- Suppliers are more likely to cherry-pick customers, meaning other consumers can fall through the cracks. The Competition and Markets Authority's energy market investigation, which concluded in 2016, highlighted that people with fewer years in education, lower incomes and those on the Priority Services Register are less likely to benefit from competition between suppliers. There is a risk that a supplier-led model could lead to cherry picking digitally engaged consumers and avoid those who use prepayment meters. In a future electricity system, customers who are unable to shift their demand would be of less value to suppliers than those with flexible demand. It is crucial that these customers are engaged and protected instead of avoided.
- Historically suppliers have not performed well when it comes to ensuring that consumers understand the tariffs that are offered to them. As we highlight in our response to question 11, there are issues surrounding the provision of information from suppliers regarding the details of legacy time-of-use (ToU) tariffs. Our research suggests that this results in engaged consumers not benefitting from shifting their demand under existing ToU tariffs such as Economy 7.2 Suppliers would need to engage with consumers much better to communicate more complex tariff designs successfully.
- Consumers have low levels of trust in suppliers which may impede the success of a supplier-led model of delivering time of use signals. Research has highlighted that distrust arising from perceptions of a lack of transparency

¹ Competition and Markets Authority (2016), <u>Energy market investigation</u>

² Citizens Advice (2018), False Economy

means that consumers don't place high trust in information published by suppliers.³ This would be a barrier to the successful implementation of supplier-driven locational signals.

As a result, we recommend that a scheme such as that followed in Spain or Ireland also be considered, whereby ToU signals are defined by fixed bands developed by the government and the System Operator.⁴ This could be a way of ensuring efficient delivery and improved consumer outcomes. This would be more inclusive in its design, and as a result reduce the need for additional regulation to protect consumers. This could be preferable as consumer protection regulation is often designed in an ex-post fashion (i.e. waiting for poor outcomes to occur before addressing them), can take time to be implemented, and can be poorly enforced.

There is also a question as to the pace at which complex changes can be delivered. It's important to ensure that any policy for passing on locational price signals is able to successfully affect siting/dispatch decisions and demand response in a timeframe that avoids the need for inefficient network reinforcement and additional generation investment. While we welcome further investigation into nodal pricing, we would highlight that it may be possible to deliver more efficient location and operation of assets through improved locational signals with network charges, and reforms to Contracts for Differences (CfDs) to expose generators to more operational and locational signals. Potentially, low regrets reform could be delivered ahead of any enduring solution.

11. How responsive would market participants be to sharper locational signals? Please provide any evidence, including from other jurisdictions, in your response.

We welcome due consideration of how responsive consumers will be to sharper locational signals, and would like to emphasise that we support the implementation of them but raise some considerations that would need to be addressed.

In terms of long-run price signals for consumers that vary by region, we would need to understand in more detail the ability of this to generate an effective response, as there are a multitude of factors that determine where people live and how able they would be to move to a different part of the country. As a result, exposing consumers to significant new regional variations in prices could simply result in a windfall for certain households, rather than a more efficient system outcome.

When considering responsiveness to short-run price signals, we would like to highlight research we conducted on consumer response to 'legacy' ToU tariffs, the findings of which will be relevant to this process.⁵ Findings indicated that even on tariffs where

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³ UK Energy Research Centre (2020), <u>Paying for energy transitions: public perspectives and acceptability</u>

⁴ Endesa (2022), What are the electricity time bands?

⁵ Citizens Advice (2018), False Economy

peak times were fixed, consumers often were not aware of when peak rates occurred, pointing to a lack of sufficient engagement and information provision from suppliers. This would need to be addressed in order to deliver system value and ensure good outcomes for consumers.

12. How do you think electricity demand reduction should be rewarded in existing or future electricity markets?

We believe there should be greater ambition around energy efficiency due to its potential to protect consumers against fluctuations in the wholesale energy market through reductions in energy bills. Not only will it reduce energy bills but also by making homes warmer which will likely deliver further health benefits, as well as reducing emissions from domestic energy use. As such we would use this opportunity to reiterate the need for greater support from the government for consumers to improve the energy efficiency of their homes.

Beyond this, as outlined in the consultation document, improvements in energy efficiency can also deliver wider electricity system benefits through avoiding the need for investment in network reinforcement, the costs of using flexibility services, and/or additional generation capacity. We agree with BEIS that these wider system benefits are currently under-valued. Given that the initial financial cost is a key barrier in the way of faster uptake of energy efficiency in homes, further consideration should be given to how market arrangements can incentivise energy efficiency solutions by passing on their wider system value to consumers.

We would support the development of a mechanism in which energy efficiency and other forms of permanent electricity demand reduction would be able to participate and be rewarded for delivering capacity/network adequacy through their avoided demand. We would envisage a range of stakeholders, including suppliers, local authorities and installers as being able to participate although this would require further research. Successful bidders would then be able to roll out energy efficiency solutions at lower cost to the end user.

In tandem to this, we support reforming DNO incentives to invest in energy efficiency. Currently, there are limited incentives provided to DNOs to enact DSO and these focus on traditional solutions or flexibility service. Energy efficiency remains an untapped solution. Although we accept that energy efficiency solutions are non-dispatchable, they could represent a more cost-effective solution when compared to either network reinforcement or flexibility service solutions. Developments in metered energy efficiency data could help to assess the long-term system value of energy efficiency measures and lead to a methodology to value energy efficiency in Cost and Benefit Analysis (CBA) models when assessing the most long-term cost-effective network options.⁶

⁶ Green Finance Institute (2021), <u>Towards a protocol for metered energy savings in UK buildings</u>

Chapter 5

13. Are we considering all the credible options for reform in the wholesale market chapter?

No response provided.

14. Do you agree that we should continue to consider a split wholesale market? We see this as being worthy of further consideration. Further research is required in order to confidently assess the benefits and impacts of this policy option.

Although we certainly think that bifurcation merits continued consideration, we raise that such a fundamental shift in market structure could result in costly and complex arrangements to accommodate generation that is already operating under a CfD. In light of this, it could be the case that CfD reform offers a simplified way of delivering sustained long-term signals whilst also ensuring generators are exposed to operational and locational price signals.

If bifurcation were to be pursued, it would be important for consumer engagements and protections to be developed in the retail market in the eventuality that bifurcation ends up exposing households to more volatile prices. This would ensure that more consumers were able to benefit from their flexibility.

15. How might the design issues raised above be overcome for: a) the split markets model, and b) the green power pool? Please consider the role flexible assets should play in a split market or green power pool – which markets should they participate in? - and how system costs could be passed on to green power pool participants.

No response provided.

16. Do you agree that we should continue to consider both nodal and zonal market designs?

We see this as being worthy of further consideration. They can offer significant value by offering locational signals and more efficient balancing. More clarity is needed around which consumers would be exposed, the ability of consumers to respond, and the regional variations that could arise from implementing these market designs. It is also vital to net zero and the affordability of energy to maintain investor confidence through a fair settlement for generators.

17. How might the challenges and design issues we have identified with nodal and zonal market designs be overcome?

No response provided.

18. Could nodal pricing be implemented at a distribution level?

No response provided.

19. Do you agree that we should continue to consider the local markets approach? Please consider the relative advantages and drawbacks, and local institutional requirements of distribution led approaches.

We see this as being worthy of further consideration. Local markets have the potential to ensure REMA can adapt to meet the specific needs of different communities, and in doing so deliver greater whole system value.⁷ However, more research is required, including into the distributional impacts of a local market approach, in order to confidently assess the benefits and impacts of this policy option.

20. Are there other approaches to developing local markets which we have not considered?

No response provided.

- 21.Do you agree that we should continue to consider reforms that move away from marginal pricing? Please consider the relative advantages and drawbacks, and local institutional requirements of distribution led approaches.

 No response provided.
- 22. Do you agree that we should continue to consider amendments to the parameters of current market arrangements, including to dispatch, settlement and gate closure?

No response provided.

23. Are there any other changes to current wholesale market design and the Balancing Mechanism we should consider?

No response provided.

Chapter 6

24. Are we considering all the credible options for reform in the mass low carbon power chapter?

No response provided.

25. How could electricity markets better value the low carbon and wider system benefits of small-scale, distributed renewables?

No response provided.

26. Do you agree that we should continue to consider supplier obligations? No response provided

⁷ Citizens Advice (2022), <u>Citizens Advice's response to Call for Input: Future of local energy institutions and governance</u>

- 27. How would the supplier landscape need to change, if at all, to make a supplier obligation model effective at bringing forward low carbon investment?

 No response provided.
- 28. How could the financing and delivery risks of a supplier obligation model be Overcome?

No response provided.

29. Do you agree that we should continue to consider central contracts with payments based on output?

No response provided.

30. Are the benefits of increased market exposure under central contracts with payment based on output likely to outweigh the potential increase in financing cost?

No response provided.

- **31.** Do you have any evidence on the relative balance between capital cost and likely balancing costs under different scenarios and support mechanisms? No response provided.
- 32. Do you agree that we should continue to consider central contracts with payment decoupled from output?

No response provided.

33. How could a revenue cap be designed to ensure value for money whilst continuing to incentivise valuable behaviour?

No response provided.

34. How could deemed generation be calculated accurately, and opportunities for gaming be limited?

No response provided.

Chapter 7

35. Are we considering all the credible options for reform in the flexibility chapter?

No response provided.

36. Can strong operational signals through reformed markets bring forward enough flexibility, or is additional support needed to de-risk investment to meet our 2035 commitment? Please consider if this differs between technology types. No response provided.

37. Do you agree we should continue to consider a revenue cap and floor for flexible assets? How might your answer change under different wholesale market options considered in chapter 5 or other options considered in this chapter?

No response provided.

- 38.How could a revenue cap and floor be designed to ensure value for money? For example, how could a cap be designed to ensure assets are incentivised to operate flexibly and remain available if they reach their cap?

 No response provided.
- **39.** Can a revenue (cap and) floor be designed to ensure effective competition between flexible technologies, including small scale flexible assets? No response provided.
- 40. Do you agree that we should continue to consider each of these options (an optimised Capacity Market, running flexibility-specific auctions, and introducing multipliers to the clearing price for particular flexible attributes) for reforming the Capacity Market?

No response provided.

41. What characteristics of flexibility could be valued within a reformed Capacity Market with flexibility enhancements? How could these enhancements be designed to maximise the value of flexibility while avoiding unintended consequences?

No response provided.

42. Do you agree that we should continue to consider a supplier obligation for flexibility?

No response provided.

- **43.** Should suppliers have a responsibility to bring forward flexibility in the long term and how might the supplier landscape need to change, if at all? No response provided.
- 44. For the Clean Peak Standard in particular, how could multipliers be set to value the whole-system benefits of flexible technologies? And how would peak periods be set?

No response provided.

Chapter 8

45. Are we considering all the credible options for reform in the capacity adequacy chapter?

No response provided.

46. Do you agree that we should continue to consider optimising the Capacity Market?

No response provided.

47. Which route for change – Separate Auctions, Multiple Clearing Prices, or another route we have not identified – do you feel would best meet our objectives and why?

No response provided.

- **48.** Do you consider that an optimised Capacity Market alone will be enough for ensuring capacity adequacy in the future, or will additional measures be needed? No response provided.
- 49. Are there any other major reforms we should consider to ensure that the Capacity Market meets our objectives?

No response provided.

- **50.** Do you agree that we should continue to consider a strategic reserve? No response provided.
- **51.** What other options do you think would work best alongside a strategic reserve to meet flexibility and decarbonisation objectives? No response provided.
- 52. Do you see any advantages of a strategic reserve under government ownership?

No response provided.

53. Do you agree that we should continue to consider centralised reliability options?

No response provided.

- 54. Are there any advantages centralised reliability options could offer over the existing GB Capacity Market? For example, cost effectiveness or security of supply benefits? Please evidence your answers as much as possible.

 No response provided.
- **55.** Which other options or market interventions do you consider would be needed alongside centralised reliability options, if any?

 No response provided.

56. Do you agree that we should not continue to consider decentralised reliability options / obligations? Please explain your reasoning, whether you agree or disagree.

No response provided.

57. Are there any benefits from decentralised reliability option models that we could isolate and integrate into one of our three preferred options (Optimised Capacity Market, Strategic Reserve, Centralised Reliability Option)? If so, how do you envisage we could do this?

No response provided.

- **58.** Do you agree that we should not continue to consider a capacity payment option? Please explain your reasoning, whether you agree or disagree. No response provided.
- 59. Do you agree that we should not continue to consider a targeted capacity payment / targeted tender option? Please explain your reasoning, whether you agree or disagree.

No response provided.

60. Do you agree with our assessment of the cost effectiveness of a targeted capacity payment / targeted tender option, and the risk of overcompensation? If not, why not?

No response provided.

Chapter 9: Operability

61. Are we considering all the credible options for reform in the operability Chapter?

No response provided.

- **62.** Do you think that existing policies, including those set out in the ESO's Markets Roadmap, are sufficient to ensure operability of the electricity system that meets our net zero commitments, as well as being cost effective and reliable? No response provided.
- 63. Do you support any of the measures outlined for enhancing existing policies? Please state your reasons.

No response provided.

64.To what extent do you think that existing and planned coordination activity between ESO and DNOs ensures optimal operability?

No response provided.

65. What is the scope, if any, for distribution level institutions to play a greater role in maintaining operability and facilitating markets than what is already planned, and how could this be taken forward?

No response provided.

66. Do you think that the CfD in its current form discourages provision of ancillary services from assets participating in the scheme? If so, how could this best be addressed?

No response provided.

67. Do you think it would be useful to modify the Capacity Market so that it requires or incentivises the provision of ancillary services? If so, how could this be achieved?

No response provided.

68. Do you think that co-optimisation would be effective in the UK under a central dispatch model?

No response provided.

Chapter 10: Options across multiple market elements

69. Do you agree that we should not continue to consider a payment on carbon avoided for mass low carbon power?

No response provided.

70. Do you agree that we should continue to consider a payment on carbon avoided subsidy for flexibility?

No response provided.

71. Could the Dutch Subsidy scheme be amended to send appropriate signals to both renewables and supply and demand side flexible assets?

No response provided.

72. Are there other advantages to the Dutch Subsidy scheme we have not identified?

No response provided.

73. Do you agree that we should continue to consider an Equivalent Firm Power auction?

No response provided.

74. How could the challenges identified with the Equivalent Firm Power Auction be overcome? Please provide supporting evidence.

No response provided.