

NATIONAL NETWORK LOCAL CONNECTIONS

COMMERCIAL CUSTOMER STRATEGY

Document number: DOC-020724-HYW



NETWORKS

Call for Input | Commercial Customer | July 2024

OVERARCHING · VISION · NORTH STAR

Our Vision

Ireland's climate action and net zero targets are met

Our Mission

Our mission is to drive climate action by building the DSO's capability to cultivate customer participation and flexible, whole-of-energy-system solutions

Our Enabler

'Flexible system demand' is demand with the ability to respond to changing states of generation, demand, storage, and network conditions through a combination of system operator mechanisms, such as implicit and explicit flexibility, coupled with individual/collective customer behaviour.

How will we enable our purpose, vision and mission?

Power System Requirements

An understanding and foresight of the impacts, characteristics and evolving needs, of a highly distributed, low-carbon electricity system. The technical expertise to develop innovative solutions - including identifying opportunities for customers to provide flexible services - to support growing customer demand and increasingly distributed generation including storage

Flexibility Market Design

Local and national markets for flexible demand, run by the DSO as a neutral market facilitator, offering a mix of long-term, day-ahead and intraday arrangements that afford all customers with opportunities to participate

Retail Market Design

Setting the future direction for the smart meter-enabled retail market, with suppliers equipped and incentivised to harness available data to create dynamic, personalised tariffs for their customers. We will work closely with suppliers and the CRU to optimise retail market design, enabling synergies and efficiencies in operating flexibility and retail markets

Customer

We want to encourage all energy consumers to become active energy citizens by promoting thoughtful electricity usage. By understanding demand side flexibility, personal energy patterns, and the origins and impacts of energy use, customers can take control to positively influence the grid, environment, and their finances

Smart Metering

Setting the future direction for smart meters, including use cases - such as harnessing smart meter data to (i) identify faults, and (ii) baseline, measure and validate flexibility services delivered by customers - the implementation of the next generation meter, and the development of an enduring solution for microgeneration

Behind-the-Meter Infrastructure

Behind-the-meter infrastructure, including clear technology requirements and standards for data exchange and communication protocols, to ensure customers' homes, vehicles, solar panels and batteries are flexibility ready



Core Foundations

Regulatory: Mandates, authority, policy, alignment, codes, licences

Legislative and Policy: Climate Action Plan

Stakeholder: Voice of the stakeholder and citizen

COMMERCIAL · CUSTOMER · OVERVIEW

OBJECTIVE

We must **create the conditions** where commercial customers are offered, and ready to participate in, new products and services that **enable and reward taking control of energy demand**.

To make this possible, in the short term we need to **take a more proactive role in supporting all energy customers**, beginning their journey of awareness, education and readiness to take control, **fundamentally changing how they think about and use, store or generate energy**. We will do this by delivering products and services – underpinned by an immersive customer experiences – that will:

- Make it **easy for customers to engage with their local energy system**, participating in flexibility markets and making active choices in the use of energy;
- Harness data insights and **leverage digital technologies to ensure a personalised customer journey**

We will support and enable customers along their journey by **leading the conversation**, providing education and direction, and **rewarding proactive energy management**; this will be done in collaboration with customers.

Our **approach will be underpinned by measurement, research and insights**, delivering relevant and timely awareness, products and services that will support customers in proactively managing their energy use.

STRATEGIC PROPOSALS

- 1 COMMERCIAL DEMAND SEGMENTATION & PROFILING**
Harness data to characterise, cluster and profile different kinds of commercial energy demand, developing clear insights into the commercial demands with potential for demand flexibility
Status: Complete.
- 2 COMMERCIAL DEMAND BEHAVIOURS**
Leverage data science techniques to build a library of meaningful insights into specific demand behaviours and consumption patterns
Status: In progress.
- 3 COMMERCIAL CUSTOMER VISION**
Define the range of opportunities available to different kinds of commercial electricity customers as we work to Climate Action targets
Status: In progress..
- 4 FUTURE COMMERCIAL PERSONAS**
Describe the characteristics of businesses participating in flexible demand products in future, underpinned by personas representing different business types and levels of maturity, to help map their flexible demand journey
Status: In progress.
- 5 INTERNATIONAL BENCHMARKING**
Compile and disseminate research on flexible demand products for commercial customers in international markets to support supplier / aggregator product development.
Status: In progress.
- 6 INCENTIVES AND PRODUCT PACKAGING**
Define the incentives and product packaging needed from the DSO and/or market participants to stimulate commercial customer participation.
Status: In progress.

STRATEGIC PARAMETERS



ARENAS

Where will we be active?

- Supporting commercial customers on their journey of proactive energy management through education, awareness and readiness
- Collaborating with aggregators and suppliers to create the conditions that enable a competitive, market-led approach to flexible demand in the long run



VEHICLES

How will we get there?

- In an open and collaborative partnership with aggregators suppliers, we will drive:
- National awareness campaigns to build education, awareness and engagement – to shape the 'customer of the future'
 - Build the digital enablers, tools and infrastructure to facilitate customers' energy usage behaviours and actions
 - Provide practical information, and financial and environmental incentives – directly and through aggregators and suppliers – for businesses who want to take control of their electricity demand



DIFFERENTIATORS

How will we stimulate the marketplace?

- Lead the public conversation on flexibility, educating on energy consumption and the positive impact that flexibility 'could have'
- Enhance customer incentives and 'fail fast' to absorb risks before passing insights over to suppliers and energy service companies
- Create personalised campaigns that 'nudge' behaviour in a meaningful way
- Migrate initiatives to suppliers or energy service companies, enabling them to enhance their offerings

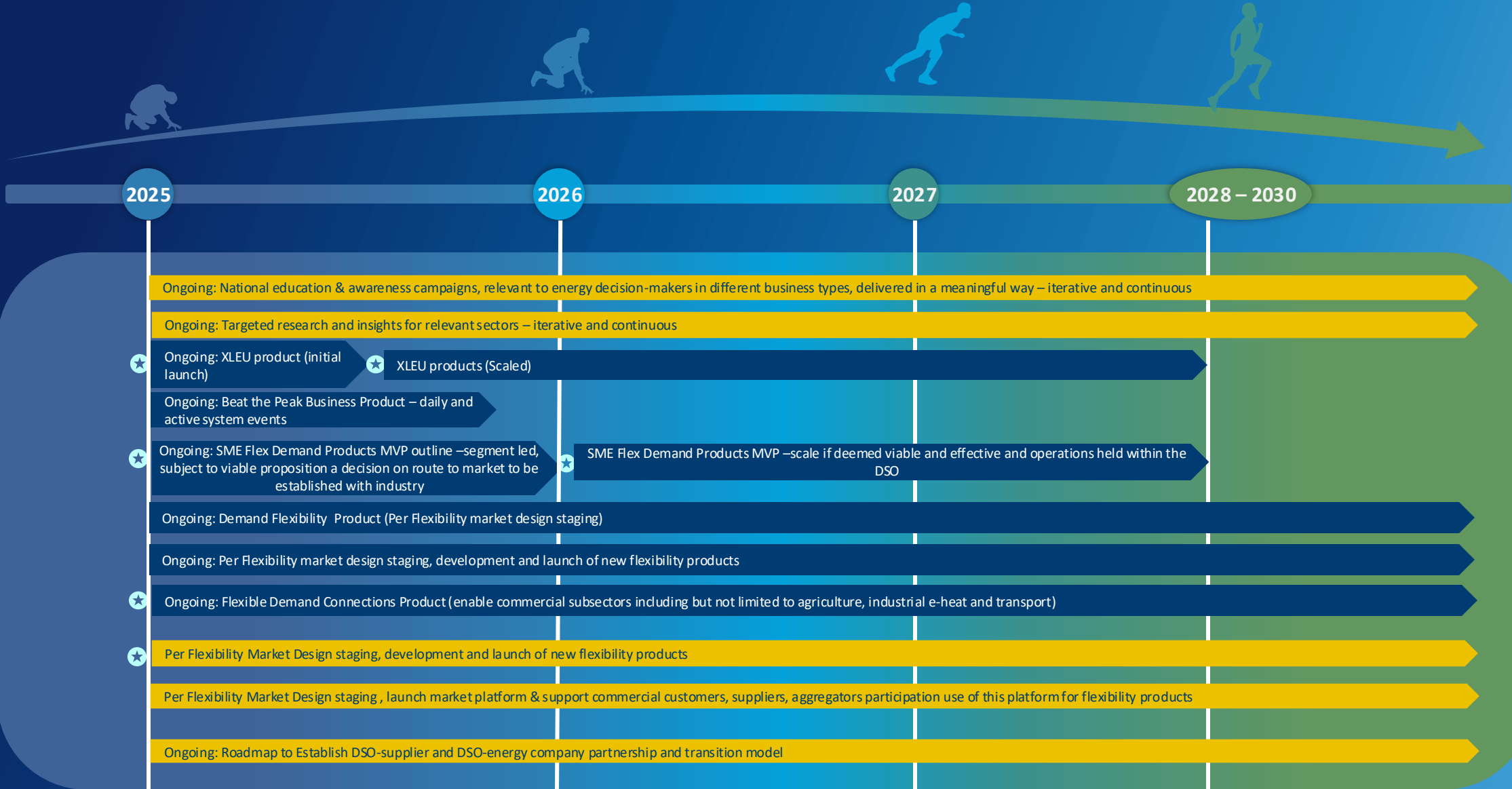


ECONOMIC LOGIC

How will this provide consumer value?

- Irish businesses can save money and cut their carbon footprint by participating in new flexible demand products.
- Our role as DSO is to create the conditions that enables all businesses – from SMEs to large enterprises – to participate by collaborating with suppliers and aggregators to address market failures and barriers today. These include: (i) driving customer awareness, education and readiness, and (ii) undertaking and supporting product innovation

STAGING · PLAN TO 2030



Legend:

Suite of initiatives

Product/Service



New addition since CFI 2023

Work in progress in 2024 and expected to be completed in 2025

- XLEU product (initial launch)
- Beat the Peak Business Product – daily and active system events
- Research & co creation with SME on viable flexible demand product for SME –retail/manufacturing focus
- SME Flex Demand Products MVP outline –segment led, subject to viable proposition a decision on route to market to be established with industry

New Tasks added/task evolution since 2023 Call for Input

- XLEU product (initial launch)
- XLEU product (scaled)
- SME Flex Demand Products MVP outline –segment led, subject to viable proposition a decision on route to market to be established with industry
- SME Flex Demand Products MVP –scale if deemed viable and effective and operations held within the DSO
- Flexible Demand Connections Product (enable commercial subsectors including but not limited to agriculture, industrial e-heat and transport)