

## Minutes of Smart Grid Forum Meeting 18 June 2013

Minutes for the Smart Grid Forum work stream 6 meeting on the 18 June 2013	From Date and time of Meeting Location	Keavy Larkin 18 <sup>th</sup> June 2013 Ofgem, London	1 July 2013
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### 1. Present

Dora Guzeleva (DG)	Ofgem
Mark Askew (MA)	Ofgem
Sam Williams (SW)	Ofgem
Keavy Larkin (KL)	Ofgem
Jeff Hardy (JH)	Ofgem
Ben Smithers (BS)	Ofgem
Adrian Butt (AB)	DECC
Yselkla Farmer (YF)	BEAMA
Tabish Khan (TK)	British Gas
Gavin Jones (GJ)	Electralink
Sophie Neuburg (SN)	Consumer Futures
Glenn Sheern (GS)	E.ON
Marina Hod (MH)	Kiwi Energy
Craig Dyke (CD)	National Grid
Lilian McLeod (LM)	National Grid
Andrew Spencer (AS)	Northern Powergrid
Mark Stannard (MS)	SSE
Adriana Laguna (AL)	UKPN
Nigel Turvey (NT)	WPD
Judith Ward (JW)	Sustainability First
Andrew Jones (AJ)	EDF
Andrew Neves (AN)	Engage
Emma Piercy (EP)	Micropower Council

### 2. Review of minutes from last meeting

The minutes of the last meeting were agreed. It was agreed to re-arrange the items on the agenda.

### 3. Updates

- Smart grids route map (AB)
- MIG charging work (MA)
- DSR networks forum (LM)

### 4. Demand Side Response – Supplier Strawman (British Gas)

Tabish Khan discussed the Demand Side Response Supplier Strawman.

JW queried whether the two models are mutually exclusive. It was answered that any party can participate. It was noted however, that in order to have a competitive market, the

playing field must be level. It was pointed out that TSOs are unlikely to offer DSM. SN noted that if the market became more open to switching than it would be possible to buy from any supplier and that a wide range of parties could potentially offer DSR.

It was noted that it is necessary to carefully consider how to avoid customer confusion and it was suggested that a national consumer information programme could be set up. It was noted that making customers aware should not be difficult if done correctly, however BS pointed out that a key challenge may be that there are a number different products on offer to consumers and that this could cause confusion.

JW stated that the model is missing an economic overlay to understand the avoided costs in the market and that there isn't a systematic view of what the role of DSM is in term of avoided costs. JW was surprised to see that the network model provided better cost efficiency than the balancing model. TK noted these points and said that he would update and re-evaluate the model. SN asked whether the paper could look at how suppliers could use the whole sale price and pointed out that we must avoid a situation where suppliers discourage customers from buying energy when it is cheapest. GH queried whether the market today is future proof. DG stated that DSR will change the supplier hub model for engagement with consumers and that by the time DSR is employed, the market should be used to having two or more points of contact. JW asked whether the model could be tested against a direct household tariff to which TK answered that it is difficult to model a multiple supply market. TK stated that the paper will be amended and welcomed any comments from the group. DG raised the point that the paper will need to be considered again in the next steps of the WS6 programme.

#### **Action**

The paper will be updated	TK
Comments will be provided to TK	All
The paper will be brought back during the next steps of the programme	TK

### **5. Draft list of smart grid options (Ofgem)**

- Review of key learning from LCNF domestic workshop
- Review of initial lists of smart grid options

SW discussed the draft list of options for consumer engagement. There are two aspects of engagement, one where all customers are engaged at the same time, either through a price signal or mandated automation for certain elements. The other aspect is through one to one engagement, which could be through static, critical peak or dynamic tariffs. DG stated that a report on the first two stages of the workstream will be published in late autumn. It was noted that the Business as Usual option should be included. It was agreed to amend the option for the restructuring of the DUoS charges to include two separate sub actions – 1. to restructure the charge so that the signal is passed through to suppliers, and 2. to restructure the charge so that the signal is passed directly to the customer. A second set of options around mandated options was agreed to, where it is mandated for all. It was agreed to structure other options on tariffs (static, critical peak and dynamic) such that they each contain two sub sets of options, one with automation and one without. Options on information provision, community schemes and the deployment of energy efficiency measures were also agreed. It was agreed to test all options against each other to determine if certain combinations are compatible with each other. A list of low level criteria were agreed to assess each option against.

### **6. Commercial customer types (PB/MH)**

- Review of commercial customer matrices

It was agreed that comments would be provided offline.

## **7. Date of next meeting**

The next meeting will be on the 22<sup>nd</sup> of July 2013, 2-5pm.