

## DECC/Ofgem Smart Grid Forum Meeting 10

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The meeting discussed ETI's Smart Systems Smart Heat Programme (SSH), University of Birmingham's Storage Project, a short discussion on DNOs' RIIO ED1 Business Plans and updates on the workstreams.	From Date and time of Meeting Location	DECC 30 <sup>th</sup> July 2013 13.30-16.00 Ofgem, 9 Millbank	August 2013
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### 1. Present

See Appendix 1 for the list of attendees. Apologies received from John Scott, Richard Bruce, Mike Calviou and Mark Mathieson (Vandad Hamidi attended for Mike Calviou and Stewart Reid for Mark Mathieson).

### 2. Introductions and opening remarks

2.1. Sandy Sheard thanked everyone for their attendance and summarised the agenda. She confirmed the minutes had been approved by email and that all actions from the previous minutes had been taken forward. She introduced a new member, Tim Rotheray (Combined Heat and Power Association), who is replacing Graham Meeks.

### 3. ETI Smart Systems & Heat Programme

3.1 Jeff Douglas gave a presentation on ETI's Smart Systems and Heat (SSH) programme which is exploring the provision of energy services to consumers with a focus on space and water heating in a 'whole system' context.

3.2 Jeff explained that the ETI is an Industry/Government partnership with 50% funding from Government and 50% funding from industry partners focussed on developing new energy technologies and systems.

3.3 The SSH programme is currently carrying out social science studies to fully understand the interactions between consumers and heating. The programme will then go into a design phase until 2015 to develop a smart heat system. The third phase will be a significant trial involving approximately 7,000 residences; the project team had already received significant interest from local authorities wishing to host the trials. The work is based on ETI's ESME model which was one of several models used to inform DECC's 2050 Carbon Plan.

#### Action

Any members of the Smart Grid Forum who wish to discuss this project in more depth should contact Gareth Evans and Jeff Douglas - **All**

### 4. Storage – A view of opportunities and barriers from academia

4.1. Jonathan Radcliffe from the University of Birmingham spoke about the project they are carrying out looking at the opportunities and barriers for energy storage. He outlined the various innovation funding streams that are available for storage at the moment. These included DECC's storage programme. ETI also has a large storage project under development and various projects were underway under the Low Carbon Network fund.

4.2. He expressed the view that the energy market is not currently set up in a way that allows the true value of storage to be fully recognised, though the situation is starting to change. Jonathan felt it would be important for the innovation work to be closely aligned to policy development.

4.3. Dave Openshaw highlighted a consultation paper UKPN had out at the moment on market models and said he would be grateful for member's comments.

### **Action**

Dave Openshaw to circulate the consultation paper – **Dave Openshaw**

Members invited to give comments on UKPN's paper by 30<sup>th</sup> September - **All**

## **5. DNO Business Plans**

5.1. Members were invited to give their comments on the DNOs' RIIO ED1 Business Plans submitted to Ofgem on 1<sup>st</sup> July.

5.2. Main points raised by members included the differences between how DNOs were deploying domestic DSR in their Business Plans; whether off-gas grid maps had been used to evaluate the impact of Heat Pump clustering; and whether the use of DECC low scenarios for business planning put at risk 4<sup>th</sup> Carbon Budget targets.

5.3. DNOs present said that DSR was being considered and that while they did not expect domestic DSR to be a major factor during RIIO ED1, they have trials underway that involve DSR to ensure they would be ready for when it is needed. Whilst off-gas grid had not been a factor in the Transform model this information had been overlaid when they were compiling their business plans.

5.4. While suppliers remain concerned to ensure long term price stability they welcomed the low and stable DUoS charges DNOs were forecasting over ED1.

5.5. The DNOs that had focused on DECC's low scenarios had done so because that was what most of their stakeholders believed was the most likely scenario in their regions between 2015 and 2023. DNOs confirmed that, whilst investing ahead of need would be inappropriate, their plans were flexible and could be ramped up as necessary in response to higher than forecast rates of LCT take-up over ED1. Ofgem and DECC commented that the key thing was for the DNOs to demonstrate in their business plans that they have the flexibility to respond to the range of DECC scenarios.

### **Action**

Comments on the business plans are due into Ofgem by 2<sup>nd</sup> August - **All**

## **6. WS4 – Proposal for Y3 work**

6.1. Duncan Botting reported that the WS4 team had identified a key element of learning from the Telecommunications community's own journey to deliver open, robust yet flexible solutions to changing technical and commercial challenges.

6.2. The UK Smart Grid evolution might benefit by avoiding some of the issues that arose in that sector due to a lack of a cohesive IT industry guidance. The first phase of the work would be to evaluate the various activities currently happening in Europe and how this might be adapted or adopted in the UK. The proposal is to hold a workshop in September/October with SGF members and other interested stakeholders to look at the value of such an approach. Duncan will report back to the Smart Grid Forum in October.

**Action**

Members are invited to attend workshop and to suggest other stakeholders to Duncan Botting – **All**

**7. WS6 – Feedback from LCNF workshops**

7.1. Dora Guzeleva updated members on progress and next steps of the programme. The learning workshops held on the LCNF projects had been well attended and considered engagement with domestic, industrial and commercial and distributed generation customers to manage demand. These outputs and the desk study on international experience, will feed into the next phase of work which is to generate and evaluate options for consumer engagement on demand side management.

**8. WS5/WS7**

8.1. Gareth Evans updated members on progress in developing a web-based portal to disseminate learning from smart grid trials in addition to the ENA LCNF Portal, to which it would link. The portal was currently being scoped by the ENA, BEAMA and the IET. The Technology Strategy Board and ETI had also been contacted to establish whether they would want to be actively involved. The aim is to launch the portal at the end of 2013. This is considered to be an ambitious but achievable target.

8.2. Steve Johnson and Gareth Evans updated members on the progress in delivering the first phase of workstream 7 and more detail will be outlined to the SGF at the October meeting.

**9. Workstream 8 Vision & Routemap**

9.1. Adrian Butt provided an interim report on the progress of the working group and next steps. Members were content with the current trajectory of the project including the refreshed vision and supporting objectives, recognising that these may undergo further development as the project progresses. Next steps include a workshop in September to gain buy in to the vision, objectives and challenges and proposed actions to overcome them. The V&R will be presented to the SGF October meeting for endorsement with a view to publish in November.

**Action**

Comments on the vision and objectives to Adrian Butt – **All**

**10. ENSG Cross Networks Project**

10.1 Vandad Hamidi gave an update on the ENSG gap analysis project which considers gaps in the interactions needed between parties to meet the challenges electricity networks face over the coming decades. Gaps identified include: co-ordination between DNOs and TSO to optimise voltage control onshore and with offshore developers across onshore and offshore networks; co-ordination to review the alignment of market rules and products across gas and electricity networks; and co-ordination to create clear and consistent market signals to asset manufacturers. The ENSG considered the final draft report of this project at its meeting on 18<sup>th</sup> July. It was noted that Smart Grid Forum members had contributed to the work. National Grid agreed to share the final draft report with the Smart Grid Forum members.

10.2 The final draft report would be sent to SGF members for their information.

### **Action**

Final draft report of ENSG Cross Networks project to be sent round to SGF members – **Vandan Hamidi**.

## **11. European Update**

11.1. GE updated members on the latest developments within the EU and the work being undertaken by CEER under Ofgem's presidency. He referred to two recent reports on the future role of a DNO/DSO and. The links for these reports are here:

- <http://www.eui.eu/Projects/THINK/Research/Topic12.aspx>
- <http://www.eui.eu/Projects/THINK/Research/Topic11.aspx>

## **12. Any other Business**

12.1. There was no other business. The next meeting will be at 13.30-16.00 on Tuesday 22<sup>nd</sup> October at the BIS Conference Centre.

### **Appendix 1**

Attendees:

Sandy Sheard	DECC
Hannah Nixon	Ofgem
Nick Jenkins	Cardiff University
Jim Sutherland	Scottish Power
Vanad Hamidi	National Grid
Chris Welby	Good Energy
Chris Harris	RWE npower
Judith Ward	Sustainability First
Marina Hod	Kiwi Power
Ashley Pocock	EDF
Gavin Jones	Electralink
Steve Johnson	ENWL
Tim Rotheray	CHPA
Dave Openshaw	UK Power Networks
Duncan Botting	PB Power
Sophie Neuburg	Consumer Focus
Stewart Reid	SSE
Rob Symons	WPD
John Mulcahy	British Gas
Roger Critchley	BEAMA

**DECC:** Adrian Butt, Rob Kinnaird, John Christie

**Ofgem:** Dora Guzeleva, Gareth Evans, Andrew White