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| Meeting 21 – Smart Grid Forum Work Stream 6 | | | |
| Minutes from the meeting of the Smart Grid Forum Work Stream Six on Tuesday 18 February | From | Ofgem | 20 February |
| Date and time of Meeting | Tuesday 18 February  14.30 – 17.00 |  |
| Location | Ofgem, 9 Millbank |  |

# Present

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| Sara Bell (SB) | UK Demand Response Association |
| Sanna Atherton (SA) | WPD |
| Tim Newton (TN) | E.On |
| Brian Robinson (BR) | CGI |
| Olaf Islei (OI) | APX Group |
| Jill Cainey (JCa) | Electricity Storage Network |
| Jenny Rogers (JR) | SSE Power Distribution |
| Brian Shewan (BS) | SSE Power Distribution |
| Andrew Neves (AN) | Engage Consulting |
| Judith Ward (JW) | Sustainability First |
| Andrew Jones (AJ) | EDF Energy |
| Tabish Khan (TK) | British Gas |
| Christian Hill (CH) | Cooperative Energy |
| Neil Rowley (NR) (Phone) | National Grid |
| Zoltan Zavody (ZZ) | RenewableUK |
| Adriana Laguna (AL) | UK Power Networks |
| Yselkla Farmer (YF) | BEAMA |
| Kevin Spencer (KS) | Elexon |
| John Christie (JCh) | DECC |
| Ben Davidson (BD) | OLEV |
| Dora Guzeleva (DG) | Ofgem (Distribution Policy) |
| Grant McEachran (GM) | Ofgem (Smarter Markets) |
| Mark Askew (MA) | Ofgem (Distribution Policy) |
| Chiara Redaelli (CR) | Ofgem (Smart Markets) |
| Bethany Hanna (BH) | Ofgem (Distribution Charging) |
| Rachel Hay (RH) | Ofgem (Smarter Markets) |
| Keavy Larkin (KL) | Ofgem (Distribution Policy) |
| James Goldsack (JG) | Ofgem (Distribution Policy) |
| Andrew White (AW) | Ofgem (Distribution Policy) |
| Dominic Scott (DS) | Ofgem (Wholesale Markets) |

# Apologies

Conrad Steel (Consumer Futures), Eammon Bell (Open Energi – Demand Response Association)

# Review of previous minutes

* 1. DG reviewed the minutes from the previous meeting and invited comments from the group. The group had no additional comments on the minutes. One action was carried forward; all other actions from the previous minutes were completed.

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| Action | Person – By |
| Update Work Stream 6 website | Ofgem – 18 Mar |

# Updates

* 1. BH updated the group on ongoing DUoS charging work, including the DUoS methodology changes required to facilitate the P272 modification. The DNO group aims to complete its work by the summer. This will include not just new tariffs but also changes to the calculation of existing tariffs. They will consult on these changes with industry. BH requested that WS6 review the consultation when it is published and feed in their views.
  2. JG reminded the relevant members of the group of the need to provide text highlighting issues where agreement could not be reached on the colour coding of particular options on the matrices. It was noted that useful comments on the matrices more generally have been received from members of the group.
  3. DG updated the group on the outcome of the meeting on potential RTS issues. There is agreement among the group that something needs to be done but there is some uncertainty as to which forum is the right one to deal with this issue – DG noted that WS6 is not the appropriate forum. Ofgem will seek to progress the topic on various fronts.[[1]](#footnote-1)

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| Action | Person - By |
| Provide text to highlight and explain issues where agreement could not be reached on the matrices | Relevant parties – 11 March |

# Agenda Item – Broadening the scope of work

* 1. GM presented to the group setting out the scope of the cooperation between Ofgem’s Smart Markets Programme and Work Stream 6.
  2. The Smarter Market Programme identified four areas which need to be developed in order to get the most of the smart meter rollout. These areas of work were supported by the responses to a consultation in April 2013:
* Change of Supplier,
* Electricity Settlement,
* Demand-Side Response, and
* Consumer Empowerment and Protection.
  1. In particular, the need for a DSR framework was strongly supported by the consultation respondents.
  2. GM noted that the Smarter Markets team, as a starting point, will look to understand WS6 work so far – and therefore understand better how the Smarter Markets Programme and WS6 can work together. In this way the Smarter Markets Programme will aim to incorporate the good work Work Stream 6 has done so far and avoid reinventing the wheel when developing a framework for DSR arrangements.
  3. GM noted that it is not yet clear what the DSR framework will look like, but suggested that it could potentially be a single document which clarifies how DSR works – with links to the relevant codes and agreements. The form of the framework will become clearer as work between WS6 and the Smarter Markets Programme progresses.
  4. The current aim is to develop a DSR framework for implementation in 2015. The scope and timing of the Smarter Markets Programme’s DSR work has been broadly mapped against the timetable and work stages of the Work Steam 6 plan. GM noted that this timetable could change if necessary to ensure that the DSR framework is properly developed and fit for purpose.
  5. GM invited questions and comments from the group on the proposed scope and timing of the new project.
  6. AJ asked to what extent the DSR work will impact/ be impacted by the Significant Code Review of balancing and settlements (EBSCR). GM commented that the EBSCR would increase the incentives in the market for DSR but that the DSR project would look at how to make the most efficient use of DSR.
  7. JCa asked why DSR specifically had been chosen rather than other forms of flexibility, such as storage. GM replied that DSR was strongly supported by the consultation responses received by the Smarter Markets Programme and that many of the issues discussed would be relevant to storage.
  8. TN noted that DSR is not a market in itself, but rather that there is a need to understand the value of DSR to different players in existing markets. DG noted that it is understood that arrangements for DSR will evolve and that this will be reflected in the framework.

# Agenda Item – Review of roles and responsibilities diagrams

* 1. Members if the group presented the roles and responsibilities diagrams produced following the actions of the previous meeting.
  2. AJ presented on the **supplier-led load limiter** option:
     1. AJ noted that load limiter tariffs are all possible using basic SMETS functionality. AJ also noted that this option could not be offered to vulnerable customers or customers without physical access to their smart meter. AJ noted further that the financial incentive to customers would need to be strong to make this tariff attractive.
  3. AL presented on **DNO-led dynamic tariff** options (with automation at premises, without automation and with remote automation):
     1. AL noted that remote automation dynamic tariffs would require the current restriction on DNOs accessing remote appliance control through SMETS to be changed.
     2. SB and JW commented that DNOs could opt to install additional communications equipment to unlock this tariff option (or engage third parties to do this for them).
     3. DG stated that means of enabling these tariff options through SMETS/ DCC should be explored first because customers are already paying for smart meter infrastructure. Any additional communications infrastructure can only be justified if and where it provides better value to the customer than using the DCC (taking into account that the customer has already paid for the DCC).
     4. DG also noted that it will be possible to further discuss the potential for additional services outside of the DCC in the future.
  4. TK presented on **supplier-led static tariff** options (without automation and with remote automation).
     1. TK noted that DNOs will know through settlement data the aggregate DSR received by each supplier. TK also noted that for options with remote automation, a question remains about whether and how the customer can override the signal.
     2. A question was raised as to what role the Consumer Access Device (CAD) plays in enabling dynamic tariff options. YF noted that BEAMA has a diagram that shows the interactions of the CAD with appliances and the IHD. This will be circulated to the group.
  5. SA presented on the **critical events tariff** options (with automation and without automation).
     1. SA noted that critical event tariffs apply to situations where there is a major event on the network. This option could be offered either as a post-fault restoration payment to customer choosing to come back on supply later or as a critical event payment to customers choosing to go off supply to relieve strain on the system caused by a major fault elsewhere.
     2. SA noted that DNOs would likely chose to offer this option via suppliers. The DNO would likely not make use of this option on a regular basis, making it inefficient for them to invest in the billing systems that would be needed to offer the tariff directly to customers.
  6. ZZ and BS presented on the **DG diagrams**.
     1. It is envisaged that a DNO will pass a signal to a DG customer to ‘ramp down’ when the network is constrained. In return the DG customer will receive a payment from the DNO. ZZ noted that DG customers often have power purchase agreements with suppliers, meaning that the DG customer’s response to the DNO’s signal will impact on the suppliers contracted position. AJ noted that the extent of this impact is dependent on the number of suppliers the DG customer has an agreement with. If the DG customer has an agreement with multiple suppliers the impact of the DSR on each supplier will be limited.

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| Action | Person - By |
| Circulate diagram showing interaction of CAD with smart meter infrastructure | YF – 18 March |

# Agenda Item – Visibility of DSR arrangements and tariffs

* 1. MA presented to the group on the visibility of DSR arrangements. The presentation sought to draw out what information about DSR arrangement would need to be passed between those contracting the DSR and other potentially affected parties (in particular the SO). MA presented a number of questions on this issue.
  2. NR noted that in most cases there would be time to notify relevant parties of DSR arrangements before gate closure. Therefore, it would seem that the proposed options for DSR could be incorporated into the existing arrangements for balancing and settlements. The exception to this would be fault scenarios, which cannot be planned or forecast in every case.
  3. It was agreed that it would be useful to form a sub-group of interested parties, including National Grid and Elexon, which would consider the questions posed in more details and report back to the group any potential issues for further discussion.

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| Action | Person - By |
| Express interest in attending sub-group to provide thoughts/ responses to the questions identified in presentation on visibility of DSR arrangements. | All – 26 February |
| Prepare note on the impact of DSR options on balancing and settlement to feed into sub-group discussion. | Ofgem – 3 March |

# Any other business

* 1. The group did not raise any other business.

# Date of next meeting

* 1. 14.30 – 17.00 Tuesday 18 March

1. Post-meeting note: A DCUSA group will be formed to address the RTS issue. [↑](#footnote-ref-1)