

**Subject:** DPCR5 Distributed generation

District Network Operators (DNO's) have a very particular role in the development of Distributed Generation (DG) in that their scope of operation requires detail engagement with the developers of DG. This consideration does not apply to the remainder of the Electricity Supply Industry (ESI) , reflecting, amongst other things, the scale of DG projects, typically under 5MWe and often smaller, and the fact that they tend to be relatively complex, all factors that limit the priority allocated within mainstream industry.

The relationship between the DNO and DG can be critical to the financial viability of DG projects. To illustrate, the optimisation of connection arrangements can have significant impact on both capital and revenue costs for DG. The expertise and resource available to a typical DG developer are very limited but the manner in which they can engage with DNOs is not flexible and allows no note of the particular issues involved to be taken.

The considerations applying to DG can also present in the development of energy efficiency projects. Here propositions, say, at the scale of a small industrial estate would be likely to present equivalent issues to those set out above.

Against this background, we are anxious that:

- The unique position of DNO as a potential facilitator for DG is recognised in this review. This role is unique within the ESI
- That this review makes some specific recognition of this issue in terms of allowing sufficient resource and operational flexibility for DNOs to take a positive stance in facilitating DG

We would also suggest the consideration of a revised regulatory framework for DNOs that could accommodate limited (by geography or by scale or both) participation in both generation and in trading.

Best wishes

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