Scottish and Southern Energy
Power Distribution

SSE Power Distribution plc
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

Telephone	01738 455746
Fax	01738 455211

email:stewart.a.reid@SSE.com

Rachel Fletcher
Acting Partner, Smarter Grids & Governance Distribution
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

Dear Rachel

Re: Smart Girds Evaluation Framework – Consultation Response by Scottish and Southern Power Distribution

Thank you for the opportunity to comment on the Stage 1 report from Work Stream 2 of the Smart Grids Forum.   The published document presents a comprehensive framework methodology with the aim of assessing the cost benefit of "smarter" solutions to the distribution network.

We believe this modelling could provide high level information of value for informing general debate however we have a number of reservations as follows:

- Spurious accuracy:
  The modelling is not being informed by any real data or evidence and is layering assumption upon assumption, despite this the programmes complexity infers accuracy, we believe this could damage the industry's ability to take the right course of action in relation to Smart Grid in the future and in effect create unrealistic expectations for or against.

- Intended use:
  The intended use of the model is not entirely clear or constrained; we fear that it may gain a momentum and a level of influence inappropriate for its lack of robustness.

- Linkage with LCNF outputs
  We believe that this modelling work should be closely linked and be informed by the outputs from existing LCNF projects, there is also the potential that existing and future projects could be lightly tuned to specifically verify some of the assumptions going into the model.

- Value for money
  This is an expensive piece of work, we believe it is important to ask what will this work change.

- Key technologies missing
  As mentioned above a strong linkage to the outputs of LCNF, RPZ and IFI is key to the credibility of this piece of work, by way of an example:
  - One significant means of delivering value to stakeholders is to maximise the use of the existing infrastructure by accessing the latent capacity of the assets by deploying smart grid technologies such as Active Network Management. This innovative methodology does not create headroom as such and therefore does not appear to fit well within the proposed framework. SHEPD has proven the value of this technology as demonstrated by the Orkney Registered Power Zone. This methodology is being taken up by other network operators and we believe that further evolution will also deliver wide ranging benefits.

  - Annexe C covers Electrical Energy Storage, an area in which SSEPD has some experience. Although distributed thermal storage meets the selection criteria stated on page 2, as evidenced by our LCNF Tier 1 project where we have deployed this technology, this cost effective method has been excluded.

In summary, as a result of the absence of solid evidence and data the modelling provides nothing new; this is despite the UK having a rich programme of demonstration projects available to learn from, either now or within the next 2 years.   It is critical that the industry's demonstration projects and the modelling are linked to make this model credible and worth while.

If you wish to discuss further please contact Stewart Reid (Stewart.A.Reid@sse.com)

Yours Sincerely

Stewart A Reid
Future Networks & Policy Manager.
Scottish & Southern Energy Power Distribution