

Sent by email to RIIOED2@ofgem.gov.uk

16 August 2022

Dear Ofgem

Ofgem draft determinations - UK Power Networks

Thermal Storage UK has responded to Ofgem's main consultation on the ED2 draft determinations. This short response is submitted in addition and relates only to the UK Power Networks (UKPN) draft determination.

Thermal Storage UK supports Ofgem allowing UKPN to undertake anticipatory investment to support those people and businesses who are off the gas grid to electrify their heating. The UK government is expected to ban the installation of new oil and LPG heating systems from 2026. For that reason, we agree with Ofgem that there is much less uncertainty about the need to electrify heat in off-gas grid areas. Given this certainty, it is prudent for distribution network operators (DNOs) to invest in their off-gas grid areas. This investment will allow people and businesses to adapt low carbon heating such as heat pumps and thermal stores without unnecessary delay during 2023 to 2028. As there remains uncertainty about the speed of uptake of low carbon technologies, we agree with Ofgem that controls should be in place to ensure delivery.

We note that Ofgem is not minded to accept the UKPN proposal to provide advice to communities and individuals to support coordinated heat decarbonisation and energy efficiency uptake. While Ofgem may consider that a lack of evidence was provided to support this funding, we judge that it is important that an organisation provides this advice at the local level. The lack of an independent advice service to help people and businesses understand energy efficiency and heat decarbonisation is increasingly likely to be a barrier to the energy transition. We encourage Ofgem to work with the government and other stakeholders to prevent this barrier developing.

Finally, we welcome UKPN recently updating its heat strategy and engaging openly and constructively with stakeholders about their assumptions around electrified heat and flexibility.

Best wishes

Tom Lowe

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Thermal Storage UK