

Sent by email to RIIOED2@ofgem.gov.uk

16 August 2022

Dear Ofgem

Ofgem draft determinations - Scottish and Southern Electricity 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 Scottish and Southern Electricity Networks (SSEN) draft determination.

Thermal Storage UK supports Ofgem allowing SSEN to provide support to local authorities and community groups to optimise the electricity network and deliver whole system opportunities and the net zero transition. As this activity is consistent with licence condition 7A, we agree with Ofgem's decision to fund through baseline.

While we understand the rationale for Ofgem rejecting SSEN's proposed "Energy Efficiency Accelerator for Smarter Networks" output, we also welcome SSEN considering how to reduce energy use and increase grid flexibility. As renewables and low carbon technologies are installed during 2023 - 2028, DNOs and DSOs will face an increasingly strong incentive to improve energy efficiency and increase flexibility. Thermal storage can provide such flexibility whether installed with or instead of heat pumps. If SSEN submits an amended version of this output that is more acceptable to the Challenge Group and the Customer Engagement Group, we encourage Ofgem to consider its merits.

Finally, we welcome SSEN engaging openly and constructively with stakeholders about their assumptions around electrified heat and flexibility.

Best wishes

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Thermal Storage UK