Gareth Evans OFGEM 9 Millbank LONDON SW1P 3GE Direct Dial: 0151 347 2436 Direct Fax: 0151 347 2404 Email: jeremy.harrison@eatechnology.com

21 August 2003

Dear Gareth

Innovation and Registered Power Zones; discussion paper EA Technology response

Further to John Scott's meeting with Mike Lees and Robert Davis recently, I have pleasure in enclosing our response to the above discussion paper. This response incorporates issues raised by a number of DNO representatives, but should not be taken as a representative view of the DNOs.

During my discussions with the DNOs, the majority indicated that they would be making individual responses to the discussion paper. They appeared to welcome the OFGEM initiative and concurred with the OFGEM view that some incentive mechanism was essential to support innovation and, in particular, to ensure that the national objectives for DG implementation can be met.

It is clear that the issues raised by IFI/RPZ merit urgent attention, and we would welcome the opportunity to discuss how we may contribute to the practical implementation of OFGEM's proposals following this stage of the consultation process.

Yours sincerely

Jeremy Harrison Distributed Generation Manager

Cc: John Scott