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Dear Arthur

The regulatory implications of domestic scale microgeneration

Central Networks is pleased to respond to your April consultation regarding the above. For clarity we have set out and numbered our response below in line with the paragraph numbering in the consultation document.

2.8 We think it very appropriate to seek assurances from manufacturers and vendors of microgeneration equipment as to the adequacy of safety information to be provided with equipment. Safety should continue to be the paramount driver in resolving the regulatory issues for microgeneration, and we fear that the greatest potential safety risks arise in the DIY sector.

6.2 In our view, the ideal of a 'one stop shop' installation of microgeneration and metering is unlikely to be realised where different suppliers take responsibility for import and export, or where there is no supplier responsible for export.

6.7 We endorse the need for the relevant DNO to be informed of the installation of microgeneration. However, we are concerned that it will be impractical to provide appropriately pre-addressed cards with equipment in markets where large nationwide DIY distribution chains are involved. If multiple cards were provided with each unit sold (one for each possible

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DNO) many customers might not know which is appropriate, especially where the advent of IDNOs makes regional differentiation impossible. These factors, combined with the general lack of incentive for customers to notify DNOs, are likely to adversely affect the quality and completeness of information given to the DNOs, especially in the case of DIY installation.

7.8 We agree that the ER G83/1 definition best aligns with the generally accepted interpretation of the term ‘microgeneration’, and is the most appropriate definition to use.

7.9 We agree that reverse running of import meters is not acceptable, and that the potential for this to occur must be addressed.

7.16 It may be appropriate to make it mandatory for all brand new meters installed to have reverse running stops fitted – whether or not microgeneration is present. It would not be efficient however to prevent the recycling of existing meters that don’t have stops fitted (including meters removed when generation is installed).

7.28 We note that microgenerators are not designed to run in ‘stand alone mode’ as a form of standby generation. We also note that, in the event of any power interruption, most forms of central heating will not work. The level of hardship caused by interruption of the supply by a prepayment meter would therefore be the same in the case of conventional central heating boilers and micro CHP.

8.3 Use of the MTC to flag the presence of export is unlikely to prove effective. We believe the benefits of a single supplier registering both MPANS far outweigh the supposed benefit of being able to appoint separate suppliers for import and export at this scale. We therefore believe that import and export MPANS associated with microgeneration should be ‘related’.

8.4 We note that DNO are obliged to continue to offer metering that they have provided historically, but are not obliged to offer new types of metering (e.g. export metering). With the development of the competitive

market in metering we expect independent operators to meet any needs for export metering.

8.8 We do not create export MPANs whenever we are informed of the installation of microgeneration. The notification is logged in our network record systems, but we only create an export MPAN when a supplier enquires about registering the output of a particular generator. This avoids the build up of un-traded 'skeleton' MPANs.

8.10 As indicated above, we will only create export MPANs when a supplier wishes to register export. In these circumstances we think it appropriate for the supplier to inform his customer about the MPAN, and therefore do not believe there should be a new licence obligation for DNOs to inform occupiers or suppliers of MPANs. However, we would support the introduction of new industry processes aimed at ensuring import meters don't 'run backwards' (which is in DNO's interests), and these processes might include DNOs passing information to suppliers where this is appropriate and legal.

9.8 We agree the Standard Connection Agreement should be amended to make provision for microgeneration.

10.15 We note that DNOs have the right to install metering for distribution purposes, but believe it is unlikely to be efficient to do this in order to measure generation spill that's too small for suppliers to register.

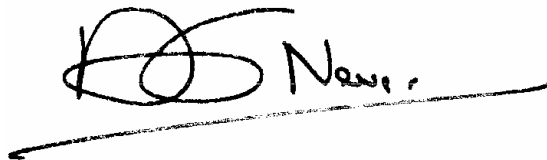
10.21 It would facilitate the efficient installation of microgeneration if, prior to the installation, the installer informed the supplier direct. This would make it possible to coordinate the installation of the generation with any necessary modifications to the metering.

10.23 As indicated in 8.10 above, we would support the introduction of new industry processes aimed at ensuring import meters do not 'run backwards' – providing that these processes were efficient. We believe there are currently legal obstacles preventing DNOs from passing

information to suppliers, but that these could be overcome by the inclusion of an appropriate condition in the revised Standard Connection Agreement.

In summary, safety is paramount and should be the key driver in the resolution of any regulatory issues. The obligation to safely install microgeneration, inform the relevant parties (supplier and DNO) and ensure a suitable meter is in place should lie with those commissioning microgeneration. The appropriate changes to processes and regulations should focus on practical facilitation rather than imposing inappropriate obligations.

Yours sincerely

A handwritten signature in black ink, consisting of a stylized, circular scribble followed by the name "Neves" written in a cursive-like font. A long horizontal line is drawn underneath the signature.

Andrew Neves
Tariff and Income Manager