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Long Term Network Scenarios – Initial Thoughts

Dear Mr Hull,

Central Networks has been working on the development of future network scenarios and certainly welcomes Ofgem's introduction of a longer term perspective into the price control, particularly at a time of great change in energy provision. Without this vision, future technical, economic, regulatory and structural developments will not be cohesive in their incremental contribution to the shaping of future electricity systems. Indeed it is only through the association of the UK's energy delivery model and the future requirements of customers, that the long term and then shorter term objectives for electricity distributors can be identified.

We certainly support the extension of the work undertaken by Strathclyde University, and see benefit in our sharing future scenarios across the industry, rather than creating independent views.

A critical issue is the extent to which electricity networks will in future facilitate the delivery of EU and government low carbon objectives. Our development work has however also highlighted a number of key issues and drivers that need to be considered in the creation of future networks. Of these, the specification of network security is of particular importance, both in terms of the basic security design standard P2-6, and the extent to which specific parts of the network should be planned to withstand foreseeable incidents over and above this standard. In addition to electrical security, the considerations should include future flood resilience and physical security needs.



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The establishment of future network performance requirements is an essential element, along with the means of provision, through inherent network reliability, smart automation and / or distributed generation.

There is also a real requirement to create sustainable networks, and to understand the interaction between network losses, distributed generation application and future network security requirements.

Finally the creation of the network scenarios should provide important signals about future resource and skill requirements, along with specialist materials, and also support the identification of particular research and development needs.

Whilst this scenario development work is an essential precursor to the forthcoming price review, the proposed final report date of May 2008 is not consistent with the required timescale for the development of strategic business plans for the DPCR5 review. It is therefore important that sufficient resources are made available by Ofgem and DBERR to ensure a more timely delivery of the appropriate quality so that DNOs can adequately reflect this in their DPCR5 submissions.

We have recently shared with Ofgem some of the relevant experience in the development of future thinking we believe we have, and welcome the opportunity to fully engage with this work over the coming months. Should you require any further information, please do not hesitate to contact either myself or Andrzej Michalowski (andrzej.michalowski@central-networks.co.uk.)

Yours sincerely

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