

## Minutes of Seventeenth Ofgem Environmental Advisory Group Meeting

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This is a record of Ofgem's Environmental Advisory Group meeting, held 11 June 2008	From Date and time of Meeting Location	Michael Archer 11 June 2008 10:00am - 11.30am Ofgem Offices
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### 1. Present

#### Chair

Sir John Mogg

#### Gas and Electricity Markets Authority Members

Robin Bidwell, Non Executive Member

#### Members

Juliet Davenport, Good Energy  
Paul Jefferiss, BP  
Eoin Lees, Eoin Lees Energy  
Jeremy Nicholson, EIUG  
Andy Duff, RWE npower  
Philip Jones, CE Electric  
Ian Marchant, SSE

#### Ofgem Staff

Martin Crouch  
Giles Stevens  
Mark Cox  
Louise Van Rensburg  
Michael Archer

### 2. Apologies

Mark Cavendish, Renewable Energy Systems  
Paul McIntyre, BERR  
Philip Wright, Scottish Executive  
Paul Ekins, Policy Studies Institute  
Andrew Wright, MD Markets, Ofgem  
Russell Marsh, Green Alliance  
Tricia Henton, Environment Agency  
Martin Nesbitt, Defra  
Simeon Thornton, Defra

### 3. Minutes from the previous meeting

The Minutes were confirmed as circulated.

### 4. The role of networks in the environment - Ofgem

Mark Cox provided a presentation to the group on the role of networks in the environment and progress made in the fifth Distribution Price Control Review. In the presentation, DNO's were seen to have two primary roles in the networks in this area – as a facilitator and assessing their carbon footprint. Their role as a facilitator would include ensuring that low-

carbon technology get access to the network quickly and at low cost. In terms of their carbon footprint, a key determinant is likely to be restriction of system losses.

The importance of getting DE and demand-side management systems integrated into the networks was discussed. There was seen to be a potential to get Smart Metering integrated into the system.

The point was made that the emphasis of the presentation and discussion was on technology, while the role of consumer actions to manage demand is also important. The group commented on whether consumers would be interested in such initiatives and whether DNOs should have more of an active role in encouraging them to amend their consumption patterns. It was discussed whether it was in the scope of the DPCR to look into demand-side management, along with the general role of the DNO.

An initial discussion on Smart Metering then followed. BERR commented that it was important that all costs and benefits of Smart Metering was estimated and analysed.

## **5. Renewables, DE and Smart Metering update - Ofgem**

Martin Crouch gave an update on two areas of Ofgem activity – the Renewables Directive and DE. A Smart Metering update was also presented by Louise van Rensburg. In the renewables discussion, the point was made that, although delays to network connection were a serious problem for the UK, other countries were encountering similar problems. Significant supply chain issues may also be encountered, with some of the raw materials for plant production expected to get more expensive.

Updates on DE and Smart Metering were also presented. On DE it was discussed whether the problem of underdevelopment of supplier services market being solved would solve the problem of lack of uptake of DE or visa-versa. On Smart Metering, it was noted that more input into the Smart Metering process would be welcomed from Distribution Networks. The issue was how best to go about the implementation of the SM model and what emphasis to place in particular areas. It was agreed that there is potential for DNOs to provide more update in the process.

## **6. Dates for the 2008/09 meetings**

*10AM- 11:30AM, Wednesday 22 October 2008*

*10AM- 11:30AM, Tuesday 17 February 2009*