

DECC/Ofgem Smart Grid Forums Meeting 3

The meeting discussed the work of the five work streams that inform the work of the SGF.	From	Neil Copeland
	Date and time of Meeting	20 October, 12:15 – 15:00
	Location	Ofgem, 9 Millbank, Westminster

1. Present

1.1. See Appendix One for the list of attendees.

2. Introductions and Opening Remarks

2.1. Rachel Fletcher (RF) thanked everyone for their attendance. She confirmed that those present were happy with the minutes of the previous meeting and summarised the agenda for the third meeting of the SGF.

3. Minutes & Actions from 20 July meeting

3.1. Steve Johnson (SJ) summarised a note (SGF3.1) on the 2011 Low Carbon Networks Fund Conference. This note, produced by SJ, was circulated to the SGF. SJ noted that there were over 300 attendees and that it was a positive event. Plans for the 2012 event should be made public shortly.

4. Joint Work Stream 1, 2, and 3 Paper

Joint Paper

4.1. Gareth Evans (GE) introduced the joint work stream (WS) paper. He summarised the paper that was circulated to the SGF in advance of the meeting. It was noted that WSs 1, 2, and 3 were closely related and that there were a number of interdependencies. A joint meeting of the three WSs, organised by DECC and hosted by Ofgem, was held in September. At that meeting the various policy teams from DECC summarised how they would feed into the work of WS1 and what WSs 2 and 3 could expect as input data. A summary note of the meeting is attached as an appendix to the joint paper.

4.2. GE highlighted the fact that the objective of 'joining up' DECC's view of the future with the DNOs' network development plans and the WS2 evaluation framework should deliver significant benefits but will also present real challenges.

WS3 Phase 1 Report

4.3. SJ summarised the WS3 Phase 1 Report (SGF3.3). The report will be made available on Ofgem's website. He said that this was essentially a qualitative analysis. The second phase of this work will be quantitative. Phil Jones (PJ) commented that it was a useful, well thought out document and worth reading. The tables relating to networks are a very useful first step.

4.4. Duncan Botting (DB) commented positively that the report took a whole system approach rather than a disaggregated projects approach. PJ added that the Frontier report should help us identify a "low-regrets" strategy rather than a "no-regrets" one. The onus is on the network companies to start thinking about what they are going to do in the near-term in the context of longer term network development needs.

4.5. Sandy Sheard (SS) commented that DECC was taking a whole energy system approach in its analysis of a future energy system also.

4.6. Chris Welby (CW) added that WS3 is giving suppliers visibility of what the network is going to deliver for them. One quite likely outcome is that networks will become more engaged with the end consumer.

4.7. RF asked what the next steps were for WS3. SJ responded that keeping in close touch with the other WSs and developing the terms of reference for stage two of the WS project were the key next steps.

WS1 Progress to date

4.8. Adrian Butt (AB) summarised the work. The joint work stream workshop in September, organised by DECC, exposed the analysis DECC is undertaking to deliver the 4th Carbon Budget and it was agreed that the 4CB provided a good basis for the scenarios and assumptions considered by this work stream and a valuable feed into other work streams.

4.9. Following this meeting a technology template and a 'scenarios and assumptions' template were circulated by AB to SGF members and DECC policy leads to sense check them in terms of relevance and delivery. Policy leads are now filling in the templates and these will be presented at the DECC/WS1 meeting in mid November to identify any credibility or information gaps.

4.10. AB reported that policy leads in DECC and OLEV recommended that the work should focus on the range of scenarios offered by the four in the 4CB rather than picking a central scenario, given the inevitable uncertainties. These did span plausible low and high electrification cases and as they stood offered a coherent picture of the underlying assumptions and sensitivities.

4.11. SJ responded that the documents will be useful but that a central scenario model would add value. CW and Mike Calviou (MC) agreed. PJ agreed that the document was useful but argued that the network companies together with Ofgem could decide on a central scenario based on DECCs work and consistent with meeting the 4CB.

4.12. Judith Ward (JW) asked why some technologies such as thermal storage were not included, albeit potentially able to support avoided investment on distribution networks and not in receipt of incentive payments. AB responded that he has asked the heat strategy team for advice. Dave Openshaw asked whether the current state of the global economy had been taken into account when developing the scenarios. AB responded that the price of carbon based fuels was factored into models.

4.13. AB responded that the price of carbon based fuels was factored into models.

5. WS4 Closing Doors

5.1. DB summarised the work of WS4 to date. Terms of reference have now been agreed by the membership of the WS. A risk register has been produced and various mitigation measures included. The biggest potential closing door in the near term is the development of the Smart Meter Implementation Programme.

Smart Meter Programme: Quantifying Smart Grids Benefits Paper

5.2. AB summarised a paper, written by DECC, which highlighted the importance of the smart meter programme to enable the successful development of smarter networks; the necessity for a cost benefit analysis to justify procurement of data and communications functionalities; the current SM DECC consultation to start to address this; and the key role the SGF and its members could have in filling these evidence gaps. Some propositions

were described including that the ENA's response to the consultation might utilise the SGF resources through WS4 (closing doors) and WS3 (Developing Networks for Low Carbon) and assist in building DECC's evidence base. .. DECC invited the members and work streams of the SGF to respond to the consultation with qualitative feedback and quantitative analysis of the benefits of the identified functionalities. It was agreed that the Energy Networks Association (ENA) would be responding.

ACTION: DECC to take the lead and will interact with ENA and SGF regarding their response to the DCC consultation. WS2 to consider how its work could assist.

6. WS5 Ways of Working

6.1. GE summarised discussions with Smart Grid GB (SGGB) to date. A paper setting out the proposed working relationship between SGGB and the SGF was circulated before the meeting. RF asked whether the SGF accepted the proposed agreement. The SGF agreed.

6.2. DECC and Ofgem took an action at the last SGF meeting to consider whether resources could be found to support a "curator to manage and add value to a repository of smart grid knowledge, learning, and data. This has been considered and discussions have taken place between Ofgem, SGGB and the ENA. SJ pointed out that the ENA have a role collating all of the data coming out of the LCN fund trials. Ashley Pocock (AP) pointed out that while this may not be the correct location the Smart Meters Special Interest Group are putting a repository in place for learning from smart meters.

6.3. JW noted that the idea of a curated repository for the large data-sets arising from the many smart meter and smart network trials, including EDRP, had been discussed at earlier SGF meetings. There were a number of possible ways to do this, and it had been agreed that further thought would be given as to how to take this forward. This data is a major resource and the aim should be to support good use of it by government, academic researchers and the wider policy community. One possible model is the quarterly papers from Energy Trends produced from DUKES data, by DECC.

6.4. AP pointed out that we should bear in mind what is happening at a European level in this area. The European Union are indicating in a recent publication that customers' data should not be held indefinitely. It should only be held for as long as it is being used.

ACTION: AP will circulate EU paper on data storage

ACTION: SGGB and ENA will pool ideas and report to the next SGF meeting in January

ACTION: DECC/Ofgem will give further thought to what direction any repository of quantitative and qualitative data should take and link with other SGF members.

7. Europe Update

7.1. GE informed the forum that the joint regulators group has published a survey of what the European regulators are doing in the smart grid area. This is available [here](#). While it does not include responses from all EU member states it does provide a useful review of activities across Europe. GE noted that it does show Ofgem to be very much at the forefront in this area.

7.2. AB informed the forum that the UK has joined International Smart Grid Action Network. DECC, together with Ofgem and the ENA, have agreed to take part in the work programme.

7.3. MC drew attention to the developing European Network Codes framework. The Demand Connection Code is being drafted at the moment. He pointed out that when they come into force these codes will supersede national law and anyone with an interest should feed into the process. DECC and Ofgem have established a joint working group to engage with this code development work.

7.4. DB informed the group that the European Technology Platform Forum had undertaken a review of the Strategic Review Agenda 2007 and had worked with some 50+ invited experts from across the stakeholder spectrum to formulate a new SRA2035. This was to take the outputs of the European Electricity Grid Initiative (EEGI) to 2020 and identify research themes that would need to be started now to meet a mid-term (2035) timeframe. This is now in draft format for comment between various stakeholders and will be published in February/March 2012.

8. WS2 Frontier

8.1. Sarah Deasley (SD) and Claire Thornhill (CT) presented the work that Frontier is doing on behalf of WS2. Discussion around the table was positive. PJ pointed out that some thought should be given to a world where energy networks have not got smarter.

8.2. Particular discussion took place regarding whether plug-in hybrids should be included in the analysis. Frontier did not initially intend to include this as it would make the analysis overly complicated without adding to the value. However a number of those present felt that this data would be useful and would certainly add value.

8.3. AP felt that all aspects of demand side management and demand side response should be included in the analysis. He felt that it was important to understand all aspects of DSR whether it is controlled by a network company or the supplier.

9. AOB

9.1. Sean Frisby, on behalf of Michael Hurwitz, informed the Forum that OLEV would be circulating a paper to members on a number of EV issues.

9.2. AP offered to circulate an update on the TSB's Technology Innovation Centre initiative.

10. Date of next meeting

10.1. The next meeting will take place on 12 January at 12:30.

Appendix 1

Attendees

Rachel Fletcher	Ofgem (Chair)
Mike Calviou	National Grid
Dave Openshaw	UKPN
Steve Johnson	ENW
Phil Jones	CE Electric
Mark Mathieson	SSE
Chris Harris	RWE nPower
Ashley Pocock	EDF
Graham Meeks	CHPA
Roger Critchley	BEAMA
Chris Welby	Good Energy
Petter Allison	British Gas
Gavin Jones	Intellect
Judith Ward	Sustainability First
John Scott	Chiltern Power / KEMA
Duncan Botting	PB Power
Steve Unger	Ofcom
Nick Jenkins	Cardiff University
Michael Hurwitz	OLEV

Ofgem: Colin Sausman, Gareth Evans, and Neil Copeland

DECC: Sandy Sheard; Tom Luff; Alex Mason; Adrian Butt; Sean Frisby – OLEV