

The background features a large, semi-transparent white arrow pointing to the right, overlaid on a blurred image of interlocking gears. The gears are in shades of blue and white, with a bright light source creating a lens flare effect in the upper left quadrant.

# **Flexibility and Capacity Working Group**

9 May 2012

# Agenda

1. Introductions
2. Progress update
  - Minutes
  - Feedback from last meeting
  - Actions update
3. Summary of consultation responses relating to low carbon connections
4. Discussion on ideal strategy for DNOs to approach their business plan assessment
  - Each DNO to present their views
5. Service delivery targets (time-permitting)
6. A.O.B

## 2. Progress update

- Minutes review
- Feedback from last meeting
- Actions

| Action log   | Owner               | Status   |
|--|---------------------|----------|
| Update the Terms of Reference for the FCWG to place more emphasis on capacity requirements for existing connections                                    | Ofgem               | Complete |
| Attendees to feed back to Ofgem any suggested amendments to the 'Comparison of demands' table, including the different impacts (ie voltage vs thermal) | Attendees           | Complete |
| Ofgem to update the 'FCWG interactions' diagram to reflect two way information flow  | Ofgem               | Complete |
| DNOs to develop a proposal for the connections group on addressing speculative requests for capacity   | DNOs (Paul Bircham) | Ongoing  |
| Attendees to feed any further thinking on incentive design back to Ofgem   | Attendees           | Ongoing  |

## **3. Consultation responses**

## **Q 1: Do you agree that DNOs can connect low carbon technology in a timely and cost effective way should be a key objective of ED1? How do we address these challenges?**

- Ten out of 25 respondents made comments related to this question
- General agreement that it should be a key objective
  - eight out of ten agreed and two appeared to be supportive but didn't explicitly agree
- Specific points more varied
  - Two highlighted the potential value of smart meters and smart grids
  - Two respondents noted ED1 provided an opportunity to integrate energy systems
  - Two respondents suggested investment ahead of need would be needed to deliver this objective
  - One noted the need for improved speed of connections (particularly for DG) and dispute resolution
  - One considered that conventional connections standards drive conventional approach at the expense of innovative network solutions

## 4. Discussion on business plan strategy

- What is the ideal strategy for DNOs to approach their Business Plan development?
  - What does a justification for load scenarios assumed to calculate your ex-ante allowance look like?
  - What is the balance between the above and potential uncertainty mechanisms and why?
  - What appropriate outputs/targets need to be set out to provide confidence?
- In considering the above we'd need to consider:
  - Targets (What to deliver in what scenario)
  - Timeframe (ED1 vs longer term)
  - Triggers (What could change during the price control)
  - Tools (Tools needed to develop/justify business plans and tools needed during the price control to manage uncertainty)

Each DNO to present their views followed by roundtable discussion

# 5. Service delivery targets

Applicability

- New and modified connections where visible to DNO
- LV and HV

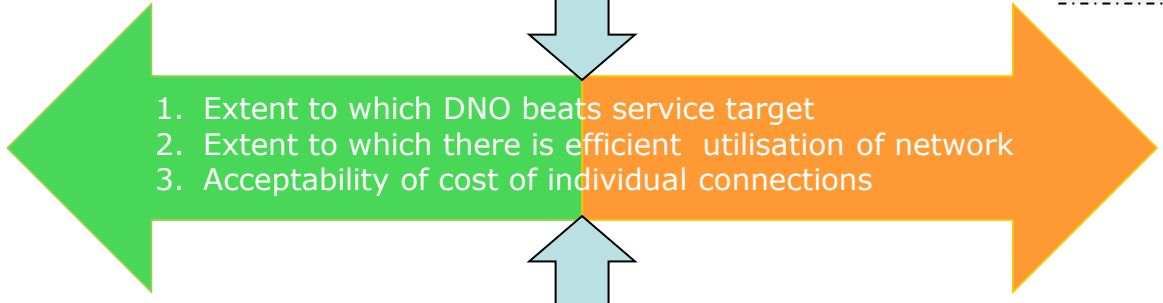
**Timely**  
**Service delivery target**

| Generation LV   | GSOP    | DPCR5 average time | ED1 service target |
|-----------------|---------|--------------------|--------------------|
| Time to quote   | 65 days | X days             | X-Y days           |
| Time to connect | N/A     | X days             | X-Y days           |

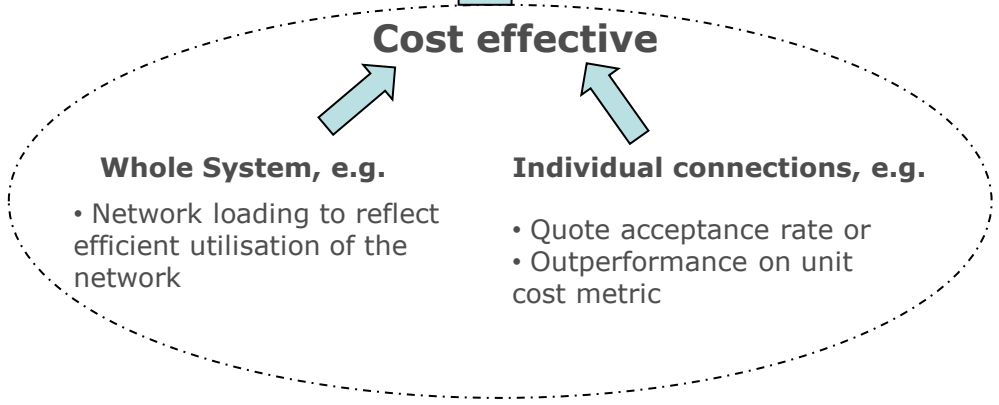
Potential options for who sets the target e.g.

- Ofgem – using DNO historic performance benchmarking
- DNOs – informed via stakeholder engagement

**Reward**



**Penalty**



## **6. A.O.B**



The background of the slide is a composite image. On the left, there are rows of solar panels under a bright sun. On the right, a hand is shown holding a white document. In the bottom left corner, a blue gas burner is visible. The overall theme is energy and customer service.

*ofgem*

Promoting choice and value  
for all gas and electricity customers