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Dear Ms Guzeleva

Consultation on funding the cost of preparing submissions for the Network Innovation Competition and the Governance of the Network Innovation Allowance

Please find below Energy Networks Association (ENA) response to the Network Innovation Allowance (NIA) consultation. ENA represents the 'wires and pipes' transmission and distribution network operators for gas and electricity in the UK and Ireland. Our members control and maintain the critical national infrastructure that delivers these vital services into homes and businesses. ENA currently has 9 full utility members and 8 associate members.

As a result of the commercial sensitivity of the consultation with regards to our members, ENA feels only able to respond to the 2 questions regarding Knowledge Dissemination (Question 11 & 12) and these should be regarded as ENA's views and not wholly of our members.

Ofgem - Knowledge Transfer

Facilitating knowledge transfer is one of the key principles of the NIA. The NIA provides a considerable amount of funding and projects could generate significant new learning. Ultimately, consumers are funding this work and we want the learning generated to be disseminated as effectively as possible to ensure that all licensees, and therefore all consumers, are able to benefit from projects.

Proposals

1) Transparency of available information

We consider that the production of reports for each innovation project can provide a useful indication of learning dissemination opportunities. We propose requiring each licensee to produce an annual NIA report for the purposes of learning dissemination¹⁴. This should include information on ongoing and completed projects. We propose requiring licensees to share these reports through the dissemination portal being established by work stream five of the DECC/Ofgem Smart Grids Forum¹⁵. This would be available on the Energy Networks Association (ENA) web page. We are also seeking stakeholders' views on which parts of the IFI Annual Report currently work well and should be adopted in the NIA annual reports, as well as what additional information would make the NIA reports most effective as a tool for disseminating learning.

Respondents to the recent LCN Fund two year review considered that the annual LCN Fund Conference was a useful means of sharing knowledge. However, we recognise the scale and scope of the NIA is different to that of the LCN Fund. Therefore, we are seeking respondent's views on whether a NIA/NIC annual conference would be useful and practical given these differences.

Access to detailed information

The NIA annual reports and annual conference would increase transparency. Our second proposal seeks to ensure that licensees can access more detailed information, when they require it. To do this, we propose to include an obligation on licensees so that, where they develop relevant new learning as part of a NIA

project, they will be required to share that learning on a bilateral basis when they are asked to do so by any network licensee.

Question 11: Do you agree with our proposal for sharing the NIA annual reports? In addition, what other means are there of disseminating this learning to all interested parties?

ENA Response

ENA support in principal the idea of sharing annual reports in innovation, as currently shared via IFI. However, as you note ENA are currently developing a Smart Networks catalogue which will be a database and live resource for all existing and future projects involving innovation including NIA. The specification is currently being developed in conjunction with members focussing on:

- Low Carbon Network Fund (LCNF) Tier 1 and Tier 2 Projects
- Heat Pumps
- Network Innovation
- Electric Vehicles
- Smart Metering
- IFI Projects
- Registered Power Zone Projects

The catalogue is now in prototype stage and will be developed over the coming months with the following audience in mind:



The overall aims of the project will be to provide:

- An overview of the technical and commercial coverage of current smart grid projects in GB and Europe.
- Identification of activity areas and gaps.
- Ability to capture Use Cases from the various tier 1 and 2 projects.
- An understanding of likely sources of Cost/Benefit data.
- Information of relevance to the next round of LCNF bids & Price Controls.
- Assistance to the ENA, its members and other interested parties in tracking progress of projects and promoting the sharing of information and learning.

In addition, as part of Work Stream 5, requested by the Smart Grid Forum, an overall repository is to being developed to store information, documents, data and links associated with the development of smart networks and grids within UK and Europe, which ENA's catalogue will feed into.

Building on this work, ENA is also leading on Annex 2 of the ISGAN/IEA agreement for sharing case studies of Smart Grids and facilitating the sharing of outcomes from projects.

In addition to the Smart Networks Catalogue, Work Stream 5 and ISGAN works explained above, ENA also hold the Low Carbon Network conference as you note, which is in its second year, and this is proving to be another useful tool and successful in disseminating learning. Please see response to Question 12.

In summary, ENA believe there are enough tools currently available and in development to allow dissemination of learning in the world of Innovation on Networks. ENA also believe these tools will fulfil the requirement to disseminate learning to the wider population over the coming months and years and should be reviewed in the future accordingly to assess suitability.

Question 12: Would an annual NIA conference be a useful tool for disseminating the knowledge gained from NIA projects? Why?

ENA Response

ENA support an annual conference in addition to the works described in Question 11 above. As you note ENA hold a Low Carbon Networks conference which is already recognised by the industry as “the” Smart Network conference of the year, with recognition from industry, suppliers and government ministers.

ENA hold the current Low Carbon Networks conference which is now in its second year and our aim is to continue to make the LCNF Conference “the” smart network event for those who have to make it a reality (our members) and those parties interested. ENA is working strongly with members to disseminate the learning from projects with options including open panel Q&A sessions, workshops and other means being investigated. There are already a large number of participants interested in attending our conference in October, along with exhibitors displaying new technologies to allow innovation.

However, as you recognise, innovation is growing and the scale and scope of the NIA is different to that of the LCN Fund, and it may be that the format or length of the conference may need to be addressed to accommodate NIA and should be discussed with Ofgem further when required.

We hope that you find this response helpful. In addition we would welcome the opportunity to talk through our response and concerns / suggestions in more detail, please let me know if this would be of interest.

Yours Sincerely

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