

## DSWG Update: Other Issues

The table below gives a brief overview of other developments within Ofgem that may have some relevance for DSWG members. Please contact me at [phil.slarks@ofgem.gov.uk](mailto:phil.slarks@ofgem.gov.uk) if you would like more detail on any of the below.

From Phil Slarks  
 To DSWG  
 CC  
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Issue	Detail
<b>Smart Meters</b>	<ul style="list-style-type: none"> <li>• On 13 September, the smart metering Prohibition Order was approved by the House of Commons. This creates a new licensable activity for the Data and Communications Company (DCC) – the monopoly company that will be appointed and licensed to manage the data transferred between domestic consumers’ smart meters and suppliers/other authorised parties.</li> <li>• New supply licence conditions to implement the roll-out of smart meters were laid in Parliament on 18th September. These will require suppliers to:             <ul style="list-style-type: none"> <li>○ roll out compliant smart meters, ie those that meet government’s mandated technical standards, to all households and small businesses by the end of 2019.</li> <li>○ develop and submit to Ofgem for approval a Smart Metering Installation Code of Practice (and then comply with the Ofgem-approved Code)</li> </ul> </li> <li>• Subject to successfully completing the relevant parliamentary processes, the new licence conditions will come into force at the end of November.</li> <li>• We expect further licence conditions to be laid in Parliament before the end of the year, covering issues such as consumer engagement, data access and security.</li> </ul>
<b>National Grid – gas data provision</b>	<ul style="list-style-type: none"> <li>• Market participants have reported issues with the availability of data via the prevailing view, Data Item Explorer and Report Explorer sections of the National Grid website.</li> <li>• National Grid are working to return the level of service to normal as a matter of urgency. The relevant teams within Ofgem are aware of the issue and working with National Grid to address it.</li> <li>• In the meantime, if users cannot access data via the website, National Grid’s helpdesk can be contacted at the following: <a href="mailto:sysop.centre.reporting@nationalgrid.com">sysop.centre.reporting@nationalgrid.com</a> or 01926 656474.</li> <li>• Alternatively, we understand that third party subscription services are still carrying this data as normal.</li> </ul>

<p><b>DSR in the large non-energy intensive sector</b></p>	<ul style="list-style-type: none"> <li>On 31 July, Ofgem published a study into the potential for Demand Side Response (DSR) in the large non-energy intensive sector: <a href="http://www.ofgem.gov.uk/Sustainability/Documents1/Demand%20Side%20Response%20in%20the%20non-domestic%20sector.pdf">http://www.ofgem.gov.uk/Sustainability/Documents1/Demand%20Side%20Response%20in%20the%20non-domestic%20sector.pdf</a>. The report was delivered by Element Energy in partnership with De Montfort University.</li> <li>The report is complementary to work by Sustainability First on DSR potential in the Domestic and Industrial sectors, and the recent discussion paper from Energy UK and the ENA (link: <a href="http://www.energy-uk.org.uk/publication/viewcategory/5-research-and-reports.html">http://www.energy-uk.org.uk/publication/viewcategory/5-research-and-reports.html</a>). It will help inform our work on the broader contribution of DSR within the regulated energy sector and our role in facilitating more flexible supply/demand arrangements, both of which are overseen by Ofgem's Smart Demand Board.</li> </ul> <p>Ofgem's Smarter Markets team also published "Promoting smarter energy markets: a work programme": <a href="http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=52&amp;refer=Markets/sm/strategy">http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=52&amp;refer=Markets/sm/strategy</a>. This includes plans to examine the potential for existing arrangements to support efficient, system wide DSR in the longer term. A consultation document will be published in Q1 2013.</p>
<p><b>RIIO Initial Proposals</b></p>	<ul style="list-style-type: none"> <li>On July 27 we published our consultation on Initial Proposals for National Grid Electricity Transmission (NGET) and National Grid Gas (NGG). Our initial proposals provide a high-level summary of our assessment of both companies' business plans, against criteria for a well-justified business plan as well as information provided by stakeholder responses. The initial proposals comprise an overall package of around £20 billion for the two transmission companies.</li> <li>The majority of the proposed investment (around £15 billion) would include the upgrade and renewal of the high voltage electricity network in England and Wales and the high pressure gas networks across Britain. The proposals also consult on outputs the TOs would be held to account in terms of safety, reliability, system availability, customer satisfaction, and environmental performance and the incentives they would face in relation to their delivery performance.</li> <li>The RIIO-T1 proposals also included funding to facilitate more incremental innovations to delivering the outputs in the form of the Network Innovation Allowance. This is addition to the Network Innovation Competition that would provide a larger fillip for innovation on annual basis. Consultation closed on Friday 21 September. We are now reviewing responses and considering these against initial proposals to inform final proposals due to be published in December.</li> </ul>
<p><b>UNC Mod proposal 415</b></p>	<ul style="list-style-type: none"> <li>UNC modification proposal 415 seeks to create two types of gas balancing alert rather than the present one. This would allow notice of potential system balancing issues to be issued both on the day and at the day-ahead stage. The modification also defines methodologies for when these notices will be issued, and creates flexibility by allowing notices to be withdrawn when appropriate.</li> <li>The modification panel considered the Final Modification Report on 20th September, and proposal is now with Ofgem for decision.</li> </ul>