



Dora Guzeleva, Head of Network Policy: Local Grids
Ofgem
9 Millbank
London
SW1P 3GE

16th January 2013

Dear Dora

Low Carbon Networks Fund – electricity demand

Thank you for giving SSE the opportunity to respond to Ofgem's letter of 7th December 2012 on whether trials of certain electricity demand measure should qualify for Tier 2 funding under the LCNF.

SSE fully supports this move and we are already trialling different demand reduction and shifting methods in projects on our network. Indeed we believe that this kind of demand side management will form a crucial part of the enduring solutions which we and other DNOs find to the various challenges facing our networks.

It is also important for these measures to be included in the LCNF projects to enable the learning which is gained to be disseminated amongst other DNOs and the wider stakeholder group.

Ofgem's proposed changes to the LCNF Governance Document would allow DNOs to include these demand reduction and variation measures to be included in those which we can claim under the fund. We therefore support the proposed changes as drafted.

We hope Ofgem is able to make these changes and look forward to continuing our constructive dialogue on these important projects and governance.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Gareth Shields', written in a cursive style.

Gareth Shields
Networks Regulation