

Dear Dora

I write on behalf of the UK Demand Response Association (UKDRA) in response to your open letter of 7<sup>th</sup> December 2012 concerning electricity demand within the Low Carbon Networks Fund (LCNF).

The UKDRA is supportive of your proposal to amend LCNF governance to permit the use of electricity demand reduction and/or demand shifting within LCN projects. We believe that this proposal will reduce costs to consumers, permit connection of further low carbon technologies, and increase the efficiency and sustainability of the UK's electricity industry.

In response to your specific questions:

- 1. Do you agree that trialling electricity demand reduction or shifting through the LCN Fund could provide DNOs with valuable learning on their role in supporting the development of a low carbon economy?*

Yes, we believe that these and other benefits would accrue if electricity demand reduction or shifting were trialled within the LCN fund.

- 2. Does the drafting proposed in annex 1 facilitate the trialling of electricity demand reduction or shifting through the LCN Fund?*

The DRA is not in a position to state whether the revised drafting is *fully* adequate for the intended purpose. However, the method chosen – altering base definitions to include the desired technologies/approaches – would appear to be a very logical means of achieving the stated goal.

Please feel free to contact me or other DRA members if you would like to discuss this further.

Kind regards

Alastair

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