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Dora Guzeleva Head of Networks Policy: Local Grids Office of Gas and Electricity Markets 9 Millbank London SW1P 3GE

Your ref

Our ref

Date 28 January 2013

Dear Dora

Low Carbon Networks Fund: Electricity Demand

Thank you for your letter and the opportunity to contribute to the proposed changes to the LCNF governance document.

Demonstration projects that are testing demand response methods usually involve a measureable impact on the electricity system, and often include equipment at the customer premise forming part of the distribution system (used solely for the control of the distribution system, and with a dedicated communications path). Such projects are in our view already compliant with the current version of the governance document.

Your proposed amendments to the governance document (as detailed in Annex 1 of your letter) give additional clarity, especially where the benefits of demand response are shared with other parties (such as aggregators or suppliers). This clarification is therefore welcomed.

Should you wish to discuss any aspects of our response please contact Roger Hey.

Yours sincerely

Alison Sleightholm Regulation and Government Affairs Manager Western Power Distribution

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APPENDIX – Response to Questions

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.

2. Does the drafting proposed in annex 1 facilitate the trialling of electricity demand reduction or shifting through the LCN Fund? Yes, the proposed wording provides additional clarity.