

DECC/Ofgem Smart Grid Forum Meeting 9

The meeting discussed Office of Low Emission Vehicles Strategy, latest findings from Transform model, Work programme for Year 3 of the Smart Grid Forum	From Date and time of Meeting Location	DECC 25 th April 13.30-15.30 BIS Conference Centre, 1 Victoria St.	April 2013
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1. Present

1.1. See Appendix 1 for the list of attendees. Apologies were received from Sandy Sheard, Steve Unger, Roger Critchley and Mark Mathieson (Stewart Reid attended for SSE).

2. Introductions and opening remarks

2.1. Hannah Nixon thanked everyone for their attendance and summarised the agenda. She confirmed the minutes had been approved by email and that all actions from the previous minutes had been taken forward. Following the action to look at membership of the Smart Grid Forum, HN introduced two new members Sophie Neuburg (Consumer Focus) and John Mulcahy (British Gas).

3. OLEV Strategy

3.1 Richard Bruce explained that the Office of Low Emission Vehicles (OLEV) is a cross Government team based in DfT, combining policy, funding streams and staff from DfT, BIS and DECC. The last Government Spending Review announced provision of over £400 million to support OLEV's work to 2015.

3.2 RB explained that the work of OLEV is motivated by three opportunities. First, the move to novel forms of motive power represents a significant opportunity for UK economic growth. Second, to meet UK carbon targets, the automotive sector needs to be decarbonised by 2050 and a key element will be the move to ultra-low carbon vehicles, including electric and plug-in hybrid. Third, there are significant air-quality benefits.

3.3 There are four elements of Government action: infrastructure development, consumer incentives, R&D and fiscal measures. OLEV is technology neutral, so does not only promote electric vehicles but supports the deployment of all ultra-low emission vehicles. RB noted the importance of electricity networks in facilitating OLEV's agenda. As such, it has provided data to the Smart Grid Forum via Work Stream 1.

3.4 OLEV will publish a strategy refresh in the summer to cover the whole policy agenda. They are grateful to those who have already contributed and are still keen to gather more evidence.

Actions

Submit information for the OLEV strategy document to Ben Davison by 28th May – **All**

Circulate information about EV production capacity- **Ben Davison**

4. WS3 Phase 3 Report

4.1. Steve Johnson and John Scott outlined the findings from the phase three version of the "Transform" model (Slides attached). This model, which uses the latest DECC policy

projections, continues to show there is a positive business case for smart technologies. The strategy showing the greatest benefit is the "selective top down" approach.

4.2. The report describes the concept of "tipping points" and "trigger points" to support planning. A "tipping point" is the point at which it becomes more cost effective to take a strategic ("top down") approach rather than a case-by-case one. A "trigger point" is the point at which action is needed to be ready to respond to the "tipping point".

4.3. The model shows that while the bulk of network investment needed to accommodate low carbon technologies arises in RIIO ED2, there are substantial challenges for the DNOs to address in ED1. The majority of the new technologies that will be deployed in ED2 will make their first appearance on networks in ED1. This implies there will need to be close attention to innovation, capacity building and risk management.

4.4. The model is not overly sensitive to individual smart solutions and finds other smart solutions if any particular one is not available.

4.5. SGF members endorsed the report and agreed that it should be published on the website.

Action

Report to be published on the website - **Ofgem**

5. SGF Year 3 Programme

5.1. Gareth Evans introduced the proposals for the future work programme for Year 3 of the Smart Grid Forum following the discussion at the January meeting. Three new projects were proposed.

5.2. Firstly, Adrian Butt introduced the proposed project to refresh of the "Smart Grid Vision and Routemap". This will articulate the shared objectives for a GB smart grid and provide a framework to track progress in overcoming the challenges to smart grid deployment.

5.3. Dora Guzeleva introduced the revised scope of Workstream 6. This group would now carry out an assessment of the options for the development of smart grids, particularly in terms of how customers will engage with smart grids. It will also help to define the necessary roles of industry parties and the relationships between them.

5.4. Lastly, GE introduced the proposed terms of reference for the "Distribution Grid 2030" project which will aim to validate the technical viability of smart distribution network scenarios for GB in 2030 in a whole system (transmission & distribution) context. It was noted that this project would work closely with the ENSG's cross electricity networks project to avoid any duplication.

5.5. GE then outlined the proposals for the existing workstreams. It was proposed that WS1 – which is led by DECC - will continue to update and maintain shared assumptions and scenarios of the rollout of low carbon technologies in support of the Government's energy goals. WS3 will be responsible for providing governance of the "Transform" model including any necessary on-going maintenance and incorporation of any new data from WS1. WS4 will retain its primary role of identifying "closing door" issues and it will do this by maintaining/updating the risk register before each SGF meeting. WS5 will link the various smart grid web resources (including the new ENA LCNF website) together under a common portal.

5.6. The SGF agreed the proposals for the future work programme.

Action

Members to contact workstream leads if they would like to participate in these workstreams or recommend people from external organisations - **All**

6. Cross Electricity Networks Project

6.1. Mike Calviou introduced a draft report of the ENSG's "Cross Electricity Networks Project" which is considering the necessary interactions between different parts of the electricity network over the coming decades and the extent and type of challenges resulting from them. Through this work it will aim to identify what, if any gaps and overlaps exist with regard to the interactions required.

6.2. MC was grateful for the co-operation they had received so far from the DNOs and asked for their continued participation in this project. Tom Luff thanked MC for the lead National Grid is taking on this project and encouraged the continued participation of the DNOs.

7. European & International Update

7.1. John Christie brought members up to date on the latest developments on the EU Network Codes. He noted that ENTSO-E has recently sent final drafts of the Operational Security and Operational Planning and Scheduling Network codes to ACER. The OS code in particular, has implications for distribution networks, where clarification is needed on what notice they will be expected to give generators before they reconnect following resynchronisation after a network failure. Mike Kay from ENWL had been particularly involved in discussions on this and JC encouraged DNOs to continue full engagement on these proposed codes.

7.2. GE updated members on a recent Joint Research Council report on smart grids which identified the UK as an exemplar of research and demonstration on smart grids. GE also outlined the latest developments of the Smart Grid Technology Platform and the EU Smart Grids Task Force and agreed to send links so members could track progress themselves.

Action

Links to be sent for the JRC report, Smart Grids Technology Platform and EU Smart Grids Task Force – **Gareth Evans**

8. Any other Business

8.1. TL tabled the draft SGF Annual Report for its second year (2012-13). He noted that the purpose of this report is to communicate and celebrate the achievements of the SGF over its second year. It will also set out, at a high level, the programme of work planned for the coming year. DECC agreed to circulate the draft to the SGF after today's meeting for members to review and offer any content amendments. The presentation of the report would then be improved and it would be published.

8.2. GE said that Jonathan Radcliffe, a Senior Research Fellow at University of Birmingham, had been hoping to attend the SGF today but was unable to. He is interested in carrying out an initial study into the barriers to the deployment of storage. This would be based on 12-15 interviews, analysis and report writing. As storage is of continuing interest to the SGF there may be scope for some co-operation here, potentially through WS6.

8.3. Ash Pocock informed the SGF of a soon to be published report from the Smart Energy Special Interests Group (which he chairs) on Community Energy Schemes. This

work could have implications for smart grids and AP proposed that this could be an agenda item for the next SGF meeting.

8.4. JW commented that she thought DECC's engagement with the work streams was very valuable and encouraged the DECC team to prioritise this.

Action

Review the draft SGF Annual Report for Year 2 – **All**

Circulate the Community Energy Scheme Report to SGF – **Ash Pocock**

9. Next Meetings

9.1. HN informed members that the next meetings of the Smart Grid Forum would be held on Tuesday 30th July 13.30 – 16.00 at Ofgem and Tuesday 22nd October 13.30-16.00 at BIS Conference Centre, 1 Victoria Street.

Appendix 1

Attendees:

Hannah Nixon	Ofgem
Nick Jenkins	Cardiff University
Jim Sutherland	Scottish Power
Mike Calviou	National Grid
Chris Welby	Good Energy
Chris Harris	RWE npower
Judith Ward	Sustainability First
Marina Hod	Kiwi Power
Ashley Pocock	EDF
Gavin Jones	Electralink
Steve Johnson	ENWL
Phil Jones	Northern Powergrid
Graham Meeks	CHPA
Dave Openshaw	UK Power Networks
Duncan Botting	PB Power
Ben Davison	OLEV
Richard Bruce	OLEV
John Scott	Chiltern Power
Sophie Neuburg	Consumer Focus
Stewart Reid	SSE
Rob Symons	WPD
John Mulcahy	British Gas

DECC: Adrian Butt, Tom Luff, John Christie

Ofgem: Dora Guzeleva, Gareth Evans