

Dora Guzeleva
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By email to: Dora.Guzeleva@ofgem.gov.uk

28 March 2013

Dear Dora,

Low Carbon Networks (LCN) Fund: content and structure of second tier close-down reports

Thank you for the opportunity to provide comments on the format of the second tier close-down reports. This letter should be regarded as a collective response on behalf of our three distribution network operators: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc.

We have set out below our answers to your specific questions:

1. Is the structure outlined in Annex 1 sufficient for second tier close-down reports, or should we require information on further areas?

Due to their larger nature, LCNF Tier 2 projects will have published a number of documents prior to the close-down report, some of which may constitute Successful Delivery Reward Criteria (SDRC). While it is important that information and learning are summarised and referred to in the close-down report, we do not believe that it is appropriate to replicate the entire contents of these separate documents, as it will reduce readability. We therefore propose that a 'key project learning documents' section is added which refers to these documents. This section of the close-down report should also contain a high-level summary of the information contained in each report.

The techniques trialled as part of LCNF Tier 2 projects may involve a multitude of technologies and/or commercial arrangements. The cost of carrying out these trials will usually be higher than future business-as-usual costs as learning is being developed, and some projects may include additional risk mitigation measures to ensure security of supply for customers. Details of the anticipated business-as-usual costs of replicating the outcomes of the project should be provided to assist other DNOs seeking to implement techniques or arrangements trialled by others. This could form part of the requirements for the 'project replication' section (an explanation should be provided if these costs cannot be shared).

Finally, there should be a requirement to provide details of a 'key project contact' (which could be an email address) should another DNO or interested party require further information on the project.

2. Should there be a requirement for DNOs to consult with other DNOs on their close-down reports before publication?

We believe that it should be optional for DNOs to consult prior to publication of the close-down report, as we expect that a large proportion of the project learning will be published as part of project deliverables, and prior to the close-down report being written.

Additionally, a number of formal initiatives such as the Energy Storage Operators Forum and other events (workshops, dissemination events etc) typically take place across projects. These provide many opportunities for in-depth technical discussions, challenges from published project reports and consultation with other DNOs. We believe that the close-down reports form a small part of the overall project dissemination and outputs (i.e. many SDRCs include learning dissemination activities or reports), and therefore a consultation on the close-down report prior to publication would be of limited value.

We believe that the addition of a key project contact, as described above, will provide a more valuable and direct route for DNOs to seek feedback or request further information on projects that are of specific interest.

I hope that the above provides useful feedback to your questions. If you require more information, please do not hesitate to contact Paul Measday in the first instance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Hutton', written over a light blue horizontal line.

Keith Hutton
Head of Regulation
UK Power Networks

Copy: Paul Measday, Regulatory Returns & Compliance Manager, UK Power Networks