

## DECC/ Ofgem Smart Grid Forum Meeting July 2014

The meeting discussed the year 4 work programme, emerging smart energy technologies and updates from the work streams.	From Date and time of Meeting Location	Andrew White Tuesday 22 July 2014 1.30 – 4pm Ofgem, 9 Millbank	24 July 2014
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### 1. Present

See Appendix 1 for the list of attendees. Apologies received from Nick Jenkins, Vincent Thornley, Stewart Reid and Phil Jones.

Maxine Frerk welcomed members and confirmed that actions from the previous meeting had been undertaken.

Sandy Sheard informed the members that she is leaving DECC and thanked them for the work they have done during her time with the SGF.

### 2. Year 4 Work Programme

2.1. SS presented proposals for changes to the organisation of the Forum (outlined in a paper circulated prior to the meeting). The paper proposed:

- introducing a new work stream (WS9) to look at supply chain and innovation (this could include exploring the potential use of the SGAM model). In particular, SS noted that the new work stream would require a co-chair to work with Duncan Botting and invited nominations for co-chairs. She also requested volunteers or nominations to join the group. The first task of the group will be to develop clear terms of reference (ToR). The proposal for a new work stream was agreed by the members.
- closing down WS4. The proposal is to deal with “closing doors” issues as a standing item at SGF meetings. Members of the group will be able to raise any “closing doors” concerns for consideration. These can then be assigned to existing work streams or be dealt with by an *ad hoc* working group. The members supported the proposal. DECC confirmed that the SGF secretariat would maintain the risk register developed by WS4 to track closing doors.

2.2. SS noted that there has been some discussion about whether the SGF should have a budget. She suggested that the current arrangements have worked well – whereby organisations have put forward funding where it has been needed. She proposed to continue this arrangement, noting that Ofgem/ DECC could consider funding work where it is crucial and other funding cannot be secured.

2.3. SS noted that membership of the SGF has evolved over time to reflect the strategic needs of the group and suggested that it may be necessary to revisit this topic. In particular, she proposed that the SGF create a place for an additional member with a consumer background. This was supported by the group, noting that it will be useful for the Forum to consider new ways of engaging with consumer groups (i.e. in addition to the more detailed work stream activities). It was recognised that smaller consumer-facing organisations do not necessarily have the resources to engage effectively on an ongoing basis.

2.4. The members noted that the chairs of the work streams are responsible for ensuring that the appropriate groups are represented in their work. SS agreed, but noted that SGF members had originally been appointed to the Forum on the basis of their expertise and not simply to represent their respective organisations. She raised the issue of DNO representation and suggested that, after RIIO-ED1, not all DNOs needed to be at the Forum table. Steve Johnson agreed, noting for example that the DNOs have good involvement across the work streams and, therefore, do not necessarily need to all be represented at the main SGF. Jim Sutherland and Mark Drye supported this position.

2.5. Yselkla Farmer pointed out to the members that European issues are increasingly coming up in work stream meetings and suggested that the SGF has a strategic role to play in understanding EU smart grid regulation and legislation. The members agreed that it would be useful to discuss engagement with EU smart grids work in more detail at the next meeting.

2.6. Members agreed the Year 4 Work Programme proposals as set out in the paper.

Action	Person - By
Agenda item on European interaction at next meeting (WS9 to lead)	DECC/ Ofgem
Add standing agenda item on "closing doors"	DECC/ Ofgem
Members to send the secretariat nominations for the new WS9 Co-Chair	DECC/ Ofgem
Members to send the secretariat nominations on a "consumer voice" for SGF membership	DECC/Ofgem
Secretariat to draw-up forward-look of agenda item discussions	DECC/Ofgem

### 3. WS4 – feedback from 10 July workshop and proposed next steps

3.1. Gareth Evans and Duncan Botting provided feedback to the members on the WS4 workshop on the Smart Grid Architecture Model (SGAM). GE commented that the session proved to be very useful. He noted in particular that the session was well attended by both DNOs and non-utility organisation with interests in ITC, community energy and the smart grid technology supply chain.

3.2. The DNOs and non-utility companies reported on and discussed how they are currently using SGAM.

3.3. DB noted that SGAM is a model that can be used for examining how standards that apply for the different layers of smart grid architecture (e.g. the communications and component layers) interrelate. He noted that the model is widely used in Europe but based on European use-cases. He stressed that there is still opportunity, if the members wish to pursue it, to influence the use of the model to ensure that it takes into account GB use-cases.

3.4. DB reported that BEAMA and ENA have offered to carry out a piece of scoping work to establish a consistent way of applying SGAM. BEAMA commented that the first task is to retrospectively apply SGAM to completed LCNF projects. This work would offer an opportunity to scope an additional piece of work looking at future use cases in GB. The members agreed the proposed approach, noting the need to understand what the work on future use cases would achieve.

Action	Person - By
Carry out retrospective application of SGAM to a completed LCNF projects to establish a consistent understanding of how to use the model.	BEAMA/ ENA
Develop scope of work needed to develop GB specific use cases for SGAM model.	BEAMA/ ENA/WS9

## **4. Emerging Smart Energy Trends**

4.1. John Scott presented to the group on the emerging smart technology trends.

4.2. The presentation considered the steps that are moving GB towards realising the smart grid concept; LCNF, RIIIO, GB smart metering, TSB energy systems catapult, Smart Grid Forum, IET's PNJV expert group. John Scott noted that these steps are being taken against a backdrop of rapidly increasing global energy usage.

4.3. The presentation covered developments in smart technologies across a number of sectors (smart grids, smart transport, smart buildings etc.) and how they will interact in the future to create 'smart communities'. John Scott suggested that there is an increasingly close technological relationship between ICT and electrical systems. He suggested that this is part of wider developments contributing potentially to a system of smart communities based on the proliferation of sensor equipment, communications, intelligent processing and 'big data' analytics – this system of smart communities is sometimes known as the 'Internet of Things'.

4.4. JS encouraged members to feedback their thoughts to him. Post-meeting note: the presentation was circulated to members and JS agreed to collate any comments he received and report back at the next SGF meeting.

## **5. WS5 – update (web-portal and research co-ordination)**

5.1. GE informed the members that the collaboration agreement for the development of the web portal was now in place between the partners (ENA, SGGB, ETI, IET, TSB, HubNet, DECC and Ofgem). Funding of £35,000 has been put in place by the agreement and the partners expect to launch the portal in time for the LCNI conference in August.

5.2. GE also reported that good progress had been made in addressing the issues of smart grid research and knowledge dissemination. WS5 had engaged with the research community and the Low Carbon Innovation Co-ordination Group. He invited comments on the paper circulated.

## **6. WS6 – Regulatory and Commercial - Update**

6.1. Mark Askew noted that the last SGF asked WS6 to look at how the customer participation gaps identified by the vision and route map can be addressed. He updated the members on which customer participation gaps WS6 is covering, noted that most of the gaps are already covered within the WS6 work plan and that WS6 has set up a dedicated sub-group to look at consumer participation issues. He also noted that the group propose not to cover the question of articulating the wider benefits of smart grids. This was more of customer facing role for which the work stream lacks the necessary expertise. He did note that WS6 would be very happy to share it work with others, such as the Smart Meter Central Delivery body which may be better placed to undertake this role. Mark Askew also noted that the work stream did not intend to review current retail policy as part of its work. Mark noted that there was a dedicated team within Ofgem already looking at these issues and whilst it was important to ensure any relevant proposals were fed into WS6, it did not make sense to duplicate this work. There was some discussion about the interpretation of the Vision and Routemap actions. Maxine Frerk noted her personal commitment to ensuring strong links between smart grids and smart meter programme and suggested that the Smart Meter Central Delivery were briefed on the work of WS6 and the wider Forum.

6.2. Mark Askew also noted that since WS6 was taking on new work (including assessing the benefits of smart metering data and community energy, alongside the consumer issues) it was proposing to extend the timeline for completion by 6 months. This would result in a final report being produced in September 2015. SS commented that it would be good to receive regular updates at SGF on progress prior to the final report.

## 7. WS7 – 2030 Distribution System - Update

7.1. Steve Johnson updated the members that a consortium had been appointed to carry out the work on 'the physics' of the operation of the distribution network out to 2030. By the time of the next SGF a considerable amount of work will have been completed and a full report will be made to the Forum.

## 8. WS8 – Smart Grid Indicators

8.1. Adrian Butt reminded the members that WS8 is a new work stream set up to develop indicators for smart grid deployment in GB, as committed to in the Vision and Routemap. The purpose of the work stream is to track progress and identify areas in need of greater efforts with the aim of helping maintain momentum from smart grid innovation into business as usual. The first meeting of the group will be next month. The work stream will report back to the SGF in October. The plan is to finalise the indicators by January.

## 9. Horizon 2020 - Update

9.1. On behalf of Helen Fairclough, GE updated the members on Horizon 2020. Horizon 2020 has issued a call for proposals – making €71 million available for innovation projects with a focus on meshed offshore grids and the transmission grid and wholesale markets. GE noted that these sectors were not closely aligned with the work of the SGF. However, he also highlighted that organisations are welcome to come forward to contribute to the development of the 2016-17 call for proposals to Horizon 2020. Gavin Jones suggested that it would be useful to have a more detailed update on the fund as part of the discussion on Europe at the next meeting.

Action	Person - By
Include detailed Horizon 2020 update at next SGF meeting include EU Research funding opportunities as a standing agenda item under the international item in future	DECC/ Ofgem

## 10. Europe/ International

10.1. MA updated the members on Ofgem's current engagement on European smart grid policy issues which linked into WS6. He reiterated that a wider discussion on European developments was scheduled for the next meeting.

- Commission Expert Group 3 is drafting a report with recommendations on the role of the DSO. The paper will have three chapters; (1) flexibility (which Ofgem is leading), (2) regulatory and commercial issues and (3) incentives. Dora Guzeleva is Ofgem's representative at the meeting and will have editorial input on each of the chapters. The group is due to finish the report by the end of the year.
- The EU Commission has issued a survey to the NRAs (national regulatory authorities) on approaches to tariff and revenue setting. Ofgem provided responses. Responses will be reviewed by consultants (Mercados) who the Commission have employed to make recommendations on best practice by the end of the year.
- CEER (Council of European Regulators) DSO group is also preparing a report on future role of the DSO. There will be a consultation paper issued in November which will be open to all to respond to.

## 11. Any other business

11.1. Mike Calviou noted to the members that National Grid is consulting on a new System Operability Framework and is looking for stakeholder involvement.

11.2. John Scott circulated summary and full reports of the Scottish Government's Commission on Energy Regulation's assessment of the impact of Scottish independence on the energy system.

11.3. SS reminded the group about the principle of transparency on which the group is based, noting that members should declare any conflicts of interest. Secretariat to develop a policy on declaration of conflicts of interest to ensure transparency.

11.4. GE informed the members that the Energy Research Partnership will produce a report on Smart Grids by the end of the year.

11.5. SS invited the group to raise any "closing doors" issues – Noting that Sara Bell raised an issue about competition law and invited her to raise the issue with DECC directly.

## **12. Date of next meeting**

Tuesday 28 October – 13:30 – hosted by DECC

## **Appendix 1**

Maxine Frerk	Ofgem
Sandy Sheard	DECC
Mark Drye	Northern Powergrid
Dave Openshaw	UK Power Networks
Duncan Botting	PB Power
Ashley Pocock	EDF
Audrey Gallacher	Citizens Advice
Tim Rotheray	CHPA
Mike Calviou	National Grid
Robert Symons	Western Power Distribution
Nigel Bessant	SSE
Jim Sutherland	Scottish Power
Steve Johnson	ENWL
John Scott	Chiltern Power
Gavin Jones	Electralink
Yselkla Farmer	BEAMA
Judith Ward	Sustainability First
Ben Davidson	OLEV
Chris Welby	Good Energy

**DECC:** Adrian Butt, Robert Kinnaird

**Ofgem:** Gareth Evans, Mark Askew, Andrew White