

Neil,

Thanks for the chance to respond to your consultation.

Question 1: Do you agree with our initial assessment of each DNO's innovation strategy?

Getting the DNOs to try new things - and crucially, share the learnings is a good step to securing network innovation.

Some of the ideas I've read in the assessments seem worth trialling.

Yet, nearly all the ideas centre around building smart grids, adapting for renewable energies trying out new voltage tech.

What about innovation to reduce non-technical losses? They're just as important as technical losses, but overlooked as they're less sexy.

Any innovation to reduce non-technical losses reduces customer bills. To me it would seem an excellent area in which to innovate. Yet none of the DNOs seem to be innovating along this route.

For example, in 2009 one DNO ran a project from January to September. It wasn't anything amazingly sophisticated; but it was something they hadn't done before: an innovation.

I know of a success they had at a large supermarket. Their analysis suggested the store should consume 3.2 GWh/year. But the energy used was only 1.6 GWh/year.

They went out, tested the meter and found the current transformer ratio on the meter was set to 50/5 instead of 100/5. (see attached graph)

This meant the store was only paying for half of the energy they used. Their bills were £131,000 a year lower than they should be - the rest of us foot this charge. And the store has little incentive to reduce its energy use.

This wasn't the only success.

Through this new innovation, the DNO found 30 GWh of unbilled energy, of non-technical losses at just 60 half hourly sites. That's £4,800,000 of unbilled energy in a 6 month pilot.

It accounted for over 2% of the total losses in that DNO's area!

As far as I'm aware this innovation - *which unearthed £4,800,000 of unbilled energy* - wasn't even replicated in the DNO's other zone(s).

And you wonder whether other DNOs have tried the same project?

Imagine if 2% of the UK's losses could be wiped out just by one simple idea.

It's also a good precursor for the smart grid. After all, how smart is a smart grid with 1.6 GWh of losses at one site?

So returning to your question: I don't completely agree with your initial assessment of each DNO's innovation strategy.

I would like to see a proportion of this strategy dedicated not just to ideas that may or may not work - but on reducing non-technical losses. Something that's far cheaper to do, and has a big impact in reducing consumer bills.

Question 2: Do you agree with our proposed NIA for each DNO?

Similar to the answer to the above, I would like to see 10-20% of each companies NIA dedicated to finding innovative ways to reducing non-technical losses and then sharing those ideas.

Once again, thank you for the opportunity to submit a response to your consultation.

Ben Beattie