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Our Ref

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Date  
30<sup>th</sup> Sept 2014

Dear Arun

## **Further consultation on implementing the Discretionary Funding Mechanism under the Low Carbon Networks Fund**

Thank you for the opportunity to contribute to the above consultation.

Please find below WPD's response to the questions raised in your letter dated 21<sup>st</sup> August 2014:

**Question 1: Do you agree with our proposed approach to allocating the £100m across the rewards?**

Response: Yes, WPD believe the suggested approach is fair.

**Question 2: Do you have an alternate proposal for how we should allocate the £100m between rewards? Please explain why you think this is a better option.**

Response: No

**Question 3: Which of the two options for assessment of the STR do you support? Why?**

Response: WPD support the option of having 2 assessments, one in 2017 and one in 2020 or 2021. As we believe that as some projects closed in 2013, to wait until 2021, some 8 years later, for a potential reward is disproportionate.

**Question 4: If you support having two assessments, how should the available funding be split between the two and why?**

Response: The available funding for the two assessments should be split pro rata on the number of projects completed by the end of 2016, for the 2017 assessment, and the remainder for the 2020/2021 assessment.

Question 5: Do you agree with having one assessment for the FTPR?

Response: Yes WPD agree with having only one assessment for FTPR

Question 6: Should First Tier projects that conclude under the NIA be considered in the assessment? Why?

Response: As the mechanism for a potential reward was in place at the outset. Successful First Tier Projects, concluding under NIA, should still be eligible for this reward.

Question 7: When should we conduct the assessment for the FTPR? Why?

Response: The assessment should take place in 2019 as all eligible projects should be completed by 2018.

Question 8: Do you agree with our proposed changes to the criteria?

Response: WPD support the proposed changes to the criteria.

Question 9: Do you have any suggested alternatives to these criteria? Please explain why you believe they are appropriate.

Response: WPD have no alternatives to the proposed changes to the criteria.

Question 10: What do you believe is the most appropriate way for applications to be assessed? Why?

Response: WPD suggest that each DNO submits their applications based on the criteria in the suggested tables, providing clear evidence for each requirement. These should be assessed by OFGEM in conjunction with The Network Innovation Competition Expert Panel, as we believe this body is best suited to assess both innovation and customer benefits combined.

If you require any further information, please contact Mark Dale on 01179 332236 or [mdale@westernpower.co.uk](mailto:mdale@westernpower.co.uk)

Yours sincerely



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