|  |
| --- |
| Meeting 29 – Smart Grid Forum Work Stream 6 |
| Minutes from the meeting of the Smart Grid Forum Work Stream Six on Tuesday 11 November | From | Ofgem |  |
| Date and time of Meeting | Tuesday 11 November14.30 – 17.00 |  |
| Location | Ofgem, 9 Millbank |  |

# Present

|  |  |
| --- | --- |
| Jenny Rogers (JR) | SSE |
| Judith Ward (JW) | Sustainability First |
| Nigel Turvey (NT) | WPD |
| Graham Pannell (GP) | RES Ltd |
| Zoltan Zavody (ZZ) | RenewableUK |
| Jill Cainey (JC) | Energy Storage Network |
| Tabish Khan (TK) | British Gas |
| Violeta Argyropoulou (VA) | Elexon |
| Andrew Neves (AN) | Engage Consulting |
| Gavin Jones (GJ) | Electralink |
| Steve Cox (SC) | ENWL |
| Paul Bircham (PB) | ENWL |
| Alice Etheridge (AE) | National Grid |
| Liz Laine (LL) | Citizens Advice  |
| Duncan Jack (DJ) | Elexon |
| Adriana Laguna (AL) | UKPN |
| Andrew Spencer (AS) | Northern Powergrid |
| Joshua Partridge (JP) | Bird and Bird |
| Dora Guzeleva (DG) | Ofgem |
| Mark Askew (MA) | Ofgem |
| Chiara Redaelli (CR) | Ofgem |
| Amy Freund (AF) | Ofgem |

# Review of previous minutes

* 1. DG invited the group to send any comments on the previous meeting’s minutes and reviewed the actions. Several actions were carried forward, notably subgroup chairs to share workplans with Ofgem who will circulate across the Workstream. The action to develop a note on access to smart metering infrastructure was carried forward and CR noted she could update the Workstream on this.
	2. DG noted the EG3 report was not yet available so the action to circulate this will be carried forward. PB gave an update on progress with Passivsystems having installed its first heat pump and agreed to keep the Workstream updated.

|  |  |
| --- | --- |
| Action | Person – By |
| Circulate note on DNO access to smart metering infrastructure | AJ/Ofgem |
| Circulate EG3 report once available | DG |
| Keep WS6 updated on progress with Passivsystems | PB |

# Updates

Sustainability First event

* 1. JW updated the group on Sustainability First’s event on The Smart Electricity Consumer, noting the involvement of many Workstream members. Its report on household participation in DSR was discussed and discussion of established and future market actors’ thinking on DSR was held.

Ofgem Smarter Markets

* 1. CR updated the group on Ofgem’s work on DSR, noting it has been looking at policy areas which are complementary to the Workstream’s work. She noted stakeholder feedback received, suggesting coordinating work in industry and Ofgem and avoiding internal siloes. She highlighted the framework for DSR would not be published this year and Ofgem’s decision to take a step back to consider priorities in the near, medium and long term.
	2. She noted it would not change the Workstream’s work and Ofgem will consider outcomes from the Workstream together with the wider perspective. This work will be undertaken across Ofgem and CR will come back to the Workstream and wider stakeholders with further details in due course.

Elexon mod

* 1. VA updated the Workstream on Elexon’s consultation on half-hourly settlement for dynamically switched meters. An IA was issued on 5th November with 2 options, remaining from the 4 options considered in the June consultation following review by the settlement review group. She highlighted Jon Spence was the project lead to be contacted for further details and took an action to update the group on the process.
	2. JW noted the potential significance for customers with Economy 7 and DG noted links to another mod, DCUSA DCP204. She highlighted the importance of being aware of the linkages. JR committed to highlight the interaction to Dave Brogden who attends the group and the consumer subgroup took an action to consider the impact of both mods.

Ofgem European work

* 1. DG updated the group on European work, noting chapter 2 of the EG3 report was finalised and some recommendations were at a higher level than in previous drafts. For example, the recommendations now identify the need for an adjustment mechanism in wholesale markets to mitigate impacts on incumbent suppliers for flexibility service providers, but does not specify an adjustment mechanism. DG noted that versions of the Visibility group’s charts were presented and that a draft of chapter 3 on incentives is in progress.
	2. LL asked whether thought had gone into communication of DSR / smart measures on energy labels and products or appliances. DG noted that this Workstream had not discussed it, but there is some European discussion of smart grids standards.

SGF

* 1. DG gave an update from the SGF. It was agreed that Workstreams would pick up European work and try to coordinate more closely and noted WS6 already has this as an ongoing agenda item. There was also discussion of the many LCNF projects completing this year and how key learning was to be picked up and by whom. There was also discussion of the question of access to LCNF data following letters from universities on the subject.

|  |  |
| --- | --- |
| Action | Person – By |
| Highlight interactions of half hourly settlement mod with mod 204 to Dave Brogden to ensure interactions are picked up  | JR |
| Update the Workstream on the half hourly settlement mod process, including timeline for considering responses and present back once spoken to DCUSA group | VA – Elexon |
| Consider both mods discussed, particularly in relation to potential impacts for Economy 7 customers | Consumer subgroup |
| Update the group following EG3’s November drafting meeting on Ch3  | DG |

# Reflections on the LCNF learning workshops

* 1. The Workstream discussed the LCNF learning workshops held in October. JC noted it was useful to hear projects’ emerging conclusions, which could be useful on an ongoing basis but needed to consider DNOs’ workload constraints. LL highlighted that CAB is undertaking some work on the back of them with a consultant to pick up some of the learning. WS6’s role in picking up policy learnings was highlighted.
	2. ZZ raised a question about the confidence level for DNOs to roll out learnings. DG said that learning on technical issues can be rolled out immediately as projects propose mods to design standards. DG noted DNOs are also interested in commercial as well as technical issues and should pick up this learning. Potential regulatory or policy issues should be picked up by WS6.
	3. SC noted DNOs are strongly incentivised to select the most efficient solutions and would expect policy issues to be resolved naturally. He noted timing could be the only potential issue with some projects in progress and noted IFI outputs may become T1 / T2 projects.
	4. JW suggested there was a need for a broader, thematic review of learning emerging from the projects, to ensure learning was accessible and broader understanding paid for by consumers was not missed and to avoid duplication of work.
	5. DG noted that discussions about more global issues have taken place and letters from universities suggest they have a strong interest in analysing learning. Ofgem and DNOs took an action to consider what data should be made available and to whom, noting there was no reason why anonymised data should not be released barring specific commercial arrangements.
	6. The group discussed a summary table identifying key learning points for each subgroup. Those groups looking at potential barriers and enablers should take some issues picked up through the LCNF workshops as inputs for their reports. Groups such as the Distribution of Value can plan to incorporate findings in their reports in December.
	7. CR highlighted the example of EDRP, where a large complex data set was anonymised and published, and offered to share this with the group when available.
	8. It was emphasised that it is the DNOs’ responsibility to pick up learning and roll out those solutions with positive net benefits. The group discussed the possibility that SDRCs could include a requirement to refer relevant findings to a group such as WS6, in the same way as some currently stipulate a consultation document must be produced. An action was taken for another discussion to be held at a future opportunity when the group is next thinking about LCNF learning and how projects may be given the opportunity to indicate where they think there may be policy implications of learning.

|  |  |
| --- | --- |
| Action | Person – By |
| All DNOs and Ofgem to consider data availability from projects | DNOs and Ofgem.  |
| Circulate summary table of LCNF learning to subgroups | Ofgem |
| Subgroups to pick up key LCNF learning points regarding potential barriers and enablers | Subgroups |
| Share link to EDRP data with Workstream as an example of how an anonymised dataset can be made available.  | CR |
| Revisit the discussion about approach to incorporating LCNF learning into WS6 work | Ofgem |

# Shared services framework – AE

* 1. AE updated the group on the Shared services framework. She noted it is a group of DNOS, National Grid and Scottish TOs. The group looks at sharing of DSR resources between multiple parties. The group is focused on I&C and actions that can be taken within ED1. The aim is to develop a framework for two parties to access DSR resource, considering asset-sharing and alignment scenarios. (In alignment scenarios, both parties benefit from the same DSR action, while in asset-sharing scenarios, prioritisation between parties is needed). There is a hierarchy based on need and firmness, with DNOs proposed to have higher priority, given the broader area the SO and TO can typically select from.
	2. The group discussed the freedom of commercial choice for the DSR provider deciding whether to contract with one or the other party or both through these arrangements, noting this could be a similar issue for domestic DSR when the time comes. The group discussed the question of commercial incentives and AE noted that the assumption was that the provider could weigh up which party offered more.
	3. The group had not yet determined whether parties signing up would need to choose between asset-sharing and alignment. Asset-sharing would have no detrimental impact on either party and an agreement up front is expected. ZZ enquired about the relative purchasing power of DNOs and TSOs and the group commented that this will vary depending on times and circumstances. AE noted this could, at times, mean NG needed to choose a slightly more expensive option, but one which gave the most effective outcome for consumers system-wide. She noted current volumes were not significant, but volume / cost safeguards to trigger a review, such as a system to compensate parties, may be included.
	4. JW highlighted a question around customer interest, noting prices will change and the arrangement is administered. PB noted the DNO and NG could approach a customer with a joint product offering from a coordinated approach, noting that without this a race to get to the customer may not produce the best deal. It was noted that the next phase will consider contractual arrangements and will need to look at customer engagement.
	5. There was a comment that this work doesn’t pick up the rest of the value chain, eg retail market and that the framework needs to sit in this context. AE noted the next step will involve more stakeholder engagement, including suppliers.
	6. The group noted that competitiveness and transparency issues need to be considered and JC noted the potential for the arrangement to be considered and decided on a week-ahead basis, based on price.
	7. AE summarised the consultation responses and next steps, including safeguards including triggers for review and the potential for a trial, and agreed to circulate a link to the response to the consultation, expected in the coming week.

|  |  |
| --- | --- |
| Action | Person – By |
| Circulate link to Shared Services Framework response when available | AE |

# Subgroup updates

* 1. **Consumer subgroup**: TK updated the group on the draft protections toolkit, noting it was not exhaustive and was meant to present a set of hypothetical options. He outlined the subgroup’s discussion about whether protection measures could be implemented voluntarily, through regulation or as transitional measures. He agreed to circulate the toolkit as a working draft.
	2. TK highlighted links with Distribution of value and a discussion at the Sustainability First conference about winners and losers from DSR, noting the example of potential for tariff caps to have an impact on value as well as being a protection measure. Subgroup chairs took an action to arrange cross-over meetings where useful, such as between the Consumer and Distribution of Value groups.
	3. **DG & Storage subgroup**: ZZ updated the group on the subgroup’s work on flexible connection arrangements and services DG & storage can offer. He presented the summary note and table the group has developed and welcomed comments. He highlighted some consistency with the LCNF learning note.
	4. The DG & Storage group will report back at the next meeting on constraints management for DG. The question was raised of what barriers were identified through trials to DG and storage co-locating. JF highlighted questions raised by SNS about applications of ROCs and FITs and noted SNS will be making recommendations that the group can consider.
	5. ZZ presented the paper with questions for the Workstream to consider, particularly to confirm whether the eight proposed priority areas are the right ones, and whether the subgroup is the right place to consider them. The group suggested the last two are being covered by SNS so it could be more of a watching brief for the subgroup, rather than covering them in detail. DG highlighted the need to document them and who is taking them forward, perhaps in the WS6 report.
	6. The group suggested further prioritisation of services, perhaps considering cost comparability with other techniques and the point at which a service may become more economic than the alternative as an aid to prioritisation. SC also asked if the subgroup had considered market issues, which ZZ noted has not yet been looked at.
	7. **Smart metering subgroup**: SC updated the Workstream on the subgroup’s work looking at the smart metering benefits to identify any new benefits or barriers to realising any of these. They have identified a number of generic barriers or risk areas and prioritised these, suggesting which industry group should look at them, to bring back to the Workstream. The Workstream reviewed these, noting one potential area of benefit the subgroup had identified, the potential to use partial load limiting to avoid rota disconnection in emergency circumstances. The consumer group took an action to consider this.
	8. **Visibility subgroup**: TK updated the Workstream on the Visibility subgroup, highlighting progress in developing a spreadsheet indicating what notification is needed pending comments on the SO-lead scenarios. He highlighted the draft skeleton report developed to accompany the template and that the group’s next steps were to identify materiality thresholds, identify barriers and potential solutions.
	9. TK highlighted a joint meeting would be needed with the Distribution of Value group and possibly others, including DG and storage. He suggested the group would be in a position to circulate the report in January, particularly following input from the Distribution of Value group, and took a shorter-term action to circulate the visibility flow diagrams developed for input into the European work.
	10. **Distribution of Value subgroup**: TK gave an update on the Distribution of Value group’s work. He highlighted the need to align with the Visibility group in a joint session and outlined the group was working on the numbers for estimating values for different parties. The group would be looking more closely at the LCNF learning in its next steps. TK highlighted the group was aiming to update its report by mid-January.
	11. **Community Energy subgroup**: DG updated the group on the work of the Community Energy subgroup. She highlighted that it had developed a new approach and proposed to look at actual case studies. She highlighted the importance of the group and that it had been requested by stakeholders.

# AOB

* 1. AF highlighted BEAMA request to circulate the invitation for its December event to the Workstream and took an action to circulate this.

|  |  |
| --- | --- |
| Action | Person – By |
| Circulate consumer protections toolkit as a working draft under development | TK / CS |
| Arrange joint meetings between subgroups, notably Consumer and Distribution of Value groups, and Visibility and Distribution of Value subgroups | Subgroup chairs |
| Workstream to provide comments to the DG & Storage group on its paper and questions | All |
| Consider new potential benefit identified by smart metering subgroup  | Consumer subgroup |
| Circulate visibility flow diagrams developed for European work to the wider Workstream | TK |
| Update the Workstream on the Distribution of Value group’s methodology at the next meeting | AJ  |
| Circulate BEAMA’s December event invitation to the Workstream  | Ofgem |

# Dates of future meetings

* 1. 14.30 – 16.30 Tuesday 9 December
	2. 13.30 – 16.30 Friday 30 January (tbc)