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| Meeting 30 – Smart Grid Forum Work Stream 6 |
| Minutes from the meeting of the Smart Grid Forum Work Stream Six on Tuesday 09 December | From | Ofgem |  |
| Date and time of Meeting | Tuesday 09 December14.30 – 17.00 |  |
| Location | Ofgem, 9 Millbank |  |

# Present

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| Jenny Rogers (JR) | SSE |
| Judith Ward (JW) | Sustainability First |
| Zoltan Zavody (ZZ) | RenewableUK |
| Jill Cainey (JC) | Energy Storage Network |
| Tabish Khan (TK) | British Gas |
| Andrew Neves (AN) | Engage Consulting |
| Gavin Jones (GJ) | Electralink |
| Duncan Jack (DJ) | Elexon |
| Adriana Laguna (AL) | UKPN |
| Andrew Spencer (AS) | Northern Powergrid |
| Tamar Bourne (TB) | Regen SW |
| Andrew Neves (NS) | Engage Consulting  |
| Gemma Briance (GB) | Bird and Bird |
| Yselkla Farmer (YF) | BEAMA |
| Emma Pinchbeck (EP) | Micropower Council |
| Conrad Steel (CS) | Citizens Advice |
| Maria Liendo (MS) | SSE |
| Andrew Jones (AJ) | EDF |
| Phil Proctor (PP) | ETI |
| Dora Guzeleva (DG) | Ofgem |
| Mark Askew (MA) | Ofgem |
| Chiara Redaelli (CR) | Ofgem |
| Keavy Larkin (KL) | Ofgem |

# Review of previous minutes

* 1. DG invited the group to send any comments on the previous meeting’s minutes and reviewed the actions. An action was carried forward for the subgroup chairs to input to the Storage and DG subgroup, most notably the Consumer Protection subgroup.
	2. The action to circulate the EU Commission’s Expert Group 3 (EG3) report was also carried over and it will be shared after the next EG3 meeting on the 17th.

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| Action | Person – By |
| Subgroup chairs to input to the Storage and DG subgroup | Subgroup chairs |
| Circulate EG3 report after the 17th December | KL |

# Updates

European Update

* 1. KL updated the group on CEER’s Distribution System Operator (DSO) Consultation document. Subject to approval by the General Assembly, the document will be published for consultation. The consultation considers different regulatory tools to reflect current differences in activity profiles, unbundling, structural and technical issues. It doesn’t seek to impose a single regulatory solution for DSOs across Europe.
	2. The Consultation has three chapters, the first examines the existing and future activities of the DSO, its core role and areas for further regulatory control. A framework has been developed that can be used by policy makers and regulators to determine what tasks a DSO should perform in the future. It should be noted that different conditions exist in current activity profiles and unbundling structures in different member states, so the application of the framework may lead to different results for different Member States. Chapter 2 discusses the increasing involvement of the DSO in system operation and the implications for the relationship between transmission system operators (TSOs) and DSOs. Chapter 3 focuses on the regulatory incentives needed to bring about these changes.
	3. GJ asked whether Ofgem were happy with the document. KL replied that Ofgem was broadly satisfied with it, was happy that it didn’t close any doors for DSO involvement in flexibility in the future.
	4. DG then updated the group on the EG3 report. She confirmed that it would be possible to circulate the latest version of Chapter 2. The controversial recommendations in chapter two have been amended so they are now a much higher level. However, DG warned that the Commission may do further work on this in the future. At the moment, there is nothing to report on Chapter 3. DG will update WS6 after the meeting on the 17th December.

SSEPD Shetland Consultation

* 1. ML gave an update on the recent Shetland Consultation and some background on the situation in Shetland. ML explained that the two main power stations on Shetland are approaching the end of their lives.
	2. The consultation is a pre tender consultation and is due to close on December 19th. The tender process will begin in 2015. This tender will focus around capacity, intermittent generation (renewables), DSR and ancillary services. Interested parties can bid for one service or more. Key learning from NINES should be integrated into the tender process. EP indicated that she has forwarded on the consultation details to her contact list but that she will not be commenting directly.
	3. DG commented that through NINES, a 1MW battery, tidal station, district heating, domestic thermal storage and DSR have been fully integrated. Ofgem is very keen to ensure that innovation and smart grids are being picked up as Shetland could be the test bed for a GB demonstration of smart grids. She encouraged stakeholders to respond to the consultation with views of how this could be done, before or after the consultation closes.
	4. TB asked whether there had been any interest from local community groups, to which ML and DG answered that there had been 3 or 4 community events in November and that the local community are fully aware of the.

BEAMA update on the CAD

* 1. YF updated the group on the publication of BEAMA’s guide to the CAD, which is available on BEAMA’s website and on the UK Smart Grid Portal. DG asked if YF could take an action to come back to the next meeting and present on the contents on the guide. DG noted that there are other standards groups looking at similar issues. AJ asked whether DNOs and suppliers are represented on the respective groups. EP answered that they are represented but there is a need for more smart grid focussed people to be involved. YF answered that her group is more focused on manufacturing.
	2. YF noted that Tim Bailey from DECC will be talking about the CAD at TechUK in January. The group suggested to ask Tim to come to a WS6 meeting to present. The subgroups took an action to prepare questions for Tim beforehand.

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| Action | Person – By |
| YF to present on the guide to the CAD at the next WS6 meeting  | YF |
| To invite Tim Bailey to present on the CAD at a WS6 meeting | Ofegm |
| Subgroups to develop questions for Tim beforehand | Subgroup chairs  |

# Storage & DG subgroup

* 1. ZZ presented the subgroups work on flexible connections. ZZ’s slides posed two key questions: 1. Can some form of risk mitigation be offered for flexible non-form connections? 2. Once the network has been reinforced, what access should pre-existing non-firm connectees have to the new capacity created? AL and ML commented on the wording of point two, that having access is not a problem for the connectee, it is more a question of who bears the cost. DG noted that access and cost are connected. ML commented that there is a third issue – which is how to identify a clear signal for when to trigger reinforcement.
	2. ZZ’s slides covered 3 scenarios for connection. ZZ asked the group to comment on whether these cover all scenarios. JR commented that clarity should be given on where connection costs end and DUoS begins. DG commented that the Common Connection Charging Methodology sets this out very clearly. JR asked whether the boundary came at the right place. DG commented that DNOs have a licence obligation to annually update their methodologies to ensure that they are efficient. ML commented that it was probably out of the scope for the sub group to discuss changes to the connection boundary.
	3. DG reminded the group of the context for this work. DUoS customers pick up 50% to 70% of reinforcement costs. It is important to understand that when DNOs avoid reinforcing the network DUoS customers benefit through non-firm connections.
	4. JC then updated the group on the work that the subgroup had done addressing the actions allocated to it from the LCNF workshop.
	5. JC explained that the consumer perspective will be considered in the final paper, and took an action to circulate the paper to the chair of the Consumer Protection subgroup.

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| Action | Person – By |
| Share copy of storage and DG paper with consumer subgroup | JC |
| Community Energy subgroup to look at storage  | Community Energy Chair |
| WS6 to review LCNF workshops table produced by JC | All |

# Consumer Protection subgroup

* 1. CS updated the works team on the work of the subgroup. The subgroup has produced 3 documents: an assessment of the options from the consumer perspective of the options, a document detailing the risks to consumer of each option, and a document detailing a toolkit of protections that could be put in place to mitigate these risks. In the consumer risk document, the group identified 4 risks: cost, volume, complexity and automation. The subgroup has worked on the assumption that automation is invisible to the customer but pointed out this remains to be tested in practice’.
	2. The group is still considering how automation and manual override will work in practice and the risk of increased cost that may arise from using an override function, for instance if using the override pushes the customer into a higher DUoS cost band or tariff. The complexity to the consumer and the transparency of arrangements is still needed to be considered. YF asked the group whether they had looked at automation. YF commented that automation has a different value when used on a whole house basis.
	3. CS then described the work the group have done is producing a risk register. This register is considering the risk of conflicting signals from different parties, how costs will be treated for consumers who do not or cannot participate in DSR, third party intermediaries and automation. DG reminded the group to be conscious of fuel poor customers and that the options were specifically developed to take account of them.
	4. PP asked whether the group was linking their work on the risk of increased cost to the consumer to energy prices.

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| Action | Person – By |
| Circulate consumer protections toolkit  | Ofgem – KL |
| Provide comments on toolkit  | All |

# Community Energy and Energy Efficiency subgroup

* 1. EP updated the group on the progress of the Community Energy and Efficiency group. EP will resign as chair as she is moving to a new role. She commented that the group have had expressions of interest from Community England to move the work forward. Peter Smith from NEA has circulated a paper of recommendations for energy efficiency and EP has suggested that he come and present it to the group.

# Distribution of Value subgroup

* 1. AJ will circulate the latest version of their paper in early January. The paper has taken into consideration the learning from the LCN Fund Network trials. DG asked the chair to circulate the methodology to the wider group.

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| Action | Person – By |
| Circulate paper and methodology | AJ |

# Visibility subgroup

* 1. TK updated the group on the work of the Visibility subgroup. A paper has been drafted and input is being sought from members. DG noted the importance of having the paper reviewed by a few ‘critical friends’. The group took an action to set up a meeting between the Visibility subgroup and the Distribution of Value subgroup.

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| Action | Person – By |
| Set up meeting between Visibility and Distribution of Value subgroup | AJ |

# Smart Metering subgroup

* 1. DG gave an update to the group on the subgroup’s progress. The group had developed a paper on losses which could be presented at the next work stream meeting. DG also noted that there are two groups under the ENA are losses and energy efficiency and took an action to send an invite for these meetings to AJ.

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| Action | Person – By |
| Smart metering subgroup to discuss losses from the gas supply side | Ofgem TM |
| Send invite for energy efficiency group meetings to AJ | – Ofgem CC |

# AOB

# Dates of future meetings

* 1. 14.00 – 16.00 Friday 30th January