

Rhianne Ogilvie
Ofgem

By Email

Your Ref: EED report

09-April-2015

Dear Sir/Madam

Ofgem Consultation on assessing the energy efficiency potential of Great Britain's energy infrastructure

Please find below the response from Northern Powergrid to the open consultation. Ofgem has posed two questions, which are answered below.

1. [How well do you think this report assesses the energy potential of the gas and electricity infrastructure in GB? Please explain your answer with reference to the Regulation 6 text.](#)

Within the constraints of Regulation 6, we are of the view that the report is reasonably reflective of the energy efficiency potential of the electricity infrastructure in GB. It has to be acknowledged that Regulation 6 requires 'concrete measures' that has been defined as energy efficiency measures that have a defined commitment in time, cost and achieved benefit.

It is noted that Ofgem's comment that,

'...the report are in total, less than those reported in DNOs' business plans... ...we expect that, as a minimum, the final report will be consistent with information found in business plans...'

As a participant in the working group, I am of the view that this report is consistent with information in the DNO Business Plans. It has to be recognised that the DNO Business Plans were developed under RIIO guidelines, which are not the same as Regulation 6.

2. [Do you think there is anything else that should be included in the assessment? Can you provide evidence of the benefits it would provide to consumers?](#)

We do not believe that there is any additional information that can be captured in this assessment that has not been presented in the Losses Strategies. The Losses Strategies captures additional actions that we intend to investigate and invest in energy efficiency, and

NORTHERN POWERGRID

is the trading name of Northern Powergrid (Northeast) Ltd (Registered No: 2906593) and Northern Powergrid (Yorkshire) plc (Registered No: 4112320)

Registered Office: Lloyds Court, 78 Grey Street, Newcastle upon Tyne NE1 6AF. Registered in England and Wales.

If you would like an audio copy of this letter or a copy in large type, Braille or another language, please call 0800 169 7602

www.northernpowergrid.com

as mentioned above, these schemes will not be classified as concrete measures under Regulation 6.

Below are some recommendations that we make to improve the report.

- On smart metering losses it would be good to convert the 2.5% into a GWh figure and therefore an annual cost. Also is it 2.5% of the 7.2% total losses (in 3.1).
- Section 5.1.2 when discussing optimising conductors doesn't make any sense. Changing conductor size is discussed above it and changing conductor type is discussed later on.
- Section 5.2.1 needs to make an observation that reducing voltage will reduce the headroom for connecting more PV etc.
- Section 6.1.5 states the 22/20kV network is discontinued, this is incorrect and 66kV needs to be added.
- Section 6.1.6 should have the caveat that to avoid a greater level of reliability impact on customers this technique will be attractive on networks that use network automation via their Network Management System
- Section 6.1.7 clarity on the synergy with black start i.e. battery size would remain the same.
- Section 6.2.3 needs refining to identify that it is selective actives rather than across the industry. Just needs wording similar to the others
- Section 6.3.1 I'm not sure how smart meters can be used to schedule loads - just talking about tariffs in the first para seemed ok
- Somewhere in the document should be a reference to the challenge of achieving Ofgem's target unit costs whilst also achieves loss reduction when most of the measures require an additional level of cost. This should therefore factor into the ED2 cost assessment process.

If you have any further questions, please do not hesitate to contact me on michael.walbank@northernpowergrid.com or by phone 0191 229 4204

Yours sincerely



Mick Walbank
System Planning Manager