

## Meeting 32 – Smart Grid Forum Work Stream Six

Minutes from meeting 32 of the Smart Grid Forum (SGF) work stream six (WS6) on Wednesday 25 February 2015.

From  
Date and time of Meeting  
Wednesday 25 February 09.15am – 11.45am  
Location  
Ofgem, 9 Millbank

25 February 2015

### 1. Present

Tabish Khan (TK)	British Gas
Conrad Steel (CS)	Citizens Advice
Andrew Jones (AJ)	EDF Energy
Gavin Jones (GJ)	Electralink
Andrew Neves (AN)	Engage Consulting
Steve Cox (SC)	ENWL
Paul Bircham (PB) (phone)	ENWL
Jill Caine (JC)	Electricity Storage Network
Nigel Fox (NF)	National Grid
Andrew Spencer (AS) (phone)	Northern Powergrid
Maitrayee Bhowmick- Jewkes (MBJ)	Npower
Seb Blake (SB) (phone)	OpenEnergi
Tamar Bourne (TB)	Regen SW
Dave Sowden (DS)	Sustainable Energy Association
Gaia Stigliani (GS)	Sustainable Energy Association
Fraser Wallace (FW)	Sustainable Energy Association
John Bird (JB) (phone)	Sustainability First
Judith Ward (JW)	Sustainability First
David Boyer	UKPN
Dora Guzeleva (DG)	Ofgem
Tim Aldridge (TA)	Ofgem
Amy Freund (AF)	Ofgem
Andrew White (AW)	Ofgem
Chiara Redaelli (CR)	Ofgem

### 2. Minutes from previous meeting

2.1. DG reviewed the minutes and actions from the January WS6 meeting. She relayed a suggested change to the minutes proposed by Zoltan Zavody (ZZ) to the group. There were no objections to the proposed change, so the minutes will be updated to reflect this.

2.2. In relation to previous actions, DG highlighted the importance of the Workstream providing comments on the consumer protections toolkit, noting its importance and the group's role in the context of the Vision and Routemap and actions from the SGF.

2.3. JC, NF and PB noted they would be responding or had already responded to the CEER consultation on the role of the DSO. PB highlighted several points of concern which ENWL addressed in its response. DG highlighted the importance of all reviewing the consultation and reiterated the deadlines.

2.4. TA highlighted a comment received from ZZ on the subgroup chapter template name and clarified that each subgroup's completed template would not necessarily translate directly into a chapter in the final report, but the templates were intended to

provide a common format for subgroups' findings to be collated. He noted that the Workstream, with support from Ofgem, would then review these to identify whether any gaps or inconsistencies, or cross-cutting questions were present. DG confirmed that Ofgem would draw the subgroups' input together into a single report, with comments and discussion from the Workstream. TA reiterated that the completed skeleton chapters were due to be circulated to the Workstream before the March meeting.

Action	Person – By
Incorporate proposed changes received from ZZ to the January meeting minutes	Ofgem – 28 Feb
Subgroups to submit skeleton chapters to the Workstream	Subgroup chairs – 23 Mar

### 3. Updates

3.1. DG updated the group on Ofgem's ongoing work on flexibility, highlighting that JW is working with Ofgem and Ofgem will come back to the group with further details in future. CR said that Ofgem may consider holding a stakeholder workshop or may use Workstream 6 as a forum at a meeting where other interested parties also attended. She highlighted that an open letter will probably be published in early summer with findings and questions, to provide an opportunity to provide views.

### 4. SEA presentation

4.1. DS and GS presented on the SEA's recent work on value of DSR. GS described the modelling work undertaken, based on varying assumptions to identify sensitivities in DECC 2020 scenario modelling, which they noted were available online. The work identified 5 key scenarios including a move towards decentralised generation, reducing the average temperature of UK homes and installing maximum levels of insulation. DS outlined that, collectively from these measures, economic savings of £12bn / year by 2050 could be identified.

4.2. GS outlined that the work had considered TOU tariffs as a way of reflecting the value which exists in the value chain. She stated that this was just one way to reflect the value which these technologies could bring, and other approaches, such as a large-scale installer offering a discount on heat pumps could be an example of another approach. In particular, GS highlighted SEA's findings showing that optimising a heat pump running regime so that it cost-minimised on a load curve would save £500/year (or £700 with RHI subsidies). SC queried the work's assumptions about the impact on marginal price in the second period as system marginal plant could become more expensive. DS clarified that SEA's work had not looked at this, and they only suggested there is a business case for something similar to P272 for profile classes 1-4. DG highlighted that technology could enable load shifting without creating a new peak and the key question was how much could be saved.

4.3. The group discussed half-hourly settlement and possible approaches to DNOs sending locational price signals. DS highlighted load-flow modelling which had been undertaken in a previous WS4 report, although the SEA felt it placed less emphasis on newer technologies such as micro CHP or heat pumps and they saw a case for updating the work. AS highlighted that CLNR looked at similar questions in detail and agreed to circulate a link to the CLNR report to the Workstream (JB subsequently circulated this [link](#)<sup>1</sup>). GS also highlighted local energy market analysis from Swan Barton and ESN suggesting there would be benefits to consumers with different parties playing a part. CR asked whether implementation costs were taken into account. GS highlighted that undertaking a full CBA would be the next step.

<sup>1</sup> Updated CLNR modelling on the impact of LCTs on the distribution network: Beginning at paper L248 and papers referenced in it

Action	Person - By
Circulate <a href="#">link</a> <sup>2</sup> to CLNR study on load-flow modelling	AS / JB

## 5. Distribution of Value methodology update

5.1. AJ updated the group on the Distribution of Value group's work on the methodology. He highlighted that three DNOs would be presenting in an extended subgroup meeting on 12 March on how they would work out the potential value of DSR.

5.2. He set out several general principles, such as that value would be site-specific, and networks would be looking at smaller areas, therefore have a smaller number of customers, and that the question was primarily a capacity question for DNOs. He outlined that the group had also discussed barriers and would progress to add solutions and recommendations, so expected the methodology to be finalised in March.

5.3. AJ stated that the group had been awaiting learning from LCNF. DG highlighted the importance of considering the project-specific context for LCNF project learnings.

## 6. Smart metering subgroup papers: data aggregation; losses

SC updated the group on two papers developed by the smart metering subgroup. He outlined work on aggregation of smart metering data. He outlined their emerging findings, noting that aggregation at a higher level than two customers could reduce the available network benefit. DG emphasised that every user of smart meter data needs proper processes in place to protect data. The working group will be looking at anonymisation processes, such as processes to prevent multiple data requests on a single property, and will bring their report back to the group.

SC then gave an overview to the group of their work on the use of smart metering data in relation to network losses management and highlighted key factors which included the time period for measuring losses and how phase imbalances would be handled in the context of losses measurements. He outlined key questions they are seeking feedback on, which are included in their paper. These relate to the design of a potential incentive mechanism, particularly whether it should look at absolute or percentage losses, the scope of considerations for a potential incentive (eg whether it would extend to customer-side actions), and whether it should be driven by measured or modelled losses. Feedback was also sought on the customer appetite for the rate of losses reduction actions. It was also noted that the ENA regulation group should be involved on any incentive development work in the future.

Action	Person – By
SM group to return with data aggregation report	SC – March WS6 meeting
Provide comments in response to losses questions outlined in the smart metering group's paper.	All – 4 March

## 7. Sub-group updates and LCNF learning

7.1. The subgroups' progress against their outlined plans was not discussed, but a standing action was adopted to maintain and update their slides with progress against the plan.

<sup>2</sup> Updated CLNR modelling on the impact of LCTs on the distribution network: Beginning at paper L248 and papers referenced in it

7.2. The subgroup chairs updated the Workstream on how their groups were picking up relevant issues identified through the LCNF learning workshops. The DG and Storage group have done some work to review learning points but had no further update. The smart metering subgroup had no update. The consumer group discussed some issues, such as on explaining complex offerings, however it had not covered the LCL learning points which considered mandatory time of use tariffs and outlined concerns about these. The Distribution of Value group proposed to discuss relevant points at their extended meeting on 12 March. The visibility subgroup had considered some learning points, and will include these in the group's report. They also identified those which need discussion with other subgroups.

7.3. JW highlighted a point of learning from CLNR and LCL which was not included in the original table. She highlighted the finding that household diversified load at peak was lower than previously assumed for network planning and queried the materiality of the finding and what potential implications this may have for networks. The group noted that there wasn't yet sufficient data to update the figures for population diversity, which smart metering would be able to provide. The smart metering subgroup took an action to take forward the question of how this learning could be fed into network planning practices and what was needed to enable that.

Action	Person - By
Subgroup chairs to update planning slide for their subgroup with progress against the plan	Subgroup chairs – Each WS6 meeting
Smart metering subgroup to take forward the question of how LCNF learning on network capacity could be taken forward and used to inform planning practices	Smart metering subgroup chair
Update LCNF learning table to include additional point raised by JW on network capacity	Ofgem

## 8. Any other business

8.1. TB updated the Workstream that she would be chairing the Community Energy subgroup which had several community energy representatives attending. She emphasised the group sought links with other subgroups to ensure they were aware of the relevant regulatory and commercial arrangements. TA reiterated that all subgroups would need to arrange meetings they had indicated were needed with other relevant subgroups.

Action	Person - By
All subgroups to arrange meetings with other relevant subgroups	Subgroup chairs

## 9. Dates of next meetings

9.1. 25 March 2.30pm – 5pm

9.2. 28 April 2pm – 5pm (tbc)

9.3. 29 May 1pm – 5pm (tbc)