

## Meeting 33 – Smart Grid Forum Work Stream Six

Minutes from work stream six (meeting 33) on 25 March 2015.

From  
Date and time of Meeting  
Location

Ofgem  
Wednesday 25 March  
2pm – 4.30pm  
Ofgem, 9 Millbank

30 March 2015

### 1. Present

Yselkla Farmer (YF)	BEAMA
Tabish Khan (TK)	British Gas
Conrad Steel (CS)	Citizens Advice
Samuel Balch (SB)	DECC
Tim Bailey (TB)	DECC
Peter Morgan (PM)	DECC
Andrew Jones (AJ)	EDF
Gavin Jones (GJ)	Electralink
Paul Bircham (PB)	Electricity North West
Jill Caine (JC)	Electricity Storage Network
Kevin Spencer (KS)	Elxon
Laura Morris (LM)	Energy Technologies Institute
Nigel Fox (NF)	National Grid
Chris Harris (CH)	RWE nPower
Zoltan Zavody (ZZ)	RenewablesUK
Maria Liendo (ML)	SSE Power Distribution
Judith Ward (JW)	Sustainability First
Frazer Wallace (FW)	Sustainable Energy Association
Adriana Laguna (AL)	UK Power Networks
Judith Ross (JR)	Ofgem
Tim Aldridge (TA)	Ofgem
Chiara Redaelli (CR)	Ofgem
Andrew White (AW)	Ofgem
Tom Mackenzie (TM)	Ofgem
Nisha Doshi (ND)	Ofgem

### 2. Apologies

Tamar Bourne, Steve Cox, Nigel Turvey and Mary Walsh sent their apologies.

### 3. Introductions

3.1. Judith Ross (Ofgem) introduced herself to the group. Judith is taking over as chair of the work stream and will be leading on a number of other policy areas previously overseen by Dora Guzeleva.

### 4. Review of minutes from previous meeting

4.1. JR reviewed the actions from the previous minutes and invited comments on the draft.

4.2. TK proposed a change to the draft minutes to reflect that half-hourly settlement is not necessarily required for static time of use tariffs. The group agreed the proposed change.

4.3. TA noted that the smart meter subgroup will return to WS6 to present its data aggregation report in April, as opposed to March as indicated in the minutes.

Action	Person - By
Provide final comments on draft minutes from 25 February meeting	All – 1 April
Update and publish minutes from 25 February.	Ofgem – April
SM group to return with data aggregation report	SC – April WS6 meeting

## 5. Updates

5.1. AW reminded the group about the Council of European Energy Regulators (CEER) public consultation on the future role of distribution network operators. The consultation closed at the end of February. A number of the work stream's members responded to the consultation. There will be a stakeholder event in Brussels on 30 March to discuss the responses. Provisionally, the task force responsible for analysing the responses has agreed to produce a conclusions document by June. This will be confirmed following the stakeholder workshop.

5.2. CR informed the group that CEER has formed a new Flexibility Task Force to look at developing best practice recommendations for efficient deployment of flexibility from a regulatory perspective. She noted that the group has only recently been formed and that the exact scope of work is still being determined. Ofgem will keep WS6 updated.

## 6. Presentation on Smart Meter Capability to support DSR

6.1. PM presented slides on the capability of smart meters to support DSR. PM noted that the purpose of the presentation was to give a summary of the data and the functionality within smart meter specifications.

6.2. The presentation and discussion covered issues including –

- **Privacy and data granularity** – There are three levels of privacy applied to data collected from the smart meter and communicated via the DCC. Energy suppliers can take a single monthly read without consumer consent and a single daily read if the consumer does not opt-out. A consumer must opt-in (give consent) for any DCC User (including energy suppliers) to access data that is more granular than a day (eg HH readings).
- **CAD connectivity** – A CAD is a device that can connect with the smart meter (via the ZigBee interface). These devices could include energy displays, smart appliances, laptop dongles and smart energy hubs. Pairing a CAD with a smart meter requires consumer consent. This consent is in addition to any consent to access data via DCC. A CAD could be used to request consumption data from the meter up to every ten seconds. PM noted this data could be shared with a third party outside of the DCC (eg via the internet) but that this would require the customer to agree to sign up to an arrangement with the third party
- **Auxiliary Load Controls Switches (ALCS)** – Each smart meter can support up to five ALCS. The purpose of the ALCS is to allow switching of defined loads (eg space heating) similar to the existing Economy 7 configuration. This means that customers with existing Economy 7 type arrangements would be able to retain these once a smart meter has been installed. ALCS could be used to switch EVs and heat pumps.
- **Access to load control functionality by DNOs** – It was noted that critical command signals can currently only be sent by suppliers, but that network operators could benefit from using them under certain adverse network conditions. It was noted that this could be reviewed in future and a modification could be raised

to give network operators access to these commands. It was suggested that changes would be required to the existing regulatory and security regimes to make it possible.

TB noted that DECC may consider producing leaflet on DSR functionality of smart meters similar to a previous leaflet on data access for businesses, which was well received.

6.3. YF noted that WS9 is working on models for potential DSR arrangements which would map out (some of) the potential use cases for DSR and how they would work within the existing GB arrangements, using the Smart Grid Architecture Model. There will be a workshop later in the year to discuss the models and members of WS6 will likely be invited to attend.

6.4. YF also notified WS6 that the European Commission is carrying out an Ecodesign Preparatory Study on smart control and smart appliances which may also be relevant to WS6's discussions on DSR via the smart meter. YF noted that the study has links to Commission Expert Group 1 work and undertook to update WS6 at the April meeting.

Action	Person - By
Update WS6 on developments on EC Ecodesign preparatory study on smart appliances	YF – 28 April

## 7. Distribution of Value methodology

7.1. AJ presented the key high-level conclusions from the subgroup, including that the majority of DSR actions are likely to be called to manage winter peaks when suppliers, the TO, the SO and DNOs can derive the greatest value from reducing demand. The group has also identified a number of barriers to be addressed for enabling domestic and SME DSR at scale. The presentation also included a description of a typical use case for DNO-called DSR action, along with a worked example of a methodology for deriving the value of the DSR response to the DNO in £/MWh (see slides). The next stage of the work will be to incorporate the work on the value methodology into the subgroup's existing conclusions document. AJ stated that the group has already begun to formulate solutions and recommendations to address the identified barriers.

## 8. Subgroup updates

8.1. TK updated WS6 on the progress of the Visibility Subgroup. He reminded the group that the purpose of the group is to look at issues related to how parties communicate and share DSR services. TK presented a skeleton of the chapter the Visibility Subgroup will submit to WS6. In particular, the chapter addresses what happens where parties' DSR requirements are not aligned and how notifications could be managed in these circumstances. The group noted in discussion that DSR actions triggered via the CAD are not visible to other users of the system and, as a result, actions via the CAD at a large number of premises simultaneously could run the risk of causing imbalances.

8.2. The Visibility Subgroup noted that the notification solution must be low cost and easy to access so it doesn't present a barrier to smaller parties and new entrants in the DSR market. GJ noted that there may be some positive lessons from the process for getting parties involved in the Green Deal. TK added that if the notification solution is too complicated, then parties may attempt to go around the system, which could undermine the process.

8.3. ZZ updated WS6 on the progress of the Storage/ DG Subgroup. ZZ noted that the skeleton chapter circulated pulls together the key issues already presented to WS6 in the two papers circulated previously. In response to points raised in the skeleton regarding storage services, NF commented that National Grid could look into aligning tender periods and contract arrangements to enable combining of services. He also noted that while this

may give storage a better platform for participating in the balancing services market, it could also benefit other, existing participants.

8.4. CS updated WS6 on the progress of the Consumer Subgroup. He noted that the subgroup's skeleton chapter would be ready for circulation following the WS6 meeting. He explained that the chapter will look primarily at categories of potential risk to consumers arising from the WS6 options. The chapter will also address the need to manage expectations and complex offerings.

8.5. AJ updated WS6 on the progress of the Distribution of Value Subgroup under the previous agenda item. The subgroup does not have a skeleton chapter for WS6, but has made significant progress in documenting its conclusions so far and will be in a position to provide a draft chapter at the April meeting.

8.6. PB updated WS6 on the progress of the smart metering subgroup on behalf of Steve Cox. A draft skeleton is complete and awaiting approval from the subgroup's members, who will meet to sign off the skeleton in April. PB also noted that the comments received on the losses paper at the last WS6 meeting (and subsequently) have been taken into account and included in the skeleton chapter.

8.7. JC updated WS6 on the progress of the Community Energy Subgroup on behalf of Tamar Bourne. The subgroup does not yet have a skeleton to share. It is behind schedule because of the time taken to establish a chairperson for the group. Tamar Bourne has taken on the role with assistance as needed from other members. The group is now starting to make progress against its terms of reference.

<b>Action</b>	<b>Person - By</b>
Comment on skeleton chapters submitted by the Storage/ DG, Visibility and Consumer subgroups.	All – 1 April

## **9. Review of overall WS6 plan and timings**

9.1. TA noted that WS6 has received two skeleton chapters (Storage/DG and Visibility), that two are nearly complete (Consumers and Smart Metering) and that the final two are not ready for WS6 to review (Distribution of Value and Community Energy). TA proposed that all subgroups should continue to aim to submit full first draft chapters by 21 April, in advance of the next WS6 meeting – in line with the timetable circulated on 13 March. This means that WS6 will not have the opportunity to comment on all skeleton chapters, but that the overall timetable for delivery will remain on track. It was agreed that sufficient progress has been made by the subgroups to make the April meeting a feasible deadline for completing draft chapters.

9.2. TA reminded WS6 that it is not expected that the inputs received in April will be published, and there will be an opportunity to submit revised drafts in May. The draft chapters will form the basis of the WS6 report, which will be discussed, commented on and updated by the work stream's members. Given this, and the limited time available, it was noted that the subgroups should focus on the key substance of the recommendations, rather than aiming to deliver finalised documents. TA also reminded the group that the WS6 report is due to be submitted to the SGF in July, with a view to receiving its comments and resubmitting for final approval in September – when WS6's current mandate ends. GJ noted, that given the timescales for completion, it is still worth flagging any new issues in reports, even though there will not be time to investigate them fully.

<b>Action</b>	<b>Person - By</b>
Subgroups to complete first full drafts of chapters, including appendices.	Subgroups – April 21

## 10. Any other business

10.1. TK noted that it would be useful to have a discussion of Non-Traditional Business Models at the next meeting. It was agreed that Ofgem would add an item to the next agenda.

Action	Person - By
Invite Jeff Hardy to present on Ofgem's work on Non-Traditional Business Models at next WS6 meeting	Ofgem - April

## 11. Dates of next meetings

11.1. 2pm – 5pm Tuesday 28 April (precise timings TBC)

11.2. 1pm – 5pm Friday 29 May (precise timings TBC)