

To All Interested Parties

Date: 13 May 2015

## **The Design of Electricity Distribution Networks – Looking to the Future**

This letter is intended to raise stakeholder awareness of a very important project that the electricity distribution network licensees have recently initiated. This is the review of Engineering Recommendation (ER) P2.

ER P2 has acted as the foundation stone for the planning of distribution networks for many decades. It is currently in its 6<sup>th</sup> version, ER P2/6, which was introduced in 2006 to allow the security contribution of distributed generation to be taken account of. However, it is essentially unchanged from ER P2/5 which was introduced in 1978. It therefore pre-dates the development of smart grids, wide spread distributed generation and active customers.

Another development that impacts the role of ER P2 is the targets for customer interruptions and customer minutes lost, and their strong financial incentivisation, that are a part of the price control mechanisms. These targets also affect the design of networks and so play a similar role to ER P2.

The network companies have decided that there is a sufficiently strong case to carry out a thorough review of ER P2. We fully support this initiative and are represented on the industry working group that the network companies have established to lead this work. The first public engagement event took place on 1 May.

Phase 1 is essentially a comprehensive research, analysis and modelling engagement and consultation process. The spectrum of possibilities ranges from a modification and update of the current arrangements, development of a completely new approach starting from first principles, through to recommending removal of any deterministic planning standard, relying instead on DNOs' regulatory incentives and other legislation to motivate efficient network design. The essential task of Phase 1 is to research, develop and communicate a range of options for the overall approach to structure and detail the appropriate level of network security

standards and then to propose how such options can be evaluated. These options will be evaluated so that a recommendation can be made for the most appropriate approach that should be taken forwards into Phase 2, and ultimately codified. The ENA has established a dedicated webpage so that all relevant material can be accessed easily by all interested stakeholders: <http://www.dcode.org.uk/dcrp-erp2-working-group.html>.

Given the impact of network security on all network stakeholders, we encourage network users to follow this work and actively engage in the consultation processes.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'M. Frerk', is displayed within a light grey rectangular box.

Maxine Frerk

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