

Real-Time Networks (SGN) - 2015 NIC ISP Questions

- 1. Can you explain further why you think the uncertainties around smart metering data are a low risk for the project? Please explain why you think the project should start in April 2016 ahead of the completed roll out of smart meters.**

The uncertainties around smart metering are considered to be of low risk to the project because the use of smart metering data is not essential to the project and therefore would not materially affect its success. The purpose of using the data is to gain an understanding of the impact of smart metering on demand usage through potential changes in customer behaviour specifically how this influences diversity modelling.

It may also augment real-time network information which will be obtained through sensors monitoring flow and pressure. It is expected that data provided by smart meters at this time, will not by itself support real-time network modelling.

We feel that waiting until there is greater certainty regarding smart meter data availability would be unnecessary and could delay the future potential of a flexible network's ability to incorporate new, distributed gas sources and renewable technologies. Furthermore, this project may influence the smart metering programme in later years.

Any investment in this project will not restrict or conflict with the smart metering programme as it stands.

Although we consider the smart metering roll out as a low risk, this will be addressed in the project risk register and mitigated as appropriate.

In their independent review of the project proposal, IGEM identified 'the timeliness of this project to be optimal.' It is clear that they share the view that now is the time for this work to be carried out and that the GDNs cannot wait for the smart metering roll out.

- 2. The proforma states that this project would not be undertaken as a business as usual activity. As this is an industry-wide concern, can you explain further why the GDNs would not look to undertake this project collaboratively as a business as usual project?**

Within the project, a risk exists that the anticipated benefits may not be realised. As a result, the methodology has been designed around a series of go/no-go stage gates at which the project can be brought to a close if the expected outcomes are not achieved.

No allowance has been provided for changes to network management processes to support the proposed flexible, real-time network under the RIIO price control. The hardware, software, 'big data' and complex analysis solutions requires significant third party expertise to support the development of a real-time network.

Therefore, due to the uncertainty of success, and technology readiness level, and requirement for significant third party involvement, this is a project that the GDNs' shareholders would not fund as a business as usual activity.

The proposed field trial site includes Isle of Grain Boil Off entry point, Rochdale holder station, and an LP distribution network with majority metal mains among other key factors make this location ideal for trialling this technology and demonstrating all the benefit areas of a real-time network. This choice of field trial location together with our plans for knowledge sharing and dissemination with the GDNs,

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NGGT and other key stakeholders will provide relevant learning to support replication across GB provided trials are successful.