

KELVATEK

 PART OF THE CAMLIN GROUP

Kelvatek Ltd
31 Ferguson Drive
Lisburn
BT28 2EX
United Kingdom

Tel: 02892 601133

Neil Copeland
Ofgem
Third Floor
107 West Regent Street
Glasgow
G2 2BA

2 February 2017

Dear Neil,

Network Innovation Review

Kelvatek Ltd. welcomes the opportunity to respond to the proposed changes to the network innovation mechanisms.

Ofgem's support of innovation through innovation funding has enabled us to work closely with DNO partners to create and deliver successful solutions to key industry problems. It has also allowed us to develop the experience to take solutions developed under the innovation funding mechanisms, such as BIDOYNG, LV fault location technology and the Fault Assistance Centre among others, and deliver them to business as usual.

We would like to see the industry address some of the difficulties in moving an innovation project to business as usual. For successful adoption, it is essential from the outset that there is a pressing business problem being addressed – this reduces the resistance to adoption in the mainstream business. Although this is essential, it is rarely enough. A BAU strategy developed at an early stage, alongside the innovation, is encouraged to identify and address difficulties such as changes to policy, training, financing and culture changes necessary to lead to successful rollout. We would ask you to consider the requirement for NIA and NIC project documentation to include a BAU strategy.

Proposals to introduce an industry wide innovation strategy are welcomed, as this will foster closer co-operation between network companies on key issues, and help in reducing the potential duplication of work. Network companies should continue to create their own

innovation strategies to allow for niche areas of investigation, or to pursue innovation where particular expertise exists.

We support the proposals for increasing third party involvement in the NIC, and recommend that partnership with the DNO is imperative if a project is to succeed. Partnering requires a period of familiarisation and trust to be developed, which partly may be developed through joint preparation of the bid. Increasing the number of full submissions that can be made from two to four, where the additional projects must be led by third parties will help to increase third party involvement in the NIC. We also support the requirement for an annual call to be made by the DNOs.

We would welcome consideration for a mechanism to allow independent third party bids, but we recognise that this presents difficulties in relation to restrictions under the existing legislation.

We also support the removal of provision enabling recovery of bid preparation costs from the NIC or the NIA from 2018/19.

Kelvatek supports the proposal to clarify the circumstances necessitating the submission of change requests, having experienced the process as a key project partner. In our view the draft explanations provided will help greatly in determining what constitutes a material change to a project.

As a final thought, when creating innovative solutions ‘designed in flexibility’ is very important, as it is our experience that opportunities arise during and after rollout that provide benefits beyond the original project scope. Situational changes and a deeper understanding of the problem domain lead to new possible benefits. This highlights the requirement for solutions that can be updated or augmented while in live operation, to deliver additional features in the event of emerging opportunities.

Yours sincerely

A handwritten signature in black ink that reads "J Rodgers". The signature is written in a cursive, flowing style.

Jonathan Rodgers
Future Networks Manager