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Dear Anna,

Statutory consultation on a proposal to modify the standard conditions of the electricity distribution license

Thank you for the opportunity to respond to the above consultation which proposes modification to the standard license condition by inserting Standard Condition 48A (The Electricity Network Innovation Strategy).

The regulator's support of innovation through the innovation funding mechanisms has enabled us to create and deliver a successful innovation programme through DPCR4, DPCR5 and into the first years of RIIO-ED1. In addition to our own activities, we have always looked to other projects being delivered across the industry to identify where new initiatives are appropriate for roll out on our own network to deliver additional benefits to our customers here in the North West. We will look forward to building on this through the jointly developed Innovation Strategy.

We have reviewed the draft license condition and have provided our review through comments and tracked changes in Annex 1 of this letter.

Yours sincerely,

Steve Cox
Engineering and Technical Director

Annex 1 Detailed comments on the proposed draft standard licence condition 48A to be inserted into the Electricity Distribution Standard Licence Conditions

We propose that paragraph 48A.7 under Part B: Electricity Network Innovation Strategy is re-ordered and amended in the following way to aid clarity. Specifically (b) and (c) are swapped around and the new (c) is changed to limit the scope of the challenges to those pertinent to the electricity network.

48A.7. The Electricity Network Innovation Strategy must include:

- (a) a description of the challenges and uncertainties which the Relevant Network Licensees consider are pertinent to the electricity network over different time periods that could be addressed through innovative projects;
- (b) a description of the innovative projects and plans the Relevant Network Licensees intend to make in order to address the challenges referred to in paragraph 48A.7(a) of this condition, with particular regard to how future Innovation Projects which Relevant Network Licensees will seek to initiate over the period of the strategy will help to address those challenges;
- (c) a description of the challenges which the Relevant Network Licensees consider are pertinent to the electricity network over different time periods which are not currently being addressed through industry projects or plans, including but not limited to projects or plans made by the Relevant Network Licensees and Interested Parties;
- (d) a description of the innovative projects and plans the Relevant Network Licensees intend to make in relation to the gaps identified in paragraph 48A.7(c) of this condition, with particular regard to how future Innovation Projects which Relevant Network Licensees will seek to initiate over the period of the strategy will help to address those gaps. Consideration should be given to the suitability of the Relevant Network Licensees to carry out the innovative projects and plans. If the Relevant Network Licensees do not intend to carry out innovative projects and plans relating to gap identified in paragraph 48A.7(b), a reason should be provided as part of this description;
- (e) a description of how Relevant Network Licensees will coordinate their activities on Innovation Projects to minimise unnecessary duplication of effort;
- (f) a description of how Relevant Network Licensees will share the learning that they have gained through Innovation Projects; and
- (g) any directions related to the Electricity Network Innovation Strategy issued by the Authority.

In addition, we are concerned about the time available before publication of the first Electricity Network Innovation Strategy to undertake the robust analysis and stakeholder engagement needed to identify and outline future projects that should be considered.