

Dinker Bhardwaj
Ofgem
Third Floor, Commonwealth House
Glasgow
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20 July 2018

Dear Dinker

Subject: Request for Information on LCNF Second Tier Projects seeking discretionary reward

In early 2010 when we set up our innovation team within Electricity North West we had the vision that we would develop and deliver innovative Tier One and Tier Two LCN Fund projects, collaborate where possible with a wide range of individuals and companies (both large and small) recognising that we won't always be the generator of good ideas and monitor, generally through engagement, the projects being delivered by other DNOs. The general approach was a member of the innovation team was assigned to oversee the initiation, delivery and closedown of each named project, especially the Tier Two LCN Fund projects. This approach endures today for all NIA and NIC projects, recognising that we need to be selective in the NIA projects that we monitor given the size of the DNOs' collective portfolio.

The innovation work delivered and disseminated by the DNOs has increased the collective knowledge of the sector and we have used that knowledge gained by the other DNOs to help us rule out a method for delivering a particular outcome or help us consider alternative methods to deliver that particular outcome.

Please find our response the questions asked in your request for information below.

Question 1: Have the outputs and/or findings from any of these Projects been deployed on your networks? Please provide evidence of the extent and the impact of any such deployment.

Question 2: Have the learnings from any of these Projects been incorporated into your operational practises? Please provide evidence of how such a change has provided valuable benefit for consumers.

While Electricity North West has closely monitored all of these projects and learnt a number of lessons in general no outputs or findings have been deployed on our network. But we have utilised information output from such projects as:

Customer-led Network Revolution: Load profile information has been used to inform our approaches to managing the connection of Low Carbon Technologies to our network. For example we have used this information in the development of our approach to the management of heat pump installations and the development of our PV Connect and Manage approach.

Customer-led Network Revolution & FALCON: We monitored the demand side response (DSR) trials for both of these projects to understand the potential DRS market, the value to customers whether providing a demand and/or and generator response, the value to network operators and the processes required to manage DSR as part of normal network operation.

Low Carbon Hub & Flexible Plug & Play: We have considered the knowledge gained from these projects in delivering a decentralisation active network management approach and the methods for sharing of available capacity across a group of existing and future customers.

Our network is not yet in the position that requires us to consider some of the solutions developed across the range of delivered Tier Two LCN Fund projects but should an issue arise all possible solutions will be considered.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Paul Turner', written in a cursive style.

Paul Turner
Innovation Manager.