

Flexibility and Whole System Coordination
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Ofgem

15th October 2019
Our ref: RIIO-ED2 DSO

RIIO-ED2 Distribution System Operation consultation: EA Technology's Response

Dear Flexibility and Whole System Coordination team,

EA Technology welcomes the opportunity to respond to Ofgem's position paper on Distribution System Operation. EA Technology is an employee-owned SME with a long history of innovation in the electricity distribution industry.

Our response to the position paper, below, is guided by the three broad questions posed by Ofgem.

Do you agree with our strategic outcomes?

We consider that the four strategic outcomes¹ have the potential to make it easier for providers of flexibility to realise the value that they bring to the electricity system. The realisation of this potential will be determined by the vision and direction of the workstreams that will be needed to deliver these outcomes.

Do you agree that our work programme will help to deliver the strategic outcomes?

We consider that there will be a significant body of works, such as the review of system access and forward-looking charges, which answers how these outcomes are best achieved.

¹ These four strategic outcomes being:

- Clear boundaries and effective conflict mitigation between monopolies and markets.
- Effective competition for balancing and ancillary services and other markets.
- Neutral tendering of network management and reinforcement requirements with a level playing field between traditional and alternative solutions.
- Strongly embedded whole system outcomes

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Throughout our work across the network innovation sphere we have experienced, and in some cases demonstrated, that there is diversity in the behaviour, capability and use-cases across different sources of flexibility.

As an example, the Electric Nation² project demonstrated that there is considerable flexibility associated with the smart charging of electric vehicles in domestic properties, but its use is bounded by people's needs to charge their vehicles. This project also showed that smart charging of electric vehicles is particularly effective in achieving efficient utilisation of the Low Voltage network.

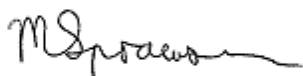
We, therefore, believe one of the challenges in ensuring that the work programme achieves the strategic outcomes will be to ensure that the different sources of network flexibility are able to be deployed in a manner that ensures that the network flexibility requirements can be served by the sources of flexibility that are best suited to the specific need.

Do you have anything to add to the thinking and analysis that informs how we propose to deliver our programme of work?

We do not have anything further to add at this stage.

We hope you find our response to this consultation useful. We believe passionately that the implementation of DSO in RIIO-ED2 has the potential to drive down costs and enable the transformation of the energy system. We would be delighted to discuss any of these points in more detail (if required) and look forward to seeing the outcome of the consultation process.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'MSprawson'.

Mark Sprawson

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² <http://www.electricnation.org.uk/wp-content/uploads/2019/07/Electric-Nation-Trial-Summary-A4.pdf>