WESTERN POWER DISTRIBUTION
Serving the Midlands, South West and Wales

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Our ref *Your ref* *Date*
17 October 2019

Dear Louise,

Mid-year call for evidence on ESO performance

I am writing in response to the above.

Western Power Distribution is the Distribution Network Operator (DNO) that serves 7.8 million customers across the South West of England, South Wales and the Midlands.

If you require any further information or detail around any of the contents of this response please feel free to contact me at nturvey@westernpower.co.uk.

Yours sincerely

Nigel Turvey

Nigel Turvey
DSO and Future Networks Manager

Principle 1: Support market participants to make informed decisions by providing user-friendly, comprehensive and accurate information.

Future Energy Scenarios are a key output to assess options for future network development and products to deliver an efficient whole system outcome. WPD has, over the last three years, developed local granular scenarios around the economic scenarios used in the FES. Given the trend towards local sources of generation and new type of demand this increased granularity can assist in the development of these processes and we believe incorporation of these with other local forecasts from other DNOs would improve this analysis.

We recognise that work is ongoing in the Open Networks project to develop a whole system FES but it is not transparent as to how our data will feed into this.

Principle 2: Drive overall efficiency and transparency in balancing, taking into account impacts of ESO actions across time horizons.

No comment.

Principle 3: Ensure the rules and processes for procuring balancing services maximise competition where possible and are simple, fair and transparent.

Our interaction in this area has been mainly around the implementation of the Regional Development Plan (RDP) in the South West. Whilst discussions are ongoing, we are keen to see commercial arrangements around this RDP facilitating access to generation flexibility by both the ESO and DSO. To date, there has been resistance to achieving this with the ESO focus being on their needs rather than delivering a whole electricity network solution in commercial arrangements.

Improvements could be made in the visibility of transmission system constraints and the ability of flexibility services to relieve these constraints and alignment of these with distribution system flexibility requirements.

We recognise the steps that have been taken to tackle exclusivity in its contracts, but remain concerned over progress in removing exclusivity where it is not mutually agreed.

Principle 4: Promote competition in the wholesale and capacity markets.

No comments.

Principle 5: Coordinate across system boundaries to deliver efficient network planning and development.

As highlighted under principle 3 above, we remain concerned that the full benefit of the RDP in the South West may not be realised as the ESO is mainly focused on delivering the aspects needed for managing the Transmission network rather than ensuring that distribution network management needs are also considered.

As highlighted under principle 1 above, the ESO should do more to identify and publish potential transmission network constraints so that DNOs and third parties can offer solutions.

Whilst understanding that applications for some customer connections were made directly to the ESO, we remain concerned as to whether the solution offered of a connection to the tertiary winding of Super Grid Transformers (SGTs) is an overall economic solution to the usage of the GB electricity network. We have not seen a cost benefit assessment looking at other alternatives that demonstrate this is the overall economic solution.

In moving to a more active network, the arrangement of the transmission network is more critical in forecasting network flows and fault levels on the distribution network. We believe that we have now established the right links to enable the efficient transfer of this information - it has been a protracted process.

Overall, whilst there have been and still remain some issues, communication with the ESO continues to improve with regular opportunities for engagement.

Principle 6: Coordinate effectively to ensure efficient whole system operation and optimal use of resources.

A key issue is the two way flow of information about resources being used to deliver services and information on their expected use to facilitate efficient distribution system operation and to minimise the disruption to connected customers particularly during maintenance periods.

Data management, visibility of actions and control architectures are key to improving whole system operation. To date we are still struggling to have visibility of the embedded services that the ESO is using.

Principle 7: Facilitate timely, efficient and competitive network investments.

Whilst pleased to see the further development and expansion of solutions being considered in the NOA process, further work is required to ensure that solutions from the distribution network and third party providers are assessed on a level playing field when the economic assessment is undertaken. Whist this work is in progress, we believe that a higher priority should be given to proposing solutions.