

Ofgem

## Open Letter Consultation on approach to setting the next electricity distribution price control (RIIO-ED2)

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### Executive Summary

The Joint Radio Company (JRC) welcome the opportunity to support Ofgem's work through our response to this consultation and we note the objective of ensuring that the regulatory pricing mechanism builds alignment with Government policy for a near zero carbon energy system by 2050. To this end we emphasise the developing need for investment in enhanced operational telecommunications systems to allow the Networks Operators to dynamically monitor and control their assets in real-time to increase network availability, allow distributed generation to be connected more quickly and for it to be less likely to be constrained; and to serve the increasing needs of Electric Vehicle Users; and minimise costly network reinforcement.

### Context to this Response – The Increasing Importance of Enhanced Telecommunications Systems for Energy System Management

We note the increasing demand both for optimisation and enhancement of electricity and gas networks characterised as "Smart Grid" to deliver the 2050 carbon neutrality targets set by Government. This will require a sustained modernisation of the function of these networks with operational enhancements that will deliver real time, inter site, command and control capability based on robust, low latency communications with high availability on a greatly increased scale across the UK. To facilitate this the industry has identified the need for enhanced operational telecommunications capability and specifically national radio spectrum<sup>1</sup> to be made available to support this operational requirement as there is no credible commercial alternative available. Noting that Ofgem are seeking to ensure that the regulatory funding mechanism is better aligned to Government policy outcomes, we encourage Ofgem to ensure that due consideration is given to the funding of enhanced operational telecommunications capability by the Industry.

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<sup>1</sup> Need for Increased Spectrum Allocation and Investment in Operational Telecommunications to Support Electricity Networks, Position Statement of Strategic Telecommunications Group  
[http://www.energynetworks.org/assets/files/ENA%20STG%20Comms%20Brochure\\_TCL\\_Final%20v4%20issued.pdf](http://www.energynetworks.org/assets/files/ENA%20STG%20Comms%20Brochure_TCL_Final%20v4%20issued.pdf)

## Background

### The Joint Radio Company (JRC, [www.jrc.co.uk](http://www.jrc.co.uk))

Joint Radio Company Ltd is a wholly owned joint venture between the UK electricity and gas industries specifically created to manage the radio spectrum allocations for these industries used to support operational, safety and emergency communications.

JRC manages blocks of VHF and UHF spectrum for private Business Radio applications, telemetry & telecontrol services and network operations. JRC created and manages a national cellular plan for co-ordinating frequency assignments for several large radio networks in the UK.

The VHF and UHF frequency allocations managed by JRC support telecommunications networks to keep the electricity and gas industries in touch with their field engineers and remote assets. These networks provide comprehensive geographic coverage to support installation, maintenance, operation and repair of plant in all weather conditions on a 24 hour/365 days per year basis.

JRC's Scanning Telemetry service is used by radio based Supervisory Control And Data Acquisition (SCADA) networks which control and monitor safety critical gas and electricity industry plant and equipment throughout the country. These networks provide resilient and reliable communications at all times to unmanned sites and plant in remote locations to maintain the integrity of the UK's energy generation, transmission and distribution.

JRC also manages microwave fixed link and satellite licences on behalf of the utility sector.

JRC supports the European Utility Telecommunications Council's Radio Spectrum Group, and participates in other global utility telecom organisations. JRC participates in European Telecommunications Standards Institute (ETSI) working groups developing new radio standards, and European telecommunications regulatory groups and workshops.

JRC works with the Energy Networks Association's Future Energy Networks Groups assessing ICT implications of Smart Networks, Smart Grids & Smart Meters, is an active member of the Energy Networks Association Strategic Telecoms Group and is an acknowledged knowledge source for cyber-security in respect of radio networks.

## JRC specific responses to the consultation questions:

### Extracted Text:

#### Section 2 - Proposed Objectives for RIIO-ED2 (text highlighted in bold)

We have set out what consumers should expect from their local grid, and we think these expectations can be translated into delivery of the following outcomes while keeping bills as low as possible:

- Meet the needs of consumers and network users: Network companies must deliver a **high-quality and reliable service** to all network users and consumers, including those who are in vulnerable situations.
- Maintain a safe and resilient network: Network companies must deliver a safe and **resilient network** that is **efficient and responsive to change**.
- Deliver an environmentally sustainable network: Network companies must enable the transition to a **smart, flexible, low cost, and low carbon energy system** for all consumers and network users.

Reflecting the major transformation underway in the energy sector, this identifies three main priorities to help carry out our principal duty to protect the interests of existing and future consumers:

- **Decarbonising** to fight climate change at the lowest cost to consumers;
- **Enabling competition and innovation**, to help **increase efficiency**; and
- Protecting consumers, especially the vulnerable.

#### Question:

1. Do you have any views on the proposed objective for RIIO-ED2?

### JRC Observations

Reflecting on the text emphasised in bold we encourage Ofgem to take note of the critical enabling role that enhanced operational telecommunications capability will have in delivering the outcomes sought. In particular, the opportunity afforded by the roll out of enhanced operational telecoms capability, subject to access to radio spectrum, will enhance network resilience and flexibility whilst supporting the rapid and safe connection of distributed generation and electric vehicles. Furthermore, the resulting enhanced visibility and control afforded by this enhanced operational capability over the function of the network will reduce the need for costly network reinforcement and afford operators the scope to dynamically shape supply in keeping with changes in demand both in real time and over the long term.

## Extracted Text:

### Section 3 – A Changing energy system and what this might mean for DNOs (text emphasised in bold)

We expect the electricity distribution networks to see the greatest impact arising from the forces of decarbonisation, decentralisation, and digitalisation. This includes:

- **New sources of demand**, including **electric vehicles** and the potential further **electrification of heat**, **putting greater demands on local grids**. **Heat pumps, hybrid heat pumps**, and other measures **aimed at increasing energy efficiency and/or reduce carbon emissions** are likely to **vary the demands placed on local networks** at different times.
- The use of networks will also change with reforms to network access and charging arrangements, with users facing more accurate price signals about their impacts on network costs across transmission and distribution networks. DNOs will need to anticipate and respond to these changes while also mitigating the considerable uncertainty on the future utilisation of their networks.
- **A growing amount of distributed energy resources could offer non-build alternatives that may lead to a smarter, more flexible energy system. Demand side measures could help to reduce the need to build costly new generating or network capacity to meet peak demand. Storage solutions and electric vehicles are expected to help shift demand or release electricity onto the system when it is needed.**

It is also clear that **network innovation is important** in helping the system adapt to new demand such as electric vehicles, and potentially to inform policy choices on the decarbonisation of heat (such as hydrogen as a heating fuel).

#### Question:

1. Do you have any views on the proposed objective for RIIO-ED2?

## JRC Observations

Ofgem has clearly acknowledged the increasing complexity of demand that is likely to be presented to the networks. In addition, there is the acknowledgement of the increasing scale and impact of distributed generation and its role alongside local storage and potentially Electric Vehicles as a flexible storage option to balance demand locally. However, JRC wish to emphasise that this is all subject to having the appropriate visibility and control of the assets in the network which requires enhanced operational telecommunications systems to be deployed to enable these capabilities. It is worth noting that to this end, work is already underway through a NIA funded project<sup>2</sup> to evaluate the potential to secure the visibility and control of all the network assets across a DNO region by utilising a wireless based operational telecommunications system. Such a system has the potential to serve the needs of all DNOs subject to the establishment of a common / standardised approach and access to appropriate radio spectrum which should be considered in the context of Strategic Investments that are highly anticipatory and where the future need can be forecast accurately.

## JRC Specific Responses to questions

Q 1. No Comment.

<sup>2</sup> WPD Next Generation Wireless Telecoms Analysis, NIA-WPD-034,  
[https://www.smarternetworks.org/project/nia\\_wpd\\_034](https://www.smarternetworks.org/project/nia_wpd_034)

## Extracted Text:

### Section 4 – Strategic Approach to RIIO2 – ED2

#### How to set price controls that support decarbonisation goals.

In light of decarbonisation goals, however, there may be reasons to more directly link DNOs' revenues to the achievement of outcomes that go beyond the delivery of traditional network services. This might include, for instance, the decarbonisation of the transport or heating sectors, or tying revenues to outcomes that complement government goals such as reducing peak prices, increasing renewables and reducing demand on the network. In response to previous RIIO-related consultations, we have received suggestions as to how regulation should change to better achieve these goals.

#### Questions:

2. To what extent should we take into account outcomes linked to decarbonisation targets, and what outcomes might this involve?
3. Are there activities that DNOs are best placed to carry out in order to achieve these outcomes? What are the alternatives? Why would it be appropriate for energy consumers to fund these activities?
4. How should we assess DNO funding requirements and measure DNO performance in these areas?
5. How should we incentivise DNO performance when the achievement of outcomes could be dependent on the actions of others?

### JRC's Observations

To facilitate decarbonisation objectives DNOs may be encouraged to invest in enhanced operational telecommunications capability to allow them to better monitor and control both supply and demand across their network. In so doing they will be able to more quickly connect distributed generation to the network that is now subject to better control whilst at the same time be able to better direct supply to the needs of Electric Vehicle users through the ability to target / manage supply to areas of high demand without the need for costly reinforcement. Furthermore, the greater visibility and control afforded through enhanced operational telecoms capability will facilitate the safe deployment of additional EV connection infrastructure in line with market demand and ensure that the energy from this infrastructure is more readily available to be used.

#### JRC Specific Responses to questions

Q 2 - 4. No Comment.

### Section 4 – Strategic Approach to RIIO2 – ED2

#### How to set price controls that support strategic investment

#### Questions:

6. How do we ensure that network companies are best placed to undertake strategic investment and manage the associated risk? How should the risks of these investments be managed?
7. What, if any, changes to the framework are required to support strategic investment?
8. How should we hold the companies to account for the delivery of strategic investment, and the outcomes that they are expected to deliver?

#### JRC Specific Response to Questions

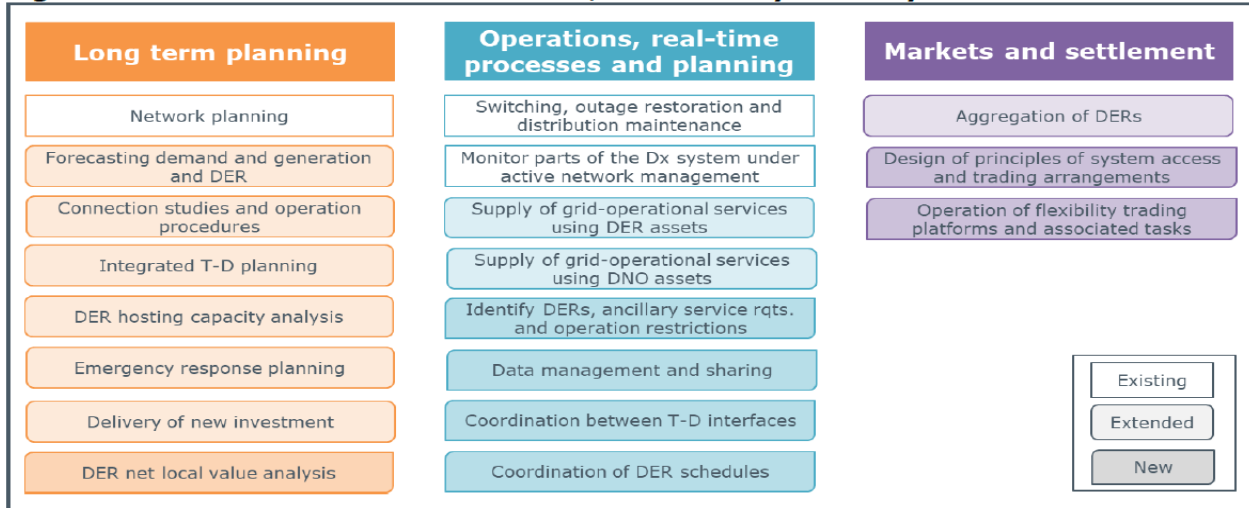
Q. 6 – 8. No Comment.

**Extracted Text:**

**Section 4 – Strategic Approach to RIIO2 – ED2**

**How to set price controls for DSO functions**

**Figure 1. Functional breakdown of DSO, informed by industry literature**



**Questions:**

9. Is there a need to separate out the revenues and outputs for 'traditional' DNO functions from DSO functions? How could this be achieved?

10. In the event of the DSO function being delivered by a separate party, how might we determine the revenues for DSO activities? What type of funding model would be appropriate to set DSO revenues? In this event, would changes also be required to DNO revenues and outputs?

11. Where a DNO is undertaking a DSO function, what type of outputs or outcomes are necessary to measure how efficiently they are performing this function? Over what time period could these be measured?

**JRC's Observations**

There are a range of activities under the 'Operations, real-time processes and planning' heading;

- Switching, outage restoration and distribution maintenance;
- Monitor parts of the Dx system under active network management;
- Identify DERs, ancillary service requirements and operation restrictions;
- Data management and sharing; and
- Co-ordination of DER schedules.

These are all subject to the deployment of enhanced operational telecommunications system capability by the DNOs and without the strategic investment necessary to deliver this capability the policy outcomes targeted by Government will not be realised.

**JRC Specific Responses to questions**

Q 9-11. No Comment.

**Extracted Text:****Section 4 – Strategic Approach to RIIO2 – ED2****How to set price controls that drive innovation and competition**

Access to data, technological advancements and an increase in the number of distributed energy resources creates huge potential for innovation and competition to drive down costs and improve the quality and range of network services that are available in RIIO-ED2. To realise this, it is essential that we provide the environment in which innovation and competition can thrive, both through the actions of DNOs, and by exploiting the potential of third parties.

**Question:**

12. In what ways could the existing arrangements drive more innovation and competition?

**JRC's Observations**

In recognition of the increasing importance of data and the need to be able to connect with an increasing number of remote assets and energy sources to enable this data driven future, future innovation activity could be targeted at the DNO's ability to proactively manage both their assets and third party energy sources dynamically in real time. This will enable the industry to be better able to shape supply and demand to market needs whilst at the same time increasing asset utilisation and hence overall network efficiency / utilisation whilst minimising the need for costly network reinforcement.

**JRC Specific Responses to questions**

Q 12. No Comment

**Section 4 – Strategic Approach to RIIO2 – ED2****How to set price controls for a smart, flexible energy system.****Questions:**

13. To what extent should we set (and incentivise performance against) baseline totex allowances for activities where flexible solutions could be provided?

14. Should we instead set allowances based on the costs revealed through the flexibility tendering process? How might this work?

**JRC Specific Responses to questions**

Qs 13-14. No Comment.

## Extracted Text:

### Section 4 – Strategic Approach to RIIO2 – ED2

#### How to set price controls in a big data environment.

We agree that better use of data will be central in driving forward the energy system transition, unlocking the benefits of competition, and enabling innovative approaches to network solutions. Access to usable data can be a public good;<sup>14</sup> DNOs must act on the principle that data is presumed open, and they must readily collect, manage and share data on the networks that they own. We expect DNOs to take significant and tangible steps to improve their data management, ensuring that they do not hinder innovation and digitalisation of the energy system.

As the energy system becomes more complex and decentralised, visibility of what data exists will be essential in enabling all players to take on new roles in delivering solutions that deliver a decarbonised system. In the case of distribution system operation, data extensibility will allow DSO functions to be contested, whilst digital system interoperability provides opportunities for further institutional reform.

To support progressive decarbonisation, we need more dynamic business models that enable the integration of renewables, and drive down system costs. Effective use of data is critical to this – to this sector, to other sectors, and to the manner in which we regulate. This means better data services and more accessible energy system data for users of data. We anticipate that realising the full potential of data in RIIO-ED2 will allow a more competitive and dynamic market to evolve.

Questions:

15. To what degree should DNOs modernise their handling practices to adhere to data best practice, and therefore (among other things) provide available, transparent, and interoperable data about their networks? What measures will be needed to ensure data remains secure?
16. How should we structure RIIO-ED2 to encourage metadata to be made available, and for data to be presumed open? How should we measure DNO performance in this area, and on what basis should funding be set to deliver relevant outcomes?
17. Do you agree with the themes we plan to include in our guidance on data best practice?

### JRC's Observations

Noting the aspiration to drive the energy system transition on the back of full exploitation of the data generated through the network's operations, it is worth recognising that only a minority of assets are currently actively monitored and controlled and as such the amount of data that is currently available to be exploited is a fraction of that which would be available if all active network assets were connected. In order to fully exploit the operational data that is currently locked and unavailable the industry needs to be afforded the opportunity to commit the necessary investment to establish an enhanced operational telecommunications capability in addition to being granted access to the appropriate radio spectrum. For these outcomes to be realised we encourage co-ordination across the Government Departments responsible, e.g. BEIS and DCMS.

### JRC Specific Responses to Questions

Q 15-17. No Comment.

### Section 5 – RIIO2 – ED2 Framework Consultation

#### Length of the price control

Questions:



18. We welcome views on our proposed position of a five-year price control for RIIO-ED2.

19. Are there any elements of RIIO-ED2 price control that we should consider setting over a longer or shorter period? Please give reasons.

#### **JRC Specific Responses to Questions**

Q 18-19. No Comment

### **Section 5 – RIIO2 – ED2 Framework Consultation**

#### **Giving consumers a stronger voice**

##### **Question:**

20. We welcome views on whether these enhanced engagement arrangements are appropriate for RIIO-ED2.

#### **JRC Specific Responses to Questions**

Q 20. No Comment

### **Section 5 – RIIO2 – ED2 Framework Consultation**

#### **Meeting the needs of consumers and network users**

##### **JRC's Observations**

As has been noted in earlier observations the outcomes against which the networks are required to measure their performance will be dependent on Strategic Investment in enhanced operational telecommunications capability and we encourage Ofgem to take this into account when reviewing the Operators Business Plans for ED2.

##### **Questions:**

21. We welcome views on whether the proposed output categories and incentive arrangements are appropriate for RIIO-ED2.

22. We are interested to hear if there are new elements of the services DNOs will need to deliver that should be included in the current output categories. Alternatively, we welcome views on whether these should be captured by a new output category. For these new elements, we are interested to hear how delivery of these services should be valued and measured.

23. We welcome thoughts on how to ensure that we continue to protect the interests of vulnerable consumers, particularly in light of the energy system transition.

#### **JRC Specific Responses to Questions**

Q 21. No Comment.

Q 22. Visibility and control of network assets is dependent on the investment in and deployment of enhanced operational telecommunications capability which will facilitate greater real-time control and speed of response by Network Operators. In addition, it will reduce the lead-time for DER connections and increase the availability of these energy resources through dynamic supply and demand shaping. Finally, greater visibility of energy demands will allow targeted and managed deployment of Electric Vehicle charging points without the need for significant network reinforcement.

Q 23. No Comment.

### **Section 5 – RIIO2 – ED2 Framework Consultation**

#### **Maintaining a safe and resilient network**

### Questions:

24. We welcome views on how DNOs should continue to ensure their networks are resilient, particularly in the context of the new or changing way assets are used.

25. We are interested to hear stakeholder views on how DNOs should ensure their networks are resilient to physical and/or virtual threats, as well as being able to withstand the effects of adverse weather and the impacts of climate change.

26. We would also like to hear how stakeholders believe climate change mitigation and adaptation may affect network maintenance and development in the short, medium, and long term.

27. We would like to hear views on how we ensure DNOs remain resilient to the challenges presented by an ageing and changing workforce.

### JRC's Observations

It is important to acknowledge that the energy networks currently depend for operational integrity on suitably robust and resilient operational telecommunication systems to facilitate remote monitoring & control of assets (albeit only to a limited number of assets typically at the HV layer). However, as the industry seeks to establish an enhanced operational telecommunications capability with the majority of their assets monitored and controlled in real time, they will need to implement appropriate cyber security protection with enhanced encryption that will add to the traffic burden to be delivered via the operational telecommunications system – adding further to the need for appropriate spectrum access. In addition, it is worth reflecting on the work of the Black Start Task Group and the emphasis being placed on the need for robust and resilient operational telecoms networks, voice, data and SCADA, to facilitate the restoration of the UK energy networks in the event of a 'Black Start.' Operational telecommunications contributes to the current 'Black Start' process and will inevitably become even more critical to the process in the future as Distributed Generation becomes a component – further emphasising the need for system resilience.

### JRC Specific Responses to Questions

Q 24. With the need to operate the energy networks in a more dynamic and real-time basis to balance the increasingly complex Supply & Demand situation, it is anticipated that the Networks Operators will seek to invest and deploy enhanced operational telecommunications capability. In order to be able to deploy such capability the industry will need access to appropriate radio spectrum in order to allow such systems to serve both the needs of the consumer and allow them to be cost effective. Ofcom, the UK Communications Regulator, are currently exploring with industry how best these requirements can be addressed and we encourage co-ordination of the appropriate outcome across Government, i.e. BEIS & DCMS to ensure that the appropriate policy and regulator interventions are undertaken.

Q 25. Whilst we have emphasised the need for the investment in and deployment of enhanced operational telecommunications capability it is also worth noting that an existing resilient telecommunications system on which the energy utilities depend, the Public Switched Telecommunications Network (PSTN), will no longer be available from 2025 and will no longer be maintained from 2023. The removal of this communications system further emphasises the importance of the industry being able to invest in appropriate operational telecommunications to service the sector's future energy needs.

Q 26. No Comment.

Q 27. No Comment.

## Section 5 – RIIO2 – ED2 Framework Consultation

### Delivering an environmentally sustainable network

#### Questions:

28. We welcome views on how DNOs should work to minimise the impact of what they do on the environment and facilitate the transition to a low carbon energy system. We are particularly interested in the implications of the government's updated target of net-zero emissions by 2050.

29. We also welcome views on what this may mean for the type of activities networks undertake, how these may be funded, as well as the outputs and/or incentives they should be exposed to.

30. Finally, we are keen to understand how DNOs' performance should be measured, and how we should assess the value that consumers place on the provision of these services and activities.

#### **JRC Specific Responses to Questions**

Q 28. Enhanced Operational Telecommunications capability offers the potential for DNOs to more dynamically interact with their networks and in so doing minimise outages and maintenance costs as well as facilitate DERs onto the network in less time and afford them increased availability.

Q 29. No Comment.

Q 30. No Comment.

### **Section 5 – RIIO2 – ED2 Framework Consultation**

#### **Enabling whole system solutions**

##### **JRC's Observations**

It is worth noting that the need for enhanced operational telecommunications capability is applicable across DNOs and TOs for both Gas and Electricity supply and as such there is the potential to establish a common shared network that facilitates future 'Smart Grid' developments. Such a shared network can be designed and deployed based on a common standard and technical performance characteristics with spectrum access granted to afford the industry needs of the UK Energy Sector. A similar approach is being implemented in the Republic of Ireland<sup>3</sup> to benefit from the scale economies afforded by the multiple applications that will be supported over a common operational telecommunications network.

##### **Questions:**

31. We welcome views on how RIIO-ED2 can best capture the benefit of whole systems solutions. We are also interested in views on how these benefits should be measured.

32. We further welcome stakeholders' opinions on whether the electricity distribution sector's approach to whole systems should be different from the other sectors and, if so, why.

#### **JRC Specific Responses to Questions**

Q 31. The deployment of a common / shared operational telecoms network to serve the requirements of the UK Energy Sector would be ideally suited to the Whole System approach to energy supply.

Q 32. No Comment.

### **Section 5 – RIIO2 – ED2 Framework Consultation**

#### **Managing uncertainty**

##### **Questions:**

33. We welcome views on how we should manage the uncertainty associated with forecasting allowances, and whether there are any mechanisms we could or should consider in helping to manage this uncertainty.

34. We seek views on the use of indexation, particularly on any adjustments for labour and construction cost inflation.

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<sup>3</sup> <https://www.comreg.ie/industry/radio-spectrum/spectrum-awards/400mhz-band-spectrum/>

35. We welcome views on our approach to highly anticipatory investment projects. We are interested to hear whether stakeholders would suggest additional processes or regimes for facilitating such investments that support the energy system transition whilst protecting consumers from potentially inefficient investments.

36. We welcome views on the type of issues that should be considered through an inter-institutional group.

37. We invite stakeholders to advise what type of expenditure they believe should be subject to alternative arrangements for sharing risk, and what these arrangements may look like.

### **JRC Specific Responses to Questions**

Q 33. No Comment

Q 34. No Comment

Q 35. No Comment

Q 36. No Comment

Q 37. No Comment

## **Section 5 – RIIO2 – ED2 Framework Consultation**

### **Driving efficiency through innovation and competition**

#### **Questions**

Q 38. We welcome views on the proposed innovation stimulus. We are interested to hear views on the types of projects that should be funded through either the NIA funding or a new funding pot.

Q 39. How can the benefits of the innovation stimulus be maximised by supporting schemes proposed by non-network parties?

Q 40. We also welcome views on our proposals for the different competition models in RIIO-ED2, and what, if any, criteria should be set out for the use of early or late stage competition models.

Q 41. We also seek input from stakeholders on how native competition obligations and best practices can be used to ensure the best outcomes for consumers and to drive changes in the role of the networks in a transforming energy system.

### **JRC Specific Responses to Questions**

Q 38 - 41. No Comment.

## **Section 5 – RIIO2 – ED2 Framework Consultation**

### **Forecasting and scenarios**

#### **Questions**

Q 42. We welcome views on our approach to planning, forecasting and scenarios for RIIO-ED2. In particular, do stakeholders have other suggestions as to how we can best manage forecasting risk for consumers?

### **JRC Specific Responses to questions**

Q 42. No Comment.

## **Section 5 – RIIO2 – ED2 Framework Consultation**

### **Business plan and Totex incentives**

**Questions:**

Q 43. We welcome views on our proposal to remove the early settlement process for RIIO-ED2, instead focusing on alternative mechanisms to receive high-quality and ambitious business plans.

Q 44. We also welcome views on our proposals to use the Business Plan Incentive and the confidence-dependent incentive rate arrangements for RIIO-ED2. In line with this, we are interested to hear stakeholder views on the range that should be used for both of these.

**JRC Specific Responses to questions**

Q 43 - 44. No Comment.

**Section 5 – RIIO2 – ED2 Framework Consultation****Fair returns and financeability****Questions:**

Q 45. We welcome stakeholder views on our proposals to introduce measures to enable network companies to finance their activities whilst ensuring they receive a fair return.

Q 46. We are interested to hear from stakeholders on how they believe we should set allowances for the cost of debt, particularly around the method of recalibrating the index.

Q 47. We also welcome views on our proposed approach to setting allowances for the cost of equity, as well as our proposal to move away from RPI.

**JRC Specific Responses to questions**

Q 45 - 47. No Comment.

**Section 5 – RIIO2 – ED2 Framework Consultation****Return adjustment mechanisms****Questions:**

48. Finally, we would like to hear stakeholders' views on our proposed introduction of a 'sculpted sharing factor' in instances of high out- or under-performance, or whether an alternative mechanism could be more effective.

**JRC Specific Responses to questions**

Q 48. No Comment.

**Conclusions**

Overall we encourage Ofgem, when determining the appropriate objectives against which the DNOs will be measured against and incentivised to perform in the next funding period, that the industry is afforded the opportunity to make the strategic investments in enhanced operational telecommunications capability envisaged to deliver the energy system transition that will be necessary to address Government Policy Objectives particularly the development of an energy system that will be near zero Carbon capable by 2050.