

RIIO-ED2 Overarching Working Group – Meeting 4

From: Ofgem RIIO-ED2 team

Date: 17 April 2020

Time: 10:30-14:00

Location: Teleconference

1. Present

James Veaney, Tom Wood, Graeme Barton, Steven Steer – Ofgem
 Caroline Ainslie, Dave Fort, Lynne Bryceland (Item 3 only), Steve Field (Item 4 only) – SPEN
 Paul Auckland – ENWL
 Paul Branston, Nigel Turvey - WPD
 George Day – Energy Systems Catapult
 Beverley Grubb, Peter Williams – SSE
 Judith Ward – Sustainability First
 Matt Cullen – EON
 Maxine Frerk – SGN CEG / GridEdge
 Patrick Erwin, Issy Middleton – Northern Powergrid
 Simon Gill, Anastasia Charalampidou – Scottish Government
 Andy Wainwright – NG ESO
 Rick Curtis – GLA
 Richard Sidley – Transmission Investment
 Gregory Edwards – Centrica
 Catalina Rozo – Zenobe
 David Healey – Keele University
 Paul Jarman – University of Manchester
 James Kerr – Citizens Advice
 Ron Loveland – Welsh Government
 James Hope – UKPN
 Furong Li – University of Bath
 John Parsons – BEAMA
 Yonna Vitanova – Renewable UK

1. Minutes of previous meeting

1.1. The group approved the minutes of the third OAWG meeting.

2. Future meetings

2.1. Ofgem explained that it would look to organize shorter but potentially more frequent OAWG meetings, given that the meetings were being held via teleconference. The next meeting will be on 6 May with a further meeting likely to be in late May. The group members generally agreed that this was a sensible approach.

- 2.2. Group members requested visibility of future meeting dates and topics for the OAWG and the other Ofgem RIIO-ED2 working groups. Ofgem agreed to circulate this information.

3. Competition in RIIO-ED2

- 3.1. Ofgem presented its views on potential approaches to competition in RIIO-ED2 and the DNO-led Competition subgroup provided an update on its work to date. Ofgem thanked the subgroup for their work and suggested it would be helpful if they could expand on the underpinnings of their emerging views. The competition subgroup presented on 8 key priorities that it suggested Ofgem should reflect in any new Competition Framework.
- 3.2. Some DNO members of the group said that an impact assessment would need to be conducted for the introduction of additional competition measures in the ED sector. Another group member noted that native competition measures should go further than procurement regulations and help advance whole system thinking.
- 3.3. Several members suggested, that Ofgem should develop an IA before considering the introduction of competition measures in the ED sector. Ofgem noted the wide range of stakeholders' views on the subject, and said it would consider an impact assessment and the application of the impact assessment previously done ahead of the GD/GT/ET RIIO-2 SSMD.

4. Update from Data subgroup

- 4.1. The DNO-led Data subgroup provided an update on its work since the March OAWG meeting.

5. Update on LCT incentive proposal

- 5.1. In response to feedback from group members, Ofgem provide further information of how it envisaged the LCT incentive could operate. Group members raised some question on the proposal, including: would the incentive be capped or uncapped and

would the mechanism include different rates for different types of LCT. One member commented that we do not currently collect data on the uptake of LCTs.

5.2. Ofgem said that it would circulate a summary of the responses it had received from members on views on different options for funding load-related expenditure in RIIO-ED2.

6. Update from Decarbonisation and strategic investment subgroup

6.1. The DNO-led Decarbonisation and strategic investment subgroup provided an update on its work. The group received a presentation on examples of actions that DNOs can take to provide network capacity and a probabilistic approach to decision making. A presentation decision making for load related expenditure was also scheduled but will be covered at the next OAWG meeting.