

RIIO-ED2 Overarching Working Group – Meeting 5

From: Ofgem RIIO-ED2 team

Date: 6 May 2020

Time: 13:00-16:30

Location: Teleconference

1. Present

James Veaney, Tom Wood, Edwin Tammas-Williams – Ofgem
Caroline Ainslie, Dave Fort – SPEN
Paul Auckland – ENWL
Paul Branston, Nigel Turvey – WPD
George Day – Energy Systems Catapult
Beverley Grubb – SSE
Judith Ward – Sustainability First
Matt Cullen – EON
Maxine Frerk – SGN CEG / GridEdge
David Wilkins, Jim Cardwell – Northern Powergrid
Simon Gill, Anastasia Charalampidou – Scottish Government
Andy Wainwright – NG ESO
Rick Curtis – GLA
Richard Sidley – Transmission Investment
Gregory Edwards – Centrica
David Healey – Keele University
Paul Jarman – University of Manchester
James Kerr – Citizens Advice
Ron Loveland – Welsh Government
James Hope – UKPN
John Parsons – BEAMA
Rick Parfett, Caroline Damgaard – ADE
Myriam Neaimeh – Newcastle University

1. Minutes of previous meeting

- 1.1. Ofgem presented the draft minutes of the previous meeting and invited members to submit any comments or suggested amendments in writing.

2. Update from decarbonisation and strategic investment group

- 2.1. Paul Auckland reported back to the OAWG on the work of the decarbonisation and strategic investment group. This included updates on decision making for load related

expenditure, the role of DFES's and LAEPs in DNO business plans and on mechanisms to consider for ED2 to ensure connections meet customer need.

2.2. On the potential use of utilization metrics in ED2, it was highlighted that Load Indices are already used for a related purpose in ED1. The group had considered the approach to assessing investment proposed to be used in RIIO-T2, which focused on whether decisions were reasonable at the time they were made, considering the information available, rather than an ex post assessment of utilization.

2.3. Other group member suggested that the use of a utilization metric for ED2 should be kept on the table for the time being.

3. Update from DSO group

3.1. Jim Cardwell provided an update to the group on the work of the DSO group. This included a discussion of additional costs that DNOs may be faced with in the RIIO-ED2 period in the delivery of DSO activities. Several suggested additional outputs (including uncertainty mechanisms, price control deliverables, licence obligations and output delivery incentives) were proposed and discussed.

4. Update from local and regional planning group

4.1. James Hope provided an update to the group on the work of the local and regional planning group. This included an explanation of four options that had been considered as approached to scenarios for ED2 business plans, the framework for assessing those options and the next steps for the group.

5. Net zero adaptability

5.1. Ofgem provided an overview of its informal consultation on its proposal for a net zero reopener, explaining that it considered it appropriate to ensure that the RIIO-2 price

controls were adaptable to net-zero related changes that may occur in-period. Group members were to submit views by the response deadline, being 22 May 2020.