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Dear Sir/Madam,

RIIO-ED2 Sector Specific Methodology Consultation - 30th July 2020.

Thank you for the opportunity to review your proposals set out in the abovementioned consultation.

The Greater South Energy Hub reviewed the documents, in particular (https://www.ofgem.gov.uk/system/files/docs/2020/07/ed2_ssmc_overview.pdf) and we are pleased to respond as follows:

OVQ3. Do you agree with our proposed approach to a Net Zero re-opener?

Given the current uncertainty around approaches in detail across local areas to issues such as decarbonisation of heat and transport (scale of electrification versus use of hydrogen or other approaches) having a mechanism to allow for such changes would seem to be an approach to be supported.

OVQ6. Alternatively, in what circumstances would it be more appropriate to take a decentralised approach to determining forecasts?

We consider that a decentralised approach would, in some circumstances, be more appropriate; for example where significant change in local demand and/or generation observed or anticipated in conjunction with clear evidence that network improvements will be needed and ambition in that local area for growth and decarbonisation through democratically adopted policy. An example would be where DNOs are already employing flexibility solutions like decentralised generation curtailment arrangements (e.g. UKPN's Flexible Connections) or active network management through procuring flexibility (e.g. the PicloFlex flexibility tendering process), where the political commitment has been made to Net Zero ahead of nationally legislated timescales and significant growth is anticipated in local development planning.

OVQ8. Do you consider that the LAEP Best Practice guidance produced by the Centre for Sustainable Energy and the Energy Systems Catapult provides adequate checks and balances to ensure that local or regional energy plans are robust, unbiased and have broad support?

The LAEP methodology appears to provide a robust technical methodology for the development of area-based energy plans. We have yet to see or engage with those applying such an approach in our Hub area. However, based on our initial understanding we foresee some challenges to their successful development:

- Stakeholder engagement in the LAEP development process – we anticipate that our key stakeholders (i.e. Local Enterprise Partnerships, local authorities) would support in principle their development since area-based plans provide more granularity to inform decision-making and investment. However, we would question the capacity and capability that currently exists within these two stakeholder groups to be able to contribute to the development process actively and meaningfully at this time

- Information and data – we anticipate that this would be a process requiring the identification, gathering and management of significant amounts of data and information. We cannot comment until we have seen in more detail how the LAEP process has been employed whether a particular locality could be successfully mapped to ensure that robust model is established. We anticipate that there would be an ongoing need to manage data which would need appropriate technical, resourcing and governance arrangements
- Geographical scale – this issue is raised within the LAEP Method (Draft for release 30 July 2020). The diversity and difference of system challenges and potential solutions across a predominantly urban compared to rural area will be significant and will change with scale.

OVQ16. Do you agree with our approach to regulating digitalisation and better use of data through the introduction of cross-sector licence obligations?

The approach to regulating digitisation and better use of data through the introduction of cross-sector licence obligations is to be encouraged as this will further encourage the existing process already in progress across the sector in making data open, accessible and discoverable. This availability of data is important for many aspects of our work on supporting delivery of local energy projects. Further digitisation and accessible data, including clear explanations on its limitations of use will be of great benefit to the Energy Hub and local authorities within its area with their planning and delivery of local energy projects. Having regularly updated digitisation strategies and action plans, which are consulted upon with stakeholders is a reasonable way in which the relative importance of areas for improvements in data can be assessed making data availability a clear, managed process.

OVQ26. Do you agree that whole system solutions are relevant to the innovation stimulus?

The approach to explore whole system projects or behaviours will be important to build understanding in an increasingly complex interconnected system of energy use as electrification of transport and heat together with increased smart energy technologies changes significantly patterns of energy use. It is important that these changes can be considered through innovation projects at whole system level to map out pathways for change more widely. Understanding real world behaviours in terms of actual energy use and system impact will be key to avoid building an overly high capacity and therefore unnecessarily expensive network with its consequential impacts on bills which is especially important in our Hub area as we have high levels of fuel poverty. Producing robust, detailed assumptions, for example for future levels of household energy demand and connection capacity is an area for development. Unnecessarily high assumptions can lead to overly high costs of connection for new developments and cause them to stall which impacts on the ability to deliver new homes. Building understanding about system wide solutions and behaviours into the innovation stimulus is therefore supported.

We hope that our comments are helpful.

Yours sincerely,



Peter Gudde
Energy Projects Manager