

RIIO-ED2 Safety, Resilience and Reliability Working Group (SRRWG) – 7th October 2020

From: Ofgem

Date: 7th October

Time: 10am to 1pm

Location:

Teleconference

Present

Ofgem

UK Power Networks (UKPN)

Western Power Distribution (WPD)

Northern Powergrid (NPG)

Scottish Power Energy Networks (SPEN)

Electricity North West (ENWL)

Scottish and Southern Energy Networks (SSEN)

1. Review of SSMC position and responses

1.1. Ofgem provided an overview of the SSMC position, and a summary of some of the key responses.

1.2. Some common feedback provided on the SSMC was that it is useful to establish Load Index (LI) measurements in RIIO-ED2 to measure how close the network is to operational limits while recognising that LIs are a very partial view of both utilisation and drivers for reinforcement and could usefully be supplemented in time with additional measures that look at factors such as generation constraints.

1.3. ENWL noted that when designing LIs for RIIO-ED2, we need to identify what role the LIs will actually fulfill. ENWL suggested that this should be considered in four areas:

- Whats its role in cost assessment?
- Whats its role as direct output/incentive?
- What is its role if any in Uncertainty Mechanism (UM)?

- What is its role if any in any close out process?

1.4. Ofgem considered this a useful way of framing the development of the LIs.

1.5. In terms of the role of LIs in any UM, stakeholders noted that, at present, there is sufficient information in CV1 and CV2, to allow the estimation of a £/MW rate. This information is also available in the Annex E Reinforcement pack of the RIGs. Stakeholders questioned the need for duplicating the information, if the costs are captured in the CV pack. It was suggested that Annex E Reinforcement pack could be supplemented with other information.

2. Feedback from previous session

- 2.1. Ofgem provided a brief overview of feedback received on the proposals presented by SPEN and UKPN at the last working group focusing on LIs.
- 2.2. Some of the key comments included support for the review and potential recalibration of the current LIs, and questions around the merits of expanding the methodology to account for distributed generation, fault level and flexibility.
- 2.3. On UKPNs proposed introduction of a utilisation measure, there were concerns regarding the variation of data held across the DNOs, and the impact this would have in developing a consistent and robust approach for ED2 implementation.
- 2.4. SPEN discussed in detail, some of the limitations with the current Maximum Demand Indicators on the networks. SSEN added that, while different DNOs may be approaching this differently, SSEN used the MDI information in their methodology for calculating utilisation duty factors for use within the common network asset indices methodology (CNAIM).

3. Review of ED1 performance

- 3.1. Ofgem provided a review of ED1 performance including the actual total load related expenditure (LRE) to date against the forecast and allowed spend, and the reinforcement expenditure to date.

3.2. Ofgem continued by presenting a breakdown on the 2020 LIs and the change in LIs over RIIO-ED1, with Ofgem noting that there had been a steady increase in the percentage of LI1s and LI2s over the ED1 period.

3.3. Action: Ofgem to circulate the data used to generate the ED1 performance figures and graphs.

4. Interaction with BPDs

4.1. SSEN

5. Actions, Next Steps, AOB