

Ofgem
10 South Colonnade
London
E14 4PU

12 February 2021

Dear Sirs,

Ofgem Forward Work Programme 2021-22

We are grateful for the opportunity to respond to the consultation on Ofgem's Forward Work Programme for the regulatory years 2021/22. We welcome the proposals and set out below our detailed considerations and comments.

This letter represents the views of Smart DCC Ltd (DCC) and I can confirm that we are content for this to be published on the Ofgem website.

About Smart DCC

DCC provides the highly secure national network, systems and ongoing operations that underpin the roll-out of gas and electricity smart meters to every household and small business in Great Britain. We support the roll-out of second-generation (SMETS2) meters, as well as the migration of c.17 million existing first-generation (SMETS1) meters onto our system, upgrading these devices over the air and enabling them to be fully interoperable meaning consumers can switch with no loss of functionality. We provide the central role and platform to support Ofgem's programme to deliver a faster, simpler central switching service for energy consumers.

Consultation response

Summary

DCC supports Ofgem's vision to be on track to meet net zero commitments by 2025 and believe it is entirely correct that Ofgem provides the strategic direction that will enable the industry to meet this objective. Ofgem's new five strategic change programmes are demanding and set out challenging new activities to be achieved in addition to existing commitments.

Beyond the successful delivery of our core and mandated programmes, opportunities to re-use our network can contribute greatly to Ofgem's strategic ambitions. We believe there is a role for DCC to play in; supporting the rapid growth of electric vehicles, the use of smart technology to help unlock demand side flexibility and contributing to a data enabled energy sector.

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We are engaging with Ofgem and BEIS on how the DCC network can support the governments EV smart charging infrastructure. Additional engagement with customers and other stakeholders, such as the EV Energy Taskforce and BSI, has contributed to greater understanding of the challenges and how the DCC network could help meet the governments objectives.

With the rise of EVs, greater proportional load control capability, will no doubt be part of any future infrastructure. To support this, the system will need to ensure; high levels of cyber security to build trust between those wishing to control loads and interoperability of chargepoints to enable consumers to roam infrastructure and meet charging need, The DCC network, is highly secure and can already support some proportional load control. Ensuring interoperability of chargepoints will reduce the risk of chargepoint redundancy and greatly increase grid protection and support full chain flexibility. The DCC network can support these requirements and offer a national long-term solution with the potential to evolve as the EV market expands and develops.

As newer renewable energy comes on board, we will see change in consumer behaviour. The ability to mine data that enables agile infrastructure response will be critical. The DCCs network is uniquely placed to support the wider energy infrastructure with data to inform demand and supply. We would welcome opportunities to discuss how the DCC network could further support Ofgem's ambitions in this regard, including how potential system data could be opened and shared.

Low Carbon Infrastructure

We welcome Ofgem's proposals in this area. The importance of the right infrastructure to support transformation to deliver a low carbon future is critical. Ofgem's commitment ensuring the development of the necessary infrastructure enablers will require well informed policy. We would urge Ofgem to use existing assets to contribute to the research and understanding of future infrastructure needs. Smart technologies, such as the smart meter network, can provide valuable insights. Including these in the research stage would ensure a holistic view of issues and possible solutions. In turn, it reduces the risk of a siloed views to building a cohesive infrastructure. Mining of information that will inform development of low carbon options requires comprehensive input across the industry; modelling uptake, demand and supply should not be limited to discreet entities or functions across the existing systems. Impacts of developing new technologies should be considered across the industry and beyond.

DCC will play an integral role in the delivery of domestic half-hourly settlement should this go ahead. In turn, this will further enrich the data passing through the DCC network. Mining this data could help both the use of low carbon energy and unlock flexibility across the energy infrastructure. Opening the appropriate data to the wider energy industry would no doubt support this ambition, and we would welcome the opportunity to explore the issues around this further with Ofgem.

Full Chain Flexibility

The requirement for flexibility in our energy system cannot be underestimated and we fully support Ofgem's programme in this area. As Ofgem acknowledges, the demand, capacity and supply issues are not without challenges, there is much to be learned about how to unlock our energy system so that it can be fit for purpose. Implementation of any policies will need solid foundations that are informed by everything from generation, storage, supply, consumer behaviour and meeting our low

carbon ambitions. We note that Ofgem plans to work with BEIS to develop its joint Smart Systems and Flexibility Plan 2.0 and look forward to its publication. We are pleased to see that this plan will consider how to support the adoption of electric vehicles (EVs) and their smart integration into energy networks to reduce dependence on fossil fuels for surface transport.

BEIS has consulted on the use of the DCC infrastructure to facilitate nationwide EV charging. As a result of which, DCC have invested significant time considering the functionality which would be of benefit to end-consumers, as well as other market participants such as the Distribution Network Operators (DNOs). Some of that thinking has already been turned into practical functionality as, in response to a BEIS mandate, DCC has implemented a *proportional load control* capability to enable authorised parties to control the charging of EVs remotely, via the DCC network.

Additionally, Ofgem will be aware that the Competition and Markets Authority is undertaking a market study into EV charging. The scope of this market study does not include the impact of EV charging on generation and network capacity but we believe the installation of EV charging must take account of its impact on the wider energy system and specifically the potential for impact on our electricity networks and generation.

We would welcome the opportunity to discuss how the DCC network can further support the governments ambitions in this area.

Data and Digitalisation

DCC have participated in Ofgem's data and digital standards forum and welcomes Ofgem's continued focus and leadership in this area. DCC is also seeking ways to contribute to this initiative, identifying potential system data that could be opened and shared for the benefit of the wider energy system.

Finally, we would ask Ofgem to consider resource implications for the delivery of such a vast forward work programme, particularly, where new initiatives have been identified in addition to already challenging programme commitments. We note that Ofgem are seeking to implement changes so that it can become increasingly efficient and effective. Nonetheless, the lead in time for such changes will no doubt impact resourcing in the meanwhile which should be factored into the forward work programme.

Please contact Julian Rudd (Julian.Rudd@smartdcc.co.uk) should you have any questions.

Regards,



Siobhan Stanger

Chief Regulatory Officer

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