

ENA – Technical Losses Task Group

Draft Terms of Reference – 14/12/2015

1. Introduction

Standard Licence Condition (SLC) 49 requires DNOs to ensure that Distribution Losses from its Distribution System are as low as reasonably practicable, and to maintain and act in accordance with its Distribution Losses Strategy. In reviewing their Strategies DNOs are expected to modify and update their Strategies to reflect the latest losses environment and to accommodate lessons learned and stakeholder feedback.

For example this could include reflecting:

- the likely increase in the availability of losses data (e.g. from the rollout of smart meters);
- the development of methodologies to estimate and/or measure losses; and
- increased evidence of additional losses reduction actions undertaken by DNOs that will become available during the price control.

2. Purpose and Aim

The purpose of this sub group is to ensure best practice is shared between ENA members (including DNOs, TOs, and SO):

- a. Understanding of losses
 - o considering the network in a holistic manner and making efforts to understand how losses on their network affect others e.g., those on the transmission and/or other distribution networks?
- b. Processes exist to manage losses
 - o Assessment of best practice, both nationally and internationally, when considering processes and methods to manage losses on networks.
 - o Preparing to effectively use smart meter data to develop specific actions to manage losses.
- c. Effective engagement
 - o ensuring that processes are in place to share best practice with relevant stakeholders This could include engaging with one another, the Transmission System Operator (TSO) and the Transmission Owner (TO) to facilitate a holistic and coordinated approach to losses management.

3. Deliverables

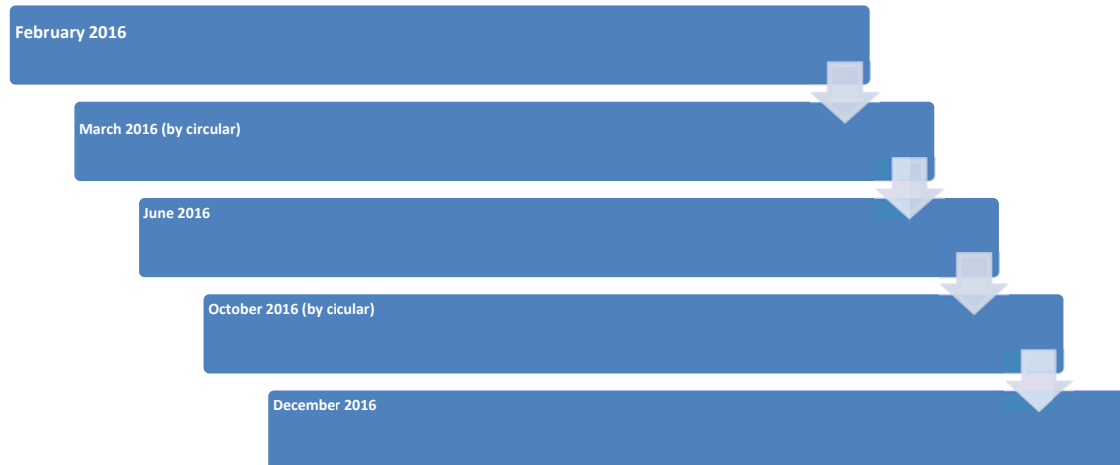
The working group will have the following deliverables to meet the objectives in section 2:

- a. Understanding of losses
 - Develop Engineering Recommendation document setting out recommended minimum technical standards for equipment
 - Develop good practice guide
 - o Considering the likely increase in the availability of losses data (e.g. from the rollout of smart meters);
 - o methodologies to estimate and/or measure losses;
 - o [etc]
- b. Processes exist to manage losses
 - Develop paper on international and national best practice examples/processes for managing losses. This may form part of the appendix for the above ENA Engineering Recommendation.
 - Engineering report setting out the impact of Low Carbon Technology uptake on distribution technical losses and setting this in a wider whole network and GB carbon context (informing stakeholders of probable increased technical losses from higher network utilisation)

c. Effective Engagement

- Stakeholder report published on ENA website of technical initiatives being undertaken by industry (updated following each meeting)
- Identify requirements and opportunities for stakeholder engagement / co-ordination on technical loss understanding and reduction (standing activity)

2016 Delivery Timeline –TBC at first meeting



The format and detail of any output will depend on reaching consensus from participants during the execution of the sessions.

4. Reporting

The group will report to the ENA Electricity Networks and Future Group (ENFG). The Chair of the group will update the ENFG members at each meeting.

The group will provide regular updates to the Transmission and Distribution Interface Group given the close interaction in topic area.

5. Membership & Logistics

All ENA Electricity members who have an interest in the High Volts issue have been invited to attend and actively participate in the group:

- Each ENA Electricity Member Company may appoint one or more representative(s) to sit on the group;
- The group will appoint an ENA Member Company representative to chair the group;
- The secretariat for the Group will be provided by the ENA;
- Additionally the group may offer membership to external stakeholders (as and when appropriate).

At the opening meeting of the meeting of the working group, the frequency of meetings shall be decided and meetings will normally be held at the ENA Offices, London (subject to availability).

Following each meeting, the ENA secretariat will ensure that a record of action notes is completed and where necessary documents are circulated and actions followed up.

6. Compliance

The Group will at all times comply with the requirements of the 1998 Competition Act and will not deal with any matter which will or is likely to prevent, restrict or distort competition or constitute an abuse of a dominant position as construed within the Act.

ENA Technical Losses Working Group – Summary

Working group name	Technical Losses Working Group
Working group chair	To be confirmed
Which working group does the group report to	ENFG
Membership of Group	<p> ENA ENW NPG SPEN SSEPD UKPN WPD </p> <p>The SO and TOs may nominate a representative, but is likely to only be required occasionally and subject to agenda items and activities.</p>
Which working group(s) does the group oversee	None
Which external stakeholders attend (if applicable)	N/A
Scope of work (main areas covered by working group)	<i>[As per draft- finalise here once agreed at first meeting]</i>

Deliverables for 2016 (please indicate the dates and also if any are external which will require sign off from ENA)	<i>[TBC]</i>
ENA support (type of support and name of secretariat)	Secretariat support to arrange meetings and take key actions.
Any additional ENA support required in 2016 (if applicable)	Technical support if required
Permanent or temporary group (if temporary please say when group will disband)	Permanent