

Sustainability Working Group meeting with UK Power Networks



Date: Thursday 18 June 2020

Time: 10.00am – 12.00am

Time and date

10.00am – 12.00am, Thursday 18 June 2020

Attendees

CEG

Dan Byles
Nigel Cornwall
Jeff Hardy
Ralitsa Hiteva
Phil Lawton
John Hargreaves

UK Power Networks

James Hope
Max Taylor
Phil Spiby
Ross Thompson

Agenda

10.00am	Introductions and overview of session
10.20am	Overview of UKPNs Facilitating Net Zero engagement programme
11.30am	Overview of UKPNs interpretation of the SSMC
11:50pm	AOB

Meeting summary

UKPN and the SWG met to discuss:

- (i) An introduction to the potential UKPN environmental outputs within ED2, particularly those relating to UK Power Networks' environmental impacts (this include UKPNs internal and common cross DNO workings on these metrics);
- (ii) An overview of the environmental incentive design process (and the use of science-based targets) which had led to the development of the potential mechanisms being considered; and
- (iii) An overview of the potential customer impacts, challenges and delivery assumptions associated with these metrics in practice.

Discussion

Key discussion and steer focused on:

- (i) The group discussed the new challenge process, and how they would be able to raise issues and formal challenges in line with the SWGs role;
- (ii) The group sought additional information on the customer priorities and views which had fed into and informed the development of the new environmental incentive proposals;

- (iii) The group discussed the Ofgem requirements and current developments around environmental incentives, and how these were interacting with UKPNs own work readying proposals for ED2;
- (iv) The group discussed the financial mechanics of the proposed mechanisms and the potential impacts of these on customers, with desire for more information on what these might look like in practice; and
- (v) The group agreed there is no cause for a challenge on environmental incentives at present for two reasons: (i) The design of environmental incentives that UK Power Networks is leading is focused on establishing a common methodology between DNOs at this time; and (ii) UK Power Networks is undertaking customer and stakeholder research at present that will be used to inform the environmental incentives.

Actions and next steps

Action - UK Power Networks to share challenge process with CEG when complete.

Action - UK Power Networks to share detail on their customer priorities on environment from ED1.

Action - UK Power Networks to update SWG on implications of sector specific methodology and T2 and GD2 determinations regarding the environment.