

Sustainability Working Group meeting with UK Power Networks



Date: Tuesday 08 September 2020

Time: 11.30am to 1.00pm

Time and date

11.30am to 1.00pm, Tuesday 08 September 2020

Attendees

CEG

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

UK Power Networks

James Hope
Max Taylor
Ross Thompson
Daniel Saker
Sam Bould (KPMG)

Agenda

11.30am	Introductions and overview of session
11.40pm	Overview of DSO and customer impacts
12.10pm	Overview of UKPNs proposed mechanisms around utilisation
12.40pm	Overview of UKPNs approach to curtailment within ED2

Meeting summary

UKPN and the SWG met to discuss:

- (i) An overview of the development of the DSO incentives and support mechanisms which were under development for ED2 and their impact on consumers;
- (ii) A background on the existing levels of an approach to curtailment being taken by UKPN and other networks, and associated Ofgem context;
- (iii) The approach to utilisation and curtailment which UKPN are considering for ED2; and
- (iv) An overview of how stakeholder engagement and feedback had fed into the development of these mechanisms.

Discussion

Key discussion and steer focused on:

- (i) The group asked and discussed working examples and impacts of the mechanisms being proposed in practice around curtailment and utilisation, including how they would interact with stakeholders and market participants;

- (ii) An overview of the regulatory barriers and enablers in this space and their influence on the development of any mechanisms;
- (iii) Discussion on how the proposed mechanisms would interact with other areas of UKPN's business plan and approach to ED2; and
- (iv) Discussing the implications for vulnerable consumers not "left behind" in the transition.

Actions and next steps

Action – UKPN to send the CEG additional background from the working group on the process for development of the UKPN options assessment criteria for the LRE mechanisms.

Action – UKPN to provide hypothetical example / work through of the process for the new utilisation mechanisms within ED2, including how it will align to the DFES.

Action – UKPN to schedule an additional session later around the implications for vulnerable consumers around these incentives and other key sustainability related mechanisms within ED2.