

Resilience and Reliability Working Group



Date: Thursday 16 July 2020
Time: 12.00am to 1.30pm

Time and date

12.00am to 1.30pm, Thursday 16 July 2020

Attendees

CEG

Ann Bishop
Nigel Cornwall
John Hargreaves
Peter Bennell
Peter Atherton
Ann Bishop
Jeff Hardy
Nick Pollard
Phil Lawton

UK Power Networks

James Hope
Max Taylor
Samuel Bould (KPMG)

Agenda

12.00am	Introductions and overview of session
12.10pm	Overview of UKPN ED1 cost assessment process & categories (continued)
12.45pm	Overview of approach to expenditure around Net Zero and Network Health
1.20pm	AOB

Meeting summary

UKPN and the RRWG met to discuss an initial introduction to the September Submission Ofgem required cost indication document to inform expenditures for the ED2 control, including:

- (i) The objectives of the submission;
- (ii) What UK Power Networks spends now and how it records and reports this expenditure;
- (iii) Assumptions for the submission; and
- (iv) Areas of customer and stakeholder influence and leverage – including via the results of research.

Discussion

Key discussion and steer focused on:

- (i) UKPN providing additional data (including heat maps) on expenditure areas which UKPN would seek to develop;
- (ii) Further information and explanation of expenditure items;

- (iii) Recommendations for the future Willingness to Pay (WTP) analysis and interaction with expenditures areas such as the provision of further context to materials;
- (iv) Expansion of UKPN's role around educating stakeholders; and
- (v) The use of top down efficiency assessments.

Actions and next steps

Action – UKPN to develop heat mapping which outlines expenditure breakdowns by activity levels.

Action – UKPN to pull out key headings from Ofgem reporting guidance which outline which activities relate to specific areas and provide brief summary of key areas.

Action – UKPN to review whether the choice of future decarbonisation scenario would lead to impacts on investment decisions within ED2.

Action – UKPN to consider inclusion of further WTP analysis and investigations into customer willingness to spend on reliability and asset health.