WESTERN POWER DISTRIBUTION
Serving the Midlands, South West and Wales

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Our ref	*Your ref*	*Date*
		5 March 2018

Dear Sir,

Electricity System Operator Forward Plan

I am writing to you in response to your consultation on the above.

Western Power Distribution is the Distribution Network Operator (DNO) that serves 7.8 million customers across the South West of England, South Wales and the Midlands.

Our views on the plan are attached. If you require any further information or detail around any of the contents of this response please feel free to contact me at nturvey@westernpower.co.uk.

Yours sincerely

Nigel Turvey

Nigel Turvey
Network Strategy and Innovation Manager

Principle 1: Support market participants to make informed decisions by providing user-friendly, comprehensive and accurate information.

Future Energy Scenarios are a key output to assess options for future network development and products to deliver an efficient whole system outcome. WPD has, over the last two years, developed local granular scenarios around the economic scenarios used in the FES. Given the trend towards local sources of generation this increased granularity can assist is the development of these processes and we believe incorporation of these with other local forecast from other DNOs would improve this analysis. In addition, the Open Network project has an output this year to develop a whole system FES and one of the improvements for the ESO should be to actively engage with this development to improve the FES output.

Principle 2: Drive overall efficiency and transparency in balancing, taking into account impacts of ESO actions across time horizons.

Given that an increasing volume of balancing action are being delivered from resources embedded in distribution networks, there should be a requirement to consider the impact of these action on the distribution network to help maximise the capacity at the distribution level to allow further DER to connect without reinforcement.

Principle 3: Ensure the rules and processes for procuring balancing services maximise competition where possible and are simple, fair and transparent.

Further improvements in simplifying product structure should be sought by consulting widely with potential providers to ensure that the structure facilitate new parties. We strongly support seeking to minimise the use of exclusivity clauses and also believe that shared service arrangements where services can be used to support both distribution and transmission networks are an important area to develop and implement.

Principle 4: Promote competition in the wholesale and capacity markets.

No comments.

Principle 5: Coordinate across system boundaries to deliver efficient network planning and development.

We agree that further work is needed to develop whole system planning and that further development and implementation of regional development plans will contribute to this. An important aspect of coordination across system boundaries is ensuring that information flows both ways between distributors and the ESO. For example greater transparency is needed of what resources embedded within distribution networks are contracted with the ESO to provide services and the likely use of those services to facilitate more efficient distribution network planning.

Distributors also need information about available headroom at both the connection boundaries (GSPs) as well as relevant transmission boundaries to allow efficient network development to take place and be able to provide timely information to potential connectees to the network.

Many aspects of this area are being developed within the Open Networks project and the ESOs active participation in helping to develop the outputs from this is essential.

Principle 6: Coordinate effectively to ensure efficient whole system operation and optimal use of resources.

As with principle 5 a key issue is the two way flow of information about resources being used to deliver services and information on their expected use to facilitate efficient distribution system operation and to minimise the disruption to connected customers particularly during maintenance periods.

Data management, visibility of actions and control architectures are key to improving whole system operation and again many of these are covered by outputs from the Open Networks project where the ESO active participation is essential.

Principle 7: Facilitate timely, efficient and competitive network investments.

Further development of the NOA process to be able to assess regional issues rather than just the main system boundaries should an area for improvement to ensure that system development or the use of non-network solutions gives the lowest overall costs to customers by taking account to the costs of curtailing DER.