EDF Energy Networks Regional Workshop, LPN & SPN

London, The Institute of Directors, 9 September 2008

Workshop Report

Introduction

This report has been produced following a workshop held by EDF Energy Networks on its plans for the period 2010 to 2015, especially in the London (LPN) and the South East of England regions (SPN). The report has been prepared by Dialogue by Design (the meeting facilitator) and provides a narrative of the comments made by workshop participants during the seminar. The half-day seminar was attended by 14 participants. In addition, a number of EDF Energy people attended to hear stakeholders' views and to provide information on request. A full list of attendees is contained within Appendix A.

Welcome and introductions

Paul Delamare, DPCR5 programme Director welcomed everyone at the start of the day and then handed over to Pippa Hyam from Dialogue by Design. Pippa reviewed the objectives of the meeting, explained the process by running through the agenda and agreed the ground rules for the day.

Objectives

- An opportunity for stakeholders to hear EDF Energy Networks' plans for the region
- An opportunity for stakeholders to focus on some additional key issues including:
    - High Impact Low Probability/Resilience
    - Future technologies
    - Building for a sustainable future
    - Improving visual amenity
- An opportunity to show participants how they can give detailed responses to the consultation via the DPCR5 website.

Ground rules

- Non attribution
- Report
- Mobile phones off or on silent

Presentation: Introduction to the plan

Keith Hutton, Head of Distribution Price Review, gave an introduction to the plan explaining the main issues. The presentation can be found on the consultation website, http://www.edfenergy.com/dpcr5 (section 'Workshops').
The participants were then asked to work in their small table groups to identify key issues of concern on Post-it notes. These were then grouped by the facilitator with input from the participants. There was individual group discussion, the output of which, is captured below.

Investment and risk in emerging technologies

Issues

- More micro-generation and distributed energy; what is the impact on DNO and how by how much?
- Low distributed generation seen at 11kV & LV -> lack of developer investment up front means CHP often not taken up

Discussion

- What if renewable energy policy leads to feed-in tariffs?
- Investors unlikely to want to put in investment up front so if DNOs are involved this, is seen as positive
- Very uncertain area for EDF Energy due to lack of activity on the ground currently
- Could be a huge change in the next few years so EDF Energy needs to consider within the review

Skills Base

Issues

- EDF Energy people insufficient delivery resources
- Training and authorisations for contractors working on networks
- EDF Energy become an 'employer of choice' for engineers

Discussion

- Concern that EDF Energy has struggled to deliver in past few years and new projects will only exacerbate this.
- Is a real investment/effort being made to bring in younger/ correct skills base into the company?
- Need to help contractors
- EDF Energy has submitted total resourcing plan includes contractors and internal resources to Ofgem which includes increased funds for training
- Is it morally/ethically acceptable for EDF Energy to take electrical engineers from developing countries?
    - EDF Energy's first choice is to recruit within the UK – should the solution then be going back to apprenticeship schemes?
- The attractiveness of the package within a competitive market is key
- Need to work at schools level as well
- Need more long-term planning and to expand on current plan

Communication

Issues

Informing Customers

- Level of detail of information re outages, i.e street level not postcode
- Communications – warn and informing arrangements in a power outage
- Getting people to call back
- SPOC instead of Call Centre for responders

Partnership Working

- Sub-station watch – can link into local emergency plans. May impact local risk assessment/ risk register. More communication/partner working
- Contingency planning linking in with partners i.e. LA? Incident management?
- Integration with Business Continuity Plans lines of communication

Discussion

- Need to raise game, in terms of communication and liaison with partners such as local authorities, fire brigade etc, especially when an incident occurs
- E.g. Local authorities given same information as residents calling. Category 1 respondents should be prioritised so can pass on information to residents – makes communication more efficient and enables partners to do their job better
- Accuracy of information important. Prefer to know 'worst case scenario' for time to fix and precise locations by street rather than postcode
- Data protection issues, especially with local authorities, around supporting vulnerable people

Challenge growth in low carbon economy

Issues

- Cooling growth, even residential
- How to plan for uncertain future
- Load growth versus economic climate (use historical data)
- Increased storm damage – what does a 'more resilient' network look like?
- London – peak load in 2008 is 5,100MW, what will it be in 2020? (this was answered by an EDF Energy person in the workshop – 2% increase per annum)

Roles and responsibilities for demand management

Issues

- No demand management and control by DNO
- Clarification: what role does EDF Energy have re demand management?

Discussion

- Role of DNOs is in conflict to government policies to reduce demand
- Perhaps EDF Energy should be involved in policy making discussions
- Currently always reacting to increased demand
- Are aware of peaks in demand at particular times
- EDF Energy keen on SMART metering
- Electric vehicles and increased heating from electricity could lead to much greater demands. Is this a good investment for the country to enable the network to cope with very high consumption during short periods of the day?
- Need to smooth out the peaks, perhaps with storage facilities
- DNOs need to be involved in the modelling

- Role of EDF Energy should be revisited in light of changing environment
- EDF Energy do currently have discussions with BERR

Traffic Management Act

Issues

- Impact of Traffic management Act and cost of implementation

Discussion

- 2004 change in legislation
- Now being implemented
- Costing impact due to processes, training needs etc
- Still uncertainty
- Needs to be looked at as part of the Review?

Protected landscapes and environmental issues (see later session for discussion)

Issues

- Continued investment into:
    - 'Undergrounding' overhead lines in protected landscapes
    - Leakage minimisation from EHV cables

Future proofing capacity

Issues

- Capacity – City of London
- Distribution – City of London
- Resilience – City of London
- Commercial property development information response time too long
- London – capacity headroom as future proofing

Key Issues

The participants were then given an opportunity to find out about and discuss some key issues for the region in more detail;

- High Impact Low Probability & Resilience
- Future technologies
- Building for a sustainable future
- Improving visual amenity

Presentations on each issue were given by EDF Energy's David Openshaw and Mike Dixon, followed by a quick discussion around table tops before feeding back to the plenary group. The presentations can be found on the Consultation website, http://www.edfenergy.com/dpcr5 (section 'Workshops'). The plenary discussions are captured below.

High Impact Low Probability

- City of London and the UK financial services centre
  - Imperative to have security of supply
  - If perceived risk – companies will move elsewhere i.e. overseas
- Do foreign centres have better resilience?
  - Other capital cities have superior design
- Generator backup exists but won't cover large amounts of time
- Ofgem has no statutory basis for allowing higher security from one customer to another
- Also impact on transport networks
- EDF Energy should compare resilience with other international centres
- Proposition is to treat specific area of London (financial centre) as a special case
  - But who bears the cost?
  - Why should domestic users pay?
  - But protecting whole of national economy
- N.B. £80-100m investment means digging up the streets

Resilience

- Better to invest long-term in capital investment, rather than the current state of focussing on faults
- EDF Energy has proposed both (focus on City of London HILP and general resilience)
  - It's a balance of impact
  - Should there be a bit more investment in areas with higher levels of disruption to bring them closer to average? - depends partly on the growth of that area
- Could DNO have standby generation installed in these areas rather than capacity investment?
  - There are options, but have to look at what is causing the fault – but there are some possibilities.
- How many times does a fault have to occur before cause is fixed?
  - If analysis reveals a common reoccurring cause then will be looked at – pragmatic approach
- Partial discharge monitoring is currently being looked at
- Target physical breakdown rather than damage e.g. by other authorities
- Issue of remoteness in London e.g. through language, culture etc

- But does communicating in more languages promote/ encourage that remoteness?

Future technologies

- Smart networks will eventually reduce costs – it's about upfront investment
- More of a moral/ethical obligation to support government Renewable Energy Strategy – distributed networks will have to play their part
- Would like Ofgem to tear down the wall between metering and distribution networks – deployment is key
  - Smart metering is a key part
  - And related to customer education (e.g. turn on washing machine at 1am as it will cost the least – smoothes out the peaks and troughs)
- DNO has economic incentive to smooth out peaks and troughs – need relationship between DNO and smart metering
  - But have to take into account competition issues too – there are incentives on the supplier
- Any future in tidal/ wave generation?
  - Severn barrage still potentially significant
  - Is a potential especially in North Scotland
  - Cost issue
  - EDF Energy Networks looking at facilitating new generation types
- High uncertainty 2009-2015 (e.g. policy, economics etc) – any scope for changes to plan once agreed with Ofgem?
  - Must have the flexibility to deal with future scenarios
  - Deployment fund includes 'skilling up' employees in use of new technologies
  - If expansion in new forms of energy then significant investment in networks may be required (e.g. reverse flow networks)

Sustainability and AONB

- £7.7 million – how many miles of overhead cables?
  - Nominal figure suggested by Ofgem – mainly 11kV – 60-70km, possibly a bit more if mix of 11kV and low voltage and a bit of 33kV
- Presumably savings of undergrounding in forested areas made in terms of less tree damage etc – is that taken into account?
  - Maintenance cost is higher for underground cabling due to cost of repair
  - And mostly in areas without trees – mainly visual impact issues
- Nationally there is high level of support for this allowance – may be issues with deliverability so EDF Energy needs to keep its eye on this
- Money may be better spent on maintaining service side and if extending the network then go underground in AONBs
- There is a separate allowance for EPN (less) to do with the amount of network inside AONB
- Ofgem made the allowance as an amount available to use in consultation with stakeholders – EDF Energy chose to be very proactive in this
- EDF Energy has taken the lead with this – taken as a model for other DNOs
- Other measures of well being other than GDP – shouldn't underestimate these other attributes
- If all other DNOs follow suite, could have a disproportionate amount of money spent on e.g. aesthetic improvements. Possibly not a high priority in an economic downturn.

General question

- Is there any priority put on these different themes?
    - EDF Energy Networks trying to get a feeling for stakeholder views on all the options – not mutually exclusive and not a lot of connection between a lot of the options – unlikely Ofgem will force a trade off

Appendix A: List of attendees

Organisation	Title	First name	Surname
Bovis Lend Lease	Mr	Simon	Amans
Chapman Bathurst	Mr	Rex	Alexander
Chapman Bathurst	Mr	Toby	Bates
Chapman Bathurst	Mr	Mark	Holliday
City of London Corporation	Mr	Simon	McGinn
Electrical Contractors Association	Ms	Diana	Barrett
Evershed LLP c/o DTZ	Mr	David	Howe
Lewisham	Mr	John	Brown
London Borough of Southwark	Ms	Thelma	Goddard
London Climate Change Agency	Mr	Paul	Street
Merton	Ms	Jackie	Bradnick
Morrison Utility Services	Mr	Pat	Carolan
South Downs Joint Committee & NAAONB	Mr	Nathaniel	Belderson
The National Trust	Mr	Dave	Burges
EDF Energy Networks	Mr	Barry	Hatton
EDF Energy Networks	Mr	Paul	Delamare
EDF Energy Networks	Mr	Keith	Hutton
EDF Energy Networks	Mr	Dave	Openshaw
EDF Energy Networks	Mr	Mike	Dixon
EDF Energy Networks	Mr	Peter	Hargreaves
EDF Energy Networks	Mr	Chris	Winch
EDF Energy Networks	Mr	Terry	Barker
EDF Energy Networks	Mr	Andy	McIntyre