

EnerNOC response to National Grid's TPCR5 Preliminary Stakeholder Consultation

EnerNOC UK Limited greatly appreciates this opportunity to provide our thoughts in regards to the Preliminary Stakeholder Consultation for National Grid's Transmission Price Control Review. Below please find our responses to the questions contained in the preliminary consultation.

Q1: Before you read this document, were you aware of price controls? If so, what is your understanding of them and what do they mean to you?

Yes, prior to reading this document, EnerNOC was familiar with the concept of price controls and their existence for gas, transmission, and distribution, among other areas of regulation. This is due to our experience delivering STOR in partnership with National Grid, working with Distribution Network Operators on opportunities associated with the price controls for distribution, and other related activities. Our understanding is that price controls are a mechanism used by the Office of Gas and Electricity Markets (Ofgem) to regulate the areas of the energy sector that fall within its jurisdiction. In addition to regulating prices and incentives to guarantee the low-cost, reliable delivery of energy to end users while also allowing a fair return on investment for regulated companies and their investors, price controls are also used to further the government's energy-related policy objectives, such as lowering greenhouse gas emissions and curbing climate change.

Q2a: Whose views do you think we should seek as part of our Transmission Price Control Review stakeholder consultation?

In addition to the groups already listed in the Preliminary stakeholder consultation, EnerNOC believes that National Grid must also include aggregators of demand side services in the consultation given that demand side aggregators play a growing and essential role in providing balancing services to National Grid, and that aggregators will be increasingly involved in contributing to environmental sustainability in the UK in the coming years.

Q2b: Which groups on the above list, if any, do you think we do not need to talk to in the course of this consultation?

We believe all groups on the list ought to be appropriately considered stakeholders for this consultation.

Q3a: What methods and tools would you expect us to use in order to engage stakeholders in this consultation?

The list of methods of tools that National Grid is considering, as provided in the preliminary stakeholder consultation, looks to be comprehensive and appropriate.

Q3b: Which of the methods and tools listed above, if any, do you think we should definitely not use for this consultation?

We believe that all of the methods and tools listed could be appropriately used to engage stakeholders in this consultation.

Q4a: What themes would you expect the stakeholder consultation to cover?

We believe that National Grid has appropriately identified the areas that its transmission operations impact in its list of six themes provided in the preliminary stakeholder consultation.

Q4b: Having now seen our suggested list of themes, what further themes, if any, should we include in our consultation?

N/A. We believe that National Grid has appropriately identified the areas that its transmission operations impact in its list of six themes it provided in the preliminary stakeholder consultation.

Q4c: Which themes, if any, should be excluded from the consultation?

N/A. We believe that National Grid has appropriately identified the areas that its transmission operations impact in its list of six themes it provided in the preliminary stakeholder consultation.

Q4d: What questions would you expect us to ask in our consultation under each of these themes, outlining why you think each is important?

EnerNOC would like to see National Grid include in its consultation an inquiry as to how increased opportunities for demand response, and demand response aggregation, can further the economic, reliability, environmental, and customer satisfaction goals of National Grid and Ofgem.

Topics could include:

- How to maximise the use of demand response to provide ancillary services and facilitate the integration of renewables
- The use of localised demand response, as well as energy efficiency solutions, to defer or avoid transmission system investments
- The creation of new programmes specifically for demand response, and/or the expanded ability of demand response to participate in existing markets/programmes
- The creation of market-based mechanisms to spur investments in energy efficiency

Q6: Please let us know if you have any other thoughts or comments on the points raised in this document, or if you would like to highlight any other issues you consider to be important.

EnerNOC has no further comments at this time. We very much appreciate the opportunity to provide comments in response to this preliminary consultation and look forward to participating in the later stages of the Transmission Price Control Review.