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15 June 2018

Dear NOA Team

### **Network Development Roadmap Consultation**

Thank you for the opportunity to respond to the consultation on your Network Development Roadmap.

As the Distribution Network Operator for the North West region, Electricity North West has been fully involved in the Open Networks project from its inception. It is important that as we enter into this period of unprecedented industry change that developments and changes to processes are undertaken in a co-ordinated and collaborative way so that all stakeholders are considered, and have the opportunity to input. With that in mind we welcome the approach that National Grid are taking in the development of this process.

It is critical that change is co-ordinated and done so with full consideration to the impacts to all market participants and is driven by the long term best interests of GB customers.

We see a large degree of crossover between this consultation and the work being undertaken within the Open Networks (ON) project, in which National Grid participates directly. This interaction and the progress being made through ON should be more clearly drawn out in this current consultation. We expect to see continued engagement from National Grid within the Open Networks Workstream 1 on how the NOA evolves from this initial consultation. It is therefore, important that your Roadmap is fully aligned with the work of the Open Networks project into which the responses to this consultation should be a consideration.

Finally, we are already in discussions with National Grid on creating a Regional Development Programme for our area, building on the work already undertaken with two other DNOs. This will continue our long-term collaborative relationship with National Grid seeking new and innovative solutions to enable us to meet customer needs.

The annex attached provides response to your specific questions raised, however if you have any queries relating to the content of this letter please do not hesitate to contact me.

Yours sincerely

**Ian Povey**  
**Strategic Planning Manager**

Encs: Annex A

## Annex A

**Q1: Do you consider there is value in expanding the NOA to allow network and non-network solutions across the transmission and distribution networks to compete to meet transmission needs at least cost? What are the downsides or complexities we should consider? How could we go further in promoting competition?**

We are supportive of expanding the NOA to facilitate solutions across the transmission and distribution networks in order to meet transmission needs in the most efficient manner. Bringing in these alternative options opens up a range of opportunities to managing transmission needs which has not previously been available to the System Operator. Expanding to cover both network and non-network solutions is also a positive step as innovation provides alternatives to a traditional asset build solution.

When considering distribution, network or market solutions to meet transmission needs, it is important to recognise the interaction between transmission requirements and distribution network constraints. For instance distribution Active Network Management systems may act to negate the required transmission response from a distribution connected market participant. Much greater visibility will be required between transmission and distribution operators who should collaborate together to make their decisions to deliver the best overall solution for consumers.

**Q2: What do you see as the opportunities and limitations of bringing a probabilistic approach into analysis?**

The probabilistic approach to determining network requirements will improve investment prioritisation and it will also strengthen the case for market solutions to short duration constraints. The case study trial is a sensible means to gaining confidence in the approach and deriving valuable learning before applying the approach; this will manage the inherent risks associated with a probabilistic approach.

There is a risk for the Transmission SO to manage when engaging with untested service providers and their ability to deliver the required service.

In moving to a probabilistic approach it is vital that the implications for network reliability are fully understood by all stakeholders and a careful assessment of any costs and benefits is carefully considered.

**Q3: Do you consider there is value in expanding the network needs covered by the ETYS and NOA to a greater extent across the year and to more regional voltage challenges? What are the downsides or complexities we should consider?**

We support expanding the network needs covered by ETYS and NOA. This will provide greater visibility to DNOs and service providers of issues on the transmission system that they be best placed to provide a solution for. However, it is important that changes to FES, ETYS and NOA are undertaken in the context of changes within the sector generally and are developed in a co-ordinated way with other network operators and stakeholders. The Open Networks Work Stream 1 is reviewing the issue of whole system planning and we believe that this forum is the appropriate way to develop the scope of ETYS and NOA.

**Q4: Do you consider there is value in expanding the NOA to cover system stability needs? What are the downsides or complexities we should consider?**

No comment

**Q5: Which other network requirements do you consider the NOA approach could be expanded to cover in order to drive value to consumers? What are the key benefits and considerations?**

The NOA approach could be expanded to any service that the Transmission SO may require; frequency response, operating reserve etc. This would facilitate a controlled process for the acquisition of such services, where DNOs and service providers can coordinate to provide services where they are needed and where the distribution network can accommodate the service.

**Q6: Do you agree with the proposed approach to phasing information throughout the year? If not, how could we best present this information, with the aim of avoiding publishing all in one large publication per year?**

We agree with the proposal to consider operational issues in discrete regions to smooth the workload. We would recommend aligning the regions with distribution network boundaries so that each DNO licence appears in only one region ie ENWL's network would appear entirely with Region 2 in your example. This would align with the work on Regional Development Plans (RDPs) that DNOs and the Transmission SO are currently developing.

**Q7: What information and in what format would you find beneficial in order to understand the network needs and submit well thought-out options? This could be specific data, guidance to understand the process or support as you go through it.**

Specific information required will vary depending on which service is required. From a DNO perspective a series of performance specifications for each service relating to the grid supply point at which that service is required; for instance if the Transmission SO requires voltage support in a particular geographic area, a performance specification may ask for 100MVar at the following GSPs ..... We anticipate that within the NOA the specification would be at a high level and linked to a separate detailed specification of the Transmission SO requirement.

In the case of any options coming forward from resources embedded in the distribution network operators area then the DNO should work collaboratively with the Transmission SO as part of the process of identifying the most economic and efficient solution.