SSEN
Inveralmond House
200 Dunkeld Road
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2nd February 2018

Dear Imran

**Scottish Renewables' Consultation Response: North of Scotland Electric Vehicles and North of Scotland Energy Efficiency and Heat**

Scottish Renewables is the representative body for the renewable energy sector in Scotland, working to grow a sustainable industry which delivers secure supplies of low-carbon, clean energy for heat, power and transport at the lowest possible cost. We represent around 280 organisations ranging from large suppliers, operators and manufacturers to small developers, installers and community groups, and companies right across the supply chain.

As our energy system changes rapidly, new technologies come forward, and heat decarbonisation is tackled with greater urgency, we welcome SSEN's consultation to assess the impacts this could have on their networks.

However, there remains considerable uncertainty about how these changes in the system will manifest, what type of electricity market will develop, the degree of electrification across heat and transport, and how networks and associated markets will develop over time.

There is a considerable volume of work ongoing which seeks to future proof our networks. The ENA-led *Open Networks Project*, which examines the DNO-DSO transition and surrounding arrangements/market structures, could have a fundamental impact on network operation. *Charging Futures* led by Ofgem and National Grid is holistically examining charging and access across both networks. It is vital that network operators cooperate fully with these overarching work streams to ensure that common issues are tackled strategically and changes to networks and markets happen consistently.

We do not therefore seek to answer the specifics set out in the consultation, and instead set out in this letter a number of areas we believe merit consideration as SSEN looks to ensure its networks are fit for purpose in the future.

**A flexible and holistic approach**

Energy generation, decarbonisation priorities and network management have all undergone rapid change in recent years, and we expect this pace to continue. Modelling clear scenarios regarding the make-up of our energy system across the next 5-10 years is an extremely challenging task. We would therefore encourage all network operators to continue to be flexible in their approach – particularly around what technologies connect, and how flows behind a connection point are managed.

It is particularly important that we ensure that networks develop in a joined-up manner, and we would strongly encourage SSEN to work alongside other network operators, the System Operator and Ofgem to prevent the development of disjointed markets and processes.

**Addressing current challenges**

As network operators are well aware, the current networks face a number of challenges. We support workstreams such as *Charging Futures* which seek to holistically improve regulation and processes, and we would strongly encourage network operators to continue their focus on providing efficient connections,

fair and proportionate charging and process-streamlining. It is important that issues faced by current customers are addressed quickly and are not held up due to efforts to look ahead.

**Providing network information**

Timely information, such as distribution heat maps, has proven a useful tool for customers and policy makers alike. We would note that information of this nature can provide a useful tool to highlight areas of the network that would benefit from reinforcement or flexibility solutions. Following the DNO–DSO transition, the wealth of information that will allow DSOs more visibility and control of their network should be passed through to customers via the development of further useful network information tools. These could include tools which clearly and dynamically communicate network capacity at GSPs pre- and post- any reinforcement plans and highlight areas of the network that would benefit from balancing and ancillary services (from a commercial to a domestic scale).

**Improving the connection process**

Scottish Renewables supports work, such as that undertaken via the ENA, to advance quicker and more efficient connections across the networks. By facilitating flexible connections and adopting innovations such as Active Network Management, network operators will be better able to accommodate new assets and flexibility solutions – helping to future proof their networks as well as overcome challenging current issues.

**Enabling innovation**

We would encourage network operators to continue to work with the System Operator and with Ofgem to enable the roll-out of innovation across the network. From enabling co-location of renewable and energy storage assets through to integrating Active Network Management into business as usual, innovative approaches across the network can help create a smart and flexible energy system.

Ensuring the smooth transition to Distribution System Operators should be a priority to facilitate smart and flexible networks.

**Investing in the network and network deferral**

Particularly as we look towards the next RIIO price control period, Scottish Renewables remains conscious that there are often valid cases for network reinforcement. Consideration should be given as to how to best encourage investment in the network alongside developing flexibility which may be able to defer the need for reinforcements.

For example, currently there is little incentive for DNOs to make anticipatory reinforcement investments, even though in some instances this would be more efficient than piecemeal reinforcements.

We look forward to continued engagement with SSEN as our energy system further develops and would be happy to engage further in this workstream as it progresses.

Yours sincerely,

Hannah Smith

**Senior Policy Manager**