

**London Electricity High-level Working Group
15 January 2013
Initial follow-up Actions**

Identifying growth hotspots and areas of existing network stress that require strategic infrastructure investment

The following specific next steps were agreed at the meeting:

- DNOs will provide data about network stress (UKPN in form of a 'heat map') and a broad overview of the factors/assumptions informing their demand forecasting.
- UKPN should respond to the GLA's data offer shortly, also identifying a suitable format and level of detail of the data on offer.
- The GLA should provide SSE shortly with an example of data from the London Development Database for their consideration.
- Other stakeholders should consider the provision of additionally suitable development data to the DNOs.

Potential of Decentralised Energy systems, district heating and demand side response measures to reduce electricity distribution infrastructure costs

The following process for delivery of the identified requirements was agreed at the meeting. After the meeting it was also agreed between GLA and UKPN to form an energy supply group to ensure that the required actions are carried out and that permanent lines of communication over the DE / demand side response issues are established.

1. Brief by GLA to UKPN on connection costs and use of system charging constraints on the delivery of DE.
2. Delivery by UKPN of the available options for charging connection and electricity supply costs to attract electricity-optimised DE investment.
3. Ofgem's comments on the available options
4. Delivery by UKPN of its proposals in its capacity as distribution network operator for incentivising or promoting –
 - delivery of demand side response services (including heat storage facilities) aimed at reducing network investment cost;
 - to the extent not already available proposals to enable DE to participate in the provision of ancillary services.
5. Formulation by the Mayor of any measures appropriate and available to him to support UKPN in relation to 4 above.
6. Ofgem's comments
7. Preparation of a joint UKPN / GLA strategy for network operation for DE in London and GLA input to UKPN on its strategy for the development of demand side response services.
8. Timing and formulation of action on strategy.

Estimating costs of investments required and considering models for how they could be met/shared

Following on from the discussion and in preparation for the next meeting, stakeholders are asked to provide ideas on:

- how to incentivise and facilitate consortia of developers
- any other feasible funding model that would not require the change of primary legislation. The Mayor does not think that consortia should be the only solution to fund strategic investment and he therefore urge all stakeholders to think again about alternatives for London