

*LCN Fund Full Submission*  
**Supplementary Answer Form**

Tick if this answer is Confidential:

Tick if this answer has been provided verbally:

Project code:	SSET204 – PATHS	Question Number	SSE016
Question date	4 Sept 2012	Answer date	7 Sept 12
Submission section question relates to	7 Regulatory Issues		
Topic	Regulatory		
Question	<p>You state that you may require derogation from Engineering Recommendation P2/6. Please outline the likelihood of you requesting such a derogation, the likely details of the request and how you would manage the risk of such a derogation not being granted.</p>		
Notes on question			
Answer	<p>P2/6 sets out planning standards that networks need to comply with when designing and developing systems. As currently drafted demand side response is not recognised or permitted as legitimate means of complying with this standard.</p> <p>The connections provided to both the electrolyser site and the wind farm will be on a managed basis to be controlled by the Active Network Management scheme. Both of these operators understand the rationale behind the connections being offered on this basis and are fully supportive of the approach we are taking. This is the area where we feel that there may have been a potential issue with P2/6.</p> <p>However this has been recognised previously in a number of existing DNOs and has been raised with Ofgem as a potential issue through discussions in the Smart Grid Forum - Workstream 6. This is looking at smart solutions which networks will need to apply to help meet Government 2050 targets.</p> <p>We also understand that the ENA are also conducting some work in this area and are also due to publish the findings.</p> <p>Workstream 6 plans to look at this in detail and establish whether changes need to be made to P2/6 to allow demand side response to be recognised as</p>		

	<p>a legitimate and efficient smart network solution. SSEPD are actively involved in this area and we will continue to feed our views and learning into this process.</p> <p>Therefore, we feel that we can continue to develop the project with our partners whilst awaiting the output from the Smart Grid Forum Workstream 6</p> <p>.</p>
Attachments	
Verbal Clarifications (Consultants )	