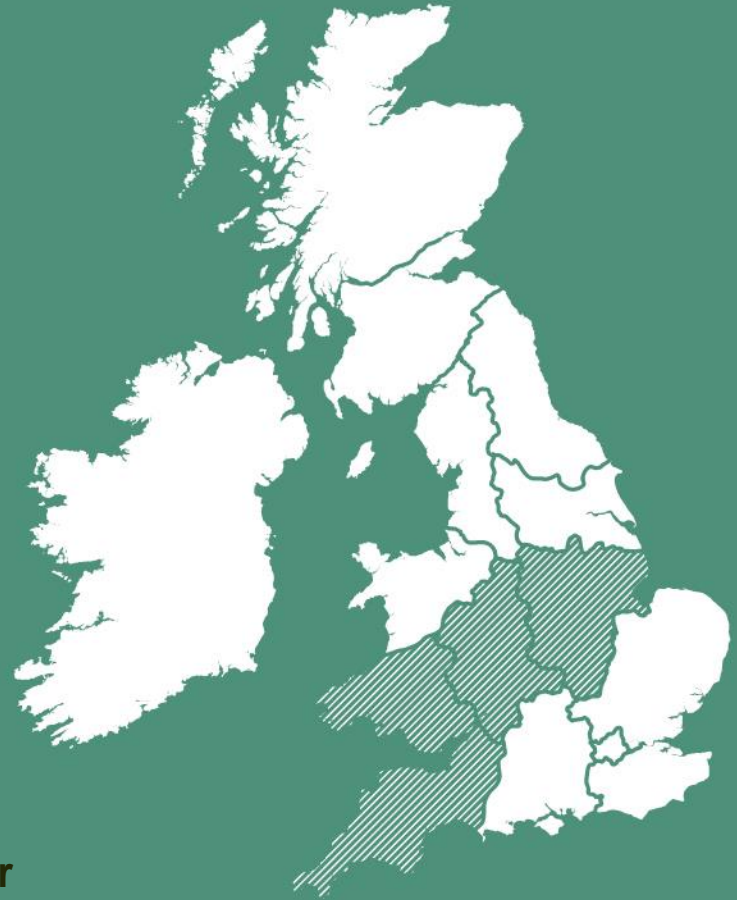


**NEXT GENERATION  
NETWORKS**

The transition from DNO to DSO

**Matt Watson**  
Innovation and Low Carbon Networks Engineer  
Western Power Distribution



## Outline

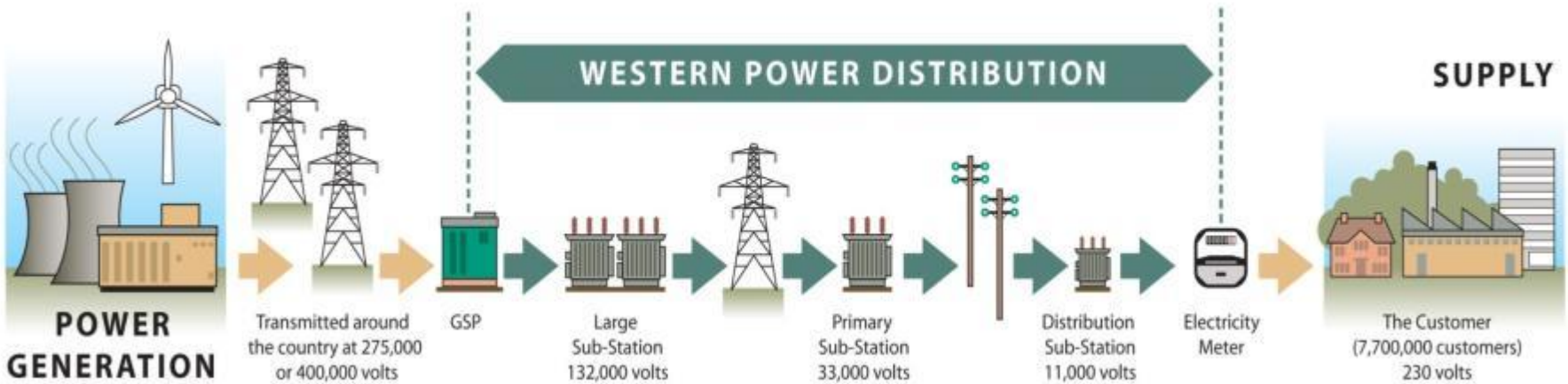
- Western Power Distribution – Who we are
  - How our role is changing
  - What does that mean for communities and what do communities think it means to them?
-

## Western Power Distribution – Who we are

- WPD is a Distribution Network Operator (DNO)
- We distribute electricity to 7.8 million customers
- We operate 4 of 14 distribution licence areas in the UK



# Western Power Distribution – Who we are



## Key Activities

- Maintain the network
- Connect new customers
- Fix the network

## Providing a value for money service

- Customers pay for everything we do so they have a right to expect excellent performance and value for money.
- What do customers get for this money? Across UK networks as a whole:

Power cuts  
halved in the  
last 15 years

Customer costs  
decreased by  
17% since  
privatisation

£100bn  
invested since  
1990s

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## Reducing carbon emissions – our role is changing...

- Government has ambitions to reduce carbon emissions by 50% by 2025.
  - The way we use, generate and distribute energy is changing to meet these reduction targets.
  - Therefore, in response to these changes, WPD is transitioning from a Distribution Network Operator to a Distribution System Operator.
-

## What does this mean for community groups?

**A smarter system  
to enable  
charging of cars,  
heating homes,  
generating and  
storing energy  
locally**

**New income  
streams and  
exciting  
opportunities to  
take part in  
flexibility  
services**

**Better value for  
money by  
avoiding costly  
reinforcement  
and using  
network capacity  
more  
intelligently**

## What do community groups think it means to them?

We ran a consultation on what this transition means to communities and if/how they'd like to participate:

- Communities showed a clear willingness to participate
  - But uncertainty was expressed as to whether they would have the skills and resource needed to participate in these changes  
Communities suggested changes to regulation that would enable them to take advantage of these opportunities, which we will forward to the regulator.
  - Continued engagement was appreciated.
-



## Key actions from the consultation

- Continued engagement
- Enhanced information (including data)
- Minimal thresholds for participation
- Coordination with wider industry
- Reviewing contracts

WPD will continue and further develop its community energy work programme to ensure that communities are kept informed about the changes in the industry and are able to take advantage of new opportunities.

WPD recognizes that some of the feedback received through this consultation relates to regulation and understands that community groups want their suggestions and feedback to be visible to Ofgem and the government. Therefore, WPD will pass the feedback received through this consultation to Ofgem.

WPD will ensure that the information and tools available to community energy groups are easily accessible by improving the WPD website. WPD will do that by involving communities in the process through dedicated stakeholder engagement workshops.

WPD will ensure that community energy groups have the opportunity to participate in WPD's annual stakeholder roadshows so that communities can provide their input on the areas that WPD should focus on as a business.

In the areas where WPD is buying flexibility services, WPD will run workshops to provide information to community and local energy stakeholders about the services needed, and the process that needs to be followed by people who want to deliver those services.

WPD will make data on flexibility service requirements freely available on the WPD website so that everyone can understand what service is required and where.

WPD has committed to support the flexibility products agreed in the Open Networks project and will continue educating community energy groups to ensure that these products are understandable by all.

WPD will continue to set no minimum entry threshold when procuring flexibility services and ensure that we are inclusive of smaller scale players. The customers wishing to go through an aggregator will still be able to do so.

WPD will make the Flexible Power diagram more interactive, incorporating the feedback received.

WPD will be reviewing the Terms and Conditions of the flexibility contracts at the end of every procurement cycle, responding to the feedback received.

WPD is working through the Energy Networks Association Open Networks project to develop effective coordination with the ESO to ensure that we are not sending conflicting signals to providers of flexibility. We will follow a market-led approach in our procurement of flexibility services.

In the cases where minute-by-minute metering is not part of an existing connection, WPD will offer its own product which will include the required metering to ensure that customers are paid for the services they deliver.

THANKS FOR LISTENING

**WESTERN POWER**   
**DISTRIBUTION**

*Serving the Midlands, South West and Wales*

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