

Electricity
Distribution

SW Net Zero Hub Community Energy

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Distribution

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Who we are and
what we do

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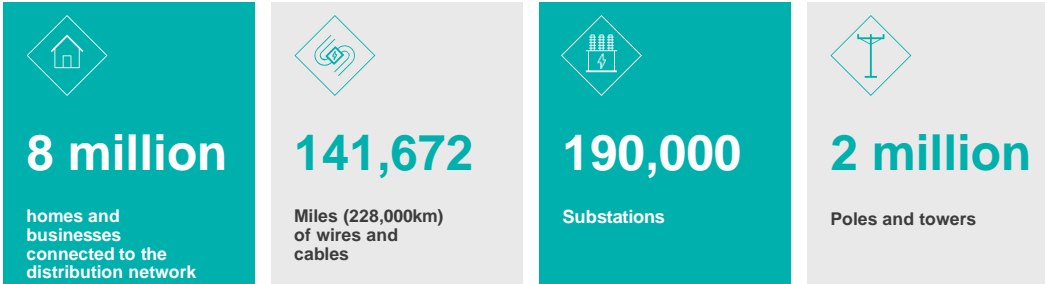


National Grid | Who we are and what we do

National Grid Electricity Distribution (NGED) is a Distribution Network Operator (DNO) and a Distribution System Operator (DSO), responsible for distributing electricity to eight million customers.

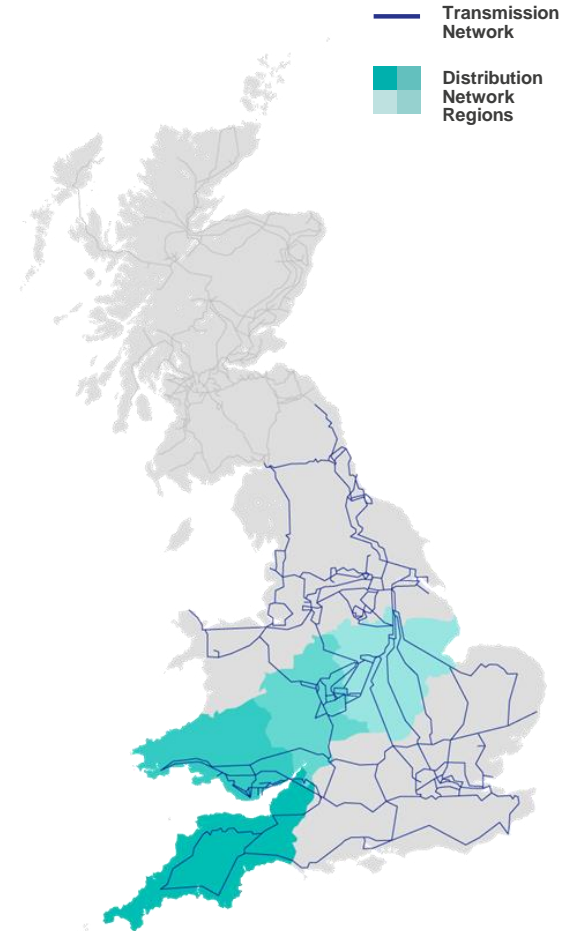
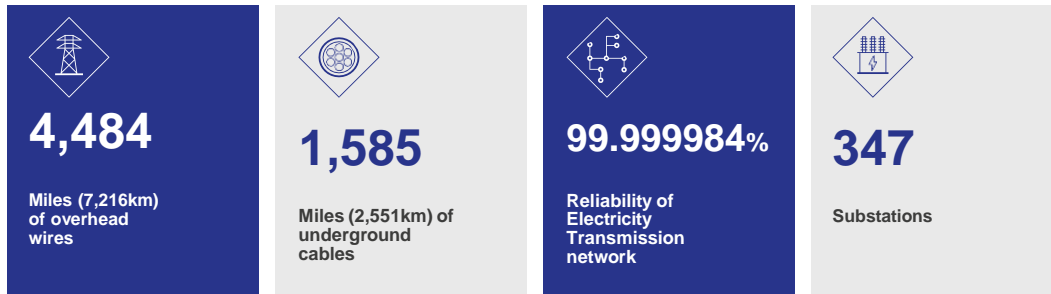
Electricity Distribution

Own and operate the electricity distribution networks for the Midlands, the South West and South Wales.



Electricity Transmission

Own and operate the high-voltage electricity transmission network in England and Wales.



The Connections Directorate | Our key capabilities



**Connections
Strategy & Reform**



**Connections
Pricing & Analytics**



**Connections
Operations
Optimisation**



**Transport
Decarbonisation**



**Strategic Customer
Engagement**



**Connections Digital
Strategy**

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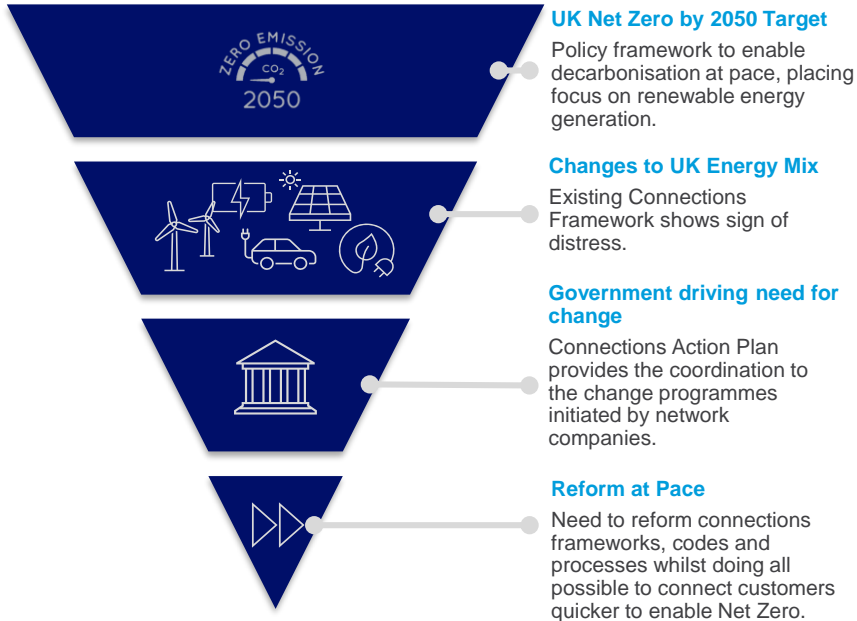
Connections Reform

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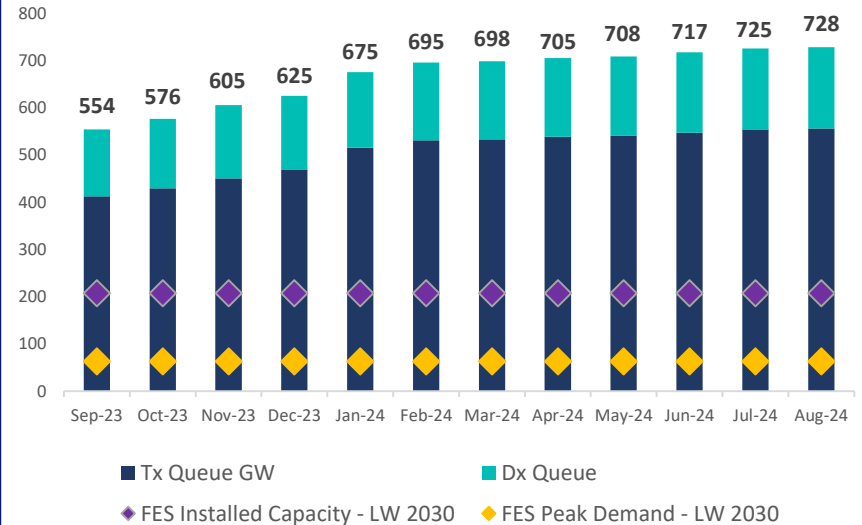
Connections | Current Landscape

What is driving the criticality of connections?



What is the size of the challenge?

Combined Transmission and Distribution Queue*



*Queue *background* excludes connected installed capacity of 122GW as well as transmission demand projects

Connections | Connections Reform



NGED's Current Policy Asks

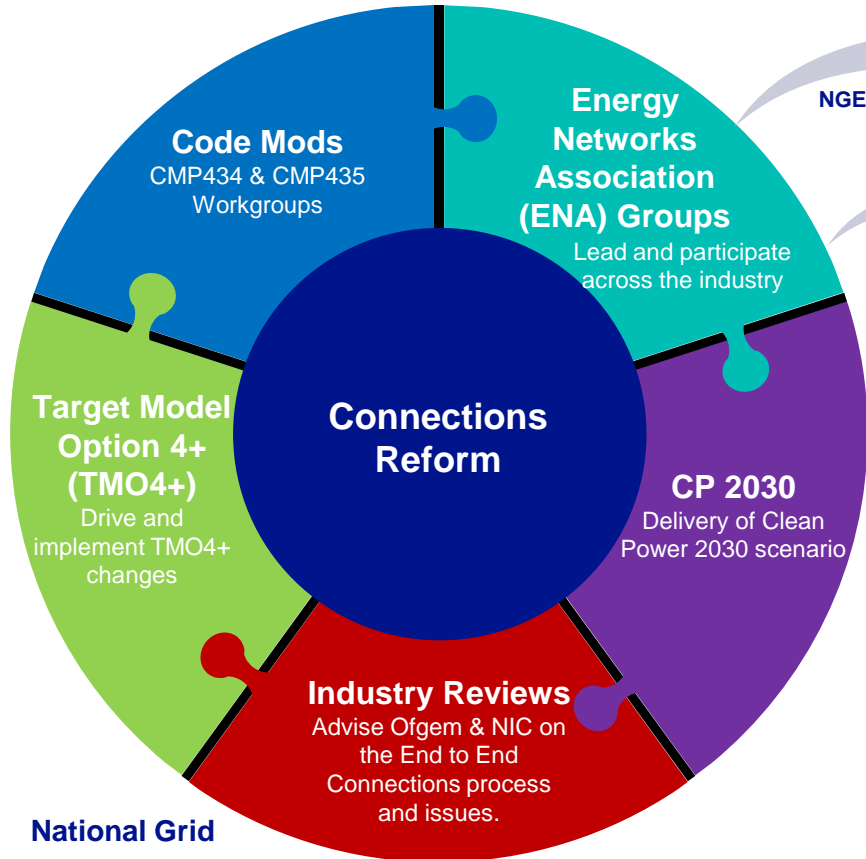
- Championing Gate 1 for Distribution to mirror Transmission & create a level playing field for Transmission & Distribution customers
- Feeding into consultations/forums to ensure there is alignment between the Transmission and Distribution processes
- Leading Energy Network Association (ENA) Strategic Connections Group workstreams on reform to drive change at Distribution Network Owner (DNO) level: Opportunity to lead on reform for the DNO community

Next steps

- Implementation of the new process within NGED - new reform workgroup created
- Communication with our customers on the new process and what it means for them
- Collaborate with National Energy System Operator (NESO) / Transmission Owners (Tos) /DNOs through the implementation hubs
- Define licence, code & methodology changes needed for DNOs

Connections Reform | Working across industry to improve Connections

What are we doing...?



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How are we doing it...?

Data Bringing together industry Connections data	TMO4+ Impact and implementation of TMO4+	T/D Boundary Issues Forecasting future capacity requirements
Integrated Queue Mgt (IQM) Barriers to entry and queue management	Tech Limits Accelerating network access for distribution customers	Storage Treatment of storage for network studies

NGED Leading

Participant



Engaging – with a wide range of stakeholders and government through multiple industry forums



Influencing – by having a leading industry voice and chairing multiple ENA Strategic Connections Groups



Collaborating – with other network companies to find a better way to improve the Connections industry for all



Leading – the way across multiple streams and setting a new standard for digital, data and transparency for customers



Innovating – increasing the efficiency of our processes, data and systems to drive forwards Connections Reform

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Community
Energy

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NGED's Strategy | Revised Approach

Vision

Working in partnership with our communities is key to being at the heart of a clean, fair and affordable energy future. Our vision is to enable the Community Energy Sector through working with them to understand their challenges, so that we can support them, ensuring no one gets left behind.

Objectives

- **Partner** with Community Energy bodies in both England and Wales to understand their challenges.
- **Collaborate** with Community Energy groups to understand what they need from us.
- Continue to **Engage** with governments (including GB Energy and Trydan Gwyrdd Cymru) to communicate the challenges of Community Energy groups as well as highlight the possibilities.
- Offer a range of **support** to both Community Energy bodies and groups.

Parliamentary Inquiry | Unlocking Community Energy at Scale

The Inquiry's main aims were to:

- **Identify potential solutions** to the financial and regulatory barriers facing community energy projects, including how to establish local supply;
- **Consider the role of the Local Power Plan** in supporting community energy; and
- Assess how **reforms to the planning system, grid connections and the energy market** could support the growth of community energy at scale.

1.	How could the Local Power Plan to be produced by Great British Energy build upon existing community energy support schemes, such as the Community Energy Fund
2.	How should the energy market and licensing regulations be reformed to enable community energy projects to sell the electricity that they generate to local customers, without the current barriers, and be properly remunerated for doing so? What lessons can be learnt from other jurisdictions?
3.	How could existing government support mechanisms, such as the Smart Export Guarantee, provide community energy projects with more financial certainty?
4.	What are the regulatory solutions needed to minimise the high costs and long delays incurred in securing a grid connection for community energy projects?
5.	Should the local benefits of community energy projects be formally recognised as a material consideration in planning decisions?
6.	What should be the role of Neighbourhood Plans and Local Area Energy Plans in building local support for community energy projects?
7.	What is the potential for community energy to incentivise consumer demand flexibility at the scale needed to achieve the UK's net zero targets?

Parliamentary Inquiry | Unlocking Community Energy at Scale

NGED's Recommendations

1

Definition & Register

A clear definition of 'community energy' established

A community energy group register (with rigorous criteria) created and held by GB Energy

2

Connections Process

Reform to allow differentiated treatment of community energy projects in the connections pipeline.

A modification to Transmission Impact Assessments to remove barriers to community energy groups.

3

Funding & Support

Provision of greater certainty around funding sources and timeframes.

Exploration of shared ownership models for community energy projects.

An offering for community energy groups in terms of commercial, technical, and project-planning assistance.

4

Market & Licensing Reforms

The enablement of community energy projects to sell electricity locally.

The development of a bespoke community energy feed-in tariff.

The modification of DNO licences to treat community energy projects differently.

Support Provided | Community Energy



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Engagement

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Connections:virtual

Our bi-monthly virtual meetings are for customers that want to know about important updates and industry insights.

Connections:collective

This annual in-person all day workshop is for customers that want to know about important updates, industry insights as well as collaborate.

Connections:surgery

These ad hoc meetings are for customers who wish to connect to our network and would like to discuss their project in advance of applying.

Engagement Programme

Connections:steering

Bi-Annual in person workshops for customers to work with us together to find solutions that meet the needs of the industry.

Connections:engineering

Connections:commercial

Ad hoc seminars for customers that want to know about important technical or commercial updates.

Connections:community

These ad hoc in-person meetings are for Community Energy groups, Local Authorities and anyone else with an interest in connecting a Community Energy project.

Connections:operators

This forum will meet three times a year to provide an opportunity to tackle technical challenges, share insights, and find solutions collectively.

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