



# Gas Network Innovation Strategy

## Delivery Plan

31 August 2017

Energy Networks Association

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## 1 Introduction

Energy Networks Association (ENA) is the voice of the networks, representing the ‘wires and pipes’ transmission and distribution network operators for gas and electricity in the UK and Ireland (known as Member Companies).

On 30 June 2017, Ofgem issued a Direction notice to modify the standard conditions of the gas transporters licence. The effect of these modifications requires the affected licensees to work together to develop and consult with stakeholders on a Gas Network Innovation Strategy.

The licensees are coordinating the development of the Gas Network Innovation Strategy through the Gas Innovation and Governance Group of ENA. This document outlines the plan for developing the initial Gas Network Innovation Strategy to be published by the 31st March 2018.

This plan has been developed by ENA alongside the Network Licence holders in Table 1 who will be referred to throughout this document as the Gas Networks. Note that this includes both the transmission and distribution networks.

As per sections A28.3 & A28.6 of Licence Conditions, the gas distribution and transmission networks have agreed to make all reasonable endeavours to cooperate in the development and maintenance of the Gas Network Innovation Strategy. This includes a two-yearly review and potential update where necessary, as per sections A28.5 of the relevant licence conditions.

Company	Distribution	Transmission
Cadent	✓	
National Grid		✓
Northern Gas Networks	✓	
SGN	✓	
Wales & West Utilities	✓	

**Table 1 Gas Network Licence Holders**

## 2 Plan

### 2.1 Approach

ENA is coordinating the delivery of the Gas Network Innovation Strategy and plan on behalf of its Member Companies. This work will be managed within the ENA Gas Innovation and Governance Group (GIGG), who will be responsible for representing their respective Member Companies. An independent consultant has been contracted to assist in the coordination and development of the Gas Network Innovation Strategy, and to help test Gas Network thinking against other geographies and the wider industry. The procurement of the independent consultant involved an open tendering process, judged against specific criteria identified in this plan.

Together ENA, the Gas Networks and the independent consultant will engage with relevant stakeholders, Ofgem and BEIS to produce a high quality, forward thinking and collaborative innovation strategy for the Gas Networks.

### 2.2 Requirements

The requirements for the Gas Network Innovation Strategy are detailed in Clause A28 of the Gas standard special licence conditions. In particular, Clause A28.7 of the licence conditions describe explicitly what must be included within the Gas Network Innovation Strategy in a series of points labelled (a) to (f). For simplicity, these sections will subsequently be referred to as (a), (b), (c) etc. as set out in the Table 2 Licence Condition Requirements

Licence Clause	Description
A28.7 (a)	Description of the challenges and uncertainties which are pertinent to the Gas Networks that could be addressed through innovative projects.
A28.7 (b)	Description of the innovative projects and plans the Gas Networks intend to make in order to address the challenges referred to in (a).
A28.7 (c)	Description of the challenges which are not currently being addressed through industry projects or plans.
A28.7 (d)	Description of the innovative projects and plans the Gas Networks intend to make in relation to the challenges identified in (c).
A28.7 (e)	Description of how Gas Networks will coordinate their activities on Innovation Projects to minimise unnecessary duplication of effort.
A28.7 (f)	Description of how Gas Networks will share the learning that they have gained through Innovation Projects.

**Table 2 Licence Condition Requirements**

### 2.3 Timeline

The plan for developing the strategy is described in Table 4, which shows the various tasks, any related clauses from the licences conditions, predicted start and finish dates for the respective tasks and finally the responsible parties. The development of this plan has been carried out in compliance with section A28 of the licence conditions.

Licence Clause (if applicable)	Description	Scope	Start Date	End Date	Duration (weeks)	Responsible
A28.3 & A28.6	<b>Report writing and co-ordination of content as required by Ofgem, setting procedures for updating the strategy and comparison to other strategies</b>	The consultant and gas networks will put together a first draft of the Gas Network Innovation Strategy. This process will include procedures for updating the strategy, and enable gas networks to assess alignment with the individual gas networks' Innovation Strategies, electricity network strategies, and other external strategies.	31-Aug-17	14-Sep-17	2	Independent Consultant
	<b>Internal Members' review</b>	Review of the first draft of the report, including presentation by consultant at GIGG meeting on 21 Sep.	14-Sep-17	21-Sep-17	1	GIGG
	<b>Producing draft for consultation</b>	Updates to take account of GIGG Members' comments.	21-Sep-17	1-Oct-17	2	Independent Consultant
		Gas networks to review second draft of the report, and confirm internal sign off by each network.	1-Oct-17	19-Oct-17	2	GIGG
		Consultant and ENA to finalise consultation document.	19-Oct-17	31-Oct-17	2	Independent Consultant/ENA
A28.8	<b>Stakeholder consultation</b>	Public consultation to ensure that the Strategy takes in a wide range of viewpoints. The format will comprise of an open call for comment (posted on ENA and gas network websites and sent out for comment), and dedicated sessions at the LCNI conference on 6-7 December in Telford.	31-Oct-17	31-Dec-17	13	Independent Consultant
A28.8	<b>ENA LCNI Conference</b>	Dissemination of the first draft of the Gas Network Innovation Strategy to the attendees at ENA's LCNI Conference in Telford, alongside the Electricity Networks innovation Strategy.	06-Dec-17	07-Dec-17	1	Independent Consultant / GIGG
A28.8	<b>Summarise stakeholder feedback with presentation to Gas Networks</b>	The consultant will review feedback from the formal consultation and events, and share with the networks through a presentation and summary report.	08-Jan-18	01-Feb-18	4	Independent Consultant
	<b>Finalise the Innovation Strategy &amp; complete internal reviews</b>	The consultant and gas networks update Innovation Strategy based on feedback and issue as final.	01-Feb-18	29-Mar-18	8	Independent Consultant / GIGG
A28.4 & A28.6	<b>Submit strategy</b>	Submit Gas Network Innovation Strategy to Ofgem and publish on ENA and networks' websites.	30-Mar-18	30-Mar-18	0	ENA / GIGG

Table 3 Plan for development of the Gas Networks Innovation Strategy

## 2.4 Stakeholder engagement

The importance of stakeholder consultation for the Gas Network Innovation Strategy is highlighted by Part C (section A28.8) of the Licence Conditions, and the Gas Networks consider this an important part of the process of developing the Strategy. In order to identify and address all of the challenges and uncertainties which network innovation could help to resolve, it is essential that the views of wider industry stakeholders are taken into account. The Networks believe that the ideas and considerations contributed by other parties during consultation will strengthen the projects and programmes identified to address the challenges and uncertainties.

The consultation will be held online, giving all interested parties adequate opportunity to review the draft strategy and provide valuable feedback. In addition, the draft strategy will be presented at ENA's LCNI conference, and an interactive session will give attendees the opportunity to give feedback directly and ask questions. The presentation of the plan at the LCNI conference will take place alongside the Electricity Network Innovation Strategy, enhancing the opportunity for whole systems thinking on innovation and the future of the networks.

Table 4 below shows a sample of the groups of stakeholders who will be engaged as a part of this plan.

Type	Description
<b>Gas Networks</b>	The Gas Networks have agreed to work together to develop the Gas Network Innovation Strategy and will provide their internal innovation strategies which will be key inputs to the joint strategy.
<b>External Stakeholders</b>	External stakeholders and interested parties will be invited to contribute to the Gas Network Innovation Strategy by providing their views in response to the stakeholder consultations described in the plan.
<b>Ofgem/BEIS</b>	Ofgem and BEIS will be key inputs to the strategy, and will be consulted with throughout the development of the strategy.
<b>Electricity Networks</b>	The Electricity transmission and distribution networks will be consulted (both directly and through the ENA Innovation Team) throughout the development of the strategy, to ensure that cross-vector thinking is applied and that the Gas Network Innovation Strategy is completed with consideration to the whole energy system.

**Table 4 Key Stakeholder Groups**