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Who we are, what we do

ENA aspires to promote co-operation between its members in the energy 'wires and pipes' sectors, and to influence stakeholders on issues of common interest now and for the future.

*We will achieve this through:*

> preparing the ground for the future with stakeholders;

> representation of our members’ interests to shapers and makers of policy in the UK and in Europe;

> promoting best practice across the sector in all areas of our work; and

> taking the lead on safety, health and environment.

ENA is underpinned by technical knowledge and expertise.

**ENA values**

> Excellence in safety, health and environment

> Highest professional standards in every aspect

> Highest ethical values

> Pride in public service
UK energy networks are renowned for being among the world’s safest and most reliable. So they are not naturally thought of as part of the vanguard of the radical change that the UK energy sector requires. But they are.

ENA members have applied innovation and, at times, revolutionary thinking to deliver safety and reliability along with sustainability and efficiency.

For 20 years we have improved the quality of our service while reducing the cost to the consumer. So we believe that we are equal to the pivotal role we will have in helping to take the UK into a low-carbon economy and secure the UK’s supplies of energy.

Our role will be pivotal because networks have to be at the heart of any viable ambition to achieve security of energy supply and to meet the targets set by Government to address climate change.

Reducing transport carbon emissions through greater use of electric vehicles makes new demands on electricity networks. Capturing the carbon dioxide emitted from power stations will need networked pipelines. Householders who produce electricity to sell will need network reform to do so. Smart metering is the doorway to smart networks. And so on.

The future will come with huge challenges and many unknowns. Arguably this makes now the most exciting time to be in the networks business since the current electricity and gas grids were built. Students who have what it takes to be a power engineer should take note.

As networks work to pave the way to a secure and low-carbon energy future, ENA must ensure that regulators and the Government provide the right environment for them to do so.

Just as the industry has what it takes to succeed, so we at ENA are ready to take on the task of advising and steering the people who make and influence policy. We will ensure they understand what is needed to achieve the energy future we all want.
Energy has climbed steadily up the political agenda as the UK has geared up to tackle climate change and ensure that energy supplies for the UK are secure. The UK needs a new fleet of generation plant. Irrespective of whether that fleet is led by nuclear, renewable, clean coal or any other type of power production, networks are a constant. So the past year has been characterised for ENA by our rise to the challenges emerging from the move to a low-carbon economy. We are leading the thinking on future strategy.

The expectations for secure and sustainable energy mean we need unprecedented investment to upgrade and strengthen our networks for the future and to maintain their outstanding levels of reliability.

Energy networks will be pivotal in bringing on many of the vital components of a low-carbon economy. Those components include a new mix of electricity plant; new transport technology using power and gas; and changes in the retail of energy. They will demand radical alterations in the way we design and operate networks for the future.

Last year we set up our Energy Networks Futures Group to give strategic guidance on issues arising from Government policy objectives. The group brings together leading technical and regulatory experts in gas and electricity to ensure that we can view the challenge before us from all angles.

The group helped ENA to shape the debate with key stakeholders including the Department of Energy and Climate Change (DECC) and the energy regulator, Ofgem, on issues such as carbon dioxide sequestration and heat distribution. The group, or a possible successor, will continue as an important vehicle for our messages to those who shape policy.

The year featured the completion, by Ofgem, of a new set of price controls for power distribution where the regulator acknowledged the need for greater investment in network assets. We question Ofgem’s decision on the cost of capital in the light of the companies’ investment finance requirements, but we welcome the £500 million Low-Carbon Network Fund set up under the price controls to spur urgently
needed development to pave the way to smart grids.

New funding in the price control for renewing the electricity network workforce finally acknowledges the point, which we have pressed hard, that the industry’s average age is increasing and it faces a struggle to replace retired staff. That followed our earlier success in lobbying for workforce renewal funding in the gas distribution price controls in 2007. We need to be sure we can replenish the workforce with skills that match the future needs. Here ENA last year played a crucial role in laying a foundation for addressing skills concerns through our part in bringing on the launch of the National Skills Academy for Power.

We succeeded in influencing the outcomes of a number of important pieces of legislation that completed their passage through Parliament last year. We won amendments for electricity and gas networks in the Energy Act and the Planning Act. In the Climate Change Act we saw off potentially damaging proposals.

In Europe we succeeded, during the development of the so-called Third Package of legislation for energy market reform, in winning agreement on key issues for power distribution and gas transmission.

We have represented our members’ interests on every key technical, commercial and regulatory issue in dialogues with decision makers in the UK and Europe. Prominent among these has been the work of our Safety, Health and Environment team on, for example, public safety where we have drawn up a joint strategy with the Health and Safety Executive to raise awareness of the dangers associated with energy networks. And we have continued to address electricity members’ engineering priorities through specialist services and bringing on work on network resilience and emergency preparations.

Looking ahead, we have started to realign ENA with current and forthcoming changes as the industry’s influence and interests extend into new areas.

Networks will be the lynchpin in any future energy industry that is equipped to operate within a low-carbon economy. In the past year we have made great progress in keeping legislators and other key stakeholders aware of the fundamental role played by our members.

I anticipate that the momentum we have achieved in guiding and advising stakeholders will continue. And we will keep the UK on track to build the smart, flexible networks that are crucial if the UK’s homes and businesses are to extract the full benefits from a low-carbon energy sector.
If the transformations we anticipate in gas and electricity production and consumption are to achieve their full potential to cut carbon emissions, networks of the future will have to be very different to the ones that have served the UK well for more than 40 years.
Forward thinking

ENA has seized the initiative to influence the outcome in the development of a UK energy industry that addresses the challenges the future will bring. We have established in the minds of policymakers the vital role networks will play in developing an energy sector that can handle the demands that come with tackling climate change and keeping energy supplies secure. At the same time, we have backed strongly efforts to put in place the skills to realise the ambitions for the future of the energy sector and those of the UK.

Energy Networks Futures Group

In February last year we established the Energy Networks Futures Group (ENFG) to take forward our earlier work on the strategic outlook for energy networks and to engage on this with the Government, the Department of Energy and Climate Change (DECC), the energy regulator, Ofgem and other key stakeholders. All of our members are represented on the group.

The ENFG’s remit includes smart grids – flexible networks that can accommodate shifts in production and consumption patterns that are anticipated with the move to low-carbon power generation. The group’s work encompasses also electric vehicles, gas futures and heat and energy saving.

During 2009 the ENFG set up nine work streams covering the above issues and others. They have demonstrated ENA’s capacity to look ahead and steer the debate.

Two of the groups have dealt with issues surrounding the demands that will be placed on transmission and distribution networks if they are to accommodate future developments in generation and demand.

We have figured strongly in consultations on smart metering to fix in the minds of policy makers that it is crucial that functions offered by smart meters are compatible with the full scope of developments in prospect for the electricity industry and its users.

Our working group on heat and energy saving extends beyond our natural sphere of influence to gauge the impact of heat pumps and electrification of heating on our members’ operations. We work very closely with DECC to ensure that our members can play a full part in the development of the Household Energy Management (HEM) programme (formerly the Heat and Energy Saving Scheme).

Responding to a DECC consultation last year on HEM, we suggested a number of ways ENA members could help in the development of schemes to increase the energy efficiency of housing. We are examining, in particular, the extent to which growth in domestic-scale electricity generation, heat pumps, zero-carbon homes and demand-side management may affect current and future design of networks.
Electric vehicles could be pivotally important in the bid to reduce carbon emissions from transport. The group that is looking at electric vehicles is assessing opportunities arising from smart technology. It is looking in particular at ways to avert a potentially enormous increase in the peak demand from households that charging up electric vehicles could bring and the attendant costs of upgrading the network to handle such a peak. This work has included co-operation with our European colleagues to establish the need for a common European Union charging infrastructure for electric vehicles.

The electric vehicle and heat work are linked to our group looking at smart grids. Here we have made leading contributions to the work of the DECC and Ofgem-led Energy Networks Strategy Group (ENSG) that led to its publication of a vision and plan for achieving its ambitions. We advised DECC on issues relating to implementing smart grids. With the closure of the ENSG we have proposed a new organisation under DECC and Ofgem to pick up the next stage of bringing on smart grids.

Other work groups:

> are developing scenarios for gas futures which encompass carbon capture and storage and biomethane production;

> have looked at the impact of feed-in tariffs that encourage self-generation for small users; and

> have examined the issues relating to the communication capability that networks will need to bring about a smart future.

Meanwhile we have linked strongly with our European counterparts including Eurelectric and GEODE as well as providing ENA representation on European standards groups. ENA represents the UK on the Smart Grids Working Group led by the pan-European electricity association Eurelectric. Output from ENFG has been included in the Eurelectric smart grids summary.

The prospect of a shift to smart networks places a significant and urgent demand for new skills in the power sector. And the prospect of growth in renewable gas will create a need for new gas sector skills. We have had a high-profile role in initiatives to bring on such skills (see page 11).
Preparation for the future is the dominant feature of our work which spans engineering, safety, health and the environment. And that feature is reflected in our representation of the industry in the UK and overseas.

Electrification of transport and heat, householder participation in energy production, growth in renewable gas production as well as widespread advanced technological control of energy production and use are in prospect as the UK moves towards a low-carbon future. These and other carbon-reducing developments will present the energy industry and, indeed, the whole of the UK with significant challenges.

We have taken the initiative to ensure that when the challenges emerge fully, we are prepared and we have helped the policy makers to be prepared.
The work of our engineering team is more and more being driven by concerns about sustainability and the demands of changes in energy for the future.
Sustainability

Carbon capture and storage

Carbon capture and storage (CCS) is considered to be a promising technology that could enable the energy sector to use coal and gas in a low-carbon regime.

Following on from the announcement last year of four CCS demonstration projects, we have worked to alert the Government to the valuable part gas distributors can play in bringing on the technology with their expertise in pipeline management.

We were particularly keen to emphasise the importance of using interconnected pipelines to carry the captured carbon dioxide to its storage point rather than focusing on point-to-point single lines.

Biomethane

Following extensive work throughout 2009 we produced, with DECC, guidance for producers of biomethane – renewable gas produced on an industrial scale from degradation of organic matter. The guidance outlined how a biomethane producer would inject gas into a gas network.

DECC is considering what market changes might be necessary to promote biomethane use. This will include consideration of a heat incentive and discussions with the Health and Safety Executive (HSE). We have continued to update the commercial arrangements to realise the potential of this new energy source. At the same time we are working with the HSE on network integrity and safety.

Innovation Funding Incentive

The regulator’s Innovation Funding Incentive (IFI) was introduced to provide incentives for collaboration in research and development expenditure in the electricity and gas distribution industries. Our IFI Good Practice Guide for the gas sector was released last year on our website. We have included a members-only area for project ideas. And during the year we met with other interested organisations including the European Gas Research Council, the Water Research Council and the Engineering Physical Sciences Research Council in a bid to build up project opportunities.

Energy futures

Smart metering

Following the Government announcement in December 2009 of its decision to roll out smart metering to all UK households, we met with Ofgem and officials from DECC to establish the networks’ requirements from a smart meter roll-out. Central to this was our point that smart meters will be an enabler for the development of smart grids which would deliver the full gains from low-carbon measures in generation and consumption.
In our response to the Government’s smart metering decision we highlighted the threat to gas and electricity network operators of stranded costs arising from any roll-out of smart metering by 2020.

**Radio Teleswitching**

We manage a tariff switching system that for 25 years has used the BBC’s long-wave broadcast band to serve some three million domestic and commercial electricity consumers in the UK. Current Radio Teleswitching (RTS) contracts will keep the service running until September 2013 with a month-by-month rolling contract until December 2014.

RTS will cease in 2014 but ENA supports the use of long-wave control signaling as a means of demand-side management within smart grids. The final fate of RTS will be determined by the roll-out of smart metering.

**Skills**

We supported a successful bid to set up a National Skills Academy for Power, funded jointly by industry and Government. It will address the considerable challenges faced by the power sector to maintain a skills base that is equal to existing and future demands.

The need for the academy was identified by the power industry’s employer-led Power Sector Strategic Skills Group which includes ENA along with a pan-industry membership including senior power company directors, trade unions and government partners.

We pushed the skills issue when we addressed the House of Commons’ Energy and Climate Change Select Committee. We warned that a skills shortage would be a barrier to realising some key infrastructure projects. We have also warned that there is an urgent need to match power sector skills to the demands of the future including the need to design and implement smart grids.

In the recently settled electricity distribution price controls for 2010-2015, Ofgem allowed new funding for renewing the network workforce. This was something we lobbied vigorously for because the industry is facing a struggle to replace retiring staff.

**Network resilience**

**Flooding Review**

Flooding incidents in 2007 precipitated a review of electricity substation resilience which led to the publication of the Engineering Report on substation resilience to flooding. A similar review for gas networks was undertaken with members.

**Climate change adaptation**

Our research and development project with the Met Office proposed investigations into the potential impacts of a changing climate on future network fault numbers. The result
of this project will inform licensees’ strategy for engaging with Ofgem’s Information and Incentives Programme which affects price controls, system planning studies and operational preparedness for extreme weather events.

ENA has been working with the Department for the Environment, Food and Rural Affairs to develop procedures for reporting under the Climate Change Act’s Adaptation Reporting Power.

Emergency planning

Our work on emergency planning went beyond its natural territory last year when it enabled the Government and other agencies as well as our members to share information on the swine flu pandemic. Meanwhile our other successes included:

> establishing a task group to consider options for restoring supplies following complete power loss (black start);

> a memorandum of understanding between our members and local resilience teams;

> co-ordination of essential communications to apply during rota disconnections;

> a co-ordinated approach to the telephone book advertising of the “smell gas” emergency number;

> co-ordination of work to assess the resilience of fixed-line telecommunications between BT exchanges and network control centres; and

> work with the Department for the Environment, Food and Rural Affairs on risk assessment associated with climate change adaptation.

Equipment assessment

The ENA-run National Equipment Defect Reporting System (NEDeRS®) gives its subscribers access to a database of some 47,000 reports on electrical equipment defects from manufacturers worldwide. In addition to ENA member companies there are currently 60 affiliate members and seven associate members.

We run an assessment panel for switchgear which is made up largely of ENA-member company engineers. This pooling of expertise reduces the cost of assessments and brings the distribution companies closer to a common position on acceptable switchgear design.

Last year the panel set up two working groups – one to look at software and another to consider operational safety. We continued to run another, similar, panel that assesses relays and other protection equipment.
EN has informed and guided key stakeholders throughout the year to ensure that networks’ views and expectations are clear and understood. An abiding message is that network issues must figure at the top of any agenda where the future of energy is being considered. We continued last year to convey our key messages to politicians through various means such as the bi-weekly Bulletin, our series of Well Connected events, and MP briefings.
Politicians

The year was punctuated by some 30 meetings with senior politicians and officials including the Energy Secretary, two sessions with energy ministers, the Transport and Local Government secretaries and their Conservative and LibDem counterparts.

We played a strong part in shaping a significant block of legislation in our sector with the Energy Act, Climate Change Act and the Planning Act all bearing our mark.

Among our successes included securing, in the Energy Act, clarity on a long-running issue over charging for assessment and design. In the Planning Act we campaigned in the House of Lords to defeat an amendment to remove the Infrastructure Planning Commission. And we saw off a potential damaging amendment to the Climate Change Bill that would have placed unwarranted burdens on networks.

We used the Government’s Renewable Energy Strategy consultation to press the importance of a more efficient and supportive planning regime to bring on the infrastructure investment that must accompany growth in renewable generation.

Streetworks are arguably the highest profile encounter networks have with energy consumers. We kept up our communication of our concerns about developments in the regulation of streetworks. We met with ministers and opposition spokespeople, as well as members of the London Assembly and influential organisations such as the RAC and London First.

Meanwhile we made four appearances before select committees in Westminster and the Welsh Assembly. And last year we launched a series of briefing seminars for key politicians and officials in Westminster, Holyrood, the Welsh Assembly and Europe.

Regulators

Price Controls

Throughout the gestation of the fifth price control review for electricity Distribution Network Operators (DNOs) we established a number of groups comprising specialists from DNOs to identify areas of common interest or concern and to agree positions on a number of key issues to put to Ofgem.

The review closed in December 2009 and the proposals were accepted by all the companies by 6 January 2010. The new proposals came into effect in April 2010 and will apply for five years.

Review of the regulatory regime

Since the outset of the regulator’s important, two-year review of the principles at the heart of the regulation of the gas and electricity networks we have stayed close to its development. We have ensured that Ofgem’s team has been advised and guided...
on the networks’ thinking. We have ensured the regulator is alert to the need to align its review with objectives in tackling climate change and the need to maintain secure energy supplies.

Ofgem must provide through its allowances sufficient resources for the DNOs to make the changes necessary for the UK’s low carbon energy future to develop.

The review – RPI-X@20 – concludes in the summer of 2010.

**Charging methodology**

ENA set up an industry-wide group to develop a common methodology for charging households and small and medium sized businesses for using the electricity distribution networks. Despite very tight deadlines a new methodology was developed by the companies and accepted by Ofgem towards the end of 2009. Work is currently underway to develop a similarly agreed approach to charging for very large businesses. It is hoped to gain Ofgem’s approval to this by September 2010.

**Ofgem’s Corporate Strategy**

We co-ordinated network industry responses to Ofgem’s consultations on the regulator’s Corporate Strategy and Plan 2009-2014 and on Code Governance - Major Policy Reviews and Self-Governance.

In our response to the corporate strategy consultation we gave our support for its themes but we highlighted the need to address a number of issues, namely:

- a need for greater prominence to security of supply and sustainability;
- Ofgem’s expectations for its role in helping to bring on a low-carbon future and security of supply;
- incentives for the connection of biogas; and
- Ofgem’s engagement on theft of energy.

These were dealt with in the regulator’s strategy 2010-2015.

In our response to the Code Governance Review we were largely supportive of the key proposals including industry allocation of modification proposals, industry self-governance and the Major Policy Reform process. We were critical of Ofgem’s proposed role in Major Policy Reform which we consider gives it “judge and jury” status.

**Stakeholders**

**Fuel poverty**

Fuel poor consumers are those whose energy bills equal ten per cent or more of their income. Customers who are off the gas
grid, who use electricity or other energy sources for heat, are more susceptible to fuel poverty because the fuels they use are more expensive than gas for cooking and heating.

We pressed hard during the negotiations for the current price control to get a network extension scheme in place. The Gas Distribution Networks (GDNs) have worked during the past year with community groups to find eligible communities to assist under the incentive scheme to extend the gas network to fuel poor communities.

**Streetworks**

Our members carry out a lot of work on the public highway – this commonly referred to as streetworks. They generate an important and sensitive point of contact with the public. Our streetworks group held a workshop to identify the communication issues that arise and how they might be best addressed.

The group continued to represent the industry on the implementation of the Traffic Management Act looking at penalties, permits and a raft of other issues.

The group continued to bring on information sharing between ENA members and to coordinate strategy with other key organisations. These included National Joint Utilities Group, Highway Authorities and Utilities Committee and the Department for Transport.

**Consumer redress**

ENA worked closely with ERA and the Ombudsman Service to enable network companies to join the new Energy Ombudsman Service at its instigation in October 2008. Fewer than 2 per cent of complaints to the Ombudsman have been against networks.

**Events**

We held seven major events in the year attracting more than 700 attendees. The events included two of our popular Well Connected gatherings which provide opportunities for cross-industry networking.
Safety

is a core consideration for networks. Working with our members and other stakeholders to maintain and improve the industry’s safety record has been an abiding tenet of ENA. We are guided by a will to learn from the past to ensure our members are equipped for the future.
Health and safety

Occupational health and safety

In 2007 and 2008, the industry sustained four fatalities of staff at work in the electricity sector. These events occurred after a lengthy period of exemplary safety in the sector. In response our electricity Safety Health and Environment (SHE) committee commissioned independent research to gain a better understanding of the underlying behavioural and safety culture in the electricity sector.

The research findings have informed the development of a new five-year health and safety strategy.

Encouraging industry-wide sharing of best practice in occupational health is one of our SHE team’s roles. Last year we developed a comprehensive health and well-being framework which was well-received by the HSE.

Having developed case studies on vibration, musculo-skeletal disorders and stress we are now looking at a number of other issues including fatigue and standards of fitness.

National Health and Safety Advisory Committee

The National Health and Safety Advisory Committee (National HESAC) has, for 33 years, drawn together companies and trade unions of the electricity industry - networks, generation and supply - with representatives from the HSE to consider health and safety issues that affect our sector.

Ten-year programme

A task force was set up in 2009 to develop proposals for an industry initiative to follow the completion in 2010 of a ten-year safety programme - SAFELEC 2010. Under SAFELEC we have produced successive annual reports charting the programme’s progress in meeting the Government’s targets for improving health and safety as well as progress towards collectively agreed electricity industry targets.

Key target reductions for 2010 were:

> 30 per cent from the number of working days lost per 100,000 workers through work-related injury and ill health;

> 10 per cent off the rate of fatal and major injury accidents; and

> a 20 per cent cut in the incidence rate of work-related ill health.

The final report is scheduled for May 2010.

Utilities strikes

We established the Utilities Strikes Group in 2008 to enable our members as well as
water companies and contractors to share best practice to minimise damage to electricity, gas and water networks through accidental strikes during work on underground assets. The group has been extended to include telecoms. Issues it has covered include the provision of cable and gas pipeline records for third parties, training and behavioural safety.

**Metal theft**

Metal theft is a persistent and serious problem for the energy distribution and transmission industries. In the first quarter of 2009 there were 373 major incidents of metal theft. This came at significant cost to our members and exposed the public to serious risk to safety. With the prospect of a pick-up in metal prices comes an increased risk of more theft.

We supported a pilot operation – Valuator – instigated by the police to test tactics for combating metal theft. It resulted in 15 arrests with a corresponding drop in incidents of metal theft. And 192 tonnes of stolen metal were recovered in its first few weeks. We will continue to work with the police on this issue.

**Security Incident Reporting**

A system for collating security incidents (primarily metal theft) from members and non-members of ENA has been in place for just over a year. The Security Incident Reporting System (SIRS) is an extension of our defect-reporting systems (see page 12). SIRS is expanding its reach to take in water and telecoms companies.

**Theft of Gas**

Following a joint ERA/ENA report on the theft of energy, a review group was established to consider new arrangements for the prevention and detection of gas theft. The group’s wide remit and its recommendations carry implications for the electricity industry and other industry codes and agreements.

**Gas industry safety**

During the past year we have supported the Gas Industry Safety Group. We have delivered a new website and created promotional material to spread gas safety messages more widely and attract new members.

**Environment**

We have logged a number of successes in the year in our work to address new legislation covering the use of hazardous substances in network operations.

> The impact on the environment from exposure to cable insulating oil has grown as an issue in recent years. Our strong working arrangements with the Environment Agency were demonstrated in reporting...
arrangements for fluid-filled cables agreed last year. Our electricity member companies and the Environment Agency have approved a Partnership Agreement that covers a range of key technical issues. Also the ENA-established Fluid-Filled Cable Forum continued to work with our members and the Environment Agency to share best practice in managing the risks from leaks of insulating fluids.

The Fluorinated Greenhouse Gases Regulations 2009 were passed early in 2009. We worked to see that electricity member companies were registered to be certification and evaluation bodies, to enable the authorisation of personnel to recover sulphur hexafluoride from switchgear.

We worked at EU level to ensure that legislation allowed the use of creosote to protect wooden distribution poles to continue.

Carbon monoxide

We have played a key part in Ofgem’s workgroup that was set up to evaluate opportunities to raise awareness of the threat of carbon monoxide poisoning. This concluded with Gas Distribution Network operators (GDNs) submitting business cases to Ofgem for funding to provide carbon monoxide alarms to vulnerable customers. We worked also with the Carbon Monoxide Consumer Awareness Alliance to bring stakeholders together.

ENA and the GDNs last year developed a joint industry leaflet that was deployed successfully by the GDNs to raise awareness of the dangers of carbon monoxide. The GDNs have been issuing the leaflet each time they enter a consumer’s premises. The leaflet can be licensed for use by any industry body.

Electric and magnetic fields

Our Electric and Magnetic Fields (EMFs) committee continued last year to co-ordinate the industry’s position on public concerns about exposure to EMFs emitted by electrical networks. We are committed to maintaining open communication on this issue. We, along with member company National Grid, were instrumental in setting up the Stakeholder Advisory Group on EMFs (SAGE) which brings together public representatives, scientists, Government and industry on the issue. We continue to participate in, and fund, SAGE.

We worked with our members to develop a position on occupational exposure to EMFs to add our influence to a proposed EU directive on the issue.
2009 brought further advances in our programme of work to develop our contacts in Brussels and further examples of our influence in high-profile European electricity and gas issues.
Path to open market

The so-called Third Package of legislation aimed at opening the European Union (EU) energy markets was adopted by the European Parliament in March 2009. Our analysis of the package unearthed a major flaw in the draft legislation on network acquisitions.

We alerted the UK Government to this and it was instrumental in removing the offending clause. The “Gazprom reciprocity” clause in the electricity and gas directives was intended to prevent organisations from an unliberalised non-EU market from buying EU transmission assets. But this posed a significant threat to the UK’s open market approach and could have had a significant impact were it replicated for distribution.

The Third Package set up a new agency for EU energy regulation: the Agency for the Co-operation of Energy Regulators (ACER). At this crucial stage we have built a sound working relationship with the current EU regulatory forum, the European Regulators’ Group for Electricity and Gas (EREG).

Through our responses to ERGEG consultations on network access issues, we lobbied successfully for the inclusion of distribution operators as well as transmission companies as key stakeholders. We argued this on the grounds that there will be significant amount of wind and other renewable plant connecting at the distribution level. And ERGEG agreed with our proposals that development plans for gas transmission operators should include simulations of disruption of supply on an integrated network – mirroring the robust testing in the UK.

Indicating the way

With European Parliamentary elections in the offing we took the initiative to draw the attention of all prospective MEPs to our views on European policy on energy, the environment and safety. In our publication, Building Europe’s Energy Future, we emphasised the need for stability and less legislation in the future to enable networks to invest in a sustainable and secure energy future for the EU. The initiative was launched by Parliamentary Rapporteur for the new EU regulatory agency Giles Chichester MEP at a roundtable debate at the EU Parliament in March last year.

Security of supply

In discussions with DECC on the review of the 2006 Security of Gas Supply Directive we focused on the need for strategic storage, the roles and responsibilities of market players, transparency of information and regional emergency plans. We have worked with members on a response to this proposed review.

European links

We have developed links with other European energy associations, including Eurelectric, the gas and electricity distributors’ group GEODE, and the gas suppliers’ and traders’ representative Easee-Gas, as well as Eurogas and Marcogaz.
Board members

The following Directors held office during 2009:

Jonathan Ashcroft: Central Networks (E.ON)
Michael Ashworth: Northern Gas Networks
(resigned 7 September 2009)
Mike Barlow: Scottish and Southern Energy
John Barnett: CE Electric UK
Jeremy Bending: National Grid
Paul Bircham: Electricity North West
Alan Bryce: ScottishPower
(resigned 7 September 2009)
Chris Clarke: Wales & West Utilities
Paul Delamare: EDF Energy
Mark Drye: CE Electric UK
Steven Edwards: Wales & West Utilities
Con Feeney: Northern Ireland Electricity
(appointed 3 September 2009)
John Glasgow: Central Networks (E.ON)
(appointed 1 October 2009)
Barry Hatton: EDF Energy

Roger Henderson: Northern Ireland Electricity
(resigned 7 July 2009)
Steve Johnson: Electricity North West
(appointed 7 September 2009)
Laurence MacKenzie: Northern Ireland Electricity
(resigned 7 July 2009)
Mark Mathieson: Scottish and Southern Energy
Stephen Morris: Inexus
Chris Murray: National Grid
Robert Murray: Inexus
Stephen Murray: Fulcrum Group Holdings
John O’Grady: Northern Gas Networks
Stephen Parker: Northern Gas Networks
(appointed 7 September 2009)
Brian Popplestone: Fulcrum Group Holdings
Alan Raymant: Central Networks (E.ON)
(resigned 7 September 2009)
Alison Sleightholm: Western Power Distribution
James Sutherland: ScottishPower
David Smith: Energy Networks Association
Nigel Turvey: Western Power Distribution

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