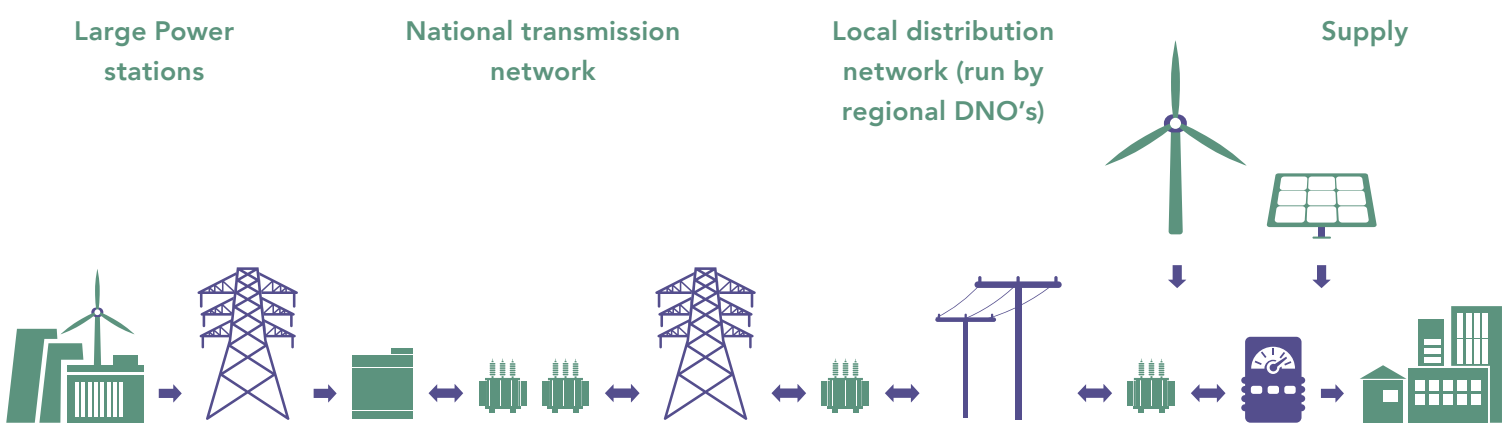
The Way Electricity is Sourced and Consumed is Changing

The energy system is changing. Many large power stations are closing as they come to the end of their lives to be replaced with smaller, and in many cases renewable, forms of electricity generation. These are often spread around the country, connected directly to the local distribution rather than national transmission electricity grid system.

Our industrial, commercial and domestic customers have also embraced government and regulatory incentives to install smaller scale generation at their own premises in the form of solar panels and other technologies.

The type of generation deployed is often intermittent in nature, making flows across the electricity network much more complex to predict.



Many large power stations are closing as they come to the end of their lives

Intermittent renewables and other forms of electricity generation are now directly connected to the road distribution network, rather than the transmission system. These types of generation deployed are often intermittent and much more complex to protect.

We also expect to see the rapid adaptation of new forms of electricity demand. Electric vehicles are quickly becoming mainstream. With a typical electric car using a similar amount of electric as an average domestic home, they have the potential to significantly alter the traditional daily energy usage profiles today's network was designed around. There are also new technologies emerging, such as battery storage and hydrogen, as well as heat pumps and electric heating that could further disrupt traditional of energy use across the country.