

I²EV (My Electric Avenue)

Successful Delivery Reward Criteria 9.4.1

I²EV (My Electric Avenue)

Month 12 Independent Review Response

Authors: EA Technology & Scottish and Southern Energy Power Distribution (SSEPD)

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The ‘My Electric Avenue’ project is the public identity for the Low Carbon Network (LCN) Fund Tier 2 project “I²EV”. The formal title “I²EV” is used for contractual and Ofgem reporting purpose.

Project Lead(s):	Project Partners:
 	    

Version History

Date	Version	Authors	Notes	Reference documents
29/01/2014	1.0	RP / TB	For issue to SSEPD.	
29/01/2014	1.1	RP / TB	Updated to include SSEPD's response in Section 4.	
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Final Approval

Date	Version	EA Technology authorisation by
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Final Approval

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Contents

1. Introduction	4
2. Independent Review Executive Summary	5
3. Response from EA Technology	8
4. Response from SSEPD	11
Appendix A – References	12

1. Introduction

a. Purpose

The purpose of this document is to provide a response to the second six month review of the I²EV (My Electric Avenue) project that has been completed by the independent consulting company appointed for this task, Ricardo UK Ltd, hereafter referred to as Ricardo.

b. Background

Ricardo is responsible for completing regular independent reviews of the I²EV (My Electric Avenue) project. As stated in the Project Direction [Ref. 1] the Successful Delivery Reward Criterion (SDRC) for the independent review process are as follows:

Table 1 – SDRC for the Independent Review Process

Successful Delivery Reward Criterion	Evidence
<p>9.4 An assessment of how the DNO and other interested parties can ensure independent validation of a third party's Solution throughout a project, and upon completion.</p> <p>Related learning: Learning outcome C1.3.2 - how are the project and results validated?</p> <p>Related Task: 9 - Project recommendations and implementation</p> <p>Related commercial aims: Under 2.2 the commercial aims are to: - Demonstrate delivery of a low carbon network project by a non-DNO on behalf of a DNO.</p>	<p>9.4.1 The provision of 6 monthly independent reviews of the project and technology with specific inclusion of improvements and adaptations to working practices incorporated by the project team following the previous independent review.</p> <p>(a) Produce a 6 monthly report (highlighting strengths and improvement areas) to be tabled at steering group meetings.</p> <p>(b) Produce response to 6 monthly report, detailing improvements planned by Project Steering Group, as a result of the review.</p> <p>Achieved by months 7, 13, 19, 25, 31, and 36. (July 2013, January & July 2014, January, July & December 2015.)</p>

The month 12 independent review report completed by Ricardo meets the SDRC evidence requirement 9.4.1 (a) [Ref. 2]. This report meets the SDRC evidence requirement 9.4.1 (b) as outlined in Table 1 above.

c. Document Structure

The structure of this document is as follows:

- **Section 2:** Month 12 Independent Review Executive Summary;
- **Section 3:** Response from EA Technology; and
- **Section 4:** Response from Scottish and Southern Electricity Power Distribution.

2. Independent Review Executive Summary

EXECUTIVE SUMMARY

This project was submitted to Ofgem’s Tier 2 Low Carbon Network (LCN) Fund as ‘I²EV’ but was rebranded as ‘My Electric Avenue’ in early 2013 to improve public acceptance. The project is led by EA Technology (Third Party Lead Supplier), with project partners Scottish and Southern Energy Power Distribution Limited (SSEPD) (the host Distribution Network Operator), Northern Powergrid, Nissan, Fleetdrive Electric and Zero Carbon Futures. Further support is provided via subcontractors, which include the University of Manchester, De Montfort University, Ricardo UK Ltd, Automotive Comms, Creative Concern, and ANDtr.

This report is the second of the periodic 6-monthly independent reviews and includes recommendations on specific improvements and adaptations to working practices to be incorporated by the project team. It covers the key project activities and deliverables during the period **1 July 2013 to 31 December 2013**, principally involving:

- **Novel Commercial Arrangement** – Competition of Principal and all Subcontracts along with associated Task Orders for each of the project partners and subcontractors
- **Technical Trial** – Establishment of viable clusters for Technical Trial, as per SDRC milestones
- **Social Trial** – Engagement and sign-up of participants for the Social Trial
- **Project Management** – Ongoing effective project management and coordination of project partner activities, and initiation of a Change Request to Ofgem

The review is based upon key documents delivered to Ricardo prior to or for the purpose of the review, and has been augmented with formal and informal discussions during project meetings and conference calls.

Overall assessment of project so far

What is the reviewers’ overall assessment of the project so far?	Good
Have the key objectives for the period been achieved?	Yes
Has the project made satisfactory progress towards meeting the overall project objectives?	Yes
Has each Task made satisfactory progress against the Plan of Works?	Mostly
Has the project management been performed as required?	Yes
Has the collaboration between project partners and sub-contractors been effective?	Yes
Is there evidence of underperforming project partners or sub-contracts, lack of commitment or change in interest?	Partially
Have the project partners adequately publicised the project to raise awareness of the project with the general public?	Yes
Have the project partners adequately disseminated results and learning from the project?	Yes

In the second reporting period, the project team has continued to demonstrate strong customer engagement, which has resulted in the successful delivery of SDRC 9.5.1.1 with four clusters established by 30 September 2013, and the successful delivery of SDRC 9.5.1.2 with five clusters established by 24 October 2013, two months ahead of schedule.

EA Technology, the Third Party Lead Supplier, have continued to work professionally and diligently in their role as project coordinator for a complex arrangement of project partners and suppliers/subcontractors. As of 20 November 2013, all subcontracts with project partners and suppliers have been signed.

However the Independent Reviewers have highlighted one significant area of concern, which is the high financial risk imposed on EA Technology by Ofgem via the restrictions outlined in the Project Direction. Given the early recruitment success of trial participants, EA Technology have wisely decided to accelerate the establishment of the initial clusters for the Technical Trial, beginning the roll-out of electric vehicles to Technical and Social Trial participants ahead of schedule. Whilst this demonstrates the commitment of the Third Party Lead Supplier to the continuing success of the project, it has placed EA Technology at increased financial risk, especially considering their company size and annual turnover, since Ofgem may demand a return of funds if the targets for cluster establishment are not achieved by 12 March 2014. There also appears to be some debate regarding interpretation of cluster establishment. Such an approach by Ofgem is likely to deter other SMEs from pursuing the role of Third Party Lead Supplier for future LCNF projects.

Highlighted Strengths

A key strength of 'My Electric Avenue' has been the project team's approach to participant recruitment for the Technical and Social Trials. The combination of strong project branding, website and strategic media attention with a 'bottom-up' grass-roots movement via cluster champions has led to a phenomenal response from customers and the sign-up of seven clusters ahead of schedule. The project is on-track to achieve the required number of Technical and Social Trial participants within the deadlines set by Ofgem. This successful approach to the recruitment of potential trial participants should be noted by Ofgem, and the project learning applied to other LCNF projects as appropriate.

The project team have made good progress on disseminating learning so far, with an excellent presentation at the Low Carbon Network Fund Conference in November 2013, and through making project reports available to download from the project website (<http://myelectricavenue.info/project-deliverables>).

Recommendations

With regard to Project Documentation:

- 1) **Apply appropriate version control to all project documents**, and ensure the document version reference is clearly visible on a printed page.
- 2) **Consider creating a document reference system for the project** that would be used by all project partners. This document reference system could include the version control number.
- 3) **All project documents should record the document author(s)** and project partner affiliation
- 4) **Consider creating project templates for all project reports**, both external and internal. These templates could include appropriated "fields" in the header or footer for recording document information such as the document reference number, version number, page number and release date.

- 5) **Ensure each project document contains suitable terms of reference** so someone reading the document can quickly understand the context and how this document links to the wider project objectives

With regard to the next periodic 6-monthly Independent Review:

- 1) **Reconsider the timing for the Independent Review.** Currently the Independent Review is run in parallel to the preparation of the project Six Monthly Progress review, leading to non-finalised documents being included in the Independent Review and the late availability of key documents, such as the Six Monthly Progress Report.
- 2) Include a **short summary of activities conducted during the reporting period by Project Task**, with relevant supporting documentation.
- 3) **Documents included “for review” should relate to the project SDRCs and Task Deliverables.** Other documents may be provided “for information”, but an explanation of their context should be provided

A key item for the next six-month reporting period (1 January to 30 June 2014) will be **the close tracking and clear communication of the status of the Esprit technology installation** as the clusters are established for the Technical Trial. Connected to this will be **early review of the data captured and logged**, to ensure that the data collected is suitable in terms of content and quality, and that the Esprit technology is performing in the field as expected.

3. Response from EA Technology

a. Overall Response

EA Technology is pleased that the independent review has recognised that EA Technology, as the Third Part Lead Supplier, has:

- Continued to work professionally and diligently with the project partners and suppliers; and
- Confirmed the project objectives for the review period have been achieved.

The following section of this report outlines the actions EA Technology will take following the recommendations made by Ricardo.

b. Quality Assurance & Document Control

Ricardo has made five recommendations regarding quality assurance and document control. These recommendations are listed below along with the response from EA Technology.

Recommendation 1:	Apply appropriate version control to all project documents , and ensure the document version reference is clearly visible on a printed page.
EA Technology Response:	Whilst appropriate document control has been applied to formal SDRC deliverables, it is recognised that improvements can be made for 'internal' project documentation. EA Technology will communicate the requirement for appropriate version control on all project documentation to both the EA Technology project team members and all partners/suppliers.

Recommendation 2:	Consider creating a document reference system for the project that would be used by all project partners. This document reference system could include the version control number.
EA Technology Response:	A documentation reference system has been utilised on some documentation, however, it is recognised it has not been applied consistently across all documentation/tasks. EA Technology will create a document numbering system and apply it to all future SDRC deliverables. We will request that all project partners ensure that all outputs delivered as part of their work in the project contain individual document reference numbers.

Recommendation 3:	All project documents should record the document author(s) and project partner affiliation
EA Technology Response:	All formal SDRC deliverables provide a record of the document author(s). It is recognised that not all 'internal' project documentation includes the document author(s) and project partner affiliation. EA Technology will communicate the requirement for all project documentation to include this information to both the EA Technology project team members and all partners/suppliers.

Recommendation 4:	Consider creating project templates for all project reports, both external and internal. These templates could include appropriated "fields" in the header or footer for recording document information such as the document reference number, version number, page number and release date.
EA Technology Response:	A template for all formal SDRC deliverables has been developed and utilised for all tasks on the project to date. This template will continue to be used for SDRC deliverables. Where appropriate EA Technology will request project partners to utilise this template for 'internal' project reports.

Recommendation 5:	Ensure each project document contains suitable terms of reference so someone reading the document can quickly understand the context and how this document links to the wider project objectives
EA Technology Response:	All formal SDRC deliverables contain suitable terms of reference. It is recognised that not all 'internal' project documentation include suitable terms of reference. In some cases this terms of reference has been included in a covering email when documents have been circulated. EA Technology will communicate the requirement for suitable terms of reference to be included on all documentation to both the EA Technology project team members and all partners/suppliers.

c. Timing for Future Independent Reviews

With regard to the next 6 monthly review, EA Technology agrees that the timing of the next 6 monthly review should be re-considered to make sure that the 6 month Project Progress Report (PPR) is available at the start of the review process. However, a change to the delivery date for future independent reviews will require Ofgem to agree a change to the Project Direction which will only be agreed if a 'material change in circumstances' has occurred. As such, a change request to change this deliverable date in isolation will not be made and EA Technology will consider its inclusion to any future request to change the Project Direction.

In terms of the next review EA Technology will ensure that the 6 monthly PPR is made available to Ricardo as early as possible in the independent review process.

4. Response from SSEPD

Scottish and Southern Energy Power Distribution (SSEPD) has reviewed this second independent analysis of the I²EV (My Electric Avenue) Project and is in general agreement with its conclusions. The report recognises the strong progress made with cluster recruitment and the associated success in meeting intermediate targets for cluster formation. Clearly, EA Technology need to maintain and consolidate these clusters in order to meet the overall requirements as specified in the original bid submission and Project Direction.

The report highlights a number of project and document quality management improvements - we will look to EA Technology to adopt these processes as appropriate. SSEPD notes that EA Technology has addressed one of the core project management concerns from the previous report by ensuring all necessary supplier contracts have been placed.

The report also identifies a financial risk on EA Technology which results from a tension within the Project Direction designed to balance the risks of cluster establishment with guarantees that protect customers from expenditure without first ensuring project learning can be fulfilled. On the strength of EA Technology's confidence that the correct formulation of clusters can be established, SSEPD has made additional temporary funding available to assist EA Technology in their management of this risk¹. In future we would recommend that any third party has robust mechanisms in place to allow early identification of any similar financial risks such that the appropriate mitigations can be put in place at the earliest possible stage.

The report highlights the potential risk that other SMEs may be discouraged from taking on the role of Third Party Lead Supplier in future LCNF projects. SSEPD does not necessarily share this concern since a stated objective of this project is to identify relevant commercial aspects, understand them and make recommendations for future ventures by Third Parties; as such, the very fact this risk has been tested and managed should allow lessons to be learnt to prevent future reoccurrence.

SSEPD would like to thank Ricardo for their contribution to the successful continuation of this project.

¹ **EA Technology comment:** In order to ensure the continued success of the project, EA Technology has accepted financial risk totalling £1.1m. This is an extremely significant amount to be borne by an SME and is an order of magnitude greater than that envisaged at Bid Submission. The financial risk significantly increased as a result of the unexpectedly rapid customer uptake, which far exceeded the original plan as agreed with Ofgem. As the Principal Contract holder for this project, EA Technology is responsible for ensuring the success of this project and therefore recognises its duty to do everything within its power to ensure successful delivery. EA Technology is therefore grateful to SSEPD for the provision of £220k of temporary, repayable funds, which is necessary for cash-flow purposes.

Appendix A – References

- 1) Project Direction ref: SEPD / I²EV-Innovation-squared: managing unconstrained EV connections, 21st December 2012.
- 2) My Electric Avenue, Month 12 Independent Review Report, Version RD.14/2101.3, 13th January 2014.