

Essex County Council
PO Box 11
County Hall
Chelmsford
Essex CM1 1LX



Date: 10 February 2022

Dear Sir/ Madam

Re: Essex County Council response to Ofgem's Call for Evidence on Electricity Distribution Business Plans for RIIO-2

We welcome this opportunity to share Essex County Council's views on UKPN's business plan for the RIIO ED2 price control.

Local Authority support

We endorse UKPN's commitments to work with us as a Local Authority which is outlined throughout the Business Plan. We welcome the new commitment WS1 on page 16 to engage with all local authorities around climate action plans throughout each year of the RIIO ED2 price control period.

Fuel poverty/vulnerability

Chapter 9, page 69 in relation to the statement that '£9m will help 500,000 customers in, or at risk of entering fuel poverty. Through this they will receive £67m of enduring social and financial value as a result of our pan utility collaboration with regional partners to provide targeted fuel poverty support to record numbers of customers' In the face of the current cost of living crisis and its likely longevity this investment seems small when National Energy Action research has estimated a 50% increase in fuel poor households from October 21 to April 22. Noted that an additional £9m will come forward if the relevant CVP is approved, this is still a small investment. Whilst the proposed fuel poverty interventions themselves are robust, will UKPN be revisiting the scale of deployment in light of the impending energy price cap rise and the ongoing cost of living crisis?

Chapter 9 p77 includes the commitment VS10 to ringfence £5m of the Network Innovation Allowance for projects which support disadvantaged and vulnerable customers. We welcome such a commitment and again would welcome a commitment from UKPN to work with local authorities to identify these households and how best network innovation can be utilised to improve the outcomes for these residents.

Finally, thought should be given by UKPN as to how to protect vulnerable consumers within the flexible DSO offering outlined throughout the business plan. Whilst such arrangements have significant potential to help fuel poor households through reductions in their energy bills, local authorities should be involved in the process to safeguard any households which need additional support but are not currently listed on the priority service register.

Retrofit

Chapter 8, page 57 states UKPN intend to provide network capacity and advice and guidance to the 242,00 off-gas homes in their region. Research conducted for the Essex Climate Action Commission found that approximately 70% of the off-gas grid properties within Essex could be suitable for heat pumps. UKPN should ensure the support offered reflects that not all properties are suitable for heat pumps and that thorough analysis is conducted in conjunction with the local authority to avoid consumers having to fund unnecessary network reinforcement.

Chapter 9, page 60 UKPN list one of their fourth pillar of their customer service strategy as 'Helping customers to reduce their carbon footprint.' Within this they state they will provide advice and guidance on low carbon technologies through their new 'Net Zero Advice Service. Whilst we welcome this commitment to provide guidance in this space, we would suggest they should commit to provide advice on any required improvements to a property's insulation if a heat pump is being installed. We would also suggest any advice service should be closely linked to the Local Authorities operating within their area to ensure the advice aligns with any retrofit offers/ schemes they have within their area.

Thank you for the opportunity to share our views. We look forward to the outcome of the open hearings in March 2022.

Yours sincerely

Cllr Peter Schwier
Deputy Cabinet Member to the Leader
Climate Czar