

RIIO-ED2 Distribution System Operation Incentive metrics consultation

National Grid Electricity Distribution's response

14th March 2024

Within National Grid Electricity Distribution we see the value in quantifiable metrics for the assessment of performance and financial incentives.

Having engaged heavily in the development of the three outturn performance metrics for the Distribution System Operator, we understand the limitations of the metrics in their current form, and the challenges around target settings. As such we understand the reasoning outlined in the document and agree with the pragmatic approach set out in the consultation to not turn any of them on and to reassign the value to the performance panel assessment.

We support further development work on the metrics, in their RRE form to ensure they provide the performance panel with the clarity they need to make any assessments, and to deliver a clear performance benchmark that can be used in ED3. Minor changes to definitions can have large impacts on reporting requirements and can significantly change their scope. These must be better understood and refined to ensure that comparisons across DSOs are robust and insightful.

If there are any questions surrounding this response please contact Ben Godfrey, Director of DSO, bgodfrey@nationalgrid.co.uk.