



Ofgem Consultation

COMPETITION IN ELECTRICAL DISTRIBUTION NETWORKS

Closing Date – 12 Feb 2025

Introduction To Response

Thank you for the opportunity of submitting a response and contributing to this process.

The HEA seek to work in a collaborative manner with all industry parties and stakeholders. That is the spirit in which our comments, observations & suggestions are made.

The "Connections_End_to_End_Review_consultation" document provides some opportunities and considerations that align with the idea of expanding competition to support DNO resource constraints and improve service delivery for the customer.

We note below our thoughts with specific suggestions for how the street lighting sector could benefit from the further opening up of contestable works to Independent Connection Providers (ICPs), ultimately providing a better service opportunity for end-customers such as Local Authorities.

Opportunities for Expanding Competition

The consultation seems to identify several themes and issues that point to potential opportunities to expand competition, particularly in minor and emergency works:

1) Minor Connections and Customer Service Standards:

The document highlights the need for improved service standards for minor connections, such as those associated with street lighting and unmetered supplies. There's recognition that DNOs are struggling to meet demands efficiently. This provides an opening to explore greater delegation of such works to suitably accredited ICPs. By extending contestable works to include emergency disconnections, local authorities could directly engage with ICPs, improving response times and reducing DNO bottlenecks.

2) Network Congestion and Prioritisation:

Given DNO constraints, the consultation emphasises the need to optimise resource allocation and reduce pressure on DNOs for minor and urgent works, focusing their efforts on large-scale network upgrades needed for the net-zero transition. Allowing ICPs to handle emergency disconnections in the street lighting sector would align with this goal, reducing the workload on DNOs and potentially enabling faster service for local authorities.

3) Encouraging Competition Through Enhanced ICP Roles:

The consultation repeatedly implies the importance of competition in driving efficiency and innovation. Opening up

emergency disconnection works to ICPs represents a logical extension of contestable works, enhancing market competition while ensuring safety and service quality through appropriate accreditation.

Proposal to Investigate Mechanisms for Opening Unmetered Emergency Disconnections to ICPs

Rationale:

- **DNO Constraints:** As DNOs focus on infrastructure upgrades for net zero, minor and emergency works are often deprioritised, creating delays for local authorities.
- **Competence in the Sector:** Many ICPs in the street lighting sector already possess the technical expertise to handle emergency disconnections, provided alignment with appropriate accreditation can be in place.
- **Local Authority Needs:** Timely emergency responses are critical for public safety, especially in cases of column knock-downs from road traffic incidents.

Mechanisms to Consider:

1) Accreditation and Standards:

Develop a specific accreditation scope under NERS, for ICPs in the street lighting sector to handle emergency disconnection works on unmetered highway supplies.

2) Collaboration Frameworks:

Establish protocols for collaboration between DNOs and ICPs, ensuring that emergency disconnection works carried out by ICPs are integrated seamlessly into the broader network management framework.

3) Regulatory Incentives:

Encourage DNOs to enable such works through regulatory incentives. For example, Ofgem could include provisions in future price control frameworks that positively recognise DNOs for expanding contestable works in minor and emergency connections.

4) Trial and Pilot Schemes:

Propose pilot programs to test the feasibility of ICPs handling emergency disconnections, allowing for evaluation and refinement before broader implementation.

5) Public Safety Provisions:

Include clear safety standards and operational protocols in any framework for ICP-led emergency disconnections to ensure public safety and compliance with all regulatory requirements.

Benefits of This Proposal

1) Relieved Pressure on DNOs: Allowing ICPs to handle emergency disconnections would free up DNO resources for critical network upgrades.

2) Improved Local Authority Service: Local authorities could benefit from quicker responses to incidents, enhancing public safety and minimising disruption on the highway.

3) Enhanced Competition: Expanding ICP roles enables a more competitive environment, driving innovation and efficiency in the sector.

4) Alignment with Net Zero Goals: By optimising DNO workloads, this approach indirectly supports the broader infrastructure upgrades required for the transition to net zero.

Finally, we would add, that none of the above are suggesting that contestable work should be opened up to include distribution network faults. We believe it should be clear that an emergency disconnection does not always relate to a network fault which is understandably non-contestable and is likely always going to be managed by the Host Utility or their appointed contractor(s).

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