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Ecotricity Reference No.: 271  
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**Ecotricity Consultation Response to Ofgem's Approach to assessing Stakeholder Engagement and Guidance Notes (Reference 24/12)**

Dear Lia Santis,

Ecotricity is an independent renewable energy supplier, generator and a developer of new renewable energy sources. We are especially prominent in wind energy and currently own and operate 53 wind turbines across the country. As a developer we regularly engage with DNOs and our experience of their service is highly varied.

Our response is divided into two parts:

- A) Answers to the questions outlined in the consultation and
- B) Our conclusion

**A) Answers to questions outlined in the consultation paper**

***Question 1: What other approaches to providing assurance should be considered appropriate?***

- a. Whether evidence submitted by DNOs should be subject to a common evaluation or independent audit administered by Ofgem.*
- b. Whether there is a case for proposing a common assurance approach across all companies - for example a common accreditation standard or survey.*

We would support an independent audit as this would ensure proper scrutiny and fairness. It is important that this be done in a simple straight forward manner to minimise additional bureaucracy. We believe that a common accreditation standard is not necessary and will only increase the bureaucratic burden.

**Question 2:** *Your views on our approach to allocating the financial reward*

- a. Do you think this is a fair and proportionate approach?*
- b. Can you suggest any other approaches and why do you think they are appropriate?*

We are in favour of the financial reward as we believe it is the only approach that will effectively encourage DNOs to improve their engagement. We support the two stage process, which would prevent those DNOs that do not meet the minimum requirements from being considered for the panel. This will provide a strong incentive to meet those requirements and ensure that the scheme is as efficient as possible.

**Question 3:** *Factors the panel should take into account for the assessment of outcomes of engagement*

The DNOs' approach to publication of their Long Term Development Statements should be considered. At present some DNOs charge for this, while others provide it for free. We believe that informing stakeholders of their long term strategy is a key aspect of DNO engagement and should therefore be provided by for free by all. This should be a minimum requirement and the quality of the strategy should be a part of the qualitative assessment by the panel.

It is important that there be monitoring to ensure that: DNOs follow their own strategies; that works are carried out when planned and; that any divergence be justified. This is particularly important for site developers as we may use this information to target areas where the grid will be strong enough at the point we wish to connect and so cut down on our grid connection costs.

DNOs should also be assessed on their response time for returning enquiries. In our experience this varies from one week to three months.

Another key area for assessment should be the availability of a point of contact at the DNO. Once a DNO has appointed an engineer to a project, this engineer should be that point of contact for developers. Our experience is that DNO engineers can be difficult to reach by telephone - this can cause business delays.

**Question 4:** *Any additional information or ideas on how the DNOs should be assessed for the purposes of this incentive*

In addition to DNOs proving they have met the minimum requirements and being subject to the panel assessment, we believe that stakeholders should be surveyed to critique DNO performance. Our experience is that there is substantial variation in quality of service provided by DNOs and such a survey would be a good way of highlighting this and raising the general standard.



**Question 5:** *Whether this approach to assessment should be applied to stakeholder engagement incentive schemes in other industries, i.e. Gas Distribution, Gas or Electricity Transmission*

If this scheme is successful, we would support it being applied to other industries.

**Question 6:** *Any concerns or further suggestions about our proposals*

DNOs' pricing is a major concern. Again, this is something that varies substantially between DNOs; for example, the cost of budget offers can vary from free to £600, with little clear rationale for the differences.

Although we cannot substantiate this, we are concerned by attempts by DNOs to have developers reinforce their networks for free in the course of installing new forms of generation into the grid. Where developers improve the network in a way that benefits DNOs, we believe that this should be compensated.

## **B) Our conclusion**

Overall Ecotricity supports the incentive scheme and the two stage assessment process. We believe that this should be complemented by a stakeholder survey. We believe that the high level of inconsistency across DNOs needs to be addressed and hope this survey will raise the overall standard.

DNO performance and stakeholder engagement is an important issue and we are pleased that Ofgem are prioritising it. We support regular evaluations of the extent to which the scheme is improving engagement.

Ecotricity welcomes the opportunity to respond and hope you take our comments on board. We also welcome any further contact in response to this letter. Please contact Emma Cook on 01453 769301 or [emma.cook@ecotricity.co.uk](mailto:emma.cook@ecotricity.co.uk).

Yours sincerely



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