

Social Obligations for RIIO ED1

Some possible options

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- The existing position
- Possible approaches for ED1
- Stakeholder engagement
- Conclusions

Priority Services Register

- Distributors must maintain register of customers of pensionable age or with a disability who require certain information or advice about interruptions by virtue of communication needs or medical dependence on electricity
- Distributors must give appropriate prior notice and information to PSR customers in advance of planned interruptions
- Distributors must as far as reasonably practicable provide prompt updates to PSR customers during unplanned supply interruptions
- A number of companies offer additional support to PSR customers during supply interruptions, such as liaison with other agencies, hot meals, alternative accommodation etc. (dependent on circumstances)

Password scheme

- Must be made available on request

- Other areas include
 - Worst Served Customers (DPCR5 provision of capped funding 'ex post')
 - Undergrounding in Areas of Outstanding Natural Beauty (DPCR5 allowance per company, costs logged up subject to evidence of engagement with stakeholders on prioritisation)
 - Wide range of CSR and other initiatives (e.g. work with EAGA to leverage benefits and energy efficiency measures for fuel poor)
 - Safety education programmes

Some possible areas might include...

{‘Affordable heat’}

Role of DNO in facilitating energy solutions for fuel poor (e.g. Promotion and signposting of grants for energy efficiency)

{Supply interruptions and PSR customers}

Enhanced services to PSR customers

{Wider Social Obligations}

Role of DNO in providing wider social benefit to the energy industry and local communities

{Safety}

Encouragement of best practice in safety education

Affordable heating solutions – one possible option

- Through work with stakeholders DNO identifies group of customers who would benefit from e.g. district heating
- DNO assists in identifying optimum solution
- DNO prioritises network upgrade to facilitate connections required
- DNO assists in coordinating completion of project
- Specific regulatory approval/competitive award or adherence to preset criteria for funding to apply
- (possibly as separate standalone mechanism) Subsidised electricity connections for vulnerable customer groups

{Supply interruptions and PSR customers}

Additional services/coverage for PSR customers might include

- Closer links with local agencies to facilitate targeted support during outages
- Site visits for support and coordination of services
- Enhanced Guaranteed Standards (or payments) for vulnerable customers
- Requirement to provide alternative lighting/heating/cooking within x hours for vulnerable customers
- Enhanced supply arrangements for vulnerable customers
- Wider scope of PSR – e.g. Schools, universities

Some other possible areas

{Wider Social Obligations}

Some DNOs see a case for wider consultation with stakeholders on social benefits that could be facilitated in the energy industry or local communities

{Safety}

Encouragement of best practice in safety education and public awareness

ED1 – possible delivery mechanisms

- ‘use it or lose it’ funding allowance
 - Enhanced Guaranteed Standards or payments
 - ‘LCNF’ –style funding pot
 - New Obligations
 - Incentive mechanism
 - Well Justified Business Plan
- Factors include scope for standardisation of measurable ‘deliverables’, judgements on what should be core DNO requirements, and outcomes of stakeholder engagement.

- Stakeholder views important - and to some extent in conflict (e.g. levels of charges and socialisation of costs vs. wider benefits of new initiatives)
- DNOs believe that there are benefits in stakeholders participating in national fora (e.g. ENA/Ofgem) as well as at individual company level
- Stakeholder engagement an important element as companies prepare well justified business plans for ED1

- Importance of stakeholder engagement – there is not yet a clear picture of what other stakeholders believe DNOs should be doing
- There is a wide range of areas where DNOs believe potential benefits could be achieved
- Some potential initiatives depart from traditional DNO roles and may overlap with supplier activities, however this shouldn't stop further development of possible mechanisms