

Minutes of RIIO-ED1 Customer and Social Issues Working Group (CSIWG)

Minutes of RIIO-ED1 CSIWG meeting held at the Energy Network Association (ENA), Floor 6, Dean Bradley House, 52 Horseferry Road, London, SW1P 2AF	From Date and time of Meeting Location	Stephen Perry 20 th 2013 10:00 to 13:00 Energy Network Association (ENA), Floor 6, Dean Bradley House, 52 Horseferry Road, London, SW1P 2AF	21 November 2013
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1. Present

Ofgem

James Veaney
Stephen Perry
Phil Sumner

DNOs

Sharon Roper (NPg)
Alison Sleightholm (WPD)
Sam Risdale (SSEPD)
Kendal Adams (SPEN)
Susan Bradshaw (SPEN)
Steph Rogan (SPEN)
Brian Hoy (ENWL)
Paul Measday (UKPN)
Hannah Ngoma (UKPN)
Lacky Ahmed (ENA)

2. Introduction

2.1. James Veaney (JV) welcomed everyone to the latest RIIO-ED1 CSIWG meeting. JV noted that this meeting would be primarily focused on responses to our RIIO-ED1 Customer Service Incentive consultation and the incorporation of Social Objectives into the Stakeholder Engagement Incentive.

3. Responses to our RIIO-ED1 Customer Service incentives consultation

3.1. Stephen Perry (SP) presented an overview of responses to the RIIO-ED1 Customer Service and Connections Incentive consultation (see slides attached) and an update on our current thinking.

3.2. The working group discussed how our decision on the RIIO-ED1 Customer Service incentives would be incorporated into the RIIO-ED1 fast track licence. The DNOs encouraged Ofgem to update the RIIO-ED1 fast track licence as soon as possible.

3.3. The DNOs questioned when the RIGs process would be completed. JV stated that the development of the RIGs would take place next year but that there was nothing stopping the DNOs from developing a revised definition of an unsuccessful call ahead of that process.

4. Update on Consumer Vulnerability Strategy workstream

4.1. Phil Sumner (PS) reminded the working group of Ofgem's work as part of our Consumer Vulnerability Strategy. PS identified the initial priorities of the Consumer Vulnerability Strategy work programme and provided an update on the Priority Service Register Review.

5. Stakeholder Engagement and Social Objectives

5.1. JV provided an overview of our proposals to incorporate social objectives into the stakeholder engagement incentive.

5.2. JV stated that he was keen to place a greater focus on the outcomes and outputs achieved through stakeholder engagement. The working group discussed whether a common template to capture these could provide a useful framework for submissions.

5.3. Sharon Roper (SR) was concerned that it may be hard to quantify the discrete benefits arising through stakeholder engagement. The working group also discussed whether it would be possible to capture the long term financial benefits associated with some activities.

5.4. Alison Sleightholm (AS) noted that the financial benefits associated with some outputs could be very subjective. JV noted that it may not be possible to identify precisely all the benefits of stakeholder engagement, but he considered that it would be useful to begin to understand the value of activities from a common and quantifiable perspective.

5.5. The working group discussed our revised assessment template. SP noted that compared to current arrangements we were suggesting placing less focus on innovative approaches to engaging with stakeholders and more on the outcomes achieved.

5.6. SP noted that the panel membership may also need to change to ensure it had the expertise to properly assess DNOs' social outputs. SR questioned the extent to which the panel would have an understanding of previous submissions. JV noted the benefits of longevity in panel membership but recognised that there would inevitably be changes over time. He therefore encouraged DNOs to ensure that every submission was sufficiently self-contained to encompass their activities and the value delivered.

5.7. JV noted that we were keen to hear back from the stakeholders on our proposals at the next working group. The working group considered that it would be useful to trial any additional reporting template alongside this year's panel.

Action – DNOs to consider how to incorporate social objectives into the stakeholder engagement incentive.

5.8. SP noted that we were also considering amending how the panel score is converted into a financial reward, so that only scores above a certain level are eligible for reward, but scores above a higher level are able to earn 100 per cent of their reward. The working group were broadly supportive of this consultation.

5.9. SP noted we were also considering tweaking other parts of the stakeholder engagement guidance. These changes would limit the amount of supplementary information, add a mechanism to ask supplementary questions as part of our minimum requirements assessment and clarify that our interpretation of minimum requirements will be informed by previous years and our understanding of relevant issues.

5.10. Some of the DNOs questioned whether it was appropriate to change our interpretation of minimum between years, and between industries, without due notice. JV stated that the minimum requirements themselves would not change, but that this would provide network companies with more clarity on our assessment of minimum requirements.

6. Date of Next Meeting

6.1. The next meeting will be held in early 2014. The objective of the next meeting will be to further discuss the incorporation of social objectives into the RIIO-ED1 Stakeholder Engagement Incentive