



**SP ENERGY
NETWORKS**

Proposed panel assessment changes

CSIWG, London
22nd January 2014

Review panel assessment

- Do you agree with our proposed revisions to panel assessment?
 - In principle, yes but introduce for 2014/15
 - Increased focus on outcomes /outputs is sensible.
 - Provided outcomes /outputs not be restricted to only those that can be attributed a financial value.
 - Focus on challenging or hard to reach stakeholders – can't make them engage but could show how we have tried to tailor our engagement to reach them
- Does the proposed weighting incentivise the right behaviours?
 - Moving the weighting towards outcomes /outputs sensible.
- Are additional changes needed to incorporate social outputs?
 - Table needs to be able to include outcomes that can't be quantified financially
- Proposed table of outputs
 - Support a table that collects outcomes in one place to provide an easier comparison between DNOs
 - Table not to be read in isolation; supported by description of activity and outcome as limited ability to tell story in table
 - With present table potentially risk weighting towards only outcomes that can be easily quantifiable financially
 - Financial measures not always most important
 - Caution on assumptions used to quantify the outcome

Do you agree with our proposed revisions?
Does the proposed weighting incentivise the right behaviours?
Are additional changes needed to incorporate social outputs?

Submission templates

SE group	Issue	SE Activities (with cost in £)	Outputs (with est financial benefits in £m)							
			To DNO	To Stakeholders						
-	-	-	-	Social	Enviro	Safety	Customer Service	Connection	Reliability	Costs
Fuel poverty	Improving energy efficiency awareness	~£10k a building to install energy efficiency measures + conduct customer bill checks	Increased awareness of DNO (how to put £s on that?) Reduced demand so investment avoided (£s saved against alternative)	Reduced energy bill direct (~£k) Reduced energy bills indirect (how to est indirect benefit?)	Lower carbon footprint - direct CO2 saving (£k) Indirect CO2 saving (how to est?)		Clearer routes to problem resolution (how to put £k on that?)			Reduced need for investment so lower annual bills (£/p)

- Estimation of indirect benefits could vary significantly – indirect benefits reason for doing it.
- Developing a methodology time consuming and problematic
- Unintended consequence of measurement could add additional cost

Submission templates

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Supply chain	Ageing industry workforce	Collaborative working with supply chain and local colleges to develop linesmen training courses for unemployed (~£50k)	Next generation of skilled contractors recruited locally (how to put £s on?)	Extending local employment beyond our direct control (£salary of additional recruits) (£s into local economy from training)			Local people with local knowledge (how to put £s on that?)		Avoiding possible impact on reliability from shortage of skilled contractors (how to measure?)	Local recruits more likely to remain long term (how to est avoided recruitment costs on bills?)

- Estimation problematic; how to value time those involved, how to value economic benefits, how to value risk mitigation
- Developing a methodology time consuming and problematic
- Unintended consequence of measurement/estimation could add additional cost