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Dear Grant,

RIIO-ED1 Stakeholder Engagement and Consumer Vulnerability (SECV) Incentive Guidance – Informal consultation

SSEPD welcome the opportunity to comment on Ofgem's proposed Electricity Distribution Stakeholder Engagement and Consumer Vulnerability (SECV) incentive guidance. We welcome the ongoing engagement with Ofgem regarding the development of this guidance and we are generally happy with the current version of the guidance document. We believe the trial of the assessment process and also the workshop held by Ofgem on the 14th January to discuss the SECV guidance was very useful and we are pleased to note that a number of the points raised and discussed regarding the SECV guidance have now been addressed in the revised version of the document, for example the inclusion of the definition of 'business as usual' in the guidance document. However, we do have a number of comments and recommendations on the draft guidance document and these are outlined in the attached Annex.

Disparity between the Guidance for Distribution and Transmission incentives

We acknowledge that this consultation is only seeking our views on the proposed RIIO-ED1 SECV Incentive guidance document. However our concerns remain regarding the growing gulf between the quality of the Guidance Notes for RIIO-ED1 and RIIO-T1 incentives. We would welcome further

discussion with Ofgem on this with the view of aligning the RIIO-T1 Stakeholder Engagement Incentive Guidance document with the RIIO-ED1 SECV Incentive guidance.

We would welcome the opportunity to discuss any of the points raised in our response in greater detail. Please do not hesitate to get in touch should you have any questions regarding any of the information provided within our response.

Yours sincerely,
(by email only)

Sam Torrance
Regulation, Networks

Annex

Comments on the SECV Incentive Guidance:

- On page 7, in 'Part 3' of paragraph 3.1 there is a minor spelling error of "Criteria".
- We would welcome further clarification on the weighting which parts 2 and 3 of the submission will have towards the final overall panel score for each DNO. Will this be a straightforward 50/50 split or will one part of the submission have more weighting towards the Overall Panel Score than the other?
- We would strongly recommend that Ofgem ensures that the 'Panel' provides as detailed feedback as possible to DNOs. As the Panel will consist of members with a good knowledge and expertise in stakeholder and consumer engagement, it would be extremely beneficial for us to receive detailed feedback, in particular any feedback on the comparisons of submissions with previous years would be welcomed.
- In line with the trial of the assessment process last year, we believe it is beneficial for Ofgem to report the Overall Panel Scores for each DNO as this allows stakeholders to compare DNO performance and improves transparency. Therefore we recommend that Ofgem ensures that this practice continues and reflect this in paragraph 4.13 of the SECV guidance.
- Paragraph 4.20 of the guidance document indicates that network companies can provide new information in order to explain or clarify any aspects of the Submission, however this new information will not form part of the consultant's assessment. We would question the relevance of allowing network companies to provide new information to explain or clarify any aspect of the submission as requested by the consultant if this 'new information' can not be considered as part of the assessment. We recommend that any new information provided in order to explain or clarify any aspect of the submission should be allowed to form part of the consultant's assessment.
- Paragraph 4.16 of the guidance document states that an independent third party will be appointed by Ofgem but funded by the network companies. We would welcome clarification as to whether this will be funded by all network companies or only the network companies who have submitted a submission for the SECV incentive?
- Furthermore, we believe that it is important that the appointment of an 'independent third party' by Ofgem is transparent and it should ensure that the consultants appointed have experience of similar activity in a regulated business and can demonstrate a sound

understanding of stakeholder engagement, consumer vulnerability and the electricity distribution industry.