

# Code administrators performance survey

## System Operator-Transmission Owner Code (STC)

National Grid Electricity Transmission plc

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### Introduction

As part of its 2016 Code Governance Review Final Proposals (Phase 3) (CGR3), it was decided that Ofgem should commission a standardised cross-code study to monitor and assess the performance of code administrators in their role in respect of each code that they administer.

The study evaluates the service provided by code administrators in accordance with the principles of the Code Administration Code of Practice (CACoP) which aims to align processes across the industry codes and identify areas of best practice.

This report looks specifically at the results for the System Operator – Transmission Owner Code (STC) administered by the National Grid Electricity Transmission plc (National Grid) and all verbatim comments were provided in respect of the STC and/or National Grid, however they may be more widely applicable.

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### Method

A mixed mode programme of research was conducted with organisations interacting with industry codes consisting of:

- 15 depth interviews to inform questionnaire design
- A core survey with 204 participants to measure experience and performance of code administrators (11 participants answering about the STC)
- 22 follow-up depth interviews to get a more detailed understanding of drivers of satisfaction/dissatisfaction

#### **Throughout the report, results are shown:**

*At a total level (aggregated results for all codes)*

*At a total for the STC (due to small base sizes, results are not broken down by subgroup)*

*If STC results are significantly higher than the average, the total is shown in **green***

*If STC results are significantly lower than the average, the total is shown in **red***

*Where percentages do not sum to 100%, this could be due to rounding or the exclusion of 'Don't know' or 'Not applicable' responses*

*Quotes from respondents included in the report and are not intended to be representative of the range of views, but rather offer a range of opinions, feedback and suggested improvements*

*Where base sizes are small, this is shown by an \* for bases less than 30 and \*\* for bases less than 15. This indicates that the data should be treated with caution*

**Due to the very low number of organisations completing the survey in relation to the STC, all results shown in this report should be read with a degree of caution**

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## Industry context

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It is important that the structure and perceptions of the energy industry in which organisations operate are taken into account when interpreting survey results.

Organisations recognise that the energy market is going through a transitional phase and that the changes occurring may affect how they interact with codes. Highlighted changes include:

- Requirement for codes to be in line with European legislation
- Prevalence of new entrants into the market
- Attempts to streamline processes, such as the Code Administrators Code of Practice

Some feel that the market is getting more complex and there are occasions when Ofgem can add to the complications of processes associated with codes.

Codes are perceived as complex and typically very different, with some being more technical than others. Organisations highlight that increased cross-code coordination overall and simplifying operational aspects of codes would greatly assist them. For example, when changes to one code affect another, communications and associated processes should be in place for all the codes that are impacted. There is also a call for a cross-code accession process (to avoid having to provide the same information to each code administrator).

Some organisations believe that industry-wide interventions could be initiated centrally to help streamline processes.

These external factors can influence how organisations perceive the service provided by code administrators. Nonetheless, they are generally considered to be performing well.

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## Executive summary

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Overall ratings for National Grid in relation to the STC are mixed:


- A large proportion are neutral about the service rather than positive, though no organisations are dissatisfied with the service provided by National Grid in relation to the STC.
- Around two-thirds feel informed about the STC but there is scope to improve support by making information easier to interpret.
- Very few organisations had direct communications with National Grid relating to STC. Of those who have received emails and attended meetings, ratings are, on balance, positive.

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## Organisation profiling

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### ORGANISATION'S SIZE

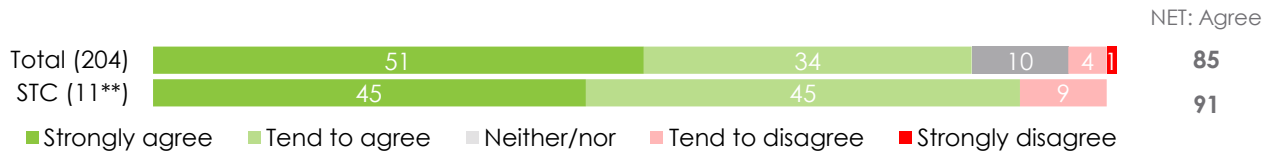
 Total (204) STC (11**)	No. of employees			
	0-49	50-249	250-999	1,000+
Total (204)	27%	17%	15%	38%
STC (11**)	18%	18%	36%	18%

### ORGANISATION'S ENERGY MARKET EXPERIENCE

 Total (204) STC (11)	0-5 years	6-9 years	10+ years
	13%	10%	76%
STC (11)	9%	0%	82%

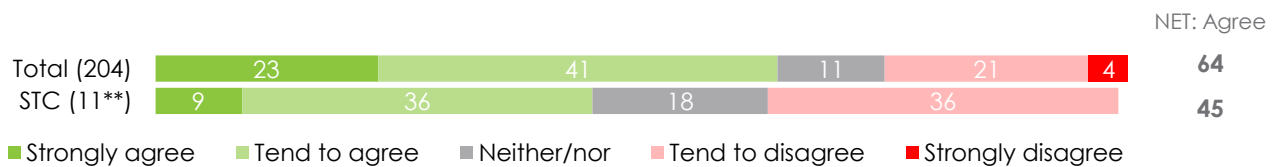
Across all codes, there are some broad differences between organisations of different sizes and their length of operation in the energy market. Individuals employed by small organisations (0-49 employees), or new entrants to the market (within the last 5 years) tend to express slightly lower levels of contentment throughout the survey across all codes. It is likely this is due to lack of resource and expertise, which are more frequently highlighted as issues by these groups. However, even those working for larger organisations say they sometimes face challenges when interacting with codes.

## SUFFICIENT ORGANISATIONAL EXPERTISE TO DEAL WITH CODES



Q1. To what extent would you agree or disagree that your organisation has sufficient expertise to enable you to deal with the codes you are responsible for or interact with? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

## ORGANISATION'S RESOURCE



Q2. And to what extent would you agree or disagree that you have enough resource within your organisation to sufficiently deal with the codes you are responsible for or interact with? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

*“Very inaccessible to new market entrants and, although complex, a lot more effort could be put into accessibility, like guides, training and workshops.”*

## Key findings

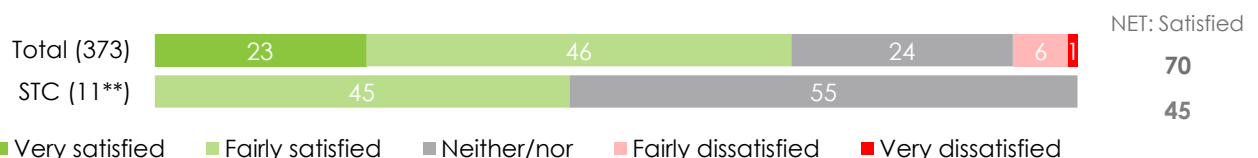
### KPIS

The survey collected three measures of satisfaction:

1. Overall satisfaction with the service provided to their organisation
2. Satisfaction with the provision of support
3. Satisfaction with support received when requested

## OVERALL SATISFACTION

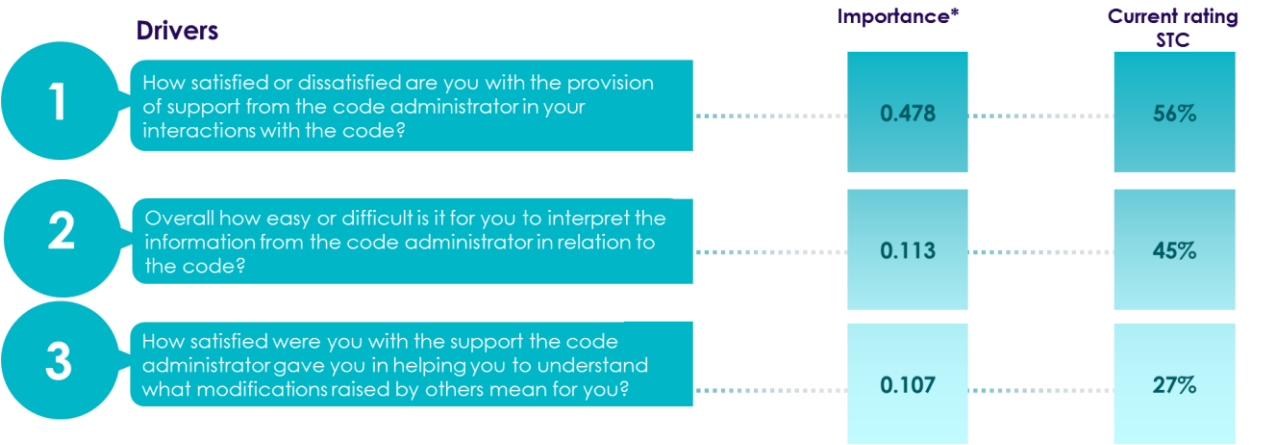
Organisations who interact with the STC are split in their opinion of National Grid's administration. Roughly half are fairly satisfied while the other half are neutral. None are dissatisfied.



Q10. Thinking about all aspects of your dealings with the code administrator in relation to <this/these> codes, overall how satisfied are you with the service provided to your organisation? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

*“Be more transparent.”*

To understand the aspects of service delivery that most impact overall satisfaction, key driver analysis (KDA) was conducted.<sup>1</sup> The aspects of service that have the greatest impact on overall satisfaction are:



\* The importance value will always have a value between -1 and +1, where, a large positive correlation means two ratings 'move together' and a negative correlation means the ratings move in the opposite direction. A correlation of 1 means an exact linear relationship (i.e. everyone gives the same rating for overall satisfaction as for provision of support.)

Due to the small base sizes, it is not possible to identify the key drivers for individual codes. The importance scores are based on the combined total for all codes and the current rating is specific to the STC.

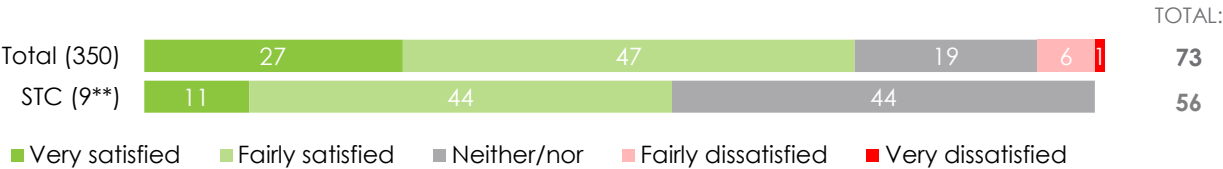
Customers mention that there is a lack of clarity between the commercial side of National Grid, and National Grid as a code administrator. Customers are less likely to approach them with sensitive queries relating to their business as they are unsure whether there is a conflict of interest. Making it clear which area of National Grid's business they are in contact with would restore the confidence of organisations who wish to approach them with queries in relation to the CUSC, Grid code and/or the STC.

Some customers highlight a conflict of interest between National Grid's commercial arm and the code administrators.

*"It's confusing – it is not clear whether we are talking to National Grid as the commercial party or National Grid as the code administrator."*

SATISFACTION WITH PROVISION OF SUPPORT

Generally, organisations acknowledge the need for comprehensive detail from administrators. However additional support in interpreting this information is appreciated, particularly for small organisations or those new to the market. Most organisations are satisfied with the provision of support from National Grid, though a large number feel neutral about the provision of support. No organisation expressed dissatisfaction.

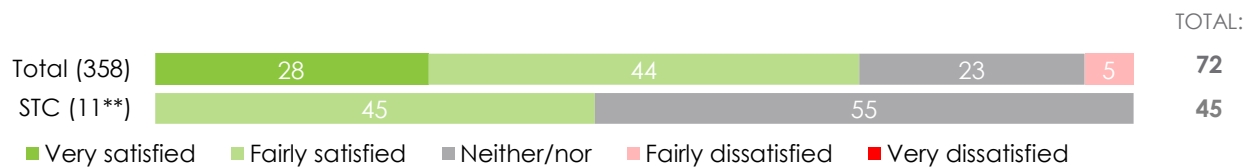


Q11a/Q11c. How satisfied or dissatisfied are you with the provision of support from the code administrator in your interactions with the <code>? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

<sup>1</sup> KDA tests the strength of the correlation between ratings of core metrics against perceived level of satisfaction by which we can derive which factors have the greatest impact on overall attitudes – this is a subconscious measurement rather than a stated level of importance.

## SATISFACTION WITH SUPPORT RECEIVED WHEN REQUESTED

Half of organisations are satisfied with the support they receive from National Grid when they request support on the STC. The other half are just neutral.



Q13/Q13b. And when you request support from the code administrator in relation to the <code> how satisfied or dissatisfied are you with the support you receive? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

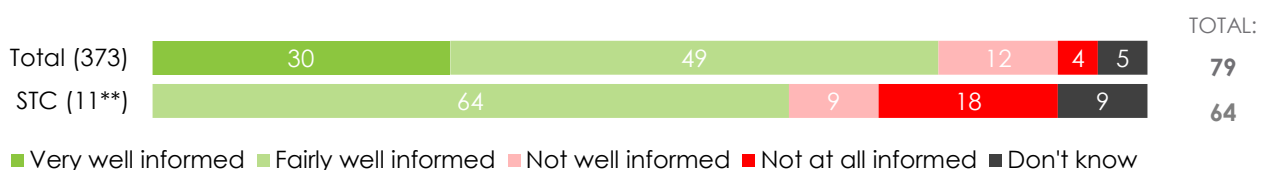
## Perceptions of information provision

On average, organisations receive information about the STC from National Grid once or twice a fortnight and all feel this frequency is about right.

### KEPT INFORMED ABOUT THE CODE

At an overall level, there is correlation between the experience and size of an organisation and perceptions of being informed about the codes. This demonstrates that resource and familiarity tend to produce a more comfortable position in which to deal with code processes.

Over a quarter of organisations feel not well informed about the STC. Most organisations are well informed, though none is "very well informed".

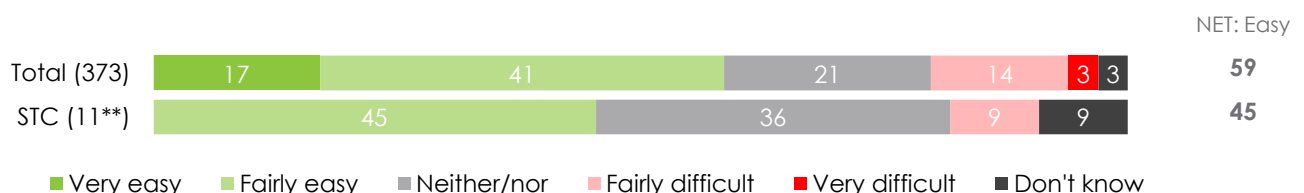


Q14/Q14b. How well do you feel your code administrator keeps you informed about the <code>? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

### EASE OF INTERPRETING INFORMATION

At an overall level, those with more experience of industry codes find it easier to interpret related information. While organisations face some challenges with interpretation across all codes, they acknowledge that it may be difficult to simplify information due to the complexities of the code itself.

A notable number of organisations were neutral about how easy it is to interpret information relating to the STC.



Q15/Q15b. Overall how easy or difficult is it for you to interpret the information from the code administrator in relation to Base: All responses for those involved with code (number of respondents in brackets) (results in %)

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## Perceptions of direct services

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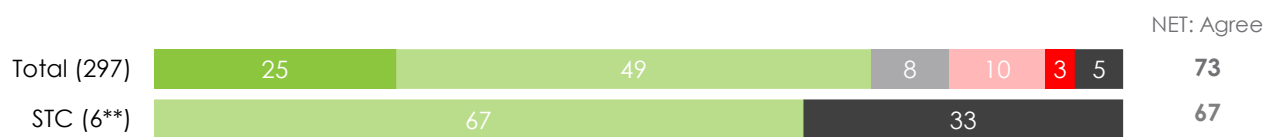
### EMAIL

Generally, organisations prefer to receive information via email so they do not have to manually search through websites to keep track of developments. It helps them to stay on top of changes to the code and provides a ready-made audit trail they can reference.

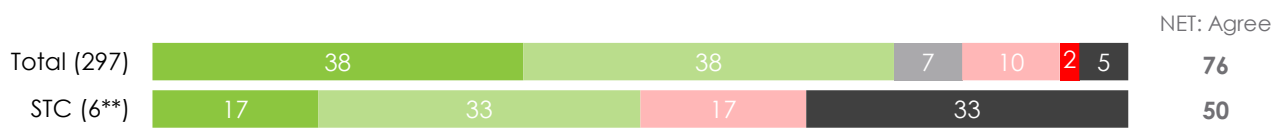
Some emails are considered too content heavy and the volume of information can be hard to digest for those with limited resource. Organisations mention difficulties in identifying which emails require immediate action or contain information that is relevant to them. This can lead to important information being missed. There is appetite for a more tailored service, such as mailing lists that are specific to company type (such as generators or suppliers) or company size across all codes.

Only six out of eleven had received emails from National Grid in relation to STC. Four out of six found the emails easy to understand and three feel that the emails are clear when action needs to be taken.

#### *'The emails I receive are easy to understand'*



#### *'The emails I receive make it clear when action needs to be taken'*



■ Strongly agree ■ Tend to agree ■ Neither/nor ■ Tend to disagree ■ Strongly disagree ■ Don't know

Q19. To what extent do you agree or disagree with the following in relation to the <code/codes>? Base: All responses for those receiving information from code administrator (number of respondents in brackets) (results in %)

### WEBSITES

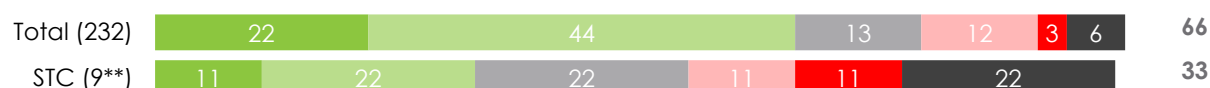
At an overall level, those accessing specific code websites more regularly find them easier to navigate. Code administrator websites are thought to vary in quality and some are not updated as frequently as others.

There are nine people who have used the National Grid website in relation to the STC and ratings are mixed. Although generally customers agree that they are able to easily find information on the website and that information is easy to understand there is some dissatisfaction expressed. Three out of nine individuals agree that the website keeps them sufficiently informed of any changes or modifications to the STC.

National Grid's website is consistently highlighted as being in need of improvements. Organisations say it is difficult to navigate unless you are familiar with the code and it is slow to be updated. There are also some issues around who to contact with code-related queries, which is not clear on the website.

### 'The website keeps me sufficiently informed of any changes or modifications to the <code>'

NET: Agree



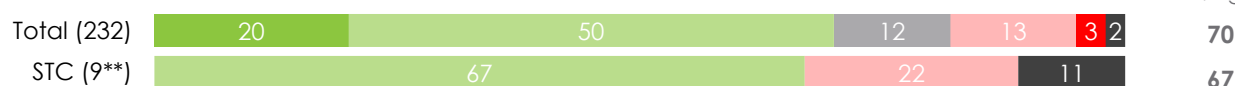
### 'I am able to easily find information on the website'

NET: Agree



### 'The information on the website is easy to understand'

NET: Agree



■ Strongly agree ■ Tend to agree ■ Neither/nor ■ Tend to disagree ■ Strongly disagree ■ Don't know

Q20. To what extent do you agree or disagree with the following in relation to the <code/codes>? Base: All responses for those using code administrator website (number of respondents in brackets) (results in %)

## MEETINGS

Overall, meetings and workshops are perceived as well run and useful across all codes. Introductory sessions are valuable for new entrants, chairs are generally impartial and effective, and organisations find it easy to contribute. Organisations indicate that code administrators try to encourage attendance from stakeholders.

However, organisations say it can be difficult to attend all meetings due to resource and financial constraints. Meetings are perceived as mainly London centric, which can be problematic for those not based in the capital.

Teleconference facilities can be problematic due to audio problems (hearing and being heard), and confusion about who is talking.

Only one individual interviewed as part of the core survey said they had attended a meeting or workshop about the STC (this compares to 43% at an overall level). This individual was generally positive about the facilities and found it easy to actively participate in the discussion but was unable to provide an opinion relating to the meeting materials.

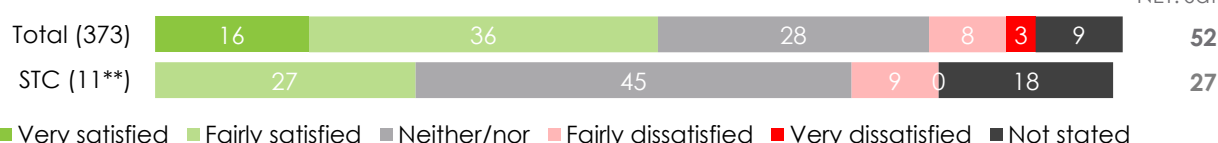
Due to the small base size, data specifically relating to STC meetings is not shown.

## RAISING AND UNDERSTANDING MODIFICATIONS

On average 13% have raised modification with respect to a code within the last 12 months. There were no individuals interviewed as part of the core survey that had raised a modification in respect to STC.

When it comes to understanding STC modifications, only one in four organisations were satisfied with the support they received from National Grid rate.

NET: Satisfied



■ Very satisfied ■ Fairly satisfied ■ Neither/nor ■ Fairly dissatisfied ■ Very dissatisfied ■ Not stated

Q28. How satisfied were you with the support the code administrator gave you in helping you to understand what modifications raised by others mean for your organisation? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

*"I think that it is important to make sure any changes to proposals are communicated to the businesses and they are also told the potential impact (basic metric: high, medium and low impact)."*

## ACCESSION PROCESS

One person is employed by an organisation who became party, or began the process to become party to the STC in the last five years.

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## Conclusions

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- A large proportion of organisations were neutral towards National Grid's service and support with regards to the STC
- Very few organisations have had direct communications with National Grid relating to STC. Of those who have received emails and attended meetings, ratings are, on balance, positive.
- There is scope to improve the support provided in relation to the STC. More could be done in helping organisations interpret information and understand what modifications mean for them.
- The website is identified as in particular need of improvements.
- Likewise, organisations would appreciate it if National Grid could distinguish more clearly between the commercial and the code administration aspect of the business; making clearer who they need to approach depending on their query.