

Code administrators performance survey

Grid Code

National Grid Electricity Transmission plc

Introduction

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

The first study was conducted in 2017 and intended to evaluate 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.

The study was not intended to take account of the relative funding of the Code Administrators (CA), or whether they offer value for money.

In 2018, the study has been repeated to monitor performance and identify any developments. Specifically, the survey has been developed to:

- **Identify:** Organisations' interaction with codes and CAs; including awareness of CA responsibilities, confidence in dealing with codes, and expectations of the service which Code Administrators should be providing
- **Measure:** Overall performance of CA on key metrics, including overall satisfaction, support, communications and modification process
- **Assess:** Specific aspects of service delivery, including email, websites, meetings and accession process.

Method

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

- A total of five depth interviews to inform questionnaire design (14-20 Feb 2018)
- A core survey with 216 participants to measure experience and performance of code administrators – **35 participants answering about the Grid Code** (27 Mar – 11 May)
- 25 follow-up depth interviews to get an understanding of drivers of satisfaction/dissatisfaction (18 May – 20 Jun)

Throughout the report, results are shown:

At a total level (aggregated results for all codes)

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

Quotes from respondents included in the report 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.*

Industry context

Organisations still acknowledge that codes are inherently difficult to navigate with some more technical than others. While the environment is challenging:

- Organisations do expect the governance of codes to be stringent
 - They believe that this is essential as it protects business, and smaller organisations in particular
- There is recognition that complexities associated with an individual code impact the way each code administrator operates

Perception that Ofgem could play a much bigger role in providing guidance and protection for business; this is driven by a view that the market does not always lend itself to a level playing field:

- Concerns around some businesses submitting tactical modifications for their own commercial gain
- View that smaller organisation more likely to be impacted as they have limited resource for personnel to attend meetings and to raise such modifications

Executive summary

Overall perceptions of National Grid in relation to the Grid Code are mixed:

- Two thirds are satisfied with the overall service provided to their organisation in relation to the Grid Code
- Three quarters are satisfied with the provision of support in their interaction with the Grid Code
- One in five believe that the service provided in relation to the Grid Code has improved from last year
- There are a number of areas that are highlighted as in need of improvement:
 - Nearly a half are unable to easily find information on the website
 - Three in ten do not feel the information on the website is easy to understand
 - Similarly, teleconference facilities are perceived as not fit for purpose by a third of organisations

Organisation profiling

The level of expertise organisations have to deal with codes remains consistent with 2017. It is encouraging that there is a directional improvement around availability of resource.

The means to deal with the codes and their requirements is linked to the size and experience of the company. However, compared to 2017, smaller businesses are reporting greater confidence in their ability to deal with codes.

ORGANISATION'S SIZE



Total (216)

Grid Code (35)

No. of employees			
0-49	50-249	250-999	1,000+
18%	16%	14%	47%
20%	23%	11%	37%

ORGANISATION'S ENERGY MARKET EXPERIENCE

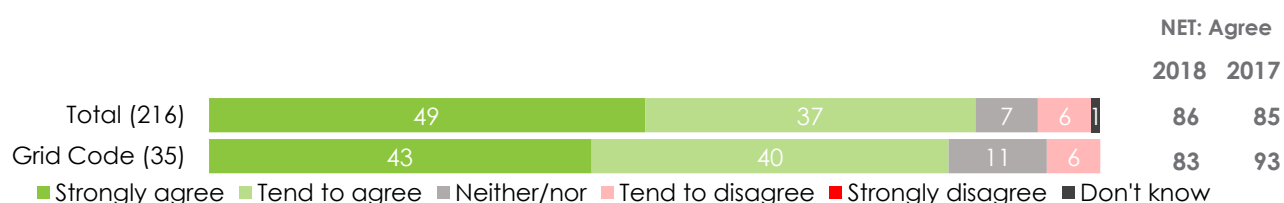


Total (216)

Grid Code (35)

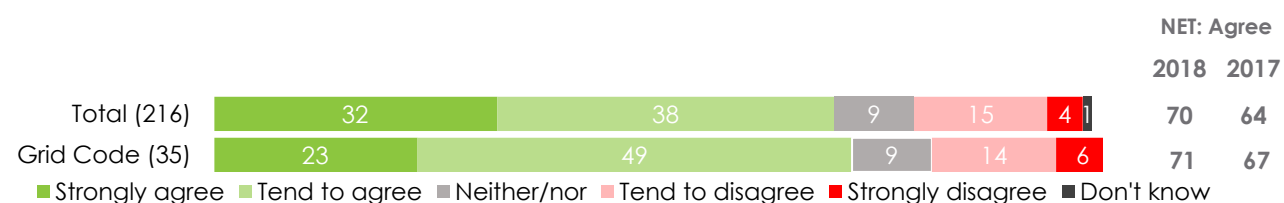
0-5 years	6-9 years	10+ years
16%	6%	76%
17%	11%	69%

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 %)

Key findings

KPIs

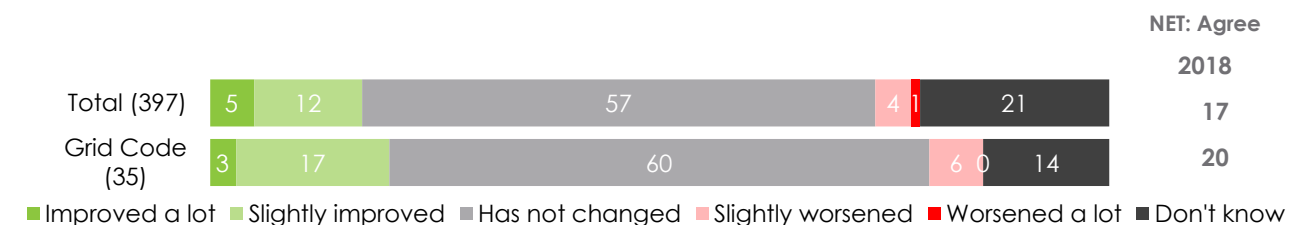
The survey collected four wide measures of satisfaction:

1. Perceived improvements from service received in the last year (new for 2018).
2. Overall satisfaction with the service provided to their organisation.
3. Satisfaction with the provision of support.
4. Satisfaction with support received when requested.

Organisations rate National Grid in relation to the Grid Code relatively well. Two thirds say they are overall satisfied with the provision of support from National Grid in respect of their interactions with the Grid Code.

PERCEIVED IMPROVEMENT

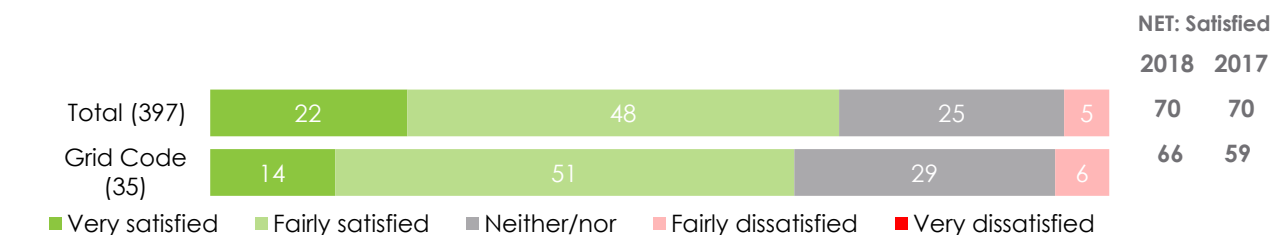
A high proportion of organisations feel the service received in relation to their code has not changed (57%). For the Grid Code, 60% say the level of service they receive is unchanged from the last year. One in five businesses indicate that there have been improvements in the service they receive.



Q29b. Thinking about the service that you have received in relation to the <code> in the last year, would you say it has improved, remained the same or got worse? (number of respondents in brackets) (results in %)

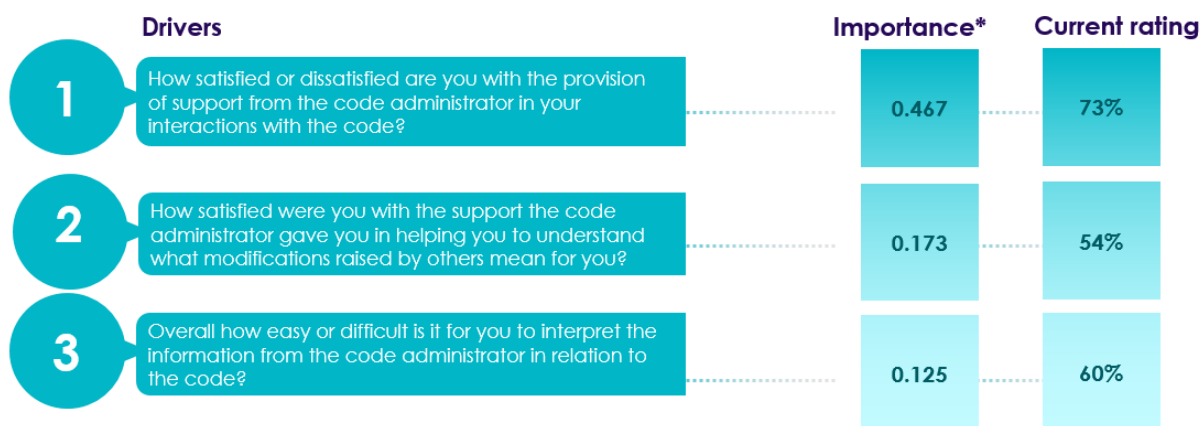
OVERALL SATISFACTION

Two-thirds (66%) are satisfied with the overall service they receive from National Grid in relation to the Grid Code. Levels of dissatisfaction are generally low (6%), however, around a third of organisations are neutral about the Grid Code service.



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 All responses for those involved with code (number of respondents in brackets) (results in %)

To understand the aspects of service delivery that most impact overall satisfaction, key driver analysis (KDA) was conducted.¹ 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 Grid Code.

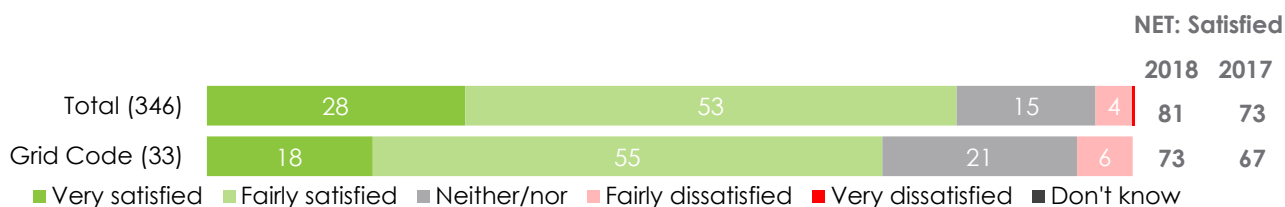
At an overall level, the three key drivers of satisfaction continue to be around support and information. There are opportunities to improve service around two of the three key drivers. With service improvements to these core areas, it is likely that there will be a positive lift in reported overall satisfaction.

While National Grid receives a good overall satisfaction score, aspects of service like interpreting information are not rated as highly.

SATISFACTION WITH PROVISION OF SUPPORT

More generally, Code Administrators are perceived to have improved the provision of support to small businesses from the previous year. There is a significant increase in reported satisfaction from 2017; smaller organisations tended to be less satisfied than larger organisations. It is however worth noting that although the gain for the smaller organisations is highly significant, larger organisations still report greater satisfaction.

National Grid customers are generally satisfied with the provision of support in relation to their interaction with the Grid Code (73%).



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 %)

¹ 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.

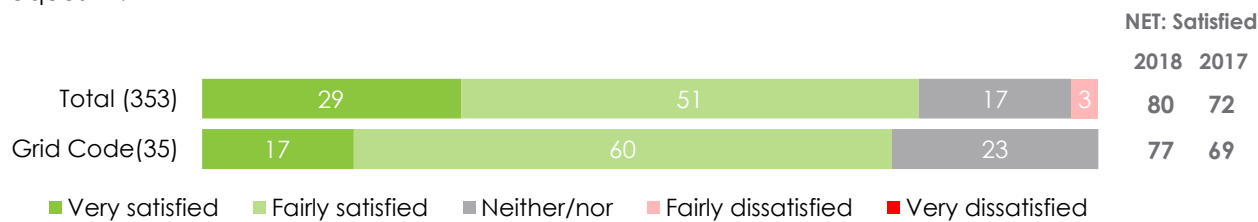
Organisations acknowledge the complexity of the Grid Code and indicate a need for greater consistency.

"The Grid Code is a more complicated animal, so would need more guides."

"They [National Grid] suffer from a lack of continuity, they're all bright people but the panel is changeable all the time."

SATISFACTION WITH SUPPORT RECEIVED WHEN REQUESTED

Experience of the code plays the greatest part in influencing perceptions of support received when directly requesting it from Code Administrators. Over three quarters of organisations are satisfied with the support they receive from National Grid in relation to the Grid Code when they request it.



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 %)

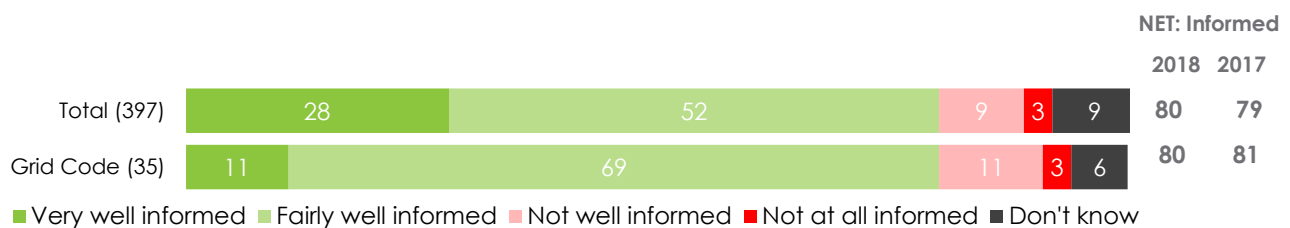
Perceptions of information provision

On average, organisations receive information about the Grid Code once a week and for the large majority (90%), this frequency is about right.

KEPT INFORMED ABOUT THE CODE

Although customers agree that they are kept informed, there are some concerns around CA resourcing and the view that some CA teams are stretched. As we observed last year, there is still a view that those who are less familiar with the codes struggle to interpret the information received. So while the obligation to provide information is being met, there is a need to continue to simplify and to target communications.

National Grid performs well in this area; four in five feel 'very' or 'fairly' well informed about the Grid Code, a similar level to last year.

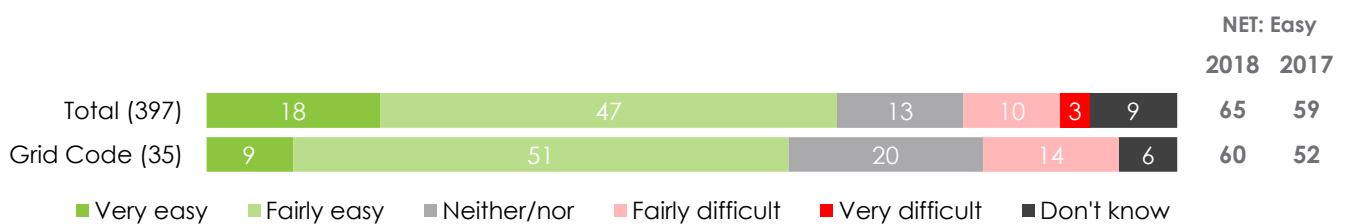


Q14/Q14b. How well do you feel your code administrator keeps you informed about the <code>? Base: All responses for those involved with code (number of respondents in brackets) (results in %)

EASE OF INTERPRETING INFORMATION

More generally, those with more personal experience of codes and in organisations with 250+ employees are more likely to find interpreting information easier. However, encouragingly, there has been a positive uplift in reported ease among those within smaller organisations and those in the energy market for 5 years or less.

Sixty percent of organisations find Grid Code information easy to understand but a sizeable minority (14%) disagree.



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 %)

There is a call for clearer interpretations from National Grid:

"Needs to be greater interaction and explanation in relation to National Grid and its components various sections. How it is set up and operates. Each section tends to operate in a silo."

Perceptions of direct services

EMAIL

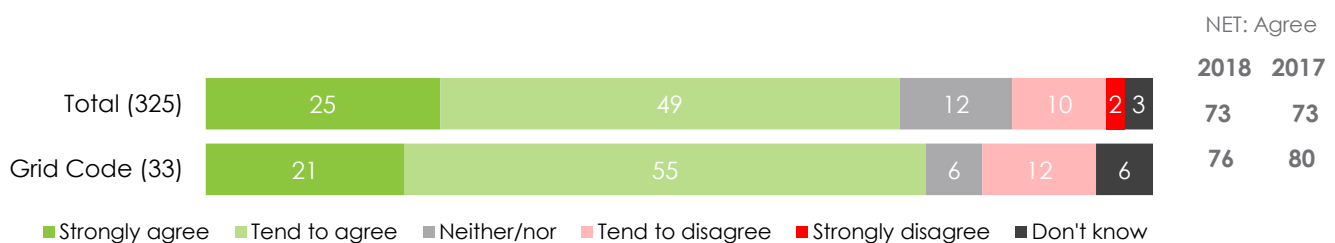
Overall, information is easily accessible via email – it is the most used both by CAs to provide information and by organisations to seek information. Communication by email means there are regular updates of information and organisations can stay on top of changes to the code. Organisations also prefer using email as it ensures there is an audit trail.

Email can however be overwhelming as CA communications are only one of many; this is especially so when several emails related to a code are sent in a single day. Furthermore, when emails do not include the key take outs, core messages can get lost.

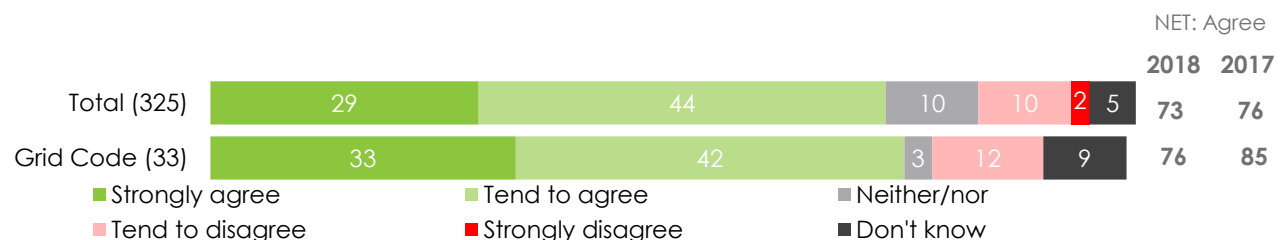
The volume of emails can make it difficult for organisations to identify which messages contain vital information, which ones need immediate action or prioritisation against those providing more general updates.

There is a high level of agreement that National Grid's emails for the Grid Code are easy to understand (76%) and are clear when action needs to be taken (76%). This said, albeit few, there are some organisations who do not believe emails are easy to understand or make it 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'



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 %)

"Grid Code CA is very helpful and accommodating... They'll email to say what did you think of this..."

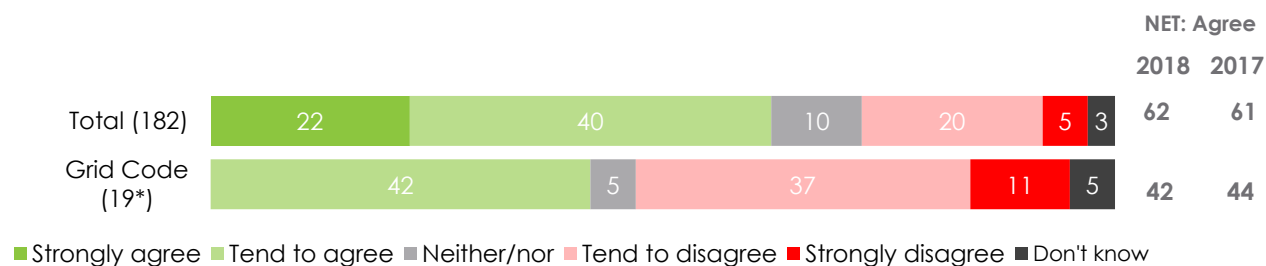
WEBSITES

Generally, customers value having information on websites, they use them to keep up to date with various code changes. Information included on websites can be insightful, providing businesses with the depth of understanding they require to navigate codes.

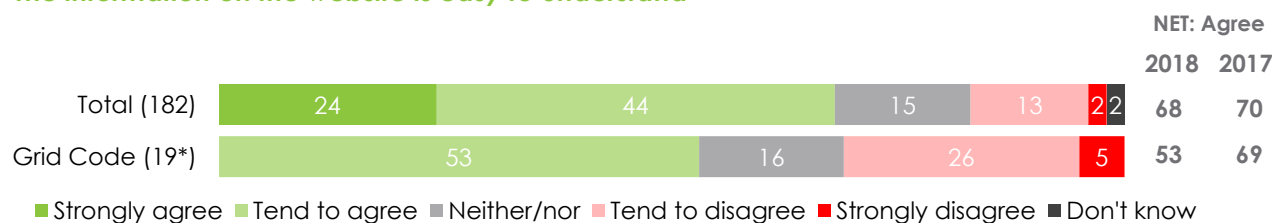
There are some highlighted concerns around the ability for customers to easily navigate websites, and limited signposting. Overall, there is a decline in the proactive use of websites (52% in 2017 vs 28% in 2018). While customers perceive websites as not fit for purpose use may decline further.

Just over half agree that the information on the National Grid website is easy to understand. There is particular dissatisfaction expressed around ease of finding information on the website: over two in five disagree that it is easy.

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



'The information on the website is easy to understand'



* Low base

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 %)

There is a perception that the recent website changes haven't necessarily been positive:

"Their new website makes it more difficult to find info than with the old one."

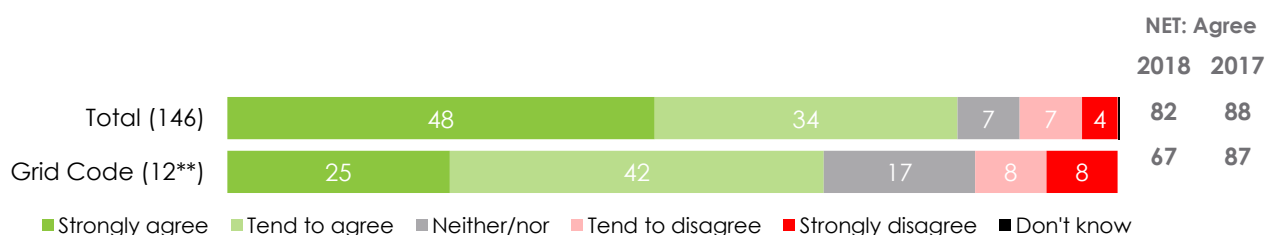
MEETINGS

A third (34%) have attended a meeting or workshop about the Grid Code in the last 12 months. At an overall level, 37% have attended a meeting or workshop in relation to the code they interact with.

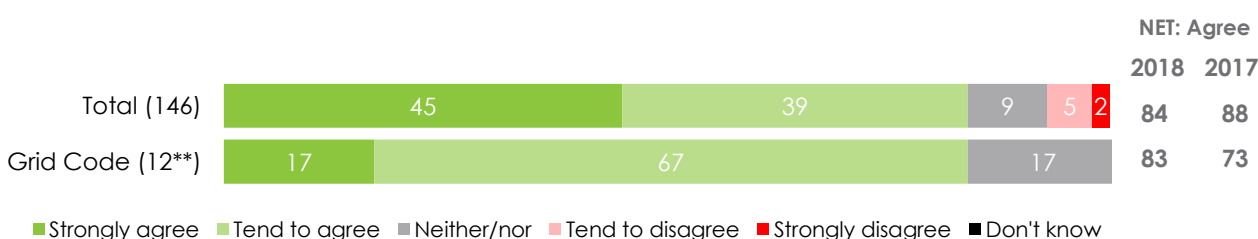
The majority of those attending meetings say the materials they receive for the Grid Code meetings are sufficiently detailed.

Although only a small number have attended a meeting (12 individuals), their reaction around teleconference facilities is polarised.

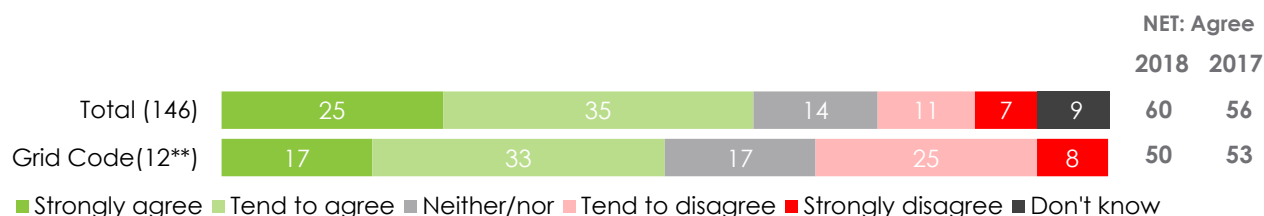
'It is easy for me to actively participate in the discussion'



'The materials that I receive prior to the meeting(s) provide me with enough information about the objectives'



'Teleconference facilities are fit for purpose'



* Low base

Q22. To what extent do you agree or disagree with the following in relation to the <code/codes>? Base: All responses for those attending meetings (number of respondents in brackets) (results in %)

Organisations highlight aspects of meetings that could be improved upon:

"National Grid struggle to organise people/meetings so a different experience, organisationally very difficult for them and location in Warwickshire can be difficult."

"So 1 hr with the national Grid is .5 on the presentation of idea, and .5 on discussion as a working group which just isn't enough time as they used to spend on it."

"And it's only after 5/6 meetings that you can go through the mod proposal in enough detail – need enough time to ensure that the modification could be made... if it's made in haste, people are stuck to the proposal."

RAISING MODIFICATIONS

Nine percent (three organisations) have raised Grid Code modifications within the last 12 months. All organisations found the process of raising a modification easy.

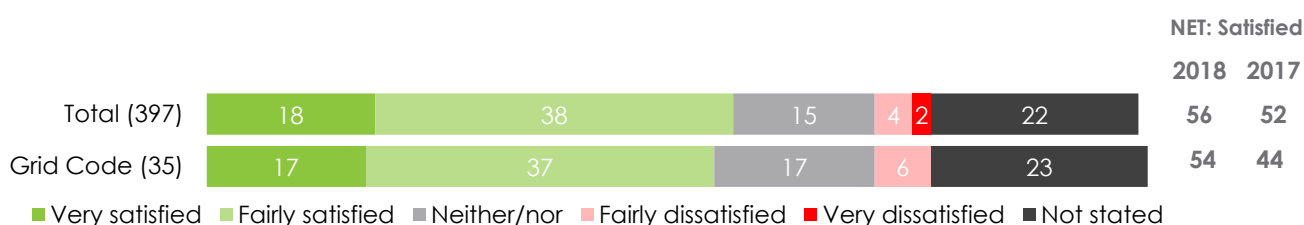
However, one organisation highlighted the time it took from raising a proposal through to implementation as being too long.

"If reality can't bring benefit, [they should] move on about getting a decision on mods so that we can move on. But they drag out and often the time from raising a proposal to change is a 2 year lag time, by which the industry has changed so that you can't even recognise the benefits that mod would have made."

UNDERSTANDING MODIFICATIONS

Overall, just over half (56%) of organisations are satisfied with the support their Code Administrator provides to help to understand what modifications raised by others mean for them, a similar level to the previous year.

A similar proportion (54%) are satisfied with the support National Grid give them to help them understand modifications in relation to the Grid Code. Under a fifth (17%) are neutral with around a quarter not stating their satisfaction level.



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 %)

Organisations put forward specific suggestions around modifications:

"it is a clear process which if kept up to date on the website would be relatively easy to follow but it is often not updated. The introduction of the challenger option to every mod has made it more transparent."

"Improve/streamline modification process. Understand that modification should be well justified, but modification proposal form is cumbersome and takes too long to complete. Process does not seem any better than it was before introduction of new governance."

ACCESSION PROCESS

Organisations do not accede to the Grid Code, and so no findings are presented here.

Conclusions

Perceptions of National Grid in relation to the Grid Code are mixed.

There have been some notable improvements in the provision of service, with more organisations being satisfied with their overall service experience in relation to the Grid Code.

There are aspects of service that are raised as problematic:

- The changes to the website haven't been well received by some organisations
- Some highlight improvements required around the ease of finding information
- The speed of the modification process could be improved upon

"They're not awful but they're not perfect either."

More generally, some organisations indicate that National Grid has an unfair advantage as a result of it's dual role. To minimise some of these perceptions, there is scope to further communicate how the organisation manages these two competing roles.

"The conflict of interest that National Grid has is becoming more apparent whereby they are commenting on things and from a perspective they shouldn't be."