



Making a positive difference  
for energy consumers

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Dear Stakeholders,

### **Call for Evidence: Households not connected to the electricity distribution network**

The ability to access a reliable, affordable and sustainable source of electricity is essential for a well-functioning society. The energy system is going through a significant transition, largely driven by the need to decarbonise. Decarbonisation of the energy system is likely to result in an increased dependence on electricity due to new sources of demand such as electric vehicles and the electrification of heat. In line with our duty to protect current and future consumers, we want to ensure we are ready for these changes and can anticipate any challenges that may arise.

From recent engagement with stakeholders, we understand that there may be a number of households across Great Britain without access to the electricity distribution network. We are aware that some consumers may choose not to be connected to the electricity grid, but we understand there may also be a small number of consumers who are not connected to the electricity network due to factors outside of their control.

Supporting and protecting consumers in vulnerable situations is a key priority for Ofgem<sup>1</sup> and we are concerned that being off-grid could be an issue impacting vulnerable consumers or a contributing factor to vulnerability.

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<sup>1</sup> We recently published [our Consumer Vulnerability Strategy 2025](#) which outlines how we translate our duty to protect current and future consumers into our regulatory approach. The CVS outlines our priorities until 2025 and the outcomes we want to see.

As a result, we want to get a better understanding of this issue in order to establish what we can do about it, both in the short-term and also in the development of policy for RIIO-ED2. We are not currently aware of a comprehensive dataset and therefore we are issuing this Call for Evidence (CfE) to gather the information we need. We would like to know what information stakeholders hold on the number of households not connected to the electricity distribution network, the socio-economic characteristics and geographical distribution of such households, their proximity to the grid and whether those that are living without a connection are in vulnerable circumstances or at risk of vulnerability.

It may be that this CfE does not result in a comprehensive picture of this matter. With this in mind, we are considering whether the electricity distribution network operators (DNOs) should be more active in gathering data and helping vulnerable consumers that are not connected to the electricity network<sup>2</sup>. If we decide that they should, we may consider whether to incentivise them to do so through existing mechanisms (such as the Stakeholder Engagement and Consumer Vulnerability incentive).

## **How to respond**

We wish to hear from all interested parties. Annex 1 sets out the evidence we're seeking and specific questions we're seeking views on. Please send any evidence or responses to questions to [RIIO-ED1@ofgem.gov.uk](mailto:RIIO-ED1@ofgem.gov.uk) by 2<sup>nd</sup> December 2019.

Yours faithfully,

James Veaney  
Head of RIIO Electricity Distribution Policy

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<sup>2</sup> Through the RIIO-ED1 price control [Strategy Decision](#) and [Guide](#), we encourage DNOs to undertake continuous high quality engagement with their stakeholders to inform the day-to-day running of their businesses. We also encourage DNOs to maximise their role in understanding, identifying and dealing with consumers in vulnerable situations. We understand that DNOs engage with a wide range of stakeholders such as local authorities, devolved administrations, health providers, suppliers, other energy distributors (both gas and electricity), other utility providers and community groups. We consider these partnerships could enable DNOs to collect this information and that such activity would support their objectives of understanding and identifying consumers in vulnerable situations.

## **Annex 1. Evidence sought and questions**

If you hold any of the following evidence please provide it to us, or if you know of another party who holds the evidence requested, please let us know who this is, the evidence you believe they hold and how to contact them.

1. Any data set at regional or national level that records the number of households that are not connected to the electricity distribution network.
2. Any further information on:
  - a. the socio-economic characteristics of these households. If possible, please include an estimate of the proportion that would be considered in a vulnerable circumstance.
  - b. the reasons these households are not connected to the electricity distribution network. If known, please include their current source of electricity.
  - c. the geographical distribution of these households. If known, please provide the average distance of these properties from the grid.

In the absence of available data please provide us with your views on the following questions.

1. Do you agree with our initial view that DNOs may be well placed to undertake evidence gathering regarding this issue? If no, who do you think would be the best party to undertake such data collection?
2. Do you have views on our potential approach (ie using existing mechanisms such as the Stakeholder Engagement and Consumer Vulnerability incentive) of incentivising DNOs to gather this information?