

## **RIIO-ED2 Safety, Resilience, and Reliability Working Group (SRRWG) – 26<sup>th</sup> March 2020**

From: Ofgem

Date: 26<sup>th</sup> March 2020

People invited: Relevant  
stakeholders

Time: 1pm to 2pm

Location: Teleconference

### **1. Introductions, overview and Actions review**

- 1.1. Matthew Jones, Nia Lowe – SPEN
- 1.2. Ruth Crascall, Carl Ketley-Lowe, and Beverley Dwyer – WPD
- 1.3. Maria Wheeldon, Jo Fellows – ENWL
- 1.4. Landel Johnston, E Lian Diong – SSEN
- 1.5. Susannah Garwell, Dudley Sparks – UKPN
- 1.6. Greg Farrell - NPg
- 1.7. Sue Ferns – Prospect
- 1.8. Stephen Barrett – Energy & Utility Skills
- 1.9. Nayar Hussain, Jack Ambler – Ofgem

### **2. Workforce resilience**

- 2.1. Ofgem set out its initial view that the material provided in the slides is the first view of potential metrics that could be used to report on workforce resilience. The form and timing of any reporting still needs to be decided, and may be informed by views from this discussion.
- 2.2. Ofgem also noted that it intends to liaise with the transmission and gas distribution teams to establish how they reached the position they did. It is expected there will be

a consistent approach across the sectors, unless there is good reason for diverging approaches.

- 2.3. Energy and Utility Skills highlighted a point made at the previous discussion regarding a need for a macro level view of workforce resilience, including how companies are ensuring they have the right people, in the right place, at the right time. It was noted that consideration should also be given to the external factors that may affect the workforce and what resilience may look like. There was a concern that the metrics proposed do not necessarily get the best deal for the customer.
- 2.4. Prospect noted that the initial view of potential metrics was building on what it had presented in the previous material, and that at the last meeting there had been consensus about the benefits of more clarity in this space. Prospect emphasised that its position is driven by a desire to promote transparency and workforce confidence, rather than about imposing additional reporting or data collection burdens on the companies.
- 2.5. Several DNOs supported the metrics that were put forward, noting that many are already collecting data and reporting on these measures. Achieving consistency of reporting across companies was highlighted as a potential challenge to address. It was also suggested that there needs to be more focus on what companies are doing to ensure the resilience of the workforce in the future, by addressing the loss of staff/skill from the industry, and looking at how new staff are brought in and what the most critical roles may be.
- 2.5.1. Prospect agreed, noting that data around diversity can be a good starting point to bridge the gap between the metrics discussed here and those that may be more forward looking. It suggested that the data on the existing workforce should be used to build and inform a future strategy. It further suggested the inclusion of metrics around skills and/or development plans for the workforce.
- 2.6. SPEN recognised that there is a place to capture some of the wider elements (looking at external factors affecting the workforce, for example), but these may need to be expanded on and considered.
- 2.7. SSEN (and other DNOs) were supportive of these metrics, particularly around mental health in the work place. It was suggested that while the industry may do things

differently, there is consistency in the fact that all companies have access to this kind of information at a suitable level of detail. It was stated that with the increased transparency and openness of topics such as mental health, there is a greater need for stakeholders to have sight of this kind of information.

2.7.1. A number of DNOs noted the steps they have been taking in these spaces, particularly in relation to mental health. It was agreed that to take this forward it would be important to establish some level of consistency of reporting so that there can be a comparison across the industry and over time.

2.8. It was noted that there was a good level of support for some form of metrics and reporting. Ofgem commented on the need to consider the approach to reporting as well as the content to be reported and welcomed thoughts on these. Ofgem also highlighted that there may be areas of overlap with other organisations such as the Health and Safety Executive or union bodies.

2.9. Energy and Utility Skills offered to share some of the outcomes of its recent work around commitments to diversity of skills, in the hope this could help shape the direction of travel and build on the progress made there.

**Action: Energy and Utility skills to share information on the commitments to diversity of skills.**

**Action: Ofgem to liaise with colleagues from Transmission and Gas Distribution to establish how those sectors progressed the reporting in this space.**

## **RIIO-ED2 Safety, Resilience, and Reliability Working Group (SRRWG) – 27<sup>th</sup> March 2020**

From: Ofgem

Date: 27<sup>th</sup> March 2020

People invited: Relevant  
stakeholders

Time: 10:30 to  
11:30am

Location: Teleconference

### **1. Introductions, overview and Actions review**

1.1. Barbara Cheyne, Raph Eyre-Walker, John O’Gray – SPEN

1.2. Ruth Crascall, Richard Veal – WPD

1.3. Tony Coatsworth – ENWL

1.4. Landel Johnston, Andrew Robertson, Iain Bremner, Chris Harris – SSEN

1.5. David Pang – UKPN

1.6. Dave Wilkins, Greg Farrell – NPg

1.7. Peter Couch – JRC

1.8. Rik Irons-Mclean – Microsoft

1.9. Luciano Manfredi, Jack Ambler – Ofgem

### **2. Cyber resilience**

2.1. Ofgem ran through a number of slides that set out the framework for cyber resilience in the other sectors. The material covered the overall purpose and desired goal of cyber resilience in RIIO-2, including the role of each relevant party and how it is intended to happen.

2.2. In presenting the material, Ofgem noted that this is an unprecedented time and that it is important to set out what Ofgem’s strategy is, and what the companies’ strategies

should be covering. Ofgem do not see this as a process that should be happening in isolation (either from other parties, or from other process); it is an evolving process.

2.2.1. The strategies that companies produce should include key control systems.

Anything that supports operational technology should be captured by the 'cyber resilience' term.

2.3. The Network and Information Systems (NIS) regulations require Operators of Essential Services (OES) (i.e. a network company) to inform Ofgem and BEIS of any cyber-related issues, and Ofgem are required to track these and ensure network companies can provide a secure and reliable service.

2.3.1. The Cyber Assessment Framework (CAF) allows Ofgem to track progress over time, by getting each OES to run their own self-assessment process and rate themselves against the CAF. It is essentially a set of minimum requirements that we ask each OES to meet by May 2020; if companies are unable to meet these requirements, they should have an improvement plan in place to ensure they can meet the requirements as soon as possible.

2.4. Ofgem want to make sure that all the improvement plans are taking place, and that funding is being used where possible and appropriate. The Cyber Resilience Guidance has been developed to help companies produce their CAF and consider what they need to take into account when developing their plans.

2.4.1. Ofgem expect there to be opportunities for technologies to be shared, and that this should be highlighted to and discussed with Ofgem. One of the key lessons to learn from the process in the transmission and gas distribution sectors is that the development of plans and processes should happen in conjunction with Ofgem, to minimise the number of supplementary questions and deep dives that are required. Our objective is to work with the companies in this space.

2.5. It is ultimately the responsibility of the companies to comply with the guidance, and their approach needs to be based on a risk-based framework. It is important that they document the options that have been considered before deciding on an approach.

2.6. Ofgem's intention is that the cyber team and the RIIO team will work closely together on this. We also anticipate having the companies guide us through their responses to any supplementary questions.

2.7. A question was raised about how the role of wider stakeholder engagement should fit into this process, especially since some companies have already started talking to stakeholder groups. Ofgem noted that they expect this to be like any other area of the price control where DNOs should engage with stakeholders on this issue, but noted that there are likely to be restrictions around the information that can be shared.

**Action: Ofgem to follow up with colleagues to establish how cyber resilience and stakeholder engagement aligned, how the plans were assessed, and what information could be shared.**

2.8. Ofgem noted that there may be a large proportion of the Operational Technology 'pot' of funding that is uncertain, given the uncertainty that surrounds this area at this stage. The expectation is that those costs that are more certain at this stage will be funded up front, with less certain costs addressed through a reopener-type approach. That was the approach taken for transmission and gas distribution, and we anticipate that will be the same for electricity distribution.

2.9. JRC raised a question about how projects that take place across multiple operators would be assessed and funded. SPEN noted that, on a project they are involved in with other companies, the starting point has been to look at the network architecture and agree where assets need to be placed. Costs are then allocated accordingly and presented in each plan to Ofgem.