

## **RIIIO-ED2 Safety, Resilience, and Reliability Working Group (SRRWG) – 3<sup>rd</sup> March 2020**

From: Ofgem	From: Ofgem	From: Ofgem
People invited: Relevant stakeholders	People invited: Relevant stakeholders	People invited: Relevant stakeholders
	Time: 10am to 2pm	

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

- 1.1. Catherine Dow (CD), Matthew Jones (MJ), Nia Lowe (NL), Barbara Cheyne (BC) – SPEN
- 1.2. Caroline Farquhar (CF) – Citizens Advice
- 1.3. Ruth Crascall (RC), Rob Field (RF), Richard Veal (RV) – WPD
- 1.4. David Darley (DD), Tony Coatsworth (TC) – ENWL
- 1.5. Landel Johnston (LJ), Fraser Nicholson (FN), E Lian Diong (ED) – SSEN
- 1.6. Susannah Garwell (SG) – UKPN
- 1.7. Dave Wilkins (DW), Peter Collinson (PC) - NPg
- 1.8. Sue Ferns (SF) – Prospect
- 1.9. Stephen Barrett (SB) – Energy & Utility Skills
- 1.10. Mark Hogan (MH), Nayar Hussain (NH), Jack Ambler (JA) – Ofgem

### **2. Workforce resilience**

- 2.1. Ofgem set out a summary of the the proposals put forward in the Sector Specific Methodology Consultation, as well as the resulting decision. It was noted that

resilience is a space in which the DNOs are, generally, spending in line with their business plans, and that the price control framework was built with overall resilience in mind. So there is not necessarily a need for major change in ED2.

- 2.2. Prospect ran through their initial view on the metrics that should be covered by any workforce resilience measure in ED2, setting out a number of challenges and the associated opportunity for improvement. They covered workforce satisfaction, development and renewal, diversity and inclusion, and health and safety, and it was acknowledged that DNOs are likely taking positive steps in this space.
- 2.3. It was generally agreed that it is important to guard against driving a specific avenue of travel or creating perverse incentives around particular outcomes, given that workforce resilience issues are likely to be unique to DNOs' circumstances. There could remain an option for DNOs to put forward bespoke incentives in this space, to cover any localised issues that need addressing.
  - 2.3.1. It was also noted that the costs associated with these activities need to be easily identified to avoid them becoming 'benchmarked out' in any cost assessment approach.
- 2.4. Energy and Utility Skills also gave an update on their view of the elements of workforce resilience that could, or should, be addressed in RIIO-ED2. They echoed a number of points that had been previously raised, and drew out several key statistics that highlight the challenges that need to be addressed in this space.
- 2.5. The discussion moved towards how this area can be brought out and encouraged further in RIIO-ED2. It was agreed that simple, transparent reporting of key metrics (developed in conjunction with representatives from the unions etc.) would be the right first step. Establishing which metrics, and the format of any reporting, can be developed in due course.

**Action: Energy and Utility Skills to share the NSAP report with DNOs.**

### **3. Cyber resilience**

- 3.1. Ofgem set out a summary of the the proposals put forward in the Sector Specific Methodology Consultation, as well as the resulting decision. It was noted that DNOs already have strong incentives that drive performance in areas that go beyond the

specific element (i.e. reliability incentives drive DNOs to ensure cyber resilience – failure to have secure cyber systems can have significant impacts on the ability of DNOs to restore supplies quickly and safely).

- 3.2. It was also highlighted that there is an established regulator already in this space, and DNOs have to adhere to standards that go beyond just the regulatory requirements (including ISO requirements).
- 3.3. There was some discussion around whether the Cyber Assessment Framework (CAF) would apply to DNOs, and it was agreed that DNOs should (and indeed are) assess themselves against the criteria set out in the CAF.
- 3.4. It was agreed that a further discussion around cyber resilience in ED2 would be needed; Ofgem will arrange a call when members of the cyber team can attend.

**Action: Ofgem to set up further calls to cover workforce resilience and cyber resilience.**

## **4. Climate change adaptation**

- 4.1. Ofgem provided an update on some of the monitoring and reporting in this space, particularly by other organisations. They noted that the National Infrastructure Commission is currently looking at cross-sector resilience and the knock-on impacts sectors can have on each other.
- 4.2. It was noted that the biggest risk to networks is still flooding, and that flood maps are due to be updated in summer 2020. There is an ENA working group doing some research into the impact of compound events (i.e. one flood following another).
- 4.3. Similarly, vegetation management is both a resilience piece and a major part of ESQCR compliance.

**Action: Ofgem to contact DNOs about National Infrastructure Commission questions on resilience interlinkages.**