

# **RIIO-ED2 Customer Service, Vulnerability and Connections Working Group: Vulnerability session**



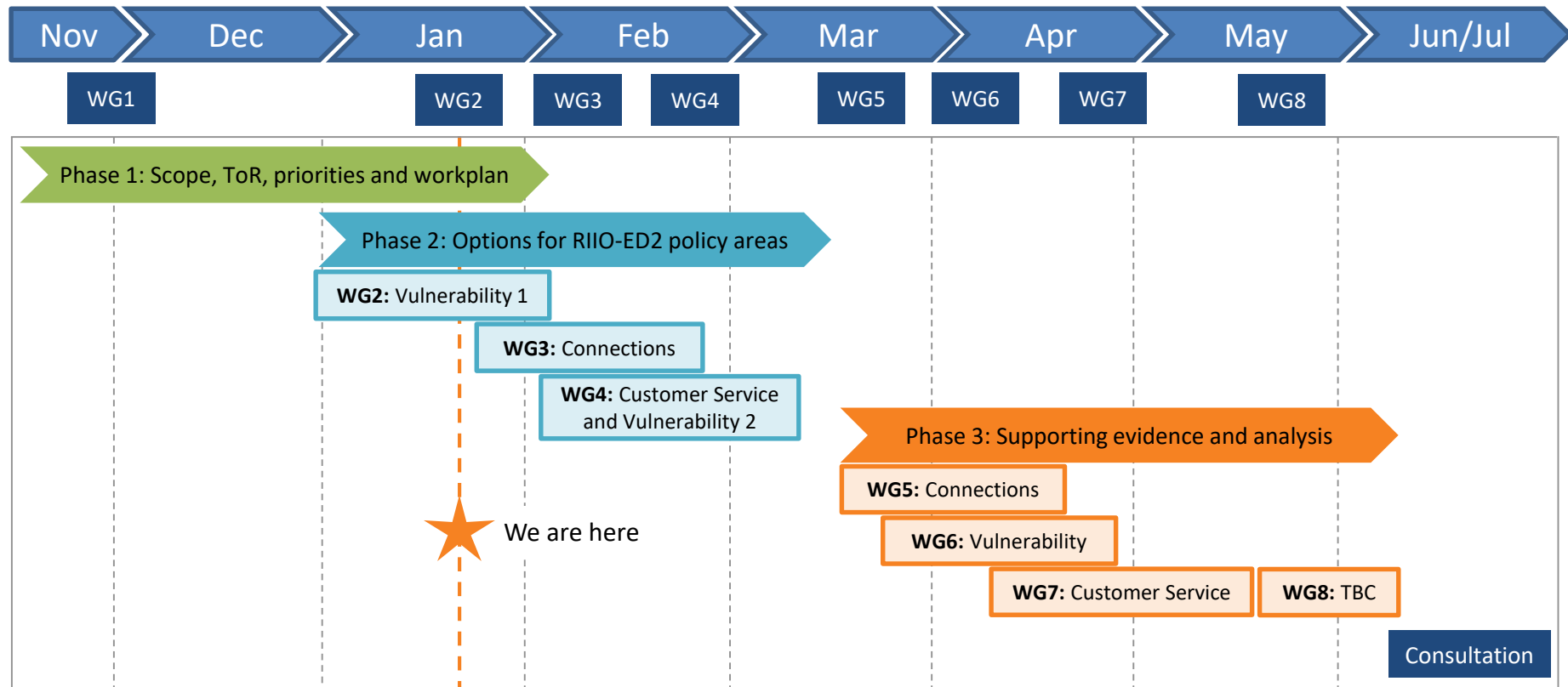
23 January 2020

**Purpose of today's meeting is to gain a better understanding of:**

- The vulnerability challenges that may emerge in ED2
- What the role of the DNO could and should be in addressing these challenges and supporting customers in vulnerable situations in RIIO-ED2

Timings	Agenda item
10:00 – 10:30 (30mins)	1. Recap of actions from first session (Ofgem) <ul style="list-style-type: none"> <li>a) Phased work plan for the group</li> <li>b) Proposed dates and locations of WG sessions</li> </ul> <b>Note: we recommend all members dial in for this first item</b>
10:30 – 11:15 (45mins)	2. Priorities for the CSVG Working Group - vulnerability-specific (Ofgem) <ul style="list-style-type: none"> <li>a) Key questions and considerations that came out of the issues log/prioritisation exercise</li> <li>b) What are the existing, and emerging, challenges to addressing consumer vulnerability?</li> </ul>
11:15 – 12:15 (60mins)	3. DNO role in ED2 and lessons learned from GD2 vulnerability package <ul style="list-style-type: none"> <li><b>a) Citizen's Advice</b> presentation</li> <li>b) Roundtable discussion</li> </ul>
12:15 – 13:00	Lunch
13:00-14:00 (60mins)	4. What do the DNOs currently deliver for vulnerable customers? How does this meet the challenges we have identified? <ul style="list-style-type: none"> <li><b>a) Presentation by Kendal Morris, SPEN - on behalf of all DNOs</b></li> <li>b) Roundtable discussion</li> </ul>
14:00 – 15:00 (60mins)	5. The role networks can and should play in helping vulnerable customers <ul style="list-style-type: none"> <li><b>a) Agility Eco</b> presentation</li> <li>b) Roundtable discussion</li> </ul>
15:00 – 15:30 (30mins)	Actions and next steps

## **Item 1: Recap of actions from first session**



**Phase 1** Settle scope of Group, share and agree a ToR & carry out a prioritisation exercise to inform future work (WGs 1 and 2).

**Phase 2** Explore options (for outputs and incentives) for the policy areas under consideration by the Group and the merits and drawbacks of these options. **Group members should put forward policy options for discussion and review ahead of these sessions** (WGs 2, 3 and 4).

**Phase 3** Gather evidence and analysis to support and develop options (WGs 5, 6 and 7). As such, options should be brought to the Group by end of February, to ensure sufficient time for consideration. We may require an eighth WG session, but this will be decided close to the time.

In some sessions we may discuss more than one issue area but the aim is to focus on one issue area per session. The above plan **allows us to discuss an issue area more than once where policy options can be developed over time.**

## Proposed dates and locations for CSVC working group sessions

WG session	Date	Time	Location
1. Introductory session	28 November 2019	10am-4pm	Ofgem London offices (Room 1.17)
2. Policy options: Vulnerability	23 January 2020	10am-4pm	Ofgem London offices (Room 1.13)
3. Policy options: Connections	04 February 2020	10am-2pm	Ofgem London offices (Room 1.09)
4. Policy options: Customer Service and Vulnerability	27 February 2020	10am-4pm	Ofgem London offices (Room 1.17)
5. Evidence and analysis: Connections	19 March 2020	10am-4pm	Ofgem Glasgow offices (Rooms 1 and 2)
6. Evidence and analysis: Vulnerability	9 April 2020	10am-4pm	Ofgem London offices (Room 1.05)
7. Evidence and analysis: Customer Service	30 April 2020	10am-4pm	TBC
8. Evidence and analysis: TBC	28 May 2020	10am-4pm	TBC

## **Item 2: Priorities for the CSVC Working Group (Vulnerability)**

- After the first CSVC working group session, we asked members to contribute to and review an issues list which would be used to map out priorities for the group and inform future working group sessions.
- We have summarised the issues that came out of this exercise (see slide 16).
- On reviewing these, we propose the following key questions for consideration by the group:

### Key questions

- 1. Is there a case for change?**
  - a) What is, and what should be, the role of the DNOs in supporting customers in vulnerable situations?**
  - b) How could the role evolve in ED2 eg as a result of the energy system transition?**
  - c) Does our current approach to measuring and rewarding performance work effectively?**
- 2. If we consider there to be a case for change, what is the appropriate package (to meet the challenges and deliver positive outcomes) in ED2?**

### What should be the role of the DNOs in supporting customers in vulnerable situations?

Relevant considerations...

#### **DNOs role in ED1**

- Maximise their capacity to understand, identify and support consumers in vulnerable situations
- Address social issues associated with their activities
- Deliver solutions for vulnerable and fuel poor households
- This should be done by embedding a strategy throughout their processes, that incorporates:
  - Improves the information they have access to and how the use it
  - Engages a wide range of stakeholders;
  - Publicises the assistance offered through the PSR
  - Uses relationships and partnerships to identify and deliver solutions (energy and non-energy) for affordable energy

**We need to embed the BAU practices from DNOs' role in ED1 in ED2**

#### **GDNs role in GD2**

- Minimum expectations should be related to their existing areas of competence, activity, and consumer interaction. For example:
  - On interruptions, how network companies assist customers in vulnerable situations
  - On emergency response, how network companies recognise vulnerability and take proactive measures to address it
  - On customer service, how companies recognise and take into account those with additional needs
  - Network companies should continue to have processes to identify customers in vulnerable situations and offer PSR customers additional services for free.

**We consider the approach to establishing minimum requirements in GD to be appropriate for ED2**



### How could the role evolve in ED2 as a result of the energy system transition?

- Risk that some customers could be 'left behind' in ED2:
  - Need to consider which customers may not be able to participate fully in the energy system transition
  - Need to consider what should be the role of DNOs in facilitating the uptake of low carbon technology by fuel poor homes
- Risk of energy system transition exacerbating affordability issues due to the cost pressure of decarbonisation socialised through bills:
  - How to mitigate against cost pressures of decarbonisation exacerbating affordability issues?
- Risk that external pressures on energy consumers may increase due to wider socio-economic challenges

### Does our current approach to measuring and rewarding performance work effectively?

#### Recap from the first session

- Most DNOs are delivering fair to good SECV outcomes for customers, although some DNOs are performing better than others.
  - ✓ DNOs taking more strategic approach to engagement, considering how future challenges can be addressed.
  - ✓ Evidence from DNOs of board-level buy in and behavioural change and that some companies are using feedback to influence their decisions on projects.
  - ✓ Helping the vulnerable is now part of DNOs' strategic priorities, and DNOs have demonstrated that they have a good understanding of how varied vulnerability can be.

#### Key issues (raised through issues log)

##### Measuring performance

- 'Running to stand still' concept – difficult to distinguish between BAU activities and those that go above and beyond, as well as to establish how well activities are embedded in businesses
- Assessment is not in real time, so benefits take longer to filter through

##### Resource intensive

- The incentive is resource intensive, we need an efficient mechanism that is not overly burdensome for both network companies and the regulator

##### Stakeholder engagement is not an outcome

- The weighting of the SECV is 75% for stakeholder engagement and 25% for vulnerability, does this sufficiently reflect the importance of vulnerability?
- Has stakeholder engagement become business as usual? If so, should it be incentivised in RIIO-2?
- Are there overlaps between stakeholder engagement and other incentive/outputs?

**In light of this, we consider there to be a case for change. What is the appropriate package to meet the challenges and deliver positive outcomes in ED2?**

### GDN role in GD2

- Minimum expectations should be related to their existing areas of competence, activity, and consumer interaction. For example:
  - On interruptions, how network companies assist customers in vulnerable situations
  - On emergency response, how network companies recognise vulnerability and take proactive measures to address it
  - On customer service, how network companies recognise and appropriately take into account those with additional needs
  - Network companies should continue to have processes to identify customers in vulnerable situations, maintain a PSR and offer PSR customers additional services for free.

	GD package
<b>Minimum Standards</b>	Licence Obligation to provide priority services for specific customer groups
	Guaranteed Standards of Performance
	Fuel Poor Network Extension Scheme
	Principles-based Licence Obligation on treatment of consumers in vulnerable situations
<b>Supporting Flexibility</b>	Consumer vulnerability and carbon monoxide safety use-it-or-lose-it allowance
	Innovation funding
<b>Incentives supporting ambition and delivery</b>	Business Plan Incentive
	Consumer vulnerability reputational incentive

### Relevant considerations....

- Could the GD2 package meet the ED2 challenges?
- How to strike the balance between competition and collaboration?
- How to facilitate regional specific challenges?
- What measures could be developed to help track outcomes?

## **Item 3: DNO role in ED2 and lessons learned from GD2 vulnerability package**

# What should DNOs' role be in addressing vulnerability in RII0-ED2 and what could the incentive regime look like?

The logo for Citizens Advice, featuring a white speech bubble on a blue background with the text "citizens advice" in blue.

**citizens  
advice**

Victoria Pelka  
January 2020

# Activities

## Enablers

- accreditation
- training and research
- identifying CIVS incl. mapping

Feed CIVS knowledge into **decision-making**, e.g. outage and resilience planning

## PSR

- PSR sign ups
- PSR data cleansing
- data sharing
- PSR customer satisfaction

## Powercut support (various offers)

## Resilience planning

Various activities around **accessibility and inclusivity**

## Fuel poverty

Referral schemes and financial support for

- income maximisation and energy usage advice
- small energy efficiency measures

Innovation projects with link to alleviating **network constraints**

**Safeguarding** activities e.g. fire safety assessment

# Activities

## GREAT STUFF

- have come a long way
- “vulnerability” as recognised area of work for networks
- number of partnerships and referral networks is impressive

## BUT

- inconsistent → postcode lottery
  - companies received between £26m and £2m over 4 years
  - spend per customer varies between £1 to £3.5
- lack of best practice sharing
- lack of consistent reporting on outcomes, social value or cost/benefit analysis - was the £64.05m reward worth it?

# Context

## Vulnerable circumstances / risk factors

- low income
- lack of access to capital
- lack of engagement in the energy market
- lack of flexibility (which could reduce ability to participate in time of use tariffs, distributed generation and local energy)
- lack of knowledge or understanding
- geographic constraints
- building constraints
- housing tenure
- lack of internet or digital skills
- financial literacy



## Trends

- decarbonisation of heat
- growth of EVs
- decentralised generation
- smart consumption, incl. automation of appliances and demand side response

All of which require buying and using new technology, engaging with new offers, or network reinforcement.



## Policy changes

- Half-hourly settlement (2020)
- Access & FLC review (2020)

Source: UKPN and EST "Energy 2.0 Mind the Gap"



# Context



## **Worst case impact**

- leaving people behind because of the complexity of the new market, and because of the high cost of participation
- unfair distribution of system benefits and costs

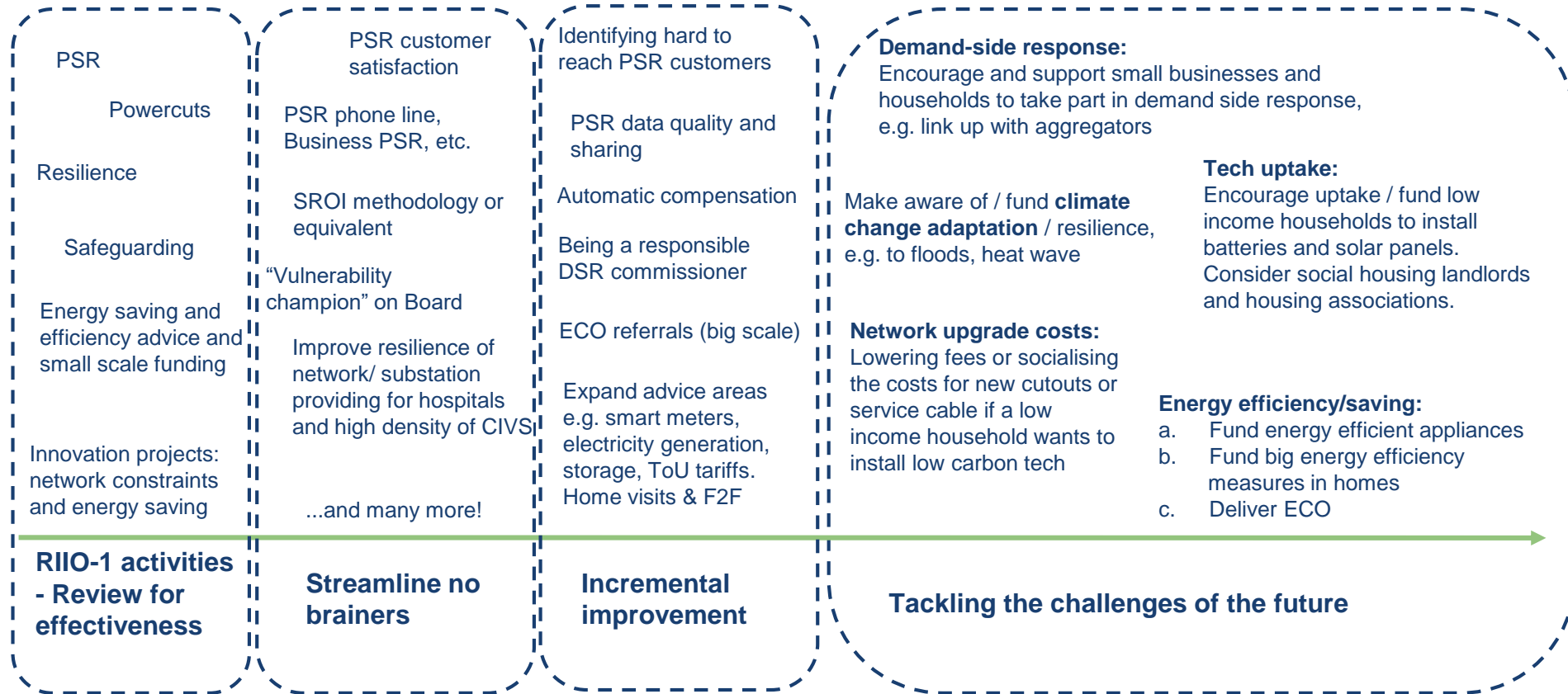
## **The future “consumers in vulnerable circumstances”:**

- (a) have only limited capacity to ‘keep up’, i.e. take part in ‘value earning’ smart energy activities
- (b) pay system costs associated with benefits available to others

**Source:** Simon Roberts “Making ‘no one left behind’ meaningful in our future energy system”

[https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/RIIO-2%20Vulnerability%20Essays\\_FINAL%20\(1\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/RIIO-2%20Vulnerability%20Essays_FINAL%20(1).pdf)

# Spectrum of options for ED-2



# We need to decide on the remit and outcomes we want to achieve

*“The role of the GDNs in addressing vulnerability should be related to their existing areas of competence, activity and consumer interaction.”* GDN sector-specific methodology, 2019

*“This is about DNOs recognising the potential that is afforded by their function; specifically their ability to interact with consumers, their role in a community, the information they have access to and their scope to form partnerships with others.”*  
DPCR5

## Core outcomes

- Providing core network services
- Safeguarding those most in need

## Future outcomes?

- Facilitate **energy efficiency** solutions for those most in need / for all
- Facilitate participation in **energy transition** for those most likely to be left behind / for all
- Support **climate change resilience** for those likely to be most affected

## Remit

- **referrals** of consumers you come into contact with
- proactive **identification** of those likely affected
- provision of **information and advice** (by yourself or funding advice organisations)
- referrals to **existing funding**
- **fund** activities

# Just because you could do it, doesn't mean you should

- Is there stakeholder and customer support?
- Is there a gap?
- Are you well-placed?
- Does it have a positive CBA/SROI or other positive outcomes?
- What is the impact on bills? (financing social activities through bills is a regressive funding mechanism)
- Government decisions on Net Zero, ECO, future of heat, etc.?
- Ofgem decisions on DSO?

# Current DNO incentive package

SECV makes up 0 to 0.5% of base revenue, with 75% of weighting on stakeholder engagement and **25% on vulnerability**

## Licence conditions

- interruptions phone line
- access to premises
- establish and maintain a Priority Services Register (PSR)
- procedures to identify PSR customers (though definitions are not necessarily up-to-date)
- duty to give information to PSR customers, including during interruption
- advance notice of planned interruption
- password
- reporting to Ofgem and CitA

# What can we learn from the GD2 incentive package?

- Ofgem went for **Option 3**
- Principles-based LO “require the GDNs to identify consumers in vulnerable situations and to take account of any consumer vulnerability when interacting with these consumers”
- Projects for **use-it-or-lose-it allowance** need to be outlined in Business Plan and money returned if not implemented
- **Reputational incentive:**
  - annual showcase event
  - reporting against a set of 4 measures (not finalised yet)

Table 2: Options for the Consumer vulnerability package

	Item	Option 1: Enhanced Minimum	Option 2: Incentive Based	Option 3: Combined Package
Minimum Standards	Licence Obligation to provide priority services for specific customer groups	✓	✓	✓
	Guaranteed Standards of Performance	✓	✓	✓
	Fuel Poor Connections	✓	✓	✓
	Principles-based Licence Obligation on treatment of consumers in vulnerable situations	✓	✓	✓
Supporting Flexibility	Use-it-or-lose-it allowance	X	X	✓
	Innovation Funding	X	X	✓
Incentives supporting ambition and delivery	Business Plan Incentive	X	✓	✓
	Reputational Incentive	X	✓	✓

GD Sector Specific Methodology

[https://www.ofgem.gov.uk/system/files/docs/2019/05/rrio-2\\_sector\\_specific\\_methodology\\_decision\\_-\\_gd.pdf](https://www.ofgem.gov.uk/system/files/docs/2019/05/rrio-2_sector_specific_methodology_decision_-_gd.pdf)

# Reflections on incentivisation

- **SECV incentive** gave too little weight to vulnerability. Stakeholder engagement should be BAU → scrap the incentive and replace it with focused action on vulnerability

## Copy from GD2 package:

- **Minimum standard in licence** with associated penalty recognises that some behaviours need to be banked (e.g. identifying vulnerable customers, PSR, power cut support, etc.)
  - BUT this needs a credible process for monitoring and enforcement
- **Reputational incentive** and annual reporting/ showcasing brings visibility, comparability and continued attention
  - Require reporting on key metrics e.g. Number of successful referrals of CIVS to partner organisations, Outcomes of referrals to partner organisations, Number of PSR referrals, Money saved (Social Return on Investment), PSR customer specific CSAT scores, Number/length of interruptions affecting PSR customers
- Provide **innovation funding** for risky, truly innovative vulnerability action

# Reflections on incentivisation

## Financial incentive

- will depend on what it is we want to achieve
- use-it-or-lose-it fund may not give sufficient incentive to do high quality work, or any work at all
- under current rules, yearly funding uncertainty is an issue
- don't overdo pressure to "innovate" every year - if an approach works, stick to it and scale it up
- we want to encourage sharing of best practice - competitive incentives may hinder this
- action on vulnerability is a social and not wholly quantifiable subject - therefore the judging of DNOs' work by a panel (whether CEG or Ofgem-convened panel) has some benefits

## Incentive design principles

- **Beneficial:** encourage companies to take decisions that are in the long-term interests of customers
- **Additional:** encourage firms to do things they would not have done otherwise
- **Value for Money:** reward firms with the amount of money required to get them to change their behaviour
- **Bankable:** encourage improvements in performance – and not reward standing still.
- **Measurable:** assess performance against clear and objective criteria
- **Regular reporting:** provide regular updates on their progress



# Thank you

Victoria Pelka

[victoria.pelka@citizensadvice.org.uk](mailto:victoria.pelka@citizensadvice.org.uk)



**Item 4: What do the DNOs currently deliver for vulnerable customers? How does this meet the challenges we have identified?**

## Addressing Vulnerability – ALL DNOs

Key

All DNOs

Some DNO's

## Addressing Vulnerability – All DNOs

Helping the fuel poor	PSR management	Hard to reach customers	Customer Service, resilience and support	Energy Transition
Partnership Schemes delivering support services to customers	Data cleanse process	Social indicator mapping	Crisis / Winter Packs	Identifying blockers to accessing low carbon technologies
Supporting Fuel Poverty Agencies	Utilities (Water, Gas) data sharing	Mapping of support agencies	Proactive Power Cut Calls	SMART STREET initiative prioritising fuel poor
Targeted Energy Efficiency Advice	Resilience Partnerships for Support (local authorities, resilience partners, councils)	Partnerships for Hard to reach groups	Accessibility – tools/channels/inclusive comms (text line, braille, audio, easy read etc)	Partnerships aligned to Smart metering installations
Target/Attend Community Events in Fuel Poor areas	PSR Promotion (via Internal Customer contacts & External Partners, Multi-channel)	Targeting PSR Reach based on National data	Customer / Resilience Support (CRMs/Advisors, Welfare Units, BRC, generators, hot meals, alternative accommodation)	Supporting social energy services to engage vulnerable customers in smart
Delivering savings and social returns through partnerships	Customer Support (CRMs/Advisors, Welfare Units, generators, hot meals, alternative accommodation)	Fund Citizens Advice Advisors (Scot) (Rural/remote areas)	Dementia Friends and associated accreditations	Bespoke initiatives to enable customers to participate in future flexible energy services
	Proactive Contact (faults, storms)	Small Business PSR	BSI (BS18477) Accreditation & Customer Service excellence standards	
	Prioritisation of PSR categories (i.e. electrical medical dependant)	Vulnerability Trends	Doorstep crime prevention initiatives	
	PSR Referral Partnerships	Digital exclusion reviews	PSR-focussed app	
			24/7 Webchat	
			Restoration Calls	
			Additional Customer Satisfaction Survey	

## Overall

Targeted Awareness / Education Programmes / Advertising Campaigns

Multi-channel, Accessibility (Translations services/web)

Vulnerability Training for all staff

Advisory / Research Panels

Training for support agencies

Various Partnerships Funds

Main differences

- Degree of measurement, spend and social return across companies
- Partnership Funds & Funding of charitable organisations
- Extend to which DNO's use mapping, look at trends and align support agencies
- Accreditations
- Differences in direct engagement activities
- Extent of activity supporting future energy transition

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Reflect on how current DNO vulnerability activity interacts with the emerging challenges the group has identified and whether the current arrangements are fit for purpose given these challenges.

Summary of issues that came out of our group prioritisation exercise:

**What should be the role of the DNOs in addressing vulnerability and achieving good consumer outcomes?**

- Consideration of current role: identification of vulnerable/PSR customers and maintenance of PSR, data sharing and data quality, safety and peace of mind, developing partnerships and wider collaboration, innovation, accessibility, referral networks
- DNO remit eg delivery of energy efficiency measures
- Alignment with Ofgem 2025 CVS
- Consideration of appropriateness of the GD2 Vulnerability package

**Does our current approach to measuring and rewarding performance work effectively? (existing challenges)**

- Transparency and consistency issues ( eg between companies and from one year to next – BAU vs above expectations) & subsequent feedback
- Difficult to assess if beyond reported activities, vulnerability is embedded in business
- Is value commensurate to rewards?
- Stakeholder engagement (SE) and Consumer Vulnerability (CV) to be considered separately in ED2? SE now BAU?
- Resource intensive process

**How could vulnerability evolve in ED2 as a result of the energy system transition? (emerging challenges)**

- No formal obligation in ED1 to assist fuel poor customers
- Risk of energy system transition exacerbating affordability issues to due cost pressure of decarbonisation socialised through bills (fuel poverty).
- How could networks facilitate uptake of low carbon technology by fuel poor homes (fuel poverty)?
- Risk of customers 'left behind' as cannot participate; could some customers be more at risk in the event of a supply interruption?

**Should DNOs be funded/incentivised in RIIO-ED2, and how?**

- Consideration of what is BAU vs above and beyond – BAU could be included as a licence obligation/minimum requirements?
- Consideration of GD2 Vulnerability package in achieving ED2 aims and objectives
- Competition vs collaboration as best method to drive outcomes for customers
- Best way to ensure best practice is delivered by DNOs and how is this best funded – role for CEG?
- Consideration of how issues only relevant to some stakeholders are incentivised eg phenomenon that is very localised
- Measures all DNOs could report against to show outcomes achieved?

## What should be the role of the DNOs in addressing vulnerability and achieving good consumer outcomes?

**Propose DNO's are responsible for achieving good outcomes in 4 areas.**

	<b>DNO Role</b>	<b>Proposed Measurement</b>
1.	Support in a Power Cut	BMCS Satisfaction Score
2.	Ensuring customers can benefit from the low carbon/DSO transition	Reach, SROI, Economic Value
3.	Identifying and addressing wider social issues in collaboration with relevant 3 <sup>rd</sup> Parties.	Reach, SROI, Economic Value
4.	Addressing Fuel Poverty	Reach, SROI, Economic Value

In ED2 we could evolve the way this is measured to make assessment of support in a Power Cut very simple (BMCS) allowing the focus of the submission to be around

- Low Carbon technologies/ DSO Transition
- Wider social issues
- Fuel Poverty

*Fuel poverty also needs to be carefully considered as the number of fuel poor customers will increase as a result of electrification and therefore we need to be able to assess this differently & consistently going forward.*

## Does our current approach to measuring and rewarding performance work effectively? (existing challenges)

- SECV delivers value to customers that goes beyond BAU
- Improvements should be made to remove BAU references from the incentive - other than assessing PSR satisfaction
- Transparency and Consistency across DNO's could be improved if standard measures were applied where possible
- Transparency of scores across DNO's could be improved if the scoring and feedback process was made more detailed, specific & comparable.
- There would be more flexibility if SE & CV were split into 2 incentives.

### Proposal

- Standard Targets where possible
- Measure BAU Power Cut Support via the BMCS PSR Score.
- No further reference should be made to BAU Power Cut Activities.
- Incentive should cover how we support wider social issues
- Incentive should cover how we ensure customers are not disadvantaged in dealing with the consequences of the low carbon/DSO Transition.
- We should measure (in standard way across DNO's) Value Returned on Investment & Economic Value Delivered. (with OFGEM guidance to ensure consistency)
- We should change the feedback process so this is given direct from Panel – in a shorter timeframe – Potential Q&A from Company to Panel.



## How could vulnerability evolve in ED2 as a result of the energy system transition? (emerging challenges)

The incentive could be split into 2 parts - weighted

1. Standard Metrics measured across all DNO's (standard Template)
2. Activities to be assessed around
  - ☐ How we are supporting wider social issues (Reach, SROI and Economic Value)
  - ☐ How we are supporting customers to access low carbon technologies. (Reach, SROI and Economic Value)
  - ☐ How we are supporting fuel poverty (Reach, SROI and Economic Value)

### Metrics that could be measured as standard across ALL DNO's

Metric	Measurement
PSR Satisfaction	BMCS Satisfaction for customers registered on PSR
PSR Reach	E.G. % Target of PSR Reach based on National Available Statics for each vulnerability category (all DNO's have mapping tools to measure gaps in PSR)
SROI / Value Created vs Value Spent	ALL DNO's could deploy a standardised tool to measure Social Return on Investment – to measure SROI and Economic Value Created & Value for Money

### Proposed Evolution

DNO role in vulnerability should cover 3 additional areas

1. Overcoming the blockers customers face in accessing low carbon technologies/ DSO Transition – through partnerships and services
  2. Overcoming wider social issues and using our position to deliver support through partnerships and services
  3. Addressing Fuel Poverty and supporting customers through partnerships and services
- DNO's should be assessed on the range of their partnerships, the customer reach and the return on investment / economic value delivered and value for money – assessed consistently

## Should DNOs be funded/incentivised in RIIO-ED2, and how?

An incentive should be retained to reward DNO's for performance over and above business as usual across 5 Main areas. By measuring DNO's on PSR Satisfaction as part of BMCS, we can then remove all reference to supporting in a power cut from submission and focus on support of wider issues. and ensure we are only incentivised if delivering above and beyond our obligations.

Incentive to cover the 4 areas	<ol style="list-style-type: none"><li>1. Customer Satisfaction in a Power Cut</li><li>2. Addressing Blockers to accessing low carbon technologies/DSO Transition</li><li>3. Addressing wider social issues</li><li>4. Addressing Fuel Poverty</li><li>5. Overall value Delivered and Value for Money</li></ol>
Standard Metrics	<p>Weighted Standard Template across all DNO's</p> <ol style="list-style-type: none"><li>1. PSR Satisfaction</li><li>2. PSR Reach vs Standard DNO Target</li><li>3. £ SRO1 / Economic Value Delivered/Value for Money (for 3 Assessment areas below)</li></ol>
Assessment	<ol style="list-style-type: none"><li>1. Actions taken to ensure customer benefit from low carbon/DSO transition</li><li>2. Actions taken to address Wider Social Issues</li><li>3. Addressing Fuel Poverty</li></ol>

There should be an assessment process to verify the values stated by DNO's

## Proposed Next Steps

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- Draft proposed incentive structure
- Draft paper to demonstrate the value of the incentive

**Lunch**

**Item 5:** What could the DNOs deliver and what should be the role of the DNO in addressing vulnerability in RIIO-ED2?

RIIO-ED2 CSVC Working Group

What should be the role of the DNO in addressing vulnerability in RIIO-ED2?

**Gearoid Lane**

CEO

Thursday 23 January 2020



# Hello and thanks for the opportunity to talk with you today

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- Who we are
- Why none of us should miss an opportunity to help
- Our thoughts on the Priority Services Register (PSR)
- Why working together in partnership is important
- Our model for delivery – HelpHub
- Funding support during RIIO-ED2



We plan, manage and deliver innovative services to support households that need a **helping hand**



- We provide **practical help** with energy efficiency, utility bills, household finances and vulnerability
- We work closely with **local partners** including councils, housing providers, utility and charities to reach those most in need
- We deliver these services through our carefully chosen **national network** of trusted and experienced energy efficiency partners
- **Utility companies** work with us to help fulfil their social and environmental obligations by funding our service
- As a sector leader in our field, we have significant experience of the benefit that **network companies** can provide to vulnerable consumers.





# Through the success of our community outreach programmes, we've demonstrated how **practical help and support** can have a life-changing effect

*"I'm so happy with my new heating system, the installers have worked miracles. I can't tell you enough how brilliant the whole process was, they were lovely people. I'd give the scheme 15 out of 10"*  
*Cynthia*



**LEAP Tariff Switching** found Cynthia a better energy deal, saving around **£160 a year**, and ensuring she doesn't lose out on Warm Home Discount

**LEAP Income Maximisation** team found additional income, both Council tax reduction and Personal Independence Payment. **£3,000/year better off**

**Warmer Homes** installed gas central heating. **£3,800 system installed free of charge** and will save **£500/year** and keep her home much warmer

Also having **loft insulation** installed, worth **£400**, fully funded by ECO which will keep her home even cosier and save **£80/year** on winter heating bills

**£4,200** of improvements installed, delivering **£3,740** of annual savings & increased income

CYNTHIA,  
Portsmouth

Elderly Portsmouth resident living alone on a low income, referred to LEAP by **Citizens Advice**



LEAP Home Energy Advisor immediately helped with:

- **Energy efficiency advice**
- **Low energy lighting**

Income**Max**

Warmer**Homes**



## FUNDING ACCESSED

Energy Company Obligation

WHD Industry Initiatives

Warm Homes Fund

## IMPROVEMENTS MADE

Energy Efficiency Advice

Low Energy Lighting

Better Energy Tariff

Income and Benefits

Gas Central Heating

Loft Insulation

# Our support services deliver huge **social, environmental and economic impact** – here's a snapshot for 2018...

## Sustainable Living

Our activities contribute to the urgent need to consume energy sustainably and reduce greenhouse gas emissions



**3.34 million MWh**  
of lifetime energy savings  
from insulation and  
heating improvements



**93,809**  
energy efficiency  
measures



**767,937**  
tonnes of CO2  
emissions abated



**153,000 MWh**  
of energy savings  
from simple measures  
and advice

## Financial Support

We give practical help and support to hard-pressed households to escape from fuel poverty



**36,272** households  
given financial support  
through income, benefits,  
energy efficiency



**£177 million**  
of lifetime energy  
bill savings from  
measures installed



**£5,443,000**  
income and benefits  
identified for households



**£197** average savings  
from switching to  
cheaper tariffs for  
**1,605** households

## Helping Hands

We support the health, safety & wellbeing of the most vulnerable in our society



**15,886** visits to the  
fuel poor and vulnerable,  
**53%** elderly, disabled  
or health issues



**5,122** emergency  
heating interventions for  
vulnerable customers



**9,036** safety and  
hazard checks to fuel  
poor and vulnerable  
residents



**168** partnerships with  
local authorities to  
target local residents  
for support

## Economic Impact

We create jobs, fund partners to employ and train local teams and support economic growth



**636** jobs supported  
in local companies and  
social enterprises



**£35 million**  
funding unlocked for  
clients and partners



**£6.9 million**  
value to national health  
and care services

**700%**

**7:1 ratio** of savings  
and benefits delivered  
to resident vs.  
programme funding

## Our approach to vulnerability: None of us should miss an opportunity to identify and support a customer who is in need

- All actors in the energy market need to use whatever **reactive and proactive** opportunities they have to help and go beyond the immediate issues identified
- For networks, this means ensuring that:
  - Vulnerable people are identified and supported in their day-to-day activities, planned and unplanned work and PSR sign ups
  - When vulnerable customers are engaged through these activities, we give them tailored support relevant to their needs
- This should include **providing help and support** to consumers who:
  - have inadequate heating systems
  - have broken down appliances they can't afford to repair
  - are at risk of health and safety hazards in their home

More **collaboration** is therefore required with local government, the health sector and trusted third party intermediaries, who understand the needs



# The ways in which vulnerable people are **identified for PSR**, and the types of **PSR services** required, are changing



- There are several million customers who don't proactively engage with the energy market or sign up for the PSR
- We applaud DNOs for **expanding their PSRs** and doing more to reach out to those needing extra support
- With an ageing population and a growing number of indebted people living with mental and physical impairments, undoubtedly there are going to be **more people who need support** from utilities
- People's circumstances are often **complex and individual** and they need to be understood through engagement and empathy
- **Digitalisation and new technology** (the use of lifestyle products, smart devices and medical devices for palliative care) will drive changes in the way vulnerable customers may be identified supported
- Their plight will get increasingly bad in coming years, unless they can be reached and supported appropriately

# We propose that the PSR and the support mechanism is reviewed to improve identification and the provision of services

Current PSR 'needs codes' allow for consistent data sharing but will not give adequate descriptions to enable customers to be supported

The following considerations should be taken into account when determining future DNO outputs

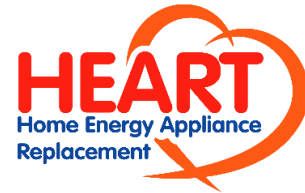
- > **Multiple sources of data** required and how they should be collated and used
- > **Training** required for staff to engage and understand people's circumstances and needs
- > **Diverse needs** of priority services required by consumers who have long term or transient vulnerabilities
- > **Safeguarding organisations** and third party partnerships to identify, raise awareness, provide support





# We are developing a new initiative to allow us to work more closely with our partners: **HelpHub**

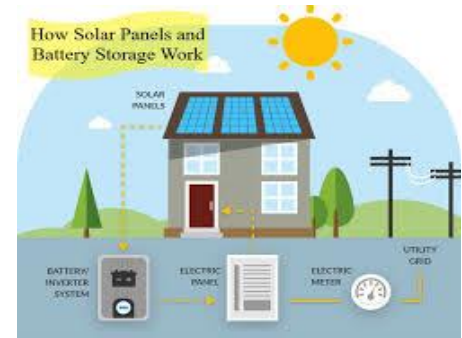
- Our **HelpHub** service will offer:
  - a telephone triage service for consumers who are referred in by a utility company, a third party or a self referral
  - sign-up to the PSR and WHD and energy efficiency advice
  - access to our programmes that provide in-home support, income maximisation advice, replace broken heating, first-time central heating and new white goods
  - effective and coordinated liaison between the network operators and other sectors
- It will deliver more innovative, comprehensive and impactful programmes with access to existing funding such as ECO, WHD and WHF.
- We believe providing a 'one stop shop' is the most effective way to assist people most in need



Income**Max**

DNOs have a big role to play in **engaging trusted intermediaries** to ensure vulnerable consumers are **not left behind** in our future energy system

- Vulnerable consumers have the **most to lose** if their interests are not being considered as core to the energy transition
- Research suggests that market reforms and new delivery models may increase **barriers to engagement**
- For example, 'hard-to-reach' consumers are at risk of missing the smart rollout and therefore the benefits of time-of-use tariffs and demand-side response
- DNO-funded programmes should include holistic **community outreach** to provide the support required whilst also engaging customers with **community energy** and the future low carbon energy system
- and **support them through the installation and usage** of it and the introduction to new smart technology, such as smart thermostats to help them keep warm and save money



Crucially, there needs to be **sufficient funding** for support of these services throughout RII0-ED2

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- We need to see a 'level playing field' funding mechanism for national provision of support. Only then can all the most vulnerable receive the help they need
- DNOs would like to do more to support vulnerable people, but the **SECV funding is inadequate**
- They need to be able to make long term **investment** into **schemes and the partnerships** that underpin them
- We are pleased to see **NIA funding** ringfenced for projects related to longer term energy transition and **consumer vulnerability**
- There also needs to be increased baseline funding for **vulnerability strategies** to be integrated into **all areas of the business plan**, with financial and reputational incentives to deliver **improved outcomes for consumers**



# Options to consider to optimise support through shared funding



Partnering across network suppliers and other parties will deliver great results, but networks can only be meaningful participants if they bring some funding to the table

A portion of funding across DNOs for **shared projects** would drive innovation and collaboration to attain **scale and reach**

We would advocate for a **single national framework** approved by Ofgem, into which DNOs could contribute resources and then refer vulnerable customers into for practical help

Or **cross utility regional frameworks** with shared funding, could meet both energy and water objectives and support consumers through one engagement route

# Our final view

## In summary

- **Everyone's responsibility:** Extensive collaboration is required with local government, across utilities, the health sector & third parties to provide wider support
- **PSR:** The DNO outputs for the PSR should be reviewed, to take account of the growing challenges in identifying and supporting vulnerable people adequately
- **DNOs:** have a big role to play in programmes to engage trusted intermediaries, to ensure vulnerable customers are not left behind during the energy transition
- **Contributing funding:** and partnership working to optimise national and local funding is key, to ensure vulnerable people receive the help they need





www.agilityeco.  
co.uk

AgilityEco  
Chancery House  
St Nicholas Way,  
Sutton  
SM1 1JB

Contact us:  
T: 01372 738952  
e: enquiries@agilitye  
co.co.uk

## Appendix

## Addressing Vulnerability - SPEN

Helping the fuel poor	PSR management	Hard to reach customers	Customer service, resilience and support	Other
<ul style="list-style-type: none"> <li>Delivering Additional Support Services through a network of partners and support agencies</li> <li>Prioritising the Energy Efficiency services and advice through our partnerships</li> <li>Members and sponsors of Energy Action Scotland and promoting agendas on fuel poverty action.</li> <li>Target engagement within fuel poor areas through community events.</li> <li>Direct targeting through Network Natter Programme</li> <li>Support Services targeting Increasing Benefits, Energy Efficiency, Debt Advice and Change of Tariff</li> </ul>	<ul style="list-style-type: none"> <li>Various data cleanse processes; 2 year checks, customer contact touchpoints, pre-arranged investment programme validation.</li> <li>Data sharing with other Utilities – Gas &amp; Water; as well as working towards utilities industry PSR Data sharing project.</li> <li>Resilience partnerships with local authorities, councils &amp; partnerships (e.g. British Red Cross)</li> <li>PSR Promotion through various processes, channels and partnerships; i.e. Awareness Campaigns, Events, Partners, Websites.</li> <li>Off supply support; hot meals/drinks, generators, accommodation, alternative contact, etc.</li> <li>Proactive PSR customer contact during faults / storms.</li> <li>Prioritisation of medically electrically dependant &amp; dementia customers</li> <li>PSR Referral Partnerships with various support agencies, third sector, etc</li> </ul>	<ul style="list-style-type: none"> <li>Social and Vulnerability mapping tool to inform our PSR engagement strategy and target our support services.</li> <li>Sharing mapping tool with partners and other utilities to assist in supporting vulnerable customers.</li> <li>Using Social &amp; Vulnerability tool to map our support agencies with hard to reach customers.</li> <li>Refreshing our national data on PSR categories quarterly</li> <li>Targeting our PSR reach and tracking PSR trends.</li> <li>Targeted Awareness &amp; advertising campaigns</li> <li>Education within schools programmes</li> </ul>	<ul style="list-style-type: none"> <li>BSI (BS18477) Customer Service accreditation and Vulnerability Kitemark</li> <li>Benchmarking our customer satisfaction with the ICS UK CSI.</li> <li>Provide customers with winter packs</li> <li>Proactive Power Cut Calls and restoration call backs</li> <li>Website AA+ Accessibility Standard</li> <li>Multi channels/ inclusive methods of comms – text line, language line, braille, easy read, audio videos, sign language videos.</li> <li>Dementia friends partnership</li> <li>Specialist Vulnerability Training for all staff, both field and customer contacts, using expertise from our partnerships with vulnerability groups and agencies.</li> <li>Cascade training for partnership organisations in order to build into their processes PSR and additional services referrals</li> <li>Network Natter Community groups engagement Targeting wider social issues (Dementia Support, Fire Safety Checks etc)</li> <li>Generator provision policy</li> <li>British Red Cross welfare support</li> </ul>	<ul style="list-style-type: none"> <li>Nexus Partnership strategy</li> <li>Advisory and Research Panels</li> <li>Additional customer satisfaction feedback</li> <li>Innovative Green Economy Fund</li> <li>Social Return on Investment – annual tracking and refreshing values.</li> <li>Demand and generation tool to facilitate future flexible energy services</li> </ul>

## Addressing Vulnerability - WPD

Helping the fuel poor	PSR management	Hard to reach customers	Customer service, resilience and support	Smart / innovation
<ul style="list-style-type: none"> <li>Holistic support schemes – delivering 8 core interventions for every customer (c.19,00 customers; £7m p/a savings for customers)</li> <li>Bespoke engagement (incl. newsletter, workshops, conferences to inform WPD's bespoke action planning)</li> <li>55 fuel poverty partner agencies supported</li> <li>Annual innovation fund (e.g. exploring innovative pilots to target health services)</li> </ul>	<ul style="list-style-type: none"> <li>Data cleanse</li> <li>Water data share (a "one-stop-shop" PSR service)</li> <li>PSR referral partnership networks (87 partners) for bespoke outreach in geographic areas of greatest need</li> <li>Customer and partner agency education programmes</li> <li>Dementia friends and associated accreditations</li> <li>Data cleanse/removal process (customers with no contact in 3 years)</li> </ul>	<ul style="list-style-type: none"> <li>Social indicator mapping (to identify PSR and fuel poor hotspots)</li> <li>Bi-annual mapping of all geographical support agencies serving our communities</li> <li>Advertising and campaigns</li> <li>Innovative health care partnerships</li> <li>Rural England Research Panel</li> <li>Customer Collaboration Panel engagement (incl. strategy development)</li> <li>Fire and Rescue service partnerships (incl. cross-referrals, PSR sign-ups and home fire safety checks)</li> <li>PSR education within schools</li> </ul>	<ul style="list-style-type: none"> <li>BSI (BS18477) accreditation</li> <li>Customer service excellence standard accreditation and work programme</li> <li>Specialist training for ALL staff, field and office based (on a wide range of topics e.g. mental health, dialysis, Parkinson's, cancer care etc)</li> <li>Crisis packs</li> <li>Proactive power cut calls</li> <li>Inclusive communications tools and channels (e.g. ReciteMe, RoboBraille, NGT Text lite for deaf customers)</li> <li>24/7 webchat</li> <li>Resilience advice services</li> <li>Language translation services</li> <li>Targeted energy generator provision policy</li> <li>Online training for support agencies</li> <li>Doorstep crime prevention initiatives</li> <li>PSR-focussed app, including sleep apnoea feature</li> <li>Vulnerable customer satisfaction surveys (PSR and fuel poverty)</li> </ul>	<ul style="list-style-type: none"> <li>Supporting local Social Energy Service Company projects to protect and engage vulnerable customers in smart services</li> <li>Partnerships aligned to smart meter installation process (e.g. post install advice)</li> <li>Bespoke initiatives to enable customers to participate in future flexible energy services</li> </ul>

### KEY:

**Green** = likely to be consistent across DNOs / BAU

**Red** = Wide variances in delivery approach and outcomes (As demonstrated by the range of scores awarded by the independent assessment panel for SECV (including scorecard breakdown areas) which indicated there is still considerable variance between companies in terms of:

- Delivery methods
- Outcomes achieved for customers
- Investment
- Scope and scale of actions
- Embedding of schemes (BAU vs pilots)
- Volume of customers reached and relevant stakeholder engaged)

## Addressing Vulnerability – NPG

### Helping people out of fuel poverty

- Direct interventions through partnership programmes
  - Citizens advice
  - Green Doctor
- Education programmes
  - Energy Heroes
- Energy efficiency measures and advice
- Community partnering fund

### PSR Management

- PSR recruitment
- Data cleanse
- Social indicator mapping
- PSR communications to maintain relationships
- Partnership working

### Hard to reach customers

- Community partnership networks
- Stakeholder engagement
- Expert groups
- Social indicator mapping to target vulnerable communities
- Working groups
- Community Partnering fund

### PSR Performance

- Measure performance in:
- proactive contact with vulnerable customers
  - power restoration
  - Research
  - PSR survey

### PSR service provision

- Generators
- Customer support vehicles
- Hot meals
- Alternative accommodation
- Alternative communication
- Oxygen suppliers
- Referral networks



## Addressing Vulnerability - ENW

Helping the fuel poor	PSR management	Hard to reach customers	Customer service, resilience and support	Smart / innovation
<ul style="list-style-type: none"> <li>Targeting partnerships across our region with support agencies providing fuel efficiency to those areas which need it most</li> <li>Creating fuel efficiency awareness through our Bright Sparks programmes with schools in the most fuel poor areas as a priority</li> <li>Delivering fuel efficiency advice on face to face visits with customers</li> <li>Targeting Local Authority ECO schemes in fuel poor areas to ensure benefits are delivered to all</li> <li>Delivering fuel efficiency advice into Job Centre clients and UC claimants to target to unemployed and low income customers in fuel poor areas</li> <li>Targeted community events in fuel poor areas to attend and supported customers raising awareness of PSR and Energy Efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Data cleanse on 100% of inbound calls on front line</li> <li>Proactive contact campaign strategy refreshed and delivered every year</li> <li>Proactive contact and removal of dormant records (no contact after 3 attempts)</li> <li>Investment in virtual workers to cleanse data base</li> <li>Data sharing with United Utilities, Cadent and Suppliers</li> <li>Advisory Panel guidance and scrutiny of PSR strategy and deliverables</li> <li>Local Authorities actively engaged in PSR management for their communities</li> </ul>	<ul style="list-style-type: none"> <li>Customer Voice Feedback mechanism delivered</li> <li>Translation service enhanced on web pages</li> <li>Social indicator mapping (to identify PSR and fuel poor hotspots)</li> <li>Created a network of 'trusted partners' to reach Vulnerable customers in most deprived areas</li> <li>Mapping of all geographical support agencies serving our communities by vulnerability</li> <li>Awareness campaigns over multi media including radio</li> <li>Innovative health care partnerships</li> <li>Extensive research including Explain, Impact, &amp; Rural England</li> <li>Mobile Vulnerable Customer support increased in areas of high poverty to remove barriers to access</li> <li>Partnerships with Hard to Reach groups incl BAME to improve our understanding of how to support &amp; reach (KYP, BBGC)</li> </ul>	<ul style="list-style-type: none"> <li>Appointment of independent Chair for Vulnerable Advisory Panel as an assurance measure</li> <li>100% of customer facing agents and management team are Dementia Friends</li> <li>Specialist training for ALL staff, field and office based (on a wide range of topics e.g. mental health, Dementia, Autism etc)</li> <li>Immediate Welfare Support Phone Numbers for field staff who need support or advice dealing with a vulnerable customer</li> <li>Welfare teams despatched to site to support customers and engineers</li> <li>Refreshed vulnerable crisis packs</li> <li>Over 60,000 proactive power cut calls so far this year</li> <li>Inclusive communications tools and channels (ReciteMe, Typetalk etc)</li> <li>Language translation services</li> <li>Refreshed generator provision policy</li> <li>On line training and support for all staff on vulnerabilities</li> <li>Vulnerable customer satisfaction scores reviewed weekly for continuous improvement initiatives</li> <li>Managed partnership network to maximise onward outputs</li> <li>Increased and enhanced food provision – taking food right to the door for vulnerable customers</li> <li>Introduced our Small Business PSR</li> </ul>	<ul style="list-style-type: none"> <li>BAU roll out of SMART STREET initiative prioritised by fuel poor postcodes delivering up to £70 energy bill savings to customers</li> <li>Invested in Virtual worker technology to cleanse our PSR database</li> <li>Sent PSR and fuel efficiency information through DWP Message Journal System delivering information to ALL Universal Credit Claimants in Greater Manchester</li> <li>Utilising the expertise of the Kashmir Community to translate and deliver PSR and energy efficiency advice through their independent community radio channels</li> <li>Merging our community energy fund and vulnerable customer fund to create an efficiency in partner selection process</li> <li>Integrated our new network management system with our new telephony platform giving a more accurate identification of properties off supply by MPAN., resulting in enabling us quicker and more efficient identification of Vulnerable customers off supply</li> <li>Small Business PSR developed and launched</li> </ul>



## Addressing Vulnerability – SSEN

### Helping people out of fuel poverty

- Outreach initiatives providing on the ground fuel poverty help and advice, targeting high fuel poverty areas, areas with poorly insulated homes and areas where PSR gaps have been identified e.g.: work with Centre for Sustainable Energy (CSE), Groundworks, London Sustainability Exchange (LSx), WarmHubs and Citizens Advice Scotland.
- Nationwide referrals programme supported Home Energy Scotland (HES) and YES Energy Solutions (YES)
- Members of National Energy Action and Energy Action Scotland supporting their work via sponsorships and partnering on Social CMZs and our Young Carers project
- Fuel poverty training for all customer facing teams; this enables staff to spot signs of fuel poverty and refer customers to HES and YES
- Transitioning energy efficiency innovations into business as usual projects

### PSR Management

- Dedicated PSR team with freephone number
- Working with partners to widely promote the PSR
- Annual winter campaign promoting PSR via TV and Radio campaigns
- PSR promoted during every customer contact
- PSR promotion via healthcare professionals and schools
- Year-round data cleansing
- Customer support via our own Customer Relationship Managers and Advisers and welfare units in all regions
- Further customer support is provided via emergency and resilience partners including councils and local authorities
- Annual PSR customer survey to improve and benchmark our services
- Pre storm warning calls and texts for our PSR customers
- Multi-channel online and digital PSR promotion
- Improved PSR categorisation to prioritise customers with electrical medical equipment as a new category of PSR1+

### Hard to reach customers

- Everyone is trained to spot signs of vulnerability and react accordingly
- Customer mapping tool to highlight hard to reach communities, fuel poverty, PSR gaps, low resilience etc
- Partnerships to help us reach customers who we've traditionally found difficult to engage with e.g. councils and fire & rescue services
- Funding for Citizens Advice Scotland advisers to reach into remote areas and islands
- PSR promotion embedded into fuel poverty outreach initiatives with selected partners who customers are more likely to openly engage with. Examples include LSx, who we work with to reach ethnically diverse communities; and CSE, who engage with healthcare professionals and hospital discharge units as well as finding innovative ways of reaching customers such as during Blue Badge and Council assisted refuge collection applications

### Customer service, inclusivity and accessibility

- Inclusive Service Panels to challenge us on inclusivity, equality, accessibility and the value of service we provide
- Institute of Customer Service ServiceMark accreditation from 2018
- BSI BS18477 accreditation
- Pre-storm warning calls and texts from 2015
- Language translations in print, online and in person
- Vulnerability and mental health training for all staff plus Dementia Friends and experiential training etc
- Password scheme
- Documents available in Braille, audio, large print and Easy Read
- Website accessibility built in and audited by Sitemorse
- Website accessibility toolbar via ReciteMe
- 24/7 online chat including Facebook Messenger and WhatsApp
- Day after calls to check on customers after power cuts
- Digital exclusion reviews
- Inclusive power cut reporting via Power Track app

### Partnerships, collaborations and resilience

- Organise and Chair the Shared Utilities Partnership with water companies and GDNs
- Cross sector data sharing
- Resilience planning for customers and care homes
- PSR Pass to promote PSR as a holistic service across suppliers, GDNs, water companies as well as DNOs
- Resilient Communities Fund to protect the welfare of vulnerable community members and enhance facilities; e.g. medical packs, emergency centres, flood defences, two-way radios etc
- Crisis packs containing essentials such as a torch, foil blanket and plug in phones are stored in all our depots and distributed to customers
- Resilience pack sent to new PSR1 and 1+ customers
- Established range of welfare provision including our own vans and procured units providing hot food and drinks, charging facilities, help and information
- Targeted generation and accommodation where required

## Addressing vulnerability – UK Power Networks

### Fuel Poverty

- Financial inclusion and energy efficiency education programmes to help avoid poverty through skill development at key development stages
- Partnership schemes with local authorities and community engagement agencies providing practical interventions that address poverty and living in an unhealthy home
- Embed learnings from energy efficiency innovation projects such as energyWise into BaU

### Services

- Inclusive contact channels to ensure easy access to support
- Increase the skills of our contact centre team to provide bespoke support for customers based upon their need
- 24/7 Community Support team that delivers on site help as required – information, hot drinks or custom help coordination of agencies
- Proactive multi channel contact during planned and unplanned outages
- Contingency planning and resilience support service for organisations and customers
- Increased community engagement
- Items to help build resilience for at risk customers eg Emergency kits and Medipacks for medically dependant customers

### Inclusion

- Research to identify new and emerging needs including 'Mind the Gap 2.0'
- Community indicator mapping tools integrated into BaU
- Customer and Partnership engagement forums to develop services for all customer groups based on need
- Post-service customer engagement to ensure that service delivery evolves to meet changing customer needs

### PSR Data

- Priority Services Register data update / removal (cleanse) programme to keep information accurate from 12 months
- Data sharing agreements with Water Companies to allow customers to only register once but be signed up across utilities vulnerability services
- Data sharing agreements and referral partnerships to support registration of eligible households onto the PSR (250+ organisations)
- Making sure our Priority Services Register is inclusive for those that require extra support in power cuts
- Annual PSR community awareness survey

### Development and Collaboration

- Inclusive Service Provision Verification Scheme BS – 18477
- Action on Hearing Loss -- Louder than Words Charter
- Specialist training programmes for employees and partners to identify and support customers with varying needs for example; Autism Awareness, Deaf Awareness, Sense of Aging, Critical Illness, Dementia Friends, Mental Health and Fuel Poverty support
- Chair - Utility Networks Working Group / Forum to co-deliver services in shared distribution areas
- Chair – Partners Forum bringing together local authorities, first responders, health services, delivery and strategic partners to build services and knowledge to support vulnerable communities. (80+ organisations)

Summary of issues that came out of our group prioritisation exercise:

**Does the BMCS have a broad enough focus/is it targeting the right customers and services?**

- How to best understand and assess what customers value and consideration of the services that should be targeted
- Consideration of the GD2 and T2 packages addressing customer service
- How can we move towards DNOs consistently reporting on customer satisfaction of customers in vulnerable circumstances, or at least of those on the PSR?

**Does our current approach to measuring performance work effectively?**

- Consideration of survey methods and channels
- Review of survey questions (do they give insight into various steps along customer journey?)
- Are current weightings aligned with customer value? Is value to consumers homogenous or are there regional variations? If so, how could this be captured?
- Use of balanced scorecard approach, is it appropriate?
- On complaints, consideration of metrics used eg overall complaints vs time to resolve

**Satisfaction is high and complaints are low, is there evidence to suggest consumers value service improvements? Should we continue to incentivise this in ED2?**

- If incentives are appropriate in ED2, are we trying to improve, or avoid a deterioration in, performance? Consideration of what is BAU and reward vs penalty schemes
- Consideration of cost of further improvements vs value to customers, willingness to pay and customer insights
- If customers value service improvements, are these homogenous or are there regional variations? How should this be funded/incentivised?
- How much does reputation drive performance?
- Competition vs collaboration as best method to drive outcomes for customers
- Role of CEG in ED2?

Summary of issues that came out of our group prioritisation exercise:

Are existing RIIO-ED1 connections outputs and incentives targeting the correct customers/services?

- Wide variance in customer needs, how to best understand and assess what customers value?
- Customer groups and needs will change in response to LCT uptake and increased flexibility
- Is there over-emphasis on small connections? Could BCMS and GSOPs sufficiently protect smaller customers?

Is our approach to measuring performance effective? Do outputs and incentives drive improvements that translate into higher levels of service?

- No penalty applied in ICE yet and concerns remain, how to translate increased engagement into better service. Low level of stakeholder feedback (does penalty only position effect this?)
- TTC and TTQ - ensuring measurable targets. Min and max reward parameters extremely close therefore limited scope for further improvement on these timescales
- Do the Connection GSOPs need to be updated? Consideration of compensation level, performance level/ targets, type of behaviour GSOPs incentivise, correct recording
- What is the appropriate balance between competition and regulation to drive the best outcomes for connections customers?

Do customers value service improvements and would the cost of improvements in ED2 match the value to consumers?

- Cost of improvements vs value to customers, willingness to pay and customer insights
- Is good connections service BAU? Consideration of what 'good' looks like. Could BCMS and GSOPs sufficiently protect smaller customers?
- If customers value service improvements, are these homogenous or are there regional variations? How should this be measured and incentivised?
- Does low amount of feedback in ICE suggest low value to customers

What are the emerging challenges for ED2?

- Consideration of potential changes needed resulting from connections boundary options being considered by the Access and Charging SCR?
- How should we ensure flexible connections provision is incorporated into the outputs and incentives framework? (changing definition of customer service/critical touchpoints, flexible connections BAU?)
- What impact will DSO roles have on connections? What does this mean in terms of requirements for regulated companies and new entrants? Is there a level-playing field?
- Has the "level playing field" now tilted too far the other way? Eg asset values raised by UKPN, regulatory burden on contestable activities

**Our core purpose is to ensure that all consumers can get good value and service from the energy market. In support of this we favour market solutions where practical, incentive regulation for monopolies and an approach that seeks to enable innovation and beneficial change whilst protecting consumers.**

**We will ensure that Ofgem will operate as an efficient organisation, driven by skilled and empowered staff, that will act quickly, predictably and effectively in the consumer interest, based on independent and transparent insight into consumers' experiences and the operation of energy systems and markets.**