

RIIO-ED2 CSVC Working Group: Customer Satisfaction and Vulnerability



19 March 2020

Timings	Agenda item
10:00 – 10:10	1. Introduction/Aims of session
10:10 – 11:00	2. Update on Vulnerability actions <ul style="list-style-type: none"> a. Maxine and DNOs to provide update after GDN meeting on aligning SROI methodologies (Maxine and DNOs) b. Views on common assessment criteria for assessing options for vulnerability package in ED2 (Ofgem to share, group to provide views)
11:00 – 11:50	3. Update on Customer Service actions <ul style="list-style-type: none"> a. 'What is the most appropriate way to segment customers for survey? How to ensure that all domestic customers are captured in the BMCS?' (UKPN and ENWL – with input from SPEN – to provide update ahead of 9 April Connections) b. SSEN to bring back thoughts on how a balanced scorecard approach could work in ED2 (including any lessons learned from Ofwat approach) (SSEN to present, group to provide views)
11:50 – 12:00	4. Wrap up and actions

Item 2: Update on Vulnerability action^s

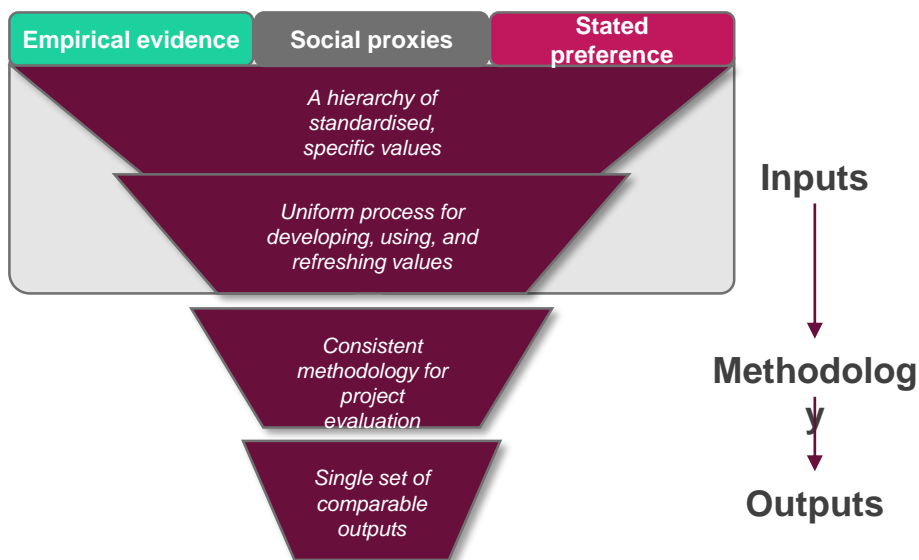
Developing a combined approach, compatible across networks



Objective: Define a methodology that allows for consistent, comparable social impact valuation

How: Direct engagement with each network, and key stakeholders, to ensure consensus and buy-in

Potential expansion: *If there is wider interest, there is the option to include GDNs/TOs in the work*



Steps to implement

- 1. Socialise Green Book principles, and engage with each company to understand the nuances of current approaches.
 - 2. Collect a full list of DNO outputs that should be valued, and any previous sources of social proxies.
 - 3. Build a full databank of social proxies, and identify where empirical evidence and stated preference values are required. Develop a process that allows networks to apply and refresh these values uniformly.
 - 4. Once a 1st draft has been developed, engage key stakeholders (CA, NEA, CEGs, BEIS, and Ofgem), and then the networks, to gather feedback and finalise.
- Deliverable:** A standardised methodology and full databank that allows for consistent social measurement in yearly submissions, and the ED2 business plan.



Return on Social Investment

Brian Hoy

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- At the Ofgem working group on CSVC on 27 February developing a common Social Return on Investment (SROI) tool/methodology was discussed
- There appeared to be general support for this as it would provide a consistent mechanism for assessment and allow comparison between companies
- In the meeting James Veaney postulated that this could also have potential to be used as an incentive mechanism
- These slides provide some thoughts on how a common SROI methodology could be used
 - These slides assume a common SROI is developed and approved but don't cover its development

1. Assessment of business plans



Company	Proposed units of activity	Estimated unit cost	Estimated Total Cost	Unit SROI	Total SROI	Estimated Net Social Value	Estimated Ratio
X	1000	£100	£100,000	£200	£200,000	£100,000	2.0
Y	5000	£130	£650,000	£200	£1,000,000	£350,000	1.5
Z	10000	£500	£5,000,000	£1,500	£15,000,000	£10,000,000	3.0

- Whilst there may be common obligations funded by allowances it is likely that DNOs will submit a range of social activities supported by their stakeholders that will vary in scope and ambition
- A common SROI would allow Ofgem to compare submissions as it provides a common benchmark for assessment
- Table above shows a simplified example as it assumes a single activity rather than a portfolio
 - Companies X & Y could propose same activity but with different volumes and unit costs
 - Companies X & Z could submit business plans with different scale of ambition
- Ofgem could set a threshold in advance for ratio of return to be achieved
 - Eg a minimum of a ratio of 1.2 needs to be achieved

2. Monitoring of Business Plans



Business Plan

Company	Proposed units of activity	Estimated unit cost	Estimated Total Cost	Unit SROI	Total SROI	Estimated Net Social Value	Estimated Ratio
X	5,000	£200	£1,000,000	£300	£1,500,000	£500,000	1.5

Scenario 1

Company	Actual units of activity	Actual unit cost	Actual Total Cost	Unit SROI	Total SROI	Estimated Net Social Value	Estimated Ratio
Lower Unit Cost	5,000	£150	£750,000	£300	£1,500,000	£750,000	2.0

Scenario 2

Company	Actual units of activity	Actual unit cost	Actual Total Cost	Unit SROI	Total SROI	Estimated Net Social Value	Estimated Ratio
Higher SROI	4,000	£200	£800,000	£375	£1,500,000	£700,000	1.9

- Could use the total SROI committed to in Business Plan as the output to be delivered
- Assuming that this commitment was met then the Totex Incentive Mechanism would drive efficient delivery

Scenario 1

- DNO delivers same # outputs at lower unit cost
- Total SROI met and increased Net Social Value
- Allowance of £1m; Actual costs £750k
- £250k efficiency subject to sharing factor

Scenario 2

- DNO delivers less outputs but at greater social return
- Total SROI met and increased Net Social Value
- Allowance of £1m; Actual costs £800k
- £200k efficiency subject to sharing factor

- But no incentive for the DNO to deliver more....

3. Return of Social Investment Incentive (ROSI)



Business Plan

Company	Proposed units of activity	Estimated unit cost	Estimated Total Cost	Unit SROI	Total SROI	Estimated Net Social Value	Estimated Ratio
X	5,000	£200	£1,000,000	£300	£1,500,000	£500,000	1.5

Scenario 3

Company	Proposed units of activity	Estimated unit cost	Estimated Total Cost	Unit SROI	Total SROI	Estimated Net Social Value	Estimated Ratio
More of the same	10,000	£200	£2,000,000	£300	£3,000,000	£1,000,000	1.5

- SROI model could be used as the basis of an incentive mechanism
- Spending more that delivers a SROI ratio consistent business plan would be **funded**

Scenario 3

- DNO delivers more outputs at same unit cost
- Total SROI exceeded, increased Net Social Value, SROI ratio maintained
- Allowance of £1m; Actual costs £2m
- Additional costs could be funded from a separate UIOLI fund for each DNO
 - Size of UIOLI fund scaled for each DNO
 - Quantum of additional spending could be capped as a protection

3. Return of Social Investment Incentive (ROSI)



Business Plan

Company	Proposed units of activity	Estimated unit cost	Estimated Total Cost	Unit SROI	Total SROI	Estimated Net Social Value	Estimated Ratio
X	5,000	£200	£1,000,000	£300	£1,500,000	£500,000	1.5

Scenario 4

Company	Actual units of activity	Actual unit cost	Actual Total Cost	Unit SROI	Total SROI	Estimated Net Social Value	Estimated Ratio
Bigger & Better	12,500	£160	£2,000,000	£400	£5,000,000	£3,000,000	2.5

- Spending more that delivers a SROI ratio better than business plan could be **incentivised**

Scenario 4

- DNO delivers more outputs at lower unit cost and greater social return
- Total SROI exceeded, increased Net Social Value, SROI ratio exceeded
- Allowance of £1m; Actual costs £2m
- Additional costs could be funded from a separate UIOLI fund for each DNO
- Outperformance incentivised based on additional SROI generated, split based on sharing factors
 - £2m of actual costs should deliver £3m of SROI based on Business Plan Ratio
 - Actual SROI delivered is £5m-£3m=£2m outperformance
 - £2m outperformance used to derive incentive payment funded from UIOLI fund using sharing factor
- Size of UIOLI fund acts as cap

3. Return of Social Investment Incentive (ROSI)



Business Plan

Company	Proposed units of activity	Estimated unit cost	Estimated Total Cost	Unit SROI	Total SROI	Estimated Net Social Value	Estimated Ratio
X	5,000	£200	£1,000,000	£300	£1,500,000	£500,000	1.5

Scenario 5

Company	Actual units of activity	Actual unit cost	Actual Total Cost	Unit SROI	Total SROI	Estimated Net Social Value	Estimated Ratio
Bigger but diminishing returns	10,000	£200	£2,000,000	£250	£2,500,000	£500,000	1.3

- Incentive properties could be symmetrical
- Spending more that delivers a SROI ratio worse than business plan could be **incentivised** the other way

Scenario 5

- DNO delivers more outputs at same unit cost and a greater social return
- Total SROI exceeded, same Net Social Value, BUT SROI ratio worse than Business Plan
- Allowance of £1m; Actual costs £2m
- Additional costs could be funded from a separate UIOLI fund for each DNO
- Underperformance based on lower SROI ration generated, split based on sharing factors
 - £2m of actual costs should deliver £3m of SROI based on Business Plan Ratio
 - Actual SROI delivered is £2.5m-£3m=-£0.5m underperformance
 - -£0.5m underperformance used to derive incentive 'penalty' using sharing factor
- Acts as a deterrent to spending more unless it delivers greater social return

3. Return of Social Investment Incentive (ROSI)



Business Plan

Company	Proposed units of activity	Estimated unit cost	Estimated Total Cost	Unit SROI	Total SROI	Estimated Net Social Value	Estimated Ratio
X	5,000	£200	£1,000,000	£300	£1,500,000	£500,000	1.5

Scenario 6

Company	Actual units of activity	Actual unit cost	Actual Total Cost	Unit SROI	Total SROI	Estimated Net Social Value	Estimated Ratio
Bigger but diminishing returns	10,000	£200	£2,000,000	£3,000	£30,000,000	£28,000,000	15.0

- Spending more that delivers a SROI ratio significantly greater than business plan could be **capped**

Scenario 6

- DNO delivers more outputs at same unit cost but with a significantly greater social return
- Total SROI, Net Social Value and SROI ratio all exceeded massively
- Outperformance incentivised based on additional SROI generated, split based on sharing factors would give £27m of outperformance
- Incentive could be capped by a maximum SROI ratio
 - £2m of actual costs should deliver £3m of SROI based on Business Plan Ratio
 - £2m of actual costs could have a capped ratio of, say x4 which would give capped incentive of £8m
 - Capped SROI delivered is £8m-£3m=£5m outperformance
 - £5m outperformance used to derive incentive payment funded from UIOLI fund using sharing factor
- Acts as a cap on incentive rate as well as the capped size of the UIOLI funding pot



- Assuming an agreed SROI model/methodology could be agreed...
- SROI could be used as the basis for monitoring Business Plan commitments
- SROI could be used as the basis of a new incentive mechanism with the following characteristics:
 - It incentivises efficient delivery of commitments
 - It allows enhanced expenditure with a number of safeguards
 - It funds increased scaling of activities with social benefit
 - It incentivises enhanced rate of return of social activities
 - Extra costs and incentives funded from a capped UIOLI pot
 - It caps the ratio of return

Does the overall package...

- Enable us to 'bank' and embed DNO performance in ED1 into ED2?
- Enable DNOs to maximise their role in addressing vulnerability in ED2?
- Mitigate the risk of windfall gains?
- Provide an efficient mechanism that is not overly burdensome on DNOs and the regulator?
- Enable DNOs to develop an ambitious business plan that can be responsive to its individual stakeholders expectations?
- Enable DNOs to act flexibly and to take actions (informed by customers' needs/stakeholders) to (i) support those at risk of being left behind and (ii) ensure costs and benefits of expenditure to enable decarbonisation are shared more equitably?
- Work towards the CVS 2025 priorities? (improving identification; support those struggling with bills; improvements in customer service for vulnerable groups; encourage inclusive innovation and work with partners across multiple sectors)
- Drive companies to excel but also to collaborate, share and coordinate ideas?

Incentive design questions

- Do we know what benefit is being achieved through DNO actions or how far they could go in this area?
- Is there a risk we are rewarding companies for benefits that were achieved through other parties?
- Is it measurable and does it drive consistent data reporting and comparability?
- Does it encourage best practice to be shared and implemented across all DNOs at the earliest opportunity?

Each criterion would be assessed on a 1-5 scale of whether the package meets it aims.
There may need be trade-offs between some criteria needed.

Item 3: Update on Customer Service actions

SSEN Overall Customer Satisfaction Approach and Methodology Summary



There were a number of actions for SSEN to take away following the last RIIO-ED2 Customer Service Vulnerability and Connections Working session which was held on the 27th February 2020.

- ☐ Create and propose an alternative Customer Satisfaction Metric that could be used to replace the traditional Broad measure format
 - The “balanced scorecard” approach on measuring customer satisfaction
- ☐ Create and propose a Hybrid solution for Customer Complaints Management and Metric weightings
- ☐ Review, adapt and enhance customer touchpoints, paying particular attention to customers we may leave behind or areas we are unclear on volume predictions
- ☐ Continue to adapt and enhance Social CMZs framework

We have a strong opinion that the traditional broad measure methodology is not fit for purpose for ED2. Our opinions are based upon:

- ☐ During each customer survey, we ask a number of questions depending on the segment, however the only true weighting that is important and reflective of score is the killer question. The score is based on the killer question only, and not an overall mean score based on all questions, making all other questions obsolete
- ☐ Broad measure doesn't extend to relationships between consumer and business, instead it focuses on individual job satisfaction
- ☐ Broad measure doesn't provide a detailed indication of areas of improvement. It is used more as a form of benchmarking, but doesn't give true value to create improvement plans
- ☐ Archaic measurement of customer satisfaction in a modern world, that doesn't take into account important aspects of service that customers now expect from large businesses
- ☐ Broad measure does not support digital Channels and is not flexible to be able to adapt to new channels easily
- ☐ Sample size is based on a set criteria, per DNO licence area, not based on Customer numbers per licence area, which we believe if the customer size is greater, the sample size should be reflective of this
- ☐ There is a disconnect between what a customer believes a scoring category means, vs what we know it to be under the RIGS
- ☐ Weighting for segments does not correlate with volume of customers passing through those journeys
- ☐ The current performance under Broad measure is unsustainable and does not provide much room for further improvement
- ☐ Broad measure does not include measurable factors such as customer trust, and this metric under the current framework would be hard to build in



Experience

Measures the quality of customers' experiences and interactions with organisations



Complaint Handling

How organisations respond and deal with problems and complaints



Customer Ethos

Extent to which customers perceive that organisations genuinely care about customers and build the experience around their customers' needs



Emotional Connection

The extent to which an organisation engenders feelings of trust and reassurance



Ethics

Reputation, openness and transparency and the extent to which an organisation is deemed to "do the right thing"

SSEN has been working with the Institute of Customer Service (IoCS) since 2017 and have been accredited since 2018. This has given us greater insight to Customer Satisfaction, beyond our own sector, but also demonstrated that the utilities sector has one of the lowest scoring Customer Satisfaction levels.

We know that based on our data, working relationship with the IoCS and utilities data that customer do not trust us as a group, they do not have a natural emotional connection to us and cannot see that we are building inclusive, sustainable services based on their needs or changing needs.

The Institute of Customer Service uses a balanced scorecard approach to measure customer satisfaction. They have developed 5 dimensions of Customer Satisfaction, over a period of 10 years, based on continuous customer insight and engagement, to measure customer service performance since January 2019. The dimensions were introduced based on the attributes of customer experience that are most important to customers and which have a strong influence on customer satisfaction. We do not know currently if the questions asked and killer question asked on Broad measure is still relevant attributes of the customer experience and what customers believe should be correct.

The five dimensions reflect both customers' transactional and broader relationship needs when interacting with organisations. The proven method of measurement is now recognised across all industries sectors in the UK, including the majority of DNOs who are members of the institute.



The measurement of customer satisfaction on its own is seen as archaic to some external organisations such as The Institute of Customer Service. Although a good measurement of how customers rate their end to end journey with an organisation, it does not add weighting to important aspects of an organisation that society expects to see in a modern world such as the ethical and social position of organisations that customers typically use in competitive markets to make purchasing decisions. Where possible, we believe we should be held to the same competitive benchmarking seen outside of the industry .

We propose moving to a measurement of similarity to the UK Customer Satisfaction Index, where Experience, Complaint Handling, Customer Ethos, Emotional Connection and Ethics are measured in a single balanced scorecard.

Option 1

Continue with the current survey methodology where an independent third party undertakes regular surveys with our customers, however, rather than specific questions for different categories of contact, customers are surveyed using the same question set.

- *Consistency in questions enables flexibility of customer segments to include. As more services begin to be offered by DNOs, such as low carbon and flexible technologies, this will enable the industry to extend the surveys to these customers, leaving no-one behind*

Option 2

DNOs are measured as part of the UK Customer Satisfaction Index and is used to determine incentive for individual DNOs.

- *Increased public transparency to industry performance.*

Utilities as an industry are the second lowest scoring sector in the UK Customer Satisfaction Index and have one of the lowest levels of trust as measured by The Institute of Customer Service. This approach will encourage network operators to work on meeting a wider scope of customer requirements that is expected from organisations that play a part in UK society.

Although our industry average of customer satisfaction is considered high, the measurement does not transfer to the UK Customer Satisfaction Index where utilities hold a score of 72.3, energy scoring lower than water.

This approach takes into account the holistic remit of customer service, rather than siloed segmentation such as complaints.

As geographically based organisations, with important roles to play within local communities, this provides customers the opportunity to score us on this, along with our ethical stance as a standalone business.

No customer is left behind. The current remit of the survey means that customers would not be excluded when falling through gaps in service segmentation.

If decided as a suitable measurement, The Institute of Customer Service would be able to support the implementation as arguably the most recognised customer service experts in the UK.

SSEN Overall Complaints and Enquires Hybrid Proposal



We believe that ED1 metrics and penalty only incentive has driven the DNO community to improve overall customer complaints performance. However, over the years we have seen a number of Customer Expectation changes and believe in some case that we need to develop our currently methodology to capture these new and ever changing expectations.

We have a strong opinion that the traditional complaints methodology is not fit for purpose for ED2. Our opinions are based upon:

- ☐ We have seen an increase in customer frustration around Complaint Handling timescales, pushing more customers to approach senior channels quicker to find quicker resolutions
- ☐ We have seen a decrease in customer trust levels on resolution actions
- ☐ We have seen frustration with customers that we have no bespoke service for PSR customers, or our most vulnerable customers
- ☐ We have seen an increase in Senior or Executive level of Complaints
- ☐ We have seen an increase in complaints that fall under debt recovery, such as cable damage and a reluctance to pay
- ☐ Our ADR scheme is too independent and often operates outside its terms of reference. Their terms of reference often change over the years, to which we have no control or input over. The scheme is also very costly, which will push DNOs to look at complaints in more of a commercial aspect that best resolution for the customer
- ☐ Operating costs for all DNOs to achieve “good” results have significantly increased
- ☐ No DNO has faced penalty in ED1
- ☐ Best performing DNO is 1.8 and worst performing is 3.8. Given we only go into penalty beyond 8.33, the DNO group are 50% under maximum metric weighing, which will make it harder to improve on where they are right now

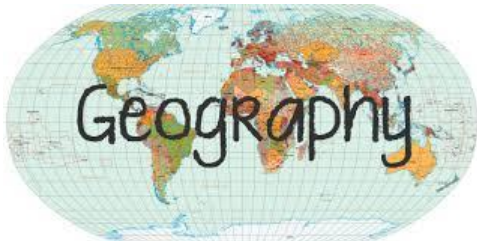
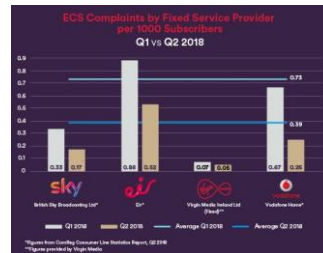
Why do SSEN believe that the current Complaints Metric and Weighting is no longer fit for purpose?

Customer Satisfaction

SSEN have looked at a range of models (8) that will tackle quicker resolutions for the customer, bespoke timescales for PSR or the most vulnerable, what will drive the biggest improvements for customers and long-term sustainability.



Action for Warm Homes
Northern Ireland



Scottish & Southern
Electricity Networks

Customer
Experience

Taking into consideration all on the previous slide we are proposing the following hybrid solution

Current D1+ Measurement to remain	Current - 10%	Proposed - 20%	This drives DNOs to resolve a large number of complaints within a 24 hour period and has been the biggest improvement measurement in ED1
Introduce 12 hour Measurement from first point of contact to resolve PSR customers complaints		Proposed - 20%	Having a shorter dedicated service for PSR customers where severity levels could be much greater, causing increased welfare concerns
Current D31 measurement to be replaced by D15 metric	Current - 30%	Proposed - 20%	This takes on board customer feedback in relation to the delayed complaint handling timescales
Repeat Complaints	Current - 50%	Proposed - 10%	Decrease % weighting, due to low level risk based on ED1
Ombudsman Complaints	Current - 10%	Proposed - 30%	Increase Ombudsman % to encourage DNOs to resolve quicker within the complaint handling timescale, to avoid ombudsman interaction

Additional Enhancements

- ☐ A data quality framework, to support data governance, that would be commissioned as independent, across all DNOs. This is for us to demonstrate that we have accuracy recorded complaints under the correct category, recorded the correct timescale and ratify our submission date, demonstrating to customers that we take data governance very seriously and in turn build a higher level of trust towards us.
- ☐ Considerations would be that in the event you are seen to have incorrectly recorded more than x % of data, you would be added an additional 2 points at end of year which could place a DNO into Penalty. This supports the quality over quantity argument.
- ☐ We would also like to introduce a secondary measurement around Complaints per 1,000 customers to apply a focus on complaint volume reduction, considering the following categories: Interruptions. Connections, General enquires, LCT, EV, PSR and battery storage. The average complaints per 1,000 is 4.2, outside of our DNO world. We would require customer research/insight here around what our target should be based on what is more important to customers.
- ☐ To us, going to the ombudsman might be important, but in actual fact, small number of customers want this, and they would prefer more weight on Day+1?

We believe that ED1 metrics and penalty only incentive has driven the DNO community to improve overall customer complaints performance. However, over the years we have seen a number of Customer Expectation changes and believe in some case that we need to develop our currently methodology to capture these new and ever changing expectations. As customer demand is growing, to be able to achieve a greater, fast experience there is a danger that our IT systems may be out of date or our operational costs may increase.

DNOs have demonstrated a significant improvement in complaints performance during ED1. This remains a penalty only incentive. DNOs believe that they have significantly stepped up their performance and embedded several processes to enhance their resolution rates.

We also believe that we should be incentivised for “exceptional performance”

Taking best in class which currently sits at 1.8 metric score and worst performing 3.8 metric score, we believe that between 1.8 and 4 this should remain a penalty only incentive. Above 4 we would enter the penalty zone.

We believe for any performance in the following order we should be rewarded for:

0.01 – 1 - £1m reward – This would be classed as “exceptional performance” – best in class

1-1.8 – £500,000 reward – This would be classed as a “very good performance” – moving towards best in class

Reward would only be applicable if your annual governance test was 100% compliant

Noteworthy : If we had a strong view that financial reward was a consideration, we would need to look at a range of industries to determine what best in class vs good really looks like and look how “best in class” is financially rewarded. There could be a consideration that financial reward would only be applicable for a new PSR category or change in category, as the operational cost to achieve quicker resolutions would be required or first point of contact as customers are happier when resolved at touch point 1.

**SSEN Overall
Customer
Touchpoints –
additional
thinking...**



Citizen's Advice - DNO touchpoints with consumers	Touchpoint Opportunity Utilised Currently (Y/N)	Review of DNO Touchpoints and what we do currently	Enhancements to DNO Touchpoints	New/Radical
Attending an interruption/Voltage Issue	Y	<ul style="list-style-type: none"> Trained all staff in identifying consumer vulnerability (front office and in field). Proactively contact known PSR customers to provide assistance during fault. Staff on site actively supporting and promoting PSR services Use the opportunity to update our records on every call PSR Team to arrange additional support for vulnerable customers ie generator, welfare visit 	<ul style="list-style-type: none"> Actively promote PSR and signpost customers to the offering through use of branded information boards or livery Design an internal application that field staff can use on tablets to allow customers to register there and then. All PSR 0 and PSR 1s proactively called in the fault journey to ensure they are coping Partnerships with local care providers ensuring catering is available for meals during all extended outages. Battery back up available to power medical equipment in partnership with NHS Faster response for PSR customers eg. 2hrs attendance for Single No supply 	<ul style="list-style-type: none"> EV Mobile Charging units available Use smart meter data to proactively contact customers.
Attending a planned interruption	Y	<ul style="list-style-type: none"> Use of vulnerability mapping to understand impact of planned shutdown on vulnerable customers over and above those that we know of on the PSR Letter informing of outage posted and physical door knock Reminder texts sent prior to outage Inbound/outbound telephony contact Home visits to carry out welfare checks during outages Onsite presence during outage Restoration text PSR Team to arrange additional support for vulnerable customers ie generator, welfare visit Field Staff have stock of PSR Leaflets to hand out 	<ul style="list-style-type: none"> All vans to have facility to charge customers phones and provide hot water. PSR 0 customers - offer face to face meeting to make an individual tailored plan around how they are going to cope with the outage Distribution of small suitcase generators (6kVA) could be carried on all vehicles Broaden the distribution of crisis packs already carried in our dedicated welfare vans (items such as torch, wind up radio, thermal blanket, analogue phone etc) A never say no policy to attendance for welfare visit. 	<ul style="list-style-type: none"> PSR 0 customers never go off supply for planned. Batteries or generation to be supplied.
Moving a meter* *we do not move meters under a DNO duty, but some DNOs may do this contracted via a MOP	N/A	<ul style="list-style-type: none"> See "making a new connection/altering a connection" below 		
Making a new connection/altering a connection	Y - partially	<ul style="list-style-type: none"> Identification of vulnerability at application stage by training our connections staff on vulnerability Changes to cut-out i.e. upgrade to allow for smart meter installation opportunity to identify vulnerability / support. Electric heating being installed as part of fuel poverty initiative LCT being installed as part of fuel poverty initiative EV charging point for disability provided vehicle modification to electricity supply as part of renovation work for fuel poverty or to install disability access eg downstairs toilet, chairlift etc. 	<ul style="list-style-type: none"> Community EV charging points i.e. close to social housing As with our regional staff there could be opportunities to raise awareness of PSR services whilst in the property. Design an internal application that field staff can use on tablets to allow customers to register there and then All PSR customers offered home visit to talk through the quotation / delivery process 	<ul style="list-style-type: none"> There is a real opportunity to expand on this touchpoint to address vulnerability eg modification to electricity supply as part of renovation work for fuel poverty or to install disability access There is an opportunity to review how the cost of connections be funded for ED2 in relation to those least likely to afford it. In addition to the above have a fund specifically for financially vulnerable consumers to pay for meter moves and this could be same criteria as suppliers for

Citizen's Advice - DNO touchpoints with consumers	Touchpoint Opportunity Utilised Currently (Y/N)	Review of DNO Touchpoints and what we do currently	Enhancements to DNO Touchpoints	New/Radical
Outreach events	Y	<ul style="list-style-type: none"> Local and organisational stakeholder events Community events Community volunteering opportunities Resilience forums Fuel Poverty events Charity group events Proactively target gaps in PSR Vs social indicators on the Vulnerability Mapping tool to partner organisations to close gaps 	<ul style="list-style-type: none"> Opportunities to work with partners: <ul style="list-style-type: none"> to identify blockers in accessing low carbon technologies to encourage more efficient use of energy and reduce bills to explore opportunities to provide services to Networks (explore financial benefits and opportunities) Work with other utilities to share information Make DSO focused on vulnerable benefits 	<ul style="list-style-type: none"> Scheme to fund costs of white goods suitable for DSO environment
Indirect touchpoints through partners	Y	<ul style="list-style-type: none"> Referral schemes to energy efficiency experts, debt management, benefit entitlement checks, Citizen's Advice, Energy efficiency household installers, Hospital discharge units, Utility Partnerships, etc. Proactively target gaps in PSR Vs social indicators on the Vulnerability Mapping tool to partner organisations to close gaps 	<ul style="list-style-type: none"> Opportunities to work with partners: <ul style="list-style-type: none"> to identify blockers in accessing low carbon technologies to encourage more efficient use of energy and reduce bills to explore opportunities to provide services to Networks (explore financial benefits and opportunities) Work alongside landlords who have a responsibility for homes with multiple occupancy Offer free Energy Performance certificates via a third party for the most at risk fuel poor customers. 	<ul style="list-style-type: none"> Centralised PSR for all utility companies Automatic sign up to PSR when NHS discharged or DWP acceptance for DLA or child benefit.
Customer service centre calls (including Digital - Social Media, Online etc)	Y	<ul style="list-style-type: none"> Trained all staff in identifying consumer vulnerability (front office and field staff). Proactively contact known PSR customers to provide assistance. Use the opportunity to update our records on every call Referral schemes to experts as above HES and YES Prewarning calls to the most vulnerable PSR customers Training and awareness for staff on subjects such as Autism, Dementia/Alzheimer's to further increase the knowledge of staff and provide support to vulnerable customers Provision of adapted communications such as large print, Braille, audio and alternative languages Dedicated PSR team with 24/7 available telephone number 	<ul style="list-style-type: none"> More engagement with groups such as Occupational Therapists and Palliative care to understand the specific support needs and tailor services accordingly Referral opportunities to identified partner groups as above 	

Additional DNO touchpoints with consumers identified	Touchpoint Opportunity Utilised Currently (Y/N)	Review of DNO Touchpoints and what we do currently	Enhancements to DNO Touchpoints	New/Radical
Elected Officials (MPs, MSPs, Local Authorities, Govt Bodies)	Y	<ul style="list-style-type: none"> Engagement with MPs and MSPs and other political stakeholders, seeking their involvement in promoting the PSR and other customer facing services This had led to significant proactive media activity, social media engagement and even an early day motion lodged in Parliament to promote the PSR service. A series of regional booklets have been created for each region which describe our services and investments. These booklets have been sent to each MP and MSP with the offer of a visit at either at one of our sites or in parliament. 	<ul style="list-style-type: none"> Continue to step up engagement with elected officials to aid communication of support services for all vulnerable customers, wider than just the DNO. Work to develop common approaches to LAEP and LHEES to support efficient roll out of LCT ie co-ordinated EV and Heat strategies to reduce the risk of vulnerable customers getting left behind 	
General Enquiries eg fuse replacement, switch mains off, meter board change, disconnection	Y	<ul style="list-style-type: none"> Trained all staff in identifying consumer vulnerability (front office and field staff). Hand out PSR leaflets or pass potential concerns to the PSR Team 	<ul style="list-style-type: none"> Have PSR on all handhelds for either registering or awareness and updates on new changes in PSR Have suitcase generators on each vehicle Have a small box with some essentials/crisis pack – torch, wind up radio, plug in phone etc 	
Complaints	Y	<ul style="list-style-type: none"> Trained all staff in identifying consumer vulnerability (front office and field staff), throughout the complaints journey to validate/update requirements Use the opportunity to update our records, through pulse checks on PSR via inbound telephone complaints and on-site and home visits 	<ul style="list-style-type: none"> Have PSR on all handhelds for either registering or awareness and updates on new changes in PSR Actively signpost customers to partner organisations for appropriate assistance 	
Capital Investment Works and Maintenance (Major Upgrades)	Y	<ul style="list-style-type: none"> Community engagement on proposed works Use of vulnerability mapping to understand impact of proposed planned works on vulnerable customers over and above those that we know of on the PSR (even when there is no impact on Network) Trained all staff in identifying consumer vulnerability (front office and field staff). Hand out PSR leaflets or referrals to DNO's PSR Team 	<ul style="list-style-type: none"> Have suitcase generators on each vehicle Have a small box with some essentials/crisis pack – torch, wind up radio, plug in phone etc Have PSR on all handhelds for either registering or awareness and updates on new changes in PSR 	

SSEN Strawman Methodology and Technical consideration for Social CMZs



Background

Scottish and Southern Electricity Networks (SSEN) has teamed up with National Energy Action (NEA) on a new project where communities and community organisations can receive payments for helping ease constraints on the local electricity network, as an alternative to upgrading cables and substations. Energy saving projects that help the network are called flexibility.

Aim

On winter evenings when electricity demand is at its highest, some parts of the local electricity network may approach their maximum capacity. SSEN is looking to address this issue with alternatives to upgrading the cables and substations, initially in two parts of our network: Drayton and Coxmoor Wood. These have been designated Social Constraint Managed Zones (SCMZ) and the aim is to provide an easily accessible route for communities to receive payments for either:

- Reducing their peak electricity demand
- Time shifting their electricity consumption or
- Reducing their overall electricity demand

Benefits

Delivering flexibility that would defer investment in the network would provide the following benefits to communities:

- Carbon reduction
- Energy efficiency
- Smart technology solutions
- Reducing fuel poverty
- Health benefits

NEA and SSEN – A Collaboration



Action for Warm Homes



Scottish & Southern
Electricity Networks

**Customer
Experience**

Social CMZs - What have we done? – Recap!

- Commissioned and worked with NEA to ensure the social aspect is delivered, not just the technical solution, and ensuring it is smart and fair
- Carried out significant stakeholder engagement and two trials in Drayton and Coxmoor Wood
 - ✓ stakeholder mapping
 - ✓ engagement through NEA
 - ✓ Webinars
 - ✓ Match Making Workshops
 - ✓ simplified qualification questionnaire (< 1 page)
- Six applications passed initial pre-qualification
- Tender process held between August and December 2019
- Along this journey five applications lost and one completed the process
 - ✓ Reasons for applications lost:
 - ☐ Commercials
 - ☐ Procurement
 - ✓ Other considerations
 - ☐ Challenges of energy efficiency outside of SCMZ market
 - ☐ Engagement costs



Stakeholder Feedback lessons

- It was noted the SCMZ concept is challenging given the need to measure kW output of energy efficiency and therefore takes time
- A streamlined communication process is key - one central contact point was cited as being beneficial and a consistency in language is needed
- SCMZ investment opportunities were relatively small (commercially), however we expect this to increase in the future due to increased uptake in EVs and Heat Pumps

Agreement actions from previous meeting for SSEN to develop:

☐ Confirm the start date and scheme details of the successful scheme

The successful scheme looked to deploy domestic batteries in properties fed by the constrained substation. The start of this service is still being negotiated as part of the procurement process. However, typically in a CMZ an asset will be expected to be operational within 1 year. One other scheme looked at using a domestic demand side response game to encourage peak load-reduction. This ran through the tender stages to ITT, at which point it became clear that it was not commercially viable.

☐ Confirm if the impact was at primary or secondary substation level

The impact was assessed only at primary substation level. As part of the Local Energy Oxford (LEO)/Transition programme of works SSEN will be exploring flexibility at LV levels alongside services like Peer-to-Peer trading and the ability to stack services through the network levels.

☐ Create a strawman on how this approach could be incentivised

We are currently working on the 'regulatory framework' strawman. We will provide a verbal at this meeting and will submit the strawman for further discussion shortly after.

☐ Are there unintended consequences if we "load up" a social factor to the procurement process – do commercial providers start to drop off future tenders as they don't "win" these tenders as they don't know what the social factor impact is or how it's measured

Social factors should only ever be increased/decreased by an amount which accounts for the positive/negative externalities that are not appropriately recognised by the free-market. That is, economically, they will address the market failure to ensure the market is acting efficiently. By recognising these social factors markets should get more competitive and hence cause market stimulation.

In terms of commercial availability we propose focusing on ensuring a whole system approach to flexibility to recognise the social CMZ's true value. This should include recognising the multi-faceted benefits different flexibility assets can offer (including social), whilst stacking revenue streams (generation, transmission, distribution) to increase commercial attractiveness (rather than limiting social value). We believe this is in line with the government's approach outlined within the Green Book.