

## RIIO-ED2 Customer Service, Vulnerability and Connections (CSV) Working Group – Session 8

From: Ofgem

Date: 28 May 2020

Location: Conference Call

Time: 09:50-15:00

### 1. Present

Ofgem

UK Power Networks (UKPN)

Western Power Distribution (WPD)

Northern Powergrid (NPG)

Scottish Power Energy Networks (SPEN)

Electricity North West (ENWL)

Scottish and Southern Energy Networks (SSEN)

Utility Customer Service Management Limited (UCSM Ltd)

Sustainability First

Agility Eco

Citizens Advice

BEIS

### 2. Introduction and update on outstanding actions

2.1. Ofgem introduced the meeting and conducted a recap of actions and requested a status update from relevant group members.

2.2. Ofgem noted that this is the final planned working group session, however there would still be questions posed within the sessions and actions to be taken forward. Ofgem wanted to use the session to highlight what was still needed ahead of consultation.

2.3. SPEN gave an update on the work to develop a common SROI methodology. All DNOs have now agreed to the work. SPEN will send over a plan to Ofgem and look to agree engagement milestones for Ofgem and other key stakeholders. Citizens Advice noted they would want to engage with this also.

2.4. SSE asked how Ofgem expects the group to be used after the consultation and the decision. Ofgem consider the group will still be needed after both these milestones as stakeholder input on policy development and implementation would be needed, but Ofgem will develop across the ED2 team on the role of WGs going forward.

2.5. UCSM Ltd noted they had received limited feedback on the item they had sent round after the previous working group on connections customer service. Following some

discussion on the item, DNOs who had yet to offer written feedback assured UCSM they would.

- 2.6. Regarding the action from SSE to coordinate a call with the DNOs to discuss possible research on the customer satisfaction surveys, SPEN clarified that the DNOs do plan to take this work forward at a later date, but that this won't be finalised ahead of **consultation. Ofgem asked for DNOs to provide an update on the scope of the proposed work ahead of the consultation.**

### 3. Connections Update (UKPN and Ofgem)

#### Broadening the BMCS

- 3.1. UKPN provided progress update on DNOs' assessment of connections proposals. Ofgem posed questions to the group on the volume of low carbon technology (LCT) customers; what constitutes LCT and advice; what appropriate weightings would be and the size of the incentive.
- 3.2. ENWL suggested the need to future proof arrangements in light of the current volumes compared with expected increases in ED2 period. SPEN suggested that work can be done to improve forecasting in this regard to understand how volumes may ramp up from current levels across the period.
- 3.3. The group discussed the implications of volumes on weightings, and the uncertainty across the period. It was noted that calibration needs to reflect the service priorities the incentive is driving and that there should be sufficient flexibility in the framework to reflect different DNOs situations and regional context.
- 3.4. There was discussion over how to define what constitutes advice and the implications of this. SPEN suggested an action to define advice and map forecasted volumes across the period. It was also suggested a clear definition of what constitutes an LCT is needed to ensure all DNOs are recording this in the same way.
- 3.5. Action: DNOs to develop an initial definition for both what constitutes advice and an LCT.
- 3.6. Action: Using this definition map out the forecast volumes across the period.

#### TTC/TTQ and ICE

- 3.7. UKPN provided an update on the work done by DNOs to assess connections proposals in this area. Ofgem posed questions on, if TTC was retained, the incentive design and targets and on how ICE could be improved.
- 3.8. UKPN suggested TTC should be retained due to LCT uptake and not all DNOs meeting targets in ED1.

3.9. There was discussion on if time to quote component could be retained, but time to connect removed as performance may be captured under the incentive. It was raised that there is a timeliness question in the survey, which could be monetised. SPEN stated a preference for retain TTC, but with exemptions or clock-stopping provision.

3.10. UCSM Ltd raised BNOs and the implications they could have in this area in ED2.

## 4. Vulnerability Actions Update

### Touchpoints work update (SPEN)

4.1. SPEN updated the group that following a DNO call they have collated a table of what DNOs 'could do' in ED2 and provided a template for the group to feed in views on if it 'should be done' and how it is facilitated in the arrangements eg. A minimum requirement or incentive area.

4.2. They expect to be able to consolidate all feedback into a table by 5th June.

### Minimum Requirements

4.3. Ofgem presented some slides which set out the reasons for enhancing minimum requirements and how this may be done. This included detail on the different arrangements but also a suggestion of what might constitute minimum requirements.

4.4. ENWL sought clarity over the level of detail minimum requirements may be set out and raised an example of translation services for discussion.

4.5. Ofgem suggested a principles based approach to minimum requirements but sought views on how high level this should be. Sustainability First were in support of a principles-based approach, suggesting it is not for Ofgem to set prescriptive details of all the activities a DNO should do, but that their existing competence and stakeholder engagement should be sufficient when paired with guidance.

4.6. The group discussed how differences in DNOs business plans will be treated. Citizens Advice suggested it is for DNOs to justify the activities they are proposing to meet the minimum requirements and show sufficient justification from stakeholders, CEGs and how activities related to ED1 performance levels.

4.7. Action: Ofgem to develop a first draft of minimum requirements to share with the group. The action being compiled by SPEN will inform this development.

## 5. Ofgem Discussion Item

5.1. Ofgem presented an early stage concept for an incentive mechanism which aims to capture the changing role of the DNO and drive DNOs to ensure the participation of

key stakeholders in the transition to a smart, flexible and decarbonised energy system.

- 5.2. Ofgem noted this concept was in the early stages of development and was looking to reflect on key messages of the working group, in particular in relation to ED2 challenges for connections and vulnerability. The discussion at the working group of the proposal was to inform further thinking and does not signal a preference or inclusion in consultation.
- 5.3. UKPN considered the concept reflects the ICE proposals in the working group, in particular to widen it out. They noted it would need to be considered alongside other proposals to make capacity available, which would impact these stakeholder groups. SSE also raised the need to consider how this proposal interacts with other areas.
- 5.4. Some DNOs were unclear on the rationale for the incentive or the problem it was looking to respond to. Sustainability First however welcomed the thought going into a proposal in this area and noted their disagreement with suggestions of 'what's the problem in this area', when the working group has already identified issues.
- 5.5. There were queries and issues raised from DNOs over how you get funding for new things and where the incentive is in such a mechanism. Ofgem clarified the proposal was for a financial incentive.
- 5.6. Citizens Advice queried whether this would sufficiently capture fuel poverty actions, but suggested this may only need a slight change in the framing. Ofgem agreed the framing could better reflect this. Ofgem also noted it would be interested for the group to reflect on what fuel poverty initiatives would not be captured by a package with minimum requirements and the mechanism being discussed.
- 5.7. Action: Group to feedback reflections on the proposal, in particular in relation to questions on slide 16

## 6. Next Steps

- 6.1. It was considered a follow up call would be useful to pick up on the actions of this working group and Ofgem will arrange this for late June.

Action	Allocated to	Due date
<p>Connections</p> <p>DNOs to develop an initial definition for what constitutes advice and an LCT.</p> <p>Using this definition map out the forecasted volumes across the period.</p>	<p>UKPN to coordinate</p>	<p>Friday 12th June</p>
<p>Vulnerability</p> <p>Ofgem to develop a first draft of minimum requirements to share with the group</p>	<p>Ofgem</p>	<p>Friday 12th June</p>
<p>Group to feedback reflections on the proposal in item 4, in particular in relation to questions on slide 16</p>	<p>All</p>	<p>Friday 12th June</p>
<p>Ofgem to arrange a further call</p>	<p>Ofgem</p>	<p>Call in the second half of June</p>