

RIIO-ED2 Customer Service, Vulnerability and Connections (CSVC) Working Group 10

From: Ofgem

Date: 10 September

Time: 10:00-15:00

Location:

Conference call

This document sets out the high level minutes and actions from the 10th Customer Service, Vulnerability and Connections working group. The aim of the document is to record the main issues and themes raised in discussion. All minutes and notes were recorded in conjunction with the Terms of Reference. For reference to the presentation material, please refer to the accompanying working group slides.

1. Attendees

Dialling in

Brian Hoy, ENWL
Paul Hawker, BEIS
Sam Hughes, Citizens Advice
Matt Copeland, NEA
Christine Tate, Agility Eco
Andrew Scott, SSE
Michelle Chalmers, SSE
Alex Wilkes, WPD
Richard Allcock, WPD
Ross Thompson, UKPN
Dave Wilkins, NPg
George Young, SPEN

2. Introduction and update on outstanding actions

- 2.1. Ofgem set out expectations and proposed running of the working group over September and October.

- 2.2. ENWL noted that it's important for post-SSMC working groups to provide clarity on proposals ahead of the close of the consultation to ensure stakeholder responses are fully informed. Ofgem noted that the session can be used to provide some clarity on proposals but that where things aren't yet clear it may also be where the policy needs refining further.
- 2.3. Citizens Advice sought an update on the ongoing SROI methodology and BMCS research. Ofgem outlined that Sia Partners have engaged with DNOs, Ofgem and wider stakeholders and have produced a 'methodology on page'. A first strawman is expected mid-end of September, with the intention of further discussion in October working group. Regarding BMCS research, work is ongoing and a more detail update can be provided at 24th September.

3. Overview of proposals in the SSMC

- 3.1. Ofgem provided an overview of proposals in the SSMC relating to customer service, vulnerability and connections.
- 3.2. The group sought clarifications on the process for determining any changes to the boundary between major and minor connection customers, including questions around timing. Ofgem noted that this is a priority for the working group ahead of the SSMD. A focus of the group will need to be assessing options for ensuring connection customers receive the outcomes we want, ie strong levels of customer service in RIIO-ED2, and whether redetermining the boundary between major and minor connection customers is the most effective way to achieve this.

4. ODI framework for major connections and vulnerable customers

- 4.1. Ofgem provided an overview of the proposed ODI framework, including a review of the proposed principles and baseline standards for major connections and vulnerable customers.
- 4.2. Clarity was sought over timing of the BPI assessment in these areas and how the enhancing of baseline standards would be applied in practice. The group

also raised questions about how the ex post assessment would work including timing of assessment and whether DNOs would be expected to meet baseline standards from year 1 or only at the point by which Ofgem is assessing performance eg years 3 and 5. Ofgem noted that we plan to address ODI framework issues (for major connections, vulnerability and DSO) in the Overarching Working Group (OAWG) in early October.

Action: Working group members to let Ofgem know if they wish to attend the early October OAWG session on the ODI framework by Friday 18 September.

4.3. The group noted that a key area of focus of the ODI framework for major connection customers should be how baseline funding will work, recognising that some service improvements are not currently DUoS funded but are paid for by connecting customers.

4.4. ENWL also noted that a key consideration for the baseline standards will be whether all standards should apply to all market segments.

Action: DNOs to review the connections principles and baseline standards in conjunction with the connections market segments, to form an initial view as to whether all baseline standards should apply to all market segments.

4.5. Ofgem highlighted that a priority for the WG ahead of SSMD will be to understand the kinds of metrics and commitments that could be used to assess DNOs' performance in ED2 under the ODI framework.

4.6. Ofgem noted that specifically for connections, a review of RIIO-ET2 Draft Determinations (DDs) to understand where proposals have been provisionally accepted would be useful. Similarly, a review of the RIIO-2 ESO incentives framework, and the current RIIO-ED1 ICE mechanism, to identify where similar metrics or commitments could be appropriate.

- 4.7. Citizens Advice noted that for vulnerability, it would be useful to understand any key lessons learned from the assessment of business plans and what proposals were provisionally taken forward or rejected in DDs.

Action: Ofgem to circulate RIIO-2 ESO incentive framework documents and ET2 Draft Determination documents for review by the WG.

Action: Ofgem to carry out initial review of connections DDs and to confirm follow up actions with WG members.

5. Connections – boundary between major and minor connection customers

- 5.1. Ofgem provided an overview of the SSMC proposal and set out high level considerations for evaluating competition in connection market segments as well as proposed timings. Ofgem proposed that, if confirmed, a rerunning of the competition test would need to take place in early 2021.
- 5.2. The group discussed key considerations for rerunning the competition test, and there was general support, with many in the group recognising it has been almost 8 years since the last test.

6. Next Steps

- 6.1. The next CSVSWG is scheduled for 24 September 2020.

Appendix 1 – Summary of Actions

Action	Allocated to	Due date
Customer Service BMCS research update – DNOs to provide an update on progress at 24th September.	DNOs	24 September
ODI framework	All	Friday 18 September

Working group members to let Ofgem know by email if they wish to attend the early October OAWG session on the ODI framework.		
<p>Vulnerability and major connections baseline standards</p> <p>WG members to review baseline standards (for vulnerability and major connections) and present a recommendation on any proposed changes for the Thursday 15th October.</p> <p>If group members have proposed changes, they should inform Ofgem ahead of this WG also.</p>	All	<p>Inform Ofgem by Friday 2 October if intend to make any recommendations.</p> <p>Provide material to Ofgem by Friday 9 October.</p>
<p>Major connections baseline standards and applicability to market segments</p> <p>DNOs to review the connections principles and baseline standards in conjunction with the relevant market segments, to form an initial view as to whether all baseline standards should apply to all market segments.</p>	DNOs (coordinated by Brian, ENWL)	Provide material to Ofgem by Friday 18 September.
<p>Major connections</p> <p>What kinds of metrics and commitments could be used to assess performance within-period? Where could these be commonly applied? In particular:</p>	Ofgem to carry out initial review of DDs, and to confirm follow up actions with WG members.	For discussion 24 September

<ul style="list-style-type: none"> - What commitments and/or metrics are currently being used under the RIIO-ED1 ICE? - What commitments and/or metrics have been proposed in transmission? Review of RIIO-T2 DDs needed 		
Major connections Ofgem to circulate RIIO-2 ESO incentive framework documents for review by the WG.	Ofgem	Friday 18 September