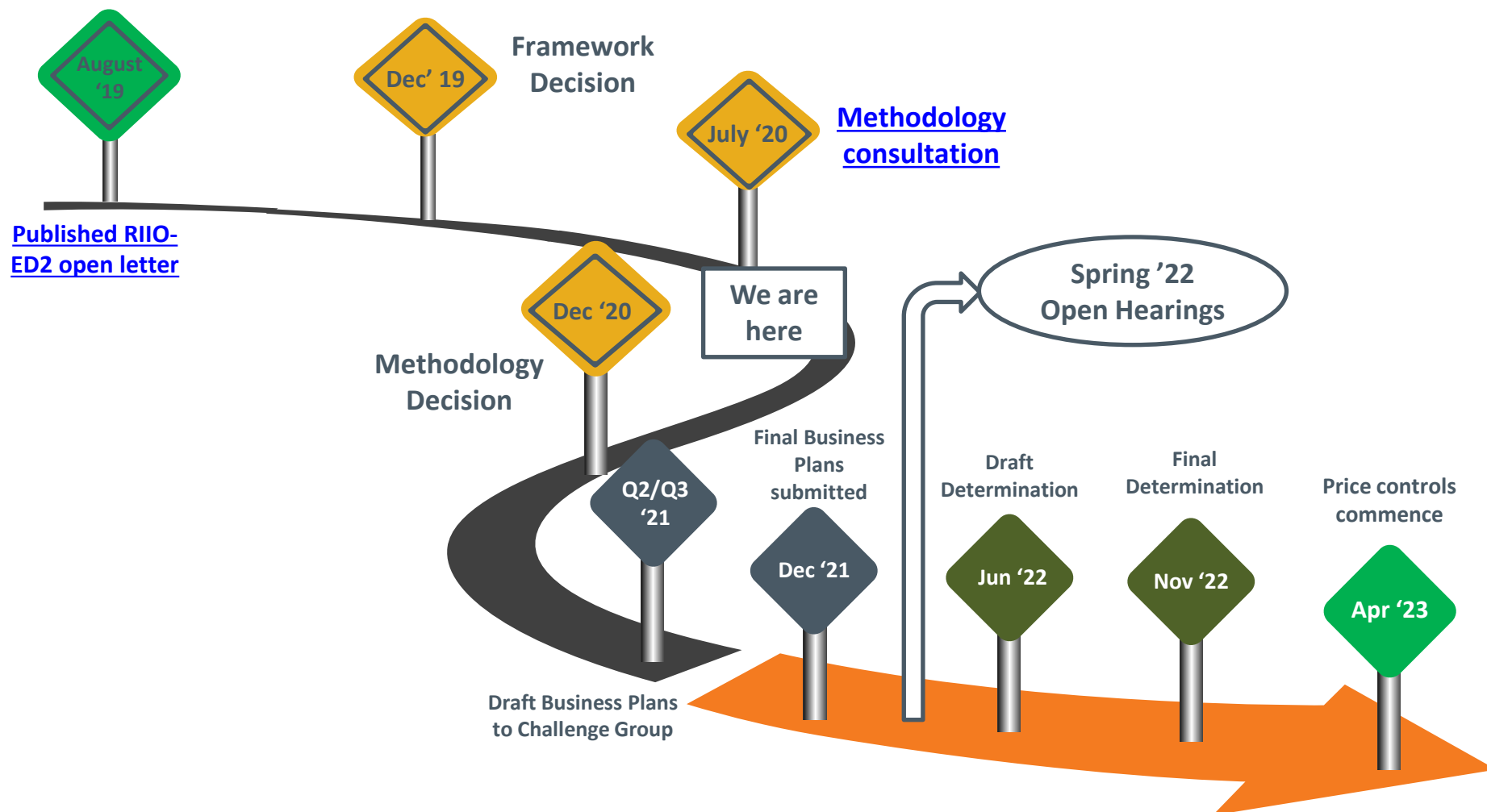# Safety, Resilience and Reliability Working Group
Other topics

- Introductions
- Guaranteed Standards
- Worst Served Customers
- Telecoms resilience
- Cyber resilience
- AOB

- RIIO-ED2 Sector Specific Methodology Consultation: https://www.ofgem.gov.uk/publications-and-updates/riio-ed2-sector-specific-methodology-consultation
- Safety, Resilience, and Reliability Working Group minutes and slides: https://www.ofgem.gov.uk/publications-and-updates/riio-ed2-working-groups

Date	Workstream	Items to cover (indicative)
02-Sep-20	Resilience	Climate change resilience, ongoing reporting, black start
08-Sep-20	Interruptions	Unplanned targets (convergence and methodology), Planned targets, short interruptions minimum standard
10-Sept-20	NARM	NARM/CNAIM, Incentives associated with NARM, Review of CNAIM v2.0
23-Sep-20	Incentive rates	VoLL (methodology to set it), revenue caps, exceptional events
30-Sep-20	Other	Guaranteed Standards, WSC, AOB (e.g. Cyber resilience)
07-Oct-20	Load	Load indices in ED2
14-Oct-20	NARM	NARM/CNAIM, Interaction with cost assessment (BPDTs, CBAs, EJPs etc.)

Annex 1: Chapter 7 – Guaranteed Standards

- We propose to retain the existing Guaranteed Standards for RIIO-ED2.
  - There are ties in with the short interruptions minimum standard and whether this (if taken forward) will be incorporated into the Guaranteed Standards
- We propose to update the payment amounts to account for inflation (CPIH).
  - We will adjust payment levels to the start of RIIO-ED2 (using CPIH), and round them to the nearest £5 (both the payments and the caps).
  - Each year we will index payments to CPIH (against a baseline level of February 2023).
  - When the index has moved sufficiently, the payment amounts should be rounded (up or down) to the next multiple of £5 (and the caps should be adjusted at a commensurate rate).
- Also propose to review and redraft the GSoP Regulations (the SI) to improve clarity/transparency for all.

Annex 1: Chapter 7 – Worst Served Customers

- We propose to maintain some form of WSC mechanism.
  - Consulting on a range of options, based around the existing mechanism but recognising that we need to amend it to increase its utilisation.

- Not seen the take up of WSC schemes in ED1 so far that would suggest the mechanism is working well.
  - Want to make sure there is something in place for those customers who receive the poorest service.

- Question (from previous working group) over whether WSC schemes could look to reduce short interruptions.
  - Keen to understand views on this.

Table 31: Key elements of the WSC mechanism in RIIO-ED1 (page 101 of Annex 1)

Element	RIIO-ED1
WSC definition	A customer experiencing, on average, at least four higher voltage interruptions per year, over a three year period (i.e. 12 or more over three years, with a minimum of three interruptions per year).
Performance improvement required	DNO-proposed percent reduction in the average number of interruptions for WSC measured over three full reporting years post-commissioning. Scope for the DNO to provide evidence of the expected long-term benefit of the scheme if this is not achieved.
Total allowance pot	£76.5m
Distribution of allowance pot	Number of WSC in each eligible DNO
Cap per WSC	DNO-proposed spending cap (based on fully evidenced/supported stakeholder engagement)
Funding arrangements	Logged up and funded ex post on a NPV-neutral basis (provided that performance and eligibility criteria are met).

Annex 1: Chapter 8 – Other forms of resilience

- We propose to provide baseline allowances for telecoms resilience, and continue to monitor DNOs' work on this through the price control.

  - Also proposed to continue monitoring the developments in future requirements, and to review the arrangements and provide an update (if necessary) Draft Determinations.

  - Question raised (previously) about the possibility of a reopener.

Annex 1: Chapter 8 – Cyber resilience

- We propose to align the approach with the other sectors:
  - DNOs must submit a Cyber Resilience Information Technology (IT) Plan and a Cyber Resilience Operational Technology (OT) Plan as part of the business plans.

- IT plan should cover security for business systems. Baseline allowances will provided
  - This is considered BAU expenditure.
- OT plan should be focused primarily on operational technology in response to the NIS Regulations.
  - Allowances will be provided on a 'use-it-or-lose-it' basis

- DNOs are expected to have performed a self-assessment against the Cyber Assessment Framework.
  - They should propose short- to medium-term cyber security measures are needed to manage the risks they have identified.
- We will include a reopener for both IT and OT to deal with new activities, risks, threats or statutory/regulatory requirements.

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