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Dear Forward Work Programme Team,

Draft Forward Work Programme 2020-2022 consultation

Thank you for the opportunity to input into your draft Forward Work Programme. It is important for stakeholders to fully understand Ofgem's focus, direction and work activities for the coming years and we welcome the engagement this consultation brings. We support many of the areas of focus in Ofgem's Work Programme for 2020-22.

The Energy System

The methodologies for each sector are clearly of great importance to network companies. We support the principles of simplification, competition and the use of flexibility services where in consumers interests. The concept of innovation targeted at research is also of great interest to us, and we would like to understand more about how this can be achieved.

One key observation is that it is important that DNOs and wider stakeholders remain involved in Ofgem's DSO transition work ahead of conclusions being made on the regulatory treatment of Distribution System Operations. It is vital that these, along with developments in the ongoing Significant Code Review (SCR) for Access and Forward Looking Charges and the Targeted Charging Review (TCR) which is now being implemented, are all aligned with the ED2 price control developments throughout 2020. We appreciate that there are a number of ambitious key milestones as there is still a lot of work to be done on ED2, but it is important that there is consistency in the developments between these emerging areas with Ofgem's decisions on the SCR and TCR. There is great value in decisions being made in a timely way so that customers and stakeholders can provide feedback on these changes, and that DNO RIIO-2 business plans can take into account all the new policy developments. We are also keen for more detail on the DSO proposals.

Decarbonising heat and transport, and reducing regulatory barriers for Low Carbon Technologies (LCTs) will be of great importance. Several of the authorities in our region have published their intent to become carbon neutral within the next two decades. It is vital that network companies and regulation are not barriers to achieving these objectives and we look forward to working with all stakeholders to meet their needs. We note the importance of Ofgem acknowledging the legitimacy of local government input to plans as elected representatives of customers.



Retail markets

We agree that removing regulatory barriers for low carbon technologies (LCTs) is an important step to decarbonising the energy system. The rollout of Smart Meters is a key enabler of the take-up of LCTs. In particular the work with the Data Communications Company (DCC) and suppliers to continue the rollout of Smart Meters is welcomed, especially as the North West has one of the lowest levels of SMETS2 penetration in the country. It is critical to the success of the rollout that areas with current low numbers of SMETS2 meters are the main focus of activity over the next few years so that regional consistency is achieved.

Customers in Vulnerable Circumstances (CIVCs) should continue to be an area of focused activity for all industry parties. We are supportive of Ofgem's Consumer Vulnerability Strategy and agree that more should be done to assist CIVCs, including microbusinesses. ENWL is leading in this area as we have the first business priority services register in particular for small and medium-sized businesses. Development of the vulnerability principle is also welcomed; we are familiar with the current Ofgem definition, and we understand through our own work with CIVCs and businesses that there is a broad spectrum of vulnerability.

Core & support

We are interested in the Consumer Insights work that Ofgem is undertaking with the Consumer Panel. As do other DNOs, we have our own Customer Panels and Customer Engagement Group, where we obtain feedback on what we do and can use this information to work better with our stakeholders. We also undertake a substantial programme of customer and stakeholder engagement to inform our business which is being broadened as part of developing our RIIO-ED2 business plans. There is great benefit to be gained from Ofgem and networks sharing their findings from their respective customer and stakeholder work. We would appreciate seeing more of the outputs of the Ofgem Consumer Panel so that we can use it to inform development of our services to improve outcomes for customer. For example, do DNOs have a greater rate of face to face customer interaction than suppliers? If so, how should this be taken into account when designing policies to support CIVCs?

A general issue across all of these topics is that any work programme will need to be agile enough to adapt to new government policy at relatively short notice. This is not just GB government issues, but also for Scottish and Welsh government developments. In addition, a lot of this work requires significant resourcing on both the part of companies and Ofgem, so it will be very useful to be notified in good time when processes will be due to start, if timescales for a process are due to change; and also who is the workstream lead for each area.

I hope these comments are helpful. Please do not hesitate to contact me or Tom Selby (07824 321980) if you would like to follow up on any particular aspect of our response.

Yours sincerely,

Paul Auckland
Head of Economic Regulation