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Dear Energy Networks Association (ENA) Open Networks Team

**Citizens Advice response to ENA consultation on the Open Networks Project
Phase 4 2020 Project Initiation Document**

Citizens Advice welcomes the opportunity to respond to this consultation as part of its statutory role to represent domestic and small business energy consumers in Great Britain. Our response is not confidential and may be freely published.

The ENA Open Networks project is an important part of the low carbon energy transition of Great Britain in helping to drive and coordinate the changes that are required by the gas and electricity network companies. Citizens Advice supports the work of the Open Networks project via our membership of the ENA Open Networks Project Advisory Group and in responding to the Open Networks project's consultations. We have recently provided the following consultation responses which incorporate some of our views on the priorities for the Open Networks project:

- Citizens Advice response to 'ENA Open Networks Flexibility consultation', August 2019¹

¹ [https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/ENA%20Open%20Networks%20Project%20-%20Flexibility%20Consultation%202019%20-%20CA%20response%20%20\(1\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/ENA%20Open%20Networks%20Project%20-%20Flexibility%20Consultation%202019%20-%20CA%20response%20%20(1).pdf)

- Citizens Advice response to 'ENA Open Networks Future Worlds consultation', May 2019²

Other relevant consultation responses in the field of energy transition and Distribution System Operation (DSO) functions are given below. These also outline our view of priorities for the transition:

- Citizens Advice response to 'Ofgem Key enablers for DSO programme of work and the Long Term Development statement consultation', February 2020³
- Citizens Advice response to 'Ofgem Position paper on Distribution System Operation: our approach and regulatory priorities', October 2019⁴
- Citizens Advice response to 'Ofgem Open Letter Consultation on approach to setting the next electricity price control (RIIO-ED2)', October 2019⁵

We believe that it will be essential for the Open Networks project to be a fast-moving key player in the energy transition and will need to be closely aligned with the work being undertaken through the Energy Systems Transition team at Ofgem, especially in its development of DSO functions. In addition, the Open Networks project will need to respond rapidly to the needs of the Ofgem price control processes, both RIIO-2 (for the electricity and gas transmission, Electricity System Operator (ESO), and gas distribution sectors) and RIIO-ED2 (for the electricity distribution companies). ENA Open Networks project should additionally meet the requirements of the Department of Business, Energy and Industrial Strategy (BEIS).

² [Citizens Advice response to ENA Open Networks Future Worlds consultation, May 2019, https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/ENA%20NP%20-%20Future%20Worlds%20Impact%20Assessment%20-%20CA%20response.pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/ENA%20NP%20-%20Future%20Worlds%20Impact%20Assessment%20-%20CA%20response.pdf)

³ [Citizens Advice response to Ofgem Key enablers for DSO programme of work and the Long Term Development Statement consultation, February 2020, https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/CA%20response%20-%20Ofgem%20Key%20enablers%20for%20DSO%20programme%20of%20work%20and%20the%20Long%20Term%20Development%20Statement.pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/CA%20response%20-%20Ofgem%20Key%20enablers%20for%20DSO%20programme%20of%20work%20and%20the%20Long%20Term%20Development%20Statement.pdf)

⁴ [Citizens Advice response to Ofgem Position paper on Distribution System Operation: our approach and regulatory priorities, October 2019, https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/Ofgem%20Position%20paper%20on%20Distribution%20System%20Operation_%20our%20approach%20and%20regulatory%20priorities%20Oct%202019%20-%20CA%20response%20%20\(1\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/Ofgem%20Position%20paper%20on%20Distribution%20System%20Operation_%20our%20approach%20and%20regulatory%20priorities%20Oct%202019%20-%20CA%20response%20%20(1).pdf)

⁵ [Citizens Advice response to Ofgem Open Letter Consultation on approach to setting the next electricity price control \(RIIO-ED2\), October 2019, https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/Ofgem%20Open%20Letter%20Consultation%20ED2%20October%202019%20-%20CA%20response%20%20\(7\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/Ofgem%20Open%20Letter%20Consultation%20ED2%20October%202019%20-%20CA%20response%20%20(7).pdf)

We note that the ENA Open Networks project follows a least regrets policy as recommended by the joint Ofgem/BEIS Open Letter of July 2019 (addressed to the ENA Open Networks project). We strongly welcome action that follows a no, or least regrets pathway to progress the rapid development of deep flexibility markets, to encourage development of whole systems solutions, and to ensure the lowest possible cost energy transition for the consumer.

We support the Open Network project's continuing aims to be transparent in its processes and its ongoing workstream development, and in ensuring wide stakeholder input.

We further recommend that the Open Networks project prioritises:

- The identification and mitigation of impacts of transition on consumers in vulnerable circumstances. At present, those in vulnerable circumstances or who face increased difficulty in participating in the future net zero world do not appear to be fully incorporated within the work of the Open Networks project. For instance, it was not possible to identify references to 'vulnerable' or 'vulnerability' within the Project Initiation Document. It is important to include considerations of those in vulnerable circumstances to ensure that services or products are designed with all consumers in mind and no-one is left behind in the transition. The Centre for Sustainable Energy 'Smart and Fair' project⁶ may be useful to assist the Open Networks project in identifying barriers for people in the transition, the possible distributional impacts on different groups of consumers, and to formulate solutions. See also the recent Citizens Advice published research, 'Zero Sum: How to prioritise consumer protections to ensure that nobody is left behind on the path to net zero'⁷.
- Ensuring that retail market arrangements relating to flexibility are also considered and addressed by the Open Networks project. The Project Initiation Document (page 10) notes that a key Ofgem priority for flexibility relates to ensuring appropriate retail market arrangements so that all consumers can benefit from a more flexible energy system, and are protected as befits an essential service. The Open Networks project states on the same page that it is excluding addressing the issue of retail market arrangements from its scope. We believe that the Open Networks project, which has a wide and early perspective on the transition, is in a valuable position to be able to identify potential retail market barriers and potential impacts on those in vulnerable circumstances. The Open Networks project

⁶ Centre for Sustainable Energy, 'Smart and Fair' project, June 2019, <https://www.cse.org.uk/news/view/2359>

⁷ Citizens Advice, 'Zero Sum', January 2020, [https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/Zero%20sum%20\(2\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/Zero%20sum%20(2).pdf)

can use its expertise to assist in reforming codes, and designing suitable regulatory protections.

- Rapid visibility of distributed generation and low carbon technologies that are attached to the network to assist in the development of a more efficient and low carbon energy system
- The transparency of other network data, subject to appropriate consumer protection, so as to facilitate the development of flexibility markets and to foster innovation
- Ensuring that consideration of fairness and transparency in dispatch decisions for flexibility have a high focus alongside tendering decision-making procedures
- Continued engagement with stakeholders, consumers and network customers to confirm the correct direction of travel, identify challenges and solutions, and to support the implementation of actions
- The establishment of clear boundaries between Distribution Network Operator (DNO) activities and DSO functions to understand appropriate costing of these functions, and to facilitate any future requirement to transfer DSO functions to non-DNO parties
- The elimination or mitigation of apparent or actual conflicts of interest
- Ensuring that energy efficiency is incorporated as an option within Cost/Benefit analysis as an alternative to infrastructure investment decisions
- Working with regulators, industry companies, and bodies responsible for code development to remove barriers that could impede successful change

We look forward to continuing to work with the ENA Open Networks project as the energy transition progresses to ensure a net zero future for Great Britain.

Yours faithfully

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