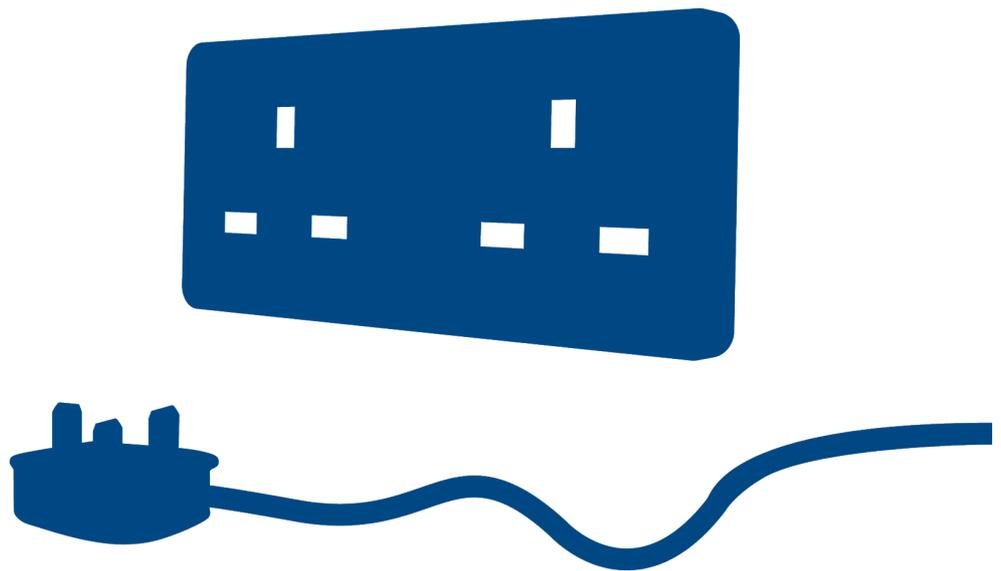


# National Grid ESO - RIIO-2 Ambition consultation

Citizens Advice Submission  
May 2019



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## Introduction

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination. Since 1 April 2014, the Citizens Advice service took on the powers of Consumer Futures to become the statutory representative for energy consumers across Great Britain. The service aims:

- To provide the advice people need for the problems they face.
- To improve the policies and practices that affect people's lives.

The Citizens Advice service is a network of nearly 300 independent advice centres that provide free, impartial advice from more than 2,900 locations in England and Wales, including GPs' surgeries, hospitals, community centres, county courts and magistrates courts, and mobile services both in rural areas and to serve particular dispersed groups.

In 2017, Citizens Advice Service helped fix 163,000 energy problems through our local network and 61,000 through our Consumer Service Helpline. Our Extra Help Unit specialist case handling unit resolved 8,367 cases on behalf of consumers in vulnerable circumstances, and their Ask the Adviser telephone service handled 2,593 calls from other advice providers in need of specialist energy advice.

Since April 2012 we have also operated the Citizens Advice Consumer Service, formerly run as Consumer Direct by the Office for Fair Trading (OFT). This telephone helpline covers Great Britain and provides free, confidential and impartial advice on all consumer issues.

This document is entirely non-confidential and may be published on your website. If you would like to discuss any matter raised in more detail, please do not hesitate to get in contact.

We recognise that this RIIO-2 ambition consultation does not include full detail of National Grid ESO's plans. We look forward to seeing more detail and the ability to comment on your proposals ahead of your final submission to Ofgem

in December 2019.

We very much welcome National Grid ESO going out for consultation at this point in the RIIO-2 cycle. It encourages transparency and allows a broad stakeholder base to provide comments before ideas are set in stone. We would welcome a further discussion following this consultation.

We have responded to the questions in your consultation below:

## **Response to questions**

### **Question 1: Do we have the right level of ambition?**

Broadly, we are pleased with the level of ambition that the ESO has announced in this document. In particular, the ability to operate the electricity system using only low carbon generation is a key enabler to decarbonise the energy system. We are also pleased to note that in ambition 10 you will ensure a whole system approach (rather than a whole electricity system, or whole energy system) is taken to optimise planning, development and investment in the energy networks.

Whilst admirable, ambition 11 appears to lack substance and seeks to achieve something which may not be in the ESO's control.

### **Question 2: Do you agree with the activities we have highlighted to deliver this ambition?**

The activities the ESO has highlighted seem like the right things for the new ESO to be doing. We note that in the 'enhancing resourcing, talent acquisition, training and simulation capability' ambition, there appears to be little mention of talent retention. Training staff in highly technical roles is an expensive process and it is in the consumer interest to ensure that the ESO retains the skills, knowledge and experience to operate effectively and be resilient.

### **Question 3: Are our initial estimates of the potential cost of delivering this ambition reasonable?**

Whilst the ESO element on consumer bills is small, any upward pressure on bills should be carefully considered. The ESO is seeking an additional 70% funding to deliver the ambition on top of Business as Usual activities. It is difficult for us to judge whether the initial estimates are reasonable. However, Ofgem's proposed funding model should allow the ESO to access sufficient funding to deliver the required level of ambition for consumers, if this is the right thing to do - which

we are supportive of. This does, however, need to be balanced with an obligation to spend consumer money effectively and efficiently. We would expect a full Cost Benefit Analysis approach to be taken when submitting detailed funding proposals to Ofgem along with consumer, customer and stakeholder feedback following thorough engagement which supports the proposals.

**Question 4: Do you agree with our articulation of the consumer benefit from our activities?**

It may be helpful to articulate what the ESO means when you refer to ‘consumers’ and split out the benefits between different consumer types. For example, domestic consumers and industrial consumers. We have compared the ESO’s articulation of consumer benefit against consumer outcomes that we expect all company business plans to reflect:

<b>Consumer outcome</b>	<b>Is this reflected in the ESO Ambition document?</b>
<b>Reliability</b> - Consumer experience as few interruptions to their energy supply as possible.	Yes
<b>Safety</b> - Consumers can count on their energy network being safe and secure.	Yes
<b>Value for money</b> - Consumers receive good value for money from energy networks. Companies run the networks as efficiently as possible to reduce the impact on bills.	Yes
<b>Quality service</b> - Consumers receive services that meet or exceed their reasonable expectations. If things go wrong they are put right quickly with compensation provided as appropriate. Consumers find energy networks to be accessible and transparent.	Partially. The document explains how National Grid’s customers and stakeholders have and will receive better service. However the document does not detail how consumers will benefit from improved service, if at all.
<b>Impact on our environment</b> - energy networks minimise their direct impact on the environment and assist others	Yes

in doing so where possible. They contribute to reducing greenhouse gas emissions and improving air quality in Great Britain.	
<b>Future-proof</b> - Energy networks anticipate and respond to changing consumer needs and behaviours. Energy networks are highly resilient.	Yes
<b>Fairness</b> - All types of consumers are served well, with those in vulnerable situations receiving additional attention and support. The needs of future energy consumers are considered without jeopardising the needs of current consumers.	No. It is not obvious that this outcome has been adequately considered in the ambition document.

**Question 5: Is it sufficiently clear how we have taken stakeholder input into account in developing our ambition?**

We welcome 'What we have heard' section of the document and we agree with all of those points.

We recognise that there might be tension between different stakeholder groups wanting different things from the ESO. Therefore, it might be useful to highlight what these tensions or differences are in future documents.

**Question 6: How would you like to be involved in the ongoing development of our RIIO-2 business plan?**

We would welcome continuing discussions with the ESO on the development of the RIIO-2 business plan and look forward to seeing further detail as you are able to share it.

**Question 7: Are there any further comments you would like to make as we develop our RIIO-2 business plan?**

No answer provided.

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