

3rd Floor North 200 Aldersgate Street London EC1A 4HD

Tel: 03000 231 231

citizensadvice.org.uk

9 November 2020

RIIO-2 Team
Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

Dear RIIO-2 Team

Citizens Advice response to consultation on the RIIO-2 Re-opener Guidance and Application Requirements 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.

We note that the purpose of this consultation is to seek feedback on the draft RIIO-2 re-opener guidance document. The RIIO-2 re-opener process will be part of the required re-opener licence condition for the energy network companies. Adherence to the guidance should enable a timely and informed decision on any re-opener application and any failure to follow the guidance may result in rejection of the application.

We welcome this early opportunity to input to this draft guidance and the further opportunity to be able to input to the formal consultation in December 2020. It is important that re-openers will be undertaken within a streamlined and rapid process to ensure that net zero goals are met and for other requirements.

The paragraph numbers below relate to the relevant guidance document paragraph numbers.

- 2.2. We support the requirement for assurance that there is suitable senior support for the application including Board support.
- 2.4, 2.5, 2.6 We welcome the transparency provided from the requirement for network companies to publish their complete application (apart from necessary redactions) on their website within 5 working days of application. We further welcome the explanation for any redactions that will be provided by companies. It appears reasonable to have certain applications, such as those relating to cyber resilience, to not be required to be published.

We would ask that Ofgem considers whether redactions that are made are actually necessary when considering the application. We have seen prior re-opener applications with many redactions and where stakeholders, including ourselves, have been unable to undertake appropriate assessment¹.

- 2.11 We note that Ofgem is not requiring a particular structure that applications will follow. **We** recommend that it would be useful to have a standard format, at least for core or common re-opener elements, which would assist Ofgem and other stakeholders to more rapidly assess re-openers.
- 3.10 Stakeholder engagement We would ask that network companies should also be required to provide further information regarding stakeholder engagement. At present, the requirement is to provide an 'explanation of how stakeholder engagement contributed to the identification and design of the preferred option'. We would ask that network companies are also required to provide evidence of the stakeholder engagement relating to the re-opener project including evidence relating to considerations by User Groups, Customer Engagement Groups or other similar stakeholder panels. This stakeholder engagement may relate to activities during the RIIO-2 business planning process as well as subsequently.
- 4.1 Application process timeline We note that the aim is to complete the review process within 9 months or less, although that there may be some circumstances that this may not be possible.

¹ Citizens Advice response to Ofgem Informal consultation on RIIO-ED1 Re-openers, May 2019

We welcome the formal timeline for the decision and recognise that some time is needed to be able to evaluate complex submissions and to allow for appropriate stakeholder consultation and its consideration. Ofgem needs to consider the risk that with a demanding workload they may be stretched to ensure that decisions are made in a timely manner and with full scrutiny given the potential volume of re-opener applications. We would also ask that the 9 month process timeline is reviewed after the first year of re-openers to assess whether this timeline is still appropriate for network companies and stakeholders to be able to respond to net zero targets or other requirements.

Yours faithfully

Caroline Farguhar

Senior Policy Researcher

Energy Networks and Systems