



3rd Floor North
200 Aldersgate Street
London EC1A 4HD
Tel: 03000 231 231

citizensadvice.org.uk

Akshay Kaul
Director, Network Price Controls
Ofgem

By email to RIIO2@ofgem.gov.uk

6 August 2020

Dear Akshay

Citizens Advice response to Ofgem COVID-19 contingency plan for RIIO-2 open letter

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 welcome Ofgem's foresight in making contingency plans in the event that there may be delays caused to the RIIO-2 timetable through the continuing COVID-19 pandemic. We note that the intention is to remain focussed on delivering the RIIO-2 programme in line with the previously-published timetable.

Patron HRH The Princess Royal **Chief Executive Dame Gillian Guy**

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Registered office: 3rd Floor North, 200 Aldersgate Street, London EC1A 4HD

The effect of the proposal within the open letter would be to create a new change control change framework that would permit amendments to the RIIO-1 licence conditions and introduce new RIIO-2 licence conditions to facilitate the implementation of the RIIO-2 Final Determinations (FDs). If the proposal was triggered, the FDs would be effected via direction so long as the FDs are published by February or March 2021. This change would permit a 3 month delay in processes whilst preserving the start date of RIIO-2 at 1 April 2021. We have noted the conditions proposed for the contingency plan, namely that the licence condition enacting the change would:

- Only be available for a time-limited period
- Only be available in the strict circumstances detailed in the draft condition
- Only be used for limited purposes as provided for in the draft condition
- Be followed as soon as possible thereafter by a formal statutory licence consultation to implement the RIIO-2 licence conditions (latest by the specified date in the licence condition), with a formal direction to implement those licence changes to follow
- Not affect appeal rights to the CMA against the eventual formal licence modifications

We support the intention to have further statutory consultation upon this proposal if Ofgem decides to proceed as described with this licence condition.

1. Do you have any views on the proposal to give effect to FDs in this way? In particular, do you agree that it is a reasonable and proportionate way to accommodate a potential Covid-related delay of 3 months in such a contingency scenario?

We agree that it appears to be a reasonable and proportionate way to accommodate an emergency-related delay of 3 months while preserving the means to implement RIIO-2 FDs. We note the requirement for a statutory consultation if the contingency plan is triggered.

2. Do you have any views on the draft licence condition as set out in Annex 2 to this letter?

We have no comments on this question.

Yours sincerely

Caroline Farquhar
Senior Policy Researcher