



**RIIO-ED2 Vulnerability
ODI Assessment –
Covering Letter**

22/07/2024

Covering letter

Introduction

Ofgem has introduced a new Vulnerability ODI in the RII0-ED2 period. This is in place to incentivise DNOs to deliver desired outcomes for customers in vulnerable circumstances. The ODI sets out parameters for metrics that focus on the Priority Services Register (PSR), the customer satisfaction level enjoyed by customers receiving Fuel Poverty (FP) and Low Carbon Transition (LCT) support services, and the social value delivered via these support services.

Sirio has been appointed as the single assessor for the duration of the price control to ensure the DNO's adherence to the principles of the ODI framework. The metrics in scope of the assurance process are presented in the table below.

Metric	Assurance check
PSR reach	PSR reach has been reported in line with the common methodology
	Confirmation that the licensee has attempted to contact 100% of its registered PSR customers to verify their data every 24 months
Value of FP services delivered	Assurance that performance against the targets has been calculated and reported in line with the common Social Value Framework methodology
Value of LCT services delivered	Assurance that performance against the targets has been calculated and reported in line with the common Social Value Framework methodology

Herein lies the final assessment for SSEN. The remainder of this document is broken down as follows:

- **Template submitted by DNO:** A populated template of Table 5, as presented in the 'Vulnerability Assessor – Scope of Works' document and submitted by each DNO.
- **Overview of final assessment:** A populated template of Table 6, as presented in the 'Vulnerability Assessor – Scope of Works' document.

The above are complemented by an appendix, containing the following:

- **Assessment of PSR performance:** Findings from the assessment of the PSR reach metric.
- **Assessment of SROI performance:** Findings from the assessment of the value of FP services delivered and value of LCT services delivered metrics.

Template submitted by DNO

In alignment with the directions set in the ‘Vulnerability Assessor – Scope of Works’ document, each DNO was to submit the template below (Table 5) in advance of the assessor checks being completed. A final version of this table was submitted by SSEN on 5 July 2024.

Table 5

Metric	No.	Value	Actual
PSR reach	1	PSR reach %	58.10%
	2	% of PSR households DNO has attempted data check in 24 months	41.99%
Value of FP services delivered	3	£NPV value	£947,105.32
Value of LCT services delivered	4	£NPV value	£403,956.63

Overview of final assessment

In alignment with Table 6, located in the ‘Vulnerability Assessor – Scope of Works’ document.

Table 6

Metric	No.	Minimum requirement category	Minimum requirement criteria	Has the criteria been met? (Y/N)
PSR reach	1	PSR reach has been reported in line with the common methodology	The PSR reach actual performance is calculated in line with the agreed methodology and data provided by the Centre for Sustainable Energy (CSE)	Y
	2	Confirmation that the licensee has attempted to contact 100% of its registered PSR customers to verify their data every 24 months	Has the licensee attempted to contact 100% of its registered PSR customers to verify their data every 24 months?	N
Value of FP services delivered	3	Assurance that performance against the targets has been calculated and reported in line with the common Social Value Framework methodology	The £NPV value calculated is in line with the common Social Value Framework Rulebook	Y
			The £NPV value calculated is attributed to the value of Fuel Poverty Services delivered and the scope of the metric set out within Chapter 2 of the RIIO-ED2 Consumer Vulnerability Guidance document	Y

			The values reported are accurate from the calculations in the relevant SROI model	Y
Value of LCT services delivered	4	Assurance that performance against the targets has been calculated and reported in line with the common Social Value Framework methodology	The £NPV value calculated is in line with the common Social Value Framework Rulebook	Y
			The £NPV value calculated is attributed to the value of Low Carbon Transition Services delivered and the scope of the metric set out within Chapter 2 of the RIIO-ED2 Consumer Vulnerability Guidance Document	Y
			The values reported are accurate from the calculations in the relevant SROI model	Y

Based on the above, we are pleased to confirm alignment with 7/8 of the agreed upon criteria for Y1 of SSEN’s RIIO-ED2 Vulnerability ODI.

At the request of SSEN, the following wording has been included in this report concerning Metric #2:

“We are currently “In progress” against the requirement to attempt to contact 100% of our registered PSR customers to verify their data every 24 months. This was introduced as a new commitment at the beginning of RIIO-ED2 price control, which started on 1 April 2023. Therefore, the requirement will be completed following the first 24 months of RIIO-ED2.”

Sincerely,

Alessio Villanacci
Director, Sirio



Appendix

Assessment of PSR performance

The PSR performance information below is based on 'SSEN Vulnerability ODI Assessment 12.06.24' shared by SSEN on 21 June 2024.

PSR reach

Assurance activity	Question	Y/N
1	Do you confirm the % of eligible households registered on your PSR is calculated according to the volume of eligible customers most recently provided by the CSE?	Y

PSR two-year cleanse

Assurance activity	Question	Y/N
2	Do you confirm that the % of PSR households you have attempted to contact over the past 24 months was calculated in line with the method set out in Table 3 of the scope of works document?	Y

Assessment of SROI performance

Scope verification

The PSR performance information below is based on 'SSEN Vulnerability ODI Assessment 12.06.24' shared by SSEN on 21 June 2024.

Assurance activity	Question	Y/N
2	Do you confirm that all modelled Fuel Poverty and Low Carbon Technology initiatives are in scope according to the checklists below?	Y

Value of FP services delivered	<p>Description</p> <p>The questions below aim to clarify whether the Fuel Poverty services and initiatives measured and reported by the DNO are in line with (i) the scope of the metric set out within Chapter 2 of the RIIO-ED2 Consumer Vulnerability Guidance Document, (ii) the Assessor checks defined by Table 4 of the 'Vulnerability Assessor - Scope of Works' document, and (iii) the DNO Rulebook.</p> <p>Action</p> <p>Please state whether the criteria presented in the 'description' column below match with or apply to the activities you have measured and reported via the SROI models submitted to the assurance process.</p>
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Source	Description	Y/N
Vulnerability Assessor Scope of Works (page 5, Table 4)	Networks have only measured the value of services or initiatives delivered to customers (and not forecasted, or based on partial delivery of outcomes). <i>See original wording in the comment.</i>	Y
Vulnerability Assessor Scope of Works (page 5, Table 4)	"Services delivered are defined as a service provided or a job completed which is of benefit to the customer in a vulnerable situation."	Y
Vulnerability Assessor Scope of Works (page 5, Table 4)	"The service provided should not fall into any other category within BMCS (Broader Measure of Customer Service) or Major Connections."	Y
RIIO-ED2 Consumer Vulnerability Guidance Document (page 9, section 2.14) Vulnerability Assessor Scope of Works (page 5, Table 4)	"The contact measured by these two metrics [Fuel Poverty Services and LCT Services] should be an individual interaction and must not include large scale messaging such as, but not restricted to, mass broadcasts, leaflet drops or awareness campaigns."	Y
Vulnerability Assessor Scope of Works (page 5, Table 4)	[Customers in scope] "Customers in circumstances such as: Any customers who indicate they are struggling or are at risk of struggling with their bills."	Y
DNO Rulebook (page 8, section 3.5)	"All measures / initiatives must be aimed at alleviating fuel poverty in customers. A measure cannot simply include support for fuel poor customers for wider benefits."	Y
DNO Rulebook (page 8, section 3.6)	The service provided does not consist of the direct installation of measures funded by a DNO. If a situation arises in which measures are being installed, this has been completed via advice / handholding support (provided by a DNO) that results in a customer having a measure installed in their home.	Y

Value of LCT services delivered	<p>Description</p> <p>The questions below aim to clarify whether the LCT services and initiatives measured and reported by the DNO are in line with (i) the scope of the metric set out within Chapter 2 of the RIIO-ED2 Consumer Vulnerability Guidance Document, (ii) the Assessor checks defined by Table 4 of the 'Vulnerability Assessor - Scope of Works' document, and (iii) the DNO Rulebook.</p> <p>Action</p> <p>Please state whether the criteria presented in the 'description' column below match with or apply to the activities you have measured and reported via the SROI models submitted to the assurance process.</p>
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RIIO-ED2 Consumer Vulnerability Guidance Document (page 9, section 2.14) Vulnerability Assessor Scope of Works (page 5, Table 4)	"The contact measured by these two metrics [Fuel Poverty Services and LCT Services] should be an individual interaction and must not include large scale messaging such as, but not restricted to, mass broadcasts, leaflet drops or awareness campaigns."	Y
DNO Rule Book (page 8, section 3.5)	[Customers in scope] "Customers who fall in scope of these services should align with the definition of 'vulnerable situation'. These customers may be in circumstances such as: <ul style="list-style-type: none"> • Being eligible for, or registered on the Priority Services Register • Being digitally excluded [in respect of participating in the energy system], limiting ability to take up opportunities which will support either financially and / or allow participation in the Net Zero transition • Financial vulnerability • Living in areas of deprivation • Having a lack of opportunity to participate • Lack of willingness to take risks on new technology • Lack of understanding of new technology • Lack of knowledge of new technology" 	Y

Value of FP and LCT services delivered

There are no comments on SROI rulebook alignment for FP or LCT services, following the below actions being taken after the provisional assessment:

- **Model 1:** Final_SSEN_NPV_CA_Arun_and_Chichester v3
 - Drop off changed from 100% to 0% for cells O5 and O6
- **Model 2:** Final_SSEN_NPV_CA_Home_and_Well v3
 - Drop off changed from 100% to 0% for cells O5, O6, O13 and O14
 - Proxy value changed from £38.93 to £67 for cell G20
- **Model 3:** Final_SSEN_NPV_CA_Scotland v3
 - Drop off changed from 100% to 0% for cells O8 and O9
- **Model 4:** Final_SSEN_NPV_CSE v3
 - Drop off changed from 100% to 0% for cells P5, P6, P13, P14, P21 and P22

- **Model 5:** Final_SSEN_NPV_Kidney_Care_UK v3
 - Drop off changed from 100% to 0% for cells O7, O8, O15 and O16

- **Model 6:** Final_SSEN_NPV_Maggie's v3
 - Drop off changed from 100% to 0% for cells O5 and O6

- **Model 7:** Final_SSEN_NPV_NEA v3
 - Drop off changed from 100% to 0% for cells O5 and O6
 - Optimism bias changed from 10% to 0% for cells S5 and S7
 - Deadweight changed from 0% to 23% for cells Q5, Q6, Q9 and Q10

- **Model 8:** Final_SSEN_NPV_Yes_Energy_Solutions v3
 - Drop off changed from 100% to 0% for cells O3 and O4
 - Optimism bias changed from 10% to 0% for cells S3, S5 and S7

The logo for Sirio features the word "sirio" in a bold, white, sans-serif font. Above the letters "i" and "r" is a horizontal bar composed of three segments: a blue segment on the left, a dark blue segment in the middle, and a purple segment on the right.

sirio

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