



ElectraLink Spring Webinar Series

Energy Governance Transformation

Creating the winning formula by mixing technical capability with deep industry knowledge and market-leading expertise



CGI

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Code Landscape

Why do we have energy codes?



- To ensure market participants understand what is expected of them to allow the market to function efficiently
- To ensure market participants know what to expect from each other
- To allow the industry to govern itself around the practicalities of how the industry runs
- To create a level playing field that allows for competition and innovation
- To protect the consumer

Today's Code Management Challenges



- Change process is too slow
- Changes can be expensive to deliver
- Domination of bigger organisations
- Resource constraints
- Lack of engagement and collaboration
- Complex codes

■ Changes are slow and expensive to deliver

■ Majority of the UK is supplied by the Big Six

So why the need for change?



- Net zero
- Increased numbers and variety of market participants
- Technological advances
Increased consumer expectation
- Greater levels of innovation – new players from outside the industry how want to ask fast and be agile
- Growth in number of energy suppliers

Tomorrow's Change Management



We need an innovative change management solution to meet these challenges and promote innovation, competition and customer outcomes. We believe that there are five key attributes to allow for codes to move into the modern age:

Accessible

Flexible

Agile

Relevant

**Cost
effective**

Engagement

Code Landscape Tomorrow



These key drivers can be supported by technology to create codes that are simplified and digitised, delivering:

A digital workspace

Where the industry can collaborate effectively, quickly and work to improve the way the industry is run to ensure that innovations can be delivered in a timely manner.

A digital code

Where anybody can find the information that they require and is relevant to their role.

A central governance repository

Ensuring that the changes that are vital are secure, discoverable and valuable.

An innovative process

An improved change management process and a culture of continuous improvement

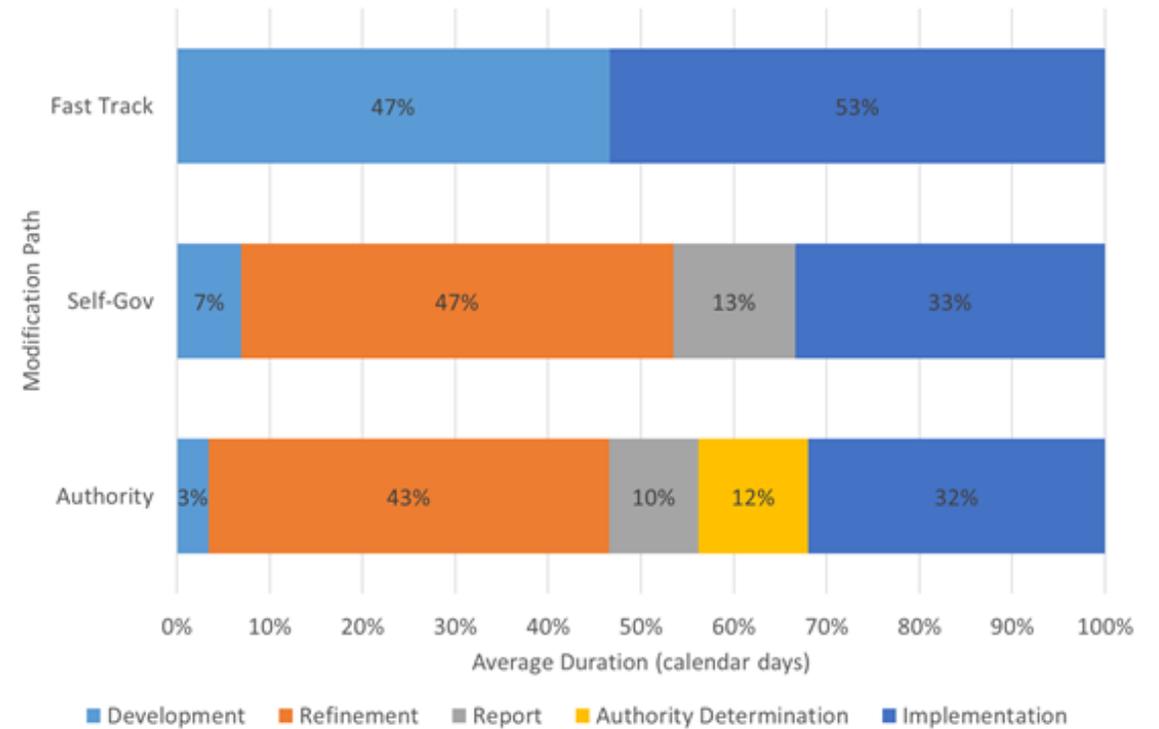
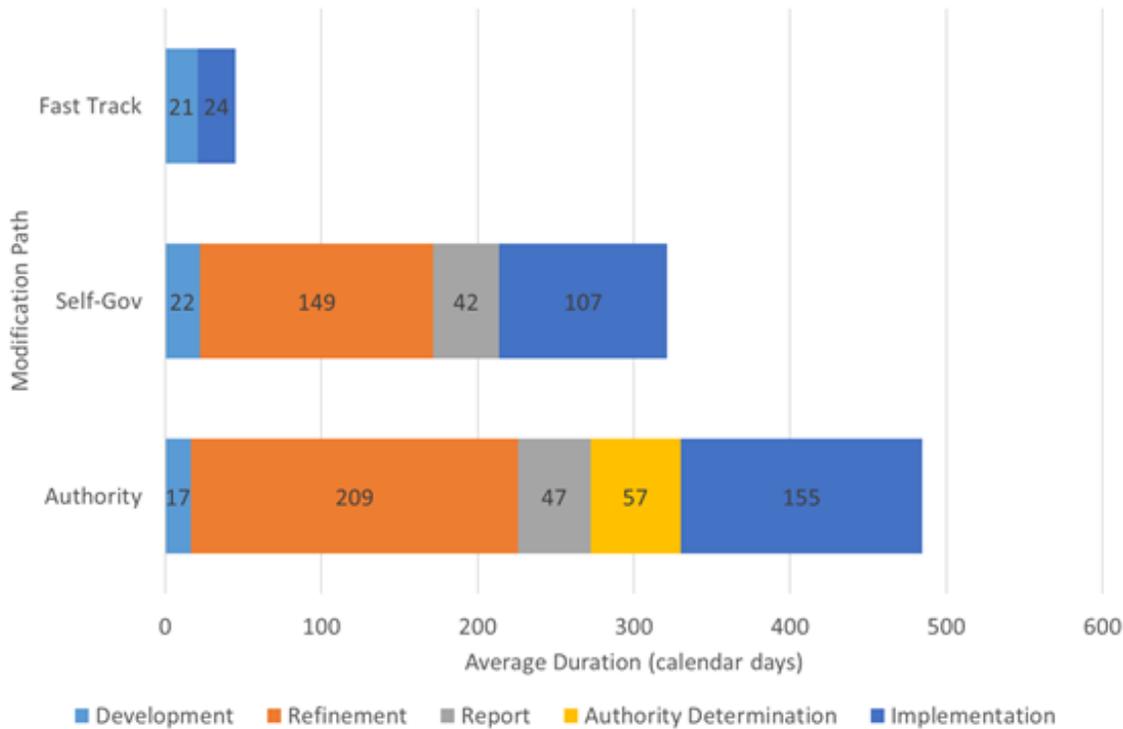
Improved Stakeholder Engagement

Challenges



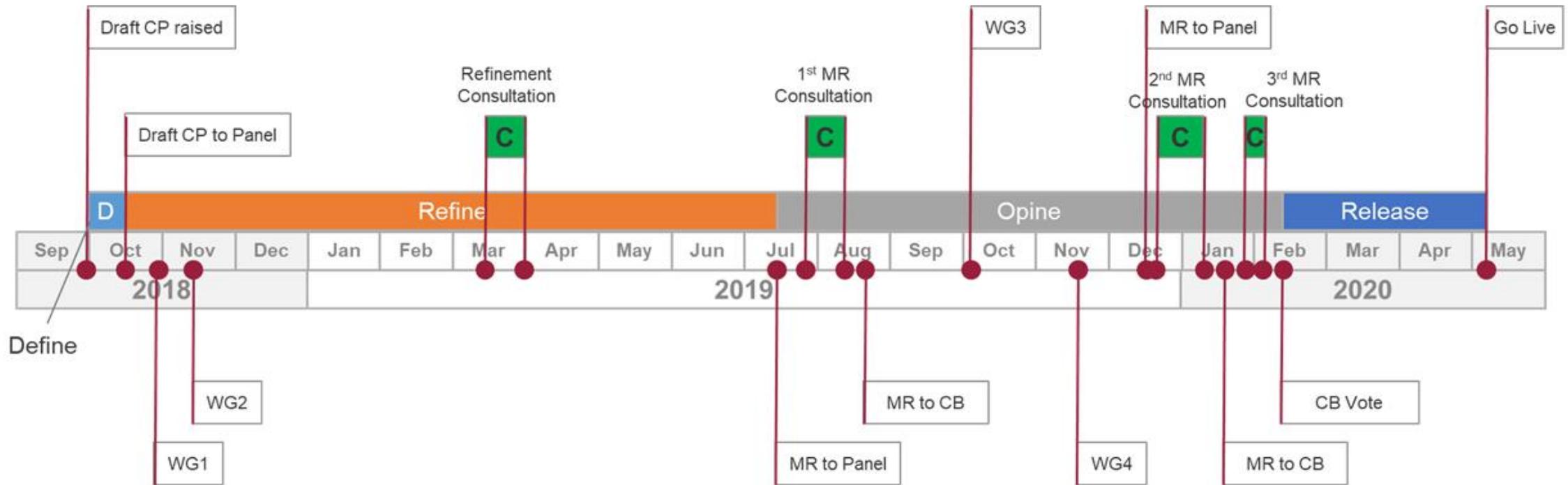
Challenge: Code Changes take a long time

The average time to get a Modification implemented via the Self - Governance/Authority – determined Modification Path is **320** and **485 calendar days**, respectively:



Challenge: Code Changes take a long time – an example

The Change Management Process for SECMP0062 took 587 days, including 4 Working Group meetings and 4 industry consultations.



Challenge: Change process favours large organisations

Working groups are **infrequent**, **London-based** and dominated by a very **small set of individuals** representing **Large Suppliers and Network Operators**.



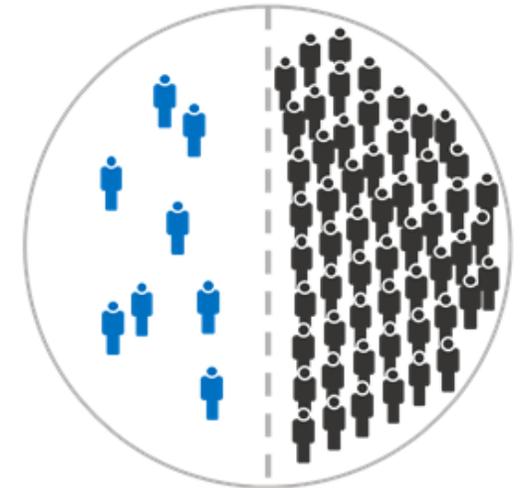
The average Work Group has 7 members



Only 6.4% of attendees attend London-based Work Groups by teleconference



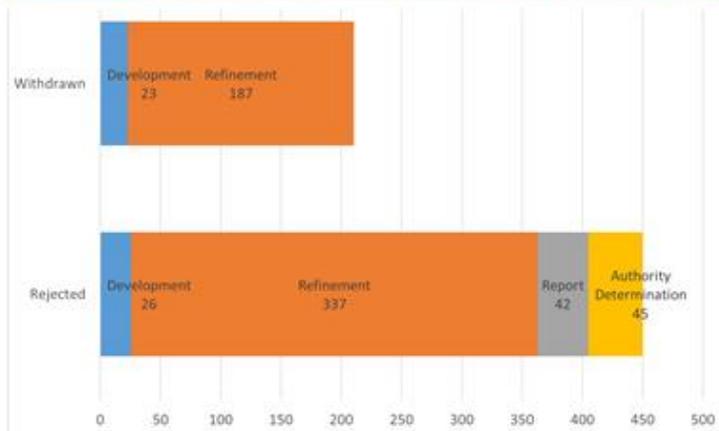
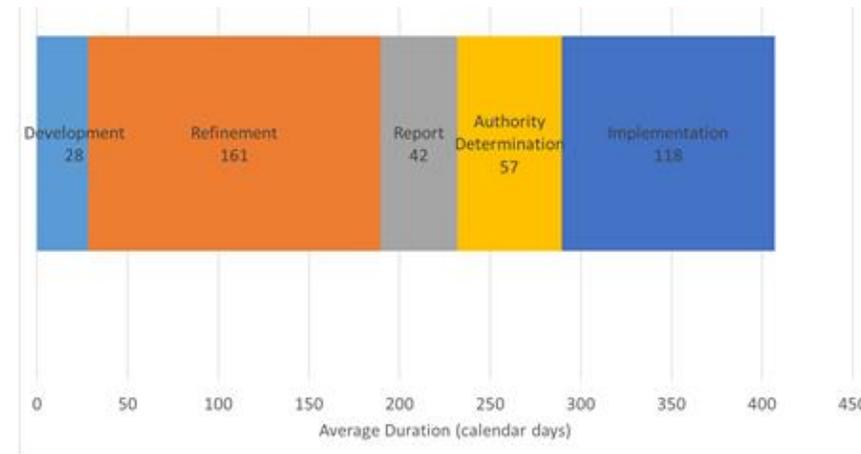
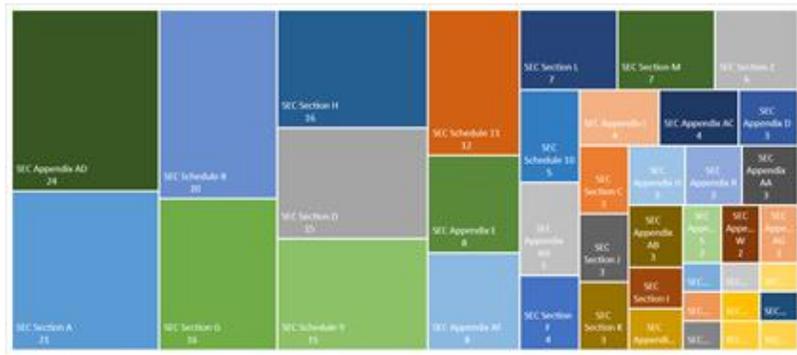
Over 70% of organisations represented at Work Groups are Large Suppliers or Network Operators



8 individuals account for over 50% of attendances at Work Groups

Challenge: "If you can't measure it, you can't improve it"

Metrics measuring the efficiency and efficacy of change processes are rarely reported, making continuous improvement difficult



Solutions





Solutions



Digitalisation

- Creating a virtual, collaborative, accessible environment
- Ensuring a more accessible, digitised code



Democratisation

- Ensuring increased participation
- Enabling innovation



Process improvements

- Empowered change clinics
- Metric-based continuous improvement



Best of breed knowledge and experience

- Proven code governance
- Change practitioner



Digitalisation: Creating a virtual, collaborative, accessible environment



Making better use of technology will open up the code governance landscape, making it easier for a wider range of stakeholders to engage meaningfully with the codes. Collaboration technology can be a vehicle for people to put forward their opinions and allow others to comment and discuss the merits of a document or company position.

Examples of such technology include:

- Chat/Chatbots
- Virtual Workshops
- Collaborative consultations
- Virtual work spaces
- Livechat forums

Challenges addressed

1. Slow change process
2. High cost to deliver
3. Domination of bigger organisations
4. Resource constraints
5. Lack of engagement and collaboration
6. Complexity of codes





Digitalisation: Ensuring a more accessible, digitised code



A digitalised code should help a user better understand an end to end process, enabling easy identification of consequential changes and impacts within the code



Case Study: **Smart Meter Installation Code of Practice (SMICoP)**

This year we introduced **CodeNavigator** to SMICoP. **CodeNavigator** allows individuals to navigate the code based on their interest and role in the market. We designed **CodeNavigator** to reflect the customer journey by allowing users to select the examples which are most relevant to their role, for example, do they need to find information on how to treat vulnerable customers, or do they only need to view obligations relating to a microbusiness? This enables parties to interact with the code without the additional complexity of having to work out what relates to them.

Challenges addressed

1. Slow change process
2. High cost to deliver
3. Domination of bigger organisations
4. Resource constraints
5. Lack of engagement and collaboration
6. Complexity of codes





Democratisation: Ensuring increased participation



The energy landscape is changing rapidly and is opening up to a wide range of new stakeholders. Code governance needs to be reflective of this. To achieve this will require combining advances in technology with the simplification of the codes and new ways of working, including:

- Greater use of online collaboration tools
- Use of online voting
- Better use of Plain English
- All in one place e.g. Flowbuilder
- Account management
- Use of innovation sandboxes

Challenges addressed

1. Domination of bigger organisations
2. Lack of engagement and collaboration
3. Complexity of codes



The key to enabling innovation is engaging with innovators and ensuring that the process is accessible and transparent, with trackable outcomes.



Process improvements: Empowered change clinics



Change Clinics will bring together innovators and technical experts so that we can drive fully understood and optimal change. These will provide fast and accurate expertise across all elements of the code, and the wider industry. Through the development of change solutions, the key consideration point should be whether the proposed solution better facilitates the objectives of the code. In addition, we should also consider whether a change:

- Aligns with Government policy
- Delivers tangible benefits to the end consumer
- Will realise benefits that outweigh the cost of implementation
- Is delivered via the most cost-effective technical solution that considers the impact on all stakeholders

Challenges addressed

1. Slow change process
2. High cost to deliver





Process improvements: Metric based continuous improvement



This is central to ensuring the effective management of any Code. It is the means by which we are able to understand what is effective and allows us to take a responsive and flexible approach. We have a number of techniques and methodologies that we use to measure success, ranging from quantitative measures such as agreed SLAs and KPIs to qualitative measures such as direct feedback.



Case Study: **ETPAB**

The Erroneous Transfers Performance Assurance Board (ETPAB) which was set up in 2019 as a dual-fuel group with the expectation that the enduring performance assurance measures would sit under the REC. This group was responsible for conducting the analysis to measure ET performance. These metrics could be expanded to cover industry performance, with each party able to access their own data and see their performance across the market. This would foster an environment of continuous improvement and would also be a way of monitoring market changes which have either positively or negatively impacted the industry.

Challenges addressed

1. Slow change process
2. High cost to deliver



Cost Reduction: An additional benefit



- The current cost of £131m to deliver the current retail landscape is excessive.
- Moving meetings from face to face to virtual will reduce costs
- Adoption of automation means employees spend less time on tasks that once required hours to complete



Case Study: **Implementation of Microsoft Teams Collaborative Platform**

Teams provides full conferencing facilities – such as video, screen sharing etc; enables parties to change and comment on documents at the same time. This allows parties to collaborate when and where they want and breaks away from the traditional monthly meeting cycle.

With the right tools, we can move to a world where virtual interactions are the norm and reduce the cost to serve.

Panel Q&A



Q&A panellists



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Thank you for taking the time to listen to our webinar.
We hope you found it informative and if you have any further
questions, please drop us a line at governance@electralink.co.uk