

# ERSG Early Competition

**Executive owner(s):** Katy O'Neill  
**Agenda item** 9  
**Meeting date:** 27/02/2020

## Context

In October we set out Ofgem's request that the ESO produce an Early Competition Plan, investigating early network competition models. In line with our commitment to Ofgem to ensure stakeholders are engaged throughout the process, and following positive feedback from the RIIO-2 process, we will mirror this same process and form a sub-group of the ERSG focused on the Early Competition Plan.

## Update

We anticipate a member of the current ERSG will be requested to chair the sub-group and will provide a feedback loop to the main group; alternatively a new chair could be recruited. The additional members of the ERSG sub-group are to be selected from stakeholder groups who will be impacted by Early Competition.

The role of the ERSG sub-group is to help ensure that the ESO develop fair and transparent early competition proposals which incorporate and balance feedback from all affected stakeholders. The sub-group will achieve this through constructively challenging the ESO's approach to stakeholder engagement. The draft terms of reference are attached for your information. Below are the roles and responsibilities:

- Challenge if the views of all stakeholder groups have been fairly considered in developing proposed competition models.
- Challenge whether a level playing field is being created and barriers to entry removed where possible.
- Challenge whether stakeholder views have been fairly reflected in the ESO's proposed roles and responsibilities for the ESO and other industry parties.
- Challenge whether the ESO's proposed funding arrangements represent value to customers.
- Provide an independent viewpoint on any questions from Ofgem.
- Provide the ESO with feedback from a stakeholder perspective on the effectiveness of its work.
- Provide a final view to Ofgem on the quality of ESO stakeholder engagement on early competition and whether a level playing field is being created.

The sub-group has autonomy to form opinions in regard to its described purpose and report its findings directly to Ofgem. The sub-group will also update the ERSG of the effectiveness of the ESO's stakeholder engagement after each meeting to input in to the Competition Everywhere ambition. Should the sub-group have any significant concerns with regards to the Early Competition Plan which cannot be resolved these can be escalated for further discussion at ERSG.

We anticipate the sub-group will meet three times between now and February 2021, exact dates to be agreed but provisionally May, October and January.

## Input sought

This paper is being submitted to ensure the ERSG are kept updated of the progress and next steps for Early Competition and to request any feedback on the proposals.