

UK Government orders network operators to improve storm responses

- Network operators required to review their severe weather escalation plans, improve their communications systems, and strengthen their compensation payment mechanisms
- follows government's review into the electricity industry response to Storm Arwen in November 2021, which saw around one million households experience power outages
- Business and Energy Secretary gives network operators deadlines to complete next steps that will ensure better preparedness for future storms and improve outcomes for consumers
- this follows Ofgem's review today announcing network operators have paid over £34 million in direct compensation and have agreed to pay a further £10 million in redress payments

The UK Government has today (9 June 2022) set out a range of actions to improve the resilience of Great Britain's electricity networks for future extreme weather events.

This follows a comprehensive government review into the industry response to Storm Arwen and will ensure better outcomes for consumers by setting deadlines for operators to take action.

In November 2021 Storm Arwen brought severe weather disruption to the UK, with around one million households experiencing power cuts, nearly 75,000 of whom were without power for over 48 hours and over 3,700 for a week or more.

As the government made clear at the time, it was unacceptable that thousands of homes were left without power for so long, which is why the Business and Energy Secretary commissioned a review into how network operators responded to the Storm, to identify lessons and ensure suppliers step up to prevent the scale of the issues happening again.

Recommendations from the review include measures to improve the resilience of the electricity system from future storms and improvements to ensure customers quickly receive compensation payments, with network operators given deadlines to implement the changes.

Business and Energy Secretary Kwasi Kwarteng said:

Storm Arwen was one of the most extreme weather events in decades, and I'm grateful to all those engineers, Armed Forces personnel and volunteers who worked night and day to get people reconnected to power.

However, it's clear that thousands of customers were badly let down by electricity network companies, which is why I launched this

review to identify and address any failings.

This action plan will ensure better preparedness for future storms, boosting the security of our electricity system and protecting families.

Areas worst affected were North East England and Scotland, with both the Business and Energy Secretary Kwasi Kwarteng and Energy Minister Greg Hands visiting local communities to see work taking place on the ground to get households reconnected to power.

The review has been a joint endeavour between government, industry and Ofgem – with the energy regulator also publishing their own report into the Storm Arwen response today, looking at how each network operator performed against their legal obligations. Ofgem's review acknowledged the hard work of front-line staff in challenging circumstances, but found thousands of customers were provided with an unacceptable service. Network operators have paid over £34 million in direct compensation to affected customers, and following Ofgem's review, have agreed to pay a further £10 million in redress payments to the affected communities.

The Government's Final Report recommends actions across the three areas of the review – System Resilience, Consumer Protection, and Additional Support – with the Business and Energy Secretary setting deadlines for the next steps to be completed.

System Resilience:

- The review found that existing network standards did not provide adequate resilience to Storm Arwen's unusual northerly winds.
- A new 'outcomes-focused physical resilience standard' will be developed, which will define resilience standards in terms of the outcomes for consumers, as opposed to the current standards, which are solely defined as measures to be implemented.
- Each Distribution Network Operator (DNO) has been ordered to review their severe weather escalation plans, to ensure all relevant factors that can influence the scale of impacts, such as wind direction, are considered.
- The government will update industry best practice to ensure network operators can quickly identify faults and safely assess the extent of network damage earlier in a storm, exploring how smart meter data and technology can help with this.

Customer Communication:

- One of the biggest issues faced by those impacted was the poor service customers received when trying to contact their network operator. The review found all impacted DNOs had excessive abandoned calls and maximum wait times.
- DNOs have been ordered to ensure that communication systems are adequate to meet demand, and introduce telephone systems and websites capable of

handling increased traffic during a storm. This includes considering any additional resourcing or processes to avoid call centres being overwhelmed, such as hiring more staff and sharing call handlers between organisations where necessary.

Compensation:

- There will be changes to the compensation payment system so customers are more aware of what they are entitled to, and so compensation is paid out faster.
- Although nearly 90% of those affected received compensation payments by 24 January 2022, following the Business Secretary calling for customers to promptly receive payments, the review recommends DNOs should develop more robust payment mechanisms.
- This will ensure they can deliver payments at scale and continue their development customer accounts that allow customers to directly update their contact details to their DNOs, so compensation can be paid more swiftly.
- The Energy Networks Association will lead on developing more publicity for compensation entitlement in the event of a power cut.
- The energy regulator Ofgem will commission a review into the compensation payment structure, looking at whether a compensation cap is still appropriate, developing alternative options to the system, and improving the accuracy of customer data

The outcomes from this review will be taken forward to improve resilience of the system, building on previous efforts and investment from both government and industry, to ensure a better outcome for consumers.

Notes to Editors: