

Terms of Reference (ToR) for DSO Stakeholder Panel

1. Background

In summer 2020 Electricity North West published and consulted on a refreshed DSO Strategy. It was clear from the feedback that our stakeholders want to continue to input to and guide our DSO Transition.

2. Role of the DSO Stakeholder Panel

The Electricity North West (“ENWL”) DSO Stakeholder Panel (“Panel”) is a committee made up of independent individuals covering the broad spectrum of DSO stakeholders for the purpose set out in these ToR. The primary purpose of the Panel is to provide insight, independent oversight, challenge, review and guidance on ENWL’s ongoing DSO activities. ENWL will use the output from the Panel to better inform both the ongoing delivery of its DSO Transition plan and the development of its forward DSO strategy and activities.

3. Scope and Objectives

3.1 The Panel has the following scope:

- To represent the diverse needs and viewpoints of ENWL’s DSO stakeholders,
- To guide ENWL’s engagement with its DSO community, ensuring stakeholders are appropriately engaged, noting that the Panel is not a substitute for wider stakeholder engagement and consultation,
- To guide ENWL’s approach to open data access for all stakeholders and specifically network users, subject to privacy and confidentiality constraints; including what data, in what format, delivered where and at what frequency whilst complying with relevant industry codes and statutory obligations,
- To operate independently of the ENWL leadership team but to assist the team in its considerations and decision making on DSO, noting that the Panel has no decision-making powers and ENWL remains accountable and responsible for the DSO strategy and delivery, and
- To inform ENWL of DSO developments outside of the ENWL organisation, including potential insights from around the world and sharing best practice to guide ENWL’s DSO strategy and activities.

3.2 The Panel has the following objectives:

- To provide appropriate oversight, challenge, review and guidance on ENWL’s DSO activities
- To act as the review body of proposed decisions that have been challenged by an affected third party, and make observations on the challenge and where appropriate make observations on a process or methodology
- To act as the review body for DSO forecasting, modelling and decision-making methodologies; and where requested make observations to change relevant methodologies, and
- To support the ongoing performance of the DSO transition using the measures of the DSO Incentive mechanism supported by evidence gathered from the DSO community in accordance with Ofgem’s performance framework and guidance.

3.3 In most instances, the Panel shall meet its objectives through making observations as appropriate to those responsible for the management and/or delivery of DSO activities across ENWL.

4. Functions

4.1 The Panel has the following functions:

- To periodically review and discuss, at least once every two years, ENWL’s DSO strategy, transition plan and ongoing activities and the appropriateness and adequacy of the DSO strategy
- To provide a forum for discussion and, where necessary, observations on DSO stakeholder engagement, data and data access, methodologies and decision-making processes and ongoing delivery performance related to ENWL’s DSO transition; and specifically,
 - To undertake a decision review process where the Panel makes any observations on the proposed investment decisions challenged by third parties, and

- To undertake a methodologies review process where the Panel, on request, reviews the methodologies used in forecasting, modelling and network planning and, as appropriate, make observations.
- To review, evaluate and verify the performance and compliance reports presented to the Panel on an ongoing basis and discuss, as appropriate, areas for improvement, and
- To consider reports, guidance notes and other relevant information provided by Ofgem, HM Government or independent bodies that may have potential to affect ENWL's DSO activities and strategy.

5. Authority

- 5.1 The Panel is authorised to make observations to colleagues with responsibility for making decisions regarding ENWL's DSO activities.
- 5.2 The Panel shall have no executive powers.
- 5.3 The Panel is authorised to obtain information required to fulfil its objectives as outlined in these terms of reference, and to facilitate effective discussions with nominated ENWL DSO representatives.
- 5.4 The Panel is not authorised to obtain information if:
- it would be against the interests of national security or against the law
 - it is about an individual or body who has not given their permission for it to be given out
 - it would cause substantial injury to the organisation, or if supplied by someone else, to the business of that person, or
 - the information has been obtained for the purpose of any legal proceedings.
- 5.5 The Panel will **not** review or discuss any issues that are subject to any commercial or any legal restrictions.

6. Membership

- 6.1 The Panel shall comprise a Chair and up to twelve representatives from across the following stakeholder categories. An individual may represent multiple categories:

○ Flexibility Provider x1	○ Aggregator x 1	○ Generator x 1
○ Supplier x 1	○ Academia x1	○ Storage operator x 1
○ Regional Authority x 3	○ Community & Local Energy x 1	○ Consumer Protection Party x 1
○ IDNOs x 1	○ System/Network Licensee x 1	○ Independent x 1

- 6.2 The Panel will be led by an independent Chair, initially appointed by ENWL. Once the Panel has been established any changes to the Chair must be endorsed by the Panel members and the ENWL Head of DSO. In the absence of the Chair the Panel members present shall elect one of themselves to chair the meeting.
- 6.3 Membership of the Panel shall normally be reviewed biannually. Each Panel member shall normally serve on the Panel for two years but to ensure continuity at the end of each two-year period only half of the Panel members will be up for reappointment. A Panel member may serve multiple terms.

7. Secretariat

- 8.1 ENWL will procure, on behalf of the Panel, secretarial resources to allow the Panel to discharge its activities. The secretarial resources secured by ENWL shall not be a member of the Panel.
- 8.2 The DSO Compliance Officer shall attend the Panel meetings to support the workings of the Panel.
- 8.3 ENWL subject matter experts and external advisers may be invited to attend meetings of the DSO Stakeholder Panel as appropriate.
- 8.4 The secretariat will also support the Panel in communicating with internal or external parties such as other ENWL Panels, market participants, trade associations, Regulators, or Government etc. Panel members may be approached by the press or requested to speak at public events on behalf of the Panel.

This must be discussed with the Chair and the ENWL Head of DSO before agreeing to respond or comment.

8. Conflict of interest

- 9.1 A person appointed as a Panel member shall act impartially and in the best interests of all stakeholders and customers, in line with the requirements on ENWL as a regulated DNO.
- 9.2 At the start of every Panel meeting a Panel member must declare any actual or perceived conflict of interest. The ENWL DSO representative shall decide the most appropriate course of action with the conflicted Panel member absenting themselves from the Panel's deliberations.

9. Meetings

- 9.1 The Panel shall normally meet four times each year. Additional meetings may be arranged by exception as dictated by ENWL DSO activities.
- 9.2 A forward programme of indicative meeting dates and times will be agreed on at least a six-month rolling basis. At the end of each meeting the date and time of the next meeting will be agreed by the Panel; including any additional meetings required between normal quarterly Panel meetings. A notice detailing the venue, time and date of each meeting together with the agenda of items to be discussed, shall be forwarded to each member of the Panel, and any other person required to attend, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Panel members and to other attendees as appropriate, at the same time.
- 9.3 Where the Chair decides an additional meeting is necessary the secretary will propose potential dates and times to maximise the attendance of Panel members.
- 9.4 Members may place items on the agenda up to 10 working days before the date of the meeting. Materials shall be circulated 5 working days in advance where materials are required.
- 9.5 The secretariat shall record the names of those present and in attendance and the agreed actions of all meetings of the Panel.
- 9.6 The agreed actions of the meetings shall be circulated promptly, and not later than 5 working days after the meeting, to all members of the Panel. As appropriate, summary reports of the Panel's feedback and observations will be published on the ENWL website. Where necessary to preserve confidentiality or commercial sensitivity the Panel's reports shall be redacted, with the redactions agreed with Panel members.

10. Expenses

- 10.1 The Panel must ensure that it retains its independence from ENWL but recognises that costs may be incurred by Panel members in discharging their responsibilities.
- 10.2 The level of compensation available to Panel members in performing their responsibilities as part of the Panel are:
 - The Chair and the Panel members of the DSO Stakeholder Panel will be paid by ENWL, and
 - All Panel members can claim reasonable costs and expenses incurred in attending meetings or otherwise conducting Panel business. This can include payment for time spent outside of Panel meetings representing the Panel, if agreed by the Chair and ENWL and is fully disclosed by the Panel in advance.

11. Terms of Reference review

- 11.1 ENWL and the Panel recognises that the DSO transition is dynamic in its nature and that it will need to review the agreed ToR to ensure the Panel can respond to market changes or regulatory policy.
- 11.2 A formal review of the ToR will be completed on an annual basis by the Panel, with the support of ENWL DSO representatives. Any changes to the ToR shall be accepted when the Panel and the ENWL Head of DSO unanimously agree.

11.3 Changes to the ToR can be proposed by a Panel member at any time and will be incorporated into the annual review unless the Chair believes the matter is urgent.

12. **Confidentiality**

12.1 The Panel shall produce notes which will reflect the views of the Panel. These notes will be agreed by the Chair of the Panel. In so far as the Panel reaches a conclusion the Panel members will uphold collective decision making.

Annex 1: Stipend and expenses policy statement

Stipend

- A1.1 As per 10.2 of the Terms of Reference all Panel members, including the Chair, will receive a fixed fee for attending each Panel session in recognition for their individual contribution to the successful functioning of the DSO Stakeholder Panel. The Panel Secretary will keep an attendance register for each Panel session.
- A1.2 The fixed session fee is set at £225 for all Panel members from 1 April 2023 and will increase by inflation (specifically CPI index rate) annually.
- A1.3 Every six months (in April and September) the Panel secretary will calculate the stipend to be payable to each Panel member for the previous six months' attendance and arrange for a payment to be made.
- A1.4 Panel members can opt out of receiving payment for their attendance at any time by informing the Panel Secretary.

Expenses

- A1.5 As per 10.2 of the Terms of Reference all Panel members can claim reasonable costs and expenses in attending meetings or otherwise conducting Panel business.
- A1.6 All expenses claims must be submitted with receipts to the Panel Secretary, using the attached form.

Claim Form



**DSO Stakeholder
Panel Expenses Claim**

Annex 2: Meeting arrangements

These clauses have been drafted to define a structure and ground rules for the meetings of the DSO Stakeholder Panel, at least initially for the formation of the Panel. It is expected that the Panel, guided by the Chair, will update these clauses as it forms into a fully operational Panel over time.

Frequency

A2.1 As per 9.1 of the Terms of Reference the Panel will meet, at least, four times per year.

Meeting timings

A2.2 The Panel session will be held on the first Wednesday of one month in every quarter. Additional meeting will be scheduled on the first Wednesday of any other month, as required.

A2.3 The Panel sessions will be between 4 and 7pm.

Operation of meetings

A2.4 The Panel sessions will be delivered as a mix of face-to-face and online meetings. The Forward Programme in Annex 3 set outs the proposed type of meeting for the first year of operation.

Onboarding and forming

A2.5 In the first year of operation the DSO Stakeholder Panel will meet, at least eight times, as part of the onboarding process for the Panel to understand and discharge its responsibilities.

A2.6 Where the Panel meetings will be conducted in person members can claim reasonable costs and expenses in attending meetings or otherwise conducting Panel business, as per the clause 10.2 of these Terms of Reference.

Annex 3: Forward Programme

An initial Forward Programme for the DSO Stakeholder Panel has been drafted, using the clauses in Annex 2, to define a timetable of activities for the Panel to discharge its responsibilities. It is expected that the Panel, guided by the Chair, will update the programme content as it forms into a fully operational Panel.

A3.1 The draft Forward Programme for 2023/24 is as follows:

TO BE INSERTED.