# Consumer Benefit Analysis guidance document

## 1. ASSESSING THE CONSUMER BENEFIT

We have developed a consumer benefit analysis approach to collect evidence about how the modifications we develop and the changes we introduce impact end consumers. This will require Proposers and the industry to provide more specific information regarding the impact of the change on end consumers.

The consumer benefit analysis is made up of three different parts:

1. An explanation of the current end consumer experience, and how it would be affected if the modification was not implemented (including the impact the current situation would have on consumers if left unchanged)
2. Outline the proposed new consumer experience if the modification is implemented, highlighting how this is different from the current experience
3. Five objectives which consumer benefit can be assessed against, with a similar format to the relevant objectives. For each consumer benefit area an assessment should be made stating whether the impact of the modification in this objective is positive, neutral or negative. Commentary should also be provided to explain the assessment against each objective. **If a change is required that will not benefit end consumers an explanation should be provided to explain why the change is still needed.**

This assessment should be considered in regard to end consumers, both domestic and business users.

The Proposer should populate as much of this section as they can when a modification is raised. However, if such impacts are not known, this should be filled in as the modification is progressed and reviewed at each stage of the process (such as Workgroups, consultations and Panel discussions). The Code Administrator will ensure all parts are completed within the final Modification Report.

## 2. WHAT WILL EACH PART COVER?

### WHAT IS THE CURRENT CONSUMER EXPERIENCE?

This is a free text answer for the Proposer and the Workgroup to populate during the development of the modification. This answer should explain:

a) the issue the modification aims to address;

b) the common end consumer's experience of this issue; and

c) the experience of end consumers if this modification is not implemented.

Where the number and/or type of impacted consumers and if any quantifiable impacts are known this should be included too.

## WHAT WOULD BE THE NEW CONSUMER EXPERIENCE BE?

This is a free text answer for the Proposer and the Workgroup to populate during the development of the modification. This answer should explain how the end consumer experience will change with the introduction of the modification, and set out what the positives and negatives of introducing this change would be for them. Positives and negatives may or may not be direct end consumer experiences, but other implicit positives or negatives can be drawn out in this section.

## CONSUMER BENEFIT OBJECTIVES

| Objective | Explanation definition / guidance |
|---|---|
| Improved safety and reliability | Will this change mean that the energy system can operate more safely and reliably now and in the future in a way that benefits end consumers?<br>This category would relate to changes which balance the system safely, securely and at optimum cost, particularly for consumers in vulnerable situations. It would also consider changes which introduce flexibility across the market to flow energy at the most efficient profile, lower operational costs and make sure GB consumers can access the cheapest sources of energy.<br>Examples of changes include:<br>• security of supply<br>• changes to the balancing regimes e.g. charging changes |
| Lower bills than would otherwise be the case | Will this change lower consumers' bills by controlling, reducing, and optimising spend, for example on balancing and operating the system?<br>This area would relate to changes that are likely to benefit end consumers. This could include any change where it has been demonstrated that it could lower bills for end consumers.<br>If possible, this section should include any quantifiable benefits.<br>Examples of changes include:<br>• Charging review |

| Objective | Explanation definition / guidance |
|---|---|
| Reduced environmental damage | Will this proposal support:<br>• new providers and technologies?<br>• a move to hydrogen or lower greenhouse gases?<br>• the journey toward statutory net-zero targets?<br>• decarbonisation?<br>This section would relate to changes which demonstrate innovative work to design solutions which ensure the system can operate in an environmentally sustainable way both now and in the future.<br>Examples include:<br>• Gas quality blending<br>• Carbon Capture and Storage<br>• New technologies, e.g. wind power |
| Improved quality of service | This area would focus on demonstrating why and how the change can improve the quality of service for some or all end consumers. Improved service quality ultimately benefits the end consumer due to interactions in the value chains across the industry being more seamless, efficient and effective.<br>**If a change is required that will not benefit end consumers an explanation should be provided to explain why the change is still needed.** |
| Benefits for society as a whole | This section would relate to any other identified changes to society, such as jobs or the economy.<br>For example, by 2050, energy system decarbonisation efforts could add 19 million jobs and £52tn of gross domestic product (GDP) to the global economy, increasing the GDP of Northern and Western Europe by 1.25% and 2.5% respectively. It could also generate a 15% increase in global welfare and reduce negative health effects caused by local air pollution by 60%. |

If numbers of impacted end consumers are known for each category, these should be included within the explanation.