



Western Power Distribution Stakeholder Workshop: Bristol February 2019

CONTENTS

1	Introduction	03
2	Executive Summary	04
3	Attendees	09
4	SESSION 1: How We Engage with Stakeholders	10
5	SESSION 2: The RIIO-ED2 Framework and Stakeholders' Expectations of WPD	14
6	SESSION 3: Stakeholder Priorities for RIIO-ED2	19
7	SESSION 4: Being a Responsible Business: Building a Social Contract	24
8	SESSION 5: Smart Future and New Possibilities	29
9	Afternoon Surgeries	37
10	Workshop Feedback	41
11	Appendix 1: Facilitation Prop 1	44
12	Appendix 2: Facilitation Prop 2	44

1 | INTRODUCTION

On 6 February 2019, Western Power Distribution (WPD) hosted the second in a series of six stakeholder workshops aimed at gathering feedback from its stakeholders on the following topics: WPD's RIIO-ED2 engagement plan; the RIIO-ED2 framework and stakeholder expectations of the company; stakeholder priorities for RIIO-ED2; being a responsible business and building a 'social contract'; and smart future and the transition to distribution system operator (DSO). In addition, specific surgeries were hosted on the subject of: connections; consumer vulnerability; electric vehicles and wider innovation; and network charging.

The workshop took place at The Bristol Pavilion, Gloucestershire County Cricket Club. The event consisted of five presentations given by WPD representatives, each followed by round table discussions and electronic voting.

WPD instructed EQ Communications, a specialist stakeholder engagement consultancy, to independently facilitate the workshops and take notes of the comments made by stakeholders.

Every effort has been made to faithfully record the feedback given. In order to encourage candour and open debate, comments have not been ascribed to individuals. Instead, notes have been made of the type of organisation that each stakeholder represents.

The full presentation can be found at <https://www.westernpower.co.uk/downloads-view/29722>, with the agenda for the day on slide 4.



2 | EXECUTIVE SUMMARY

The workshop began with an introductory presentation from Alex Wilkes, Stakeholder Engagement Manager. Alex explained WPD's role distributing power to 7.9 million homes and businesses across its network area. He then explained how the company's role as a Distribution Network Operator (DNO) would evolve to become a Distribution System Operator (DSO).

SESSION 1: HOW WE ENGAGE WITH STAKEHOLDERS

Alex Wilkes introduced the opening workshop session, talking stakeholders through the business planning process and WPD's engagement timeline for RIIO-ED2. Alex's presentation can be found at <https://www.westernpower.co.uk/downloads-view/29722>, on slides 8–17. The key findings from the workshop were as follows:

- Stakeholders came from a variety of backgrounds. The most well represented at the workshop were local authorities (officers and elected members) and energy / utility companies, each representing 13% of attendees.
- Delegates in Bristol expressed a keen interest in renewable technologies and WPD's plans regarding the DSO transition.
- The majority of stakeholders were happy to play a greater role in WPD's future consultation process, with face-to-face workshops the preferred method for providing their input.
- Citing the often-complex issue of DSO transition, many highlighted the importance of being consulted on issues they don't yet fully grasp, so they can sit and learn and then disseminate new knowledge through their local networks.
- Stakeholders wanted to see community energy groups, larger planning consultancies, newer council departments and groups representing the voices of the vulnerable better engaged on the current issues facing WPD.



SESSION 2: THE RIIO-ED2 FRAMEWORK AND STAKEHOLDERS' EXPECTATIONS OF WPD

The second session of the morning was presented by Paul Branston, Regulatory & Government Affairs Manager. Paul explained the key features of the current Business Plan period and outlined Ofgem's proposed changes for RIIO-ED2. Paul's presentation can be found at <https://www.westernpower.co.uk/downloads-view/29722>, on slides 18–31. The key points raised by stakeholders were as follows:

- The majority felt WPD's costs were fair and accounted for good value, but explained that due to rising energy prices and the perceived opacity of the energy system, there was an aura of mistrust around energy companies and costs in general.
- Delegates suggested mandating a graphic on energy bills showing how customers' money is divided and spent, as councils do with council tax. Others wanted to see more energy education and an awareness campaign showing how WPD was contributing to a carbon neutral future.
- Stakeholders were divided over the current suitability of WPD's six strategic outcomes. Many were keen to see DSO and environmental targets on carbon reduction more concretely outlined within the outcomes.
- On the question of structuring outputs within WPD's Business Plan, there was general agreement that type C, which would see WPD developing a pool of outputs and promising to deliver any that don't fit Ofgem's new structure as 'wider commitments', was the most effective framework because of its scale and ambition.
- This was borne out in the electronic voting, where this option won 61% of the vote.

SESSION 3: STAKEHOLDER PRIORITIES FOR RIIO-ED2

Andrzej Michalowski, Planning and Regulation Special Projects Manager, introduced the third session of the morning. This session was aimed at identifying the priority areas that mattered most to stakeholders. Andrzej's presentation can be found at <https://www.westernpower.co.uk/downloads-view/29722>, on slides 35–45. The key points raised by stakeholders are shown below.

- Stakeholders suggested some potential missing priority areas, including greater accessibility of data, education as a method for encouraging behavioural change, and climate.
- When asked to vote on which priority area was most important to them, delegates opted for network reliability, building a smart network and cyber resilience, which was seen as particularly critical with the advent of DSO and smart grids.
- This was accurately reflected in the electronic voting, where network reliability, smart networks and cyber resilience scored 8.4, 8.4 and 8.2 out of 10 respectively.
- EVs were not seen as a critical concern, with many feeling that investment in smart networks and reliability in the present would enable a smoother transition to electric transport in the future.
- Stakeholders suggested a wide range of practical actions under their chosen priority areas, such as dedicated recruitment in universities to improve workforce resilience, educational outreach to precipitate an energy efficiency behavioural step change, and deeper collaboration and leadership across industries on both cyber resilience and whole systems approach.

SESSION 4: BEING A RESPONSIBLE BUSINESS: BUILDING A SOCIAL CONTRACT

Alison Sleightholm, Resources & External Affairs Director, introduced the next session of the day. She explained the concept of a social contract and stakeholders were asked to consider what should be included in this. Alison's presentation can be found at <https://www.westernpower.co.uk/downloads-view/29722>, on slides 47–59. The key points raised by stakeholders are shown below:

- Delegates were pleased to discuss the idea of a social contract, showing a keen appreciation for the concept of committing to an ethical value system as key to building trust.
- Trust in WPD was for the most part high, with 84% of attendees voting at the top end of the scale (7 out of 10 or higher) when expressing how much they trusted WPD.
- It was felt that the social contract had to include a commitment to transparency, especially regarding taxation and the fair treatment of the company's employees.
- Most stakeholders favoured the social contract being included as a discrete part of the Business Plan, with many feeling its presence there would be more reliably scrutinised by Ofgem.
- Stakeholders wanted WPD's social contract to be monitored externally, using external audits, customer engagement groups, benchmarking and hard targets enforced by Ofgem. They also highlighted the importance of celebrating any achievements through social media and press releases.

SESSION 5: SMART FUTURE AND NEW POSSIBILITIES

Nigel Turvey, Network Strategy and Innovation Manager, introduced the final session of the day. Nigel talked stakeholders through WPD's DSO strategy and the changes that need to be made to the network to support electric vehicles (EVs) and the electrification of heat. Nigel's presentation can be found at <https://www.westernpower.co.uk/downloads-view/29722> on slides 62–75. The key points raised by stakeholders are shown below:

- Delegates wanted to see formal reports and tailored information online and in newsletters when reporting on the transition to DSO.
- The majority of stakeholders agreed that a financial incentive would be the primary reason for participating in a flexible scheme. Others stated that legislation was the only way to drive the take-up of flexible services, and others called for clearer information about the benefits of flexibility.
- When voting electronically, the largest portion of the room, 52%, confirmed they would want to see savings of between £10–£30 in order to consider participating in a flexible scheme.
- Delegates had differing concerns over the question of EV charging: some worried about affordability, capacity and speed of charge, while others felt that vehicle range and power were key.
- Stakeholders voiced frustration at a dearth of information available on heat pumps. Others pointed out that a fundamental problem resided in the perceived risk over experimenting with central heating, now seen as a precious right.
- Voting electronically on transitioning to electric heating, the most popular option, with 38% of the vote, was 'never/highly unlikely', indicating there is some way to go before people feel totally comfortable with this change in their homes.

AFTERNOON SURGERY 1: CONNECTIONS

The surgery on connections was hosted by Tim Hughes, Connection Policy Manager.

- Stakeholders agreed that WPD had identified the correct connections priority areas, although some felt an innovation priority was needed.
- Delegates emphasised the transition to DSO and network capacity as being of critical importance with regard to connections, and these were voted as the first and second priorities respectively.
- On DSO, some wanted WPD to be more transparent on whether it included G99 compliance, and when discussing network capacity, many were concerned that too much of it was still being reserved by undeveloped schemes.
- There was consensus that WPD's availability of connections information is the best of the DNOs.

AFTERNOON SURGERY 2: EVS AND WIDER INNOVATION

The surgery on EVs and wider innovation was hosted by Paul Jewell, Policy Manager.

- Delegates were interested in the possibilities of 'superfast' houses with a three-phase connection, and wanted to know whether this would become a new standard in planning.
- Others called for a greater focus on battery storage, with some stressing the need for 'battery management' alongside 'network management' as a priority for WPD in the transition to DSO.
- Attendees agreed that a financial incentive, such as cheaper electricity bills or an Amazon voucher, would encourage them to charge their EVs during off-peak hours.

AFTERNOON SURGERY 3: NETWORK CHARGING

The network charging surgery was hosted by Nigel Turvey, Network Strategy and Innovation Manager.

- Many delegates felt that as network charging was a complex issue, a greater effort to simplify and explain any changes to charging mechanisms would be needed going forward.
- Stakeholders wanted to see WPD investing in microgrids, pointing to a clear benefit for both consumers and WPD.
- Delegates were in agreement that they wanted to receive updates from WPD as well as Ofgem on the network charging review process.

AFTERNOON SURGERY 4: CONSUMER VULNERABILITY

Alex Wilkes, Stakeholder Engagement Manager, hosted the consumer vulnerability surgery.

- Delegates agreed that the strategic goals for the 2019 action plan were the right areas to drive improvement.
- Attendees suggested working with referral partners to drive people towards relevant information on vulnerability available on WPD's website, as well as rolling out their schemes with schools and universities to get young people to engage with elderly relatives about energy consumption.
- When delegates were asked which obligation commitments they wished to see carried forward, none wanted to see any commitments removed.

WRITTEN FEEDBACK

After the workshop, stakeholders were asked to complete a short feedback form. Some of the key findings are shown below:

- 71% of attendees reported that they found the workshop 'very interesting', with 29% opting for 'interesting'.
- 96% 'agreed' or 'strongly agreed' that they had the opportunity to make their points and ask questions.
- 83% 'agreed' or 'strongly agreed' that the right topics were covered for them on the day, and 88% thought the workshop venue was 'good' or 'very good'.
- 57% thought EQ Communications' facilitation was 'very good', with 43% opting for 'good'. None voted for neutral or negative options.
- 76% of stakeholders indicated they would be interested in participating in WPD's RIIO-ED2 consultation at key points in the process. Of these, 27% favoured face-to-face workshops, with a second preference for focus groups at 25%. Least popular were webinars and written consultations, favoured by 11% and 7% respectively.

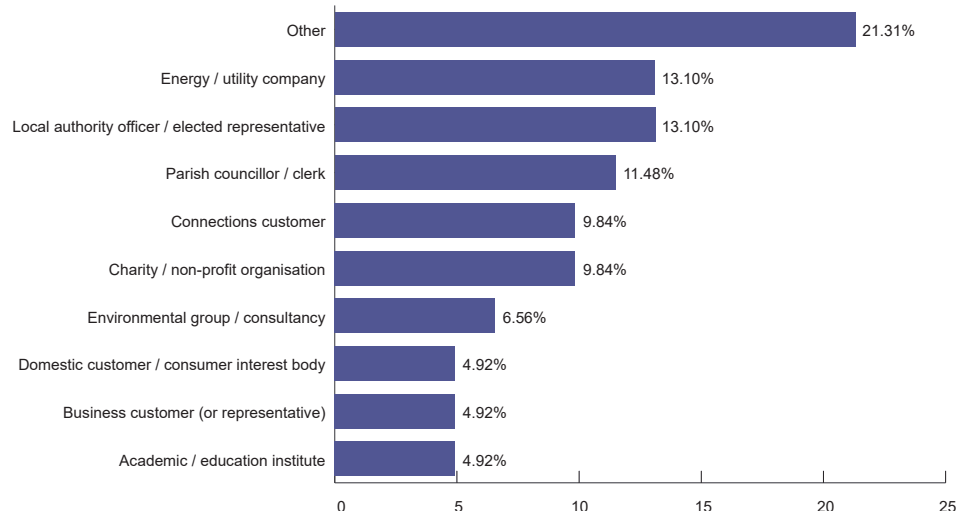


3 | ATTENDEES

A total of 66 stakeholders attended the workshop, representing 52 organisations. The organisations represented on the day are shown below:

- Agility Eco
- Bristol City Council
- Bristol Energy Cooperative
- Bristol Energy Network
- British Solar Renewables
- Burnett Industrial Limited
- Centre for Sustainable Energy
- Centrica Business Solutions
- Citizens Advice
- Combe Hay Parish Council
- CPRE Somerset
- Dodington Parish Council
- EA Technology
- Energetics
- Energy and Utilities Alliance
- Energy Saving Trust
- Enso Energy Ltd
- Enterprise Europe Network
- Environment Agency
- Ethical Power Connections Ltd
- Everoze Partners Ltd
- Exeter Community Energy
- Exmoor National Park Authority
- Geldards LLP
- Gloucester & District Citizens Advice Bureau
- Green Nation
- Hawker Siddeley Switchgear
- KIER
- Low Carbon Hub
- Mendip Citizens Advice Bureau
- Nailsea Town Council
- National Grid
- Nortech Management Ltd
- North Bristol Healthcare Trust
- Royal Mail
- S&C Electric Company
- Scottish and Southern Electricity Networks
- Severn Wye
- Smarter Grid Solutions
- South Gloucestershire Council
- SP Energy Networks
- SW TUC
- Swanbarton
- Taylor Wimpey
- The Schumacher Institute
- UK Power Reserve Ltd
- University of Bath
- University of Bristol
- University of West England
- Westbury-on-Severn Parish Council
- Whitchurch Village Council
- Winscombe & Sandford Parish Council

Stakeholders were asked to vote electronically to identify their stakeholder type. The results were as follows:



4 | SESSION 1: HOW WE ENGAGE WITH STAKEHOLDERS

Summary of the discussion

The first discussion session was introduced by Alex Wilkes, Stakeholder Engagement Manager. Alex explained how WPD's role as a Distribution Network Operator (DNO), distributing power to 7.9 million homes and businesses, was changing to that of a Distribution System Operator (DSO) as a result of the increase in generation and storage connecting to the network.

Alex then outlined the business planning process, explaining that distribution networks are regional monopolies regulated by Ofgem, which sets price controls determining how much each network operator can spend.

He went on to talk stakeholders through WPD's timeline for engagement for the next price control period, RIIO-ED2, which runs for five years, beginning in 2023. Stakeholders were then asked to state their reasons for attending the workshop and outline how they would like to be involved in this programme of engagement.

Delegates arrived at the Bristol workshop with wide-ranging interests and concerns, and this reflected the diversity of those attending. Local authorities (officers and elected members) and energy / utility companies were the most well represented, each representing 13% of attendees, followed by parish council representatives at 11%, and charity / non-profit groups and connections customers both at 10%.

Attendees in Bristol were particularly interested in renewables and smart grid innovations and wanted to hear WPD's plans regarding DSO transition. All stakeholders agreed that consultations were essential, in particular as WPD transitions from a DNO to a DSO. The majority of stakeholders expressed an interest in being consulted on a more regular basis, with face-to-face workshops the preferred methodology. Some felt comfortable engaging online, while others worried it excluded some groups. There was consensus that long written consultations and surveys were onerous and undesirable. Others stated the importance of being consulted on issues they don't yet understand, so they can learn from WPD and then spread knowledge through their local networks. Delegates suggested community energy groups, larger planning consultancies, newer council departments and groups representing the voices of the vulnerable, disabled people and the elderly as key groups that needed more engagement.



1. WHY HAVE YOU ATTENDED TODAY, WHAT IS YOUR PARTICULAR AREA OF INTEREST AND WOULD YOU LIKE TO BE INVOLVED IN OUR CONSULTATION AT KEY POINTS?

Verbatim comments:

"We are storage consultants, we're doing innovation work around smart systems and local trading. We're interested in how RIIO-2 will steer WPD."

Connections representative

"I pay the gas and electricity bills for Bristol University. We are interested in using more renewables and using campuses as a living lab and researching smart networks." **Academic**

"I represent a community organisation that works with rooftop projects and fuel poverty projects. I'm here to hear about future plans for WPD and to see how we can interact in the fields of renewables, connecting customers and corporate social responsibility."

Connections representative

"I want to know more about community energy opportunities and about what is being done to combat the upcoming climate emergency. I live very near a flood zone, but I do not see how resilience can be built into a plan that only spans five years."

Parish council representative

"I work with vulnerable people who cannot afford to pay their electricity bills. I want to find out what help DSOs and electricity companies are going to offer those people in the future."

Consumer group representative

"I work for the sustainability team at the Council. I work on developing policy and I'm interested in the electrification of heating and transport, and the impact of this." **Local authority representative**

"As a university we have a couple of representatives here and have a lot of contact with WPD. We would want engagement throughout the whole process. Universities are big consumers as well as having a strong research interest." **Academic**

"I feel we should be consulted in areas that we don't understand yet. We're currently involved in the resilience aspect but there are other things that will be of interest to us, such as electric vehicles and electrical waste. Part of being here is to better understand the process so that we can then find more qualified people to be consulted and involved."

Environmental group representative

"Yes. Consultation is very important, especially in how developers and WPD can work together given the current complexities with connecting to the grid."

Connections representative

"As a process it's nice to be able to read it on the website and then have sessions like this to give us the chance to interact, particularly with the people who draft them up."

Infrastructure / engineering representative

"As a customer panel member, I want to know about what's happening at every stage. Constant user consultation is critical."

Consumer group representative



2. WHAT METHODS OF ENGAGEMENT BEST SUIT YOU AND THE WIDER STAKEHOLDERS / CUSTOMERS THAT YOU REPRESENT?

Verbatim comments:

“Monthly progress updates on Business Plan developments would be good.”

Infrastructure / engineering representative

“Events are good, but value comes from knowing the details beforehand and involving people throughout the process. With this, you don’t need such frequent meetings.”

Infrastructure / engineering representative

“Face-to-face meetings allow for people to be in the moment and discuss views, which you don’t get with emails. There have to be opportunities to hear other people’s views.” **Energy / utilities representative**

“I think these sessions are easier than filling out a 14-page consultation. It’s easier to find time to talk with WPD for a day than sit down and answer a consultation.” **Connections representative**

“I sit on some of the Ofgem workshops, and they have a monthly meeting and then a bi-monthly conference call, and we can all see the screens.”

Business representative

“For me, these groups are amazing. Much better than other DNOs that do stakeholder engagement. I appreciate how expensive they are to put on, but this format is great for me both as a customer and a vendor.”

Infrastructure / engineering representative

“I’ve done a few webinars and you do tend to drift off a bit. I’m old fashioned, I prefer to take a day, give it my full attention and then move on with my week.”

Infrastructure / engineering representative

“The website. I think there are some interesting sectors of your client base that need special attention, such as community energy groups that are growing in energy but not necessarily ability. So have something to say, hi, here we are. And have some social networking events too.” **Academic**

3. ARE THERE ANY KEY STAKEHOLDER GROUPS THAT YOU FEEL IT IS VITAL TO INVOLVE?

Verbatim comments:

“I’m sure within the council there are other teams that would be interested. You should email council managers with the relevant materials so we can involve newer roles within councils.”

Local authority representative

“I’ve been to a couple of these but I’ve never seen anyone from the big planning consultancy firms here. These consultancy firms are presented to end users as the experts, they’re the point of contact for local authorities. It would be important to get these groups involved.” **Academic**

“I think community energy groups should be involved, but it’s a challenge. They can be investors, so an asset owner, which is a normal engagement group, or they could be doing lots of work around energy efficiency or vulnerability, so that engagement is more nebulous.” **Connections representative**

“You should get disabled people and elderly people into it. The more range, the better. Looking around the room, a lot of people are here at a professional level, or are used to working at a professional level. It would be nice to get more ‘real people’. To attract different people, you need different kinds of events, so you need to actually outreach.”

Parish council representative

“There are some local authorities here, so that’s good. Things like the transition town movement should be here because they’re a grassroots movement and they’re enthusiastic, but perhaps they haven’t organised themselves enough yet. So I’d say community groups who want to get involved.” **Academic**

“You could get representatives from food banks.” **Parish council representative**



5 | SESSION 2: THE RIIO-ED2 FRAMEWORK AND STAKEHOLDERS' EXPECTATIONS OF WPD

Summary of the discussion

The second discussion session was introduced by Paul Branston, Regulatory and Government Affairs Manager. Paul talked stakeholders through the key features of the current RIIO-ED1 Business Plan. He explained how stakeholders had identified six strategic outcomes that they expect WPD to deliver and how Ofgem is proposing to consolidate outcomes for RIIO-ED2 into three broader categories: 'Meet the needs of consumers and network users'; 'Maintain a safe and resilient network'; and 'Deliver an environmentally sustainable network'. Stakeholders were asked to consider whether WPD's six strategic outcomes are still appropriate and how they would propose to structure these under Ofgem's new categories.

Paul then talked stakeholders through Ofgem's Business Plan framework and how, within the three categories, there are three defined output types: License Obligations (LOs); Price Control Deliverables (PCDs); and Output Delivery Incentives (ODIs). He explained how this presented a challenge in terms of structuring and implementing the Business Plan in RIIO-ED2.

Paul concluded his presentation by talking attendees through what consumers get from WPD in return for the average £98 per annum they pay as part of their electricity bill, asking them to consider whether they thought this was good value for money.

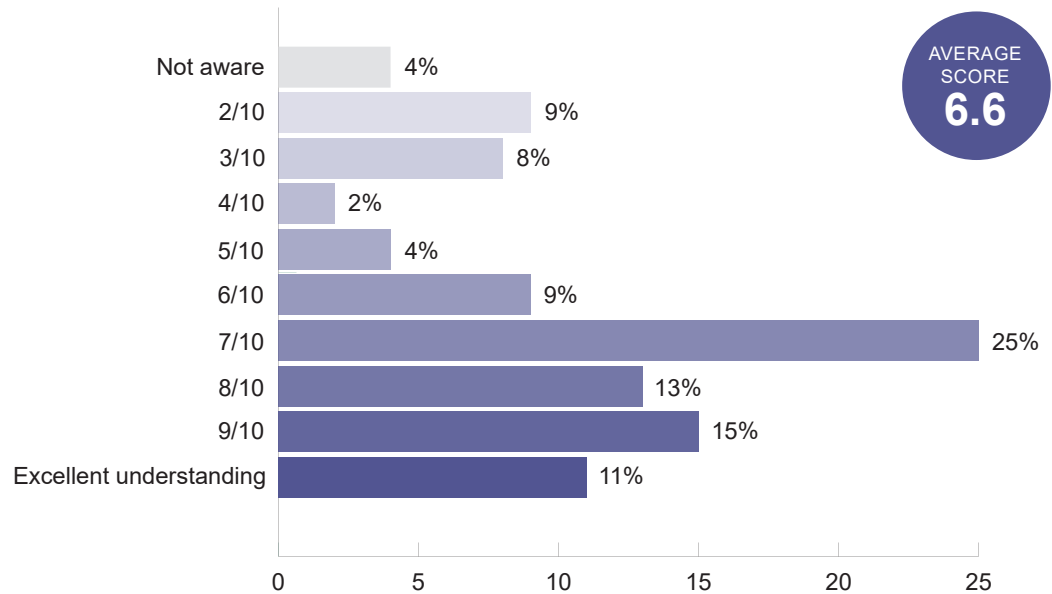
While most stakeholders thought WPD's costs were fair and that WPD provide good value, all agreed that the public was generally unaware of who WPD are and why WPD take the relevant cut from their energy bills, and that this lack of transparency could potentially foster mistrust. As a consequence of this, delegates urged WPD to make themselves, and the work they do, better known to their customer base. Suggestions were made to include a graphic on consumers' energy bills showing how their money is apportioned, as councils do with council tax. Others felt that education, an annual 'value' statement, and a more concerted environmental initiative demonstrating how WPD was contributing to a carbon neutral future could have an impact.

There was mixed opinion on the current suitability of WPD's six strategic outcomes, with many keen to see DSO, environmental targets on carbon reduction, EVs and the electrification of heat more concretely addressed within the outcomes. Others felt a clearer outcome regarding collaboration and development planning was necessary, with delegates from local authorities and parish councils particularly concerned about the lack of communication across sectors in the planning and delivering of new housing.

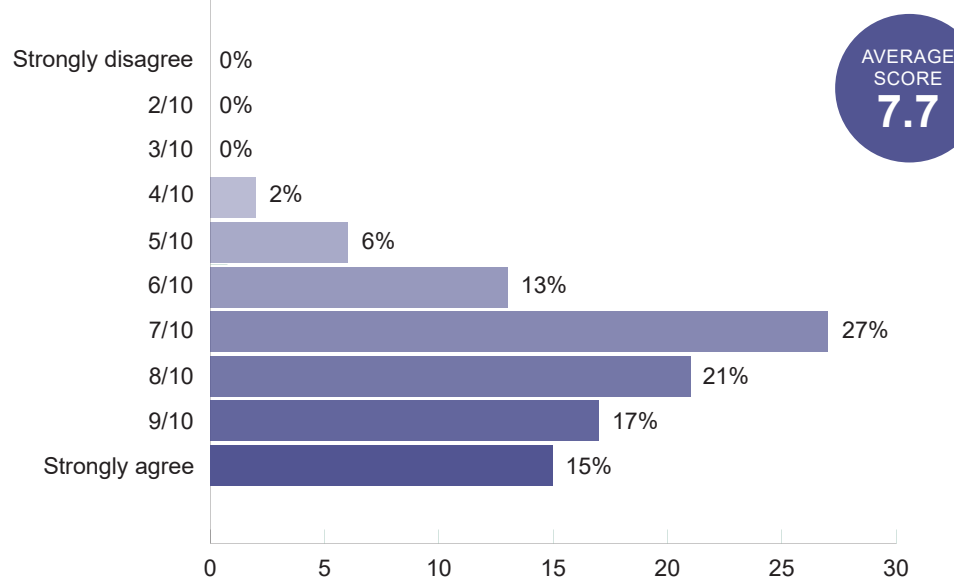
There was general consensus that type C, where WPD would develop a pool of outputs stakeholders want them to deliver, structuring these within Ofgem's framework and promising to deliver any that don't fit as 'wider commitments', was the most effective framework because of its wide scope and ambition. This was reflected in the electronic voting, where it garnered 61% of the vote. However, there was spirited debate on the subject, with some delegates arguing for option A, limiting outputs solely to those that fit in the three output types set by Ofgem, on the basis of cost and keeping to Ofgem's mandate, while others felt WPD should not be afraid to push targets further than Ofgem requires and set new industry standards.

1. WERE YOU AWARE OF WPD'S COSTS AND THE LEVELS OF SERVICES WE DELIVER? HOW CAN WE MAKE OUR COSTS CLEARER TO CUSTOMERS AND DEMONSTRATE WHAT OUR NETWORK DELIVERS?

On a scale of 1–10, how aware were you of WPD's costs and the levels of services we deliver?



On a scale of 1–10, how do you feel about the following statement?
“WPD delivers good value for money”



“It looks like WPD are delivering value for money from the slides.” **Academic**

“The information needs to be presented in a way that non-specialists can understand.”

Infrastructure / engineering representative

“I’d say 27p a day is value for money, if you break it down to that level, but it’s about getting that message across.” **Parish council representative**

“My grandma had a breakdown of what her bill consisted of, and I know WPD doesn’t have any control over that, but that seemed very useful for getting people to understand.”

Connections representative

“Is it possible to emphasise the technology playing a part? For example, WPD is investing more in renewable energy to decarbonise society. That kind of information would help customers understand they are building a greener society, and understand the technological revolutions currently taking place. You could put it in a pack for them to read over and understand it fully.” **Academic**

“To a domestic customer, you might as well be invisible.”

Infrastructure / engineering representative

“It might be useful if when you sign up with the licence supplier, they make it very clear who the DNO is and how you contact them.” **Connections representative**

“When you get your council tax bill and it shows how it’s split, that would be useful. You need to be proactive.” **Charity representative**

“From a consumer point of view, everything is really good. However, in terms of cost, you’re always looking for a cheaper price. Virgin send their broadband customers a ‘value statement’, showing how much ‘value’ people get from using their service. Replicating this might be a good avenue.”

Business representative



2. ARE WPD'S SIX STRATEGY OUTCOMES STILL APPROPRIATE – ARE THERE ANY MISSING?

Verbatim comments:

"There's another one to do with the transition to a smarter grid. It's not just WPD; all DNOs need to start rolling that out so that the DNO can make choices about where it gets flexibility from. It's becoming ever more apparent that work needs to be done in this area. That would have to be under another header. To me it's all about delivery; we've known about it for the best part of a decade, and we don't appear to have come together as an industry."

Connections representative

"There is a mention of WPD having a sub-aim to reduce its carbon footprint. I don't know how you would measure this, but is there a way of tracking in your customer network the reduction in carbon related to energy? It could be a meaningful target for these customers. Is there a way of comparing WPD to other DNOs by looking at certain sustainability markers of the way your network is used? It would be interesting to be competitive with the other areas."

Charity representative

"As a parish council, we're not involved in planning, but I am aware of local planning systems and I'm aware that there's not a tremendous amount of dialogue between councils and utility suppliers about planning. I am also conscious that when you get new housing, the attitude seems to be as far as utilities are concerned, what you say goes, which isn't the way to go. There's some catching up to do."

Parish council representative

"It is important to include the target of becoming a low-carbon company under Ofgem's environment category." **Connections representative**

"The climate emergency needs to be a top priority and an overarching outcome."

Parish council representative

"Are electric vehicles and electric heat generation a resilience issue? Why aren't we talking about these huge issues as strategic outcomes?" **Academic**

3. DO YOU AGREE WITH HOW WE HAVE PROPOSED TO SET OUT OUR STRATEGIC OUTCOMES UNDER OFGEM'S NEW CATEGORIES?

Verbatim comments:

"I think it's common sense. I think the one that is going to need further fleshing out is the righthand one about building a smart, flexible network. When we start to see the impact of connecting electric cars and the like to the network and the way the network is going to have to cope with that, that's a whole policy area that is going to become more important."

Parish council representative

"I think the word 'sustainable' could use a definition. It's used in a variety of ways, but what do they actually mean by that? More clarity is needed."

Connections representative

"I think the same thing for 'resilience'. A lot of people won't understand what that means." **Academic**

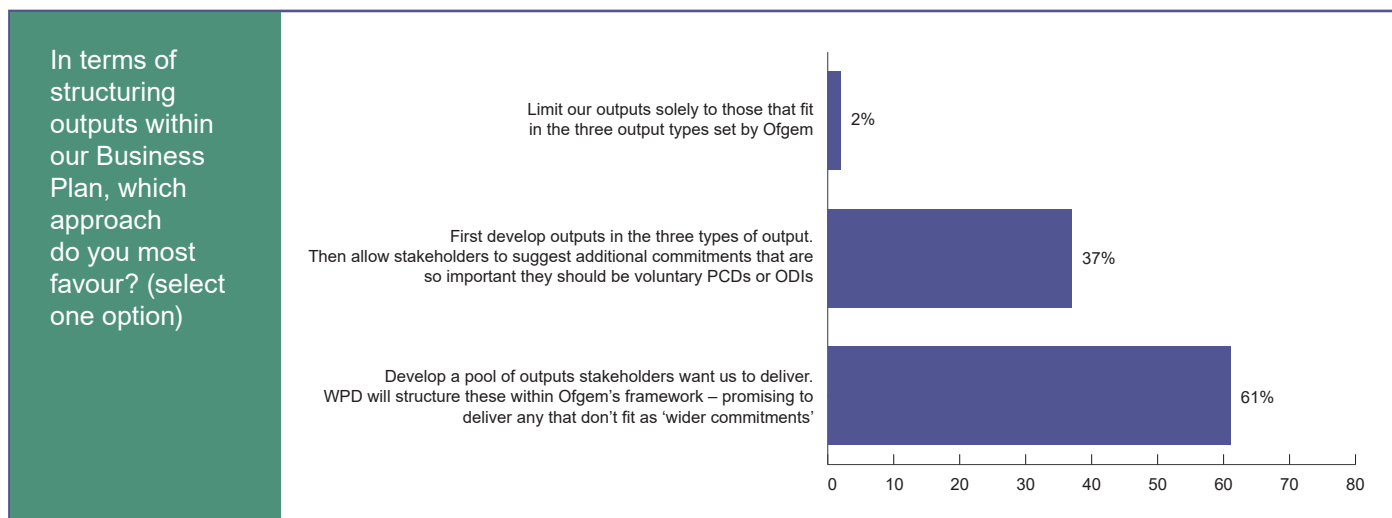
"It all feels very reactive and vague. How on earth can everything be put together so that we can all achieve our outcomes and have a wider system that benefits the public? It's all feeling a little muddled at the moment. Strategic thinking to create a holistic view is essential when approaching this."

Local authority representative

"It's always difficult when you have to put these things in categories. In my company, we would consider weather conditions as falling under network reliability rather than network resilience, but a lot of the time, it's much of a muchness."

Energy / utilities representative

4. OFGEM HAVE THREE TYPES OF OUTPUT. HOW SHOULD WE PRESENT THE COMMITMENTS WE MAKE TO YOU AS STAKEHOLDERS?



Verbatim comments:

"I do know WPD is one of the best DNOs, so it is foolish to go backwards. I also feel Ofgem lack a grasp on reality and a grassroots approach. They have these big strategies, but don't get into the nitty gritty." **Connections representative**

"I think C sounds good. To the layman it feels like the most accessible way of understanding your energy commitments. The wider commitments clause makes it easier for your average end user to follow."

Local authority representative

"I strongly favour option B. Option A is too limiting, you can't exclude things, but option C is too nebulous. It's too hard for the stakeholder community. Really, it's for the stakeholders to say which ones you should add or prioritise more. I struggle to see how the stakeholder community would do it, it's so detailed."

Connections representative

"I'm being slightly cynical here, but if Ofgem's preferred method of looking at things is in these three categories, and you have an output that doesn't seem to fit, you could develop the case for it but then submit it under whichever of Ofgem's categories it is closest to. They would see that as fitting their internal model and so you're more likely to get that through, rather than saying 'oh and here's another thing you hadn't thought of'. So you're paying lip service to the three Ofgem categories." **Parish council representative**

"I think that given your high profile and high performance, it would be reasonable to set some stretch targets and convince Ofgem it's an opportunity to improve even further."

Connections representative

"I think option C, as you've got the 76 there but they just need fine tuning. You're doing very well, carry on."

Business representative

"I prefer option A. If stakeholders have suggested something, then WPD are more than capable of putting that suggestion within one of those boxes. You can always make it fit. WPD is already green for everything, so why do extra? It's like spoon feeding. I think you can go too far the other way and spend too much money. Wouldn't it be nice knowing that any extra money goes back to the customer rather than spending money for the sake of spending?" **Local authority representative**

"No knowing which of the 76 are going to drop out, you're going to have action groups knocking at your door. There's going to be consultation both here and at Ofgem, which you want to avoid." **Academic**

6 | SESSION 3: STAKEHOLDER PRIORITIES FOR RIIO-ED2

Summary of the discussion

The third workshop was introduced by Andrzej Michalowski, Planning and Regulation Special Projects Manager. Andrzej began by explaining that although feedback from stakeholders has shaped WPD's priority areas in the current Business Plan period, these areas change over time as new priorities emerge. Cyber security and electric vehicles were given as examples of priorities that had gained prominence in recent years.

Andrzej then talked stakeholders through each of WPD's 14 priority areas and the activities that are included as part of these. After the presentation, stakeholders were asked which areas they considered to be low, medium and high priority, giving the reasons for their decisions. They were then asked to come up with some proposed activities pertaining to the five 'highest scoring' priority areas.

Stakeholders discussed any priority areas that might be missing. Although most felt WPD had the top 14 covered, some suggested adding strategic planning and network maintenance from the point of view of generators, and greater accessibility of data to improve the quality of connections applications, and the speed with which they're approved. Still more felt WPD needed to prioritise education as a method for encouraging behavioural change, with many stressing the importance of teaching children in school about energy and its critical role in the environment, and resilience. Other delegates, particularly from councils and local authorities, felt the 'Environment' priority was too weak, and that there should be a separate 'Climate Emergency' category.

The top priorities for stakeholders in Bristol were network reliability, building a smart network and cyber resilience, all of which were seen as particularly critical with the advent of DSO and smart grids, and this was reflected in the electronic voting. Whilst for network resilience stakeholders wanted to see the more traditional activities of reducing the frequency and duration of power cuts, for building a smart network they wanted to see a focus on activities, including easing the connection of low carbon technologies, facilitating community energy and managing flexible services. For cyber resilience, stakeholders wanted to see a focus on the protection of customer data and access to the network.

There was debate around whether it was WPD's responsibility to take on the issues of vulnerable customers and fuel poverty, with those representing connections and utilities seeing this as a government responsibility, while those from the charity sector and local authorities advocated for WPD's role in what they perceive as a 'care gap'. Many felt that if network reliability was prioritised, good customer service would inevitably be achieved. It was generally felt that EVs would see a trickle-down benefit from investment in smart networks and reliability and were not a top priority. Some delegates felt there was not enough time to properly consider the implications of the prioritisation exercise, suggesting a more detailed approach to this could be taken at another consultation.

Stakeholders elaborated on the sorts of activities they would like to see WPD focus on in terms of public engagement. This included selling the benefits of smart technologies, encouraging energy efficiency amongst customers and working with third party advocates, including the NHS.



1. HAVE WE IDENTIFIED THE RIGHT PRIORITY AREAS? ARE ANY MISSING?

Verbatim comments:

“Education around behavioural change, as prevention is better than cure. Education should occur from an earlier stage.”

Infrastructure / engineering representative

“Availability of data. If you go on WPD’s website, there’s a heat map for connections. Data needs to be made available so that new solutions can come to the market. If there’s more provision, the queue improves because you get better applications. So I’d like to see that standard across all DNOs.”

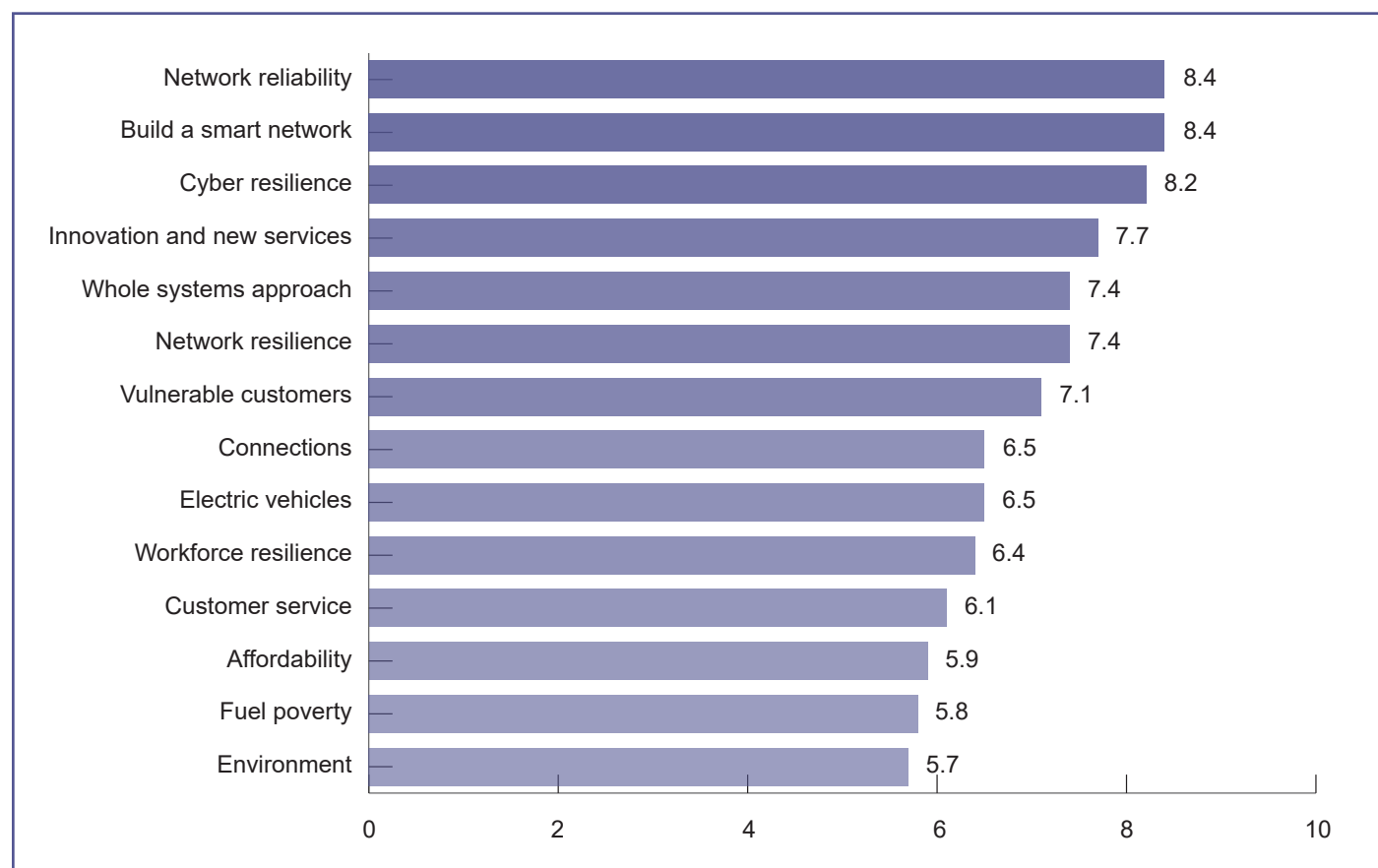
Connections representative

“I’ve had a couple of isolated incidents regarding network maintenance for generators. So it’s about network resilience, but all the dialogue around network resilience is usually about consumers, whereas generators get pushed down the pecking order.” **Connections representative**

“Developing a plan to deal with the climate emergency needs to be a high priority. ‘Environment’ is an understatement.” **Parish council representative**

2. WHICH PRIORITY AREAS ARE MOST IMPORTANT TO YOU?

Stakeholders were asked to review each of WPD’s 14 priority areas and rank them according to whether they considered them to be high, medium or low priority, giving their reasons for doing so. The facilitation prop used to engender feedback is included in Appendix 1 of this document.



Verbatim comments:

“Network resilience should be the most important. I think it’s a core issue that needs to be addressed before anything else.” **Academic**

“Smart networks are high, as they allow you to maintain network resilience.”

Infrastructure / engineering representative

“I was thinking about which of these areas fundamentally addresses risk to the other aspects. I would argue that cyber resilience has got to be in the high category because if you get it wrong, you get the NHS situation. You are fundamentally risking the ability to deliver all the other things like customer service, reliability and so on.”

Parish council representative

“Electric vehicles are going to continue to develop anyway, so WPD’s responsibility is to give them a smart network.” **Business representative**

“Planning for the future with workforce resilience is key for the network.”

Environmental group representative

“Fuel poverty is still an issue, but it is being addressed on a national level and by charities. It’s not just WPD’s concern.” **Connections representative**

“Vulnerable customers are the result of political failings, such as austerity and tax measures. It is not WPD’s problem, but WPD is the only one who is listening.” **Parish council representative**

“Improving connections is a high priority. If we can connect more renewable energy sources, then we can reduce coal consumption. Also, we will need to build more houses to deal with the problem of homelessness, so improving connections will also be important in that regard.”

Connections representative

“Connections is medium for me, as if connections reduce network resilience, that’s a problem. It’s fine if the network is resilient and adaptable already, working from a stable smart network.”

Infrastructure / engineering representative

“Whole systems approach is a prerequisite moving forward, I can’t see how we can add connections in ten years with EVs if the whole system isn’t being considered.”

Infrastructure / engineering representative

“Collaborations are high, speaking of postcode lotteries, will it be advantageous to be in a WPD area in the future? It’s like doctor’s surgeries, EVs.”

Energy / utilities representative

“Affordability in high. If you cripple people trying to achieve all that other stuff, that’ll be a problem. Great to have a secure network, but you want to be able to afford to put the heating on.”

Consumer group representative

“Could affordability be achieved by focusing on other priorities like innovating and developing a smart network?” **Connections representative**

“Affordability falls outside WPD’s remit. WPD should focus on things like network resilience.”

Connections representative

“If you deliver on all the other priorities, you get good customer service automatically, so customer service is low priority.” **Local authority representative**

“The best that WPD can do to protect the environment is to be very efficient.” **Connections representative**

“Honestly, I’ll give some feedback here, having sat through many of these workshops: you have to race through these. I would need a whole day to do this exercise. I don’t want to rush it and force something into a box arbitrarily. I’m not making a considered opinion on this and I don’t want my snap opinion to feed into the draft Business Plan.”

Consumer group representative



3. TAKING YOUR HIGHEST PRIORITY AREAS, WHAT ACTIVITIES DO YOU WANT US TO FOCUS ON?

For this question, each table picked some of the areas that they had prioritised highest and suggested specific activities for each one. The table overleaf shows activities suggested by stakeholders at the event under each of the chosen priority areas.

The priority areas are shown in order according to how highly stakeholders ranked them when they were asked to vote on which they deemed the most important. If a priority area is missing, it means it was not discussed in detail as part of this exercise at any of the tables. The priorities highlighted in yellow at the bottom are the new priority areas that we suggested during the previous exercise. The facilitation prop used to for this exercise is included in Appendix 2 of this document.

Verbatim comments:

"In terms of network reliability, the activities that could be focused on are a combination of reducing each fault duration with immediate response and the more long-term reduction too."

Environmental group representative

"For every tree that WPD cuts down, it should plant a new one. Flood defences could also be expanded to help protect local villages. WPD needs to focus on localised, meaningful efforts that actually help local people, rather than on big issues that it cannot control." **Consumer group representative**

"Until you have in-house data capture and analytical capabilities, it's difficult to put a smart network in place, so you need to prioritise that."

Environmental group representative

"For cyber resilience, you could focus on learning lessons from where other large organisations have gone wrong before. Looking into case studies, for example, the NHS, banks, and other large vulnerable organisations." **Connections representative**

"For your organisation, with cyber security, is it all driven by the IT? In my industry we are having big issues. We have IT and control systems, and IT doesn't understand control systems. They don't understand that you can't patch it while it's running. Just because you can't get your finger caught in a printer, doesn't mean you can't get hurt badly if something goes wrong working on control systems, so it needs an approach from the bottom up rather than top down." **Connections representative**

"On innovation, you need to work with universities to conduct research." **Local authority representative**

"Learning from others, certainly, you have to look at what they're doing in Europe for a start."

Local authority representative

"Maintaining the things you do for vulnerable customers already is very important. To continue to build the Priority Services Register and to work more with Welfare and Support Services in the ways you already do." **Consumer group representative**

"WPD needs to play a coordinating role during the electric vehicle rollout. Without a central organisation point, it will be a mess. It needs to work with local authorities more." **Local authority representative**

"For workforce resilience, bringing in new talent. If you don't already have those sorts of recruitments in place, that's something you could work on."

Business representative

"Use wide-ranging apprenticeships as well, for different areas of the business."

Connections representative

"WPD could get a closer relationship with particular universities to attract students from specific areas. Electrical power engineering would be the main area, but management areas as well. The University of Bath holds an IET academy event and there are a few companies coming to this event, and they sponsor a few students for scholarships, which attracts all the student attention and increases applications. This is something you can bring out to attract the best and most talented students." **Academic**

"Look at optionality. Not investing in massive fixed assets which might not get used in the future. Giving even more priority to trying short-term, inexpensive solutions, for example, with EVs."

Connections representative

"Having funds available to deal with the effects of climate change is important. When doing your investment planning, you should have money put aside for potential climate emergencies. Money should be set aside for both preparing for climate disaster and emergency response."

Environmental group representative

"With behavioural engagement, anti-smoking campaigns have been massively successful after 10 years. You need the same approach for avoiding fuel waste, reducing emissions. You need a high level of collaboration to send out that message."

Infrastructure / engineering representative

"Go to where the people are. Go in to organisations and forums where there is an audience already there that talk to a lot of people."

Parish council representative

NETWORK RELIABILITY	Shorter interpretations, frequency	Contributing to the power grid and not holding back power	Power cuts, number, frequency, length of time	Rural vs. urban	Reduce duration		
BUILDING A SMART NETWORK	Ease of low carbon connections, and managing flexibility	Facilitating community energy	Simplifying whole system approaches	Build a smarter grid / monitoring	Educating customers	More renewables and storage / battery technology ; incentives for EVs and heat pumps	Long-term vision to accommodate growth
CYBER RESILIENCE	Threat of power cuts	Data theft	Best practice from other organisations to protect network	Protect network over customer data - access etc	Network versus data		Developing a data capture system in house
INNOVATION & NEW SERVICES	Working with universities	Trials	Learning from others / other countries	More consultation on problems and solutions	Articulate the challenges	Competition to create the challenges	Storage
NETWORK RESILIENCE	Understanding effects of climate change	Having funds available to deal with increasing planning and response					
VULNERABLE CUSTOMERS	PSR maintenance	Welfare and service support	Understanding how vulnerability changes for 'smart networks'				
CONNECTIONS	Speed of quote	Speed to connect	Transparency	Flexible services in new homes			
EVS	Coordinating role in EV roll out	Look at planning policy and how it can be influenced					
WORKFORCE RESILIENCE	Contracts	Attracting the right talent	Development / success planning	Apprenticeships across the network	Outreach into new areas e.g. community groups		
AFFORDABILITY	Impact of EV on bills	Customer appetite for bills to increase / manage bills	Transparency on pricing				
ENVIRONMENT	Energy efficiency	Work with others for their environmental policy	Increase undergrounding	Harmful leaks	Dealing with climate emergency		
PUBLIC ENGAGEMENT	Selling the benefits of smart technologies	People back on supply	Selling energy efficiency - collaborate	Third party advocates - NHS			

7 | SESSION 4: BEING A RESPONSIBLE BUSINESS: BUILDING A SOCIAL CONTRACT

Summary of the discussion

Alison Sleightholm, Resources & External Affairs Director, introduced the fourth workshop session. Alison explained the concept of a social contract. She explained that it could provide a framework to enable customers and stakeholders to hold WPD to account. She then talked about some of the facets that might be included in this, such as clarity on tax affairs; excellent environmental performance; and transparent mechanisms that enable customers and stakeholders to influence the company's decisions.

Alison then went on to explain Ofgem's requirements for 'enhanced engagement' and the role that WPD's Customer Engagement Group (CEG) would have in the delivery of this, giving customers a stronger voice in the next Business Plan period. She then talked stakeholders through WPD's proposals for how the social contract could be presented and how it should be scrutinised.

Delegates were mostly enthusiastic about the idea of a social contract, perceiving ethical commitment as vital to building trust. Trust in WPD was generally high, with 84% of attendees voting 7, 8, 9 or 10 (where 1 was 'not at all' and 10 was 'very highly') when asked how much they trusted WPD. There was consensus that creating a social contract did not go beyond what an energy network should be doing, and that in a complex, multi-centred society, more companies should be declaring a genuine commitment to greater social responsibility.

Stakeholders felt that any social contract needed to address issues related to transparency, particularly with regard to taxation and the welfare of its employees. In this regard, some suggested WPD should first consult their staff as to what should be included in the social contract. Others wanted to see a commitment to investment in education, where WPD could influence and shape the curriculum; a robust framework for engaging communities; ambitious environmental targets; and a commitment to future flexibility mechanisms, ensuring that energy is fairly and freely accessible to all. Delegates also wanted to see WPD commit to more local sourcing and staffing.

Delegates debated how the social contract should be presented, and most favoured a compromise of having it as a separate part of the Business Plan, with many justifying its place here as being more reliably scrutinised by Ofgem. Others were concerned that if it were a stand-alone document, it would be difficult to enforce hard penalties. This was reflected in the electronic voting, where this option (B) won 58% of the vote. Stakeholders also felt an ethical commitment could then permeate the Business Plan, which would be in WPD's favour. Those who favoured a stand-alone document stressed that many would not read the Business Plan, and that a plainly written document, presented in an accessible way, was therefore critical.

Stakeholders were clear that WPD should have their social contract monitored externally, using a combination of external audits, customer engagement groups, benchmarking and hard targets enforced by Ofgem. Some suggested using visual tools, such as an annual colour-coded report with each pledge of the social contract highlighted in red, green or yellow according to the company's progress. Others stressed the importance of telling stories and creating a compelling narrative around the achievements of a social contract that people could easily engage with and understand. They also advocated making any successes public and visible using social media and press releases.

1. WHAT SHOULD WPD'S SOCIAL CONTRACT CONTAIN?

Verbatim comments:

"You should be able to sleep at night. We should want to make the world a better place. Whichever values you pick, pick what you like. Ask your staff what's important to them." **Infrastructure / engineering representative**

"I don't think it's going beyond what an energy network should be doing, because we are a complex society and need centres of power that stand up and say they have social responsibility. Part of it is just communicating with people you serve who don't even know the name. You're doing lots of good stuff that not many people know about. Showing that would be a tremendous step in building trust." **Charity representative**

"Environmental benefits and education. Educating people's behaviours, giving them information about how WPD works." **Business representative**

"We work collaboratively with our shareholders and include them in decisions. I feel this is covered by the section about transparent mechanisms in your social contract. We had an event where we gave profits back to the community and discussed how to share them." **Connections representative**

"Openness in terms of tax, shareholders, pay, etc. It's about transparency." **Business representative**

"It seems that there could be something about the flexibility of the mechanisms in the future. I'm just thinking of people who might want to sell their energy. It's about treating people fairly." **Infrastructure / engineering representative**

"My friend at WPD worked as a temp and was so happy that he got equal treatment to the full-time staff. That kind of thing really makes a difference." **Connections representative**

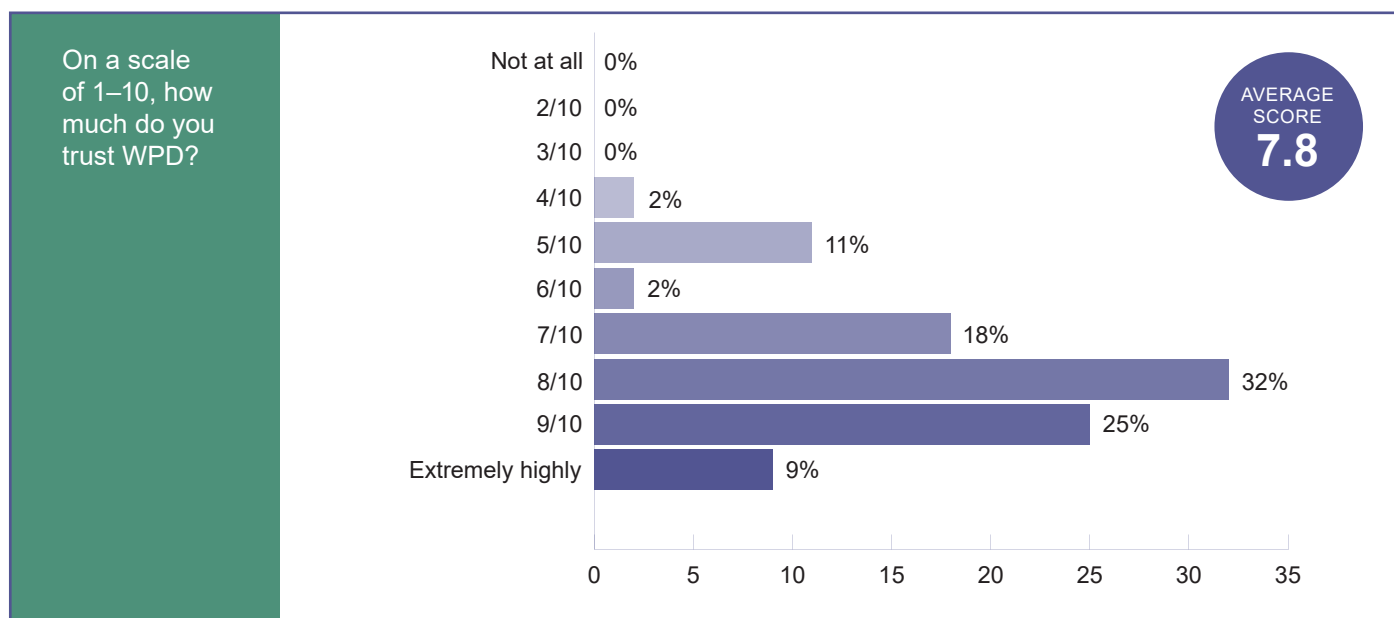
"A framework for engaging local communities. I think that that's not something I would necessarily expect from my DNO, but I think you could do that in a really good way. If you thought about going into primary schools and educating, you're helping the curriculum, developing a relationship with communities. As a town council, when we built our website, we decided we'd do it for the whole town. You could be a part of that." **Local authority representative**

"Things like sourcing locally, rather than getting stuff from abroad for 1% cheaper." **Academic**

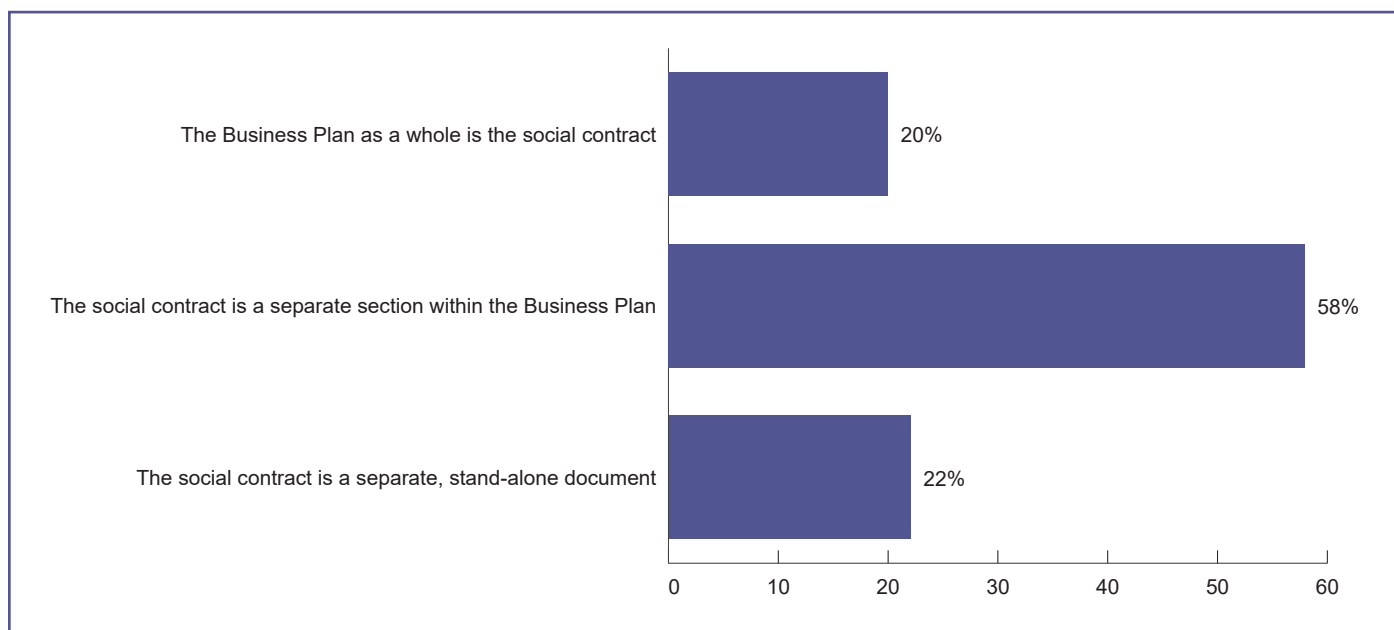
"Employing locally helps with your environmental targets too, because you're giving people the option to walk to work, which is becoming less and less possible." **Charity representative**

"WPD could educate people about energy use. Most people I meet don't know anything about it. All this social contract stuff is great, but if people don't know how they get power, then that's an issue. You could play a part in reducing emissions, which you incorporate in the contract." **Connections representative**

"There's nothing about harnessing your procurement and supply-chain powers. Using them could make you a powerful voice. By sharing data, you could empower others to move forward. This would have a wider societal effect and would affect how other companies work." **Environmental group representative**



2. HOW SHOULD WPD PRESENT THEIR SOCIAL CONTRACT?



Verbatim comments:

"If it was embedded within your Business Plan, that would give you an extra level of scrutiny from Ofgem. This would make it feel more reliable."

Connections representative

"The consequences of it being a separate document are very different. They would be purely reputational, which is easily fixed. There'd be no hard penalties if it was a stand-alone document." **Academic**

"I think it being integrated into the Business Plan means that social responsibility will permeate the whole organisation as opposed to being an independent box ticking exercise."

Connections representative

"Most people don't read a Business Plan and it's a bit like the terms and conditions you have to sign on a website. Most people will take no notice and so it has to be transparent, in a separate document."

Environmental group representative

"If it's a stand-alone document, you can change it as you go along, but within a Business Plan, you have to stick to it. Things happen in society that you need to be able to respond to quickly, which a Business Plan doesn't allow you to do."

Environmental group representative

"I think you should have the Business Plan and then have the social contract layered within each section."

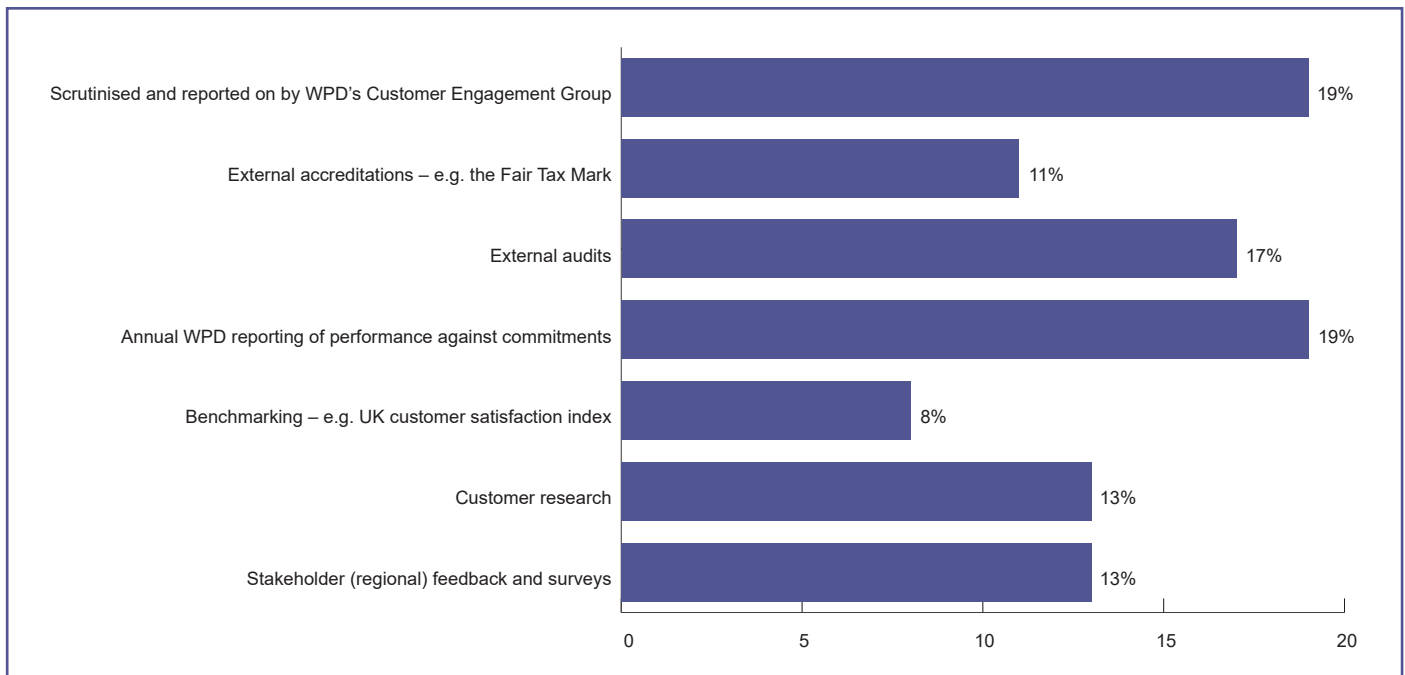
Parish council representative

"These things should not be treated as optional extras. Unless people are held accountable, human nature takes over. The social contract needs to last longer than five years, so it should be a stand-alone document. It must not be toothless. All decision-making needs to be subject to the social contract."

Parish council representative



3. HOW SHOULD WPD DEMONSTRATE THEY ARE DELIVERING IT?



Verbatim comments:

"I think it's a mixture of the quantitative and qualitative. Otherwise we don't know whether what you set out to deliver has been delivered. You need a contextual third-party qualitative assessment to go with it."

Environmental group representative

"WPD needs to be held accountable for delivering on the contract. An external body should say whether or not WPD is complying with the contract."

Connections representative

"Benchmarking would be impressive and work very well. People don't know how good WPD's performance is with fuel poverty, for example, as they're trumpet-blowing into a vacuum of information."

Environmental group representative

"The idea of having a consumer group is a great idea. The one difficulty is that it is easy to use statistics that don't reflect the situation. We need to facilitate it without it being an expense and leading to more bureaucracy. You need to find what's pragmatic."

Connections representative

"The consumer engagement group should monitor WPD and inform Ofgem of anything it needs to know. I have experience of working with similar groups. They were useful, as we knew that we would be held accountable to them."

Connections representative

"Telling stories is an important element, otherwise it's just facts and figures; stories are a very powerful tool."

Academic

"You could put some absolute hard targets on some things. One of those ideas is the CEG doing scrutiny, which is fine, but it's not a substitute for an external audit."

Consumer group representative

"You could publish it every year with a box to the side of each point saying green, yellow or red, so it would be a visual thing you can see, and people's eyes will be drawn to the yellows and reds."

Charity representative

"Ofgem should implement controls to make sure that these things are delivered."

Infrastructure / engineering representative

"All goals should be set externally, otherwise it is too easy for WPD to simply tick the boxes. Directors need to suffer personal consequences if goals are not met, such as losing bonuses."

Consumer group representative

"WPD should publish an annual press release or produce summaries or soundbites for use on the radio about things like its accounts."

Parish council representative

"One thing where WPD have moved with the times is with the use of social media, particularly for reporting bad conditions. Now over 50% of reporting is done using social media. Most people will contact on social media rather than ring up. I get the impression they are surprised when a real human answers them, and that does well for WPD's brand."

Parish council representative



Lorna Campbell
EQ Communications

8 | SESSION 5: SMART FUTURE AND NEW POSSIBILITIES

Summary of the discussion

The final workshop session was introduced by Nigel Turvey, Network Strategy and Innovation Manager. Nigel told stakeholders that WPD has published its DSO strategy, detailing the additional roles the company would take on within the energy system, and explaining that the strategy had been produced further to consultation with stakeholders. He explained how scenario-based forecasting had informed this strategy, enabling the company to build a regional picture of demand, generation and storage uptake.

Nigel then explained how flexibility, rather than conventional reinforcement, could be used to provide an economic and secure supply of electricity. Nigel then talked stakeholders through the company's plans for flexibility in the coming year, and how flexibility across 79 primary substations would defer up to £40 million worth of load-related reinforcement.

Nigel then talked stakeholders through the work that WPD is doing to facilitate both the adoption of electric vehicles (EVs) and the decarbonisation of heat, highlighting the importance of understanding likely consumer behaviour.

Delegates suggested formal reports and tailored, digestible information online and in newsletters to report on the transition to DSO. On the whole, stakeholders agreed that a financial incentive would be the most compelling reason to participate in a flexible scheme, with those representing businesses more enthusiastic than those speaking from a domestic perspective. Others mooted legislation as the only legitimate driver of flexible services, and stakeholders from the connections sector pointed to the need for longer flexibility contracts to see a real difference. Some felt that an environmental consideration would make them participate, and others stated that better, clearer information about the benefits would be vital to expanding the scheme. Encouragingly, when voting electronically, 49% of delegates said they would be 'extremely likely' to participate in flexible services. Several stakeholders pointed out that greater automation in the home would inevitably lead to more participation.

Delegates expressed different anxieties over EV charging: some felt that range was key, and others worried about affordability, capacity and speed of charging. Most common were worries about the speed and availability of charging EVs away from home, and this was borne out in the electronic voting. Those whose companies were considering electrifying their fleet voiced concern regarding uncertainty over the technology, and cost. Most delegates were comfortable with their DNO having control over their car charging, but a significant minority felt this level of intrusion would breed mistrust.

Delegates expressed frustration at the lack of information available on heat pumps, and pointed out that much more work could be done on explaining the benefits. Some pointed out that a stumbling block was suspicion of new technology, as well as anxiety over experimenting with central heating, now seen as an inalienable right. However, a small number of stakeholders felt they would consider replacing their gas boilers, and a clear majority wanted to see a much more concerted effort to see new developments heated electrically as a basic standard.



1. HOW WOULD YOU LIKE WPD TO REPORT PROGRESS AGAINST THE TRANSITION TO DSO?

Verbatim comments:

“We would like to see a more formal report of the transition”. **Academic**

“It would be helpful if the information was available on the website to those who seek it. This would need to be laid out in an accessible format.”

Connections representative

“Mailing list, online. My view is that WPD are probably ahead of the curve. They’re not competing against anything. So keep pushing it. The more one DNO pushes it, the faster the others will move.”

Connections representative

“If you did a YouTube blog thing, that’d be good. A lot of people get their information from videos now, rather than reading, and then you could give references that you can read up on in more detail if you want.”

Academic

“It’s how you do it, that’s going back to storytelling. If you tell it in the form of a story, people will be more interested.” **Academic**

“The fundamental question here is: who do you want to learn about this? Who are you reporting to? The audience for understanding what a DSO is is vanishingly small. What is meaningful would be to report on specific aspects of this to different groups that would be interested, and therefore it’s about tailoring the reporting mechanism, and focusing on particular aspects for particular groups. If people want to see a concerted view, such as the geeks amongst us, that’s fine, but meaningful reporting has got to be to people who understand the issues in the first place.” **Parish council representative**

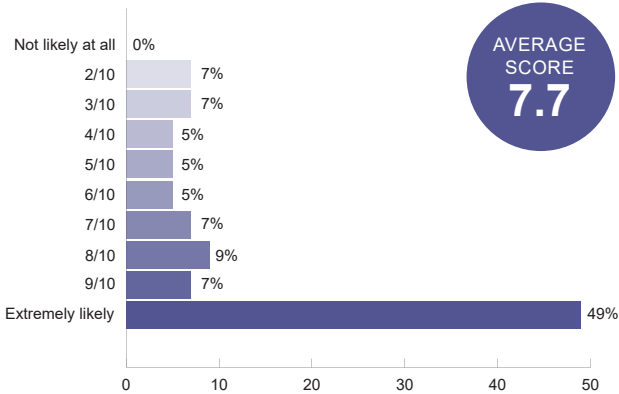
“There aren’t specific timings, so we’re not sure about how you’re measuring progress. This progress depends on a lot of people and we feel a bit in the dark on everything. We’re not sure about how you’re adapting to how things have affected your assumptions, so you need to explain how you’ve changed things. Clear written updates about whether you’re on track would be important.”

Environmental group representative

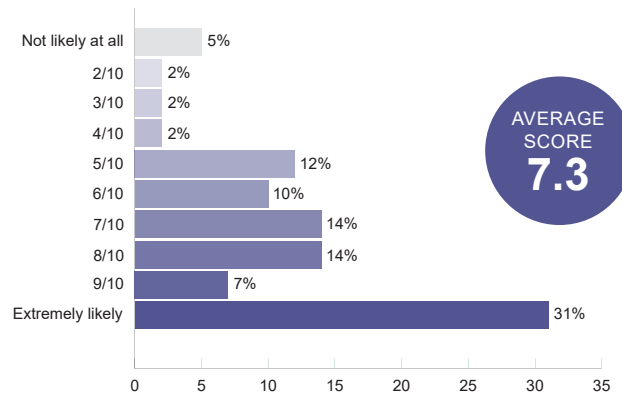


2. HOW LIKELY ARE YOU TO PARTICIPATE IN FLEXIBLE SERVICES? AS A DOMESTIC CUSTOMER AND FROM A WORK / BUSINESS PERSPECTIVE?

On a scale of 1 to 10, as a domestic customer, how likely are you to be flexible in terms of your energy use / generation in return for a financial saving?



On a scale of 1 to 10, how likely is your organisation to be flexible in terms of your energy use / generation in return for a financial saving?



Verbatim comments:

"I am involved as both a domestic customer and a business representative. We are a sophisticated consumer and we're looking for savings everywhere. Major users will participate in anything that will give them financial savings." **Academic**

"I've got solar panels, so we tend to put our dishwasher on during the day because then it's free. We're not overly worried about it, but any small financial benefit is an incentive."

Environmental group representative

"I think you certainly need longer contracts for flexibility, which I do understand is challenging. Currently British Solar Renewables Ltd are looking at large-scale solar, and potentially coupling that with battery storage, but at the moment the business case for batteries is struggling to make sense. Everyone's been looking at building them for a while, but in essence, only a few actually got built. So there needs to be at least a payback period of 10 to 15 years. The longest DNO flexible contract I've heard of is four years." **Connections representative**

"From a consumer's point of view, it's difficult to change. People don't even switch tariff. Asking them to think about how they'll manage their energy is too much. From a business point of view, it's easier, especially with shift work." **Charity representative**



“I would participate if my supplier made further changes to allow more renewables on the system, which would provide a wider benefit to the planet.”

Environmental group representative

“At the moment I’ve got nothing to trade with, maybe when I’ve got an electric vehicle it will change as I might have a whopping great battery on my lawn that you might want to use. And in terms of incentivising, it’s kind of like the recycling; no one pays me to do so, but I do it anyway. If we can reduce the peaks and the troughs, it’ll make things better. There’s no harm, so why would I not do it.”

Infrastructure / engineering representative

“Should it be an altruistic decision or should it just be regulated? You can see the difference between the ways domestic and corporate consumers look at the payback of things: for domestic consumers, a 7 or 8-year return would be enough to drive a decision, whereas for a business, they’ll want a 5 or 6-year return.”

Charity representative

“Personally, I wouldn’t participate in a flexibility scheme. If I’m paying for my electricity, I’ll use it when I want to use it.”

Local authority representative

“I think home automation is the driver for this because if you’re relying on people to turn things off, essentially shifting behaviours, that has to come through automation. It has to be encouraged by the market to persuade homeowners that there is a benefit, rather than relying on the human factor. In that regard, you have to be far cleverer in the way you operate the networks. I think it’s partly home automation, i.e. having the technology in there, rather than the financial incentive.”

Infrastructure / engineering representative

“As we’ve seen with hosepipe bans and fines for not recycling, it’s legislation that will ultimately be the driving factor behind these flexible schemes.”

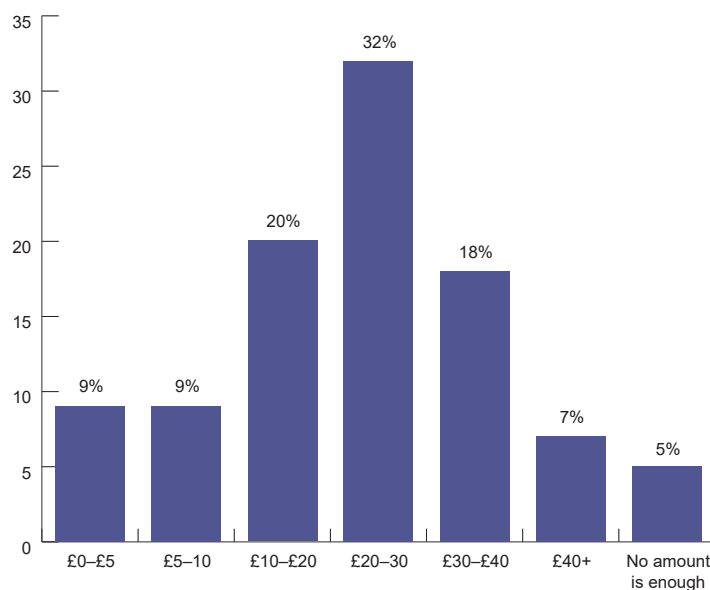
Business representative

“Definitely. You can put things on a timer.”

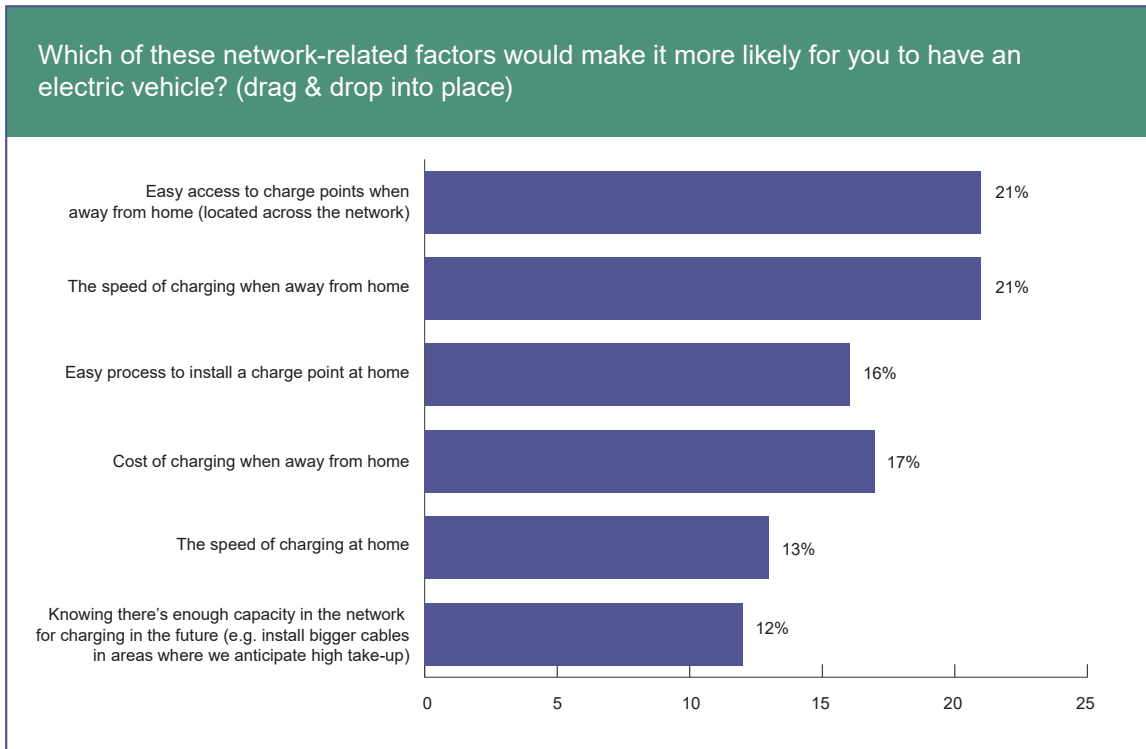
Parish council representative



As a domestic customer, what proportion of WPD’s annual £98 charges would you expect to save to make it worth your while to provide this flexibility? (select one option)



3. WHAT FACTORS WOULD BE IMPORTANT TO YOU WHEN IT COMES TO CHARGING YOUR OWN (FUTURE) ELECTRIC VEHICLE?



Verbatim comments:

"Distance is a concern for me. Charging points add to my journey and my day; until they reach a greater range, it wouldn't be practical for me."

Infrastructure / engineering representative

"In terms of families, they don't want to find they can't charge their car affordably when they need to do the school run, etc."

Energy / utilities representative

"Vulnerable customers we spoke to highlighted that you need a certain level of literacy and numeracy to grasp these systems. Perhaps people or groups could engage on behalf of vulnerable people."

Energy / utilities representative

"There are still parts of the country that don't have Wi-Fi or mobile network, which is an issue for EV notifications."

Energy / utilities representative

"At the moment the availability of charging points is a real block to encouraging people to buy full electric as opposed to hybrids. Battery capacity is also an issue as the storage is modest and you know you won't get from A to B without needing a charge and can't guarantee a charging point."

Environmental group representative

"I was part of the Electric Nation study that just finished. My home charger was controlled remotely. It didn't inconvenience me one drop, so I think you can go to quite a degree in switching people's power off."

Charity representative

"I suppose if there was an agreement at the start about when the DNO would turn power off, it would be okay. I would need to be able to charge it at a specific time, so if this was agreed, that would be fine."

Infrastructure / engineering representative

"If the DNOs have that level of control, it introduces scepticism and mistrust."

Connections representative

"There are lots of different anxieties here. The quicker the better. At home, speed is less important because you might charge overnight. But when you're out and about, I'll stop at the motorway but I want it to be charged by the time I've had my coffee."

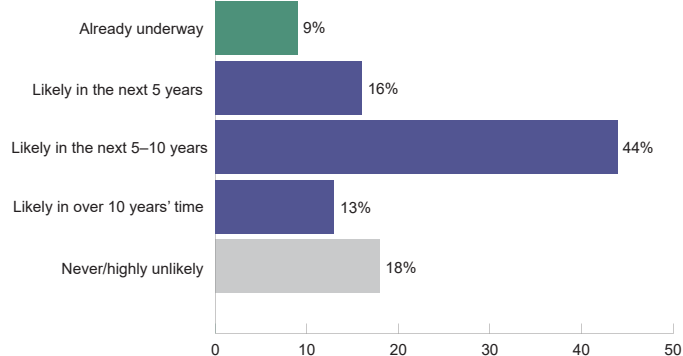
Infrastructure / engineering representative

"For me, reliability is key. The temptation is to wait a little longer until the technology has been fully developed to know for certain that there won't be any glitches."

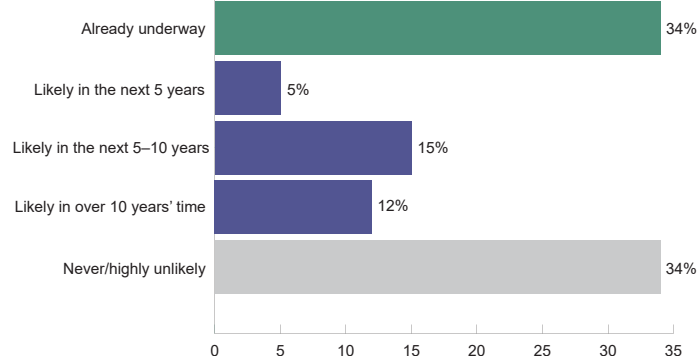
Business representative

4. HOW LIKELY IS YOUR COMPANY TO MOVE TO ELECTRIC VEHICLES IN THE NEXT FIVE YEARS?

As a domestic customer, how likely are you to purchase an electric vehicle? (select one option)



How likely is your organisation to switch to electric vehicles? (select one option)



Verbatim comments:

“As long as I can get something that suits, I do about 26,000 miles a year, so as long as I can commute. We’re a big business. We’re keen to do it, but the big problem is price.” **Connections representative**

“I’d like to go over to one in the next five years, but there’s not a vehicle that particularly suits. I also tow stuff. The company doesn’t have cars. It raises the question, are the vehicles that are available suitable for customers’ needs?” **Connections representative**

“The distance I’m required to do on a daily basis and the environment I work in, one charge is not enough for me. If the range increased, I would commit to an electric vehicle.”

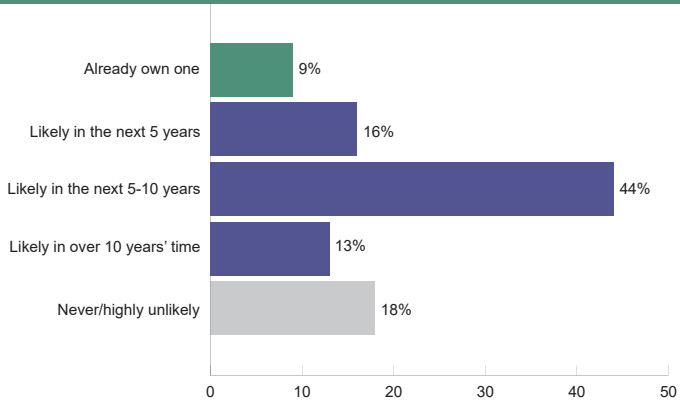
Environmental group representative

“Bristol Council is looking into it imminently, but we’re just looking into finding a suitable model to trial it on the streets.” **Local authority representative**



5. AS A DOMESTIC CUSTOMER, DO YOU EXPECT TO REPLACE YOUR BOILER, OR SUPPLEMENT IT, WITH AN ELECTRIC HEATING SYSTEM IN THE NEAR FUTURE?

As a domestic customer, how likely are you to replace your boiler with an electric renewable energy heating system (such as a heat pump)? (select one option)



Verbatim comments:

"I don't mind electric heating, but I don't know what it entails and what is expected of me. There's a lack of information: will it simply replace the boiler or will I need more room than that? What will it look like? Will I still have radiators? If the information were clearer, it would be more welcome."

Local authority representative

"If more people knew about heat pumps, they'd be interested." **Business representative**

"The main block on this is that people are very suspicious of new technology in general. For example, people who are actually installing the electric boilers are very suspicious. One tactic might be to get builders and boiler installers on board as the first point of contact." **Connections representative**

"There is a sound problem with heat pumps, and that is they're noisy." **Academic**



"It feels like an exhausting journey to research and find out what would be best for your house. Heat is so important and people don't want to experiment and play with something so precious."

Connections representative

"I'm considering building a house and putting one in, in 5 or 10 years. I think they should mostly be done in new housing developments. Considering heating pumps, I went to Norway where they all have underfloor heating and it works really well."

Connections representative

"I can see the logic of the target market for the new builds, however, the vast majority of new builds are done to whatever low standard the developer can get away with. They'll plug their environmental accreditations but won't actually deliver."

Local authority representative

"It's partly based on how much disruption you want. If you want ground source heating, it's going to be a lot of disruption, so it's better for new builds."

Connections representative

"The difficulty of retrofitting old houses would be a major barrier. So, even though someone may be open to changing to electric heating, it may involve a lot of work." **Connections representative**

TABLE DISCUSSION

1. Have we identified the right priority areas? Are any missing?
 2. Which priority areas are most important to you?
- For your highest priority areas, what activities do you want us to



9 | AFTERNOON SURGERIES

CONNECTIONS

The surgery on connections was hosted by Tim Hughes, Connection Policy Manager. Tim explained the Incentive on Connections Engagement (ICE) Workplan, which sets out the actions that WPD will undertake each year in order to deliver the service improvements required by stakeholders in line with the priorities they have helped the company to identify. Stakeholders were then asked to consider whether the priority areas identified for 2019/20 were appropriate and which ones were most important to them.

- There was broad consensus that WPD had identified the correct priority areas, although some felt an innovation priority was needed.
- Delegates put special emphasis on the transition to DSO and network capacity, and these were nominated as the first and second priorities respectively.
- On DSO, some wanted more clarity on whether it included G99 compliance, and called for a template of requirements for the simulation studies that would help developers and allow design to start earlier.
- Discussing network capacity, delegates were concerned that too much of it was still swallowed up by undeveloped schemes.
- Stakeholders agreed that WPD's availability of connections information is the best of the DNOs, especially with budget estimates and the ability to speak to designers on the phone.
- Some delegates called for more granularity in terms of information, pointing out that a few years ago, information down to individual transformer level was readily available.
- There was strong agreement that better, clearer information would help community energy groups. Some suggested a designated caseworker contactable by phone, who can assist with full applications. Others suggested creating a register of community energy groups, as well as competitions where groups can apply for funding.
- The lowest priority was deemed to be assessment and design fees, which, for the most part, delegates agreed were fair. However, many wanted to see an industry standard.

Transition to DSO	1
Network capacity allocation and reservation	2
Availability of information	3
Competition in connections	4
Low Carbon Technology, e.g. electric vehicles	4
Community energy	4
Assessment & design fees	7



EVS AND WIDER INNOVATION

The surgery on EVs and wider innovation was hosted by Paul Jewell, Policy Manager. Paul explained that, as a result of the government's commitment to reduce carbon emissions in its Carbon Plan, energy used for heating and transport will shift to electricity produced by renewable sources. Paul then talked stakeholders through WPD's approach to accommodating this through the use of a range of innovative methods, explaining some of the company's current and future projects.

- There was broad consensus that most end users don't understand how heat pumps work.
- Some delegates were interested in the possibilities of 'superfast' houses with a three-phase connection, and wondered whether this would add value to properties.
- Others urged more investment and research into battery storage, which they believed would eliminate the need for costly three-phase reinforcement.
- Still more delegates saw the need for 'battery management' alongside 'network management' as a priority for WPD in the transition to DSO.
- Stakeholders were keen to find out more about EV charging via streetlights, and wanted to know whether a detailed technical report on the issue was available.
- Delegates pointed out that as heat pumps involve a commitment to changing the way you inhabit and heat your home, better information and an incentive would be required to stimulate an uptake.
- There was consensus that a financial incentive, such as cheaper electricity bills or an Amazon voucher, would encourage users to charge their electric vehicles at times of lower constraint.
- Stakeholders expressed concern that there would not be enough power generated to sustain the increase in demand for electricity to power both cars and heat.
- Delegates urged WPD to reach out to people in construction and infrastructure, and wondered whether they should be thinking about electrical infrastructure for aerial vehicles.

NETWORK CHARGING

The network charging surgery was hosted by Nigel Turvey, Network Strategy and Innovation Manager. Nigel explained that there is an opportunity to mitigate network constraints using flexibility. He then told stakeholders that there are different approaches to network charging for Transmission and Distribution and between demand and generation, which results in a risk that investment and operational decisions are being distorted, and that Ofgem is proposing to address this with two reviews: the Targeted Charging Review and the Significant Code Review.

- Delegates agreed that transmission investment was a major issue.
- Stakeholders were concerned that changes to the charging methodology will require a detailed plan as to how it would affect large users, some of whom already have embedded generation.
- Some felt that network charging was a complex issue for the average user, and an effort to simplify and explain any changes would be needed going forward.
- Delegates wanted to see WPD deal with deep connection charging, and wanted to know whether it would still be amortised over five years.
- Stakeholders urged WPD to invest more in microgrids, stating that if there were a microgrid and energy company owned by residents, each resident by law would be able to opt out of the energy supply. A microgrid would therefore persuade them to stay, which would be in everyone's interest and ease pressure on WPD.
- Others were concerned that microgrids could actually raise the fixed charge per head, giving the example of a new housing development of 150 buildings with a microgrid and one connection to the grid. They asked whether in this scenario the fixed charge is divided between the 150 buildings, as if you have 150 customers on one fixed charge, a higher fixed charge per head is possible.
- Some felt that network charging affected people more than fuel poverty, and wanted to know more about what WPD were doing to alleviate excessive costs.
- Delegates agreed that they wanted to receive updates from WPD as well as Ofgem on the network charging review process.

CONSUMER VULNERABILITY

Alex Wilkes, Stakeholder Engagement Manager, hosted the consumer vulnerability surgery. Alex talked stakeholders through WPD's Consumer Vulnerability Strategy and its four strategic aims: improving the company's understanding of vulnerability; improving the accuracy of PSR data; improving services during power cuts; and addressing fuel poverty. Alex then explained WPD's action plan for 2019 and its future priorities for RIIO-ED2, asking stakeholders for their feedback.

- Stakeholders expressed the view that a lot of people who are vulnerable don't see themselves as such, and that knowledge of the PSR is generally poor. Consequently, it was felt that WPD should endeavour to find other ways to encourage PSR registration.
- Some pointed out that Ofgem uses LinkedIn to promote the PSR, while others argued that many vulnerable people won't have access to the site, and advocated a leaflet drop instead.
- Delegates felt that there needs to be greater collaboration between DNOs on the PSR.
- Asked whether strategic goals for the 2019 action plan were the right areas to drive improvement, there was consensus that they were correct.
- Delegates felt that WPD could play a role in rolling out smart meters and normalising the technology involved.
- However, some pointed out that for some vulnerable people, basic phone functions are a challenge and that controlling your central heating through your phone would feel like a challenge for them.
- To drive people towards the relevant information available on WPD's website, stakeholders suggested working with referral partners and more widely rolling out their schemes with schools and universities to get young people to engage with elderly relatives about power consumption and related issues.
- WPD should work to promote small local charities that operate less formally and can help vulnerable people, such as the Institute of Village Angels in Somerset.
- Stakeholders were asked which obligation commitments they wished to see carried forward and what else they would like WPD to deliver in RIIO-ED2, and none wanted to see any commitments removed.
- WPD should increase its activities around working with others to improve understanding of vulnerable customers and building a database of regional agencies, with a particular focus on front-line referral staff as partners.



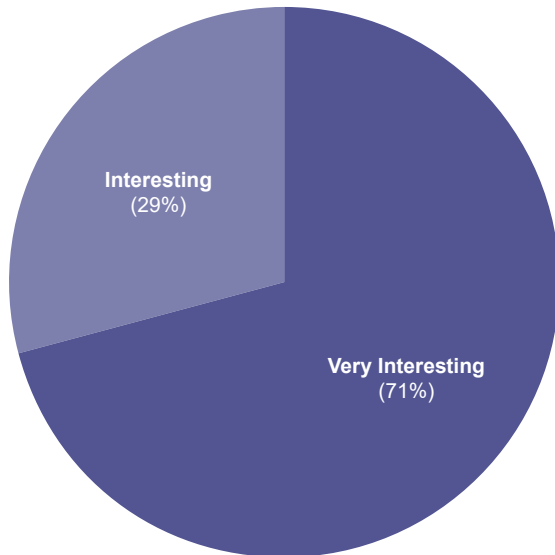
Stakeholders were asked to fill in a feedback form, denoting which of WPD's social obligations priorities they should remove, reduce, retain, or increase. No stakeholders were of the view that any should be removed or reduced. The outcomes of this are shown below. Please note, some stakeholders did not vote on certain priorities. Building a database of regional agencies we can refer customers to for fuel poverty support, and working with others to improve our understanding of the needs of vulnerable customers were the most popular priorities, followed by developing local outreach services to help customers who are facing fuel poverty and developing ways of sharing information with Local Resilience Forums.

	Remove	Reduce	Retain	Increase
Work with others to improve our understanding of the needs of vulnerable customers			1	5
Train staff to recognise the signs of customer vulnerability			5	1
Contact vulnerable customers at least once every two years to check their details			3	3
Improve the quality of the data that we hold on our Priority Services Register			5	1
Co-ordinate meetings with suppliers to agree criteria for vulnerability			5	1
Raise awareness of the Priority Services Register			4	2
Make 10,000 crisis packs available to customers who need extra support in a power cut			5	1
Contact customers who rely on electricity for medical reasons every three hours during a power cut			6	
Provide practical support during power cuts through organisations such as the British Red Cross			5	1
Ask for feedback from customers in vulnerable circumstances to check they are happy with our service			5	1
Develop ways of sharing information with Local Resilience Forums			1	4
Build a database of regional agencies we can refer customers to for fuel poverty support			1	5
Work with partners to develop links to and from our website so information is easy to find			4	2
Develop joint information with partners we work with to help customers who are facing fuel poverty			4	2
Fuel poverty training for all staff who come into contact with members of the public			4	2
Use data analysis to identify areas with a high concentration of vulnerable households			4	2
Develop local outreach services to help customers who are facing fuel poverty			2	4

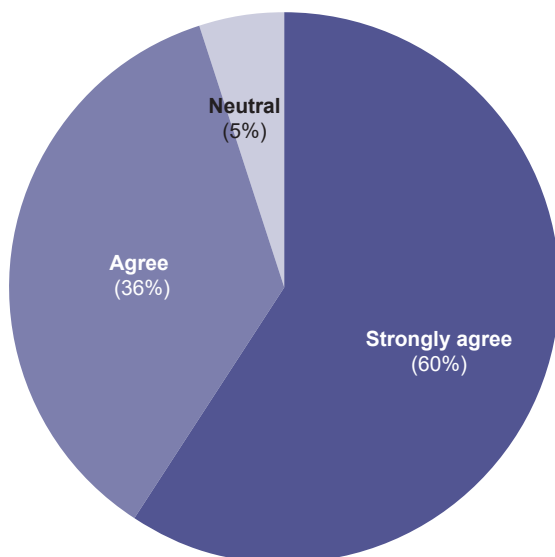
10 | WORKSHOP FEEDBACK

After the workshop, stakeholders were asked to complete a short feedback form. The feedback was as follows:

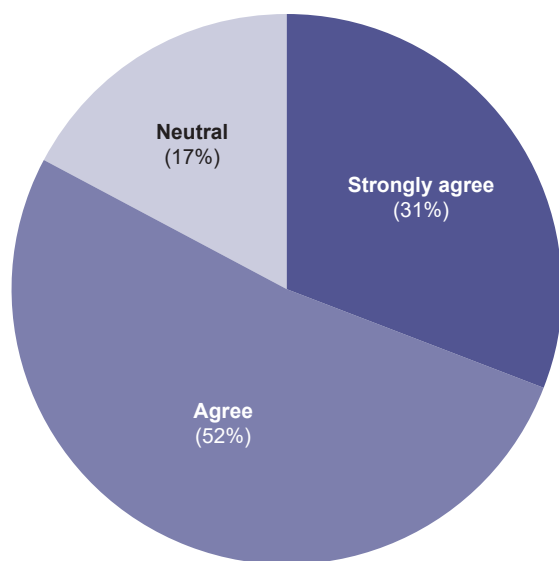
Overall, did you find this workshop to be:



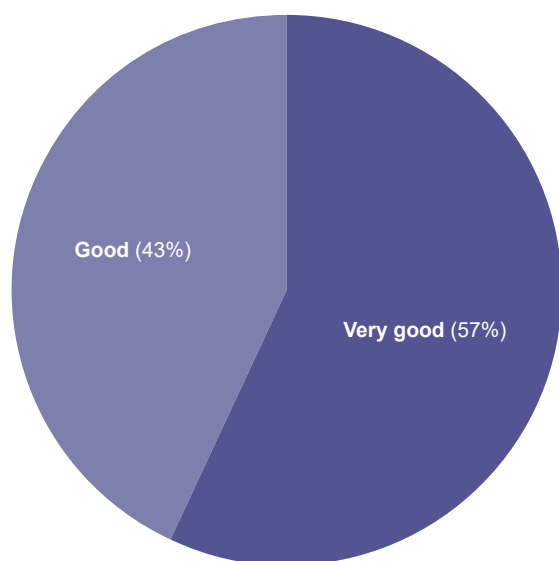
Did you feel that you had the opportunity to make your points and ask questions?



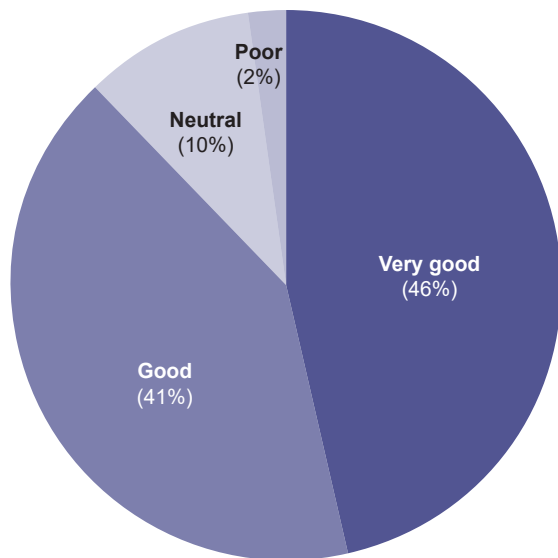
Did we cover the right topics for you on the day?



What did you think of the way the workshop was chaired by your facilitator?



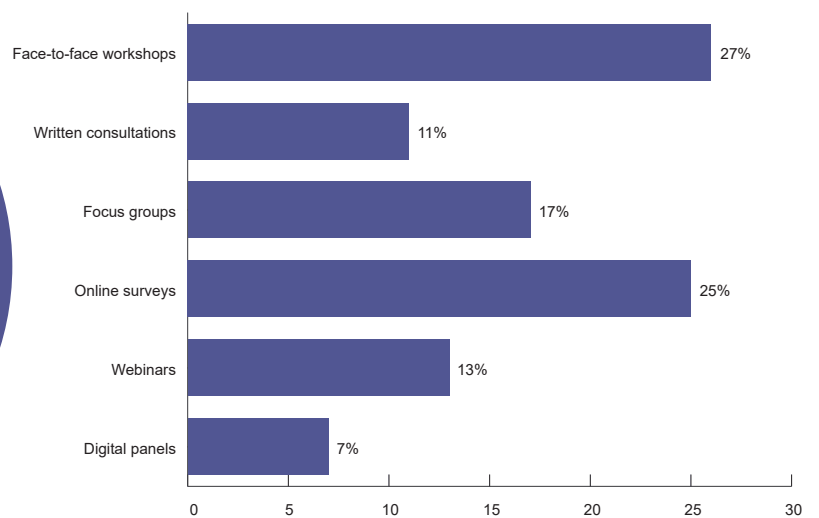
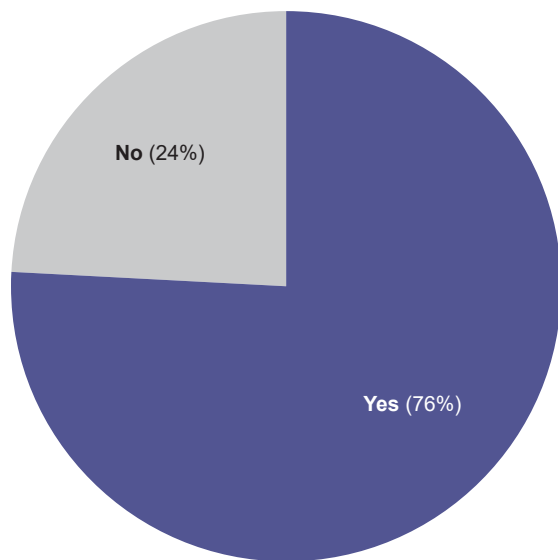
What did you think of the venue?



“Would like a venue near a railway station.”

Would you be interested in participating in our RIIO-ED2 consultation at key points in the process?

If so, how would you like to participate?



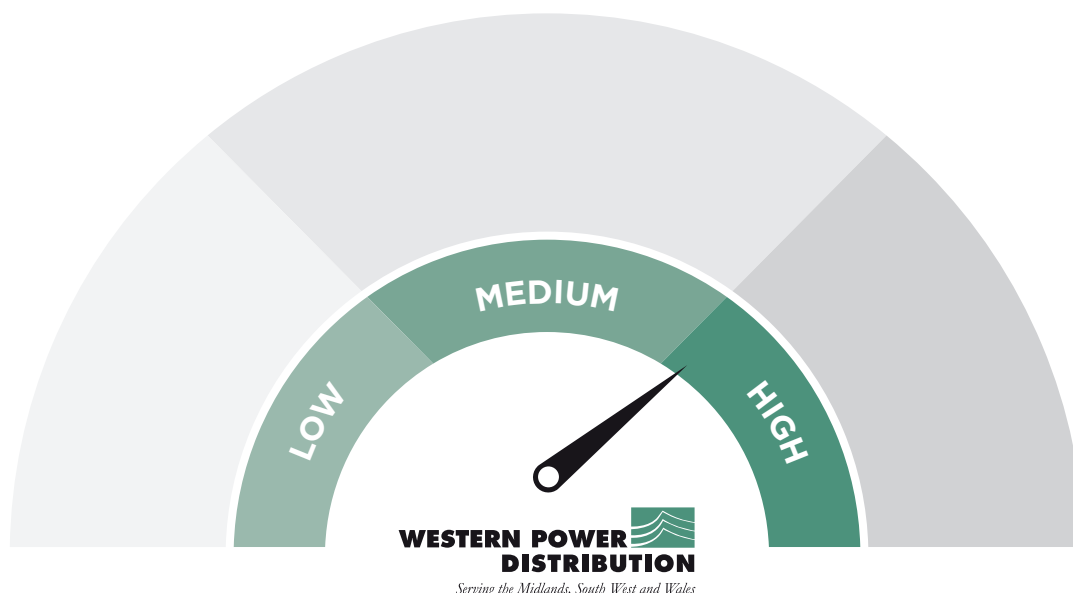
ANY OTHER COMMENTS?

“Very well organised stakeholder event.”

“Excellent opportunity to be consulted, take part and have meaningful debate.”

11 | APPENDIX 1: WPD'S PRIORITY AREAS FACILITATION PROP

Your priorities – outputs for us to deliver



12 | APPENDIX 2: STAKEHOLDERS' TOP PRIORITIES FACILITATION PROP

Your top priorities – what do you want us to focus on?

Priority One:	
1.	
2.	
3.	
4.	
5.	

Priority Two:	
1.	
2.	
3.	
4.	
5.	

Priority Three:	
1.	
2.	
3.	
4.	
5.	

Priority Four:	
1.	
2.	
3.	
4.	
5.	

Priority Five:	
1.	
2.	
3.	
4.	
5.	



