



Western Power Distribution Stakeholder Workshop: Newport February 2019

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1 | INTRODUCTION

On 5 February 2019, Western Power Distribution (WPD) hosted the first 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 Celtic Manor Resort in Newport, Wales. 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 here: <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 range of backgrounds. The most well represented at the workshop were charity / non-profit organisations, with 18% of attendees working in this field. Many were keen to learn more about WPD's transition to DSO. Those from local authorities were also keen to talk about the growth agenda and how WPD can work with them on this.
- The majority (87%) of stakeholders were keen to be involved in the RIIO-ED2 consultation at key points. Face-to-face workshops were seen as the best method for engagement, as it was commented that online surveys can only deliver limited feedback.
- Stakeholders suggested that government representatives, charities and trade bodies be included in the RIIO-ED2 consultation.

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:

- Stakeholders generally thought that WPD delivers good value for money for its customers. However, it was commented that many people do not know which services are being delivered for the £98 they spend per year on their bills.
- WPD's six strategic outputs were seen as appropriate, although it was felt that additional outputs, especially ones relating to innovation, should be added.
- Most stakeholders were of the view that Ofgem's proposed outcome categories are too broad and that certain outputs could fit into more than one category, which may make it difficult for stakeholders to find them and locate their particular area of interest within the Business Plan.
- 74% of stakeholders were of the view that WPD should develop a pool of outputs within Ofgem's framework and deliver those that don't fit as 'wider commitments'.

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.

- Network reliability and network resilience were seen as the most important priority areas for WPD, according to stakeholders. When stakeholders were asked to vote electronically on this, these priority areas scored 8.39 out of 10 and 7.88 out of 10 respectively.
- Building a smart network also scored highly as a priority area. It scored highest of all of the priorities in the discussions where stakeholders were asked to rank them as high, medium, or low.
- In this exercise, environment was ranked as the second most important priority, but this wasn't borne out in the electronic voting, where it was ranked ninth out of fourteen.
- Other suggested priority areas included stakeholder engagement and political resilience, with one table specifically referencing concerns related to Britain leaving the EU.

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:

- WPD is regarded as a trusted company. When stakeholders were asked to vote out of ten on the level of trust they feel for WPD, the average score was 7.6.
- Stakeholders were of the view that a social contract should include paying a living wage to employees and transparency over tax affairs.
- There was no consensus on whether a social contract should be included as a separate section of the Business Plan or whether the Business Plan as a whole should be the social contract. Regardless of their choice, stakeholders were keen to see it referenced in the Business Plan, as this would ensure that the company is serious about delivering on its commitments. It was also suggested that it should come with financial incentives or penalties.
- Stakeholders felt that a social contract should be independently scrutinised, either by WPD's Customer Engagement Group or by external auditors.



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 here: <https://www.westernpower.co.uk/downloads-view/29722>, on slides 62–75. The key points raised by stakeholders are shown below:

- When reporting on the transition to DSO, it was felt that WPD should publish information on its website, with email prompts being sent to those stakeholders for whom certain information would be relevant.
- Stakeholders were amenable to the idea of participating in flexibility services. When asked to vote according to how likely they were to participate, almost 40% voted 10 out of 10 on this question.
- It was felt that financial incentives would be the best way to encourage people to participate. Stakeholders felt that a figure of around £30 (out of the £98 they pay on their bill) would persuade them to do so.
- Almost a quarter of stakeholders could see themselves buying an EV in the next five years, although many did express concern regarding the range of EVs at present as well as the speed of charging when away from home.



AFTERNOON SURGERY 1: CONNECTIONS

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

- Stakeholders felt that network capacity allocation and reservation should be WPD's top priority in this area.
- Whilst there was praise for the information that WPD publishes online, it was commented that some local authorities did not know this information was available. It was felt that WPD should engage more effectively with local authorities who are planning for new housing developments. It was commented that the availability of information is good at present but it was questioned whether planning authorities know how to access this information.
- There were calls for capacity maps to be more detailed and more regularly updated.

AFTERNOON SURGERY 2: EVS AND WIDER INNOVATION

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

- There was particular interest in hub charging in locations such as car parks from local authority representatives, who cited the disruption that would be caused by installing hundreds of charging points outside individual properties and on the highways network.
- It was felt that WPD should do more to collaborate with planning and transport departments at local authorities to plan for the rollout of EV charging infrastructure.
- Stakeholders were impressed with WPD's trials in this area and requested that the outcomes of these be shared widely.

AFTERNOON SURGERY 3: NETWORK CHARGING

The network charging surgery was hosted by Simon Yeo, Income Manager.

- Stakeholders were concerned with the uncertainty that exists and asked for more clarity to be given on potential changes to network charging.
- It was felt that charging should be applied on a sliding scale, with lower prices being paid at the start of a project.
- There was support for a flat fee to be applied to those developers who generate more than a certain amount of energy.

AFTERNOON SURGERY 4: CONSUMER VULNERABILITY

Karen McCalman, Social Obligations Officer, hosted the consumer vulnerability surgery.

- Stakeholders endorsed WPD's strategic goals for 2019.
- It was felt that WPD should ensure that customers in vulnerable situations are not left behind by the move to a smarter energy network and should actually be in a position to benefit from this.
- WPD initiatives in this area were praised and it was thought that more should be done to roll out successful trials into new areas.

WRITTEN FEEDBACK

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

- 70% of attendees reported that they found the workshop ‘very interesting’, with 30% opting for ‘interesting’.
- 89% ‘agreed’ or ‘strongly agreed’ that they had the opportunity to make their points and ask questions.
- 85% ‘agreed’ or ‘strongly agreed’ that the right topics were covered for them on the day, and 62% thought the workshop venue was ‘very good’.
- 66% thought EQ Communications’ facilitation was ‘very good’, with 34% opting for ‘good’. None voted for negative or neutral options.
- 87% of stakeholders indicated they would be interested in participating in WPD’s RIIO-ED2 consultation at key points in the process. Of these, 33% favoured face-to-face workshops, with a second preference for online surveys at 22%. Least popular were written consultations and digital panels, favoured by 11% and 3% respectively.

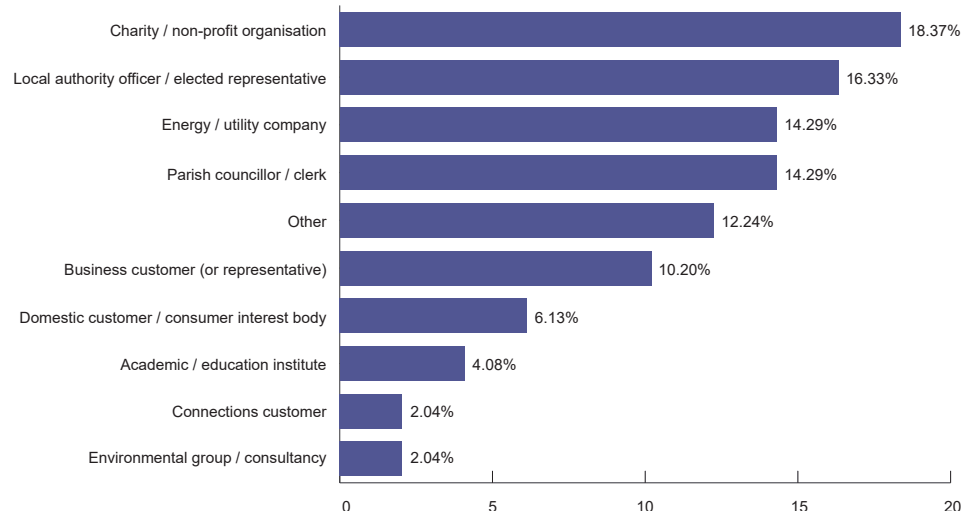


3 | ATTENDEES

A total of 59 stakeholders attended the workshop, representing 51 organisations. The organisations represented on the day are shown below:

- ABP
- Bishton Community Council
- Blaenau Gwent County Borough Council
- Caerphilly County Borough Council
- Cardiff University
- Care & Repair Cardiff and the Vale
- Cenin Renewables Ltd
- Ceredigion County Council
- Cynnal Cymru
- Deerhurst Parish Council
- EDF Energy
- Ethical Power Connections Ltd
- Geldards LLP
- Gloucestershire County Council
- Gorsley & Kilcot Parish Council
- Groundwork Wales
- GS-Yuasa Battery Europe Ltd
- Hawker Siddeley Switchgear
- Hope Mansel Parish Council
- IBM
- Langstone Community Council
- Llanelly Community Council
- Llangybi Fawr Community Council
- Lucy Electric
- Monmouthshire County Council
- NEA
- Neath Port Talbot County Borough Council
- Network Rail
- Newport City Council
- npower
- Pitchcombe Parish Council
- Property Compensation Consultants
- Riverside Advice
- Royal Voluntary Service
- S&C Electric
- Severn Wye Energy Agency
- Siemens
- SMS Energy Services
- South East Wales Energy Agency
- South West Ambulance Service Trust
- Taylor Wimpey Homes
- The Green Valleys CIC
- Torfaen County Borough Council
- Truespeed Communications
- Usk Ministry Area
- Vale of Glamorgan Council
- Wales and West Utilities
- Warm Wales
- Welsh Government
- Wychavon District Council
- Wye Valley AONB Partnership

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.

There was a good split of stakeholders, with the most well-represented group at the workshop being charity / non-profit organisations at 18%, followed by local authorities (officers and elected members) at 16%. Energy / utility companies and parish councils were joint third at 14%. People attended for a range of reasons pertinent to their roles. Many were keen to learn more about WPD's transition from DNO to DSO and the impact this would have on customers. The majority of stakeholders were keen to be involved in WPD's RIIO-ED2 consultation programme, especially at stage 1 (the first draft published in September 2020) and at stage 3, the initial submission of the Business Plan to Ofgem.

It was generally thought that a range of engagement methods should be included in the programme of consultation, as people have different needs. However, whilst webinars and online surveys were seen to serve a purpose, enabling those who cannot attend meetings or workshops to participate, it was felt by most that there is no substitute for face-to-face engagement. Stakeholders praised the workshop format as a way of garnering feedback and it was felt that workshops such as this one, aimed at a broad cross-section of stakeholders, should be supplemented with more focused, topic-specific events on key themes, such as electric vehicles or community energy projects.

Suggestions of other stakeholders who should be included in the consultation process included government representatives as well as trade bodies representing the energy industry and charities representing vulnerable customers.



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:

“As a developer, we need a deeper understanding about how the transition from DNO to DSO will affect consumers.” **Connections representative**

“We see a huge need for a system response and to balance the changes, and so rather than building equipment, we'd like to help with that. So, from our perspective, we'd like to know how best to engage. Personally, I live in Swansea, and I hang on to the back of your network, and I'd like to know how we can roll out EVs, sustainably, renewably.”

Infrastructure / engineering representative

“From a government perspective, smart systems are of great importance to us. We'd like to see a more collaborative approach as we've got lots of teams working in different areas.”

Government / government body representative

“Stages 1 and 2 seem enough. As long as we're engaged, that's what matters. We don't need to deal with the nitty gritty.”

Business representative

“I feel stages 1 and 3 are appropriate. The big issue we have is the limited scope of RIIO-ED2, and Ofgem hasn't got a clue, yet somehow they will have to regulate WPD.”

Government / government body representative

“We are primarily a rural county, and we are looking at how to better connect people. We are here on a strategic level, and I agree that stages 1 and 2 are important.” **Local authority representative**

“I wouldn't want to get too deeply involved at this stage because I'm involved in lots of other things too.” **Parish council representative**

“I think stage 1 is the most important for me to find out what WPD are planning. We want to be involved to make sure vulnerability is at the forefront of their thinking.” **Charity representative**

“Stage 3 is the most important for me. I'm most interested in momentary outages, so business plan development is something I'm interested in.” **Infrastructure / engineering representative**

“From our point of view, stages 1 and 3 are most important. We look at the current constraints, and the urgency with which we have to change our climate change agenda, and so we are trying to make that front and centre. Locally owned renewable energy is one of the most important areas right now.” **Environmental group representative**



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

Verbatim comments:

“Attending workshops once a year for this is fine. Otherwise you get consultation fatigue; you get less interested. Maybe halfway between workshops, something online would be acceptable and interesting to do.” **Parish council representative**

“I’m very poor at answering those surveys because I’m so busy. I prefer coming to workshops because we engage with individuals. It’s how I work.”
Charity representative

“I am keen to participate in online surveys given that, in my councillor role, I could collect the opinions of my village, rather than just push my own thoughts.”
Infrastructure / engineering representative

“Because of the geographical distance, webinars are fantastic, as we can still participate.”
Environmental group representative

“WPD sets the standard in the engagement process. I would not mind coming to other events twice a year.”
Infrastructure / engineering representative

“I am happy to participate in online surveys and these workshops. WPD are by far the best for participation.”
Local authority representative

“You need a broad range of engagement. How do you really engage with people who are in hard-to-reach communities? The more informed people can give answers on surveys, and less informed people can come to workshops.” **Charity representative**

“I always take something away from these workshops. I would be prepared to be involved in workshops on other themes and in online surveys.”
Local authority representative

“I feel today is part of the process. Webinars are super for education, which is important. If you do have face-to-face engagement, it has to be against a solid proposal.”
Government / government body representative

“Specialist workshops may be better than bringing all interests together.” **Charity representative**

“It’s worth doing online engagement, but nothing beats being here in person. But it is useful to have the option available.” **Academic**

“I think these workshops are a good idea. It’s a good opportunity to meet people and find out what’s going on.” **Charity representative**

“It’s important for a big organisation to meet the people and for us to learn about what you’re doing, otherwise we only hear what the press tells us.”
Parish council representative

“I’ve been to a couple of workshops talking about very specific topics. I went to the electric vehicles and renewables workshop in Bristol, where they talked about innovation. Those kinds of sessions are really, really good. They go into more detail than these sessions.” **Connections representative**

“Online engagement would suit me because it’s an innovation and not everyone can come to these workshops. Online content is always good.”
Charity representative

“We prefer face-to-face consultations because they’re more personal. It’s an opportunity to meet lots of people and I find that useful.”
Local authority representative

“I’ve done webinars with DNOs but can’t concentrate and get pulled away, at least at events I can concentrate.”
Infrastructure / engineering representative

“More interaction face to face. With written consultations, people don’t have the time to fill it in. This is more relevant to different people with different businesses, so face to face or that type of approach gets people more engaged.” **Charity representative**

“The online surveys don’t work as well. Workshops are brilliant.”
Infrastructure / engineering representative

“You should be having a range of different approaches, because it also depends on how busy we are. If we hadn’t been able to come today, we might have made more of an effort to respond to a survey, so it’s important to give people different opportunities at different stages to have their voice heard.”
Environmental group representative

“You need face-to-face engagement.”
Business representative

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

Verbatim comments:

“The Welsh Government has a service which meets with housing and community groups, which could be a good channel to follow.”

Government / government body representative

“You must involve the Energy Saving Trust.”

Government / government body representative

“There’s also RenewableUK, which works a lot with wind, solar and marine power sources and would be a great body to work with.”

Government / government body representative

“The big one that’s missing is data and how you are monitoring it. You need data experts for the whole operation, so people like IBM. These are the people involved in data collection and analysis.”

Government / government body representative

“I understand that with smart homes, there are lots of things happening on the LV side. I know WPD is looking into that, but the economics of participating in it is expensive. I want to know that WPD is consulting with stakeholders such as home owners and small businesses. There is a dialogue that could be had there.” **Energy / utilities representative**

“Community groups historically haven’t been involved.” **Charity representative**

“I think it’s important to represent both rural and urban groups. Rural is more dispersed and may not be as focused, so it’s important not to forget them.”

Charity representative

“You’ve got farming groups, who represent a lot of rural areas, WI groups, third sector organisations, community groups and charities.”

Charity 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 & 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.

Many stakeholders pointed out that the majority of customers are unaware of WPD's costs and the services they deliver, such as the Priority Services Register (PSR). In addition, it was felt that there is very little knowledge of the investment the company makes in its assets, which means that newspaper headlines on profits can be misleading. When asked to vote on this question, almost a third of attendees (31%) voted lower than 4 out of 10 on their level of knowledge.

It was broadly felt that WPD delivers good value for money (when stakeholders were asked to vote on this question, the mean score was 6.8 out of 10). It was, however, noted that most people did not understand the difference between suppliers and distributors of electricity and that this should be addressed. To present the situation in a simple way, stakeholders suggested including a very clear pie chart on bills, similar to those published by councils to show how taxes are spent.

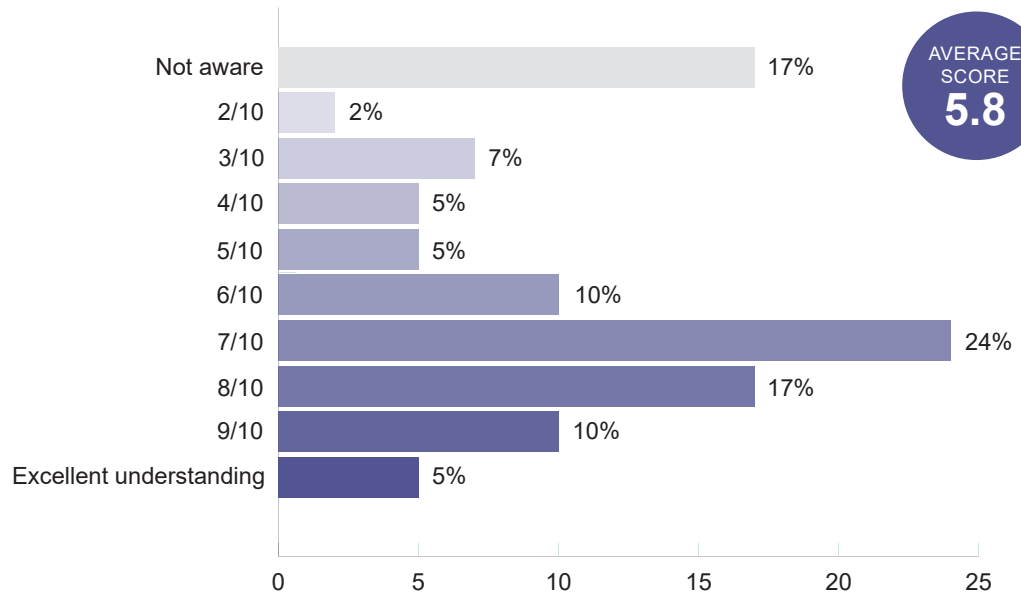
Whilst WPD's six strategic outcomes were seen as broadly fit for purpose, it was commented that they are, perhaps, not forward-looking enough and that a greater emphasis ought to be placed on innovation. It was noted that facilitating new connections and the roll-out of electric vehicle charging infrastructure are some of the biggest challenges the company is facing, but these are not specifically referenced in the outcomes. It was also commented that the company should have a strategic outcome relating to how it benefits the UK economy as a whole through the work it undertakes.

It was generally felt that Ofgem's proposed outcome categories are too broad, meaning that some of WPD's current strategic outcomes could sit under more than one heading. It was also commented that some outcomes, particularly those relating to innovation in the network and helping vulnerable customers, may not get the focus they require.

Almost three quarters of stakeholders (74%) were of the view that WPD's proposed approach of developing a pool of outputs that stakeholders want them to deliver and structuring these within Ofgem's framework, promising to deliver any that don't fit as 'wider commitments', was the most appropriate approach, although it was commented that this shouldn't mean that those designated as 'wider commitments' are not taken as seriously as those which carry penalties or incentives. The importance of engagement with stakeholders on this was stressed a number of times.

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?



Verbatim comments:

"I don't think that the average customer understands the connection between distributors and suppliers."
Government / government body representative

"The only problem with putting it on the bill is that people might not understand the concept and the numbers."
Charity representative

"The whole charging system is ridiculously complicated in the different areas. The whole system needs refining and simplification."
Local authority representative

"I didn't have that clarity about the cost before."
Parish council representative

"It would be great to have a portfolio to see all the relevant details."
Business representative

"If WPD wanted to keep it on the front of their website compared to other DNOs, that would give some point of reference. People don't understand and the bill is hard enough to understand in the first place. If WPD want to promote themselves, why hide it?"
Connections representative

"The utility suppliers are not obliged to tell us on the bill, so we're not aware. The big investment you're doing needs revenue to pay for it, and the suppliers don't seem to be obliged to tell us where it's coming from."
Parish council representative

"You know when you get your council tax and it gives you a breakdown of what it is spent on, it would be good if you had that on the electricity bill."
Connections representative

"I knew they were there, but I didn't know what they were."
Local authority representative

"Newspaper headlines are the things that hit us the most as the general public. We're less aware of all of this stuff that we've been talking about today. We're more aware of the headlines. What interested me is that there were different reductions in different areas, shown as percentages, but it doesn't show what the starting figure was."
Parish council representative

"Headlines don't put things into perspective, it's just a figure out of context."
Connections representative

"I don't know, people wouldn't normally come to WPD, which is the problem."
Connections representative

"It's very difficult to have any interaction with that cost as it comes from a supplier. In the future I'd like to see more focus on changing the behaviour of users. Demand side response (DSR) is a good approach to this. We see DSR at National Grid level, but it's a feature that needs to grow in order to change behaviour."

Infrastructure / engineering representative

"We need to incentivise customers to use their energy in different ways. We can also use this to encourage increased use at certain times. This would help WPD and grow businesses working in the industry."

Infrastructure / engineering representative

"I think WPD offers good value. Its infrastructure is set up very well."

Local authority representative

"Somewhere on the electricity bill, it should say that WPD is a socially aware company. It should also explain how WPD is trying to improve the environment."

Charity representative

"The only way to improve awareness is to force electricity companies to include a pie chart on bills so that customers can see the breakdown of services."

Parish council representative

"It's good to know the breakdown of what is spent and returned to customers, but no one is talking about shareholders or profits, so it's not that transparent. It's not giving the whole picture of how much shareholders are given."

Charity representative

"It would be useful to know how much is spent on reinforcements and upgrades, and going through all of the slides, it's not clear. I know it's not necessarily beneficial from a PR perspective, but if you're doing stakeholder engagement, then put your cards on the table. For example, who owns WPD? I know the answer, but it's not out there in the public."

Environmental group representative

"I think there's concern that the regulator may put bad incentives in place, with a poor rate of return. 1–3% looks quite generous, but if you look outside our industry, it's not. It's an ongoing story that making a profit in the energy industry is a bad thing, but you have to make a balance, that's the big challenge."

Energy / utilities representative

"One thing that surprised me, I was with a group of people and none of them knew the 105 number."

Parish council representative

"I have been aware of it, but I do always forget and have to recall it. I suppose it's a mental block."

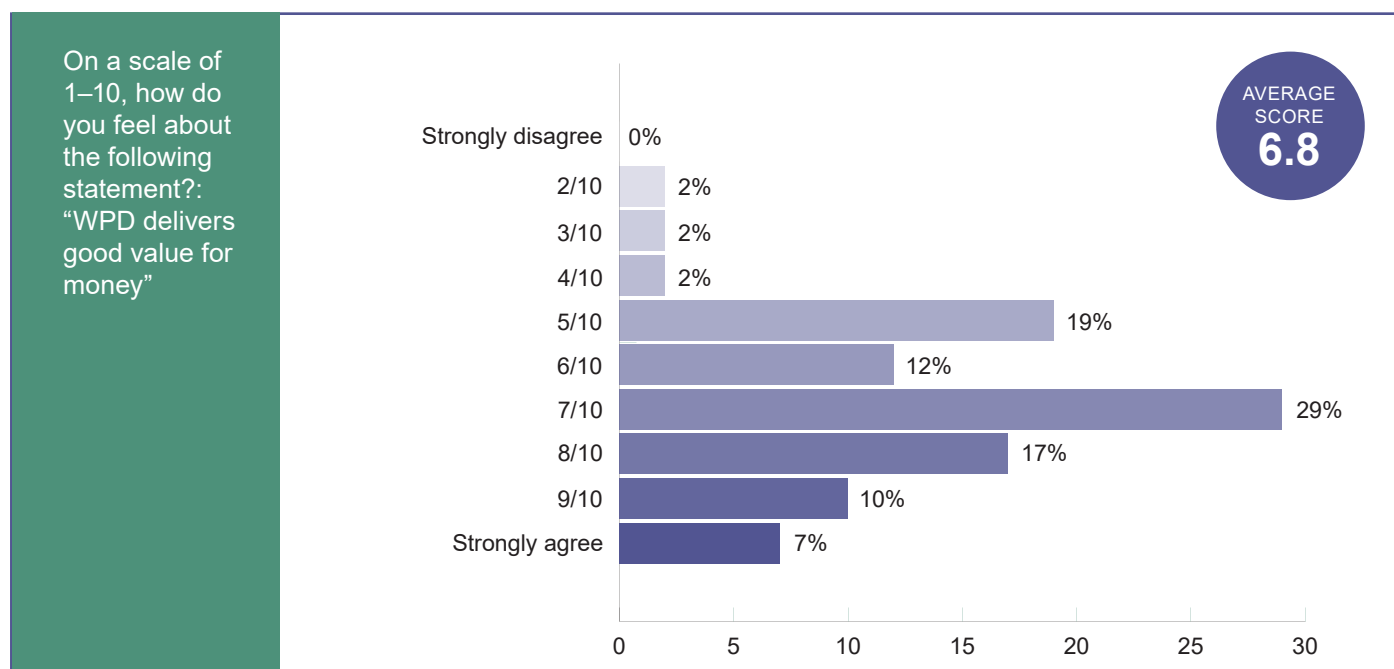
Infrastructure / engineering representative

"When I meet people in the home, they do not know about WPD, the PSR, and the only bit I can sell them on is saying you will be given a telephone number with a person on the other end. And some people have the fridge magnet, but it might be time to do it again. I know they've lost that thought."

Charity representative

"Newspaper headlines make people think that electricity prices are going up."

Parish council representative



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

Verbatim comments:

"It depends on what you mean by 'a smart, flexible and interconnected network'. It may not fit in with the idea of the environment as a whole."

Government / government body representative

"There are many overlaps in relation to the environment, as environmental concerns cover many things." **Parish council representative**

"I think that somehow we're not thinking enough about the future. Will energy still be delivered through cables in the ground in 50 years' time? What does 'smart' actually mean? Innovation should be included and should be at forefront. This is missing."

Local authority representative

"If you just have words or a heading that aren't specific, you can't necessarily see it isn't an outcome, so you can't see what it will lead to – you miss something." **Energy / utilities representative**

"Most DNOs are struggling in connections. There's nothing specifically about that here, yet it seems to require the most improvement."

Infrastructure / engineering representative

"This is looking backwards towards the old system of distribution and use. It is not related to the world of local energy, for instance, power generation from homes. There is also nothing about using EV chargers or about how good you are at local balancing."

Government / government body representative

"In my view, does WPD really need more than six outcomes? Whilst it is clearly improving the environmental performance of its assets, there are obviously wider commitments, given the scale of changes going on." **Energy / utilities representative**

"The 'smart, flexible and interconnected network' outcome is very broad, and it doesn't say very much. It's almost as if it needs to be broken down a little more." **Local authority representative**

"I agree with your outcomes in principle, but vulnerable households don't have the money to buy into the technology. It may or may not be affected by how you structure your networks."

Energy / utilities representative

"Delivery on an environmentally sustainable network [as per the proposed Ofgem heading] has lots of subsections. It's far too broad."

Connections representative

"What is an environmentally sustainable network? You can talk about carbon footprints and other initiatives to view impacts and encourage people to possibly lower their carbon footprint, which is a big step. It's not just about the internal view." **Connections representative**

"I'd like to see an outcome linked to GDP growth in particular areas. It would mean making investments in areas where there's the biggest chance of growth and your return would be increased."

Local authority representative

"It's important to meet the needs of consumers now and in the future, and how can WPD help with that."

Environmental group representative

"I don't think we should limit these to measurable outcomes only. I think six categories are OK and we can all agree on that. As for these 76 outputs, it's good not to lose those."

Energy / utilities representative

"With us all having devices and in light of 'the internet of things', where is the provision for making sure these networks are safe and secure from a cyber security perspective?"

Infrastructure / engineering representative

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

Verbatim comments:

"It looks like things relating to smart technology will be shoehorned into the third category [Deliver an environmentally sustainable network]."

Business representative

"The environmental sustainability outcome needs to be changed to include how WPD operates as a business and should include a target of replacing current vehicles with electric vehicles. It is important that the outcomes fit within the categories, as Ofgem compares companies based on those categories."

Infrastructure / engineering representative

"There are lots of things that don't fit into these titles, such as undergrounding and fuel poverty, for example. Also, some of these could fit into more than one area. I think it's a good idea to work with stakeholders to get their ideas and gather additional suggestions."

Environmental group representative

"If you make it too prescriptive, you'll lose the innovation and limit yourself and the network from diversifying. There needs to be a fourth heading for the ones that don't fit in."

Environmental group representative

"Things change geographically, too. So being too prescriptive should be avoided."

Charity representative

"The question is: what are the consequences of one outcome being in the wrong area?"

Business representative

"These all seem incredibly broad."

Business representative

"In my experience, there are often specific targets, but then other things get lost in that. WPD need to cover a whole range of outcomes to ensure that everything is measured."

Parish council representative

"There's a bit of an overlap between them, one helps the other."

Local authority representative

"It should be questioned where the obligation to reduce consumption fits under the categories and whether it should even be WPD's responsibility."

Infrastructure / engineering representative

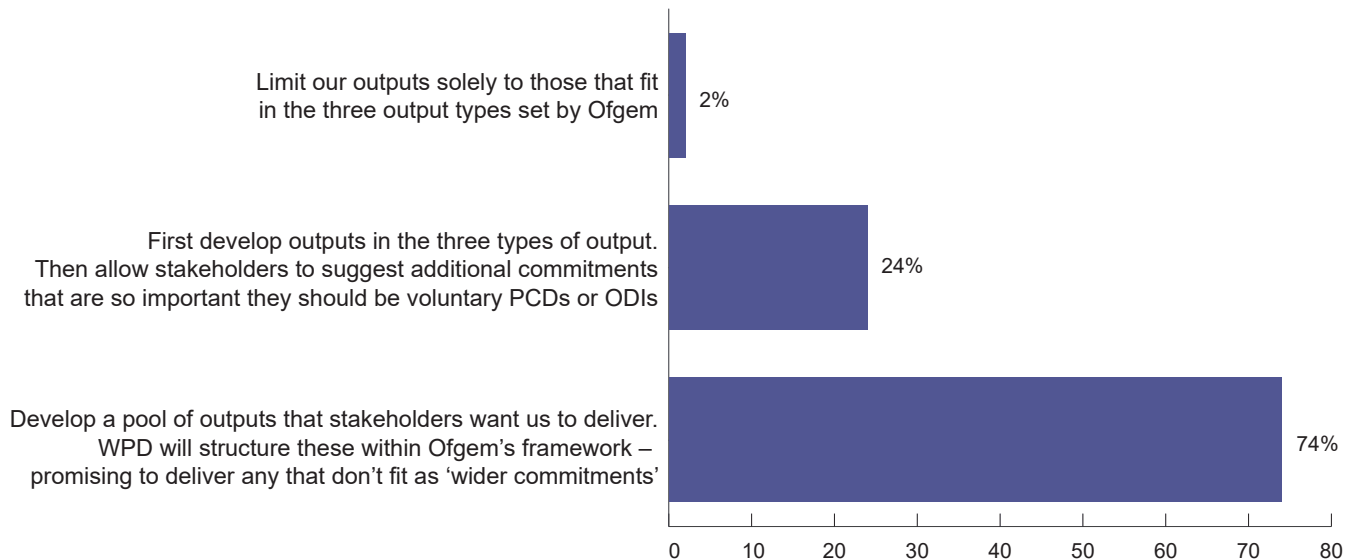
"I think the outcomes are clear. The brief themes are fine, but you need the qualifying statements."

Environmental group representative



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

In terms of structuring outputs within our Business Plan, which approach do you most favour?
(select one option)



Verbatim comments:

"Somewhere between B and C seems to be the best approach. It's always good to get stakeholders to have an input." **Connections representative**

"The idea of social justice needs to be kept in mind when setting out your commitments. I don't feel that these output commitments allow you to do that and might prevent you from doing certain things that benefit vulnerable customers. These shouldn't be just left as wider commitments."

Government / government body representative

"You could make it similar to the council tax wheel of spending. It would be better if they see that information on the bill." **Academic**

"Start at the bottom, collect more ideas, then see where they all mesh together."

Local authority representative

"Ofgem have given you an inaccurate structural framework for this exercise."

Parish council representative

"You can't rely on customers to tell you these things. Customers might not always know what they need to tell you, so that's why you need the process from Ofgem." **Academic**

"In terms of customer needs, even if they don't always know it, there's an urgent need for the lowest carbon footprint energy. Network uptime is a huge issue too which is in your control."

Connections representative

"If these have been developed over time and it's a regulated business, how come so many don't fit in anywhere?" **Charity representative**

"This needs to be led more by stakeholders than by Ofgem. It's a mathematical thing rather than a personal thing, as we're the ones paying ultimately."

Charity representative

"You've got to be focused in some ways but flexible in others, and option C seems like the best of both worlds." **Infrastructure / engineering representative**

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 were generally of the view that WPD had identified the right priority areas, although it was accepted that certain topics rise and fall in importance, primarily as a result of the adoption of new technology. It was noted that both customer and stakeholder engagement are missing from the list of priority areas and that this should be addressed. It was added that this is particularly important in order to spread awareness of new technologies.

When discussing which priority areas are most important to them, stakeholders were naturally drawn towards those relating to their jobs. The vote on the priority areas revealed that network reliability was seen as the most important priority area by stakeholders, scoring an average of 8.39 out of 10, followed by network resilience (7.88 out of 10) and building a smart network (7.80 out of 10).

Many stakeholders, including the vast majority of those from a technical background, thought that priorities relating to building a smart network were crucial, with those representing local authorities naming electric vehicles as an area that needs particular focus. It was also noted that a smarter network with greater flexibility would reduce the need for traditional reinforcement, which would save money. When asked what activities they wanted WPD to focus on in relation to building a smart network, along with factors such as facilitating the EV charging network and the decarbonisation agenda, stakeholders also wanted to see it used to keep costs down. They also wanted WPD to consider the different legislation in Wales, which may impact its rollout.

Stakeholders, especially those representing the charity sector, were of the view that WPD's social obligations priorities were important, although this was not the case across the group as a whole. Some questioned whether addressing these issues was really the responsibility of WPD, rather than suppliers or the government. As a result, whilst vulnerable customers was ranked fourth highest of the fourteen (7.23 out of 10), fuel poverty was only ranked thirteenth, with 6.23 out of 10. Suggested activities in these areas centred on the importance of sharing data across the utilities so that customers in vulnerable situations and those in fuel poverty could be more easily identified. There was also particular concern at this workshop that the vulnerable and fuel poor in rural communities are not overlooked. Only workforce resilience polled lower than fuel poverty, as stakeholders were of the view that this should be business as usual.

Cyber resilience was one area that was repeatedly singled out by stakeholders. It was seen as the fifth most important of WPD's fourteen identified priority areas (scoring 6.93 out of 10). This is an area that has risen in prominence following a number of attacks on companies and organisations, including the NHS, and the comment was made that the consequences of a cyberattack on the electricity network would be huge. There was concern for both network security and security of customers' data. It was thought that greater collaboration is needed, as well as more knowledge of best practice in other industries.

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

Verbatim comments:

"We want to know about where working with local bodies in the pre-development stage falls into these priority areas. This is missing."

Connections representative

"During one stakeholder session, we spoke about how to encourage connectors to connect to the network. How can we get them interested?"

Infrastructure / engineering representative

"You don't have customer engagement on there."

Government / government body representative

"What you say about connections is more to do with administrative work, not so much actual connecting, so I don't understand it. Perhaps availability of connections should be there."

Business representative

"The availability of the lowest carbon footprint energy for the end customer should be a priority area."

Connections representative

"Listening through the list, it was difficult to notice if anything was missing."

Parish council representative

"It is difficult for stakeholder engagement not to be a priority in ED-2."

Government / government body representative

"I would make Brexit considerations a priority." **Local authority representative**

"The cost of connections is the most important thing for us as a community group."

Environmental group representative

"You should have more on the whole systems approach. Working in collaboration ought to be its own priority."

Infrastructure / engineering representative

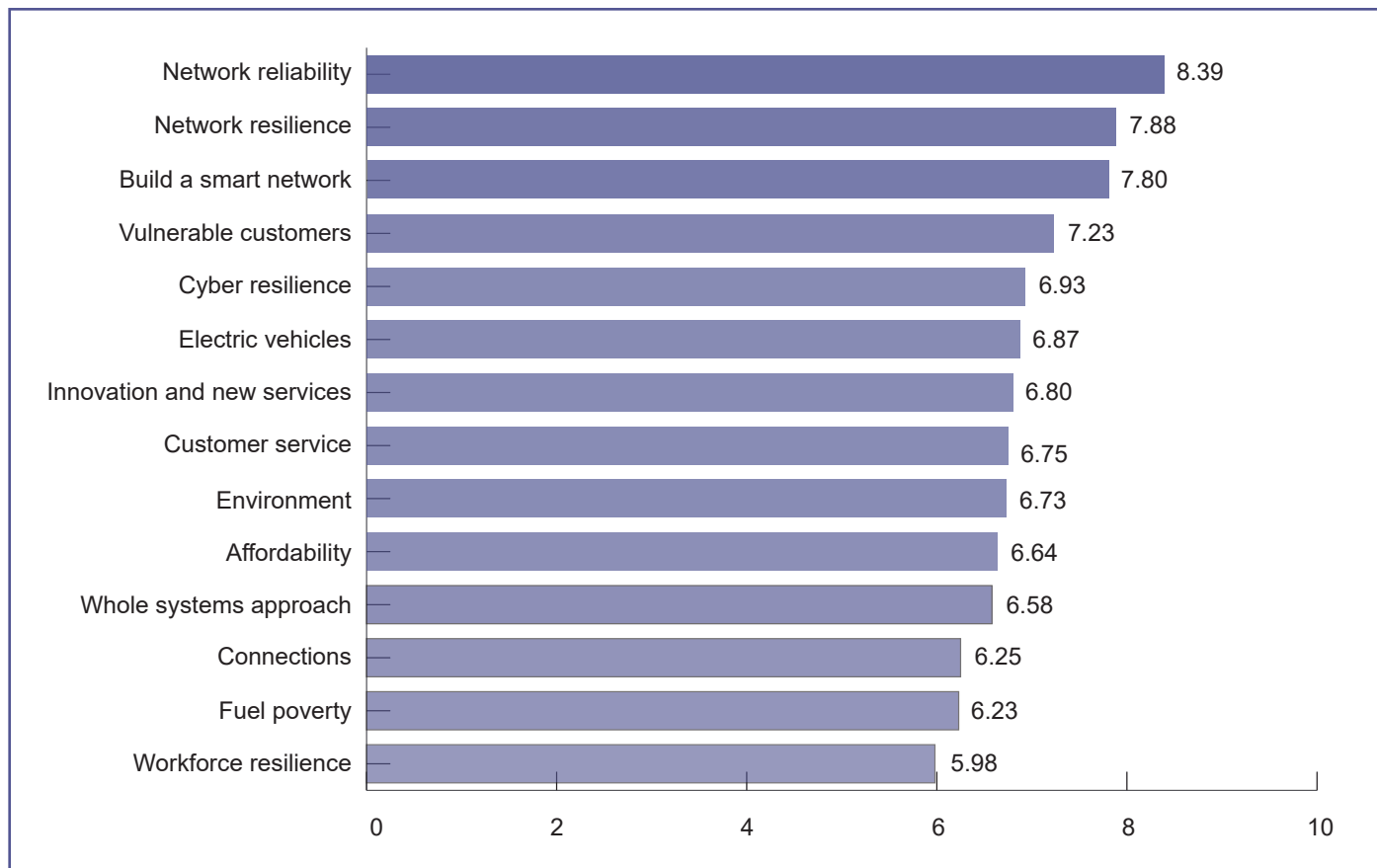
"When the businesses have 20,000 quotes, my brain was saying, what happens to the other 30,000?"

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 elicit feedback is included in Appendix 1 of this document.



"We need to put network resilience at the top of the tree because you can't have a business without it."
Connections representative

"If you have high resilience, you have high reliability."
Connections representative

"With future generations, climate change and pollution are key in our operations at the Welsh government, so we see the environment as a high priority."
Government / government body representative

"Building a smart network should be of high importance because it's about the flexibility of the network."
Academic

"For me, if you've got resilience and reliability, your impact on vulnerable customers should be minimal. So, then that would put vulnerable customers as a medium priority."
Energy / utilities representative

"Building a smart network must be a high priority."
Business representative

"I would put fuel poverty as a high priority because that's what I see happening. A lot of people in South Wales are in fuel poverty."
Charity representative

"I think cyber resilience is about reliability. Individual faults affect relatively few people, but if the cyber security isn't there, you lose the whole network. But no one can see if you're doing a good job on that."
Parish council representative

"I disagree that EVs aren't a high priority. Underpinning all of this should be compliance with national policy, which is to reduce our carbon outputs by 80% by 2050. However, we will increase electricity usage, mostly by vehicles. So, we need more renewable energy. We can't ignore EVs – look at the legislation. It is part of the network puzzle, but to treat it as a low priority is wrong."
Local authority representative

"I look at vulnerable customers. In my county we have elderly people in hard-to-reach areas, so we want to better integrate them. That's a priority from our point of view."
Local authority representative

"Network resilience and cyber resilience are key because if we lose power, civilisation comes to end."

Government / government body representative

"For me electric vehicles are a big challenge for the next few years. How will you develop the network to cope with this?" **Connections representative**

"Regarding the electric vehicle ones, I'm not convinced it's the way we're going to go. For those who have them, it's important to have connection points, but lots of people won't get them."

Parish council representative

"It's going to be the law that all vehicles are going to have to be electric by 2040." **Academic**

"For me, cyber resilience, reliability and resilience and smart networks all go together, because that sort of thing is crucial for getting service. If you're not getting that, then everything else is irrelevant, so they're all equally important. It's the purpose of the business."

Local authority representative

"If you've got loads of electric vehicles and you haven't got a smart network to distribute the power, then not everyone is going to be able to charge their car." **Connections representative**

"That's what Ofgem is there for, to make it affordable for everyone, so maybe affordability should be medium." **Connections representative**

"I'd put smart network as high."

Local authority representative

"I think network reliability is crucial because if you can't get access to the network, then WPD is failing on its basic obligations."

Parish council representative

"I think fuel poverty is something that suppliers tend to deal with." **Parish council representative**

"Innovation is important. Without innovation and new services, you'll struggle to deliver on the other high-priority aims." **Connections representative**

"As for EV, is this driven by the government? I don't know who is supposed to be leading this."

Business representative

"Cyber reliability is a problem and if you're building smart networks, you're giving people a way to disrupt networks." **Academic**

"Affordability is key for me. Not much else matters if people can't afford it." **Charity representative**

"As long as connections are kept as they were, it's fine." **Local authority representative**

"Fuel poverty is more to do with government and supply rather than WPD." **Charity representative**

"Vulnerable customers are important, but what you're doing already is very good."

Connections representative

"I don't think that fuel poverty is WPD's priority. There are groups that are better suited to identify and handle those in need of fuel poverty relief."

Infrastructure / engineering representative

"The fact that you've done such a good job with network resilience means that it can be a low priority."

Local authority representative

"We don't know enough about your system to make an informed decision about the importance of cyber resilience."

Infrastructure / engineering representative

"Network resilience and reliability are high priority areas. Building a smart network is also important because things are changing."

Infrastructure / engineering representative

"It should be questioned whether WPD has a responsibility to provide a social service or whether others are better equipped to fulfil that function."

Infrastructure / engineering representative

"It's an interesting one, because is fuel poverty one for WPD, or the suppliers?"

Environmental group representative

"Obviously the environment is the most important, but in terms of what WPD is talking about, it's more like feed management, rather than the wider implication of what their business does. It's more like corporate social responsibility rather than helping to save the environment." **Environmental group representative**

"I would put 'building a smart network' as the most important thing, considering the climate change challenges we face. Ultimately, it is by far the most important." **Environmental group representative**

"I think cyber resilience is more of a legal obligation."

Charity representative

"I hesitate to say this, but from WPD's point of view, it's not responsible for vulnerable customers as part of its core business. It's doing brilliantly for fuel poor customers, and it could do more. But affordability for everybody is probably more important."

Environmental 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 on page 26 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 facilitation prop used to for this exercise is included in Appendix 2 of this document.

Verbatim comments:

“Network reliability is about reductions in power cuts. I accept the average is one every two years, but it's higher in my area. Maybe you need to be more granular here, rather than just having an average.”

Parish council representative

“For network reliability, the focus should be reducing outages, reducing minutes lost, and if it is lost, then the time it takes to get them back on.”

Energy / utilities representative

“WPD needs to prioritise areas that are worst served in terms of the frequency and duration of power cuts.”

Parish council representative

“We are primarily rural, so the environment also comes into it. Getting to more extreme locations is also key.”

Local authority representative

“Smart networks will increase network resilience and reliability.”

Local authority representative

“You need to make sure that households are engaged about this new technology and these new opportunities and you need to carry out research to find out how they can gain access to it. What's the point of setting it all up if no one's able to use it?”

Charity representative

“A smart network comes down to data and the system you use. There should be something specific on this.”

Infrastructure / engineering representative

“WPD needs to partner with other organisations to identify vulnerable customers.”

Local authority representative

“With regard to vulnerable customers, WPD have 7 million people on the PSR, and all the other DNOs have their own PSR. The utilities and suppliers have their own PSR. Why not join them up across all utilities?”

Charity representative

“WPD should engage better with communities to find the real vulnerable customers.”

Charity representative

“For cyber security, the issue is knowing how much to spend. For such an esoteric area, it is tough to know if you've spent too little or too much.”

Government / government body representative

“Be sure to look at good practices for dealing with cyber security.”

Business representative

“Perhaps better collaboration with all DNOs is needed on this. It is a national issue, after all.”

Infrastructure / engineering representative

“You need to put the infrastructure in place for electric vehicles and make people aware of the limitations of the current infrastructure. You can't just charge your vehicle using a streetlight.”

Local authority representative

“I'd like to see EVs go under build a smart network. They're part of understanding the problem.”

Local authority representative

“I think you should be ready to deliver electric vehicles, and there needs to be investment.”

Business representative

“Customers requesting a charger have to come through us, so WPD should work with us to understand the wider community needs.”

Local authority representative

“We need to talk about flexible charging. That would feed into all five of our priorities.”

Local authority representative

“For the environment, a big issue is tree clearing. When other people chop trees down, it does cause issues for us.” **Local authority representative**

“Eliminating the use of sulphur hexafluoride (SF6) should be a target. SF6 emissions should be monitored as part of a smart network, which should be self-healing.”

Infrastructure / engineering representative

“You focus on the generator environment, perhaps it’s an issue of local control of distributed generation.”

Connections representative

“National Grid get fined millions of pounds a year if they have SF6 leakages, so at the university we’re looking at ways of reducing it, so that would be one of my interests.” **Academic**

“Identifying people is very important in helping fuel-poverty issues. People don’t want to be identified, so you have to go to them. It’s also not easy to find ways to help these people once you do so, meaning that you have two layers of obstacles.”

Parish council representative

“Energy efficiency advice is important, is everything available being used to best effect?”

Charity representative

“WPD should be increasing the network of third-party organisations they work with so they can identify the most fuel-poor people who are the most isolated and improve communications. The more third parties you work with, the easier it is to identify those most vulnerable or in fuel poverty.” **Charity representative**

“Recognise the difference between urban and rural fuel poverty.” **Environmental group representative**



NETWORK RELIABILITY	Cyber security	Improving resilience in crisis situations	Asset maintenance	Worst served extremes (frequency first)	Staff training – cross skills	Lowering customer minutes lost	Power quality / momentary outages	Lowering number of outages	
NETWORK RESILIENCE	Environmental context of local substations	Tree cutting	Flood protection at stations	Local control of distributed generation					
BUILD A SMART NETWORK	Facilitate EVs / smart charging and monitoring	Improve protection from faults; reliability	Keep costs down	Transparency on grid capacity	Customer education and relationship; intrusion – GDPR	Recognising different legislation in Wales	Micro grids	Decarbonisation	Future-proofing; forecasting / predictability Research + implementation (domestic)
VULNERABLE CUSTOMERS	Reaching people in rural locations	Subsidising grid costs for rural / vulnerable	Joined up PSR across utilities (national database)	Better engagement with communities to identify venture capital	Better communication	Response	Drilling down to understand differences	Poverty and links to wellbeing and health	Identify where they are and vulnerability type – what help do they need? Increase network of third-party organisations to help identify most vulnerable; partnership services
CYBER RESILIENCE	Managing budget	Look out for best practice	League table	National security issue	Security of data				
ELECTRIC VEHICLES	Availability of charging points for all	Space for charging areas	Fast versus slow chargers						
INNOVATION & NEW SERVICES	Managing flow	Flexible system	Data	Engagement with stakeholders	Develop peer-to-peer relationships	Battery storage			
CUSTOMER SERVICE	Revisit policy	More flexible terms and conditions							
ENVIRONMENT	Change ready: adaptation plans	Raise awareness	Use products without SF6	Tree clearing	Scenery and landscape	Undergrounding	Low carbon options available for all customers	Use local workforces to reduce distance travelled	Business behaviour e.g. use of plastics; use of EVs Carbon footprint
AFFORDABILITY	Develop links for the PSR	More information	Right balance on who pays and who they pay	Creating clear savings across the board	Reducing uncertainty on pricing to stop people withholding power from grid	Incentives to increase or reduce supply	Fair rate of return	Cost benefit of wider public interest	Communicate future investment benefit and long-term vision Meeting social and environmental obligations
WHOLE SYSTEMS APPROACH	Hydrology	Future-proofing with heat networks	Focus on whole cost of heat, light and power	Transport					
CONNECTIONS	Collaboration development	Transparency on queue	On-site teams	Ability to connect	Price (community energy groups)	Capacity in rural areas			
FUEL POVERTY	Identification	Collaboration with stakeholders – how can we help?	Community schemes	Efficiency	More focused resources into finding the fuel poor	Continue with current scheme	Role of grants for local groups	Recognising urban / rural poverty	

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.

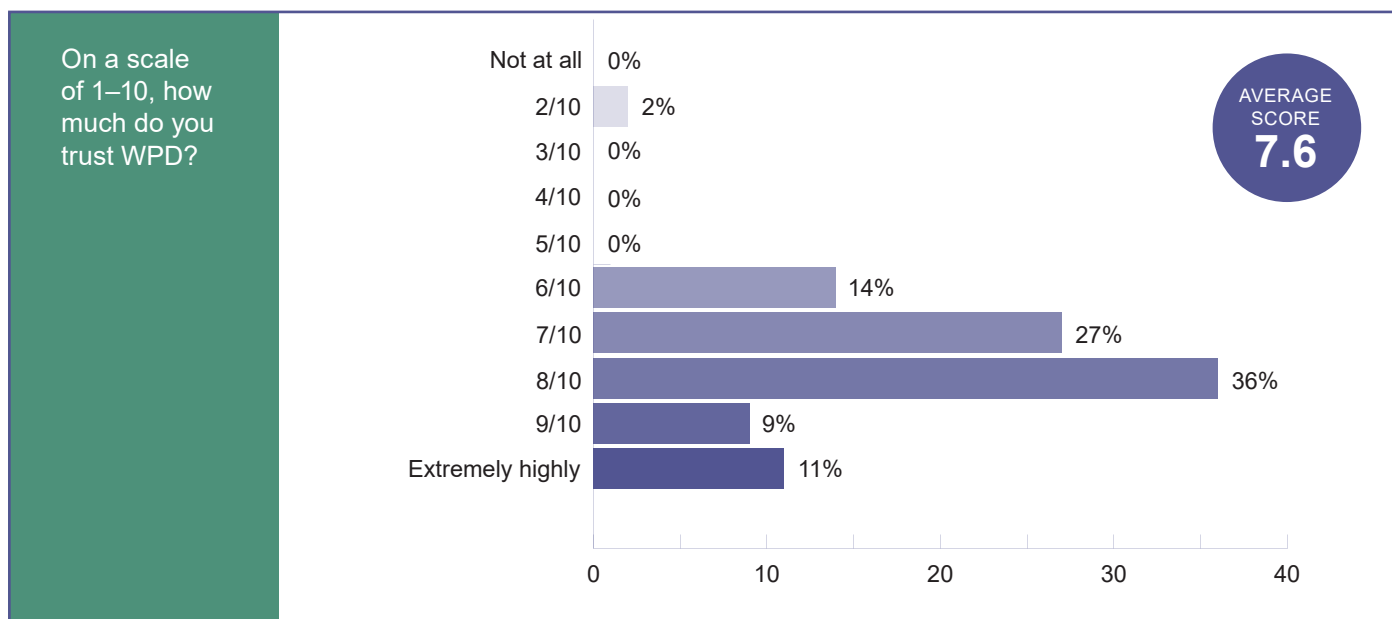
Alison then went on to explain Ofgem's requirements for 'enhanced engagement' and the role that WPD's Customer Engagement Group would have in the delivery of this, giving customers a stronger voice in the next Business Plan period. She then talked stakeholders through WPD's proposals for how the social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

Stakeholders generally considered WPD to be a trusted company. Following a vote on how much stakeholders trusted the company, the mean score was 7.6 out of 10. Although the majority of stakeholders believed that the list of potential commitments that might make up a social contract was comprehensive, a number of other commitments were suggested, such as paying a 'living wage' to employees and giving time to local community projects. Many stakeholders focused on transparency as an essential part of a social contract, especially relating to financial matters such as taxation and returns to shareholders.

On many of the tables, talk quickly turned to how a social contract should be monitored. Stakeholders noted that many of the things that would make up a social contract would, by definition, be hard to measure, and they were keen that it does not become a public relations exercise. Whilst it was pointed out that some of the suggested commitments form part of the work the company is already doing as part of its social obligations, it was felt that work done in this area needs to be scrutinised, with some stakeholders suggesting that financial penalties or incentives be attributed to the commitments in this area. In terms of who should provide scrutiny, it was thought that the best way to do this was through external audits. This was the most popular method when stakeholders were asked to vote on the subject. The idea of the company's Customer Engagement Group also having a role in this was widely supported. However, as was the case when the use of external auditors was discussed, the point was repeatedly made that independence should be of paramount importance.

When asked how a social contract should be presented, stakeholders were split evenly between those who believed that the social contract should be the Business Plan and those who were of the view that it should be a stand-alone section. It was felt both of these options would ensure that adequate scrutiny and focus is given to the commitments included. However, the point was made that it is important that these commitments do not get lost in a larger Business Plan and that the plan should reference its commitments in this area, perhaps as an introduction to each section. It was also suggested that the social contract be a 'golden thread' which runs through the plan.

Some argued that, as WPD is a monopoly because of its geographical area of coverage and is not well known to all customers, there should be an emphasis on the benefits delivered to individual communities. It was also felt that certain facets of the social contract should be communicated back to customers.



1. WHAT SHOULD WPD'S SOCIAL CONTRACT CONTAIN?

Verbatim comments:

"It could range from something as simple as paying the living wage to your own employees right up to helping those most in need in society. How much you do in between is an open brief."

Government / government body representative

"The social contract should be divided into three areas: performance issues, corporate governance, and social and environmental obligations."

Parish council representative

"It needs to open with your mission statement and feed down to how you intend to achieve your mission statement. You need to break it down into its various components, such as social and environmental. This would give you a human face."

Parish council representative

"The idea of penalties if you don't achieve your goals is an interesting one. You can just be honest when you can't and explain why. This would build trust among consumers."

Connections representative

"Putting things back into the community that are tangible, such as community projects, would be greatly appreciated by local people."

Parish council representative

"Our social contract involves providing training to local people, hiring local apprentices and putting on local events. However, to me, this is something that you should be doing anyway, and you shouldn't feel the need to brag about it."

Connections representative

"It's about what you do – maybe the fact people don't know who you are is a good thing in that it's about building trust and understanding."

Energy / utilities representative

"These days it's about audit, tax, financial behaviour. This is an easy industry to stop investing in because no one notices for 10 years. There's also the responsibility for vulnerable customers, so it needs to cover both ends of the spectrum."

Parish council representative



“Is a social contract more a set of principles than a group of specific outputs?”

Environmental group representative

“It seems social contract is just a new name for CSR.”

Government / government body representative

“WPD is responsible to its shareholders; it's got to make a profit. That's difficult to reconcile with customer satisfaction. So, you could do the same as Welsh Water to prove you have customers at the heart of the business and go for the public ownership model. In terms of removing scepticism, that's the only way to go. Wouldn't it be better if instead of going to shareholders, the 6% was reinvested in the network in the same way that roads are built?”

Local authority representative

“It needs to be measurable because some of it is quite abstract.” **Business representative**

“There's no reference to how you treat your own employees in your social contract.”

Infrastructure / engineering representative

“The list in slide 10 is pretty comprehensive. There's not much that's not covered, and there's only so much you can address. And there's bound to be a cost in delivering it, in some areas.”

Parish council representative

“There's Employer of Choice, which our company's trying to get, so that's things like living wage, making sure you want to work for that company, but I don't know if that's the same kind of thing as it's more about your staff than the service you provide.”

Connections representative

“It should be something meaningful and not just a PR exercise. It should mean something, I liked that they mentioned paying their fair share of tax.”

Charity representative

“I think it's more about transparency than anything else.” **Infrastructure / engineering representative**

“It's got to be measurable, otherwise it's too ambiguous and open to interpretation.”

Local authority representative

“Some of it overlaps with their obligations though. With vulnerable customers, the positive outcomes are all business, so some of the investment probably overlaps.” **Environmental group representative**

“It depends on what it ends up being. It could become national rules for energy companies.”

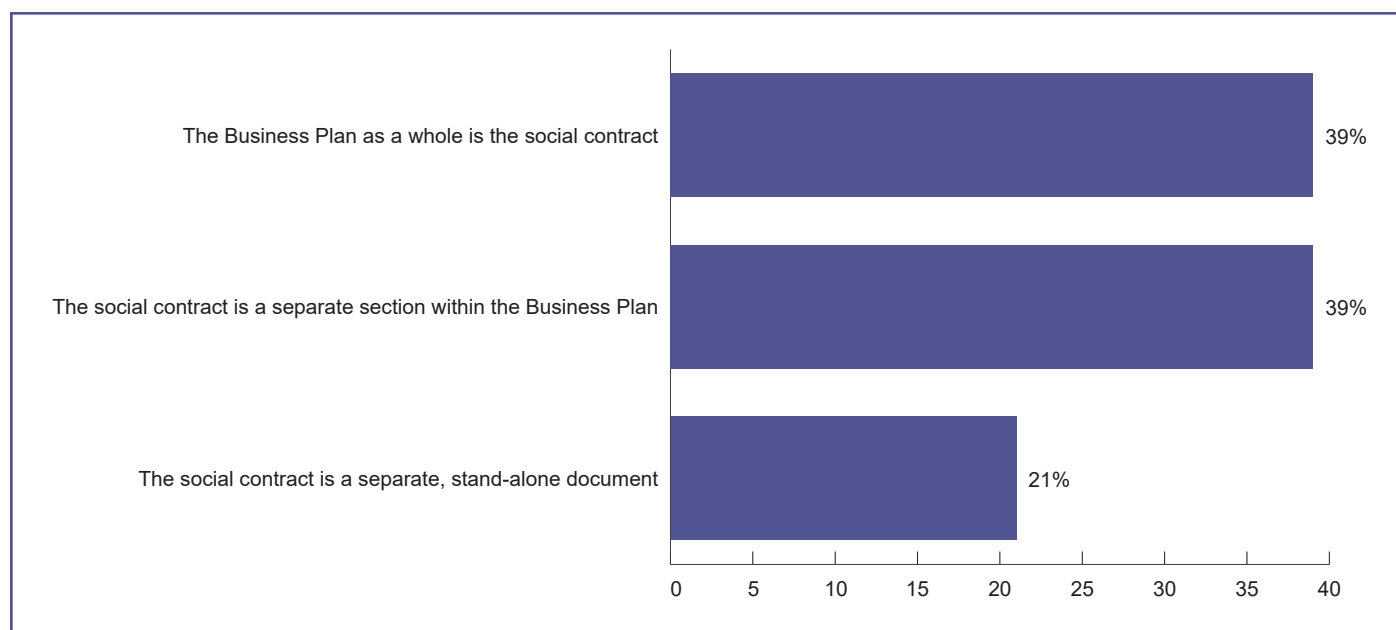
Energy / utilities representative

“When you see how they're scored on social and environmental targets, ahead of all the others, it's almost that they're setting a benchmark.”

Environmental group representative



2. HOW SHOULD WPD PRESENT THEIR SOCIAL CONTRACT?



Verbatim comments:

"If you have it as part of the Business Plan, it's far more integrated and it means that more people will access it." **Parish council representative**

"Make the social contract a golden thread running through your Business Plan. As a result, you can provide examples of what you're doing and build up consumer trust."

Government / government body representative

"I think the social contract should be the Business Plan as a whole. It doesn't need to be a separate thing. It should be inherent in your general Business Plan." **Local authority representative**

"The general Business Plan should have a social contract at the beginning and each section of the Business Plan should feature a social responsibilities section." **Local authority representative**

"If you put the social contract in the Business Plan, you can put figures in, which will grab people's attention." **Parish council representative**

"Another good idea would be ensuring that your contractors are paid within 30 days."

Connections representative

"In this day and age, these social contracts are the kind of thing that we expect from big businesses."

Government / government body representative

"WPD should also think about setting an example to others. This contract would do that."

Parish council representative

"If it's in the Business Plan, perhaps there's more of an incentive to stick to it." **Charity representative**

"In our line of work, we look at how we support our customers in different ways. It's about innovation in terms of how we can offer support and do things differently, which is based predominantly on customer insight." **Energy / utilities representative**

"One of the questions was about whether it should be integral to the Business Plan, and I think it should be. The trust element is quite interesting. Most customers don't know who WPD is, so there's a challenge around understanding that."

Energy / utilities representative

"I feel it should be part of the whole thing, so perhaps a separate section in the Business Plan. There has to be a circle around the section."

Business representative

“If it were a separate document, it would just get lost. Everything we ourselves do, we try and relate it back to national frameworks. Maybe integrate it into the Business Plan.” **Local authority representative**

“It should be stand-alone, because it gives it visibility, it's more easy to focus on, and it registers more obviously what you're trying to achieve.”
Parish council representative

“It should also be reported back to shareholders as part of the Business Plan, otherwise it won't get company time.” **Connections representative**

“The social contract should run throughout the Business Plan but should be contained in a separate document.” **Local authority representative**

“It would be clearer if the social contract was a separate document.” **Parish council representative**

“The social contract should be part of the Business Plan, but it should be evaluated separately.”
Infrastructure / engineering representative

“As WPD has a monopoly, it should have a close relationship with the community and the social contract should feed directly into the community.”
Infrastructure / engineering representative

“It doesn't necessarily have to be a part of the Business Plan. I can see the benefits of producing something separate and accessible for the social contract, even if you put the same content on a Business Plan.”
Environmental group representative

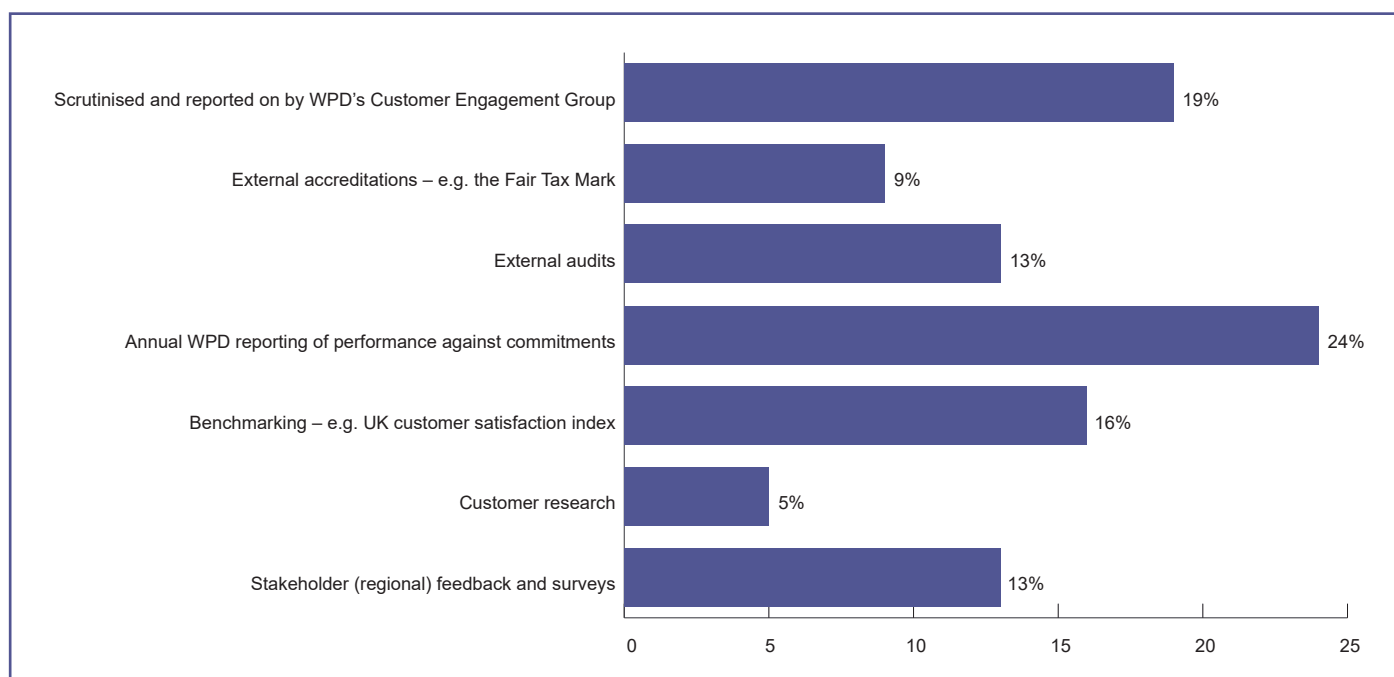
“You do need to move it into the Business Plan. Say, ‘We are going to have a load of electric charging points, but we won't ruin the environment by doing it.’”
Energy / utilities representative

“It's got to go in the Business Plan, otherwise if it's a separate document, it will get pushed to one side. You could have a social contract section in the Business Plan.” **Charity representative**

“You can have all these appendices anyway, and you can have a social contract section.”
Charity representative



3. HOW SHOULD WPD DEMONSTRATE THEY ARE DELIVERING IT?



Verbatim comments:

"If something is tangible, then people would scrutinise it. It would enable people to measure your efforts and makes it seem more than a PR exercise."

Charity representative

"For me, the social contract stuff still includes measures. If nobody knows about it, how do you measure it? There needs to be measures in place, not regulated, but things you aspire to do and objectives you want to achieve." **Energy / utilities representative**

"It would be obvious through something like an audit if you are failing or not." **Business representative**

"We do annual monitoring at our end to check if we are meeting targets we've set, whereas what you have suggested here is less tangible." **Local authority representative**

"Whoever audits it must be independent, so not WPD's Customer Engagement Group." **Government / government body representative**

"Just publicly state if you haven't fulfilled it. Name and shame yourselves on the website, perhaps." **Academic**

"Get feedback from customers." **Academic**

"If it's a new initiative, why not get people together to discuss it in a workshop. If you drag it into something else, it might get lost, but if it's something that you're specifically talking about, you can give it more focus." **Charity representative**

"It might be a good idea to set up a new accreditation process." **Parish council representative**

"A survey can only help. It shouldn't replace workshops but be used alongside them. I wouldn't go for an external auditor, as that's just paying more people." **Parish council representative**

"I'd say an annual report." **Charity representative**

"If it's a specific thing people care about it, then that's good, but if it's a fluffy thing, then it's just a tick-box activity." **Local authority representative**

"You are a monopoly, so customers can't go to a competitor. I have to ask why you're doing it? I assume it's because you want to be seen as a good company. In that sense, it's down to the moral imperative of the company whether they do it or not, rather than a fine." **Energy / utilities representative**

"I don't think auditing is a good idea. Against what and by whom? It's a nice idea but it's difficult to measure these positive and negative externalities. Perhaps it would be better to use a feedback group with the same framework year-on-year."

Energy / utilities representative

"I think surveys are quite a superficial way of getting feedback, especially with the one-to-ten ratings. Also, you need to be well-informed to even make a judgement in the first place."

Energy / utilities representative

"I would add that people don't see the WPD element. They see the supplier, which clouds their judgement of who is accountable."

Local authority representative

"You need a framework to benchmark how you're doing compared to other similar organisations."

Local authority representative

"There should be some form of independent benchmarking."

Infrastructure / engineering representative

"Knowing who the customers on the customer panel actually are is an important aspect to trusting your feedback. If you tell me an independent panel has approved your social engagement, I'm only going to trust that if I know the panel are professional auditors as opposed to random customers."

Local authority representative

"A mixture of methods should be used. WPD needs to be clear about what tax on profits it pays. External accreditation could also be used, for example, for environmental sustainability."

Parish council representative

"It is important to get customer feedback, both via representatives and via online surveys, which could be financially incentivised." **Charity representative**

"WPD needs to increase its communication with customers about what it is doing. Customers also need to be made aware of what they can do in the event of things like a power cut."

Parish council representative

"It depends on the project, you have to measure it each time. Not just how much money you've spent. Six regions, six energy officers. Directly linked to the outcomes."

Infrastructure / engineering representative

"I think it's important that we don't look at penalties. It's more about giving them an ambition to do more, so instead of being penalised, they could be rewarded by Ofgem or their customers in the future. I don't just mean with money. They are building trust, incentivising it socially. If you put it out there and don't deliver, you will lose trust." **Charity representative**

"Benchmarking is really good, assuming everyone has the same benchmark that you do. It's that simple comparison of who is doing well and who isn't."

Energy / utilities representative

"It's good to have some external analysis of what you're doing as well, such as some of the external accreditations like living wage."

Charity representative



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.

In terms of how WPD should report the progress it's making to transition to the role of DSO, stakeholders again made the point that, for many people, this information would not be important. For those that would take an interest, it was felt that information such as the number of new connections made should be published on the WPD website, perhaps with prompts sent to those stakeholders for whom this would be relevant. It was, however, noted that this information needs to be accessible to all. It was also suggested that any maps produced on this subject should have the ability to be overlaid with other relevant data, including data on vulnerable customers.

Stakeholders were generally amenable to the idea of participating in flexible services, both as domestic and business customers. Although some stated they would be interested in participating because it is the right thing to do, it was widely felt that financial incentives were the best way to persuade domestic and business customers to sign up. It was added that businesses may be more likely to participate as the rewards for doing so would be greater than for domestic customers. When stakeholders were asked what proportion of WPD's annual £98 charge they would expect to save in order to make it worth their while to provide flexibility, the most prevalent answer was £20–30 (29%), followed by £30–40, with 24%. It was, however, noted that the difference in costs should be so that certain less affluent customers are not dissuaded from using their appliances completely and that the most affluent aren't necessarily in a position where they are making much bigger savings than those who are less affluent.

Stakeholders talked about certain communities who already participate in initiatives relating to flexibility. It was felt that incentives that are passed on to these communities would encourage them to participate, as they could see the benefits that this could bring. Generally, stakeholders could see themselves purchasing an electric vehicle in the future, with almost a quarter saying this was likely in the next five years and almost half saying this was likely in five to ten years' time. The main things that would encourage them to buy one would be the ease of access to charge points when they are away from home and the speed of charging at home. Many, especially those from rural areas, pointed out that the range of most electric vehicles would be prohibitive for them as they would not want to drive for miles to charge their car. Others expressed concern that they may be stranded or unable to drive in the event of an emergency.

There was little appetite among stakeholders for replacing their boiler with an electric renewable energy heating system such as a heat pump. Over a quarter said that they would never do this and almost 40% told us that this was only likely in more than ten years' time. It was felt by many that this technology is expensive both to retrofit and for housing developers to include in new developments. It was also felt that the technology is likely to be superseded in the future.

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

Verbatim comments:

“The transition makes this a tricky issue to present, as does greater decentralisation. So, tell us how much local balancing of consumption and generation you’re doing.”

Government / government body representative

“Are you trying to prove you are becoming a DSO and providing evidence of the measures you are taking along the way?”

Infrastructure / engineering representative

“The impact of what’s physically going to go where and when is our area of focus, more specifically, EV charging hubs, where to put them in every street, but we are interested. You need to do a lot of work with local councils.” **Local authority representative**

“I’d say report them as they are completed.”

Connections representative

“Keep it updated on the WPD website as lots of things are changing at once. I’ve only been involved with this when trying to sync certain innovation projects with WPD, which has been quite difficult.”

Connections representative

“The website and social media, if they’re interesting, you could provide links.”

Local authority representative

“An e-newsletter could work.” **Charity representative**

“If you prompt us to look at the website, that would be good.” **Connections representative**

“How many people are actually interested in these topics? Perhaps it’s only a tiny number of people in terms of the general public.” **Charity representative**

“If it’s on the website, people can access it. There’s interest in EVs, heat pumps.” **Charity representative**

“It comes back to the issue of the general public and their awareness and appreciation of what WPD is doing. It depends on the audience and how much time they have.” **Connections representative**

“This information needs to be more readily available to anyone paying the bills on a domestic or business scale.” **Infrastructure / engineering representative**

“The language on the website is very inaccessible. I’m on the website now and don’t understand a lot of what’s written.” **Local authority representative**

“I would assume that the information will be published as part of an annual report, which can be consulted by anyone who is interested.”

Parish council representative

“If they’re publishing the data that they would accrue, such as new connections, that data would be really useful to local councils and health associations.”

Environmental group representative

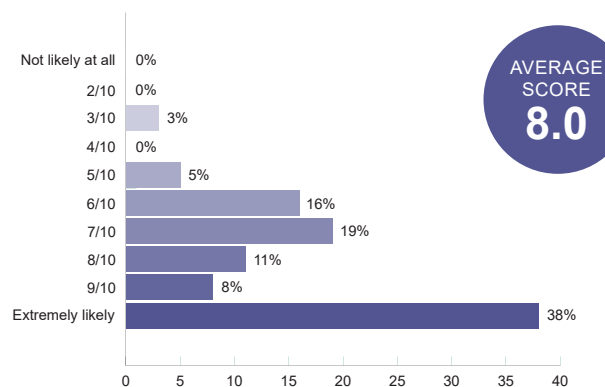
“One thing for WPD which they’ve put online was a map of their whole network area of vulnerable customer data. I see a lot of people using that map to identify different areas of vulnerable customers. The projects like the Electric Nation project that WPD have been doing for four years now, a lot of data on demand and data around their network would be very useful to combine with some of their social data.”

Environmental group representative

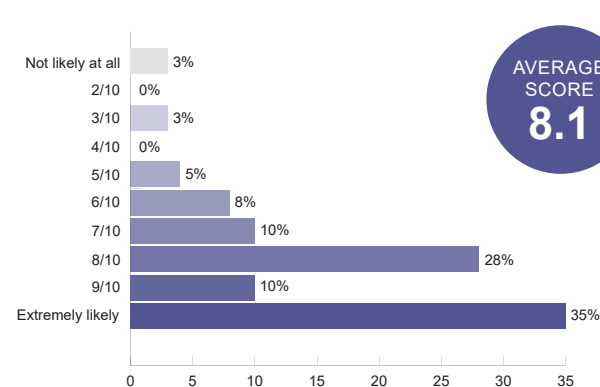


2. HOW LIKELY ARE YOU TO PARTICIPATE IN FLEXIBLE SERVICES – AS A DOMESTIC CUSTOMER AND FROM A WORK / BUSINESS PERSPECTIVE?

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:

“Cheaper bills, cheaper tariffs and environmental concerns would make me want to be involved in flexible services as a domestic customer.”

Connections representative

“Smart meters may scare people off from using electric vehicles because they’re aware of how much it will cost them to charge them.”

Infrastructure / engineering representative

“People are willing to alter their behaviours, like they did with Economy 7. We have a heat pump at home that does underfloor heating. If there were some hours where the power feed was more expensive, it would be fine.”

Parish council representative

“Your dishwasher, EV charging, you could easily programme those to happen overnight.”

Local authority representative

“If you introduced different rates for different times, the market would respond. Dishwashers would become programmable, for example.”

Local authority representative

“From an energy perspective, customers don’t want to be looking at the times they are using things, they just want to put it on. Vulnerable customers may even turn off power at certain times because it’s costing them more. We’ve got enough to think about. If you’re in a tough situation, seeing your smart meter turn red could add to anxiety. There’s not enough behavioural change.”

Energy / utilities representative

“A financial incentive is important nowadays. Although a lot of my friends were very happy with their smart meters for a couple of weeks and then forgot about them.”

Energy / utilities representative

“Dynamic tariffs throughout the day would be the biggest driver.”

Business representative



“The issue is I want to be warm no matter what the time, especially given the recent cold weather. If you really want or need the power and it’s really expensive, that’s a big problem.”

Government / government body representative

“The issue is we all want to be flexible, but we’re affected by what’s going on further up the grid.”

Infrastructure / engineering representative

“If there was a major financial incentive to do so, then yes.” **Academic**

“It’s not just affluent people, it’s an age thing as well. For example, I’m affluent, but I wouldn’t get an electric vehicle. As you get older, your priorities shift that way too.” **Parish council representative**

“It would be too much hassle for me.”

Connections representative

“It’s about whether one person gets one and convinces other people.”

Local authority representative

“It depends on the financial benefits. From a domestic point of view, this is the main incentive.”

Business representative

“A financial incentive might work better on a commercial rather than domestic basis, given that it would be on a bigger scale. With smart meters, people watch them for the first few weeks, then lose the incentive.” **Business representative**

“With some domestic appliances, they can be quite noisy, so I’m not sure I’d do this.”

Local authority representative

“The price difference for me is worth the inconvenience. I think people are willing to put up with mild inconveniences in exchange for a mild savings. It’s important to let them know this option is available.”

Local authority representative

“As a domestic user, I would be happy to try out new technologies as part of flexible services. As a business, we would also be happy to make the investment, although we would need a commercial incentive.”

Infrastructure / engineering representative

“As a domestic user, I would sign up to flexible services, but I would need an incentive, such as a reduction in the electricity unit price. It would not be enough just to receive a percentage off of WPD’s costs.” **Parish council representative**

“I can see that operating in villages, and it would be possible, if people have the knowledge and willingness.” **Charity representative**

“In terms of getting people to participate, there’s people doing it on a community scale, some who are doing it are saying that they’ll get a benefit as a community. The customer doesn’t want to hear that they’re doing the work and not getting all the benefits. Otherwise it is too abstract regarding availability. We can raise some of the money, but having half the money, having community elements, schools, doctor’s surgeries, having the community share scheme, that buy in and the connection gets the job done.”

Environmental group representative

“WPD could work in various community incentives. People think their little bit is not going to make a difference, but if everyone does it, it makes a big difference to your network.”

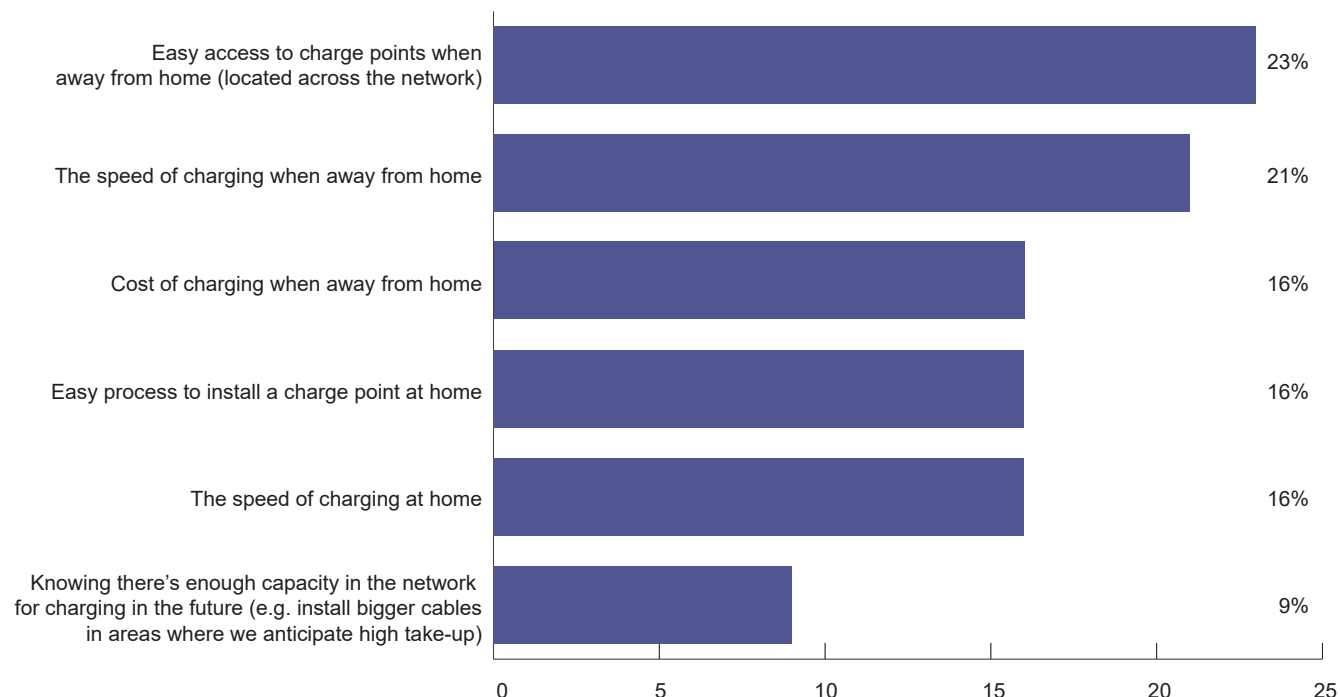
Environmental group representative

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?

Which of these network-related factors would make it more likely for you to have an electric vehicle?
(drag & drop into place)



Verbatim comments:

“From a commercial perspective, it would be best to put the chargers in new houses. However, for local authorities, it would be a nightmare, as you will be digging up roads.” **Local authority representative**

“If you have to charge your EV in a rural area, you can't just go somewhere and leave it overnight. If it's a quick charge, would you actually pay a premium?” **Government / government body representative**

“When I get home from work, I need to charge it to take the kids somewhere... it's not practical to be flexible.” **Energy / utilities representative**

“The thing about an electric vehicle is the charging time. Fast charging isn't good for the battery, the charging time is inconvenient and puts people off. You wouldn't have it as the family's only car. You don't just go home in the evening and do nothing, so it restricts you a lot if it tells you when you can use your car.” **Academic**

“Thirty million electric vehicles is a massive national battery. I'm sure the framework could be there where you trade out electricity.” **Parish council representative**

“You can't just have a single electric vehicle, in case of emergencies. If you just go to work and back, it's fine, but it's not good if you have an emergency.” **Academic**

“If you have an EV on a densely populated street in the valleys, for instance, the question is: where would you put your charger? A person could be living 20 miles from their nearest charger.” **Government / government body representative**



“At the moment the biggest difference is that you need very good home charging. A lot of manufacturers are saying you need a kWh charger, but 3kWh is probably fine and only 7–8% of charging would take place on the move. Charging on lamp posts would change things a lot, a bigger range is available, and a lot looks good, there is less of a need for hybrids now.”

Connections representative

“The anxiety of potentially being stranded is enough to put people off buying electric vehicles altogether. You need to build that trust with potential users.” **Local authority representative**

“We need a cultural change in how people charge electric vehicles. Education is needed from an early stage.” **Local authority representative**

“There are not enough charging points for long distance journeys yet. I knew a couple that when they first got their electric vehicle, they were happy because it was so cheap to fill, but they’ve just gotten rid of it because their son plays rugby for Bristol and they were driving so many long journeys that they would have to stay in hotels overnight.”

Energy / utilities representative

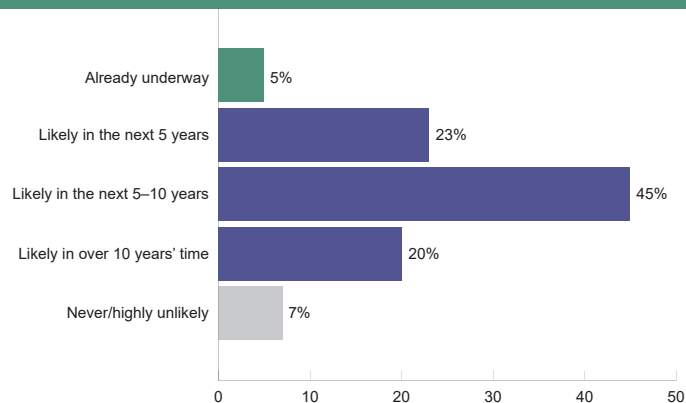
“In terms of the infrastructure, most people who have an electric vehicle have a grant to have it on their driveway, and most other chargers are on a motorway. There are black spots for long-distance journeys and there are no rapid chargers in lots of places.”

Environmental group representative

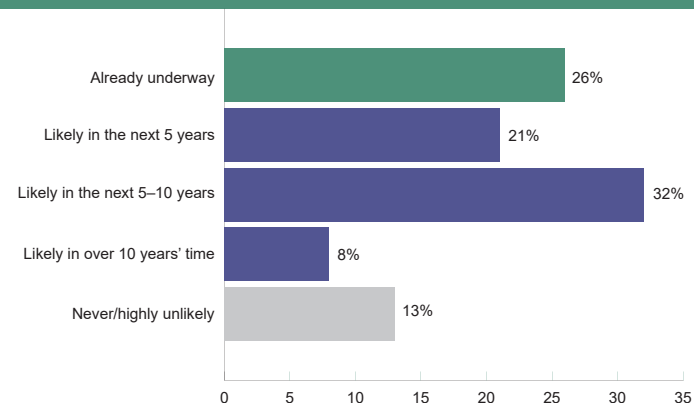
“At least 40% of houses in Wales wouldn’t be able to charge on their driveway because they don’t have a driveway.” **Environmental group representative**

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:

“My company has, but it's been a box-ticking exercise.”
Infrastructure / engineering representative

“From a consumer perspective, there's a huge initial fee. You have the car and the charging point, which are a huge cost to the business. It's a big obstacle.”
Government / government body representative

“We have some, and, of course, people see them as a tax benefit on a commercial level.”
Local authority representative

“If charging became easier and it was cheaper, my council would consider it.”
Local authority representative

“Charging speed has to be the biggest factor. I'm not going to wait for an hour if I'm travelling somewhere long distance.” **Business representative**

“It's also a question of accessibility to charging, so whether I could charge at work or at home.”
Energy / utilities representative

“It's just expensive at the moment, so it's difficult to persuade people to buy them.”
Connections representative

“We use 14 vans at work, so converting to EVs is a challenge as we don't have charging points. The vans get renewed every two years, so it will eventually happen.” **Charity representative**



“A lot of companies lease electric vehicles. They register them in London but use them in Wales. That is a consideration that your raw data won’t be accurate when looking at electric vehicle use in Wales.” **Local authority representative**

“The car parking issue is so complex that people are willing to buy electric vehicles just to guarantee themselves a parking space.” **Local authority representative**

“County councils are already starting to use more electric vehicles. The high cost is a limiting factor though.” **Local authority representative**

“I am reluctant to use new technologies like electric vehicles as they do not yet have a long track record. I will use them once they become the norm.” **Infrastructure / engineering representative**

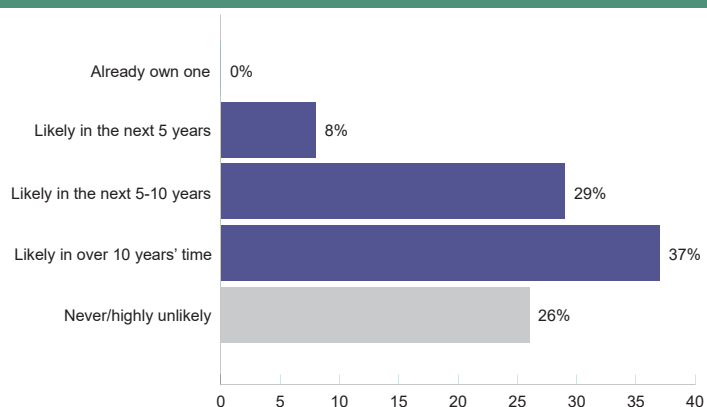
“The ambulance service is unlikely to move to using electric vehicles because ambulances are very heavy and would therefore require a large battery.” **Charity representative**

“I am aware that Stagecoach tried using electric vehicles, but the difference in its drivers’ driving styles meant that they had to abandon the trial.” **Parish council 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:

"The problem with electric pumps is that they're so expensive. It's a huge barrier and stops them from working as a business model."

Connections representative

"Regulations constantly changing reduces confidence in some models. People want to have something that they can feel sure won't be 'outlawed' in the future."

Local authority representative

"The challenge will be to get consumers back into the idea of electric heaters."

Connections representative

"As a developer, heat pumps bring no benefits to us and consumers are unaware of what the advantages are. In addition, due to price caps, the model just isn't viable for us."

Connections representative

"I think it needs to be driven by building regulation. Developers won't install them unless the rules change. It would make sense to have electric heating only where places are off the gas grid. Their performance isn't great."

Parish council representative

"It's very uneconomical to retrofit."

Parish council representative

"Another problem is that people are used to having warm homes and blast up the heating as a result when they move in."

Local authority representative

"I would say most people don't know what a heat pump is."

Infrastructure / engineering representative

"I don't think suppliers are promoting that at all. They offer you all sorts of alternatives and electric is the last one."

Parish council representative

"It would be weird for a gas contractor to put an electric boiler in."

Connections representative

"The performance of electric heating is improving. Once all the technology starts being installed, it will start looking more attractive."

Energy / utilities representative

"Cost is the only issue."

Local authority representative

"We've got one in our office. Balancing the heat across the property is the difficult issue."

Business representative

"Replacing my boiler with an electric heating system is quite far down my list of priorities."

Local authority representative





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.

PRIORITY AREAS: HAVE WE IDENTIFIED THE CORRECT PRIORITY AREAS?

- Stakeholders requested that the list of priority areas be expanded to include innovation in new connections. It was commented that there is a lack of knowledge about WPD's innovative projects on local teams. A bank of case studies was put forward as a possible solution to this issue.
- Stakeholders felt that WPD should lobby for change in legislation, for example, to lift the restrictions on placing larger pipes in the ground, following the example of heat.
- Stakeholders were interested in WPD's role in planning for new housing developments. There were calls for WPD to be actively involved in the planning process and to look to other countries for best practice and examples of community energy schemes.
- It was commented that the availability of information is good at present, but stakeholders questioned whether planning authorities know how to access this information.

RANKING THE PRIORITIES

- There was agreement that network capacity allocation and reservation should be WPD's top priority. Participants ranked low carbon technology and the transition to DSO as joint second. Community energy was also seen as important by the group.

Network capacity allocation and reservation	1
Transition to DSO	2
Low Carbon Technology, e.g. Electric Vehicles	2
Community Energy	4
Availability of Information	5
Assessment & Design fees	5
Competition in Connections	6



COMMUNITY ENERGY

- Stakeholders were keen to highlight the importance of community energy, with one stakeholder pointing out the feeling in mid Wales was that all renewable energy should be locally owned. He held up Dwr Cymru Welsh Water as an example, and asked whether WPD could become a social enterprise, given that climate change means we have to think differently.
- Localised engagement events were seen as a good way of promoting community energy, as events of this nature allow WPD to challenge preconceived ideas and reach more people, unlike social media.
- One stakeholder pointed out that capacity on the grid had prevented several enthusiastic community groups from participating in community energy projects.

AREAS FOR IMPROVEMENT

- Stakeholders strongly agreed that a joined-up approach should be highlighted in the ICE Workplan.
- One stakeholder said that they had come up against a brick wall when trying to learn about existing WPD projects, which seemed like a missed opportunity. It was agreed that the best way to improve this was through workshops.
- One stakeholder raised an issue with the capacity maps available online, calling for more granularity and more up-to-date information.
- On the subject of assessment and design fees, stakeholders described the process as broken, given that people are incentivised to hold back and will overbid for the power they want. One stakeholder called for greater efficiency with this process.



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.

- It was commented that most people would not charge their EVs to 100% at all times and that people's initial perceptions of EV charging would change once they owned one. Are people charging EVs to 100% normally?
- Stakeholders were keen to learn more about vehicle-to-grid charging in light of the fact that an EV is essentially a 'battery on wheels'.
- There was particular interest in hub charging, especially from local authority stakeholders. It is felt that hub charging in car parks is more efficient and will be less disruptive than installing charge points outside homes.
- Whilst it was accepted that EVs present a huge challenge, stakeholders were keen to learn more about innovation in other areas.
- It was commented that WPD should do more to work with local authority planning / housing and transport departments.
- Stakeholders were keen to see information gained from trials circulated widely. It was added that WPD should be certain it is not duplicating work that has been undertaken by other networks.

NETWORK CHARGING

The network charging surgery was hosted by Simon Yeo, Income Manager. Simon 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 explained that Ofgem is proposing to address this with two reviews: the Targeted Charging Review and the Significant Code Review.

- Stakeholders were keen to learn more about how the charging review could potentially impact them. Smaller generators commented that they do not have the ability to shop around.
- Stakeholders stated that they would be supportive of market balance measures and stated that it is not fair if smaller generators are unduly penalised in the future.
- It was commented that a sliding scale of charges, from zero in year one, followed by 50% in year two may be appropriate. It was noted that this would help developers as costs are high in the first year.
- Stakeholders were concerned about uncertainty, asking for more clarity to be given on network charging.
- It was commented that the review could result in the need for putting meters on everything. One stakeholder who works in hydroelectricity pointed out that his company produces electricity even on miserable days. Small hydro schemes serving villages, for example, were seen as an important step towards decarbonisation.
- There was praise for the concept of small cooperatives, where communities buy shares and get a return. Stakeholders were keen that changes to charging shouldn't prevent initiatives like this.
- There was some support for a flat, fixed fee applying to generators who generate over a certain amount of energy.
- It was suggested that developers could sit down with someone from WPD with a network map in order to pinpoint where more generation is really needed. It was suggested that incentives could be applied in certain areas where more generation is needed.
- The point was made that electricity networks should operate like the train system, where people are encouraged not to leave at peak hour.

CONSUMER VULNERABILITY

Karen McCalman, Social Obligations Officer, hosted the consumer vulnerability surgery. Karen 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. Karen then explained WPD's action plan for 2019 and its future priorities for RIIO-ED2, asking stakeholders for their feedback.

- There was broad agreement that the strategic goals for 2019 presented by WPD were appropriate and were the right areas to drive improvement.
- It was felt that WPD should look further into mental health (and the link between material wealth and mental wellbeing) in order to help the most vulnerable people.
- It was commented that WPD should work to ensure that no vulnerable customer is left behind in a 'smart future' and that more should be done to identify how these customers may actually benefit from this transition.
- The innovation fund was praised, and it was thought that this should be rolled out as quickly as possible to prevent a situation whereby people find themselves in a 'postcode lottery'.
- It was noted that take-up of certain initiatives varies according to location. The example of Birmingham City Hospital was given as somewhere that sees WPD's initiatives as being vital. It was commented that, elsewhere, it is difficult persuading health services to get involved.
- It was suggested that community nurses were vitally important in helping to increase take-up of initiatives. It was added that many vulnerable people do not always go to doctors' surgeries, but a nurse visiting people's homes may be better at picking up on certain domestic issues.
- Stakeholders wanted to see WPD engage with customers more on smart meters to garner more data, which can subsequently be used to help those in vulnerable situations.
- It was felt that Ofgem should work to produce a better definition of vulnerability. It was added that perhaps there should be more than one tier of vulnerability.
- It was also felt that the commitments relating to data were key to developments, as they always link back to vulnerability.



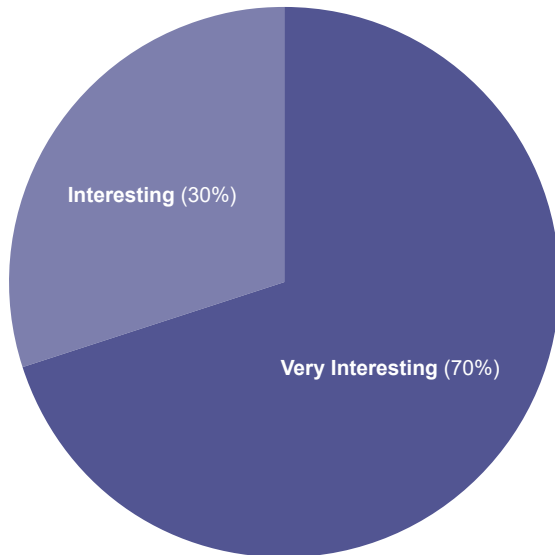
Stakeholders were asked to fill in a feedback form, denoting which of WPD's social obligations priorities the company should remove, reduce, retain, or increase. No stakeholders were of the view that any should be removed or reduced. The outcomes of this are shown below. Please note, some stakeholders did not vote on certain priorities. Developing local outreach services to help customers who are facing fuel poverty was the most popular priority, followed by working with others to improve our understanding of the needs of vulnerable customers, and developing joint information with partners we work with to help customers who are facing fuel poverty.

	Remove	Reduce	Retain	Increase
Work with others to improve our understanding of the needs of vulnerable customers			3	5
Train staff to recognise the signs of customer vulnerability			3	4
Contact vulnerable customers at least once every two years to check their details			5	2
Improve the quality of the data that we hold on our Priority Services Register			5	2
Co-ordinate meetings with suppliers to agree criteria for vulnerability			3	3
Raise awareness of the Priority Services Register			5	2
Make 10,000 crisis packs available to customers who need extra support in a power cut			6	
Contact customers who rely on electricity for medical reasons every three hours during a power cut			6	1
Provide practical support during power cuts through organisations such as the British Red Cross			7	
Ask for feedback from customers in vulnerable circumstances to check they are happy with our service			6	1
Develop ways of sharing information with Local Resilience Forums			4	3
Build a database of regional agencies we can refer customers to for fuel poverty support			3	4
Work with partners to develop links to and from our website so information is easy to find			5	2
Develop joint information with partners we work with to help customers who are facing fuel poverty			1	5
Fuel poverty training for all staff who come into contact with members of the public			4	3
Use data analysis to identify areas with a high concentration of vulnerable households			6	1
Develop local outreach services to help customers who are facing fuel poverty			1	6

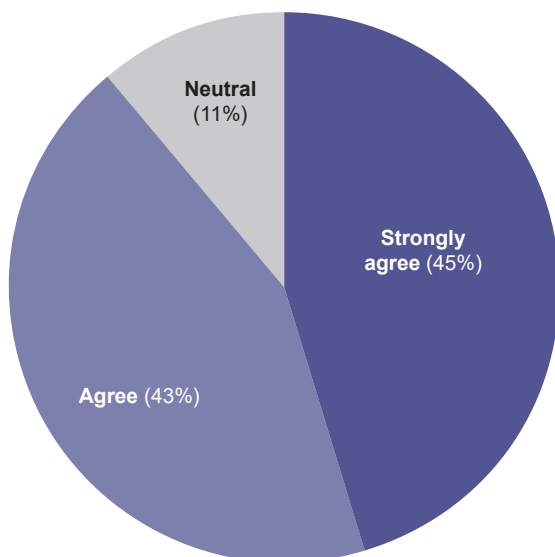
10 | WORKSHOP FEEDBACK

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?

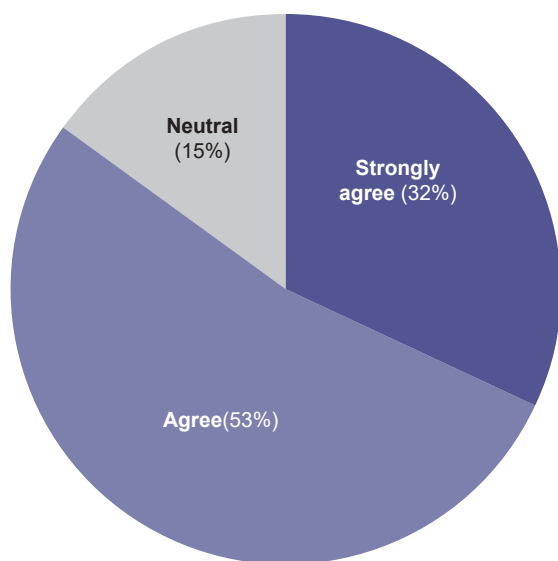


"[There was a] good group to work with on the table."

"Could have done with more discussion time due to mix of businesses on the table."

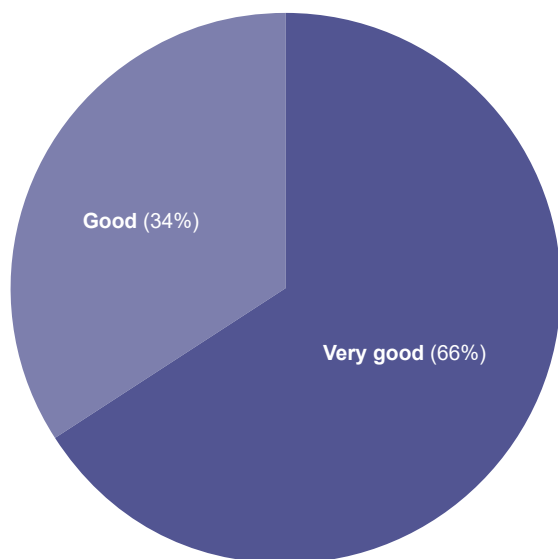
"Good discussion and well facilitated."

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



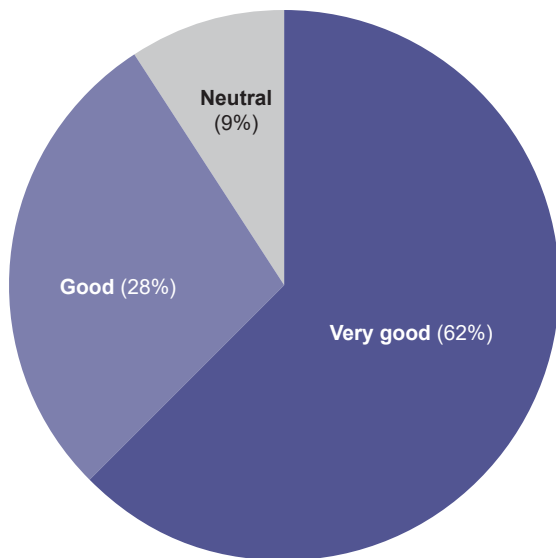
“More focus needed on low carbon output from [WPD].”

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



“[The facilitator] brought everyone into the conversation well. Prepared to allow valuable discussion around the subjects. Well done!”

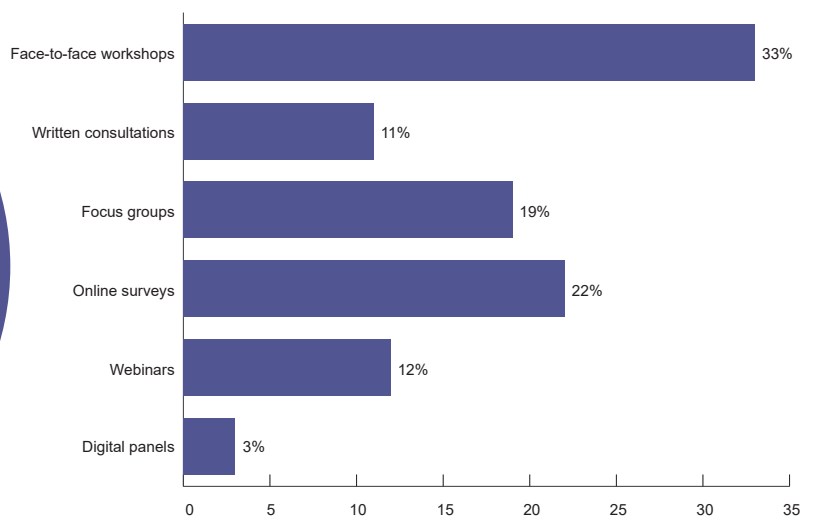
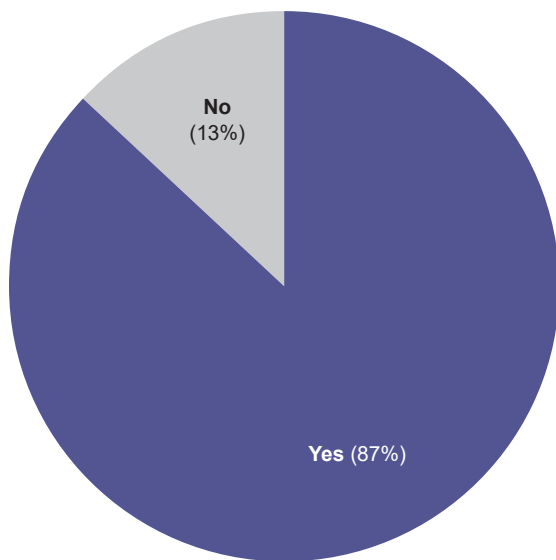
What did you think of the venue?



“[The venue was] not easily accessible by public transport.”

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?

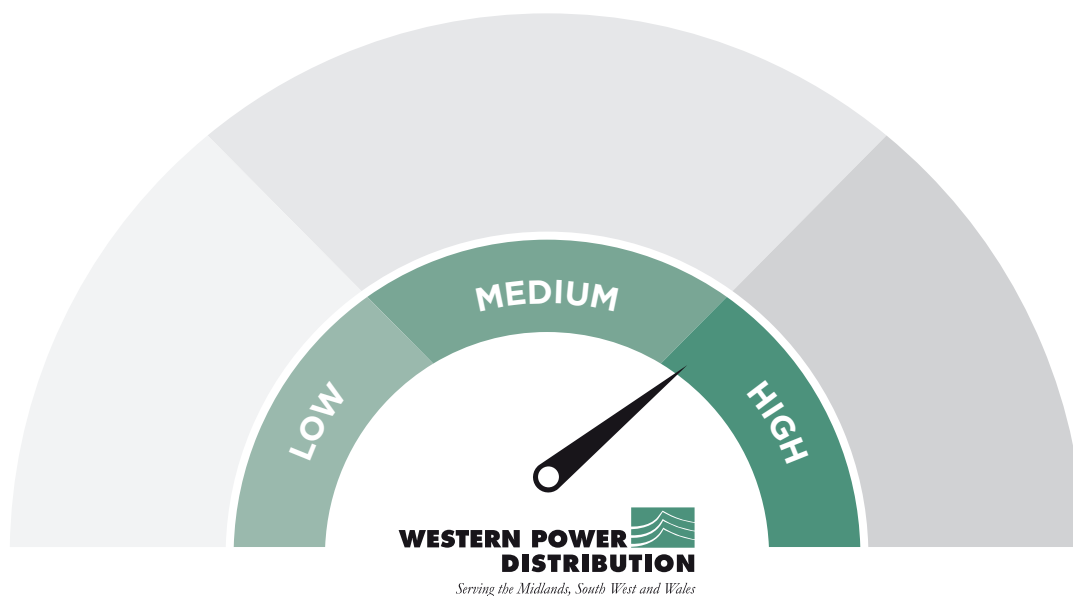


ANY OTHER COMMENTS?

“I arrived with an agenda on EV but my interaction with other stakeholders widened my perspective, and hopefully my contribution.”

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.	



