



# Western Power Distribution Stakeholder Workshop: Lincoln February 2019

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## 1 | INTRODUCTION

On 14 February 2019, Western Power Distribution (WPD) hosted the sixth 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 Lincolnshire Showground, Lincoln. The event consisted of five presentations given by WPD representatives, each followed by round table discussions and electronic voting.

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

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

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



## 2 | EXECUTIVE SUMMARY

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

### SESSION 1: HOW WE ENGAGE WITH STAKEHOLDERS

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

- Over a quarter of stakeholders (28%) represented local authorities, while connections customers were the second largest group (14%). This was reflected in the feedback, as many were interested in delivering sufficient capacity to support growth in the region.
- Most stakeholders (76%) wanted to be involved in the RIIO-ED2 consultation. Workshops such as these were generally felt to be a good way of consulting with stakeholders. However, stakeholders also supported the inclusion of online consultation methods, as well as smaller workshops on specific topics.
- In addition to existing stakeholders, it was felt that the following stakeholder groups should also be involved in the RIIO-ED2 consultation: National Grid; innovative new power generators; battery storage companies; taxi companies; town planners; internet providers; the NHS, including local hospitals; local planning groups; transition groups; and electric vehicle manufacturers.

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

The second session of the morning was presented by Paul Branston, Regulatory and 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:

- 76% of stakeholders felt that WPD delivers good value for money (giving WPD 7 out of 10 or higher). Whilst most stakeholders in the room appeared relatively aware of WPD's costs and the services it delivers, the strong feeling was that customers were wholly unaware and that more needs to be done to communicate with them.
- In terms of what the company delivers for customers, stakeholders felt that WPD should promote the work they do to ensure the network is resilient and their response to power cuts, but also the work done to connect renewable generation and future-proof the network.
- In general, whilst stakeholders felt that Ofgem's three categories were a little vague, they broadly supported the structure that WPD had proposed. However, they felt that Ofgem's outcomes didn't place enough emphasis on future-proofing the network or on 'future' customers. They also wanted to see a distinction between business carbon footprint and the decarbonisation agenda as part of WPD's outcomes.
- Stakeholders wanted to see a level of flexibility applied to the development of WPD's outputs. Only 5% of stakeholders said that outputs should be limited to Ofgem's three categories. Instead, the majority (59%) wanted to see 'wider commitments' retained and a large proportion (36%) wanted stakeholders to have the ability to suggest additional commitments outside of the three types of outputs set by Ofgem.





### 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 here at <https://www.westernpower.co.uk/downloads-view/29722>, on slides 35–45. The key points raised by stakeholders are shown below.

- Stakeholders ranked 'network reliability' as the highest priority and 'network resilience' as the third highest priority, as they were felt to be fundamental to what a network company does. In the electronic vote, these were ranked as 8.4 out of 10 and 8 out of 10 respectively.
- 'Build a smart network' was ranked very highly, coming second in the electronic voting (8.2 out of 10) on the basis that it underpins the development of many of the other priorities and determines the future shape of the network. 'Cyber resilience' was a new priority that also ranked highly, coming fourth (7.5 out of 10), on the basis it was becoming increasingly important.
- The priorities that were ranked lowest were those associated with the cost of the bill: 'affordability' and 'fuel poverty' (4.9 out of 10 and 4.3 out of 10 respectively). This was because it was felt that WPD's proportion of the energy bill is relatively low, so these issues were really ones for the suppliers.
- A number of additional priorities were suggested, including forward planning and future growth; network efficiency; and proactive communications with customers.

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

Alex Wilkes, Stakeholder Engagement Manager, introduced the next session of the day. He explained the concept of a social contract and stakeholders were asked to consider what should be included in this. Alex'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:

- There was a lot of support for the concept of a social contract amongst stakeholders, particularly given that WPD is a monopoly.
- Stakeholders emphasised that a social contract needs to contain outputs that are delivered out of choice rather than under obligation from the regulator. Stakeholders singled out the importance of the environment, fair shareholder returns and investing in local communities. In addition, the fair treatment of WPD staff was frequently raised at the tables.
- The overwhelming majority (91%) of stakeholders felt that the social contract needed to be a part of the Business Plan itself for WPD to demonstrate its commitment to delivering it. Most felt that it should be a separate section within this Business Plan, although some thought the Business Plan as a whole was the social contract. The importance of finding ways to communicate this social contract with customers was frequently raised by stakeholders.
- The most popular ways to measure the delivery of WPD's social contract were 'annual WPD reporting against performance commitments' followed by 'scrutinised and reported on by WPD's Customer Engagement Group'. The idea of financial penalties was supported, as long as customers themselves didn't end up footing the bill.

## SESSION 5: SMART FUTURE AND NEW POSSIBILITIES

Roger Hey, Future Networks Manager, introduced the final session of the day. Roger 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. Roger's presentation can be found at <https://www.westernpower.co.uk/downloads-view/29722> on slides 62–75. The key points raised by stakeholders are shown below:

- Stakeholders were generally open to the idea of participating in flexibility services, although in the voting, domestic customers appeared more likely to participate than business customers (7.6 out of 10 compared with 6.8 out of 10). The consensus was that financial incentives were the only way to encourage participation.
- The move towards embracing electric vehicles did not seem imminent amongst stakeholders. Only 15% already owned one or were considering owning one in the next five years – although this rose to 37% of organisations. The main concern was the cost of the vehicle, although the main issue pertinent to WPD was access to charge points away from home. Stakeholders were broadly comfortable with WPD having control over the charge of their vehicle, as long as there was a minimum level of charge left.
- Stakeholders were also fairly conservative when it came to purchasing electric heating systems, with only one fifth (20%) saying they would own one in the next five years. This is because it was felt that they didn't currently stack up financially.

## AFTERNOON SURGERY 1: CONNECTIONS

The surgery on connections was hosted by Richard Allcock, Connections Policy Engineer.

- Stakeholders felt that 'network capacity allocation and reservation' was the top priority for connections, as they felt it was currently restricting growth in Lincolnshire. 'Availability of information' was ranked second, as it was felt more could be done in this area.
- Stakeholders suggested an additional priority for the Incentive on Connections Engagement (ICE) Workplan, which was standardisation of budget estimates, as it was felt there was currently too much variance in these.

## AFTERNOON SURGERY 2: EVS AND WIDER INNOVATION

The surgery on electric vehicles (EVs) and wider innovation was hosted by Ryan Kavanagh, Network Strategy Engineer.

- Stakeholders asked a range of practical questions about how the EV charging network functions, suggesting that WPD should be doing more to communicate with stakeholders in this area.
- It was felt that the emphasis for EVs has to be getting the right kind of charge points in the correct locations, but that WPD's responsibility was to ensure that the capacity was there to accommodate this.
- There was a discussion about who should pay for this network reinforcement, with some scepticism about socialised costs as it was felt that the poorest often end up paying disproportionately more.



### AFTERNOON SURGERY 3: NETWORK CHARGING

No stakeholders wanted to attend this surgery session in Lincoln, so it didn't go ahead.

### AFTERNOON SURGERY 4: CONSUMER VULNERABILITY

Nicki Johnson, Stakeholder Engagement Officer, hosted the consumer vulnerability surgery.

- Stakeholders supported WPD's proposed priorities, wanting to see all of them retained or increased, except for one stakeholder who wanted to see 'build a database of regional agencies' removed, as it was felt that this was confusing given that there are already so many existing databases.
- It was felt that the biggest challenge was developing links with health services and there was a discussion about activities that could be done in this area.

### WRITTEN FEEDBACK

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

- 74% of attendees reported that they found the workshop 'very interesting', with 26% opting for 'interesting'.
- 97% 'agreed' or 'strongly agreed' that they had the opportunity to make their points and ask questions.
- 86% 'agreed' or 'strongly agreed' that the right topics were covered for them on the day, and 69% thought the workshop venue was 'very good'.
- 69% thought EQ Communications' facilitation was 'very good', with 31% opting for 'good'. None voted for options neutral or below.
- 76% of stakeholders indicated they would be interested in participating in WPD's RIIO-ED2 consultation at key points in the process. Of these, 29% favoured face-to-face workshops, with a second preference for online surveys at 26%. Least popular were written consultations and digital panels, favoured by 6% and 11% respectively.

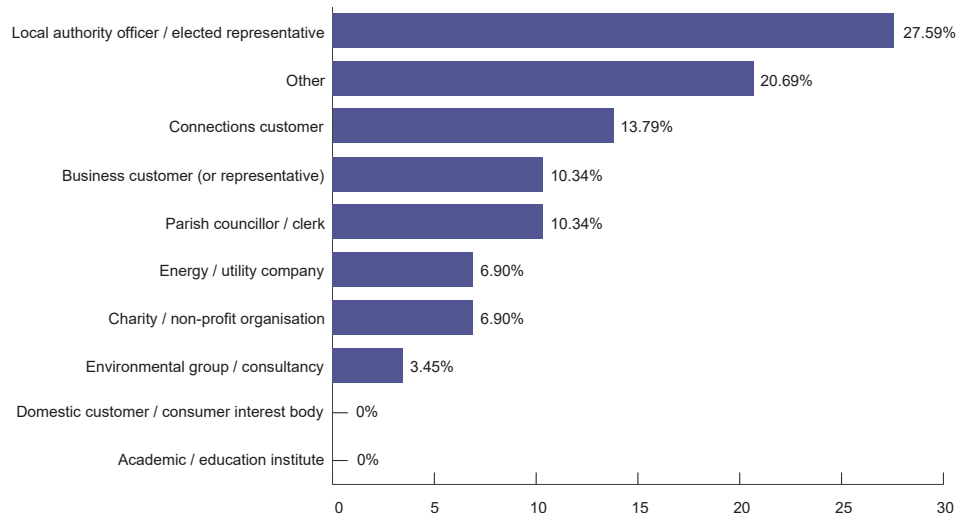


### 3 | ATTENDEES

A total of 33 stakeholders attended the workshop, representing 26 organisations. The organisations represented on the day are shown below:

- All NRG UK
- Amberside Energy
- Brush Transformers Ltd
- City of Lincoln Council
- Community Lincs
- Denchi Group
- Enrolled Freemen of Grimsby
- EV Camel
- Foston Parish Council
- Geldards
- Highways England
- Joint Radio Company
- Lincoln Science & Innovation Park
- Lincolnshire County Council
- Lincolnshire Wolds AONB
- North East Lincolnshire Council
- North Kesteven District Council
- Nottingham City Council
- Pollock Associates
- Sherwill Drake Forbes
- Skegness Town Council
- South Kesteven District Council
- Stratford-on-Avon District Council
- Taylor Lindsey
- Thomson Broadbent
- University of Lincoln

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







Lorna Campbell  
EQ Communications

## 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.

Stakeholders attended from a variety of backgrounds. Most well represented were local authorities (officers and elected members) with 28% of attendees, followed by connections customers at 14% and business representatives with 10%. People attended for a range of specific reasons pertinent to their role. Most of them were interested in future plans for the local network to deliver the capacity required to support growth. A number were specifically interested in connecting renewables to the grid. Stakeholders broadly agreed that they wanted to be involved in WPD's RIIO-ED2 consultation programme at key points. On the feedback forms at the end of the workshop, 76% said they would like to be involved.

In terms of the best methods of engagement to consult with stakeholders on RIIO-ED2, in general stakeholders felt that workshops such as these were very useful. However, it was noted that it is important to use a range of methods, so these events should be complemented by online engagement and webinars. It was also felt that topic-specific workshops or focus groups were useful to drill down into particular issues. It was noted that no customers had attended these workshops and that WPD would have to adopt different methods entirely to involve them, for example, market stalls in town centres. In terms of wider engagement, there was some criticism by local authority representatives of WPD's engagement with the development of local plans in the region. It was felt that more should be done in this area.

In terms of who else should be involved, a range of other stakeholder groups were suggested. This included National Grid; innovative new power generators; battery storage companies; taxi companies; town planners; internet providers; the NHS, including local hospitals; local planning groups; transition groups; and electric vehicle manufactures. One stakeholder felt that in the past, consultations have focused primarily on domestic customers and that more should be done to involve commercial customers in the development of the RIIO-ED2 Business Plan.





## 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:

"I want to understand how we coordinate our growth aspirations with the availability of your utilities. My focus is commercial rather than home developments. Getting enough power is proving very difficult and is a cap on our economic growth."

**Local authority representative**

"My company specialises in renewable energy schemes. I look after landowners, particularly larger scale, so I'm here to see how we can go about connecting those schemes into the system."

**Business representative**

"I work for a house building company, and we own a number of sites where we have development work stalled because we are waiting for power upgrades. I would like to understand the picture going forward."

**Connections representative**

"I'm in charge of planning for my council and we have concerns about lack of capacity."

**Local authority representative**

"I'm here to see the way forward, our area has a short supply of electricity." **Local authority representative**

"I'm interested in how renewables such as wind farms can be connected to the grid."

**Infrastructure / engineering representative**

"I'd like to see broad engagement, but also specific consultation about battery storage."

**Infrastructure / engineering representative**

"One of the things we're experiencing is a shortage of sufficient power supply to attract businesses. This affects housing developments too. It's holding us up."

**Local authority representative**

"We have a newly adopted local plan, and there was obviously some failure of communication in that process that has meant the aspirations of most local authorities can't be met by the power that's available."

**Local authority representative**

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

### Verbatim comments:

"I keep coming to these because I find them useful."

**Connections representative**

"You'll need different methods for the residents, as I saw no one came along."

**Local authority representative**

"You've got to go to where people live. Having a good selection of engagement, we've done work at market stalls. If you've got something to offer someone, and you do, you have to go to where they live, and not expect them to come to you." **Charity representative**

"I think it's about how you guys engage with us. If there's a lack of capacity, that's fine, but you didn't tell us about it. If you had told us five years ago that the plan wouldn't work, we could have worked together then. But you had no objection five years ago."

**Local authority representative**

"I'm happy to do anything online, attend events and vote." **Parish council representative**

"A mix of things is good, we try to attend events and they're worthwhile but sometimes commitments get in the way." **Environmental group representative**

"I went to a WPD facility in Kettering which was really interesting in terms of learning about the network and learning about the possible impact of EVs on network demand, it was very useful to find out about this."

**Infrastructure / engineering representative**

"I think that webinars are useful because you have busy working lives and don't always have time to come out to events like this. You can still have the discussions from your office."

**Local authority representative**

"Focus groups are ideal for us because you can drill down to the right issues."

**Connections representative**

"These types of workshops are useful."

**Local authority representative**

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

#### Verbatim comments:

“From some of the activities I’ve been involved in, there’s a disconnect between your plan and how that’s consulted with the grid itself. There’s lots of consultation going on, but you need to do that in a more joined-up way, especially for business.”

**Infrastructure / engineering representative**

“One area that always does concern me is residential versus business. There’s a fear that residential customers have been prioritised, so I’d like to see a specific commercial focus going forward.”

**Connections representative**

“Woodchip power station is a 103 MW refuse power station that uses battery storage. We’re desperately short of power, have these groups been considered?”

**Local authority representative**

“Uber and all the taxi companies need to be here. There’s going to be such disruption when the electrical vehicles come in. Lots of young people will only be using taxis.”

**Infrastructure / engineering representative**

“You need a Google or an Amazon because these organisations engage in blue-sky thinking and are making automated vehicles too. They will bring a lot of knowledge to the table.” **Business representative**

“You could consider town planners because I don’t think that they’re thinking beyond their individual projects.” **Local authority representative**

“You need to engage with internet companies, as WiFi will need to improve in Lincolnshire for your smart technology.” **Local authority representative**

“I get involved in the NHS estate strategy work as well. The way the services are provided will change and there will be more care in the community.”

**Local authority representative**

“I presume you’re involved with local planning groups. For us, that’s where it sets out what we’re doing in the future. So it’s good if we have people on those groups going forward, or at least feed into those consultations going forward.” **Local authority representative**

“In West Derbyshire towns have transition groups that develop projects, community gardening, climate change resilience work, etc.”

**Local authority representative**

“Presumably with EV manufacturers because we struggle to manage how we engage and build in capacity.” **Connections representative**

“Engaging with MIRA (Motor Industry Research Association) in Warwickshire because they are quite open with their data.” **Connections representative**







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

### Summary of the discussion

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

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

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

Most stakeholders seemed relatively aware of WPD's costs and level of service. When asked to vote on this question, over two thirds voted 6 out of 10 or higher in terms of their level of awareness. However, they felt strongly that most customers are not aware of who their DNO is, let alone how much they cost. Due to the complexities involved, it was therefore felt that the newspaper headlines are not a fair reflection of reality. It was felt that customers should understand these costs and that WPD should work harder to communicate the work they do, particularly through the energy bill.

In terms of what WPD delivers for its customers, it was felt that the company should be promoting the work they do to ensure that the network is resilient and can respond to power cuts. It was also felt that they should promote the work they do to connect renewable generation and future-proof the network (particularly around electric vehicles). Stakeholders appeared to believe that WPD delivers good value for money. When asked on a scale of 1 to 10 how strongly they agreed that WPD represented value for money, over three quarters (76%) of stakeholders opted for a score of 7 out of 10 or higher.

Stakeholders had several suggestions for refining WPD's six strategic outcomes. These included making more of the 'environment', particularly making a distinction between business carbon footprint and the decarbonisation agenda. Stakeholders also wanted to see more emphasis placed on future-proofing the network to support the growth agenda. One stakeholder wanted to see an outcome around community energy.

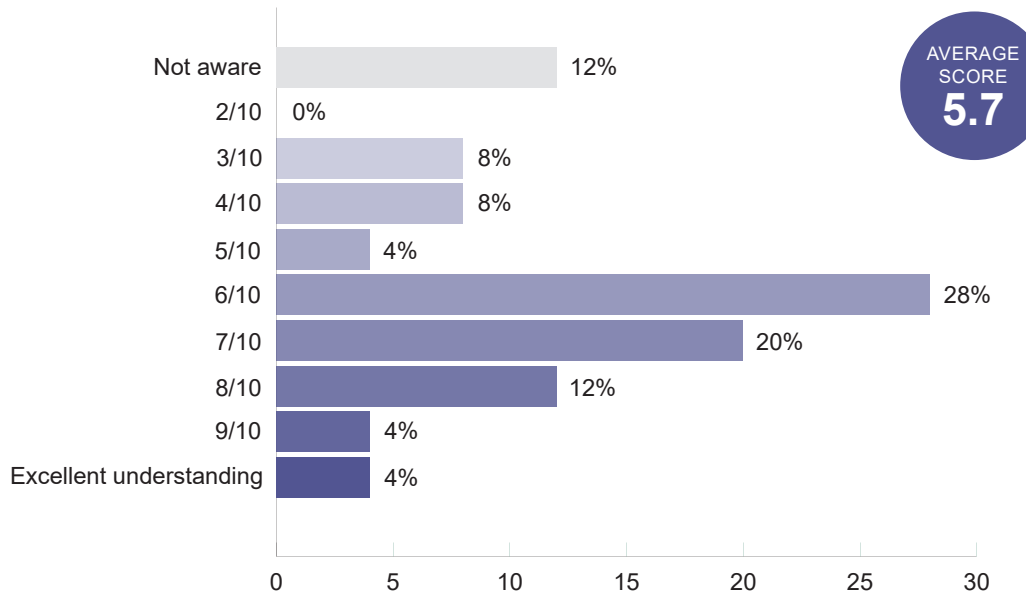
Whilst some stakeholders supported Ofgem's new categories, several said that they were very vague, making it hard to know how WPD's strategic outcomes should sit underneath. For example, 'keeping the lights on' could come under two different categories. As with WPD's six outcomes, it was felt that Ofgem's three categories did not put enough emphasis on future-proofing the network. One stakeholder made the point that 'future customers' were not mentioned at all. However, generally, stakeholders supported how WPD is proposing to set out its outcomes under Ofgem's categories.

The majority of stakeholders (59%) wanted WPD to develop a pool of outputs that stakeholders want them to deliver and structure these within Ofgem's framework, promising to deliver any that don't fit as 'wider commitments'. It was felt that this was the most customer-led approach. However, several stakeholders did feel that 76 outputs was a lot and that perhaps some of them could be combined to make it easier for customers to follow.

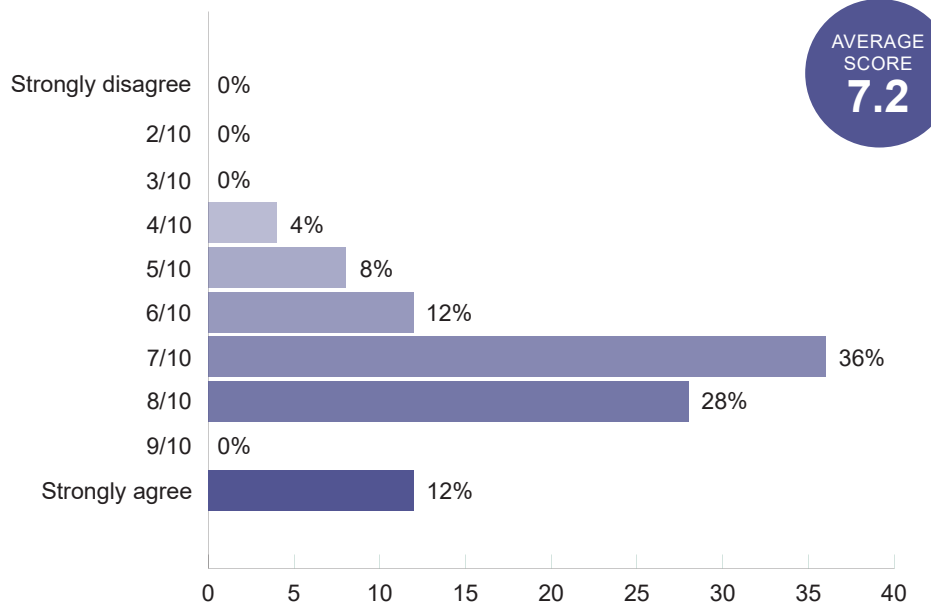


## 1. WERE YOU AWARE OF WPD'S COSTS AND THE LEVELS OF SERVICES WE DELIVER? HOW CAN WE MAKE OUR COSTS CLEARER TO CUSTOMERS AND DEMONSTRATE WHAT OUR NETWORK DELIVERS?

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



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





“A lot of people will only see the bill from their supplier, not the breakdown.” **Business representative**

“The problem is I pick up the envelopes and don’t open them, as I just assume it’s junk. Most people have no idea what your role is or who their DNO is. Perhaps an annual energy statement from suppliers would be helpful.”

**Environmental group representative**

“WPD delivers good value for money.”

**Local authority representative**

“The newspaper headlines are not an accurate portrayal of the situation.” **Business representative**

“WPD needs to be more transparent and needs to work harder to get its name out there and what its role is.” **Connections representative**

“Building the infrastructure for the future is vital. Knowing that it’ll go into EVs, storage, stability. That’s definitely a good message.”

**Connections representative**

“When the power cuts, they don’t know who to call. They don’t know about social obligations, or how the money is broken down. I don’t see WPD on the TV saying what they do, why not?”

**Charity representative**

“Well, the fridge magnets were great and I got updates as the work continued.” **Business representative**

“The two power cuts we had, one was on Boxing Day, the other New Year’s. The customer service was excellent, but we have previously had to go and phone WPD for neighbours who don’t know who to call. So a sticker saying ‘call us’.” **Connections representative**

“The amount that is spent on pre-spending for the resilience, that should be communicated.”

**Connections representative**

“People relate it to the government, blaming them for the electricity. And this lack of visibility is because of bills, and because people don’t get them from WPD, they don’t know. There’s also the increasing cost for renewables, because that’s where the changes can come in. It’s something that should be visible, so they understand where it comes into.”

**Infrastructure / engineering representative**



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

### Verbatim comments:

"Community energy, certainly."

**Charity representative**

"The notion of 'future-proofing' under the environment heading needs to be defined better. Does it relate to technology or does it relate to stopping environmental damage?"

**Infrastructure / engineering representative**

"Technology will drive these strategic outcomes. In order to future-proof, you need to be as flexible as possible with your infrastructure. This will create a lot of extra expense. You need to show this awareness in your outcomes."

**Infrastructure / engineering representative**

"We have a limited supply available for our projects. Even though we're trying to reduce our use, we will be using more again with EVs. I'm not sure at all whether this is really being reflected in the outcomes, as our needs aren't being met." **Academic**

"It's notable 'environment' has only got one outcome."

**Local authority representative**

"The other thing is looking forward to the requirements for the next five to ten years."

**Local authority representative**

"There are a lot of things that WPD does very well. My only worry with the transition is that if you lose the other outputs, do those issues get ignored? Some of those in there will be very useful and valuable to people." **Connections representative**

"It comes under the smart and flexible network, but the network capability for underpinning future economic growth." **Connections representative**

"'Meet the needs of consumers and network users' – they can't all be met. It should be totally meetable. Maybe prioritise, rather than guarantee." **Connections representative**

"There's the network environment and the business's carbon footprint. There should be more distinction." **Environmental group representative**

"Keeping the lights on, in the village we have a vulnerable person who needs supply for dialysis. I think it's more than just keeping the lights on, not just in the home." **Parish council representative**

"A bit of a concern for me is whether you see customers and consumers as the same thing. Are they one and the same? You need to spell that out. It's a subtle difference." **Business representative**

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

### Verbatim comments:

"Ofgem's ambitions are very general and they aren't going to change their mind. I don't know how you'd fight that back. Are they saying you've got to do this?" **Infrastructure / engineering representative**

"If they aren't going to change their mind, then putting yours into their categories seems good." **Local authority representative**

"Ofgem's categories are generally good." **Business representative**

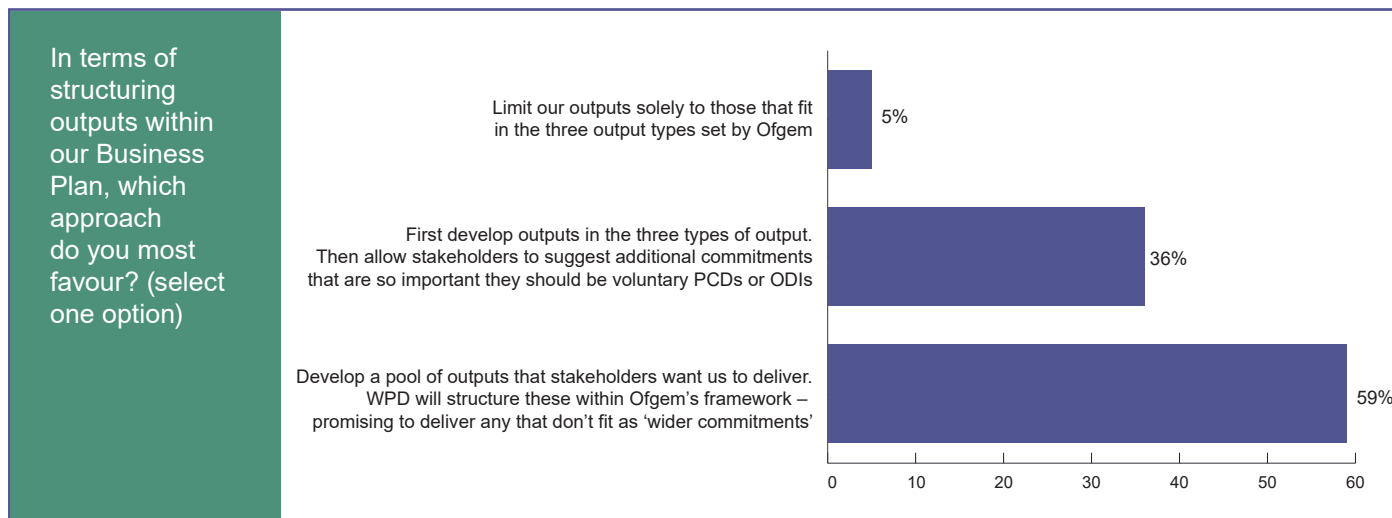
"In general they are right, but it's the future consumers that are not explicit in that." **Local authority representative**

"There's nothing about the future network and future-proofing in Ofgem's categories." **Business representative**

"For me the environmental concerns come under a safe and resilient network." **Environmental group representative**

"Some of the Ofgem categories are unfortunately a little vague. 'Keeping the lights on' could fit under two of the Ofgem categories." **Local authority representative**

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



##### Verbatim comments:

"I think you should develop a pool of outputs because to chuck out the ones you have developed seems like a way to not include stakeholder views."

**Local authority representative**

"76 outcomes can be problematic, is there any scope for tying some of them together?"

**Environmental group representative**

"With vulnerable people, if that doesn't fit in the existing framework, they need to be put in somewhere. There are lots of examples like this across the board." **Environmental group representative**

"I think WPD should go above and beyond."

**Parish council representative**

"Above and beyond, but you need to streamline what you're actually doing. 76 is too many. You need to focus more, you need to make people aware of what's available." **Local authority representative**

"I agree 76 sounds like a lot, but we don't want to cut down what you're actually doing. Perhaps some should be combined to make things easier."

**Local authority representative**

"The easiest answer would be to limit your outputs to those three types, but I think having 'wider commitments' would provide a more customer-led approach and would meet my needs."

**Local authority representative**

"I would like to see 'wider commitments', but I would like to be able to agree to some elements being added by Ofgem." **Business representative**

"I would like to see some kickback against the types of outcome stipulated by the regulator."

**Local authority representative**

"There should be an output delivery incentive (ODI) on local plans. If they can align with local needs, that's great." **Local authority representative**

"The other thing that worries me is that the way we use electricity is changing so quickly. We don't know what will happen that far ahead, for example, with electric cars. How is this grand plan going to be flexible enough so that the outputs have some meaning?" **Connections 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 or 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 were missing, stakeholders picked up on the general theme that had been raised throughout the morning – that there needed to be a focus on forward planning and facilitating growth. Other suggestions included network efficiency and proactive communications with customers on the future shape of the network.

When asked to vote on which priority areas were most important to them, stakeholders ranked 'network reliability' as highest (8.4 out of 10) and 'network resilience' as third highest (8 out of 10). It was generally felt by stakeholders that these two priorities are fundamental to what a network operator should be doing, so they should be at the top. The activities that stakeholders wanted to see under 'network reliability' included a reduction in the length and frequency of outages. For 'network resilience', suggested activities included scenario planning around flooding and heatwaves, as well as enhanced monitoring of the network.

'Build a smart network' was ranked very highly, coming second (8.2 out of 10) in the electronic voting, because it was seen to underpin many of the other priorities and would determine the future shape of the electricity network. In order to achieve this, stakeholders wanted to see improved data and communications as well as metering.

One of the newer priorities, 'cyber resilience', ranked fourth in the electronic voting (7.5 out of 10), as it was felt that this was becoming increasingly important. Interestingly, however, none of the tables discussed the sorts of activities they would want to see under cyber resilience, indicating that stakeholders didn't feel it was an area they knew enough about.

Generally, stakeholders ranked issues relating to the cost of the bill quite low. Stakeholders felt that WPD has limited scope to really impact 'fuel poverty' given their proportion of the overall electricity bill and thought it was really a problem for the suppliers. This was reflected in the voting, where stakeholders ranked it bottom of the list (with 4.3 out of 10). In the same vein, affordability was also ranked as a low priority by stakeholders, coming second from bottom in the voting (4.9 out of 10), as it was felt that if WPD supported fuel poor customers, then it was a reasonable price to pay.

There was some disagreement in the table sessions over the level of priority ascribed to 'workforce resilience'. Some stakeholders felt it underpinned everything and was fundamental to operating a network. However, others felt that as WPD was delivering on it already, other priorities should rank higher. In the electronic voting it ended up coming third from bottom (6.1 out of 10). Electric vehicles were another priority which elicited some debate amongst stakeholders. Whilst it was felt that the charging requirements of electric vehicles would have a major impact on the network, some stakeholders felt it was not something for the RIIO-ED2 Business Plan as the costs of these vehicles are currently prohibitive. In the electronic voting, electric vehicles therefore ranked fifth from bottom (6.3 out of 10).



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

### Verbatim comments:

“Facilitating growth and community energy.”

**Local authority representative**

“Forward plan? Investment planning, how much are you putting into that?”

**Local authority representative**

“I don’t feel like communication is reflected properly here. There’s not a proactive focus to any of these priorities. Could this come under customer service?”

**Business representative**

“You need to put down network efficiency as a separate category. This needs a heavier focus.”

**Infrastructure / engineering 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.

### Verbatim comments:

"I think the actual connections, as connections are fine. The issue is the wider network capacity, so I'd stick connections in low."

**Connections representative**

"Workforce resilience is fundamental, isn't it? But if you're doing it anyway, then it should be low priority."

**Local authority representative**

"Keep doing what you're doing with customer service."

**Connections representative**

"For affordability, electricity has to be competitive with other fuels, so it's market-led."

**Charity representative**

"Innovation and new services should be high."

**Local authority representative**

"You already do work for vulnerable customers and fuel poverty, don't you?"

**Local authority representative**

"Facilitating growth and community energy should go high." **Local authority representative**

"Building a smart network is a key priority."

**Environmental group representative**

"Cyber resilience is important."

**Parish council representative**

"Fuel poverty, isn't that more of an issue for the end supplier?"

**Infrastructure / engineering representative**

"Electric vehicles are the great unknown as we're uncertain of the demand on infrastructure. Manufacturers have been under pressure from government and when it happens, networks won't be able to keep up." **Local authority representative**

"Connections has more to it than new connections; if applications for connections are not handled in a timely way, then people don't build in that area. Areas can be affected economically because of the speed of connections."

**Infrastructure / engineering representative**

"Affordability is low as there will always be Ofgem price caps." **Environmental group representative**

"'Network resilience' needs to go as high because it's a bedrock for your operations."

**Local authority representative**

"The main thing for me is that the system works, so resilience is so important to me."

**Infrastructure / engineering representative**

"I would put 'fuel poverty', 'vulnerable customers' and 'network reliability' as low because it's all functioning on that front. We want you to deal with the extremes."

**Business representative**

"Thinking about your environmental role is important because an environmental disaster caused by WPD would have a huge impact."

**Local authority representative**

"A more integrated system is the direction of travel, so I would put the whole systems approach as high."

**Local authority representative**

"Workforce resilience is high because without the skills, you haven't got a network."

**Infrastructure / engineering representative**

"Fuel poverty needs to be more joined up with the suppliers, rather than doing it separately."

**Local authority representative**

"I would also put affordability in the low one because with the 27p, I think that's where the money needs to come from rather than coming from new developments and connections."

**Connections representative**

“Cyber resilience will become more and more important.” **Local authority representative**

“I’d argue that a smart network ought to be a high priority because everything comes from that.”  
**Connections representative**

“I would guess the majority of consumers don’t know who you are, so customer service is still a challenge.”  
**Local authority representative**

“A new thing coming in is flexible working and family time. Is that something coming in under workforce resilience?” **Local authority representative**

“Smart networks should be right at the top. It enables technology, delivers environmental benefits, makes the network more reliable, makes the network smarter, delivers more capacity and faster connections – without necessarily having to upgrade the network.”  
**Connections representative**

“It’s too soon for electric vehicles to be high. The affordability is still out of most people’s reach, so at this time, it wouldn’t be that high. It is also a city issue.” **Charity representative**

“Innovation and new services should be relatively low because for such a fundamental network, you want stability and what is proven. You want things that are new. Should a transmission provider be developing new technologies?” **Connections representative**

“Workforce resilience, super high.”  
**Connections representative**

“Affordability low. As long as you’re already looking at fuel poverty and vulnerability, then we should be paying more.” **Connections representative**

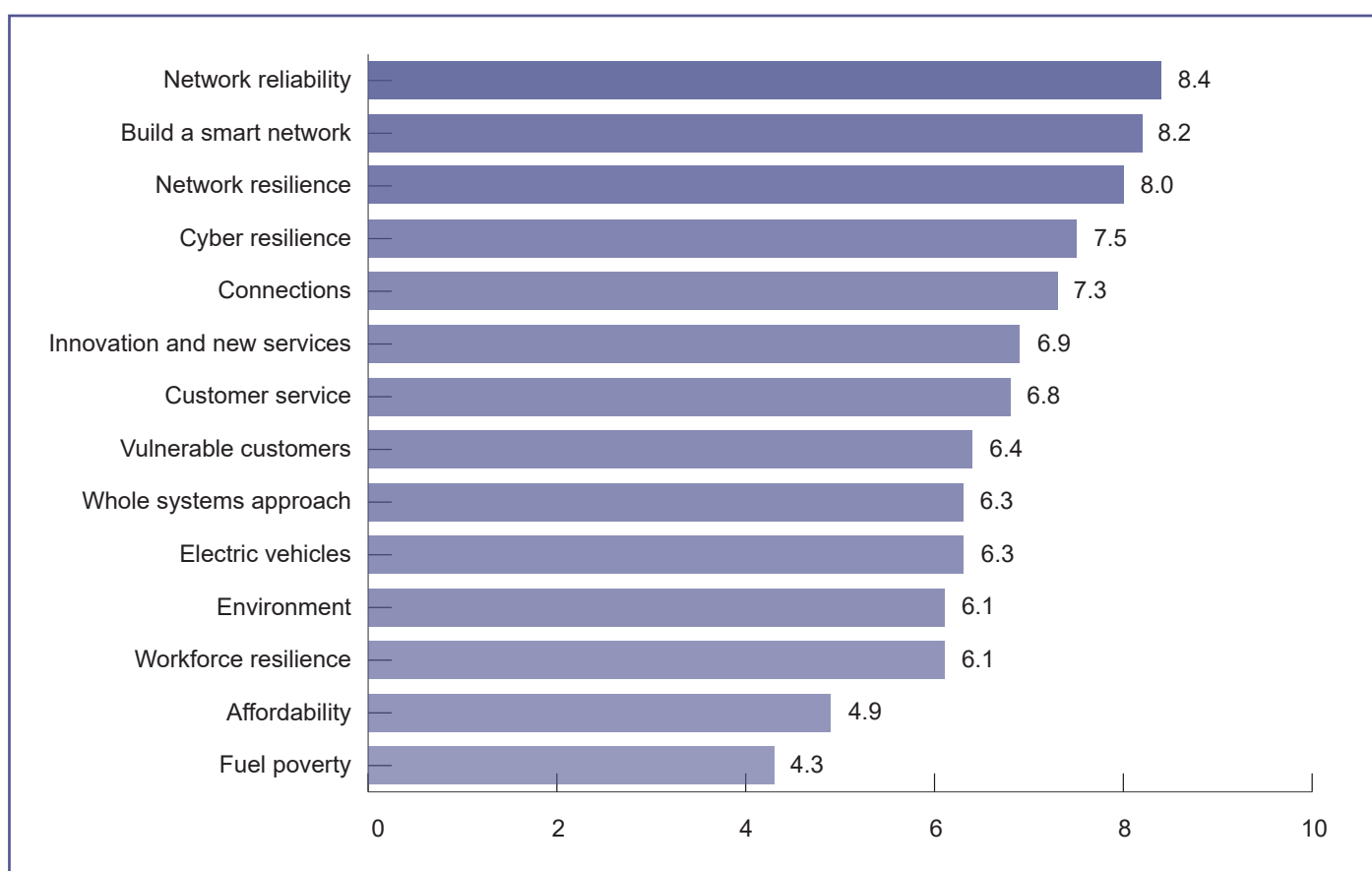
“Cyber resilience has to be high, it’s essential.”  
**Local authority representative**







### 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 the following page shows activities suggested by stakeholders at the event under each of the chosen priority areas.

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



NETWORK RELIABILITY	Reduce length of outages	Reduce frequency of outages	Upgrading assets	More back-up of supply	Responding quickly to outages	Supporting vulnerable customers	System stability: voltage regulation and power quality	Uncompliant connections agreement	Holistic focus, including rural network
BUILD A SMART NETWORK	Improved data and communications	Metering	Speak to people with experience	Education	Developing a network fit for purpose	Pooling of capacity - sharing capacity			
NETWORK RESILIENCE	See reliability	Proactive health checks on grid	Emergency content to disseminate	Enhanced monitoring of the network	Investment in asset replacement	Better stakeholder and landowner relations	Safety of smart gadgets	Scenario planning	Flooding  Heatwaves
CONNECTIONS	Infrastructure	Forward planning with councils	Collaboration	Identify and prioritise specific areas	Speed and planning	Ensure adequate capacity	Minimise costs		
INNOVATION AND NEW SERVICES	Take a whole system approach	Commercial developments to have solar	Battery storage	Flexibility across network	Actioning and supporting community energy groups				
CUSTOMER SERVICE	Proactive (two-way) communications	Speed and transparency of response	More stakeholder engagement						
VULNERABLE CUSTOMERS	Collaborative working	Building networks	Expanding list	Working cross-sector, including NHS					
WHOLE SYSTEMS APPROACH	Collaborative working	Behind the meter	Constrainable supplies						
ELECTRIC VEHICLES	Create hubs	Plan on one charge point per household	Ensure investment doesn't become out of date	Infrastructure	Collaborate with developers	Organisation	Research and forward thinking	Incentives / subsidies	
ENVIRONMENT	Get rid of SF6	Undergrounding	More stakeholder engagement	Work better with funds and creative collaborations					
WORKFORCE RESILIENCE	Training and retraining	Broader and deeper team at WPD	More partnerships – schools and HE engagement, careers programmes	Enhanced monitoring of network					
COMMUNITY ENERGY	Affordability	Focus on accurate data	Providing a toolkit for community energy developers	Providing links from asset to asset	Help councils to make money from this				
FACILITATING GROWTH	Ensure communication between parties	Engage in strategic planning	Not reinvent the wheel	Invest proactively					

## Verbatim comments:

"For whole systems approach, I would look at constrainable supplies. It's a fantastic system, giving the occupier what they need, but it also gives WPD what they need to constrain the energy."

**Connections representative**

"With reliability, more needs to be done with managing infrastructure, updating assets, which reduces risk."

**Local authority representative**

"Is there anything you can do with technology, so the customer is informed of when the lights are coming back on again?" **Connections representative**

"For building a smart network, you're going to need improved communications and data."

**Charity representative**

"On smart networks, I'd like to see pooling of maximum authorised capacity. Sharing capacity."

**Connections representative**

"For network resilience you need to make sure that you need to have consents across the whole network so that you can access your assets. Make sure that the relationship is well managed with landowners."

**Connections representative**

"On resilience, flooding in the east is a key issue."

**Connections representative**

"Connections comes back to infrastructure and the lack thereof in many areas. Forward plans need to be considered and close collaboration with LAs is required." **Local authority representative**

"Number one is speed on connections."

**Business representative**

"Minimising costs. Should it be borne by the developer or the wider network? Can the customer bill be increased to share the burden?"

**Connections representative**

"Identifying and prioritising certain areas is key for connections." **Local authority representative**

"With innovation and new services, are you exploring battery storage?" **Local authority representative**

"In terms of community energy, our councils are being encouraged to set up their own electricity generation. So help councils to get them set up. That should be encouraged." **Charity representative**

"For vulnerable customers I think that the joined-up approach can be improved, for example, with GPs."

**Local authority representative**

"You need a whole systems approach to planning. All factories built should have solar panels on the roof. And housing as well, but mainly commercial. If we are going to have electric vehicles, we need alternative sources of generation." **Charity representative**

"In terms of electric vehicles, you've got to plan based on one charger per house, given what the government targets are. Is it 2040 or something to get rid of diesel?" **Local authority representative**

"There needs to be greater interaction between EV manufacturers, developers and the network. Perhaps electricity suppliers can offer preferential rates."

**Environmental group representative**

"Interact with your stakeholders more about what their concerns for the environment are."

**Business representative**

"Ensuring all environmental standards are met over and above statutory requirements would be good."

**Environmental group representative**

"In terms of workforce resilience, you need to roll out schemes in schools and universities to get more people coming to work for you."

**Infrastructure / engineering representative**

"My main problem with community energy has been the fact that we were offered a solar farm two miles away, but it's a question of how we get the energy. It's the grid charge to transport the energy. You want to be charged for two miles, not round the world and back again. It's about ensuring affordability with connections." **Charity representative**

"A toolkit for community energy groups would be good. Make the process easier."

**Local authority representative**

"With facilitating growth, I think it's about managing the process. The government says do one thing, local authorities try to hit that target, and no one talks about the utilities needed to actually deliver it. It's a process that everyone needs to be engaged in. There needs to be better communication between parties."

**Local authority representative**

"Proactive communication is essential for customer service. It needs to be targeted and transparent."

**Connections representative**





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

### Summary of the discussion

Alex Wilkes, Stakeholder Engagement Manager, introduced the fourth workshop session. Alex explained the concept of a social contract. He explained that it could provide a framework to enable customers and stakeholders to hold WPD to account. He 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.

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

In general, stakeholders appeared to trust WPD. A vote on how much stakeholders trusted the company revealed that the average score was 7.3 out of 10. There was a lot of support around the tables for the principle of a social contract, particularly given that WPD is a monopoly. Several stakeholders felt that, whatever is in the social contract, one of the most important things is how that social contract is communicated so that customers are aware. It was felt that this is a good opportunity to raise the profile of WPD and build trust. That said, one stakeholder did flag that the social contract cannot come at any cost, as customers ultimately pick up the price.

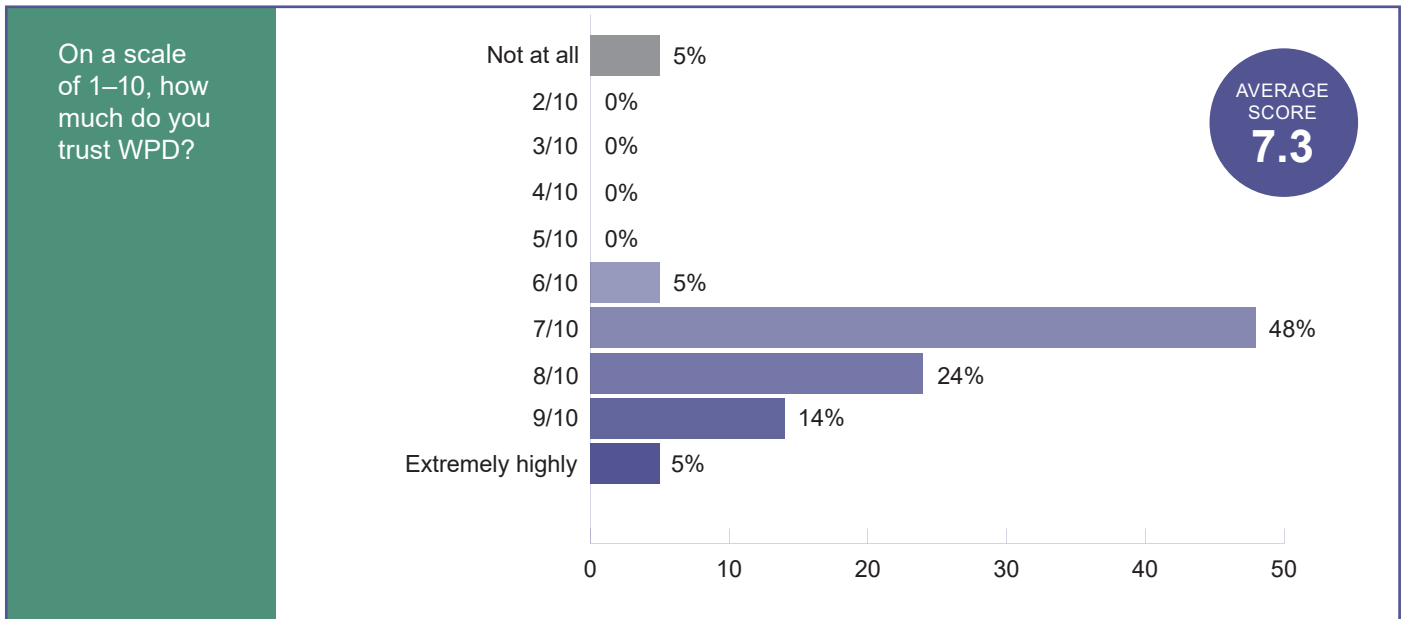
In terms of what a social contract should contain, stakeholders emphasised it needed to be activities that are delivered out of choice rather than under obligation from the regulator. For the most part, stakeholders agreed with the areas that WPD has proposed. In the round-table discussions, stakeholders were particularly concerned about the importance of investing in local communities, the company's environmental performance (particularly its business carbon footprint) and fair shareholder returns. Additional suggestions included fair treatment of WPD staff; investing in the local electricity network; engaging with stakeholders; and engaging with staff on social problems.

The vast majority of stakeholders felt that the social contract had to be embedded in the Business Plan itself in some way on the basis that this demonstrates how committed the business is towards delivering it. In the voting, most stakeholders (68%) wanted to see it as a separate section within the Business Plan, although almost a quarter (23%) felt that the Business Plan as a whole is the social contract. Very few stakeholders wanted to see it as a stand-alone document.

However, in the discussion, several stakeholders did feel that it should be pulled out of the Business Plan as an accompanying stand-alone document to help WPD communicate it with its customers. Stakeholders wanted to see the social contract divided up neatly into themes to make it more digestible. They also wanted to see investment and activities localised as much as possible, as it was felt customers only really cared about their surrounding locality.

In terms of how the social contract should be measured, the vote revealed that the most popular answer was 'annual WPD reporting against performance commitments' followed by 'scrutinised and reported on by WPD's CEG'. 'Benchmarking' and 'external audits' ranked joint third. A few of the discussions turned to the idea of financial penalties for missed targets. However, there was concern that the customer should not foot the bill for this and, if penalties were used, they should be paid out of shareholder dividends. Others felt that there should be more carrots than sticks when measuring performance.





## 1. WHAT SHOULD WPD'S SOCIAL CONTRACT CONTAIN?

### Verbatim comments:

"For a monopoly I think it's very important because you have to demonstrate what you are doing for your public. They have no choice, so prove what else they are getting out of it." **Academic**

"It should include investing in local communities and letting the public know what you're doing."  
**Charity representative**

"As everything costs money, how much does the wider community, i.e. the people who pay the bills, want to spend to facilitate these? They are nice and good and they need to happen, but at what cost?"  
**Business representative**

"I think it all seems sensible. What I think is missing here is how you engage with stakeholders."  
**Local authority representative**

"It's an awareness issue, as most people don't know how to contact WPD and won't bother unless they have a power cut. You have to get that message across that you're doing more than just maintaining the lines." **Business representative**

"The DNOs don't have to do the undergrounding, WPD choose to do this, so it's all the little add-on extras that should be promoted as part of what you do out of choice rather than obligation."  
**Environmental group representative**

"I think that these areas are a good start because it's a comprehensive list of prospective elements."  
**Business representative**

"If you look at local community investment, for some big businesses, it means pumping money into the village hall. But I think it's more important to put money into the local community network."  
**Connections representative**

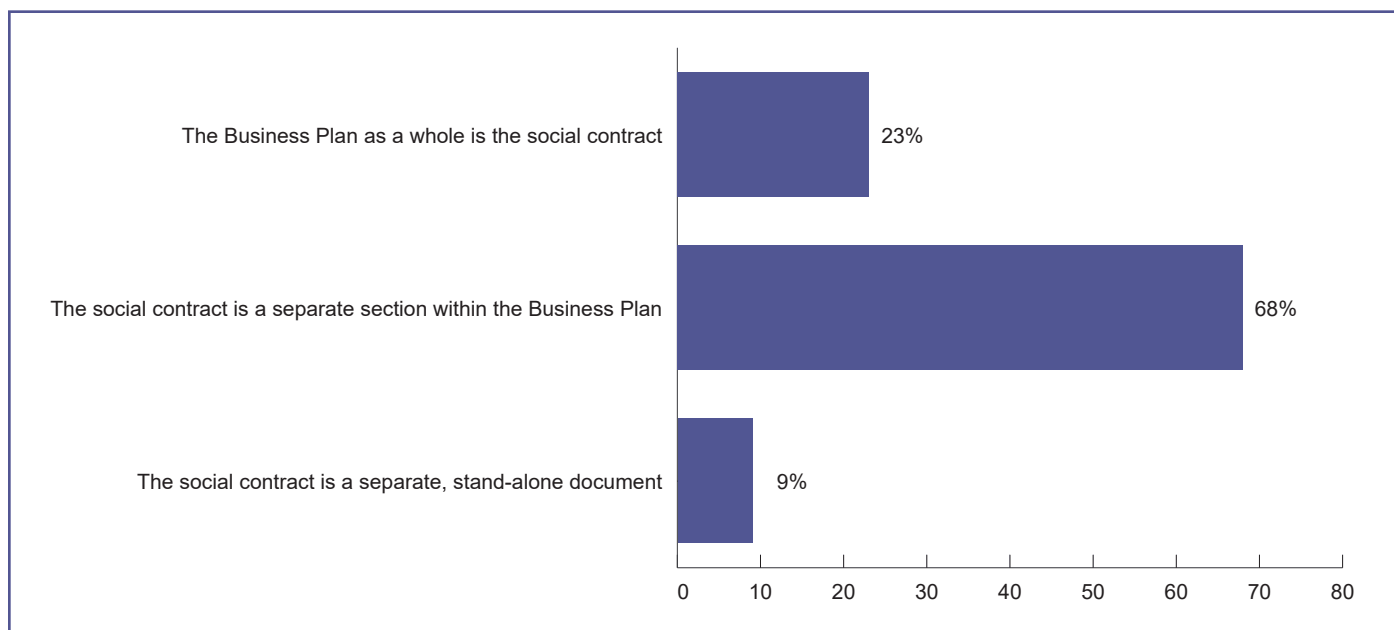
"You should encourage the workforce to get involved as part of the contract. You've probably got social problems within your workforce, but people tend not to notice. For example, if an employee's partner has cancer, work can be flexible. Then that approach spreads through your organisation."  
**Local authority representative**

"Treatment of WPD staff in general."  
**Local authority representative**

"Include the environmental impact. Business carbon footprint." **Local authority representative**

"Share of profits to stakeholders is important because it is about social fairness and how you measure what's fair." **Infrastructure / engineering representative**

## 2. HOW SHOULD WPD PRESENT THEIR SOCIAL CONTRACT?



### Verbatim comments:

"I would possibly understand everything a bit better if things were categorised. You should have central themes which tie together what needs to be delivered." **Academic**

"I'd like to see signposts for your ambitions in social, fiscal and other areas."

**Local authority representative**

"I think a separate document would be more tangible for ordinary people to understand, otherwise it might get lost in the Business Plan."

**Local authority representative**

"You could do both, embedded within the Business Plan and a separate summary."

**Local authority representative**

"Whether people are interested in reading it depends on how it's presented, who are you trying to communicate with?" **Local authority representative**

"I think there needs to be a combination of referencing it in the Business Plan, but also having it as a stand-alone document."

**Local authority representative**

"It needs to appear prominently in the Business Plan, but the detail needs to start appearing in the stand-alone document." **Business representative**

"It needs to be a transparent document and contain specific goals which can be scrutinised."

**Connections representative**

"Another issue is that a national mood may change over a five-year period. You need a sense of flexibility to deal with social and economic trends, such as #MeToo, Brexit and more."

**Local authority representative**

"Unless it's part of the Business Plan, it's demoting it to secondary status. Either it's key or you don't bother." **Connections representative**

"You've got a big area, so when you're looking for recruitment, you'll look at that. It's a thread that goes through the Business Plan rather than a separate social contract." **Local authority representative**

"It should be personalised to each community and it needs to be communicated. The railway companies are a positive example. They have the 10 or so standards, are they on time, etc. Those metrics, you can see. And you know whether that's an improvement, a fall back, that's powerful."

**Connections representative**

"With local community investment, I think that should be broken down because if you are a customer, you might not be familiar or interested outside of your area." **Charity representative**

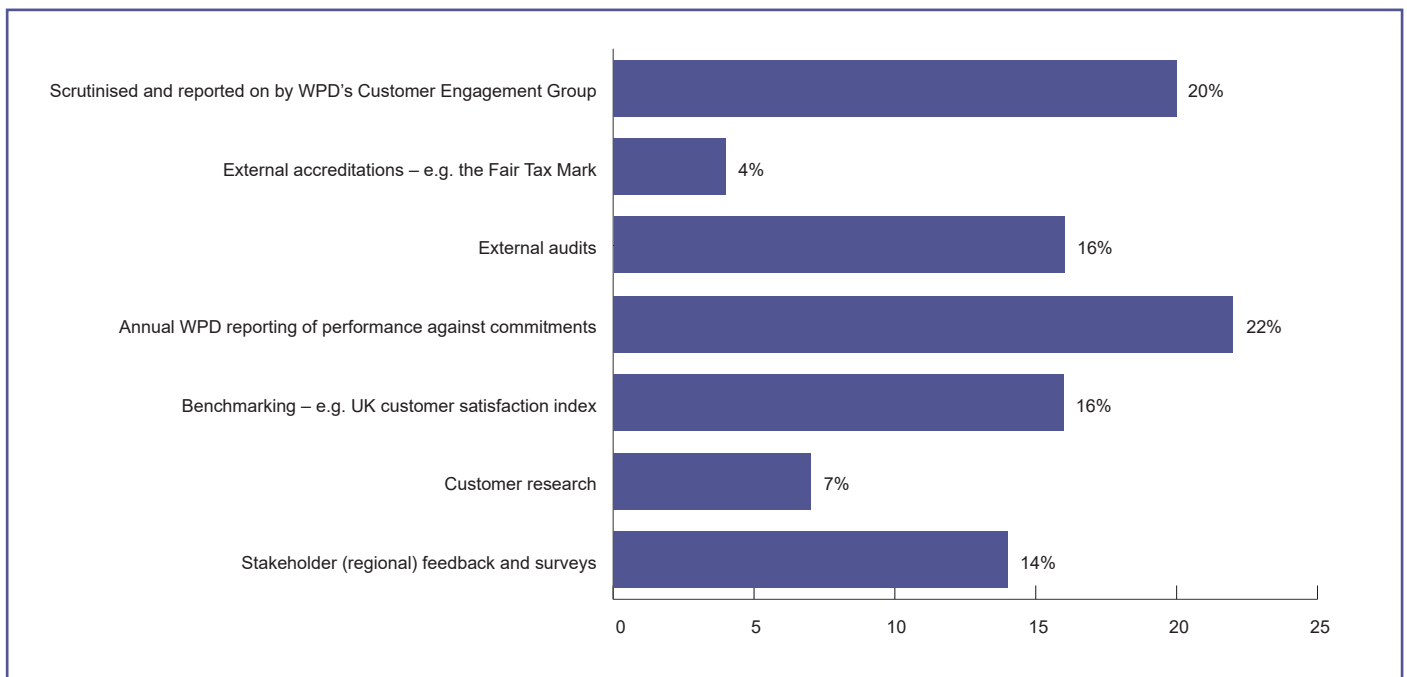
"You've got to localise the social contract. It's very difficult – Taunton vs. central Birmingham, for example." **Local authority representative**

"Totally separate documents gather dust."

**Local authority representative**



### 3. HOW SHOULD WPD DEMONSTRATE THEY ARE DELIVERING IT?



#### Verbatim comments:

“There should be a national audit body that does it for all the power companies. Otherwise you are not comparing like-by-like.” **Business representative**

“Could you compare with other DNOs and DSOs, both here and abroad, to see how you compare?”  
**Charity representative**

“Performance targets quarterly or half-yearly. It can be monitored internally.” **Local authority representative**

“It needs to be scrutinised and reported on by the WPD Customer Engagement Group.”  
**Business representative**

“I think that surveys and customer feedback are key here, because you’re getting opinions directly from your consumers.” **Local authority representative**

“I think that benchmarking is incredibly useful.”  
**Local authority representative**

“Benchmarking is difficult when it comes to fluffier social ideas.” **Connections representative**

“Could WPD not report on its progress as part of its Business Plan?” **Local authority representative**

“You need to be transparent about who the members are on the WPD Customer Engagement Group and who they work for. This could build trust.” **Academic**

“The CEG should monitor it and maybe there should be some kind of financial penalty for not achieving it.”  
**Connections representative**

“Yes, a redress fund.” **Local authority representative**

“My worry is that customers will be impacted by any fines levied for missed targets rather than WPD itself being impacted.” **Business representative**

“Maybe you could take the fines out of the shareholder dividend pot and make it available for community-based schemes implemented by the organisation?”  
**Local authority representative**

“There should be more of a championing role than a punishing role when trying to ensure compliance with this social contract.” **Academic**

“I think it helps to fix the mind on it and change something that you’ve been doing for a while. If you get somebody outside from a charity background, it helps.”  
**Local authority representative**



Karen McCalman  
WPD

Karen McCalman  
WPD

## 8 | SESSION 5: SMART FUTURE AND NEW POSSIBILITIES

### Summary of the discussion

The final workshop session was introduced by Roger Hey, Future Networks Manager. Roger 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 this 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.

Roger then explained how flexibility, rather than conventional reinforcement, could be used to provide an economic and secure supply of electricity. Roger 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.

Roger 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.

Stakeholders generally wanted to receive updates on the progress WPD is making against the transition to DSO, as it was felt to be an important area. However, there was relative ambivalence about how it should be reported, with one stakeholder suggesting annual updates and another welcoming any form of update.

Stakeholders were generally open to the idea of participating in flexibility services, both as domestic and business customers. However, in the voting, domestic customers were more likely to participate (7.6 out of 10 compared to 6.8 out of 10 for business customers). There was overwhelming agreement that the way to encourage participation is through financial incentives – and that these need to be high enough to make it worthwhile. When asked to vote on what proportion of WPD's annual bill would make it worthwhile, over half of stakeholders (55%) said over £30, with some saying that no amount was enough. The other key consideration put forward by stakeholders was simplicity of use. The point was made that the industry needs to carefully consider how to communicate this with customers.

It was commented that some businesses were already participating and that they would be open to flexible energy consumption and generation because it is the right thing to do rather than because they want to receive any sort of financial reward. However, several stakeholders did highlight that the flexibility contracts need better management. One stakeholder expressed concern about new government regulatory processes on buying and selling from the grid and urged WPD to influence the government's approach.

Most stakeholders thought they would own an electric vehicle at some point in the future, although this didn't appear to be imminent, with only 15% already owning one or saying they would likely own one in the next five years. Organisations were more likely to transition to electric vehicles earlier, with over a third (37%) already owning one or saying they would own one in the next five years. However, in both instances a quarter said that it was highly unlikely that they would ever own an electric vehicle or that they would never own one, so there remains some scepticism about the technology.

In terms of electric vehicles, the main considerations for stakeholders were the range and the cost. There was a lack of confidence in the ability of electric vehicles to travel long distances, and the cost was seen as prohibitive for many. In terms of network-related issues, the main concern was the ability to charge vehicles when away from home. In the voting, stakeholders' top priority was easy access to charge points when away from home, followed by the speed of charging when away from home. For the most part, stakeholders felt comfortable allowing WPD to control the level of charge in the vehicle, so long as there was a minimum level of charge available should the vehicle be required in an emergency.

Stakeholders also expressed concern about electric heating systems. In the voting, no one already owned a heat pump and only 20% said they would likely own one in the next five years. Almost one third (30%) said it was unlikely that they would own one or they would never own one.

It was felt that electric heating systems don't stack up financially and that they are difficult to retrofit into existing homes. However, it was seen as a safer way to heat a home than traditional gas boilers. Stakeholders wanted WPD to do more to promote cleaner technologies to customers, as well as educate consumers on energy efficiency. They also wanted WPD to work more closely with developers and local authorities to ensure that electric heating systems are fitted as standard in new builds.



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

### Verbatim comments:

"To a certain extent I'd like to know more, you want to keep up with what's going on. If we know what's happening, we can then advise others."

**Local authority representative**

"I think there needs to be something specific about heat, as it's one of the biggest uses of carbon in the UK."

**Local authority representative**

"I would like to see annual updates."

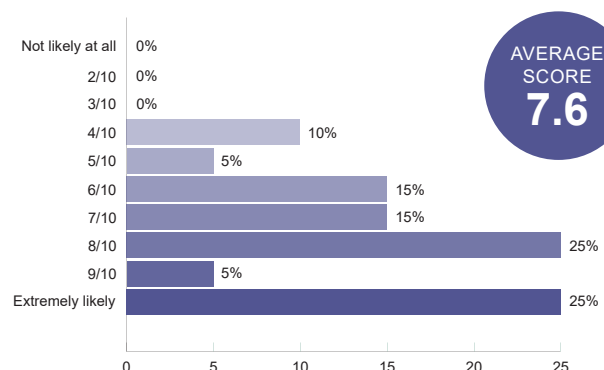
**Business representative**

"Any form of update would be helpful."

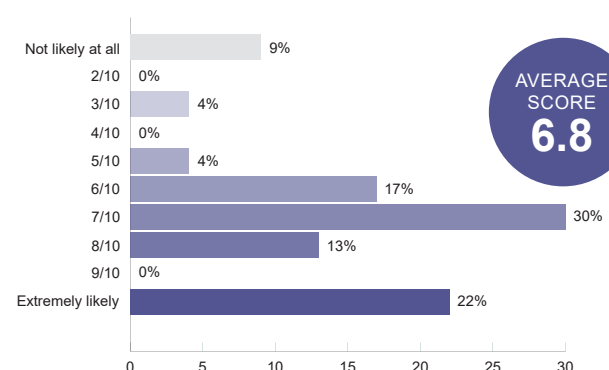
**Local authority representative**

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

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



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



### Verbatim comments:

"I would if there were financial incentives."

**Local authority representative**

"If all I'd save by doing smart charging is 10p a day, I wouldn't bother."

**Business representative**

"The big incentive for anyone is money. If it's cheaper and doesn't impact you too greatly, people will do it."

**Infrastructure / engineering representative**

"Will it create social divides, for example, between people living in terraced housing not being able to take advantage of EV tariffs?"

**Infrastructure / engineering representative**

"Nottingham City Council has used a flexible style tariff for supplies for electric vehicles, so it could be an option in future."

**Local authority representative**

"It needs to be more visible to people. This is a new service. The general public needs to know what they need to do."

**Connections representative**

"We're trying to have an energy-efficient approach in the office. We have motion-activated lights and our computers cut off at 7. We're doing what we can already."

**Infrastructure / engineering representative**

“People are just interested about whether things are cheap or not.” **Local authority representative**

“Businesses will look after themselves and will be fine, but domestic customers will be more incentivised to get on board.”

**Infrastructure / engineering representative**

“I don’t think anyone can argue against the principle, but the issue is the technology and infrastructure.”

**Local authority representative**



“One concern is about the government setting the right things in place. I’m concerned about a new regulatory process from the government that will regulate buying and selling from the grid. WPD have to be involved with that.”

**Connections representative**

“It is about cost and simplicity.”

**Connections representative**

“You have got to be careful with vulnerable and fuel poor customers, as they may struggle to manage a flexible approach to energy usage.”

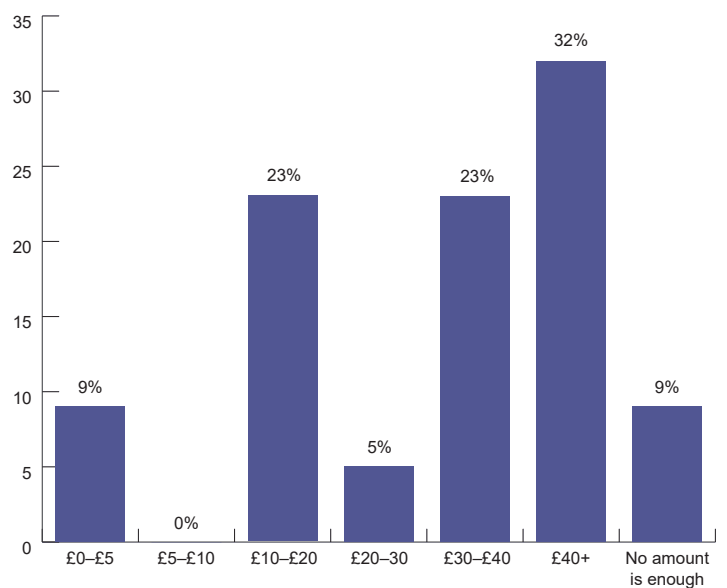
**Connections representative**

“Fixing the flexibility contracts is key. From our perspective we’ve had revenue streams drop. You need to think about how you’d like your grid to work so that there is some clarity for business. Having longer-term visibility is key.”

**Infrastructure / engineering representative**

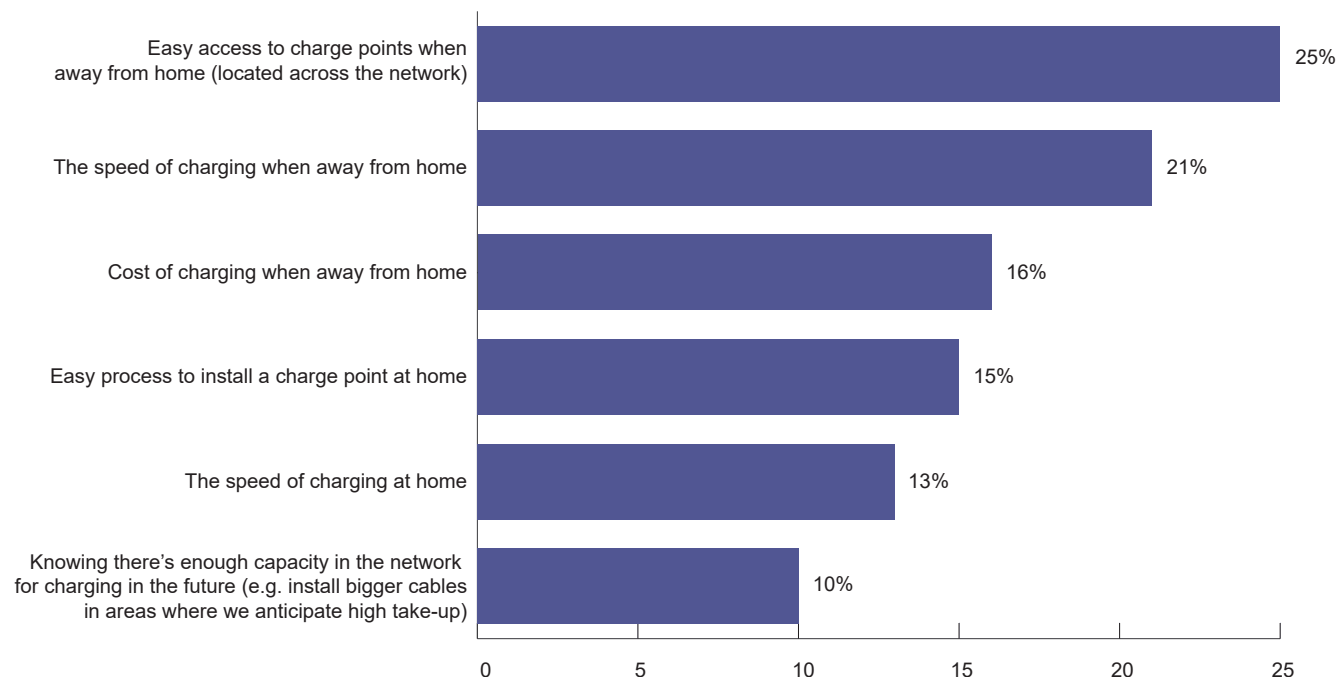
“It’s not just about what’s available, it’s about understanding that you need flexibility in the contract. We’ve lent our capacity for 12 months, and we’d be open to doing more, but it needs to be managed better.” **Connections representative**

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:

"I wouldn't let my DNO have control over charging my electric vehicle, because you never know when there might be an emergency. It's got to be dictated to us that our cars will be charged for when we absolutely need it." **Connections representative**

"If I have enough range to get to work, I'd not need a full charge. But if I'm going far away, I'd want a bigger charge. But it becomes a chore to choose how to smart charge." **Business representative**

"For getting an electric vehicle, it comes down to cost and range." **Charity representative**

"I think range anxiety will disappear as range improves, but you will still have charging availability anxiety if you go on a longer trip." **Business representative**

"We need to get past the stage of plugging it in and move to wireless. You go home, you put it in the garage and it automatically charges." **Charity representative**

"It comes down to the price of the vehicle. At the moment it's expensive. Who can afford it?" **Local authority representative**

"Where I can charge an EV, the speed of charging is important. I don't have enough power to fast charge at home." **Local authority representative**

"I wouldn't get an EV to be honest, if I get in a car I need to cross 100 miles or so across rural Lincolnshire. It's about lifestyle choice. Some people only need to travel 15–20 miles between market towns." **Environmental group representative**

"There needs to be a lot more charging points compared to now." **Local authority representative**

"The speed of charging is the main focus for me." **Connections representative**



“The charging point needs to be efficient and there needs to be more than one speed available.”  
**Connections representative**

“In theory I’d let the DNO have control. But how can they predict when someone might need to charge their car?” **Local authority representative**

“The cost of the cars themselves needs to come down for domestic consumers to want to get one on a wider scale.” **Connections representative**

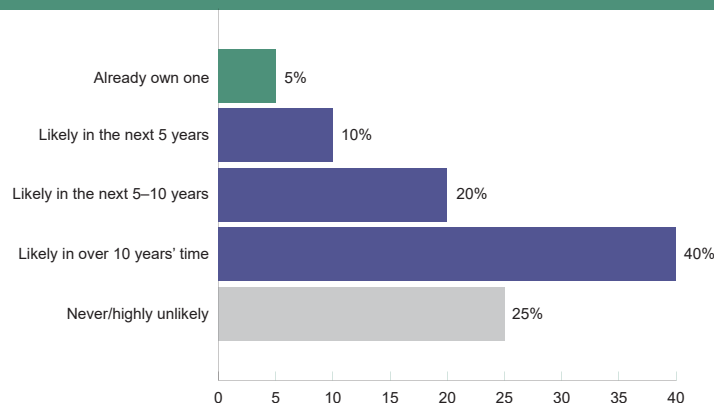
“I’d feel a little concerned if my EV was the only way I transported myself around. If my car wasn’t charged, how would I get there?” **Charity representative**

“The idea of an electric car needs to become normalised for consumers to feel comfortable with them.” **Business representative**

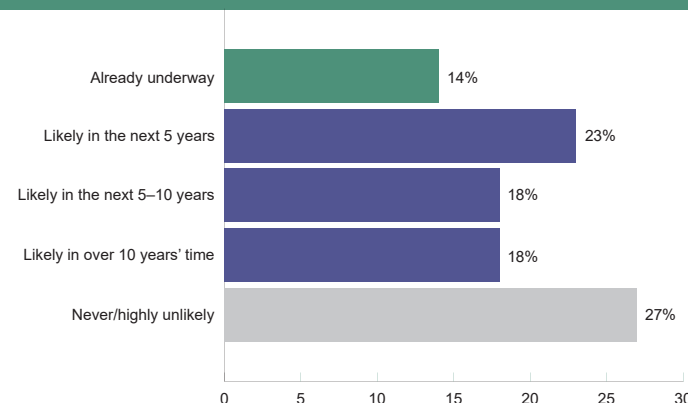


## 4. HOW LIKELY IS YOUR COMPANY TO MOVE TO ELECTRIC VEHICLES IN THE NEXT FIVE YEARS?

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



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



### Verbatim comments:

“We’re looking at possibly replacing a fleet truck with an EV, as a lot is coming on to the market. The main problem is being unable to fast charge 10 trucks simultaneously. They need to be charged overnight and that’s the biggest sticking point in terms of infrastructure. Trucks have a big battery and take very long to charge in order to travel at high range.”

**Local authority representative**

“We’re waiting for the government to roll out charge points, then we may replace our pool cars with EVs.”

**Local authority representative**

“Our district council’s cars are already completely electrified. We did it for socially responsible reasons.”

**Local authority representative**

“My company won’t go completely electrified because we cover such a large distance and the technology isn’t reliable enough. I don’t want to get stuck in the middle of nowhere.”

**Infrastructure / engineering representative**

“One of our main priorities is the ability to get anywhere, so all operational vehicles are 4x4s. We have some EVs, but they’re a much smaller percentage of the overall fleet. Staff aren’t encouraged to use EVs as there are no charging points in the car park.”

**Infrastructure / engineering representative**

“We have one or two. There was nowhere to charge it between us and Lincoln though. Where are the public charging points?”

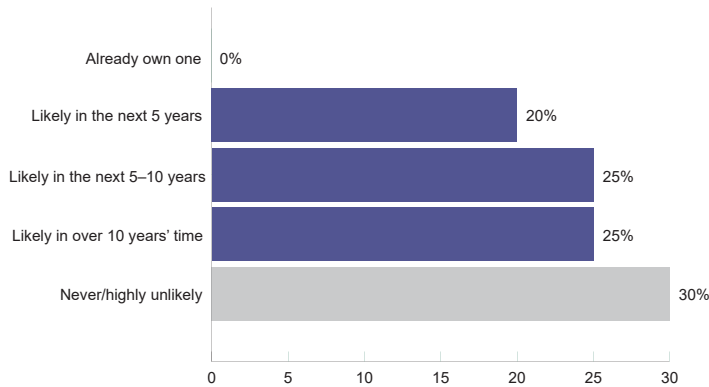
**Local authority representative**





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

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



### Verbatim comments:

“What is WPD doing to reduce consumption and make homes more energy efficient to help eradicate peaks? If WPD worked with developers so that every new house has a heat pump or solar panels, that would help mitigate that.” **Local authority representative**

“It goes back to the local authorities working with housing developers and WPD to ensure that new developments will have solar panels and heat pumps.” **Business representative**

“I’m just about to get a heat pump. I need a new boiler anyway.” **Charity representative**

“It would have to be cost-effective for me.” **Business representative**

“I’d consider it if there were options on the market and someone local could install it.” **Environmental group representative**

“Safety is a big consideration, electricity is surely safer than gas.” **Parish council representative**

“Financially, an electric heating system doesn’t stack up when transitioning across at the moment.” **Local authority representative**

“In the rural areas, there’s often no choice because there’s no gas.” **Local authority representative**



“You may not be able to use these systems in the future if the costs keep spiralling upwards.” **Business representative**

“WPD needs to roll out educational initiatives to get people more comfortable with cleaner technologies like this.” **Infrastructure / engineering representative**

“My main concern would be how it stacks up financially. It’s new, so it’s probably more money at the moment.” **Local authority representative**

“Only if prices start to rack up with gas.” **Local authority representative**

“It’s great for new build. The issues are that you need to change all the radiators and it’s a non-starter for existing homes.” **Connections representative**



## TABLE DISCUSSION

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



## 9 | AFTERNOON SURGERIES

### CONNECTIONS

The surgery on connections was hosted by Richard Allcock, Connections Policy Engineer. Richard 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.

#### HAVE WE IDENTIFIED THE CORRECT PRIORITY AREAS?

- Stakeholders generally felt that the right priority areas had been identified. However, more standardisation was requested, particularly around budget estimates, which are currently very varied in terms of the level of detail and the format they are delivered in.

#### ENGAGING WITH WPD

- Stakeholders agreed that face-to-face workshops were useful for engaging with WPD.
- Local authority representatives agreed that if they were consulting on planning applications or the development of local plans, it is important that WPD is involved.
- It was suggested that WPD hold connections networking events like some of the other DNOs do, which are more two-way, with people pitching to each other.

#### RANKING THE PRIORITIES

- There was agreement that WPD need to focus on 'network capacity allocation and reservation', as it was currently restricting growth in Lincolnshire. Stakeholders had had problems with WPD's policy that a connection could be lost if it wasn't used quickly enough. It was felt that councils and developers should work closely to support WPD to invest ahead of need.
- 'Availability of information' was seen as an important priority. It was felt that more information was needed at the scoping stage, particularly around the availability of capacity on the network. It was commented that there is so much information on the website, it is hard to find what you need. One stakeholder also requested that assumptions in the connections offer are clearly highlighted.
- 'Assessment and design fees' were also seen as important, with one stakeholder asking whether they had affected application numbers.

<b>Network capacity allocation and reservation</b>	1
<b>Availability of Information</b>	2
<b>Assessment &amp; Design fees</b>	3
<b>Competition in Connections</b>	4
<b>Transition to DSO</b>	
<b>Low Carbon Technology, e.g. Electric Vehicles</b>	
<b>Community Energy</b>	
<b>Standardisation of budget / offers *</b>	



\* added by stakeholders as a new priority



## EVS AND WIDER INNOVATION

The surgery on EVs and wider innovation was hosted by Ryan Kavanagh, Network Strategy Engineer. Ryan 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. Ryan 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.

- Stakeholders felt that in order to support the growth of electric vehicles, the emphasis must be on getting the right kind of charging to the right kind of place.
- It was felt that there is an opportunity to work with companies like Starbucks who would be interested in having people refuel so they stop off and spend money with them.
- The suggestion was made that EV chargers should be connected directly with renewable generation.
- There were questions from stakeholders with regard to the power requirements of different types of chargers, including within domestic properties.
- Stakeholders asked practical questions about how the EV charging network functions. For example, they wanted to understand whether WPD would be delivering the chargers as well as the network capacity; how houses in urban areas would accommodate charge points; and who had responsibility for delivering on street charging.
- There was a view that not all vehicles would transition to electricity, for example, it was felt that agricultural vehicles would be more suited to hydrogen power.
- Concern was raised about the length of time it takes to charge vehicles and the implication of this for filling stations, as it could lead to substantial queues.
- It was felt that there needs to be a gradual transition to electric vehicles in order to iron out some of the challenges.
- It was felt that WPD's long-term responsibility is to ensure that the capacity is there to accommodate electric vehicle charging. However, it was questioned who should be paying for this and whether or not the cost should be socialised.
- Some felt that those who cannot afford an electric vehicle should not have to pick up the cost to pay for the infrastructure for those who have one. It was felt that socialised costs would mean the poorest would pay disproportionately more.

## NETWORK CHARGING

No stakeholders wanted to attend this surgery session in Lincoln, so it didn't go ahead.





## CONSUMER VULNERABILITY

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

- It was broadly felt that the strategic goals are sound, but it was added that the most challenging goal was developing links with health services.
- The example of Lincolnshire's Wellbeing Service was given. This service is run by the council in partnership with the NHS and is the first point of call for vulnerable people being discharged from hospital within 12 weeks. It was felt that this would be a good way of getting people on the PSR.
- On the subject of the PSR, it was noted that by 2021, Ofgem wants WPD to be sharing data with water companies and that pilot schemes are already being put in place.
- When stakeholders were asked whether they supported the actions of the delivery plan and whether more could be done, it was noted that the annual consumer vulnerability conference took place in Bristol, which was difficult for people in the East Midlands to attend. It was suggested that the company hosts more than one this year to make it easier for people from the East Midlands to attend.
- The piloting of a 12-month affordable warmth scheme was praised, as it was felt that many similar schemes only run in winter and that some finish before customers have had an opportunity to sign up.
- It was suggested that WPD talks to experts and seeks to engage with people with learning disabilities to understand how they can adapt to new technologies.
- It was suggested that anything that could be done to persuade healthcare professionals to fill in a form to get vulnerable people on the PSR when they're being discharged would be a very welcome initiative.
- When stakeholders were asked about which obligation commitments they wished to see carried forward and what else they would like WPD to deliver in RIIO-ED2, it was commented that more should be done to train staff to recognise the signs of customer vulnerability.
- Some were of the view that there are some things that WPD shouldn't have to do, such as 'co-ordinate meetings with suppliers to agree criteria for vulnerability'. However, it was countered that these meetings are essential, as criteria for vulnerability are subjective.
- It was commented by one stakeholder that 'building a database of regional agencies' should be removed as there are already so many databases, which could be confusing. It was added that Lincoln's Library of Services serves this purpose and that it already contains references about who needs referring to whom.
- There was praise for the fact that there are different vulnerability codes which inform WPD's response if there is a power cut; for example, if someone is on a dialysis machine.
- There was also praise for WPD's participation in resilience forums and it was felt that the company should do more of this.



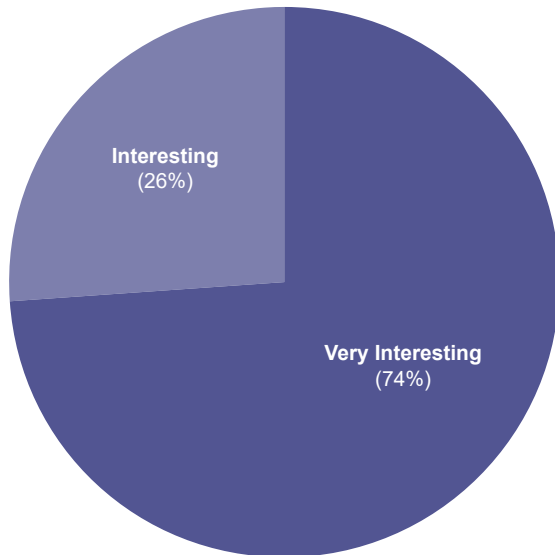
**Stakeholders were asked to fill in a feedback form, denoting which of WPD's social obligations priorities the company should remove, reduce, retain, or increase.** The outcomes of this are shown below. Please note, some stakeholders did not vote on certain priorities. Developing local outreach services to help customers who are facing fuel poverty was the most popular priority, along with working with others to improve our understanding of the needs of vulnerable customers, developing joint information with partners to help customers who are facing fuel poverty, and raising awareness of the PSR.

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

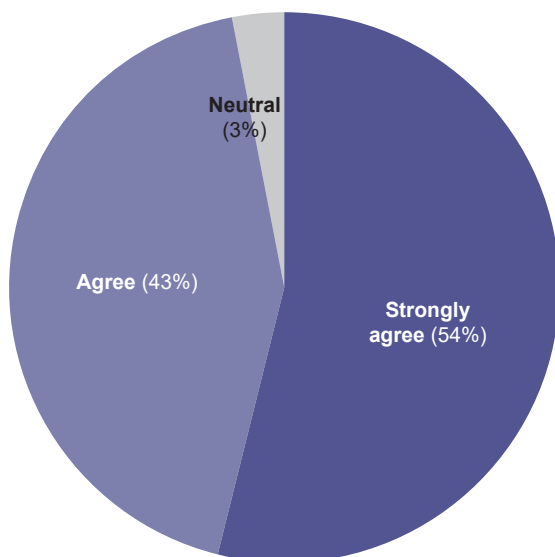
## 10 | WORKSHOP FEEDBACK

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?

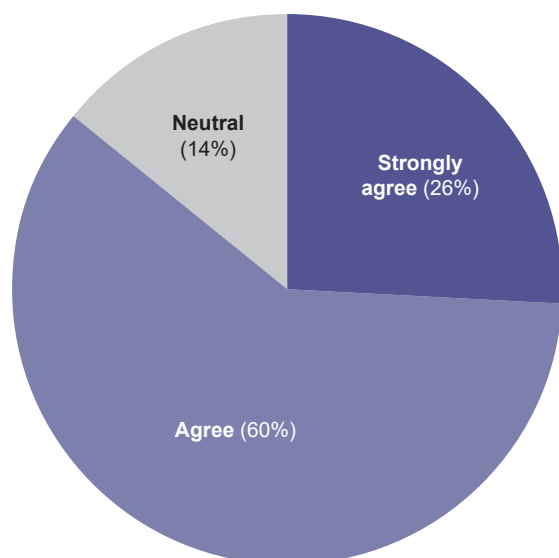


“Good mix on the table.”

“Very good discussions.”

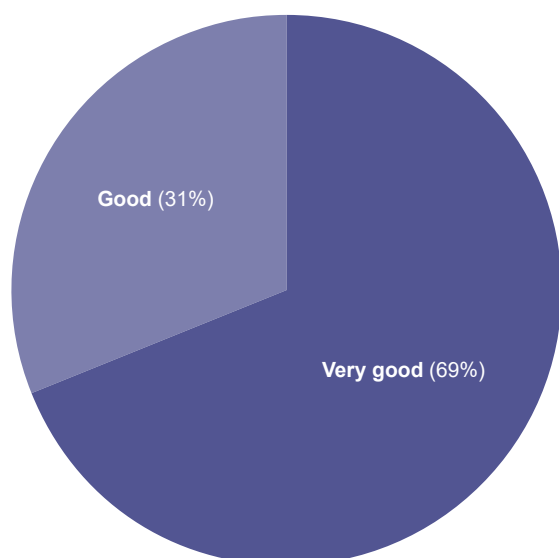


Did we cover the right topics for you on the day?

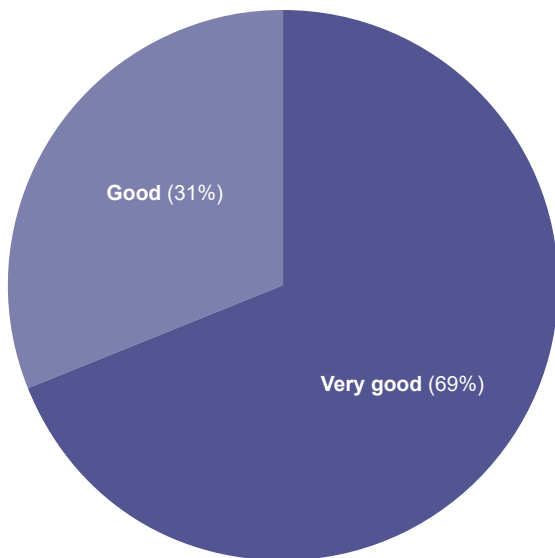


“Would have liked to hear more on network resilience.”

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

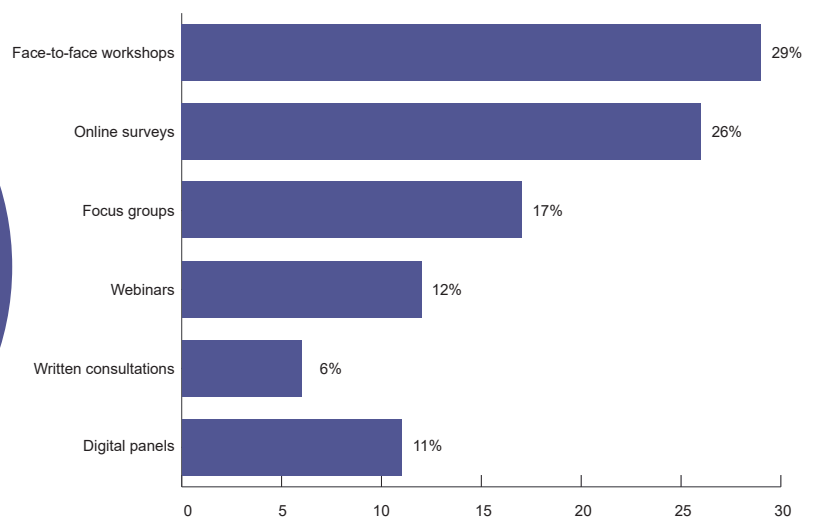
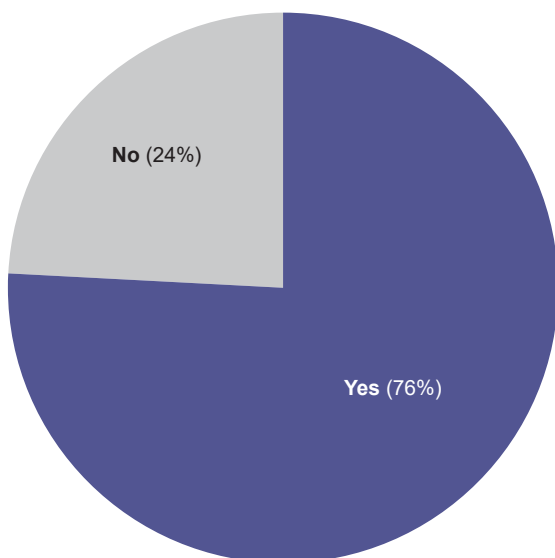


### What did you think of the venue?



### 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?



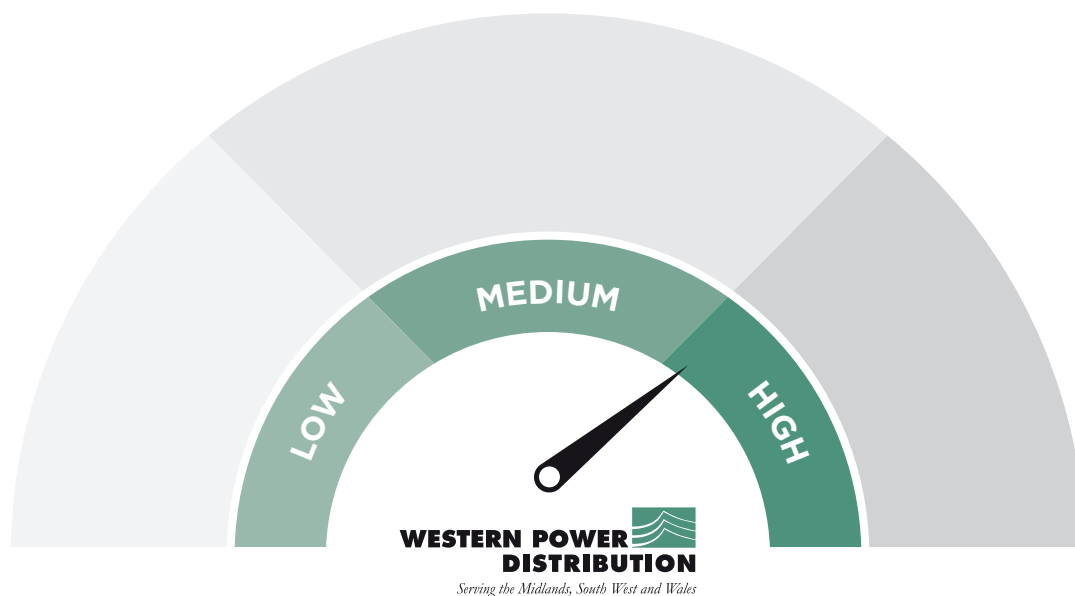
### ANY OTHER COMMENTS?

“Excellent session again.”

“Engagement works both ways and WPD need to engage as a consultee as well.”

## 11 | APPENDIX 1: 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.	





