



Western Power Distribution Online Stakeholder Workshop Report March 2019

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1 | INTRODUCTION

On 12 March 2019, WPD invited stakeholders to participate in an online workshop, hosted on WPD's website, so that stakeholders who were unable to attend February's workshops had an opportunity to provide their feedback.

As with February's events, the online workshops were aimed at gathering feedback from the company's 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).

The online workshop included recordings of the introductory presentations given at the stakeholder workshop in Bristol. In addition, stakeholders were given an opportunity to submit their responses to a series of multiple-choice questions, broadly following the questions asked at the workshops.

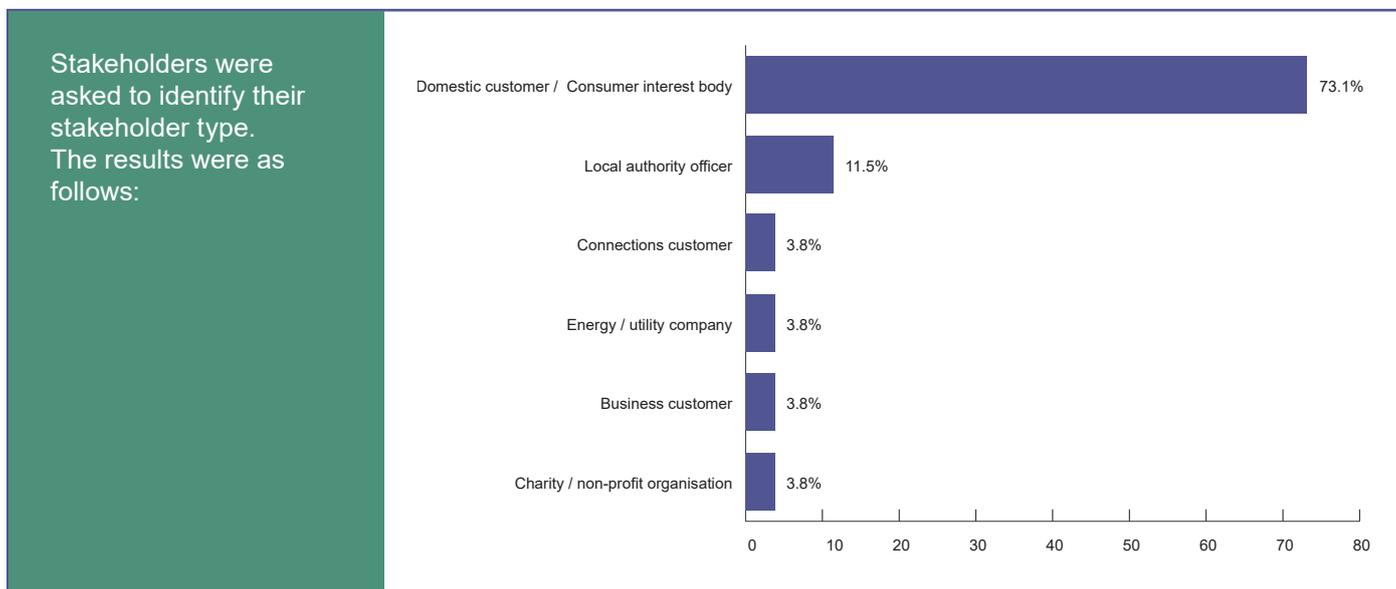
A total of 5,750 stakeholders received an email asking them if they wished to participate. The consultation remained open for a week and 29 responses were received. Across the six workshops in February, domestic customers and consumer interest bodies were the second least well-represented group, representing only 5% of the stakeholders consulted. However, a majority (73%) of online responses came from this group. Other participants in the consultation are detailed overleaf. The responses contained in this document therefore reflect the views of an underrepresented group at February's workshops.

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 | ATTENDEES

A total of 29 stakeholders provided responses online, representing six stakeholder groups. The details of these groups are shown below.



The map below shows the locations of where stakeholders said they were based, at a town or city level. Please note that, as some stakeholders were located in similar areas, each green dot does not necessarily represent a single respondent.



3 | SESSION 1: HOW WE ENGAGE WITH STAKEHOLDERS

SUMMARY

The first presentation was delivered by Alex Wilkes, Stakeholder Engagement Manager. Alex's presentation can be found at <https://www.westernpower.co.uk/downloads-view/29722>, on slides 8–17. 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, RII0-ED2, which runs for five years, beginning in 2023. The purpose of the presentation was to provide some context to WPD and its role. No questions were asked after this presentation.



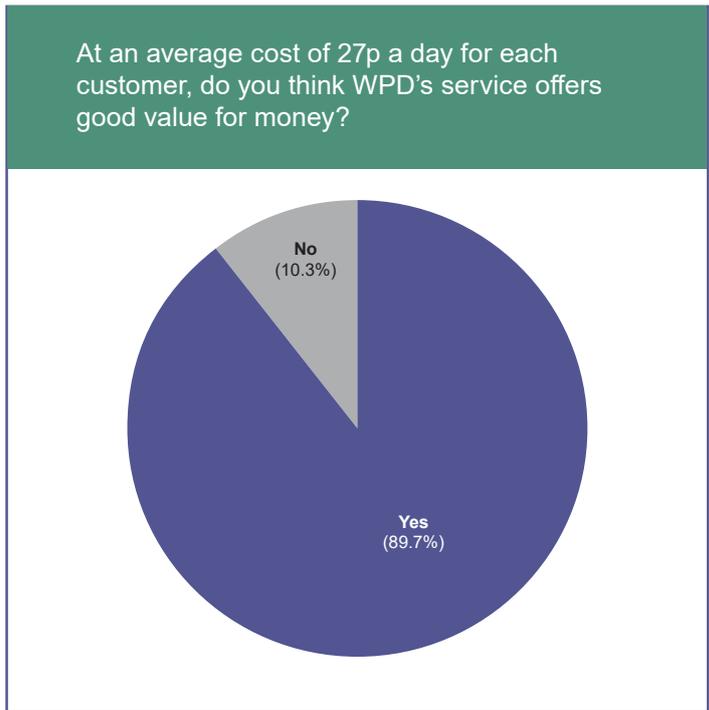
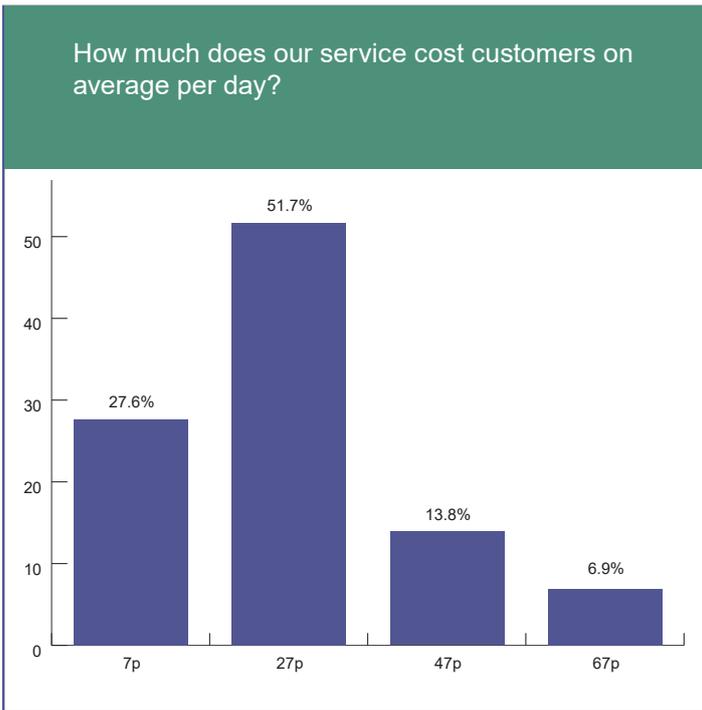
4 | SESSION 2: THE RIIO-ED2 FRAMEWORK AND STAKEHOLDERS' EXPECTATIONS OF WPD

SUMMARY

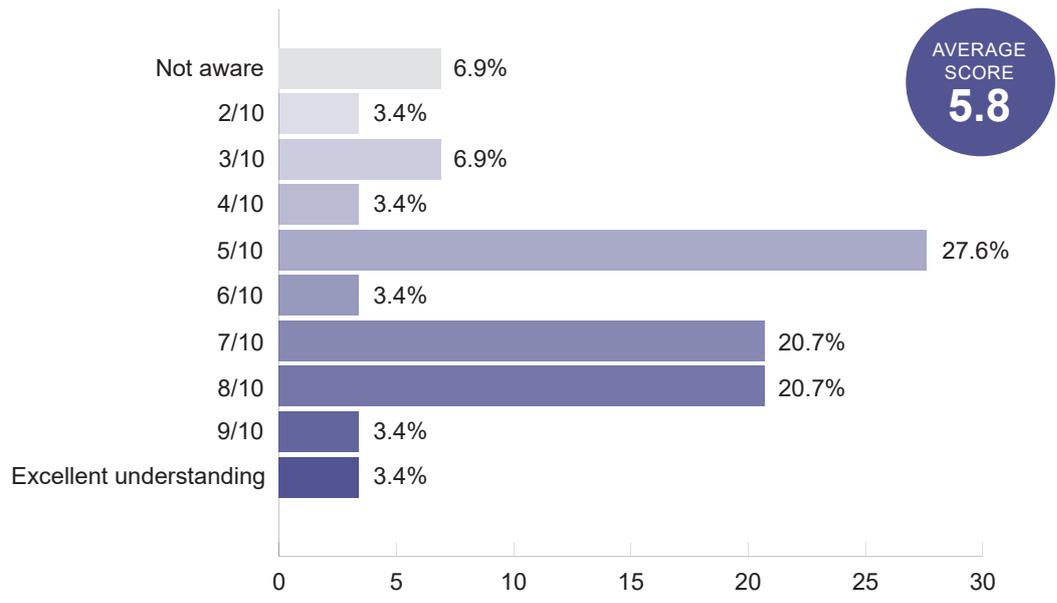
Paul Branston, Regulatory and Government Affairs Manager, gave the second presentation, talking stakeholders through the key features of the current RIIO-ED1 Business Plan. His presentation can be found at <https://www.westernpower.co.uk/downloads-view/29722>, on slides 18–34.

Just over half of stakeholders (52%) correctly identified WPD's daily per customer service cost, with over a quarter (28%) believing it was just 7p. A large majority, 90%, believed that WPD's 27p service cost offered good value for money. However, awareness of this cost and the services WPD deliver was considerably more mixed. When stakeholders were asked to rate out of ten how aware they were of these costs and the levels of service the company provides, the most common response was 5 out of 10, chosen by 28% of stakeholders, and the average level of awareness was 5.8 out of 10.

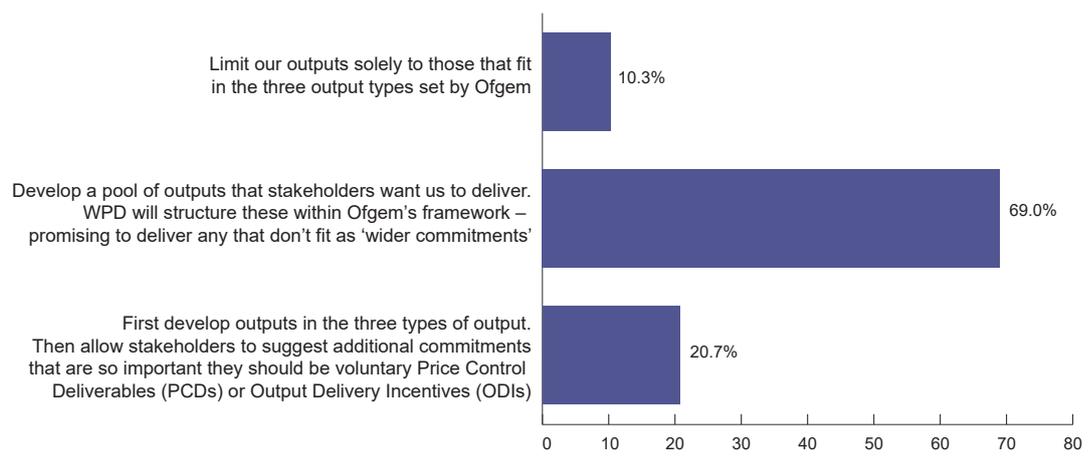
In terms of how WPD should structure its outputs within its Business Plan, a strong majority (69%) felt that the best approach was for the company to develop a pool of outputs stakeholders want them to deliver, structuring these within Ofgem's framework and promising to deliver any that don't fit as 'wider commitments'.



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



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



5 | SESSION 3: STAKEHOLDER PRIORITIES FOR RIIO-ED2

SUMMARY

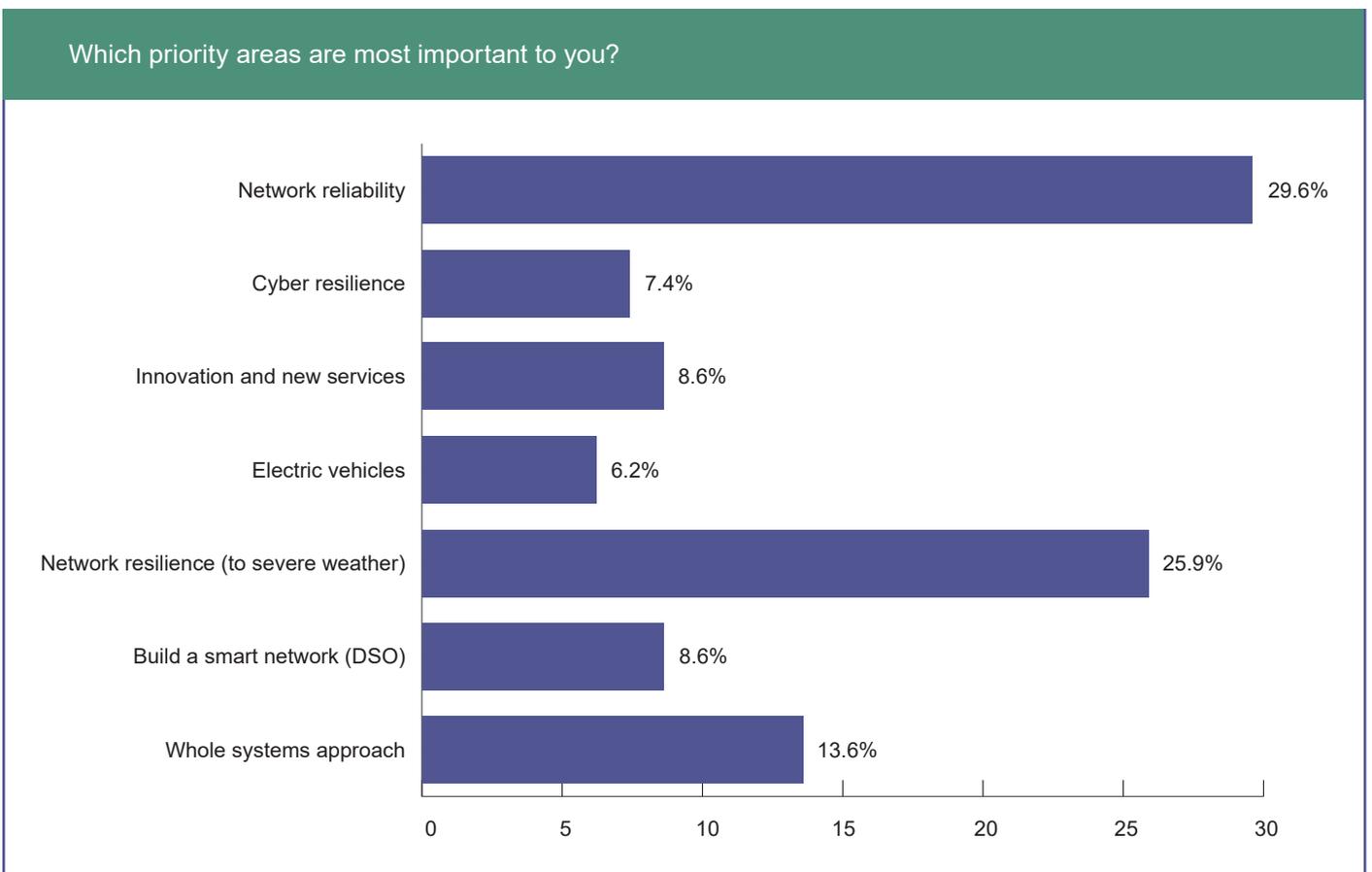
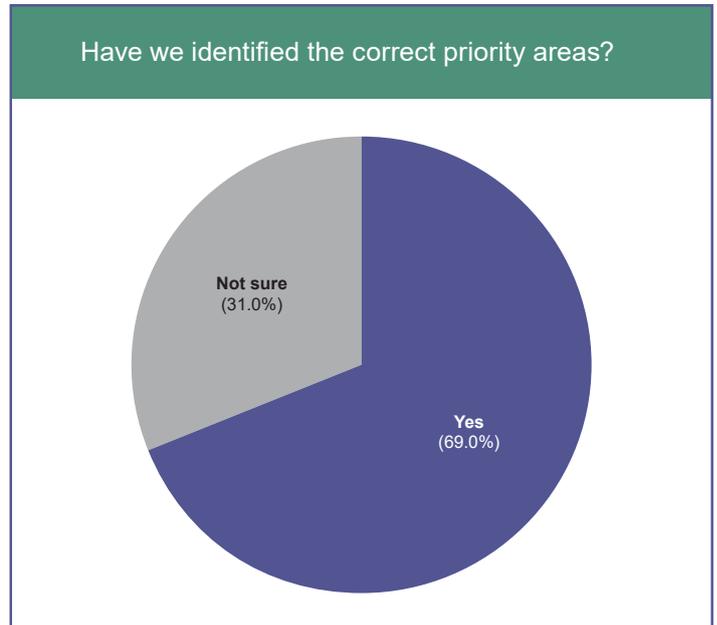
The third presentation was introduced by Andrzej Michalowski, Planning and Regulation Special Projects Manager. His presentation can be found at <https://www.westernpower.co.uk/downloads-view/29722>, on slides 35–45.

Most stakeholders (69%) were of the opinion that WPD had identified the right priority areas. Stakeholders who thought that some priority areas were missing put forward carbon reduction as an additional priority area.

Stakeholders felt that network reliability and network resilience were the most important priority areas, with 30% and 26% of stakeholders voting for each respective option. A whole systems approach was the third most popular priority, garnering 14% of stakeholder votes.

Verbatim comment:

“Carbon reduction” **Business representative**



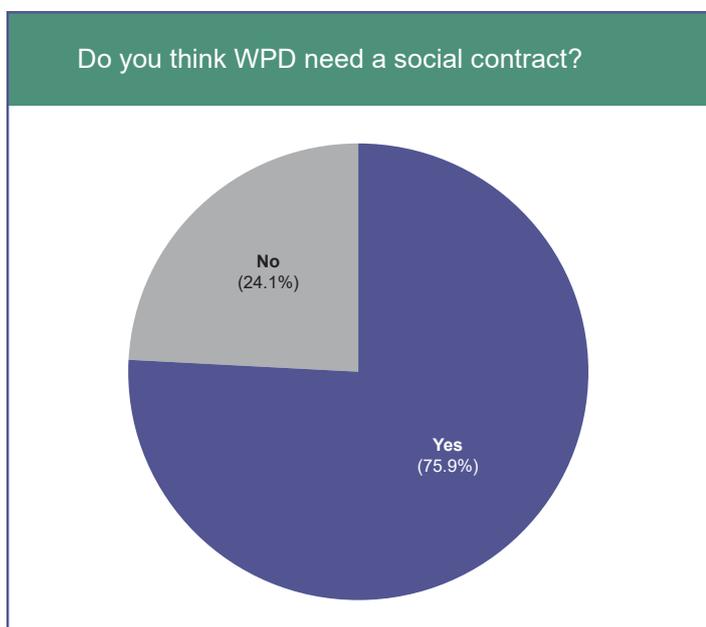
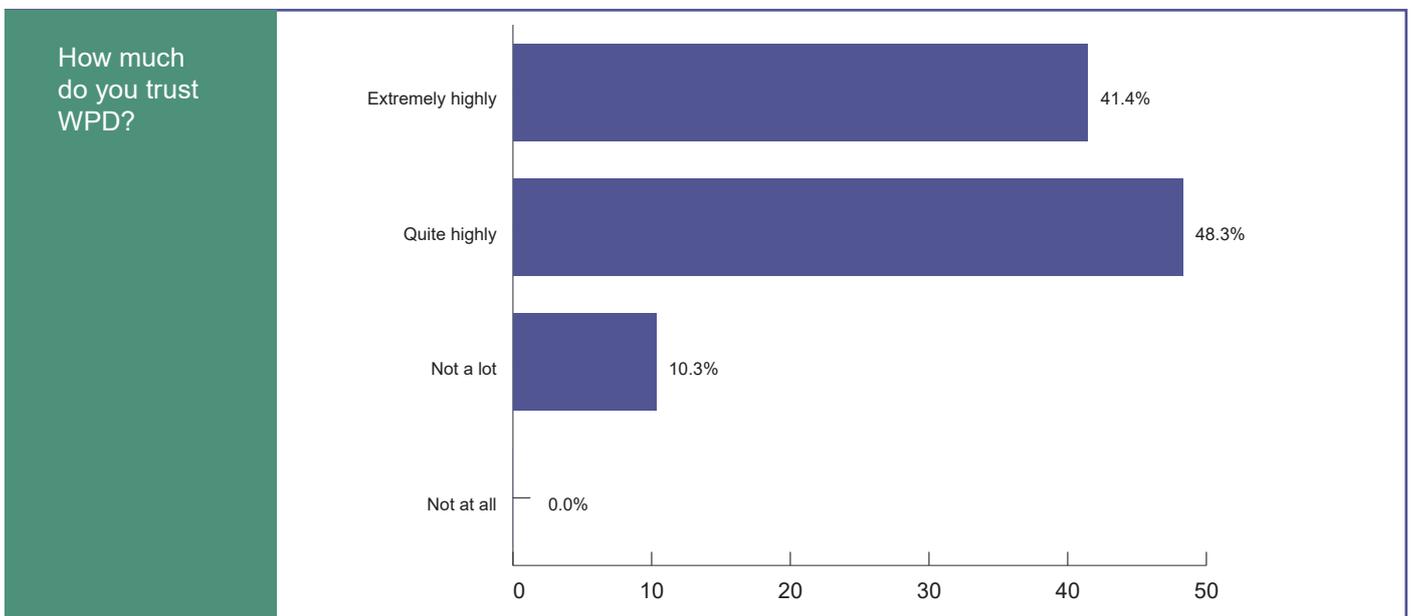
6 | SESSION 4: BEING A RESPONSIBLE BUSINESS: BUILDING A SOCIAL CONTRACT

SUMMARY

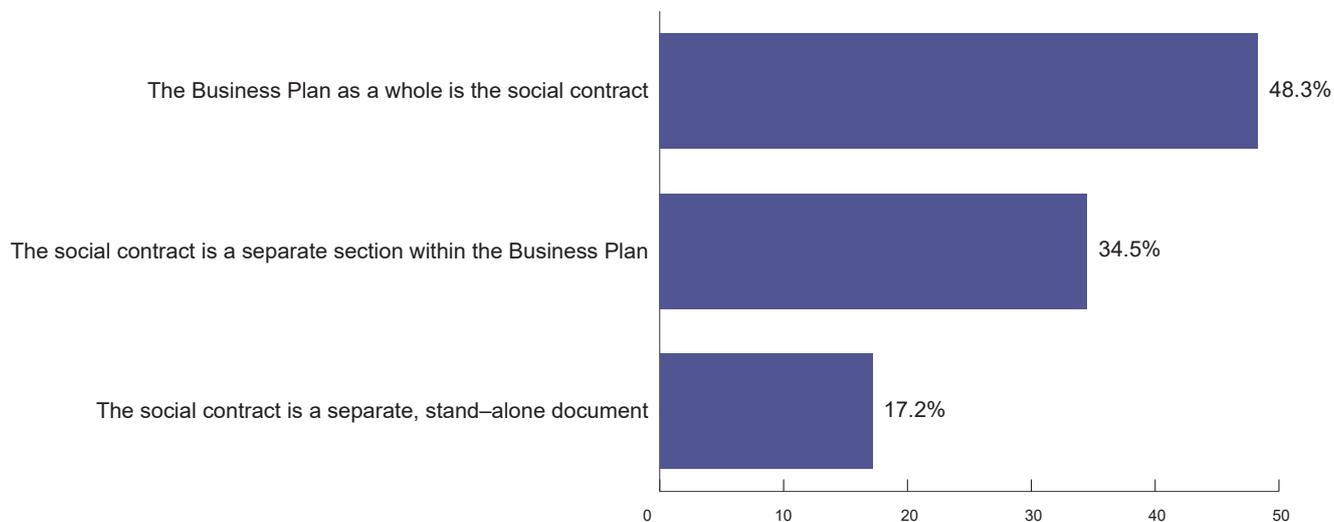
Alison Sleightholm, Resources and External Affairs Director, introduced the fourth presentation. Her presentation can be found at <https://www.westernpower.co.uk/downloads-view/29722>, on slides 47–61.

Stakeholders considered WPD to be a trusted company. When stakeholders were asked to vote on how much they trust WPD, 'quite highly' was the most common response at 48% of those polled, with only 10% opting for 'not a lot'. No stakeholders opted for 'not at all' in terms of how much they trust WPD.

Just over three quarters (76%) felt that WPD needed a social contract, and almost half (48%) felt that WPD's Business Plan itself should serve as the company's social contract. Almost a quarter (23%) felt WPD should demonstrate delivery of its social contract through annual reporting against commitments. The second highest preferences were for external audits and for regional stakeholders to provide feedback and surveys, each with 18% of the vote.



How should WPD present their social contract?



How should WPD demonstrate they are delivering it?



7 | SESSION 5: SMART FUTURE AND NEW POSSIBILITIES

SUMMARY

The final workshop session was introduced by Nigel Turvey, Network Strategy and Innovation Manager. His presentation can be found at <https://www.westernpower.co.uk/downloads-view/29722>, on slides 62–82.

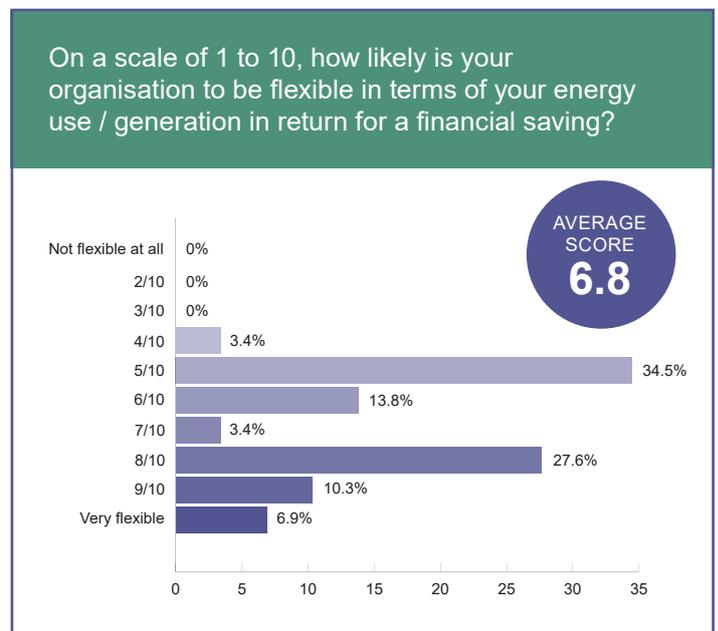
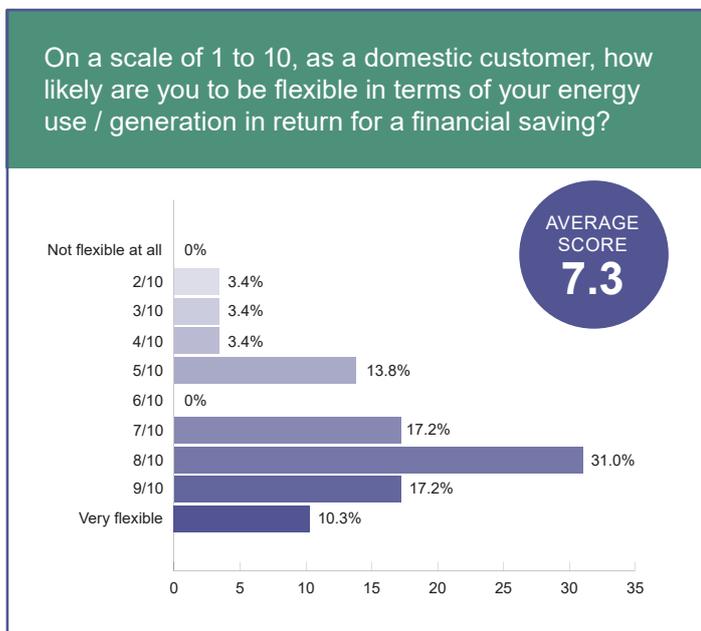
Stakeholders felt they were likely to participate in flexible services, with 58% rating themselves at 8 out of 10 or above on this. They were somewhat less confident when it came to how flexible their organisations would be, with the most common vote being a 5 out of 10 (35% of responses).

On the question of the level of savings they would expect to make in order to make it worth their while to provide this flexibility, 35% felt that £10–£20 was the appropriate amount, although more than a quarter (28%) opted for a saving of £30–£40.

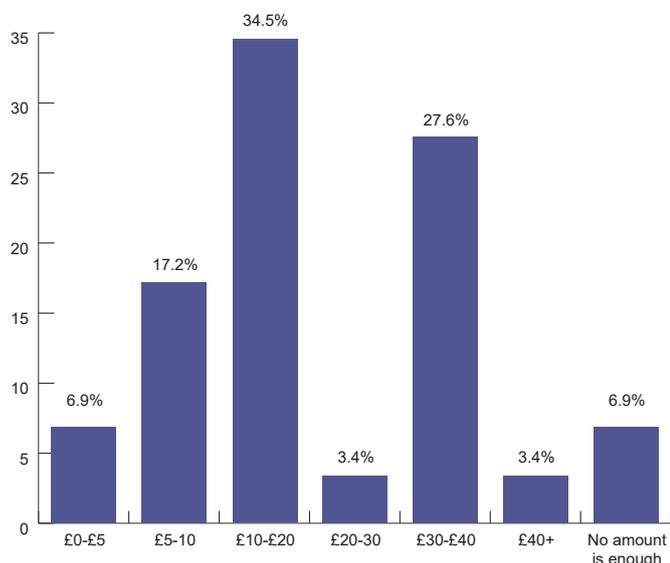
When it came to electric vehicles, stakeholders said that the network-related factor that would most encourage them to buy an electric vehicle was easy access to charge points when away from home, with 22% of responses. The speed of charging when away from home emerged as the second most important factor, with 21%.

Almost a quarter of respondents (24%) told us that they would never, or would be highly unlikely to, buy an electric vehicle. 31% said that this was only likely in over ten years' time, with the same proportion saying it would only be likely in five to ten years' time. They were even more pessimistic when it came to the likelihood of their organisations buying one, with almost a half (48%) saying it would be highly unlikely that their organisation would ever purchase one.

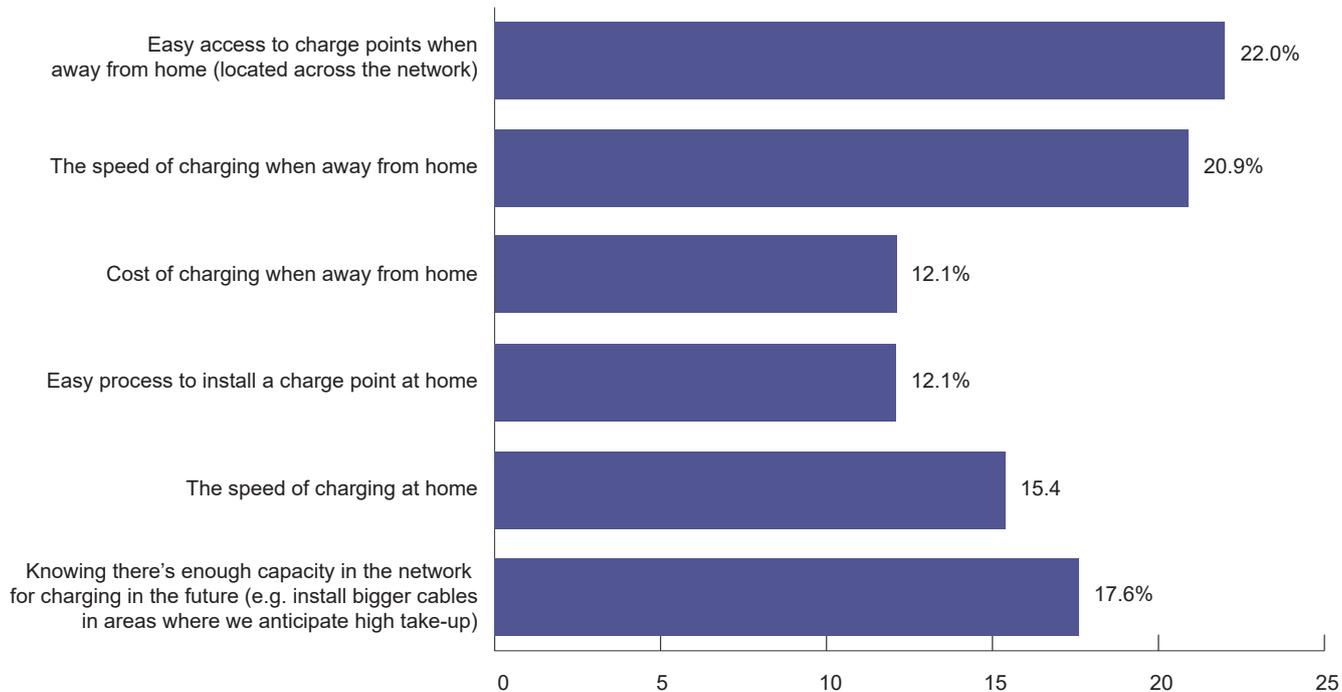
On the topic of renewable energy heating systems, stakeholders were equally doubtful, with almost a third (32%) considering it highly unlikely they would replace their boiler with one. However, over a half (54%) considered it probable in over five years' time.



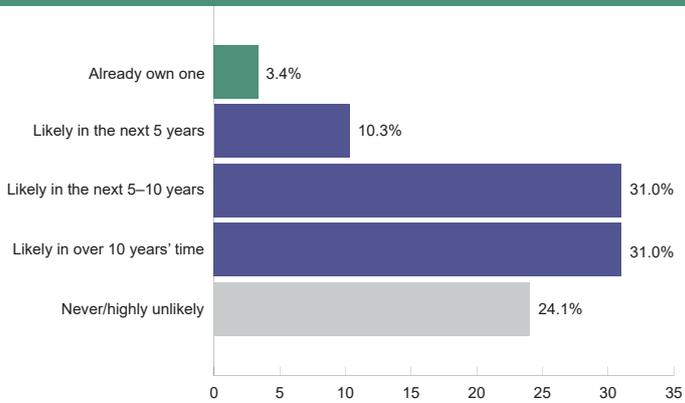
As a domestic customer, what proportion of WPD's annual £98 charges would you expect to save to make it worth your while to provide this flexibility? (select one option)



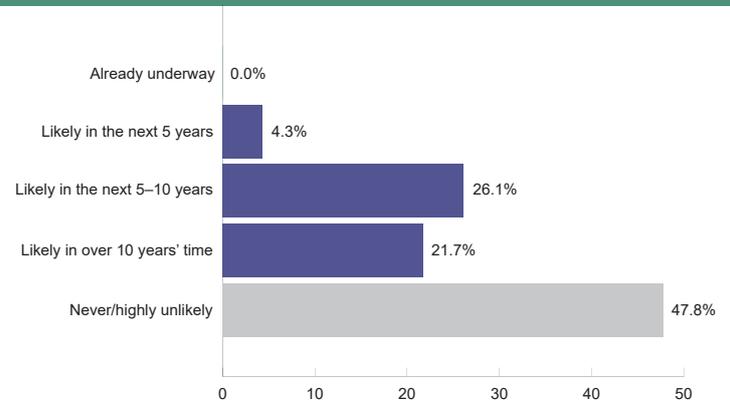
Which of these network-related factors would make it more likely for you to have an electric vehicle? (drag & drop into place)



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)



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)

