



Serving the Midlands, South West and Wales

Stakeholder engagement workshops

January 2016

Agenda

- A quick overview of WPD
- Three morning sessions following a similar format:

WPD presentation → Round-table discussion → Electronic voting

Session 1: ***Review of WPD's long-term strategic priorities***

Session 2: ***WPD's Business Plan & performance so far***

Session 3: ***Spotlight on two long-term priorities:***

- ***Smart Networks***
- ***Affordability (fuel poverty)***

- Choice of 3 afternoon surgeries
 - Connections and distributed generation*
 - Social obligations (vulnerability and fuel poverty)*
 - The role of a Distribution System Operator*

Housekeeping



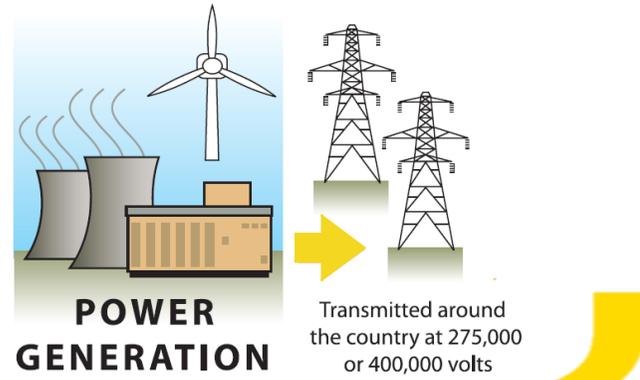
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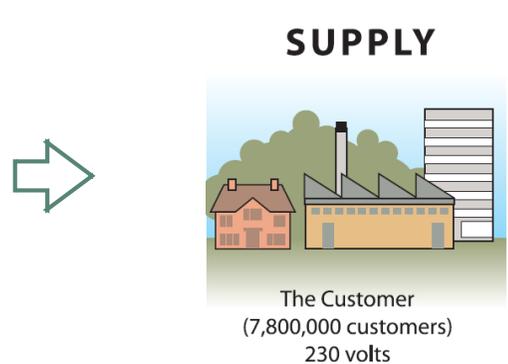
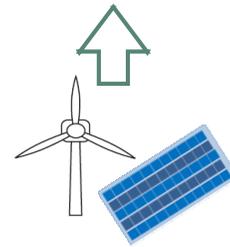
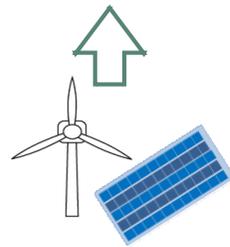
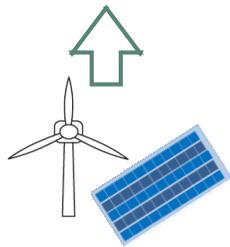
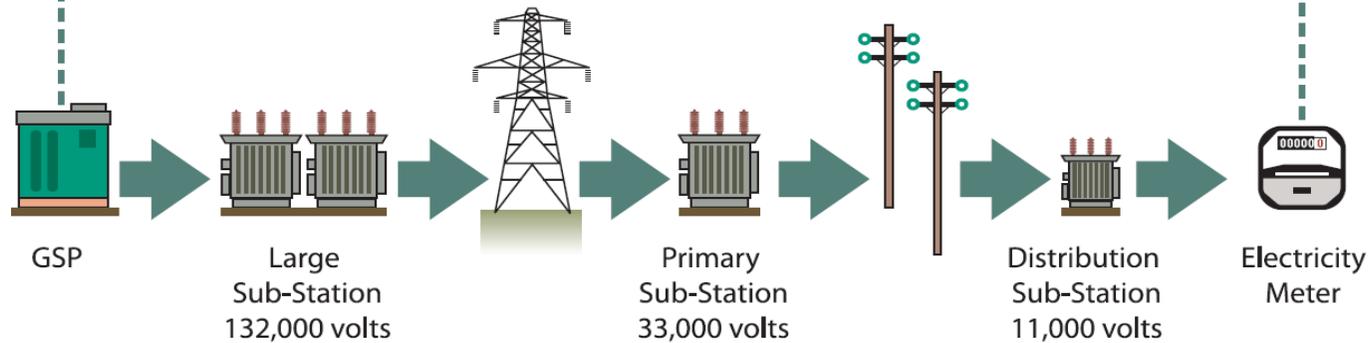
Introducing WPD

Alex Wilkes
Stakeholder Engagement Manager

Who we are



WESTERN POWER DISTRIBUTION



What we do

- “DNO” = Distribution Network Operator
- Four key tasks:



Keep the lights on

by operating our network assets effectively



Maintain equipment

so that the network is in a condition to remain reliable



Fix the network

if equipment gets damaged or is faulty

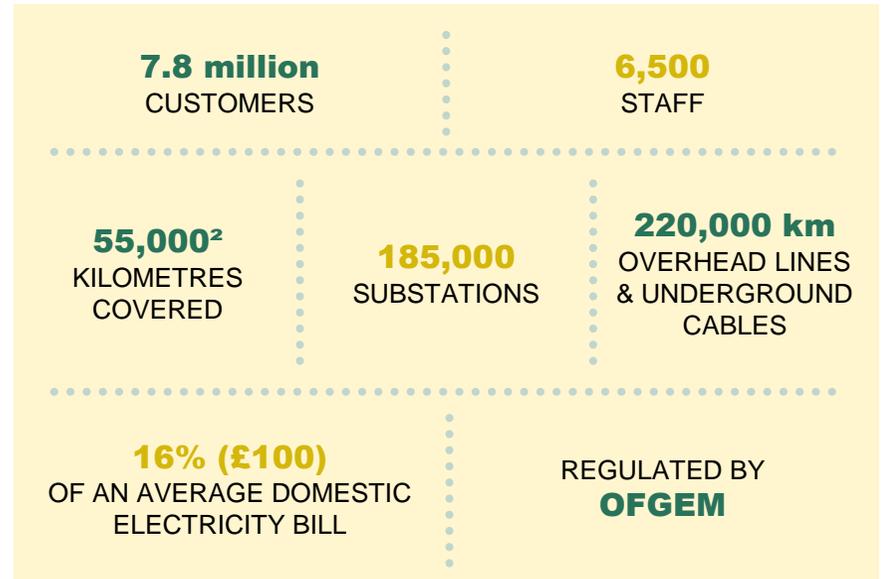


Connect customers

by upgrading existing networks or building new ones

Safety

Where we do it



Why we engage with you

- We are a regional monopoly
- We want to be the best. This means:
 - Listening to our stakeholders
 - Acting on their feedback
 - Asking stakeholders to identify improvements & priorities
 - Working with stakeholders to deliver them
- Our latest Business Plan covers 2015-2023
 - It was ‘fast-tracked’ by Ofgem
 - And shaped by 4,500 stakeholders



No one likes a talking shop...

- Our Business Plan is only just underway
- So to ensure we're still giving you the opportunity to influence change, we will engage on:

Delivery of our plans and improvements to our services

Key, long-term priorities that may change the way we operate

We have a strong track record...

- Improved reliability
 - *Power cuts reduced by 46% since 2001*
- Increased investment
 - *Investing £7.1 billion 2015-2023 on the network*
- Reduced our costs
 - *11% reduction on average (2015-2023)*
- Increased customer satisfaction to 88%
- Improved public and employee safety to the best levels

...But we are not complacent. We are addressing some big issues including:

- Improving network resilience to severe weather
- Supporting vulnerable customers
- Facilitating high volumes of low carbon technologies
- Managing constraints on the distribution network as a result
- Improving the connections process
- Delivering innovation
- Tackling wider social issues such as fuel poverty

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ELECTRONIC VOTING - A QUICK INTRODUCTION



Electronic voting: practice questions

QA: If you won the Euromillions what's the first thing you'd spend your money on?

0. Give to charity
1. Sports car
2. New house
3. Pay off your mortgage
4. Helicopter/Plane
5. Holiday
6. Give to family & friends
7. Watch/jewellery
8. Stocks and shares
9. More lottery tickets

Electronic voting: practice questions

QB: What type of stakeholder are you?

0. Domestic customer / consumer interest body
1. Business customer (or representative)
2. Local authority officer / elected representative
3. Developer / connections representative
4. Environmental representative
5. Energy / utility company
6. Regulator / government
7. Academic / education institute
8. Housing / development
9. Other

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Session 1: **Review of WPD's long-term priorities** *- Why are you here today?*

Alison Sleightholm
Regulatory & Government Affairs Manager

How we acted on your feedback last year

- We saw 232 stakeholders over 6 events. We took 17 actions as a result. E.g:

You said... 

We did... 

‘Keeping the lights on’:

Less concern about traditional power cut causes, but issues like reduced capacity and demand side response

- Introduced **‘smart’ connections offers** as standard to maximise connecting generation
- **New rules to release unused capacity**

‘Government legislation’:

WPD should be more proactive in shaping policy and build relationships to make this happen

- **WPD Parliamentary reception at Westminster** attended by MPs & stakeholders (inc. Ofgem & DECC)
- **Wrote to every new MP** inviting local engagement

‘Customer Information & Data’:

Access to network capacity data & asset data is vital to assess connection opportunities

- **New online data portal** to provide information for customers undertaking planning & design work in a graphic format of their choice

‘Vulnerability’:

Updating vulnerable customer records is a top priority

- **Expanded our Priority Service Register cleansing team** - now contact 350,000 customers a year

Understanding our long-term priorities

- Things will change over an 8 year period
- We must therefore consider uncertainties and longer-term priorities that may change how we operate
Note: Certain topics (e.g. connections, network upgrades, low carbon technologies) cut across several of these priorities



Keeping the lights on



Smart networks



Workforce renewal, skills and training



Government legislation / policy



Affordability and Vulnerability



Customer information and data



Customer awareness of WPD

In addition, you said...

- *'Keeping the lights on'* and *'Smart networks'* must include plans to address reduced network capacity and to make it easier for DG and community energy schemes to connect
- *'Affordability'* and *'Vulnerability'* should be considered separately
- We should add *'Environment and sustainability'*

A recap of why they are priorities



Keeping the lights on

- National supply / demand challenges
- Resilience to emergencies - increased storms and weather extremes
- Innovation and Distributed Generation – impacting available capacity



Smart networks

- Current limited 'real time' visibility of network
- Customer network use is changing
- Smart meters/networks – enable more efficient network operation and accurate forecasting



Workforce renewal, skills and training

- Natural churn and retirements – requiring workforce renewal
- Changing roles/skills and DNO activities

A recap of why they are priorities



Government legislation / policy

- Directly (e.g. design standards) and indirectly (e.g. low carbon targets) impacts the way we operate and design networks



Vulnerability

- Responsibility to identify and protect the most vulnerable to power cuts – e.g. medically-dependent, disabled, sick, elderly
- Ensure quality data to enable proactive contact and targeted services



Affordability

- Fuel poverty – we are uniquely placed to help. We are neutral (we do not bill) and make 1.3m calls a year
- There is a clear need and role for DNOs in this area – but parameters for how far we go

A recap of why they are priorities



Customer information and data

- Delivery of excellent services and accurate future planning all relies on quality data
 - E.g. Customer data access – e.g. network capacity/asset data; assessing connection opportunities
 - 'Big' data - to inform future forecasting & planning



Customer awareness of WPD

- Ease of access to services - Knowing about WPD and how to contact us
- Changing relationships/role – Requires trust and a basic awareness of WPD



Environment and sustainability

- We are a huge company (25% of UK) with big responsibilities & potential impacts
 - Undergrounding in beauty spots, oil & gas filled-equipment, business carbon footprint, waste management, recycled aggregates, network losses, energy use & transport, protected habitats etc

How important are they to you?



- Last year stakeholders told us:

Category	Importance (/10)
Keeping the lights on	9.00
Smart networks	8.08
Workforce renewal, skills and training	7.02
Government legislation/policy	6.86
Affordability and vulnerability	6.82
Customer information and data	6.54
Customer awareness	5.34
Environment and sustainability	New

Workshop 1 – Discussion questions

1. What are your hot topics/priorities?
2. Do you still agree with WPD's listed priorities?
3. Could WPD work with you more/differently to address these priorities?

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Electronic voting Workshop 1



Q1: How do you rate these priorities?



- A. Customer awareness of WPD
- B. Network intelligence
- C. Government legislation/policy
- D. Affordability
- E. Vulnerability
- F. Keeping the lights on
- G. Workforce renewal, skill & training
- H. Customer information and data
- I. Environment and sustainability

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Session 2: **WPD's Business Plan – 9 months in...** *- Performance and reporting*

Andrzej Michalowski
Planning and Regulation Special Projects Manager

This session

- Recap of WPD's Business Plan
- How we are performing after 9 months (April – December 2015)
- Ofgem's reporting proposals
- WPD's reporting proposals
- Table discussion - Your views

WPD's Business Plan

- RIIO-ED1 is the name for Ofgem's latest 'price control' period for electricity distribution
- It covers eight years: 2015-2023
- WPD was the only DNO to have its Business Plan 'fast-tracked' by Ofgem

WPD's Business Plan in a nutshell:

- **We will invest £7.1 billion** in core distribution activities
- **We will reduce annual bill** to customer by an average of 11%
- **We will remain the most efficient**
- **We will improve service in every area**, remaining number one for customer service and network performance
- **We will deliver 76 outputs for customers**, across six key areas:

Safety	Reliability	Environment	Connections	Customer Satisfaction	Social Obligations
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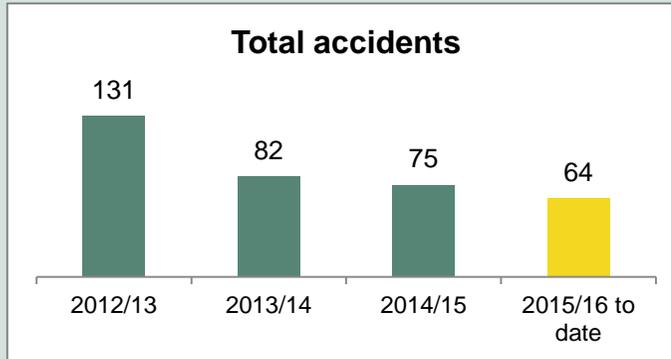
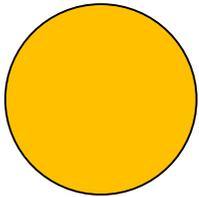
76 outputs for customers – a few examples

Safety 	<ul style="list-style-type: none">▪ Reduce the frequency of staff accidents by 10%▪ Our safety team will educate 400,000 school children about electrical safety
Reliability 	<ul style="list-style-type: none">▪ Reduce the duration of power cuts by 20% & frequency by 13%▪ Implement flood defences at 75 major substations
Environment 	<ul style="list-style-type: none">▪ Reduce the amount of waste sent to landfill by 20% by 2017 (5% per year thereafter)▪ Improve visual amenity in Areas of Outstanding Natural Beauty (AONBs) by undergrounding 55km of overhead lines
Connections 	<ul style="list-style-type: none">▪ Reduce the time to provide new connections by 20%▪ Improve communication with customers, including internet-based quotations and job tracking
Customer 	<ul style="list-style-type: none">▪ Maintain top ranking for customer satisfaction and complaints in our industry▪ Improve communication by providing more proactive calls, text messages and social media updates
Social 	<ul style="list-style-type: none">▪ Contact vulnerable customers to update their records every two years▪ Address fuel poverty by creating referral schemes with partners and helping customers to access support

How we are performing – 2015/16

Safety

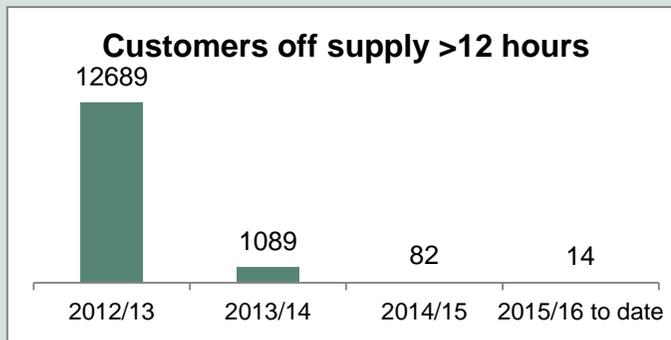
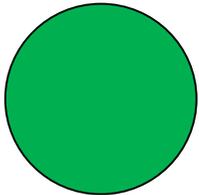
Indicator:



- Behavioural safety training delivered to 1,647 leaders and 2,873 craft staff
- 263 safety education events reaching 50,000 school children

Reliability

Indicator:

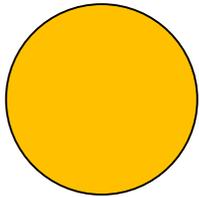


- 89.7% restored within 1 hour of a HV fault
- 3,000 new/upgraded automation schemes
- Flood defences at 3 primary substations (5 more to come this year)
- 502km of trees trimmed to improve storm resilience (72% annual target)

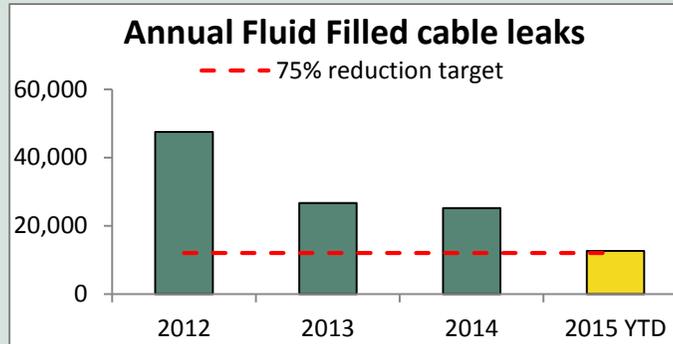
How we are performing – 2015/16

Environment

Indicator:



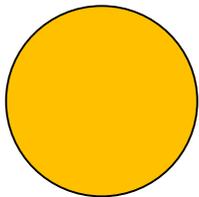
- Roll-out of chemical tracers to speed-up leak-location on oil filled cables



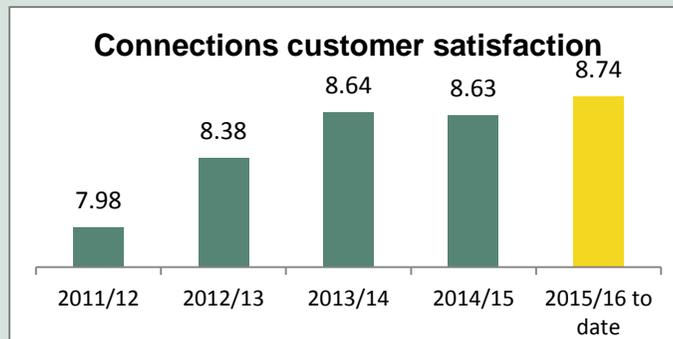
- Waste sent to landfill better than 20% improvement target
- But total Business Carbon Footprint increased in 2014/15

Connections

Indicator:



- Number one in industry for connections customer satisfaction for 4th year, but customers tell us there remain areas for improvement

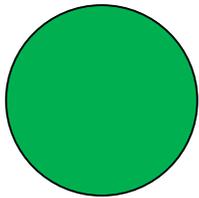


Time to quote (avg. no. of days)		
	LV	HV
WPD	7.86	9.25
Target	7	10
Time to connect (avg. no. of days)		
WPD	46.01	53.52
Target	97.7	139.70

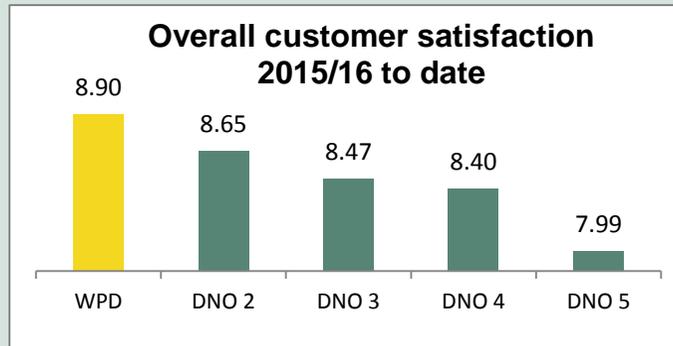
How we are performing – 2015/16

Customer satisfaction

Indicator:



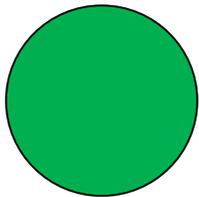
- Ranked number one for interruptions, connections and general enquiries



- 24/7 Twitter and Facebook introduced - over 20,000 tweets year to date
- Huge increase in proactive customer contact during power cuts:
 - 279,856 proactive calls to date
 - 656,334 text messages

Social obligations

Indicator:



- Priority Service Register data cleanse via two dedicated teams - contacted over 350,000 customers and successfully updated 215,000 records

Ofgem Consumer Vulnerability assessment 2015

Category	Score
WPD	8.8
DNO 2	8.1
DNO 3	7.9
DNO 4	7.4
DNO 5	7.1
DNO 6	6.3

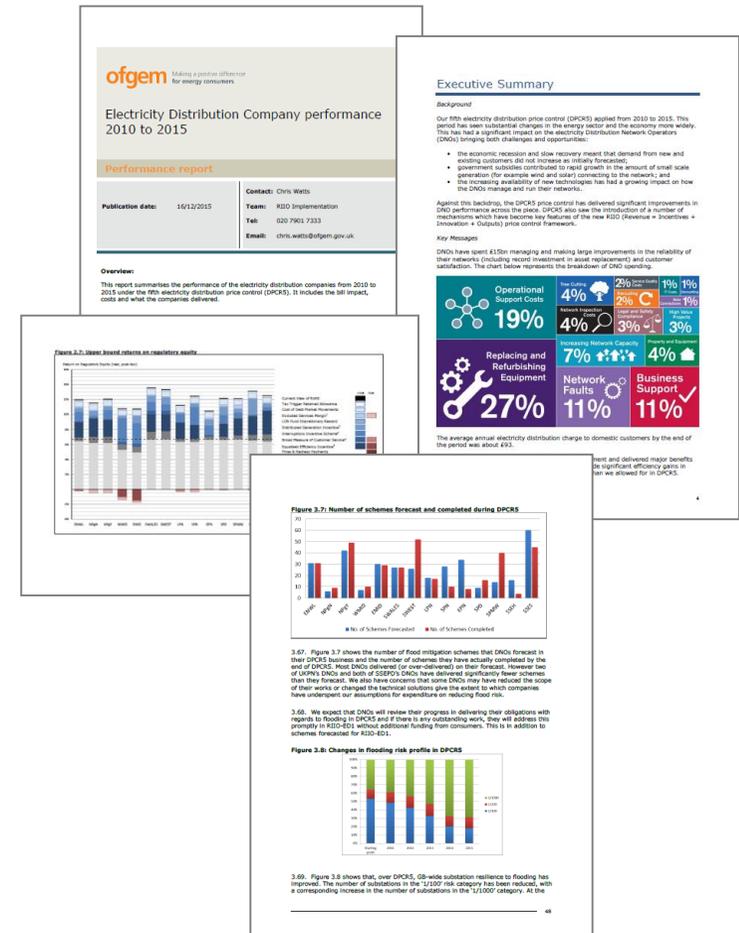
- First utility company in UK to achieve British Standard for vulnerable customers
- Fuel poverty referral schemes supported 5,000 customers to date

Reporting proposals - Ofgem

- Ofgem will publish:

Annual report on DNO performance

- End of each calendar year
- Target audience: general public, politicians, media, energy industry, interested stakeholders (national)
- Focus on cross-sector information:
 - Compare company performance across the six output categories
 - Include financial information
- High and mid-level detail (infographic + annual report commentary)
- Key additional data (e.g. network performance) on Ofgem website
- A summary spreadsheet all DNOs must publish as part their own report

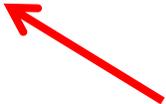


Reporting proposals - DNOs

- Ofgem require all **DNOs** to publish:

Annual Business Plan Commitment Report

- Target audience: general public, politicians, media, energy industry, interested stakeholders (local)
- More detailed information on a per DNO basis
- Report on every Business Plan output (for WPD: 76)
- **No specified format or structure for the report**
- **DNO reporting to be driven by what their stakeholders want**
- Some predefined summary information reported across DNOs using same template for comparative purposes

 We're seeking your views today

Listening to your feedback so far

At our workshops in 2015 stakeholders told us they:

- Are very supportive of a stakeholder report
- Favoured a multi-layered style of reporting

One-page, high-level traffic light summary for all stakeholders

- e.g. Included in WPD annual newsletter to all customers

	West Midlands	East Midlands	South Wales	South West
Network Reliability A combined measure of the average number of times a customer is without their electricity supply in a year (Customer Interruptions) and the average number of minutes that a customer has their supply interrupted (Customer Minutes Lost). Targets exceeded.	●	●	●	●
Environment A range of measures including reduction of waste, CO ₂ emissions and electricity used in offices. Targets met.	●	●	●	●
Connections Our overall performance when providing customers with a new connection as measured against Ofgem's Connection and Distributed Generation Standards of Performance. We achieved the highest success rate of all electricity network companies.	●	●	●	●
Stakeholder Engagement Stakeholder Engagement Award Scheme. We scored 8.05 out of ten, the highest score awarded.	●	●	●	●
Customer Satisfaction Measure of customer satisfaction with our telephone response service and our complaint handling performance. Rated top. No Ombudsman complaints against WPD.	●	●	●	●
Network Outputs Health Indicators Measure of whether we have delivered the network improvement agreed with the energy regulator Ofgem, in terms of our asset replacement delivery, by looking at the overall health of our assets. Targets met.	●	●	●	●

Short (c.20 page) summary document - an overview of the six output categories

- Sent to interested stakeholders. Similar to existing stakeholder reports

Detailed report of performance against targets for all 76 WPD commitments

- Published online. More text-based and data tables. Include high-level impact of expenditure on bills

Workshop 2 – Discussion questions

1. **Is our proposed approach (3 levels of reporting) still correct?**
2. **What do you like / dislike about:**
 - Short summary publication
 - Detailed Business Plan Commitment report

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Electronic voting Workshop 2



Q2. In WPD's summary (20pg) report: What are your top 2 safety topics for inclusion?

WPD's performance in relation to:

1. Compliance with Health and Safety legislation
2. Accident frequency rates
3. Substation security measures
4. Public safety education

Q3. In WPD's summary (20pg) report: What are your top 2 reliability topics for inclusion?

WPD's performance in relation to:

1. Power cut frequency and duration
2. Percentage of customers restored within 1 hour
3. Ofgem Guaranteed Standards failures (e.g. number of customers off supply >12 hours)
4. Worst served customers (experiencing 12 or more power cuts in 3 years)
5. Enhancing network resilience – tree trimming
6. Enhancing network resilience - flooding

Q4. In WPD's summary (20pg) report: What are your top 2 environment topics for inclusion?

WPD's performance in relation to:

1. Facilitating increased volumes of Low Carbon Technologies (e.g. solar PV)
2. Reducing technical network losses
3. Reducing the carbon footprint of the business
4. Reducing the risk of harmful leaks from equipment (e.g. from oil-filled cables)
5. Improve visual amenity in National Parks and Areas of Outstanding Natural Beauty (by replacing overhead lines with underground cables)

Q5. In WPD's summary (20pg) report: What are your top 2 connections topics for inclusion?

WPD's performance in relation to:

1. Time taken to provide quotations and completed connections
2. Customer satisfaction with the connections process
3. Improved communication with connections customers (e.g. improved online services)
4. Engagement with major connections customers
5. Ofgem Guaranteed Standard failures
6. Steps to facilitate a more competitive connections market

Q6. In WPD's summary (20pg) report: What are your top 2 customer satisfaction topics for inclusion?

WPD's performance in relation to:

1. Customer satisfaction results
2. Telephony response (e.g. number of calls, speed of response etc)
3. Improved communication with customers (e.g. social media, online, accuracy of information etc)
4. Consultations and engagement with stakeholders
5. Complaints

Q7. In WPD's summary (20pg) report: What are your top 2 social obligations topics for inclusion?

WPD's performance in relation to:

1. Improving our understanding of vulnerability (e.g. external accreditations)
2. Improving the quality of data about vulnerable customers (held on WPD's Priority Service Register)
3. Improving the support services for customer during power cuts
4. Addressing fuel poverty – WPD's referral schemes and outreach services
5. Data analysis to identify vulnerable customers and to better target services

COFFEE BREAK

Session 3

- Our strategy to 2019 (Business Plan mid-point) is to use our stakeholder workshops to:
 - **Review our long-term priorities**
 - **Explore at least 2 topics a year in-depth**
- Some topics lend themselves to immediate action
- Others require more of a “watching brief” for now (e.g. dependence on external factors)
- **This year: ‘Smart networks’ and ‘Affordability’**
- Why these two?
 - A balance between development of future network management and immediate social considerations
 - Areas of significant development in the last year
 - Provide interest for our diverse range of stakeholders

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Session 3a: **Spotlight on a key strategic priority** *- Smart Networks*

Nigel Turvey
Network Strategy & Innovation Manager

This session

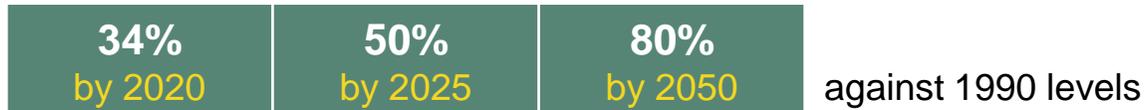
- What is a smart network?
- The challenges of the low carbon economy
- The impact of increasing distributed generation on our network
- Our changing role
- How we are planning for the longer term
- Your views

What is a smart network?

Short video

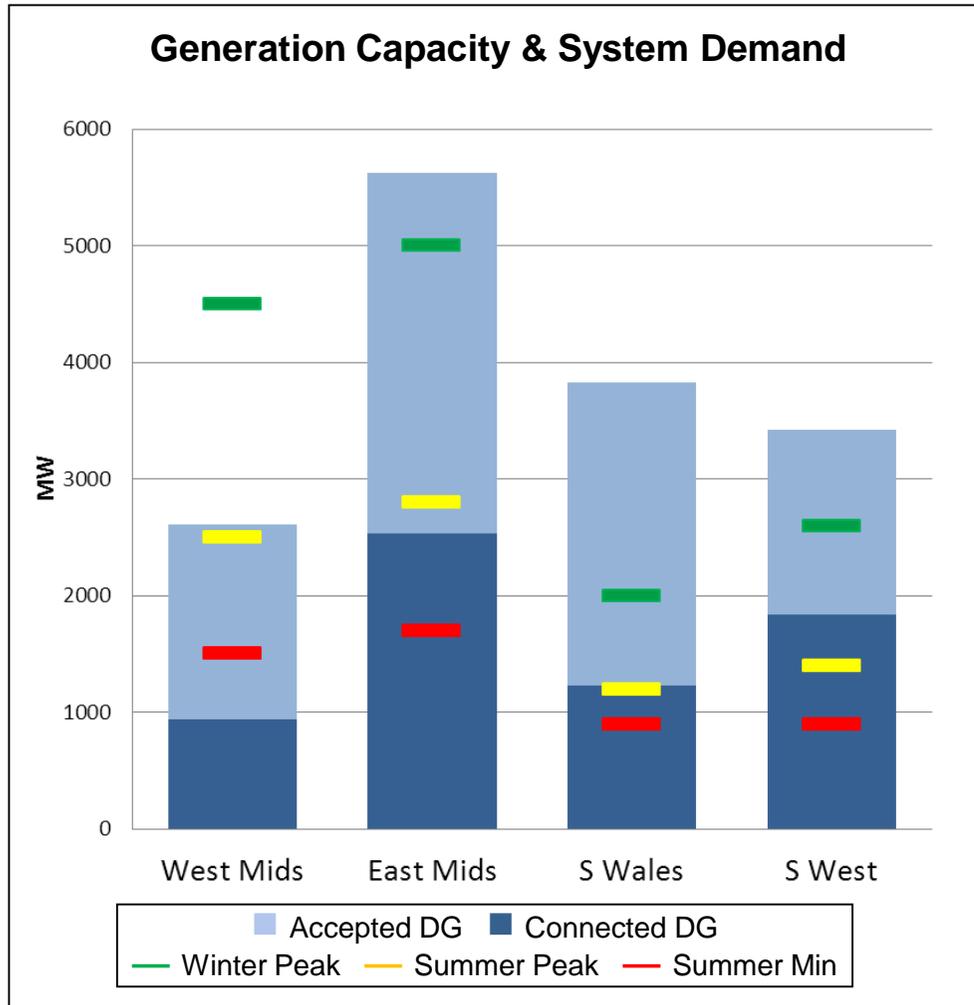
The challenge of the low carbon economy

- **UK's CO2 emissions reduction targets** – legally binding

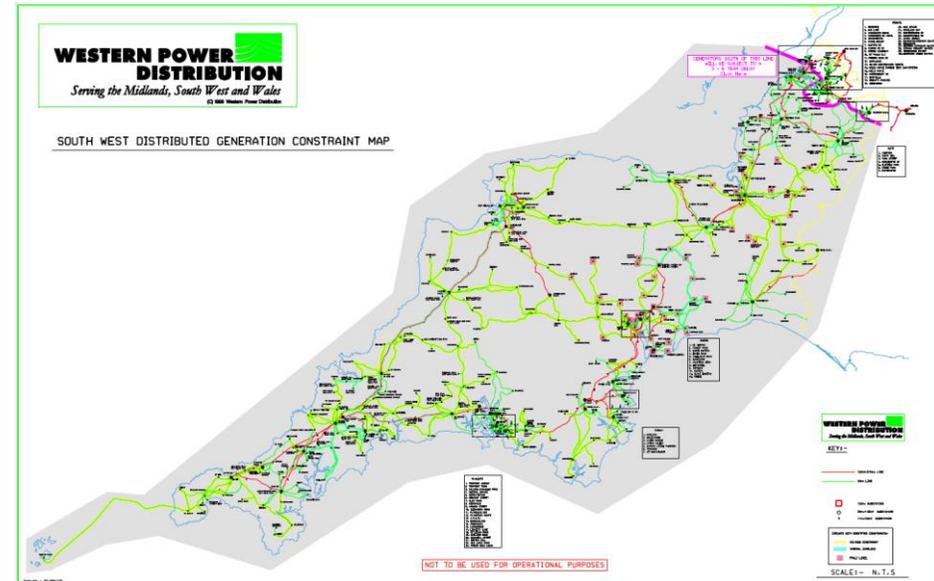


- **Security of UK's energy supply**
 - Increasing low carbon (LC) generation connected at distribution level
 - Greater emphasis on storage and demand side response (DSR)
- **Affordable low carbon transition**
 - Distribution networks not designed to accommodate local LC generation and demand
 - Uncertainty about location, timing and impact
 - How to move to a smart network without the risk of stranded assets

The challenge for our network

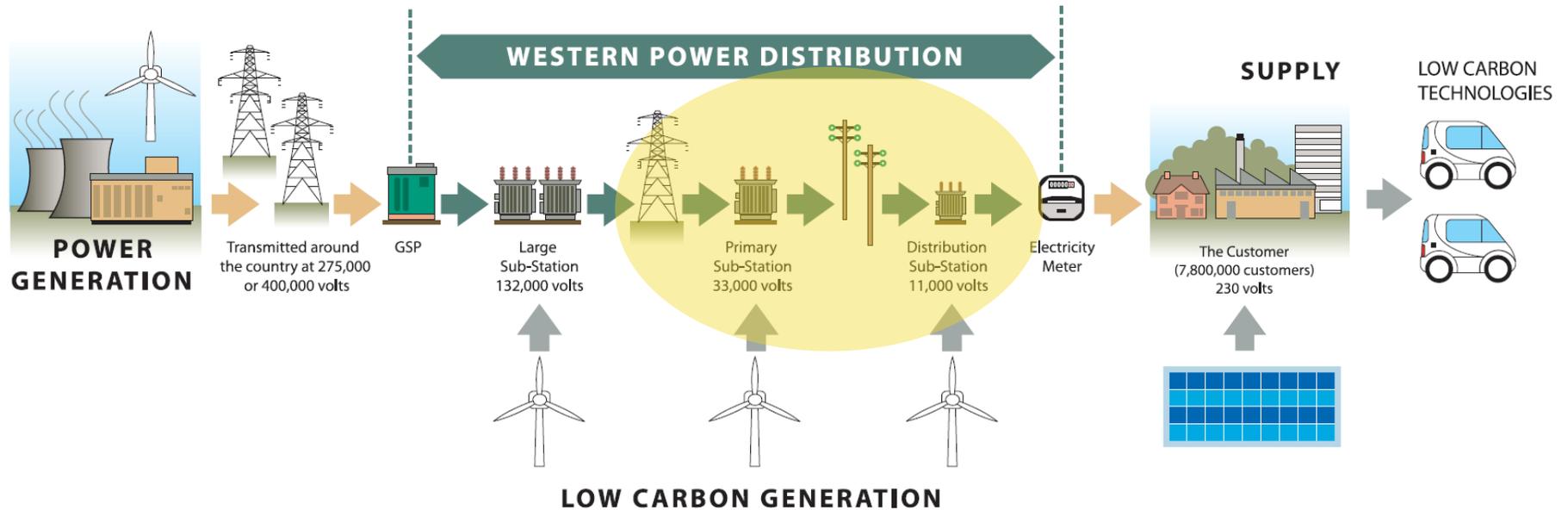


- There are now many constraints across WPD - maps published online



The challenge for our network

- Voltage rise/drop
- Two-way power flows
- Thermal capacity
- Fault level
- Equipment suitability



What does a smart network require WPD to do?

- Moving from operating a passive network to a smart network (known as DSO) is a substantial change, requiring many new capabilities

E.g:

- Understanding historic and real time energy flows
- Forecasting future energy volumes across the network
- Actively reconfiguring the system dependent on need
- Commercial arrangements to contract services such as DG, active demand, storage
- Coordinating DSO operations with the National Grid (SO) and potentially providing services

We have therefore developed a strategy, to address five key areas:

- **Data integrity**
- **Market Integration**
- **IT Systems**
- **Customer propositions**
- **Equipment**

1. Data integrity

- A smart network requires new and different data to that collected at present
 - Including historic & real-time visibility at all voltage levels
 - A single data-set is needed for asset, operational and mapping purposes
 - It would need to be in a common format (so it can be shared between parties)
- To aid future forecasts and investment decisions, improved energy profiles are needed
 - Move from MW to MWh based forecasts
- As local (low voltage) networks move from 'passive' to 'active' new data and innovative techniques are needed for modelling purposes
- The availability of better data will help customers use the network more flexibly

2. Market integration

Markets have an important role in allowing a network to operate more flexibly:

- WPD energy scenarios are being developed to support future network decisions
 - Aligned with National Grid scenarios but adjusted for local factors
 - The interface with National Grid is of paramount importance
- It is proposed to use WPD's scenarios to develop a distribution-focused version of National Grid's "System Operability Framework" (SOF)
 - Assess distribution issues that arise from the different scenarios
 - Identify future issues to inform market participants of future restrictions or to highlight a need for ancillary services
- Network charging arrangements may need a fundamental review to support locational and time-of-use pricing

3. IT systems

- New or enhanced IT systems needed to process greater volumes of data more frequently
 - Enhanced power system analysis and modelling capability (for steady-state, faults and future energy scenarios)
- Energy management, forecasting, despatch and settlement functions
- Improved network connectivity
- Billing systems may need development to support locational or time of use pricing
 - Consider social implications of change from current “postage stamp” approach

4. Customer propositions

- Propositions for Demand Side Response (DSR) services should be developed for each customer group to ensure all customers can participate
- Further trialling of DSR propositions is proposed for DG, demand shifting and storage
 - Testing direct payments and tariff options
- Customers could benefit from
 - Lower cost or quicker connections
 - Direct payments for adjusting their network usage
 - Reduced network charges (for half hourly metered customers)
 - Innovative energy services

5. Equipment

- It is important we develop and test technology to support future DSO operations
- Further work is planned in the areas of:
 - Telecommunication links for collection of time-series data and control of generation and storage
 - Intelligent switchgear and control equipment
 - Metering solutions for billing and settlement purposes
 - Active Network Management and system control equipment

Workshop 3a – Discussion questions

1. Do you understand what a smart network is, and what its advantages are?
2. Have WPD correctly identified the key issues in transitioning to be a smart network?
3. What do you think of WPD's 5 strategy areas?
4. How should WPD engage with stakeholders on this issue in the future?

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Electronic voting Workshop 3a



Q8. What do you think are the top 2 benefits of smart networks?

(Please vote for 2 separate benefits)

1. It reduces costs to energy producers
2. It equips the grid to meet increasing demand
3. It facilitates broad-scale electric vehicle charging
4. It gives customers better control over their energy bill
5. It facilitates innovative energy services
6. A better more up to date infrastructure
7. It facilitates renewable power connections
8. It maintains our global competitiveness

WESTERN POWER **DISTRIBUTION**

Serving the Midlands, South West and Wales

Session 3b: **Spotlight on a key strategic priority** *- Affordability*

Alex Wilkes
Stakeholder & Social Obligations Manager

This session

- Why 'affordability' is a WPD strategic priority
- Stakeholder feedback so far
- The last 12 months – WPD's programme so far
- Proposed next steps
- Your views

Context

- Historically we have focussed on those who are more vulnerable during a power cut (e.g medical dependencies on electricity)
- Ofgem and stakeholders tell us vulnerability is not limited to those on our Priority Service Register
- Fuel poverty is a serious issue and can be caused by a number of factors:
 - Low income
 - High energy prices
 - Poor energy efficiency
 - Old age
- **A household is defined as fuel poor if:**
 - **Their required fuel costs are above national average**
 - **By spending that amount, they will be left below the official poverty line**
- There is a role for us in tackling fuel poverty, but we know we must not lose sight of our core purpose to deliver safe and reliable supplies to our 7.8m customers

Affordability - A political & regulatory priority

- Cost of living has increased for many households in Britain, with energy prices a factor
- Affordability remains a key government energy policy objective¹
- Affordability is a key aspect of Ofgem's Consumer Vulnerability Strategy
- Ofgem have clearly stated there is a role and responsibility for networks in achieving these objectives

Ofgem's vulnerable customer strategy

- Ofgem state: *“Vulnerability is about the situations in which consumers are in, rather than about the individual per se”*

“Vulnerability can manifest itself in a number of ways, such as struggling to manage energy bills, having less choice available, or less ability to make effective choices. A wide range of factors can exacerbate vulnerability”

- Ofgem and stakeholders tell WPD our core focus should be on the Priority Service Register
- But considering “situations” leads us to wider vulnerability factors including fuel poverty
- Vulnerability to a power cut and fuel poverty are separate issues, but for some customers there can be a correlation
 - E.g. fuel poverty can impact ability to heat home. A cold home can be detrimental to health
- We do not cause these situations but are uniquely placed to help address them

Stakeholder feedback - separate 'Vulnerability' & 'Affordability'

- This was the clear message from WPD's stakeholders
- There will always be a linkage between the two:
 - Considered together under Business Plan output areas set by Ofgem: 'Social Obligations'
 - Assessed under the same Ofgem incentive scheme: 'Consumer vulnerability'
 - Efficient project delivery e.g. PSR cleanse may lead to fuel poverty referral
- But we've listened and our social obligations strategy is weighted accordingly:

WPD Priority Service Register (PSR)

- Relevant eligibility criteria
- Clear range of services offered
- Variety of methods to identify customers & promote the PSR

Improve our understanding of vulnerability

Improve the accuracy of the data held on the PSR

Improve the services for vulnerable customers in relation to power cuts

Address fuel poverty by helping customer to access support

Stakeholder feedback – WPD’s role in ‘affordability’

You said... 

- Affordability is a strategic priority for WPD and we have a role, but we must not:
 - **Deviate too far from our core distribution responsibilities**
 - Any fuel poverty services must retain clear links to our primary objective to support people who are vulnerable to power cuts
 - **Duplicate the services of others**
 - Facilitate support but don’t deliver services direct/in-house
 - **Waste money**
 - Define clear benefits and outcomes for projects

WPD's approach to fuel poverty

Our social obligations strategy:

Improve our understanding of vulnerability

Improve the accuracy of the data held on the PSR

Improve the services for vulnerable customers in relation to power cuts

Address fuel poverty by helping customer to access support

- Fuel poverty is a new area for WPD, so we've worked hard with stakeholders to define what our approach should be:

WPD will develop, and participate in, referral networks to provide fuel poverty services for vulnerable households

5 key areas:

- Identify **expert partners** & existing fuel poverty schemes
- Target projects to areas with **highest fuel poverty rates**
- Ensure projects **tackle the root-causes** of fuel poverty
- Ensure end-to-end ownership** and defined outcomes for referrals
- Pilot projects before upscaling to **business as usual**

WPD's approach – developing referral networks

- In 2014 we created a pilot scheme with Citizens Advice (Coventry)
 - It delivered 694 referrals, £33k savings for customers
- This taught us that all future projects must:

❑ Be capable of delivering 5 interventions:

1. Income maximisation
2. Tariffs
3. Energy efficiency measures
4. Boiler replacements and heating technologies
5. Behavioural changes

❑ Operate cost effectively

- Cost per referral <£120, so we can cost benefit the outputs

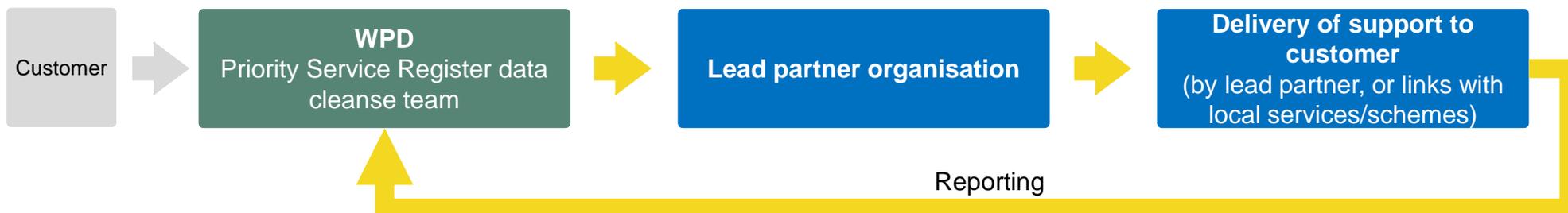
❑ Follow the same delivery model

- Work with one lead partner – to receive referral from WPD, contact customer to assess needs, report outcomes for all
- Number of 'local services/schemes' to support delivery



WPD's referral networks – Approach 1

“Power Up” fuel poverty referral schemes



- 2015 performance:

		
Midlands: Birmingham/Stoke	South Wales: Cardiff/Swansea	South West: Bristol/Somerset
978 referrals	1,669 referrals	2,074 referrals
£224k total savings	£354k total savings	£174k total savings

WPD's referral networks – Approach 2

“Affordable Warmth” collaboration



- 2015 performance:

	
	
West Midlands	
665 customers supported	
£127k total savings	
500 PSR referrals back to WPD	

Next steps

WPD planned actions

- Develop a new 'Power Up' referral scheme for the East Midlands
- Introduce monthly satisfaction research with supported customers
- Expand the existing 'Affordable Warmth' project in West Midlands
- Develop new 'Affordable Warmth' projects (e.g. x3 E.Mids, S.Wales, S.West)
- Develop a competition for existing schemes to bid for partnership funding
 - E.g. Innovative projects in areas of network constraint and high fuel poverty

More	About right	Less

Ideas from other DNOs

- Partnerships with Gas Distributors to send referrals for recipients of Gas Connection Vouchers
- Fuel poverty outreach projects via food banks
- Bi-annually refresh our social indicator mapping – to better target schemes
- Energy efficiency surgeries & community projects to encourage customers to lower energy consumption
- Energy efficiency funds (local communities)

Yes	Not sure	No

Workshop 3b – Discussion questions

1. What do you think of WPD's current approach and the projects so far?
2. What do you think of WPD's proposed next steps?

- On each WPD proposed action

More	About right	Less

- On each wider-DNO 'best practice' actions

Yes	Not sure	No

Q9. Of the WPD proposed actions what are your top 2 priorities?

(Can vote for 2 separate actions, or for 1 action twice)

1. Develop a new 'Power Up' referral scheme for the East Midlands
2. Introduce monthly satisfaction research with supported customers
3. Expand the existing 'Affordable Warmth' project in West Midlands
4. Develop new 'Affordable Warmth' projects (e.g. x3 E.Mids, S.Wales, S.West)
5. Develop a competition for existing schemes to bid for partnership funding

Q10. Of the wider-DNO actions, do you think WPD should implement these?

- A. Partnerships with Gas Distributors to send referrals for recipients of Gas Connection Vouchers
- B. Fuel poverty outreach projects via food banks
- C. Bi-annually refresh our social indicator mapping – to better target schemes
- D. Energy efficiency surgeries & community projects to encourage customers to lower energy consumption
- E. Energy efficiency funds (local communities)

No (Vote "1")	Maybe (Vote "2")	Yes (Vote "3")

LUNCH

Workshop 4 – this afternoon

A choice of three sessions:

Table 1: Connections Improvement Plan

Table 2: Social obligations (vulnerability & fuel poverty)

Table 3: The role of a Distribution System Operator (smart networks)

INFORMATION FOR STAKEHOLDERS

Thank you for attending

- Slides and feedback will be posted on the website www.westernpower.co.uk
- We would appreciate feedback on any of the areas discussed today. Please contact:

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