

Stakeholder engagement workshops

Co-creating our Business Plan Commitments for 2023-2028

February & March 2020

**WESTERN POWER
DISTRIBUTION**

Serving the Midlands, South West and Wales

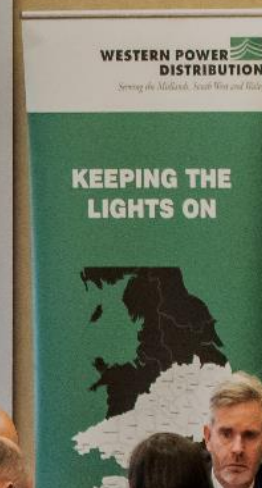


1. OUTCOMES: QUESTIONS

WPD needs to communicate in a way that helps stakeholders to understand what we commit to deliver:

- Are WPD's six strategic outcomes still appropriate – are there any missing?
- Do you agree with how we propose to structure our strategic outcomes under Ofgem's new categories?

Meet the needs of consumers and network users	Maintain a safe and resilient network	Deliver an environmentally sustainable network
All customers in vulnerable situations supported	A safe and secure network for all (public and staff)	A smart, flexible & interconnected network (that is future proof)
Information accessible easily (A in the format customers want)	Keeping the lights on (with lowest ever levels of power cuts)	
Efficient, value for money service (with the lowest possible bills)		



**POWER CUT?
CALL 105**



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Housekeeping



Overview and purpose of the day

Who we are

- We operate the local electricity network, distributing power to nearly 8 million homes & businesses
- Covering the East and West Midlands, South Wales and South West England

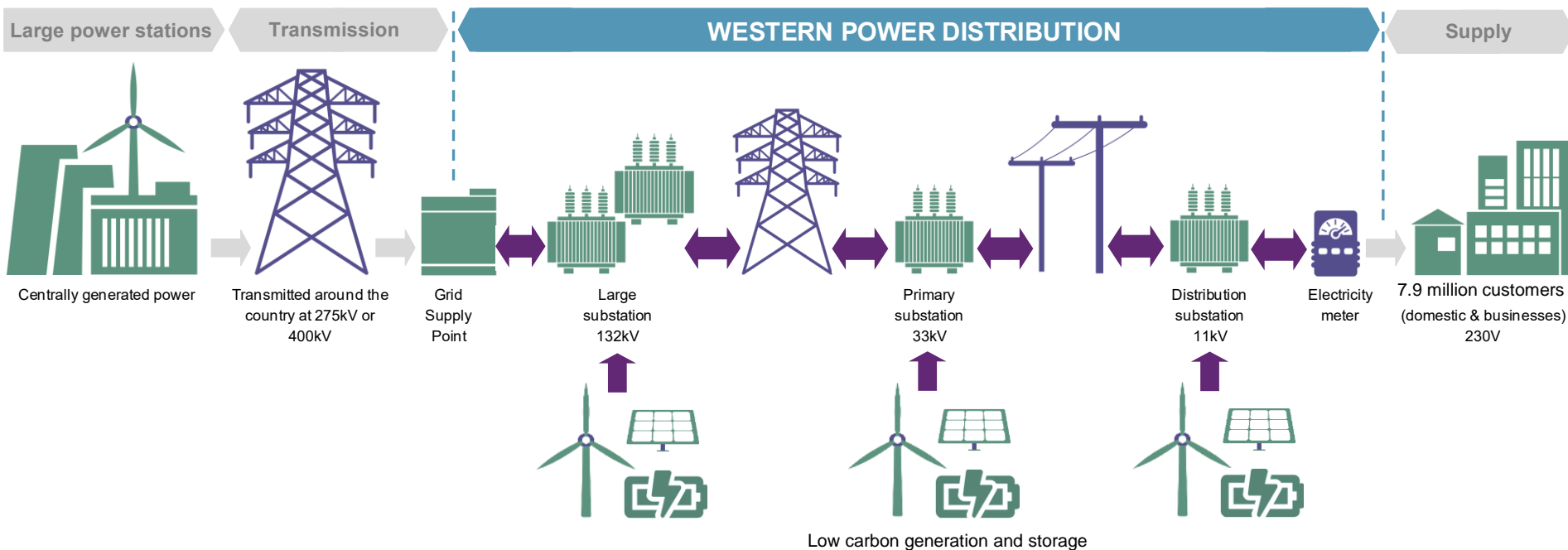
Network assets

Cables and overhead lines	225,000 km
Poles and towers	1,389,000
Transformers	188,000



Who we are

- We operate the local electricity network, distributing power to nearly 8 million homes & businesses
- Covering the East and West Midlands, South Wales and South West England
- A Distribution Network Operator (DNO) including a Distribution System Operator (DSO)



What we do



Keep the lights on

by operating our network assets effectively



Maintain equipment

so that the network remains reliable



Fix the network

if equipment gets damaged or is faulty



Connect customers

by upgrading existing networks or building new ones



Operate a smart system

by managing two-way power flows and flexibility services



Business planning process

You are a WPD customer if you live or work in our region:

- **Ofgem** regulates how much revenue we can earn and what we must deliver
- **Price controls** are set by Ofgem to determine how much we can spend and what customers will receive as a result
- Our **Business Plan** sets out, in detail, our commitments to stakeholders, performance targets and planned investment and expenditure
- **2023-2028**, the next Business Plan period, will run for 5 years and is called “RIIO-ED2”



“RIIO-ED2”:
Revenue = Incentives + Innovation + Outputs
(Electricity Distribution 2)



Co-creating our Business Plan with you

Engagement with our stakeholders is essential at every stage

We will:

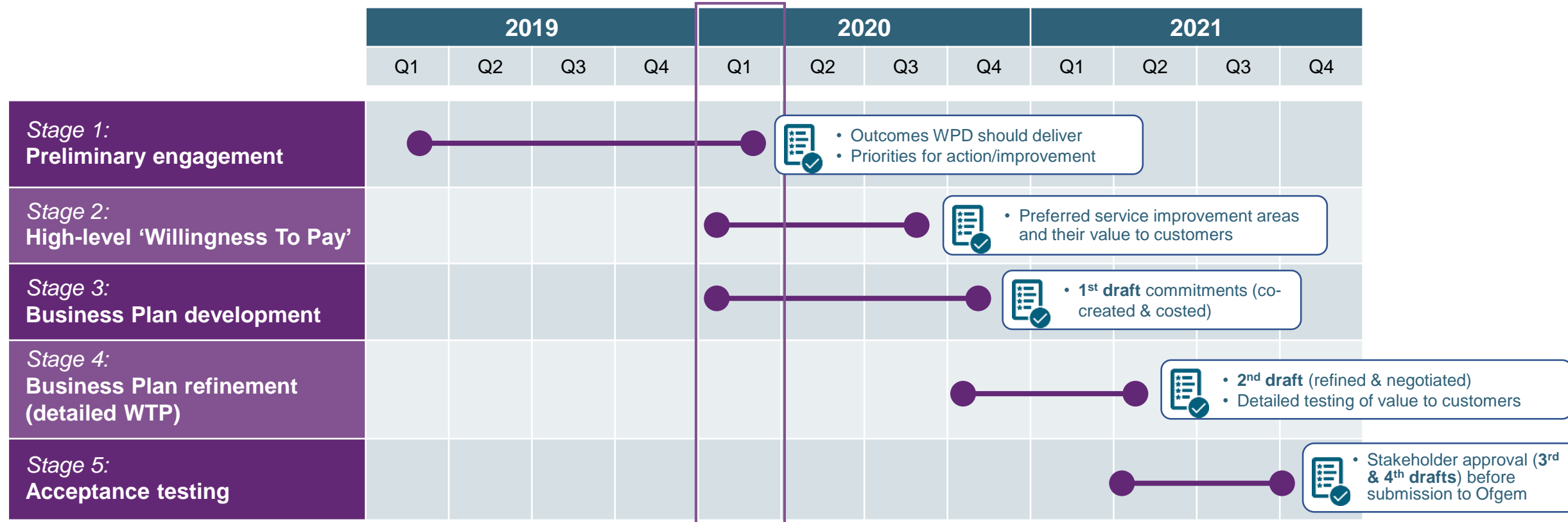
- Build our plans with you from scratch – “a blank sheet of paper” starting from your priorities
- Deliver a Business Plan that’s created with stakeholders, not just amended following their feedback

OTHERS			WESTERN POWER DISTRIBUTION <i>Serving the Midlands, South West and Wales</i>	
Inform	Consult	Involve	Co-create/collaborate	Negotiate
<i>“tell you about plans or proposals” Opportunities to make comments on pre-written commitments, without the opportunity to shape these from scratch</i>	<i>“inform, work with you to acknowledge concerns, be open to your influence, and should feed back on how input has influenced outcome”</i>	<i>“inform, ensure that your concerns are directly reflected in alternatives developed and will provide feedback on how input has influenced outcome”</i>	<i>“We will look to you for advice and innovation in formulating solutions. We will incorporate your advice into the decision-making process to the maximum extent possible”</i>	<i>“We will implement what you decide”</i>



Our engagement timetable

We will build our plan with stakeholders, from scratch, via 5 stages



Preliminary engagement - 2019

We consulted 2,058 stakeholders specifically on our Business Plan last year

Q: “What are your overall priorities?”

- 15 unique engagement events including: workshops, surveys, research events, online panels, focus groups and conferences
- Mixture of end users (with little prior knowledge) and future customers, through to stakeholders with high knowledge/interest of the industry
- In stakeholders’ own words, there are 14 headline priority topics for WPD to address and build commitments against in our Business Plan:

Topic

Network reliability (day to day)

Including: Network reinforcement

Network resilience (to severe weather)

Including: Scenario planning

Cyber resilience

Whole systems approach to net zero

Including: Future energy scenarios; Supply-demand forecasting

Innovation and new services

Including: Building a smarter network; Network flexibility; Industry collaboration

Electric vehicles

Environment

Vulnerability

Fuel Poverty

Affordability

Including: Value for money; Social contract

Safety

Connections

Workforce resilience

Customer service*

+66 starter suggestions for priorities and actions to consider within these topics...

...that we'll share with you today



Today's format – co-creation workshops

Q: “What commitments do you want us to deliver?”

- Today's format will be a little different to our usual approach:

Workshop One		Workshop Two		Afternoon focus groups
Topic group 1a	Topic group 1b	Topic group 2a	Topic group 2b	
<ul style="list-style-type: none">• Network reliability• Network resilience (to severe weather)• Cyber resilience	<ul style="list-style-type: none">• Whole systems approach to net zero• Innovation and new services	<ul style="list-style-type: none">• Electric vehicles• Environment	<ul style="list-style-type: none">• Vulnerability• Fuel Poverty	<ul style="list-style-type: none">• Safety & health• Connections• Workforce resilience• <i>Plus</i> “Digitalisation, Data & DSO” strategy development

- **A short context presentation:** “The landscape we expect to operate in during RIIO-ED2”
- **Facilitated round-table discussion to:**
 - Tell us your priorities in each topic
 - Review the priorities other stakeholders have told us
 - Begin to draft the commitments you would like WPD to deliver
- **During each workshop the room will be split:**
 - Between the two topic groups, with a swap at half way
 - As well as giving your views, you can review and refine suggestions made by others



Next steps



How we'll use your feedback:

