

# 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*

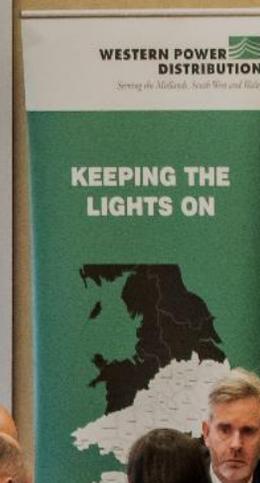
## 1. OUTCOMES: QUESTIONS

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 (& 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)		

WESTERN POWER DISTRIBUTION



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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

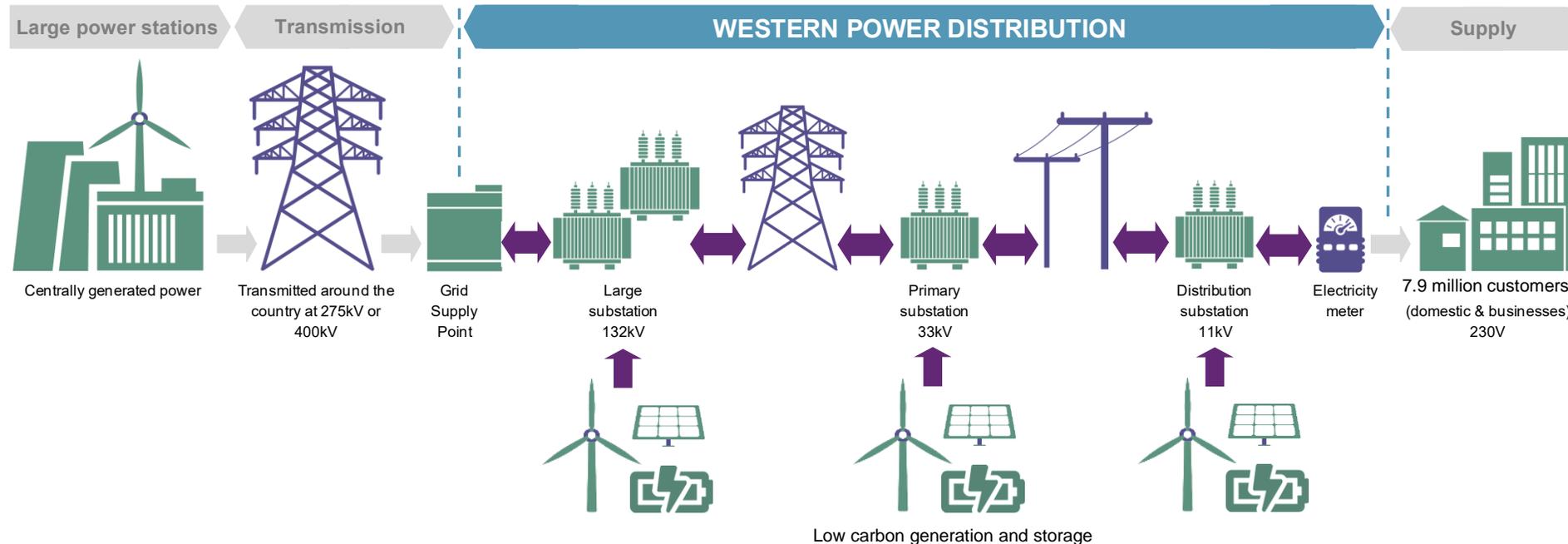
## Network assets

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

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## 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

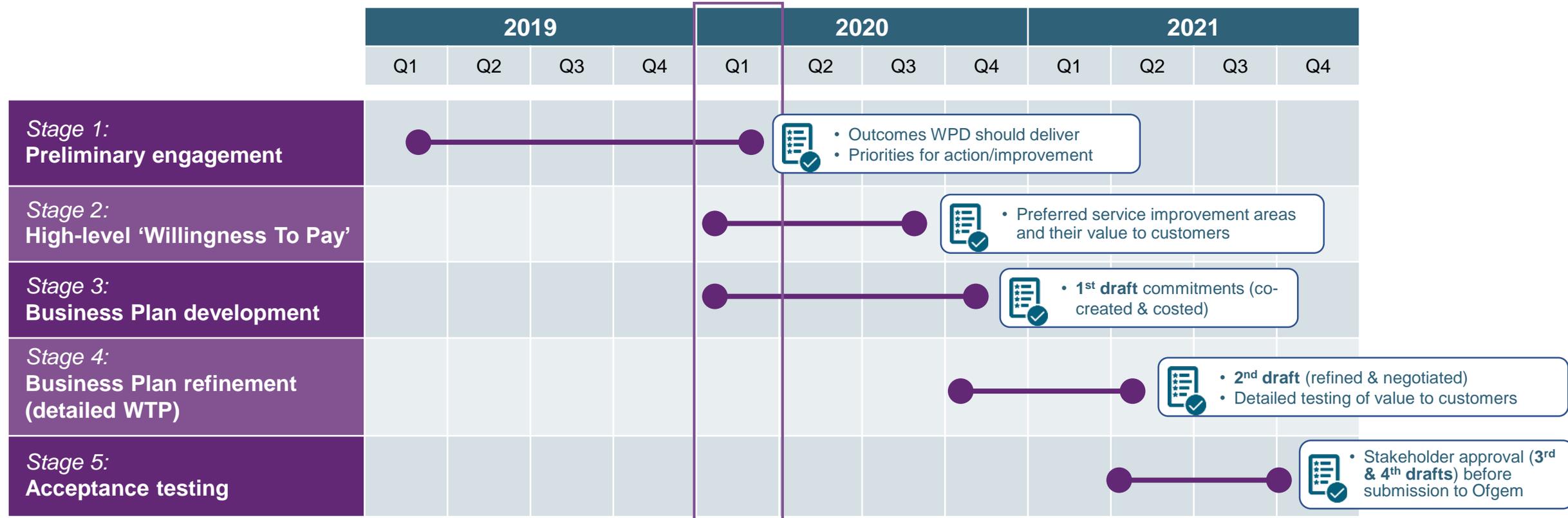


Inform	Consult	Involve	Co-create/collaborate	Negotiate
<p><i>“tell you about plans or proposals”</i></p> <p><i>Opportunities to make comments on pre-written commitments, without the opportunity to shape these from scratch</i></p>	<p><i>“inform, work with you to acknowledge concerns, be open to your influence, and should feed back on how input has influenced outcome”</i></p>	<p><i>“inform, ensure that your concerns are directly reflected in alternatives developed and will provide feedback on how input has influenced outcome”</i></p>	<p><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></p>	<p><i>“We will implement what you decide”</i></p>



# 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	
<b>Network reliability (day to day)</b> <i>Including: Network reinforcement</i>	<p>+66 starter suggestions for priorities and actions to consider within these topics...</p> <p>...that we'll share with you today</p>
<b>Network resilience (to severe weather)</b> <i>Including: Scenario planning</i>	
<b>Cyber resilience</b>	
<b>Whole systems approach to net zero</b> <i>Including: Future energy scenarios; Supply-demand forecasting</i>	
<b>Innovation and new services</b> <i>Including: Building a smarter network; Network flexibility; Industry collaboration</i>	
<b>Electric vehicles</b>	
<b>Environment</b>	
<b>Vulnerability</b>	
<b>Fuel Poverty</b>	
<b>Affordability</b> <i>Including: Value for money; Social contract</i>	
<b>Safety</b>	
<b>Connections</b>	
<b>Workforce resilience</b>	
<b>Customer service*</b>	

\* Viewed by stakeholders as a “golden thread” to run throughout WPD’s delivery of the 13 topics above

# 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"> <li>• Network reliability</li> <li>• Network resilience (to severe weather)</li> <li>• Cyber resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Whole systems approach to net zero</li> <li>• Innovation and new services</li> </ul>	<ul style="list-style-type: none"> <li>• Electric vehicles</li> <li>• Environment</li> </ul>	<ul style="list-style-type: none"> <li>• Vulnerability</li> <li>• Fuel Poverty</li> </ul>	<ul style="list-style-type: none"> <li>• Safety &amp; health</li> <li>• Connections</li> <li>• Workforce resilience</li> <li>• <i>Plus</i> “Digitalisation, Data &amp; DSO” strategy development</li> </ul>

- **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:

