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DSO Strategy and Connections
Strategy Workshop – Feedback Report

12 February 2021



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Introduction

On 12 February 2021, Western Power Distribution (WPD) hosted a workshop to seek feedback from its stakeholders on the following topics: WPD’s DSO Strategy and WPD’s Connections Strategy.

Because of Covid-19 restrictions, the workshop was hosted online. It consisted of short presentations given by WPD representatives, each followed by round-table discussions. Stakeholders were also asked to indicate their views on a range of proposals for the Business Plan using Slido, an electronic voting system, which allowed WPD to obtain quantitative as well as qualitative feedback.

The workshop was split into three main sessions. These are shown below:

- **Workshop One: DSO planning and network development**
- **Workshop Two: DSO market facilitation**
- **Workshop Three: Connections**

WPD had recently published the first draft of its Business Plan for 2023–2028, which contains 67 core commitments. As part of its Business Plan requirements, Ofgem has requested all DNOs to develop a set of individual strategies and action plans for key topics – known as ‘delivery strategies’ – to ensure that they are delivering on stakeholders’ expectations and to demonstrate that they will meet the baseline requirements set by the regulator. This workshop focused on two of these delivery strategies, namely DSO and connections.

WPD instructed EQ Communications, a specialist stakeholder engagement consultancy, to independently facilitate the workshops and to 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 each stakeholder represents.

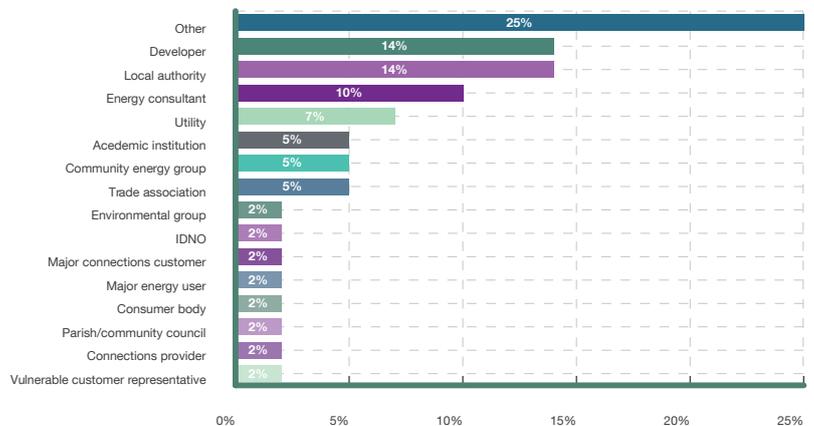
[The full presentation can be found here.](#)

Executive Summary

Participants

- A total of 63 stakeholders participated in the workshop, representing 56 organisations. The full list of attendees can be found in Appendix 1.
- 14% of participants represented developers, and a further 14% were local authority representatives. 10% of stakeholders described themselves as energy consultants, while 7% were from utilities companies.
- The most relevant regions to stakeholders were the South West region (66%) or the West Midlands region (66%), followed by the East Midlands (55%).
- 17% of attendees who filled out a feedback form told us that they found the workshop to be ‘very interesting’, with 83% opting for ‘interesting’. The full findings from the feedback on the workshop can be found in Appendix 2.

What type of stakeholder are you?



Which WPD region is relevant to you?





Workshop One

DSO planning and network development

The event began with an introduction from Richard Allcock, Stakeholder Engagement Manager at WPD. Richard gave an overview of WPD's stakeholder engagement programme and the business planning process for RIIO-ED2. Paul Jewell, System Development Manager, then delivered the first session of the day.

- Stakeholders gave a broad range of reasons for attending. This included among other things an interest in: connecting to the grid (community energy groups and major connections customers) WPD's overall connections strategy; ensuring no one is left behind in the smart energy transition; and flexibility services.
- Stakeholders discussed WPD's approach to network monitoring in ED2. 40% of attendees felt that WPD should opt for the most ambitious approach (option 4) for substation monitoring. However, a very similar proportion (39%) were in favour of a more cautious approach (option 2), noting that the monitoring programme could be rolled out further in future if successful and financially sound. Only monitoring smart meter data was currently seen as unviable given the persistently low uptake of smart meters, with just 7% of stakeholders supporting this option. However, smart meter monitoring was seen as a cost-effective option that would grow in importance in future.
- Many stakeholders felt that WPD should go as far as possible in its approach to energy efficiency, with the majority (57%) supporting option 4 (develop an energy-efficient demand reduction offering and actively support uptake). Moreover, 43% strongly agreed it should be WPD's role to proactive promote and encourage energy efficiency in ED2 and 32% agreed. However, a small but not insignificant proportion (17%) felt that it was not WPD's role and, in the discussions, suggested this should be left to organisations that already have an established line of communication with consumers.



Workshop Two

DSO market facilitation

The second session was also delivered by Paul Jewell. The key points from the breakout discussions can be summarised as follows:

- Stakeholders discussed the domestic flexibility market, with most (58%) feeling confident that it could be established during the next price control period, ED2 (2023–2028), and a smaller proportion (37%) feeling that it would likely be established in ED3 (2028–2033). It was commented that the technology and financial incentives that are currently available are not sufficient to facilitate the flexibility market, and this issue is compounded by a lack of public awareness about the benefits of flexibility services.
- To establish the domestic flexibility market, it was felt that WPD would need to ensure that its customers actively participate in flexibility services, which would require a targeted outreach and engagement strategy tailored to the specific needs of each customer demographic. However, regardless of customer type, attendees felt that WPD would need to communicate ease of use to all its customers.
- An overwhelming proportion of attendees (72%) agreed or strongly agreed that WPD should actively facilitate the domestic customer flexibility market, although some questioned whether this is really within WPD's remit and felt that suppliers are naturally more involved in the consumer side of energy. Nonetheless, there was consensus that WPD has a responsibility to help its customers reduce demand, for example, by offering practical and digestible energy saving tips.



Workshop Three

Connections

The third and final session of the day was presented by Tim Hughes, Connections Policy Manager. The key feedback from the breakout discussions was as follows:

- Under Connections Principle 1, stakeholders discussed two of Ofgem’s baseline expectations. The first related to the provision of up-to-date and relevant information to enable a connection customer to decide whether and where to connect. On this point, stakeholders called for greater detail on the connections portal about upgrades and spare capacity, stressing that data needs to be timestamped to be relevant. It was noted that the online tool is currently quite clunky and could be made more user-friendly. A second baseline expectation in this area was also discussed relating to the provision of support to connections customers through appropriate channels, including surgeries. Stakeholders supported having a single point of contact for connections applications, highlighted the need for human interaction and felt that WPD could potentially adopt more of an education role in this area, especially for new customers.
- Under Connections Principle 2, stakeholders discussed a further two baseline expectations. The first related to having a clear and simple connections process, and the second related to having processes in place to enable customers to identify how they can make changes to their connection requirements. In the first area, stakeholders called for greater transparency around pricing and supported the idea of an online progress tracker for connections. They were keen to receive more detail on this, particularly around what WPD would class as ‘progress’ and the specific milestones within the tracker. In relation to the second baseline, attendees discussed the importance of knowing the tipping points for applications and suggested that less formal engagement at an earlier stage on potential connections applications would be helpful.
- Lastly, under Connections Principle 3, stakeholders covered just one baseline expectation, which requires DNOs to have processes in place for releasing capacity that is not being used. It was suggested that WPD could introduce a system of prioritisation for time-sensitive connections applications and seek to obtain greater detail on development plans to ensure that capacity is not reserved unnecessarily.



Workshop One

DSO planning and network development

Summary

Paul Jewell detailed WPD's transition to a DSO, which involves three key roles: 'network operation', 'planning and network development', and 'market development'. Spanning the three roles for DSO are 40 different baseline requirements for ED2, set by the regulator. WPD was particularly interested in testing its direction for 'planning and network development' and 'market development', which formed the basis of the first two workshop sessions. In terms of planning and network development (Workshop One), Paul presented stakeholders with various options for monitoring at low-voltage domestic customer level and energy efficiency, asking stakeholders what they thought of WPD's approach in these two areas.

REASONS FOR ATTENDING

Stakeholders gave a broad range of reasons for attending the workshop. Community energy groups wished to discuss specific connection problems, while major connections customers and developers, who were already familiar with the connections process, were interested in learning about WPD's strategy in more depth, including with regard to capacity constraints and cross-industry working practices. In the longer term, local authorities and environmental groups were interested in how WPD plans to ensure that fuel-poor and vulnerable customers are included in the smart energy transition, which would require network data to be harnessed.

Some stakeholders, including infrastructure service providers and software engineers, were approaching the event from a slightly different angle, as contractors for WPD as opposed to customers. Other areas of interest included flexibility services, data sharing, demand reduction, renewable generation schemes for agriculture, town planning and the shape of the future network, particularly for large energy users.

NETWORK MONITORING

With regard to the approach that WPD should take to network monitoring in ED2, opinion was clearly split among stakeholders. The most popular approach was option 4 (substation monitoring at 50% of sites), which gained 40% of the vote. Many stakeholders were of the view that WPD should be as ambitious as possible, particularly those from community energy groups, who felt that WPD should get ahead of the curve to help achieve national decarbonisation targets. However, stakeholders expressed some reservations, questioning whether WPD would be able to handle the increased workload that this level of monitoring would entail and whether the equipment involved would become obsolete too quickly under this approach. Option 2 (substation monitoring at 25% of sites) was almost as popular as option 4, garnering 39% of the vote. Stakeholders felt that this target, which was seen to be the most achievable, could result in a useful learning process that WPD could build on if



the approach proves successful. Proponents of this option called for a cautious, future-proofed approach, commenting that WPD needs to demonstrate that spending money on substation monitoring is beneficial before rolling it out to more substations.

Option 1 (use smart meter data only) was the least popular, with just 7% of stakeholder votes. While stakeholders felt that smart meter monitoring may become more relevant in future, they gave a number of caveats regarding its implementation in the immediate future. Stakeholders questioned whether smart meter data is sufficiently accurate to be used for monitoring purposes and whether enough people use smart meters to make this option viable. Indeed, it was commented that it is difficult to rely on smart metering given that the target rollout date has already passed, yet uptake is still fairly low among the general population. When asked whether monitoring should be based solely on smart meter data, stakeholders felt that although this was attractive from a cost point of view, this suggestion is arguably redundant at the moment, given that not many people have or use smart meters. Questions were raised around who owns smart meter data, whether WPD can pass it on to third parties and whether customers would be able to opt out of this type of monitoring. The issue of data breaches was also mentioned, perhaps reflecting the persistent scepticism around smart meter monitoring.

Regardless of their preferred option, stakeholders cautioned against a ‘one-size-fits-all’ approach for monitoring, noting that WPD would invariably need to prioritise certain regions over others (on the basis of capacity and constraints). The question of the impact on the customer cropped up repeatedly during the discussion, with one stakeholder

stating that it was difficult to vote on any of the options without an estimate from WPD of the level of benefit each degree of monitoring would entail for the end customer.

ENERGY EFFICIENCY

When discussing WPD’s approach to supporting energy efficiency in ED2, stakeholders were strongly in favour of WPD going as far as possible on this target, with 57% voting for option 4 (develop an energy-efficient demand reduction offering and actively support uptake). Moreover, when asked to respond to the statement ‘it should be WPD’s role to proactively promote and encourage energy efficiency in ED2’, stakeholders generally opted for ‘strongly agree’, which gained 43% of the vote. Just under a third (32%) agreed with this statement, while less than a fifth (17%) either disagreed or strongly disagreed.

The discussions reflected this split in views, with some stakeholders questioning whether promoting and encouraging energy efficiency is within WPD’s remit. Some felt that WPD is best placed to perform this task, given that it is well versed on efficiencies as a network operator and holds valuable expertise. Some saw a role for WPD in touting flexibility and related benefits to major energy users where the grid is at capacity. However, others felt that the company is not well known enough to work with customers directly on this and should instead focus its efforts on collaborating with more consumer-facing partners, including the Government, businesses and energy suppliers. In particular, it was felt that the Government should take the lead on energy efficiency and partner with the various DNOs, with the point made that a decentralised DNO-led approach might breed inequality between licence areas.



Stakeholder Feedback

Introductions

- “We are currently providing services for WPD. I want to get a better understanding of your new ventures and about your flexible markets.” **Major energy user**
- “I work for the Centre for Sustainable Energy. We provide advice and support to households in fuel poverty to address their issues. We help to introduce energy efficiency and ensure that vulnerable households aren’t left behind. They won’t be getting batteries any time soon, so we’re doing a lot of work on energy efficiency.”
Environmental group
- “I work for Herefordshire Council. I’m interested in the connections strategy for electric vehicles (EVs) and the role of energy efficiency and fuel poverty. We support third sector organisations, so it will be interesting to see where that lies for the DNO.”
Local authority
- “I represent a club of very large energy users, so that includes health services, hospitals, Network Rail and others.” **Trade association**
- “I am head of economic development at a local authority. We’re interested in network capacity and how we’re going to cope with renewables on a long-term basis. We’re keen to understand the development process going forward.” **Local authority**
- “I come from a different side from others in this group. WPD are a customer of ours. We maintain the cabling and lines for many DNOs and I’m eager to understand how we can help WPD as they enter ED2.” **Business customer**
- “I am from one of the technology platforms that supply WPD and allow them to collect this kind of data.” **Major connections customer**
- “I am representing rural businesses, landowners and customers. A lot of rural consumers have off-gas situations and increasingly use electric heat sources and cars. Some people may be in the energy generation activity too, through solar panels.”
Business customer



- “I’m a solar developer, and I am here to understand how developers can work in conjunction with DSOs and DNOs. There are so many hurdles, so we need to know what space we’re working in so we can level up.” **Developer**
- “I work for Coventry City Council as part of the team for the Regional Energy System Operator project. As part of the decarbonisation approach, harnessing network data will be critical.” **Local authority**
- “I used to be in the electricity generation industry for some time. I am now more involved with consumers. My purpose for today is understanding how the consumer is going to benefit from the changes at WPD.” **Business customer**
- “I’m from Chacewater Community Energy Group and Parish Council. I’m a big climate emergency proponent, so I strongly support net zero carbon by 2030. I would love to see us move as fast as we can to achieve that date.” **Community energy group**



Monitoring

WPD proposed four options when it comes to monitoring our network in ED2:

Option 1:

Smart meter data only

Option 2:

Substation monitoring at 25% of sites

Option 3:

Substation monitoring at 35% of sites

Option 4:

Substation monitoring at 50% of sites



1. What approach should we take to monitoring our network in ED2?

- “Option 2 is the one I’d suggest, as option 1 will become more relevant in the future. As customers see the benefit of smart meters from government campaigns, people will want to reduce electricity consumption for environmental reasons.” **Business customer**
- “In terms of strategy for monitoring for substations – is that for stressed assets? In rural areas, smart meters don’t work particularly well. Is that linked to their ability to provide data?” **Environmental group**
- “I was thinking that obviously this is based on LV monitoring, but if you could monitor the substation in its entirety and how much that substation was using, would that be a cheaper alternative? You could look at connecting load on to that. You’re often based on limited data at the moment as it’s not currently measured in terms of connections strategy.” **Energy aggregator**
- “It’s a tricky one. It’s a balancing act doing a pilot, starting small and using the data really well and potentially rolling it out too far and spending too much money on it. You could go for option 4 and it could pay off, but it’s whether you’re set up to be able to deal with that volume of data and use it effectively. Maybe if the initial trials are successful, you could build accordingly from there.” **Local authority**
- “If you went for option 2, presumably that wouldn’t prohibit you from also going for option 1? Wouldn’t that then give you the best of both worlds?” **Community energy group**
- “Realistically, you’ll need to have 50% done in the next term. For me, the question is, do we just look to comply with the next control period, or do we get ahead of the curve?” **Utility**
- “The way an innovator would work is that you would have a learning period. It seems to me if you choose option 2, you get a fantastic learning period, meanwhile 5G develops and you learn how best to lay things out. That way you only spend the £30 million and then use that as a learning phase, then spend the £100 million in the next price control period.” **Community energy group**
- “As an outsider, I can certainly see the sense in you having direct data from your



own substations, and I'm not sure how useful smart meter data is in comparison.”

Local authority

- “Is there an option for a blended approach or does it have to be binary? My city has a very high level of development, so are we going to say that all new developments will have substation monitoring at a very high level? I am having a little difficulty categorising these options. Some areas in the country may not have as high levels of development, so a blended approach would be better.” **Local authority**
- “Most developers are looking for areas where they can counteract that usage. If it's going to be a moving target between now and 2028, the strategy needs future-proofing in terms of development. You could do that with AI.” **Developer**

2. Should it be based solely on smart meter data (low cost but means network data is based on assumptions)?

- “In my opinion, smartness will deliver a low-carbon future and putting copper in the ground won't. Surely we should be moving monitoring and artificial intelligence into the system in the same way communications systems have done in the last 30 years?” **Business customer**
- “With regard to option 1 and using the smart data, who owns that data and will WPD use their knowledge to help others? Will there be any opt-out or will customers have the option to not provide their smart data AI?” **Connections provider**
- “If you go for option 1 and have a spread of meters, you'll get more granular detail.” **Parish / community council**
- “Leveraging the smart meter data is appealing from a cost approach, but there are plenty of areas where not that many people have smart meters, making it rather redundant.” **Connections provider**



- “The original target for smart metering was 2019, it wasn’t met, and now it’s 2024. This proves it’s difficult to rely on the rollout of smart metering.” **Consumer body**

3. Should it be based solely on substation monitoring (cost for equipment and installation but provides 100% accurate load data)?

- “I like the idea of using substation monitoring, as the accurate load data would make it possible to make more effective and targeted investment in the network.” **Energy consultant**
- “Substation data would also remove the danger of data breaches as a result of individual houses being identified, which is a risk involved when you take the data at a smart meter level.” **Environmental group**
- “I imagine WPD would like 100% monitoring, not just 25%. If you’re asking us as customers where you should spend your money, I’m not sure I see where the benefit comes to the customer in this substation monitoring installation.” **Business customer**
- “It will already be a huge ask to monitor 25% of the substations. Five years skips by quickly, so I think that option 2 is probably the best place to start. Deciding which 25% to monitor is important.” **Major connections customer**

4. What proportion of our sites should have monitoring installed in ED2? If we need to prioritise, how should we do that – larger substations? Those where the network is at capacity?

- “I’m inclined to go for option 2 because I think, provided that WPD are selective in terms of that 25%, that would give a great deal of benefit. There are a lot of areas



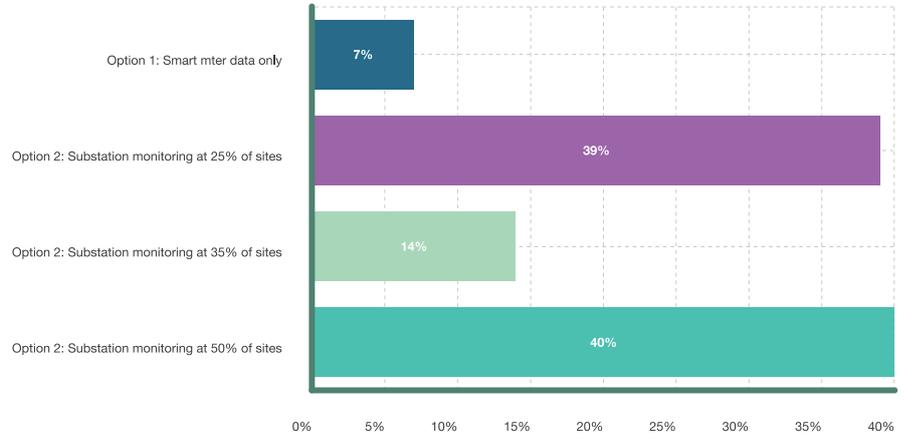
I suspect the density of that 25% could probably drop to 5–15%, whereas in other areas, it would need to be a higher density. So, provided that WPD can be selective in terms of getting the maximum benefit from where they install it, I would be going for option 2.” **Business customer**

- “The electricity network moving to DSO isn’t just about WPD doing stuff, but about allowing a wider community to engage with the network. You need to make sure that the data you’re gathering is open and shared.” **Consumer body**
- “Large substations in places where the network is at capacity should be the priority in terms of monitoring during ED2.” **Business customer**
- “The question is, who should have access to this data and who is best placed to make the judgement about how to spend local assets? I would hope very much, knowing WPD, that they would want to share their data. I favour the approach that gets a lot of data from a small number of sites very quickly and then acts on this.” **Energy consultant**
- “In your own words, you don’t need to put monitoring into every substation to get a picture of a certain area. How much substation coverage would you need in order to feel like you had a clear picture that would benefit the customers? It’s hard to answer this question without that kind of projection.” **Business customer**



Electronic voting results

What approach should we take to monitoring our network in ED2?



Energy efficiency

WPD's proposed four options when it comes to our energy efficiency programme in ED2:

Option 1:

Inform fuel-poor and vulnerable customers of savings

Option 2:

Inform wider customers of savings

Option 3:

Develop an energy-efficient demand reduction offering

Option 4:

Develop an energy-efficient demand reduction offering and actively support uptake



1. What approach should we take to supporting energy efficiency in ED2?

- “I come from an industry that is effectively subsidised, and I think that the way to change habits is with financial inducement, so option 3. If you want to drive change, you can do it very quickly if you make it worth people’s while financially.” **Business customer**
- “I would go one stage further and choose option 4. You should provide active support for uptake.” **Parish / community council**
- “I take the opposite view. Everything you do and all of the government schemes benefit the likes of us middle class people, but it doesn’t help the fuel poor. Middle-class people will be the ones benefiting from lower prices, but it’s them causing the extra demand in the first place with their EVs. The fuel poor can’t afford EVs. I’m against incentivising the middle classes.” **Trade association**
- “I disagree. Not everyone has an EV and the vulnerable and fuel poor will benefit from lower prices.” **Parish / community council**
- “Fuel-poor people won’t benefit from lower prices because they can’t work around time-of-day pricing. Someone with an EV can take advantage by charging their car overnight, etc., but if you don’t have a night meter, you won’t be able to benefit from it.” **Developer**

2. What role should WPD have?

- “It’s an interesting idea. I think option 4 makes it more accessible to people if you are the facilitator for things. You are going to find a lot more people in the fuel poverty bracket because of the pandemic. Your target market is going to be very wide. People will be thankful for organisations like yourself about how they can be energy efficient in the home. It seems like a good idea to me.” **Major connections customer**



- “As a socialist, I would say that it’s a government role via central taxation and not via a DSO. We’ve already seen with a set of appointments with the IDNOs, do they get a similar obligation or are these all loaded on to the incumbent? It doesn’t feel right to me, but I also know it’s a personal opinion.” **Utility**
- “It should be you as it reduces demand, and you have a problem with the grid. It helps you in a way. I’d definitely go for option 4 as we’re going to see huge pressure on reducing carbon emissions. EVs, heat pumps and the removal of gas boilers will see a huge increase in demand. That said, this shouldn’t be a problem for energy suppliers to solve as it’s a wider society thing. WPD should go wider and support all customers with efficiency.” **Business customer**
- “In my opinion, actively working with customers directly to help them to reduce energy usage shouldn’t be WPD’s role, as WPD is not well known and therefore would not be greatly trusted by vulnerable customers. Instead, they should look to work with local partners who may already have a relationship with the customer. Good progress could be made there.” **Energy consultant**
- “It feels like this one needs to be pushed. Is it WPD’s role? Maybe not strictly, but I think in this area everyone has a role in zero carbon. I don’t think it is fully their responsibility, but it has to be at the heart of every organisation’s business. If you’re already informing customers, energy is very confusing area, and it seems common sense to share this information as widely as possible.” **Local authority**
- “I think WPD should focus on running the network. They have a supporting role for this part. It is difficult to ask a supplier or operator, who get money as a percentage of the energy used, to take the lead. WPD have a very important role to play but they shouldn’t be leading this.” **Major connections customer**



3. Should WPD promote energy efficiency, or should it actively create and push an energy-efficient demand reducing offer for customers?

- “There’s a difference between energy efficiency and demand reduction or demand avoidance. It’s perhaps more interesting for WPD to get involved in areas like peak demand avoidance going back to your substations. So, if you’ve got a substation that only ever gets loaded up between 5 and 6 p.m. and it’s going to cost £1 million to replace it, then how can you inform your customers to take demand off, and have a targeted reduction?” **Utility**
- “Energy efficiency needs to be projected. Can you focus on the biggest demand users in the locations where the grid is at capacity? You can then free up capacity in places where you’re most stretched. I imagine if you’re a large energy user anyway, there’s a reason to look to reduce your bills.” **Developer**
- “If you have demand problems in Cornwall but not in Gloucester, you might do more in one than the other. You can get the biggest bang for your buck by concentrating on the areas where the biggest problems are.” **Business customer**
- “Who is going to push this message of energy efficiency, should it be the Government or the DSO? As a society we should be pushing towards DSO. Those who are not fuel poor tend to be the ones in bigger houses because you use more energy. Energy usage will double in the next 30 years, so we should be getting more efficient with this.” **Energy consultant**
- “I would suggest that you need to be focusing on putting pressure on big businesses to make these reductions.” **Consumer body**
- “It seems patronising and wrong to me to put the burden of energy efficiency on the poorest and most vulnerable.” **Local authority**
- “I’m not sure how customers can reduce their energy use just going by your advice. They would need to make major changes to their home, it’s not as simple as just giving them advice.” **Energy consultant**



4. It is typically the role of suppliers? Is it even WPD's role?

- “In general, I’m a bit wary about WPD being involved in things that concern consumption because for me, that’s a supplier’s job. But equally, if you want to know where the expertise is, you’d probably find it in the DNOs and DSOs rather than the supplier.”
Utility
- “I do some work for a water company representing customers, and one of the biggest things that comes up is that customers have difficulty understanding why a company that exists to make a profit from its supply is advising customers on how to reduce their demand. If WPD were to explain why they’re doing it, such as overloading the transformer, that would go down well.” **Business customer**
- “As a consumer, I have no clue what WPD could do for me personally.” **Energy consultant**
- “The offer of energy efficiency and fuel saving should be done at government level. If it’s done at DNO level, you’ll have inequality from one region to the next.” **Trade association**

5. If so, should we partner with others, e.g. suppliers / roof insulation companies?

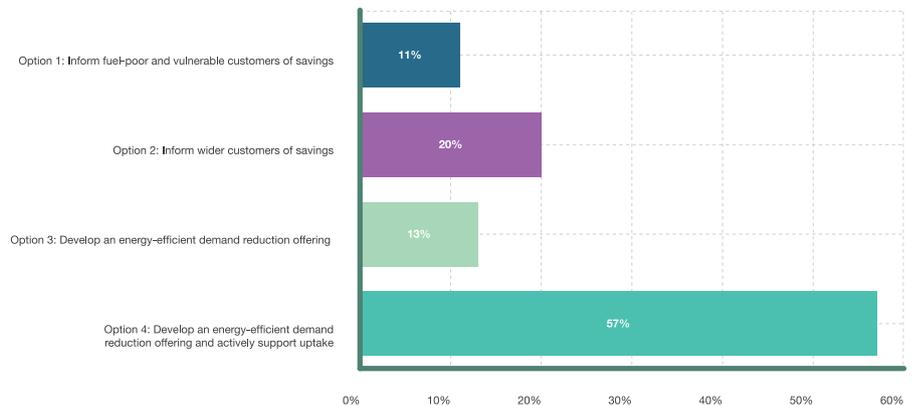
- “It does seem as though the Government needs to take the lead, but it should be a partnership rather than directed from one particular place.” **Parish / community council**
- “To get new builds to use less energy, will there be an incentive for them to use energy efficiency or are they only for retro-fitting properties?” **Connections provider**
- “The companies and suppliers that have profited from selling excess fuel that seeps out of the leaky houses should contribute and assist the poor in insulating their homes.”
Major connections customer
- “We are moving into a world where DNOs are trying to do more, but the suppliers



should at least have some kind of role in this, as well as WPD and equivalents. When it comes to older properties, so much of the energy efficiency is based on modern houses. The solutions for energy efficiency in these circumstances are not necessarily the same. Sharing responsibility with suppliers is important, but how they are pushed needs to be looked at.” **Business customer**

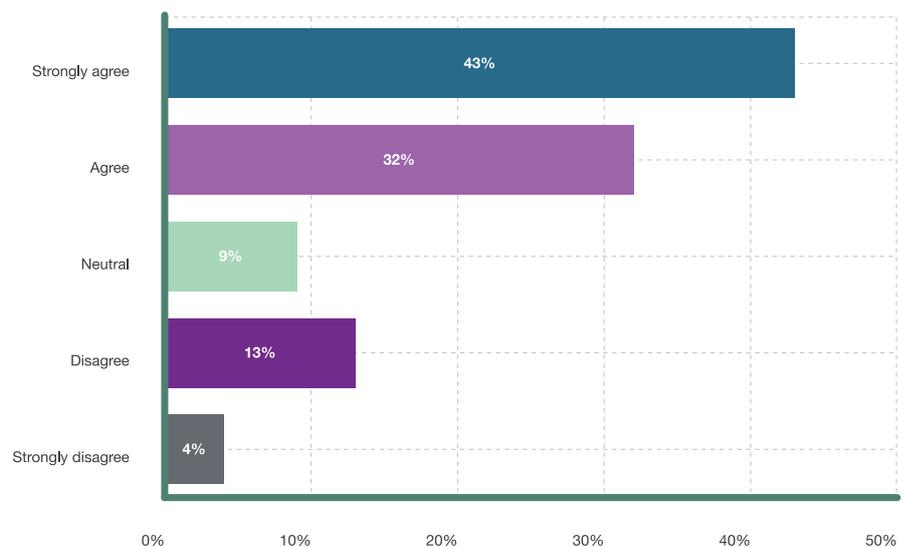
Electronic voting results

What approach should we take to supporting energy efficiency in ED2?



How do you feel about the following statement?

“It should be WPD’s role to proactively promote and encourage energy efficiency in ED2.”





Workshop Two DSO market facilitation

Summary

Paul Jewell began the presentation by giving stakeholders a run-through of flexibility services, which enable WPD to manage network constraints and offset traditional reinforcement in a context of increasing demand on the network. As part of its role to facilitate flexibility under its DSO strategy, WPD must ensure that the information it publishes is user-friendly and follows best practice, in addition to ensuring that all customers are able to engage in market development. Paul explained that, looking ahead to ED2, one of the key challenges is that the domestic customer flexibility market is not yet established, and WPD was keen to hear from its stakeholders as to how it could facilitate this market.

When stakeholders were asked when they thought the domestic customer flexibility market would be established, the majority (58%) thought ‘during ED2 (2023–2028)’ was practicable. This was reflected in the discussions, where stakeholders reported that people still lack an awareness of the benefits of flexibility and financial incentives, which, along with more advanced technology, would be needed to facilitate the domestic flexibility market. It was felt that WPD could work with local partners to ensure that the message is delivered through trusted intermediaries. A smaller but not insignificant proportion (37%) felt that ED3 (from 2028) is a more realistic target, while only 2% were sceptical that the market would ever be established.

As for whether domestic customers should actively participate in their energy usage or simply be passive recipients, the general sentiment was that customers need to understand flexibility and engage actively with WPD to see the benefits and participate in the first place, so passive engagement was not seen as a viable option. Early and clear communication from WPD was seen as key, as was a tailored approach to engagement; while young customers may be engaged and tech-savvy, for instance, the elderly, minority groups and vulnerable customers are at risk of being left behind. Whatever the engagement method, stakeholders felt that ease of use of flexibility services is a key factor for WPD to champion and convey to every customer group, perhaps as part of individual strategies tailored to each customer demographic.

In terms of whether WPD should actively facilitate the domestic customer flexibility market in ED2, the overwhelming majority of stakeholders agreed or strongly agreed that it should do so (72%). The remaining participants either felt ‘neutral’ (11%) or disagreed (17%), though it should be noted that of the latter, 13% ‘strongly disagreed’, indicating that some stakeholders were convinced that this is not a role for WPD to adopt. These mixed views were also reflected in the discussions, with some commenting that the facilitation role should fall solely within the remit of suppliers, which, by nature of their work, are more involved in the consumer side of energy



and ultimately set the tariffs. Others, though, while accepting that this is not solely WPD's responsibility, felt that the company is well placed to offer practical energy saving tips

and complement the work of aggregators in this area. Stakeholders called for more joined-up thinking in this area.

Stakeholder Feedback

1. Will the domestic customer flexibility market be established in time for ED2?

- “How can people be educated? Education is the fundamental thing. They need to be able to see the benefits. If they can't see these, then it'll be difficult to enforce. I sometimes think the strategists behind these big headline banners don't understand how to lead the general public and as a result of that, a lot will be left behind.” **Developer**
- “I'm more concerned about the rural areas. There doesn't seem to be any mechanism to even be collecting the information. We have very low broadband here, no mobile phone connection. It is going to be difficult to understand how the two-way communication is going to be established.” **Community energy group**
- “I always come at it from a generator side, but we are a part of a number of initiatives in the Birmingham area. Getting the population to take part is a barrier. There are less affluent areas where the property is tenanted, and landlords don't seem to have much of an interest about getting the infrastructure in that will promote energy efficiency. This is something that needs to be looked at before you can see the benefits from this initiative.” **Developer**
- “I think that it can be, but domestic customers need to be incentivised through attractive tariffs.” **Local authority**
- “I think that if we are going to be ready, then it needs more joined-up dialogue between the operator and those people who can enact the changes on a local level. DNOs work across a whole region, such as the Midlands. If we don't change that model, then we won't get ready.” **Energy consultant**



- “I must admit this trusted intermediary is a really critical one. WPD encouraging the growth of trusted intermediaries is probably what individual domestic customers want.” **Business customer**
- “It’s extremely, extremely unlikely that we’ll get that kind of tech installed by then, considering we don’t have well-established flex markets for generators yet. The two issues are getting the technology installed and getting people engaged.” **Energy consultant**

2. Will customers be actively participating in their energy usage, or will they still be passive recipients?

- “Money is a major driver. You also need to look at payback. Experience gained with the PV issues at this time shows it’s not good. I keep going back to education, but people need to understand these things. What it costs them, what they gain from it. Whether WPD need to be involved in that system, I’m not sure.” **Major connections customer**
- “Younger and more tech-savvy customers would definitely be interested in playing a more active role in their energy supplies, as app-controlled gadgets would be exciting to them. However, more work is definitely needed to get older people, who would definitely be less comfortable as these big changes are rolled out, on board. A big education piece is needed here.” **Developer**
- “I think that it will depend on how easy the flexibility processes are to run. If it is not hugely onerous, I think that the uptake could be high. Ensuring that this ease-of-use is at the forefront is key.” **Environmental group**
- “I did my PhD in flexible demand, looking at barriers to flexibility in domestic settings. The whole point is whether you ‘fit and forget’, i.e. use automated appliances, or whether you want customers to actively manage things. I’m positive about where the market is headed. The concern is the longevity of the value of flexibility. It can be very valuable at certain times but if those network constraints are removed, there’s no value to the flexibility. It’s how WPD can offer that longevity of value.” **Energy consultant**



3. Will customers be actively participating in their energy usage, or will they still be passive recipients?

- “I think the population size is far too big for WPD to get involved, and the only way you can drive this is by incentivising people. My big fear is that Ofgem is leaning on DNOs because they’re trustworthy as far as customers are concerned, rather than leaning on suppliers who are the ones that should be driving this, getting the financials signal from the generators and sending out financial incentives to domestic customers.”
Business customer
- “If you’re starting to develop proposals, why not develop both and see where you end up?” **Developer**
- “There are probably some quick wins in terms of practical advice for people, e.g. putting washing machines on overnight when energy is cheaper. This practical stuff can be done now. As smart tech increases, getting those messages out is more important than ever. It’s definitely an area where I’d like to see concerted efforts as to what is achievable.” **Local authority**
- “It strikes me that there is a definite role for aggregators in this. Speaking as a consumer, I don’t really want to get actively involved in adding up the figures and how much it’s going to cost. If an aggregator is involved and through a system can shave a few pounds off my bill, as a domestic customer I would be interested. Aggregators are the way to go.” **Business customer**
- “It’s up to suppliers to introduce tariffs. Without aggregators, it will be impossible. WPD can’t contract directly with customers. The only route is through suppliers, so they have to take this up.” **Trade association**
- “I think you can expand the role of an aggregator to cover more people when they’re using smartphone technology to control how their energy behaves.”
Community energy group



4. When do you see all of this happening?

- “The Green Homes Scheme works well if you’re a homeowner. But not if you’re renting or poor. People love things like Alexa, it’s become ubiquitous. People can see what it can do for them. They can turn on their speakers, order groceries. There isn’t that immediate connection with electricity, which is a problem.” **Business customer**
- “Thermostats like Nest and Hive create a competitive element with others in your neighbourhood. The monetary aspect and competition are a neat idea. I look now at the number of people micro-investing in companies. Someone could make this an interesting prospect for the general consumer if you could gamify it in the right way.” **Energy consultant**
- “One of the points in the presentation is: will this happen in ED2? It will happen only if WPD makes it happen. Why would British Gas help me use less energy and therefore lose profit?” **Environmental group**
- “We as stakeholders are aware of the flexible market but I don’t think the wider customer base is. Until everyone is engaged in a joined-up approach, it won’t happen. I think it will come towards the end of ED2, but it does need more work. It should bring together all sectors, domestic and commercial, at the same time.” **Local authority**

5. What more do we need to do in ED2 to facilitate the domestic customer flexibility market?

- “It’s around education. We’ve had ideas around flexibility, PV, battery storage and heat pumps, but it’s been difficult to discuss that with WPD. It’s taken months for it to be considered. We need to work together to find flexible solutions. Vehicle-to-grid isn’t fully there yet but the strategy to do that hasn’t quite been fleshed out. It will be some time before it’s in a position where it’s going to work.” **Academic institution**



- “The proposition is not there for us really. We’re trying to secure connections. So, we do see places where you can have a connection that costs you a lot of money or you can have a cheaper one if you’re able to be flexible. We are looking at it from that point of view, but it’s hard to know the impact on revenue that being flexible is going to have.” **Developer**
- “After some consultations, the response was mostly that electricity bills were a small part of costs and there wasn’t a huge incentive for domestic customers to reduce these. You need smart digital solutions that don’t require much input from people.” **Business customer**
- “If you think that there are opportunities in our development projects that could be mutually beneficial, that would be of interest.” **Developer**
- “You need to understand human behaviour. If it’s inconvenient and there is no incentive, they’re not going to do it. You need to install something in people’s cars to tell them to charge it at night through a Bluetooth speaker, that sort of thing. It’s all about working with human behaviour patterns.” **Energy consultant**
- “You need to incentivise it financially, that always changes people’s views quickly.” **Business customer**

6. Our existing strategy is primarily aimed at commercial and industrial customers. How should this be developed to support domestic customers?

- “Social housing providers could play a key role. WPD could incentivise and communicate with social housing providers to enter this flexibility model.” **Local authority**
- “I think there is a stick role that housing associations could play. They could be penalising behaviours and making the take-up of this flexibility mandatory.” **Local authority**
- “You can’t participate in something if you don’t know it’s happening. It’s important



to make sure that you utilise relationships and mechanisms that are already in place as opposed to making something new. Approach it as an add-on to pre-existing engagements.” **Consumer body**

- “I think it is worth thinking about economic cycles of domestic appliances. I don’t think there are many 50- or even 10-year-old washing machines out there. This is probably the way into domestic customers. Manufacturers are going to have to include some protocols that allow these domestic appliances to participate in flexibility markets. Things can change very quickly. Electric car uptake in the last 12 months has rocketed.”

Local authority

- “Engaging in residential flexibility and with trusted intermediaries will not only help you advance your general flexibility agenda, but also the overall fuel-poor agenda.”

Community energy group

7. In particular, how should this approach be developed to support take-up by our customers in vulnerable situations?

- “You’re talking to people who probably don’t even understand what a DNO does, and so you need to talk to them to get them to understand that.” **Local authority**
- “It’s great that you’re pushing EVs, but I’m keen that most vulnerable group is not left behind, and the key to that is data. For example, we know that over 85% of people in fuel poverty have smartphones, so an app-based approach might be useful.”

Consumer body

- “We need to avoid a situation where wealthy customers can afford to pay their energy rate while poorer customers can’t or aren’t as savvy. You need a strategy for people who can’t afford the tech.” **Energy consultant**
- “It would be good to see something similar to a company like Uswitch that would do this as a private venture. Once you’ve figured out how to get the match between



supply and demand, everything will be great. Perhaps an app that notifies you and tells you to act. But again, I don't think it's WPD's responsibility to do that." **Developer**

- "Distribution Use of System rates might be beneficial to people in poverty." **Energy aggregator**

8. Should the bilateral, focused meetings be regularly timetabled or be driven by the pace of the stakeholders?

- "It's really important that these meetings are driven by the pace of stakeholder developments. Local authorities are all at different points with their projects and are making progress at different paces, so an overly fixed timetable would be completely inappropriate." **Local authority**

9. Should we have a core programme of scheduled events held at a licence area level?

- "I agree that scheduled events at a licence area level would be very helpful, as different licence areas have different needs." **Local authority**



10. Is formal consultation on our approach once a year enough?

- “You do a pretty good job at engaging with people. I’ve been to plenty of these sessions, both in person and virtually. I’d like more of the same. I appreciate doing these takes away from your core job, but hopefully you find this feedback useful and can pass it on to wider groups. In Cornwall, we’d love a regional approach as far as possible.” **Community energy group**
- “The difficulty is you’re doing well to garner a whole set of people around these issues, but dealing with the more local stakeholders at a more local level is essential to get people to understand the relevance to them locally.” **Local authority**
- “Consultation every 12 months doesn’t do it for me, there has to be regular consultation at each stage of the journey.” **Business customer**

Electronic voting results

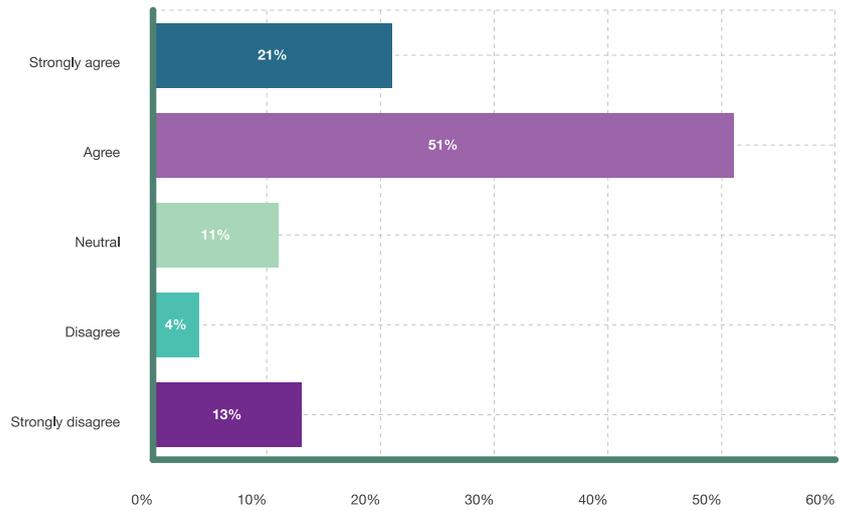
When do you think the domestic customer flexibility market will be established?





How do you feel about the following statement?

“WPD should actively facilitate the domestic customer flexibility market in ED2”.





Workshop Three Connections

Summary

Tim Hughes explained that network operators are obliged to create a connections strategy setting out how they plan to deliver quality services for major connections customers. WPD's Connections Strategy will be aligned with three high-level connections principles and 20 baseline expectations for performance developed by Ofgem. Tim gave stakeholders a few examples of the baseline expectations from the regulator and asked stakeholders to reflect on what WPD should deliver and how the company could make each output more ambitious.

Connections Principle 1:

Support connection stakeholders prior to making a connections application by providing accurate, comprehensive and user-friendly information

Stakeholders were strongly in favour of WPD going further in its provision of up-to-date connections information, as outlined in Ofgem's Connections Principle 1. They made a number of suggestions, including greater detail on the portal in relation to upgrades, reinforcement and available capacity. The point was made that anything published on the portal needs to be timestamped; otherwise, customers are forced to second-guess how up-to-date the information is, which arguably renders any data redundant. Stakeholders felt that the current tool is rather clunky and could be made more user-friendly, particularly for users without connections knowledge,

suggesting the addition of guides to help users interpret the information and a FAQ database. They felt that this would become an increasingly pressing priority as single one-off applications for connections become more common in future with the projected increase in renewable generation and EVs.

Turning to the support WPD could provide through connections surgeries, stakeholders commented that human interaction is very valuable given the inevitable obstacles that arise with connections applications, pointing out that an online tool can only go so far. There was some concern that the industry is moving away from this human interaction, with participants feeling that there is no replacement for a one-on-one conversation with a connections engineer. As for the content of these surgeries, it was felt that WPD should not just answer questions when asked, but should take a more proactive role in educating new or existing connections customers on the ins and outs of the network, constraints and capacity, with local authority representatives in particular reporting that receiving this information far in advance would help them to future-proof their local plans. The suggestion was made that there should be a designated single point of contact for connections customers, especially for major customers who often submit multiple applications at the same time and local authorities who have to talk to multiple contacts at WPD because their



authority boundaries do not match WPD's distribution areas.

In general, stakeholders called for clearer, more accessible information on connections, particularly for new customers, including through the use of plain English. The point was made that using jargon effectively creates “an inequality of approach”, which acts as a barrier to new connections customers. In this respect, it was felt that WPD could provide enhanced support for this customer group and, importantly, market this support effectively to ensure that the customers in question are reached and engaged. A ‘traffic light approach’ to connections was suggested, which would involve WPD demonstrating how customers could achieve a ‘green light’ for a connection.

Connections Principle 2:

Deliver value for customers by ensuring simplicity and transparency at all stages of the application process

In terms of ensuring simplicity and transparency in the connections process, it was felt that the ultimate proof of this would be a smooth and customer-friendly connections process. Greater transparency around pricing was mentioned, with one stakeholder suggesting a build-it-yourself quoting tool, as well as greater transparency around queues. Again, the point was made that new types of customer will want to connect to the network in future and therefore need to be considered as part of the current strategy. In terms of current challenges, it was mentioned that connections customers often experience radio silence between the submission and offer stage, which could be improved through more regular bilateral engagement. To remedy this, stakeholders were strongly in favour of an online progress tracker for connections applications where

customers can check the status of their application and WPD can provide feedback at different stages of the application process. However, the word ‘progress’ was felt to be quite vague, which implies that stakeholders may want more granular detail on this tracker, including concrete milestones.

Insofar as changes to connections requirements were concerned, stakeholders stressed the need to know the tipping points for applications and felt that being offered a range of flexibility options would be more useful than receiving a binary yes/no answer for a connection. In this context, it was felt that earlier and less formal engagement with WPD around potential connection applications would be useful in terms of pre-empting obstacles further down the line. Indeed, it was felt that WPD is in a privileged position in that it knows the size and location of potential or planned connections – information which could be shared more widely with customers.

Connections Principle 3:

Facilitate the delivery of timely and economical connections that meet customers’ needs

Lastly, with regard to the delivery of timely and economical connections, it was suggested that WPD could introduce a system of prioritisation for time-sensitive connections applications, with one major connections customer noting that the lack of momentum generated by other slow-moving projects had led to it abandoning a project altogether. Another suggestion was for enhanced working practices between WPD and its contractors. Moreover, while WPD already has policies in place for refunding customers for capacity they speculatively reserve but do not end up using, it was felt that more should be done to prevent a situation whereby capacity is needlessly blocked off for others.



For example, one stakeholder alluded to the fact that having a greater understanding of each individual development might allow WPD to gain a more detailed picture of the

capacity required and thus reduce the need for developers to reserve more capacity than they need in the first place.

Stakeholder Feedback

Connections Principle 1:

Support connection stakeholders prior to making a connections application by providing accurate, comprehensive and user-friendly information

Baseline Expectation: provide access to up-to-date and relevant information to enable a connection stakeholder to decide whether, and where, to connect to the distribution network. This should include, but not be limited to, graphical network records that show the location, size and type of assets.

- “Someone mentioned the portal earlier, now that’s really good. If that could include more information like the rating and size of the assets it’s showing, that would be a good idea. But if you’re publishing anything, I think it needs to clearly say how up to date it is.” **Developer**
- “I know National Grid update their tech register every week now, so I don’t know whether WPD can move that quickly.” **Developer**
- “People wanting to connect also want to grow and know about the future. They want to know how the network will change going forward.” **Business customer**
- “What about available headroom? How about where the breaks are in reinforcements? It would be useful to have information about when particular kinds of reinforcement will be required.” **Major connections customer**



- “I use your data portal quite a bit and it’s reasonably clear, but it is quite clunky and old-fashioned. Sometimes the overlays aren’t clear. It’s not just about seeing what cable is there, but what capacity it has. It could be better. In terms of the connections process, knowing the size of asset is one thing, but knowing the spare capacity is needed too.” **Energy aggregator**
- “At the moment you have to second-guess capacity. I’ve found it difficult in the past to get through to someone who knows enough about the network to give you feedback. If, along with that graphic, there was a contact number and WPD representative you could speak to in order to throw ideas around before you get the ball rolling with the connections process, that would be good.” **Academic institution**
- “Knowing capacity constraints is key, so having a user-friendly map that includes all those within the GIS system is really important.” **Local authority**
- “With the constraint maps, if you’re an expert on constraint maps you can read them, but if not it’s very hard as some of the annotations aren’t there. There is no key to tell you what a yellow outline means. It would be good to have more supporting information to help you read the information that’s there if you’re not familiar with it.” **Developer**
- “I do use the WPD GIS system and it is one of the better ones. Is there any plan to put any of the data from the CIM modelling to the GIS, to be able to say what the current cables are capable of? If it were a simple GIS interface where people could click and have a look, then it would make it a lot easier in terms of people interpreting the data.” **Connections provider**
- “You don’t want customers to have to make multiple phone calls. Water companies ensure you can instantly get access to maps and records, so you have seen the available resources prior to having a phone call with a member of the team.” **Consumer body**
- “It’s great having an online version of the GIS system but you need to make its location obvious and easily accessible.” **Consumer body**
- “It is small, individual customers who need a connection but may not understand why they are told they can’t have it. The online system is a good idea, but it has to be made accessible for those who aren’t in the industry.” **Major connections customer**



- “You should be looking to create agile methods and engage with developers on how to develop a tool that works best for them. It’s not done through clunky specs but through real-world working.” **Business customer**
- “If you’ve got the standard where community energy projects can come forward without feeling alienated, then you’ve got a process that works.” **Local authority**
- “Metrics for measuring success or failure could be considering the number of failed connections. This would allow us to see how much people understand about connections.” **Local authority**
- “I would use the words ‘simple application process’. Other sectors are very good at making information easily accessible. It’s going to be an interesting journey for you because you don’t want to alienate people.” **Local authority**
- “Could there even be a Google map with a pound sign for connections, where a pin could be dropped?” **Local authority**
- “I find these online tools great, but they can only be as good as the information that is put in at the front end.” **Developer**
- “I don’t know whether anybody has looked at National Grid’s connection tool, but they have a map, and you can click on a substation and they’ll tell you how much they think it will cost for you to connect to that substation and they’ll tell you whether there’s any generation capacity there and a load of other stuff.” **Developer**
- “The people who ask will generally be knowledgeable and engaged in the sector. But just have a general bank of information right on the homepage of WPD just in case they’re not.” **Consumer body**
- “I think surgeries and engaging in discourse is a good thing. I realise it is people intensive. I wonder about building a Q&A database to capture the rapidly growing breadth of questions you have to answer and then have a person on the end of a phone once you reach a certain point. A solution that comes halfway to lots of people answering phones but also technology that can take you further along too. A funnel method.” **Academic institution**



Baseline Expectation: provide support and help to customers through appropriate channels which should include, but not be limited to, connections surgeries.

- “Our region is made up of ten local authorities, so we’re having to go to a number of different offices within WPD to get information. We could really do with an option of having a single point of contact within WPD. I’m aware that might make the process longer internally for WPD, but we don’t have the resources as a council to be processing 31 site applications, communicating with 31 different WPD officers.” **Local authority**
- “I don’t get involved in the huge contracts and in huge supplies, but it does seem to work very well in that WPD supply us with an email address and we do tend to get contacted by a planner pretty quickly after that. In our case, the jobs always seem to have some caveat on them, so that human interaction is really useful in our case.” **Utility**
- “What has worked well for our business is not the surgeries, but speaking one on one with a connections engineer. There is no replacement for this. The engineer can talk you through the options, allowing you to make the best decision. The software solutions are good, but only for a front-end generic view. The surgeries are good, but we want to speak to engineers when we want to, rather than only when the surgeries are set up.” **Developer**
- “I think this would be very hard to do. From the costs that we’re getting back, there are a lot of variables.” **Local authority**
- “Most large users have their factory or housing estate and they’re not going to change until they develop something new. At that point all of this is completely new to them, so they need a single point of contact. They should have access to one person who can answer all their questions, rather than passing people from one department to another.” **Trade association**
- “Even big customers don’t understand the process. If they need to upgrade what they’ve got, they need a person who will do the hard work for them because they’re not specialists in this area. It’s different for generators who have their own specialists,



but existing customers don't have that knowledge." **Trade association**

- "I think being able to speak to someone always helps, because the concept is quite hard to grasp. Having somebody to talk to about your connection is always a good thing, but sadly it's what everyone in the industry is moving away from."

Major connections customer

- "The point about having a single point of contact is welcome." **Trade association**
- "At some point it needs to get to a meaningful discussion that isn't just answering the questions the uninformed applicant is asking. There needs to be concrete information about capacity and the network. There should be a facilitated discussion about the facilities and constraints." **Business customer**
- "Constraints in our area are very real. As soon as we know them, we are better able to plan around them." **Local authority**
- "This isn't my area of expertise at all, but from discussions with the team who are working on a geothermal plant in my local area, it's about knowing where the next scheme could go. At the moment, they're looking at future projects. Knowing where the fault lines are and where grid capacity exists without major investment is crucial to this." **Community energy group**

Do you have any comments or suggestions for how WPD should meet or exceed any of the other baseline expectations under Connections Principle 1?

- "Make sure the information that is provided is informative and not misleading." **Major connections customer**
- "It's a question of feeling out where the requests are going to come from so you can highlight under green/red flags. Something that's like a traffic light approach but explains how you can get a green light to connect." **Academic institution**



- “As a consultant, I could spend 90% of my day answering queries from customers, and they just disappear. I would not be happy with any DNO dedicating a lot of time and effort towards those customers who don’t genuinely want to connect. The availability of electrical engineers in the UK is a depleting resource and wasting their time on trivia is not a good use of that resource.” **Business customer**
- “Clear communications and access to information always seems to be a key issue for stakeholders in connections.” **Environmental group**
- “Our grant funding is annually based. We’ve got big ambitions for heat pumps and EV charging points, but the grants are only available on a yearly basis. We need more iron-clad time commitments on the connections application process.” **Local authority**
- “I think the whole landscape is going to be much more dynamic than it was in the past. Actually, the need now is to hold the hand of people who are looking for new connections but are new to the industry.” **Local authority**
- “WPD need to do more marketing in terms of their connection abilities and the support available to customers to demonstrate they are ahead of the game.” **Business customer**
- “There need to be some improvements in terms of the levelling-up of the terminology. What you don’t need for that is an inequality of approach, which then generates mistrust. This is quite an important component in terms of how you take people through what is quite a complex process at the end of the day. There is something about how people are not allowed to understand the vagaries of the system.” **Local authority**



Connections Principle 2:

Deliver value for customers by ensuring simplicity and transparency at all stages of the application process

Baseline Expectation: have a clear and simple customer application process, which accounts for the particular needs of different groups of customers and which can be shaped by the parties involved. This should include, but not be limited to, providing options for how customers can apply for new connections and ensuring these are clearly communicated.

- “It’s never been that clear in the industry about the marginal consumer. Should they go through their supplier, as in with a fully managed connection, or should they go straight to WPD? Maybe some extra guidance on the website about what is most appropriate for the consumer.” **Utility**
- “This is all well and good, but if you’re doing an upfront check on 150 sites, you’d have to enter 150 applications into the site. Most local authorities don’t have the resources for that labour. I’d much rather send WPD a list and get it as a package quote.” **Local authority**
- “This is opening my eyes to a whole area of things I didn’t believe I had to do. Where do I find out what things I have to notify WPD about before I connect to the system? I never even thought about what I’d have to do with WPD.” **Business customer**
- “The essence of this expectation is putting in place an incredibly customer-friendly process which will enable connections to be put in place smoothly. If it can achieve this, it will be going far enough.” **Local authority**
- “I think it would be good if there was a build-it-yourself quoting tool. You’d drag and drop different criteria and filters into the box, and it would build a quote bit by bit. It would also be fantastic to have an option to save your quote for later, and also to download it in order to take it to a site to compare details.” **Consumer body**
- “At the moment only expert users make applications, you don’t get many domestic users making applications, but perhaps they will in the future.” **Local authority**



- “It’s really difficult to tell you what to do. These things are so complicated with so many knock-ons. There’s potentially a missed opportunity with the system not being flexible enough for things to happen. The grid and regulatory processes side needs to drive things rather than developers.” **Developer**
- “I’d want communications with someone who is a representative for a particular area. I do know someone in our organisation who has applied with the new process and they didn’t report any issues. That said, if we could have an interim contact for the connections application, that would be good. Sometimes it disappears and you don’t hear anything until you receive the offers, though I appreciate that some projects are more time-critical than others.” **Academic institution**
- “When you’re applying for a connection, it would be good if you could get some feedback prior to submitting. Sometimes you’re only made aware of the problems with an application a few months later. It would be good to know all this before we press the button to submit.” **Academic institution**
- “Another area is that constraints on the network aren’t always cut and dried. There are differences, so it’s about understanding the detail and implications of any active network management. Is there a way to overcome the constraints? Finding that out earlier on would be good too.” **Energy consultant**
- “This idea of progress is quite elastic – what does it mean?” **Energy consultant**
- “In previous years we’ve sent you requests for a number of connections in each area and the quotes coming back to us were extreme because we apparently weren’t asking the correct questions. We were asking for all this capacity we didn’t need because we don’t know the nitty-gritty of electricity capacity. It would be better if we tell WPD what we’re trying to do and are told what we need to apply for and what questions we need to ask.” **Local authority**
- “We were unsuccessful in a submission for a connection. We were not front of the queue even though it was an automatic renewal. It took several attempts; the cost went from around £2 million to £12 million. We ended up connecting further away; the project could still carry it, but it was a problem. The frustration was a lack of transparency on the process relating to queues.” **Developer**



- “What we’re looking at doing is combining the reinforcement options around the Coventry area with local housing aspects. We cannot join that up with connection options. One of the things we have to feed back around is the connection options.”

Local authority

Baseline Expectation: have processes in place to help customers identify how they could make changes to their connection requirements, which would meet their needs and allow them to get connected more quickly or cheaply.

- “One of the areas of frustration is when a developer changes the requirements as you go along. Sometimes we have to change the load. On the smaller connections, say if we want 200 kVA, if we knew from you that we could have up to 250 kVA on that connection, we wouldn’t have to keep reapplying and waiting 20 working days to get an answer. That said, I appreciate that you’ve got everyone’s applications to deal with at the same time.” **Energy aggregator**
- ““You’ve asked for x and you can’t have it’ just isn’t very useful. Having those tipping points available would be useful. I appreciate that time moves on and circumstances around connections sometimes change, but as long as everyone knows the situation, that’s got to be better. Receiving just a straight answer to the connection we’ve asked for doesn’t really help though.” **Local authority**
- “If you told us a tipping point, that might be more beneficial than a flexible approach. It’s useful to have the choice.” **Developer**
- “I think this sort of approach would be more useful towards the smaller end of connection. Sometimes you need a bit more detail than what you are given, in which case it may not be very useful. It comes back to what we said earlier about having substantive negotiations and conversations based on opportunities and constraints across the network.” **Business customer**



- “If you give a guide price but there are unexpected variables in the details, then you’ll be creating expectations that aren’t met. It’s fine to make some cost guides for simple connections, but make it known to customers that more complicated connections will inevitably be off of that costing scale.” **Consumer body**
- “It would be useful to have advice on future-proofing new connections. You could have a small box to say, ‘your likely usage is going to go up by x% in the future’. In your app it’s got predicted use, but we know that’s likely to go up in the future, with EVs, etc., so it would be good if that was incorporated.” **Energy consultant**

Do you have any comments or suggestions for how WPD should meet or exceed any of the other baseline expectations under Principle 2?

- “In connection offers there’s no information on when the payment needs to be made or staggered payment options. It’s only when the application is accepted that we are told when it should be paid by. It would be good to have clarity on that at the pre-application stage.” **Developer**
- “I think it would perhaps be useful to have online tools after the first contact, so you can track progress of the application through systems. We may be waiting for a primary system design engineer to come back, or it could be an earthing study, but something we can see progress of online without having to phone the planner up would be useful. But I still think the initial contact is valuable, certainly.” **Utility**
- “Someone mentioned an online progress tracker which you can check intermittently once you have made the connections application, a bit like how you can track the status of a parcel. That way, you could also give us feedback at different stages of the connections process.” **Academic institution**



Connections Principle 3:

Facilitate the delivery of timely and economical connections that meet customers' needs

Baseline Expectation: provide tailored communication plans to suit different customer needs, including the provision of specified points of contact during the delivery process. Ensure various channels are available for customers to access support or help.

- “I think there needs to be a way for councils that are dependent on time-sensitive funding to jump the queue.” **Local authority**
- “Sometimes we’ve lost the opportunity to get a connection ready from another DNO just on a time issue, can this process be sped up at all?” **Major connections customer**
- “There needs to be good contact between the contractor and WPD for connections. Where do you see contractors sitting in this and how could we help you?” **Energy consultant**

Do you have any comments or suggestions for how WPD should meet or exceed any of the other baseline expectations under Principle 3?

- “We’re putting in applications where there are 60 or 70 MW of capacity for development, but no progress being made on them. It just blocks off capacity for others. Also, some of these projects might take a decade to get up and running. I think there needs to be more drive to ensure that developers aren’t just speculatively taking all this capacity and not using it.” **Energy consultant**
- “You’ve got a few new policies on the length of time developers can hoard capacity for and you’ve paid them back for capacity they haven’t used, which is good. I guess it’s understanding how long it will take the developer to build, and how you allow for that.” **Energy aggregator**



Appendix 1 Attendees

A total of 63 stakeholders attended the workshop, representing 56 organisations. The organisations represented on the day are shown below:

Accent	Hitachi Europe Ltd
All NRG UK	Kier Integrated Services
Babcock	Lightrock Power
Belltown Power UK	Lincolnshire County Council
Carbon Trust	Major Energy Users' Council
Cardiff Capital Region City Deal	Malvern Hills District Council
Centre for Sustainable Energy	Manchester Power Solutions
Chacewater Community Energy Group	Milton Keynes Council
CLA (Country Land & Business Association)	Newent Town Council
CLA Cymru	NIE Networks
Cogen	Nortech Management Ltd
Coventry City Council	North Kesteven District Council
Cranfield University	PS Renewables
Eco2	Reg Power Management
Eco-Economix	Rock Power Connections
ElectraLink	Rugby Borough Council
Electricity North West	RWE Renewables
Energy Systems Catapult	Smart Grid Consultancy Ltd
Everoze	SmartKlub
Federation of Small Businesses	SMS Energy Services Ltd
Freedom	South West Water
Geldards LLP	The Schumacher Institute
Granby cum Sutton Parish Council	University of Warwick
Green Frog Power	Wattify Limited
Green Nation	Wilson Power Solutions
GTC Infrastructure Ltd	Worcester City Council
Heart of Devon Community Energy	WPD Customer Engagement Group
Herefordshire Council	Wychavon District Council

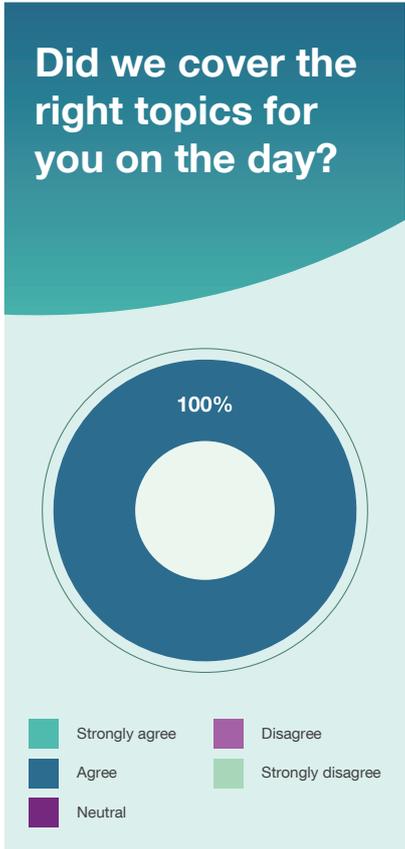
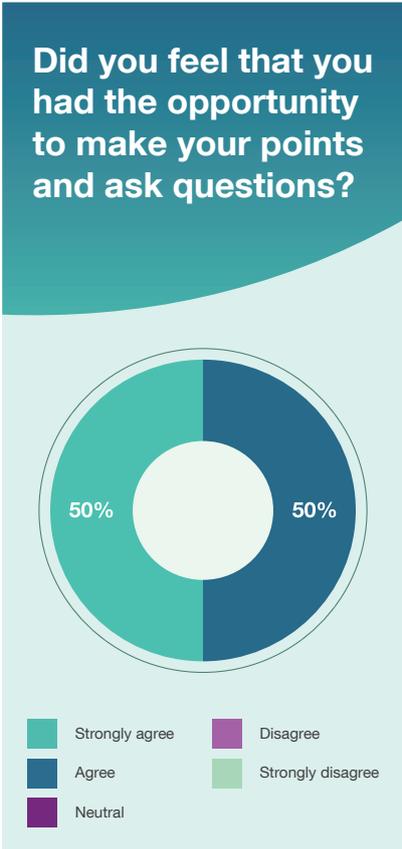
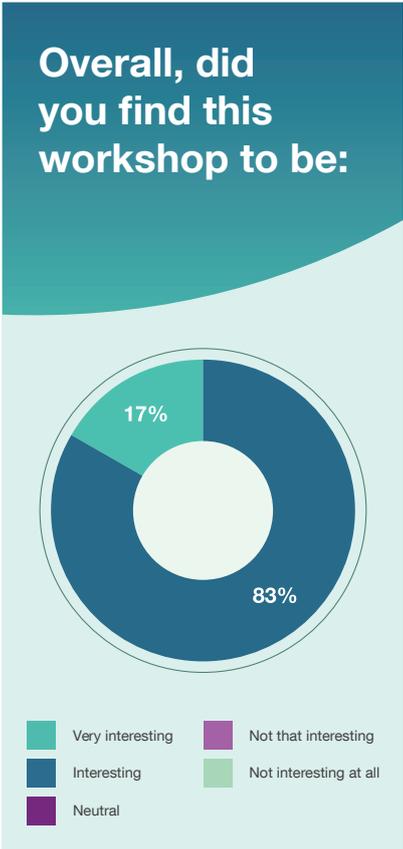
Appendix 2 Workshop feedback

After the event, stakeholders were asked to fill out a feedback form. The feedback on the event is presented below.

Overall, how satisfied were you with today’s workshop?



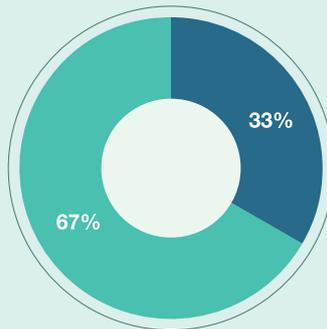
“Targeted discussions and time limited to get most out of participants.”



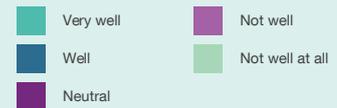
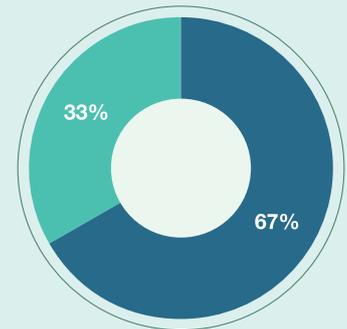


“ Engaging discussion with a good facilitator makes these sessions. Got both here, well done! ”

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



How well do you think the online format worked?



Comments

- “Sensible size of breakout room - everyone could contribute.”
- “Breakout rooms worked well.”
- “Breakout sessions and management by EQ.”



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