

NGED Customer Panel

15 December 2022

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Attending

15 December 2022 – Pegasus office

Customer Panel members	
Hafez Abdo	University of Nottingham
Dr Iryna Shchyrba	University of Nottingham
Ellen Cox	Cadent Gas
Gabby Mallett	Customer representative - Chair
Bob Radford	Kirklington Parish Council
Kate Robbins	Wessex Water

National Grid:	
Alison Sleightholm	Regulatory & Corporate Director
Christopher Hayton	Head of External Affairs
Richard Allcock	Stakeholder Engagement Manager
Nicki Johnson	Stakeholder Engagement Officer

National Grid – at the surgery sessions	
Tracy Cullen	Social Obligations Officer
Nicki Johnson	Stakeholder Engagement Officer

Customer Panel Agenda

09.45 Closed member session – optional for all members

10.00 **Winter preparedness and communications plan**

Christopher Hayton, External Affairs Manager

10.45 **Local network investment events – building an action plan**

Nicki Johnson, Stakeholder Engagement Officer

11.15 **COMFORT BREAK**

11.30 **RIIO ED2 Final Determination update**

Alison Sleightholm, Regulation and Corporate Director

12.30 **LUNCH**

13.00 – 14.00 *Afternoon surgery – Social obligations*

Winter preparedness and communications plan

Christopher Hayton
Head of External Affairs

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Winter Preparedness update

- The Panel will receive a presentation on the company's winter preparedness campaign
- Campaign materials are being finalised the week of the Customer Panel Meeting so cannot be shared in advance
- The presentation will be circulated after the meeting

Local Network Investment Events – building an action plan

Nicki Johnson
Stakeholder Engagement Officer

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Local Network Investment Events

October – November 2022



Designed to support stakeholder plans for development and decarbonisation, and consider potential impacts these may have on the network

- 11 events across the NGED region
- Held in local depots
- 102 stakeholders attended including councillors, planning officers, developers and others involved in the growth agenda
- Included presentations from our expert Network Strategy Team
- 46 stakeholders took up the offer of a 20 minute one-to-one surgery session to talk about their local plans

Objectives of the workshops

The objectives of the workshop were to allow delegates to:

- Meet Distribution Managers and the local teams
- Find out more about us, including; the change to National Grid Electricity Distribution (NGED), where we are with our RIIO-ED2 Business Plan and our local investment plans
- Help us understand the local growth agenda, including Local Area Energy Planning
- Learn of, and discuss, our connections policy and the changes brought about by the Significant Code Review (SCR)
- Understand more about our DFES (Distribution Future Energy Scenarios) process and how it supports our investment planning
- Share ambitions for low carbon technologies
- Speak to our experts about the energy issues affecting their communities



What we need from you today

We would like your insight to help us shape the actions we plan to take following stakeholder feedback at the events

Today we will:

- Share the summary of feedback from all eleven events
- Discuss potential actions we could take as a business in response
- Provide an opportunity for you to flag new suggested actions for us to consider

Turning feedback in to action – Supporting growth and new connections

Key feedback:	Possible actions:
<ul style="list-style-type: none"> The improvements to NG’s online Low Carbon technology (LCT) application process were well received. It was suggested ‘how to’ guides and instructional videos could further simplify the connections process, along with pre-selection dropdowns and case studies Some felt certain stakeholder segments (such as communities, village halls or domestic customers) might not understand the changes or our requirements Stakeholders often stated that they needed greater clarity on capacity available so they could plan their projects accordingly and felt there needs to be a clearer roadmap. Expecting them to wait until 2036, for example, for connections is not acceptable There was some feedback that budget quotes were sometimes unreliable or inconsistent across regions Smaller customers including those wanting solar PV may have previously been prevented from connecting to the electricity network due to the complexity of the process 	<ol style="list-style-type: none"> Produce some simple guides (video or flow chart for example) for the website for those who might benefit Work with NG Community Energy engineer on information and support for CE groups Improve online mapping tool to allow stakeholders to see more accurately where capacity is available Provide virtual site visits to save time and allow clearer quotes to be achieved Online applications for all LCTs could be available as self-serve

“Inconsistency is sometimes a barrier. Some planners will quote with a caveat but some will only do a budget quote” **Government**

“I like the simplified process but always retain the option to pick up the phone” **Local Authority**

“Always consider future proofing. Having someone to hold the hands of community groups and not limit ambition is amazing” **Local Authority**

“There could be great value in NGED supporting a Connections Customers User Group to enable a greater level of location or regional based activity” **Local Enterprise Partnership**

Turning feedback in to action – Supporting the transition to net zero

Stakeholders felt:

- Significant investment is required if we, as a country, are to meet Net Zero targets
- It would be disappointing if the final determination of the Business Plan saw a dramatic reduction in funding
- Investment workshops are a valuable tool for stakeholders to upskill themselves on local investment in their area and a way of meeting their local DMs

Key feedback:	Actions:
<ul style="list-style-type: none"> • There is no substitute for face to face engagement to discuss plans and ambitions for growth, while informing NG’s own Best View on required investment • NG could have a role to play in educating LAs on how to produce their LAEPs, on how electricity networks are funded, and the levels of investment required • Improved published data might help LAs gauge how much effort they themselves need to make to meet their own generation targets 	<ol style="list-style-type: none"> 1. Continue to inform NG’s Best View on required investment with input from stakeholders around their own ambitions and growth – e.g. surgeries and investment workshops 2. Provide a template or guide for Local Authorities to support them in their production of LAEPs 3. Consider publishing further data in relation to capacity, renewable generation and battery storage

It’s useful to have these discussions. It would also be useful if NG could work with zap map to ensure users know which charge points are working and which are available.” **Consultant**

“We have lots of plans for heat pumps in in our social housing stock.” **Local Authority**

“These workshops very useful but I find it difficult to get our senior officers to engage in the process.” **Local Authority**

“NG are the best people to help drive change and encourage partnerships through engagement.” **Consultant**

“We’re going to decarbonise our whole stock. We’re looking at solar farms and wind farms, to try to power our properties.” **Local Authority**

RIIO-ED2 Final Determination

Alison Sleightholm
Regulation & Corporate
Director

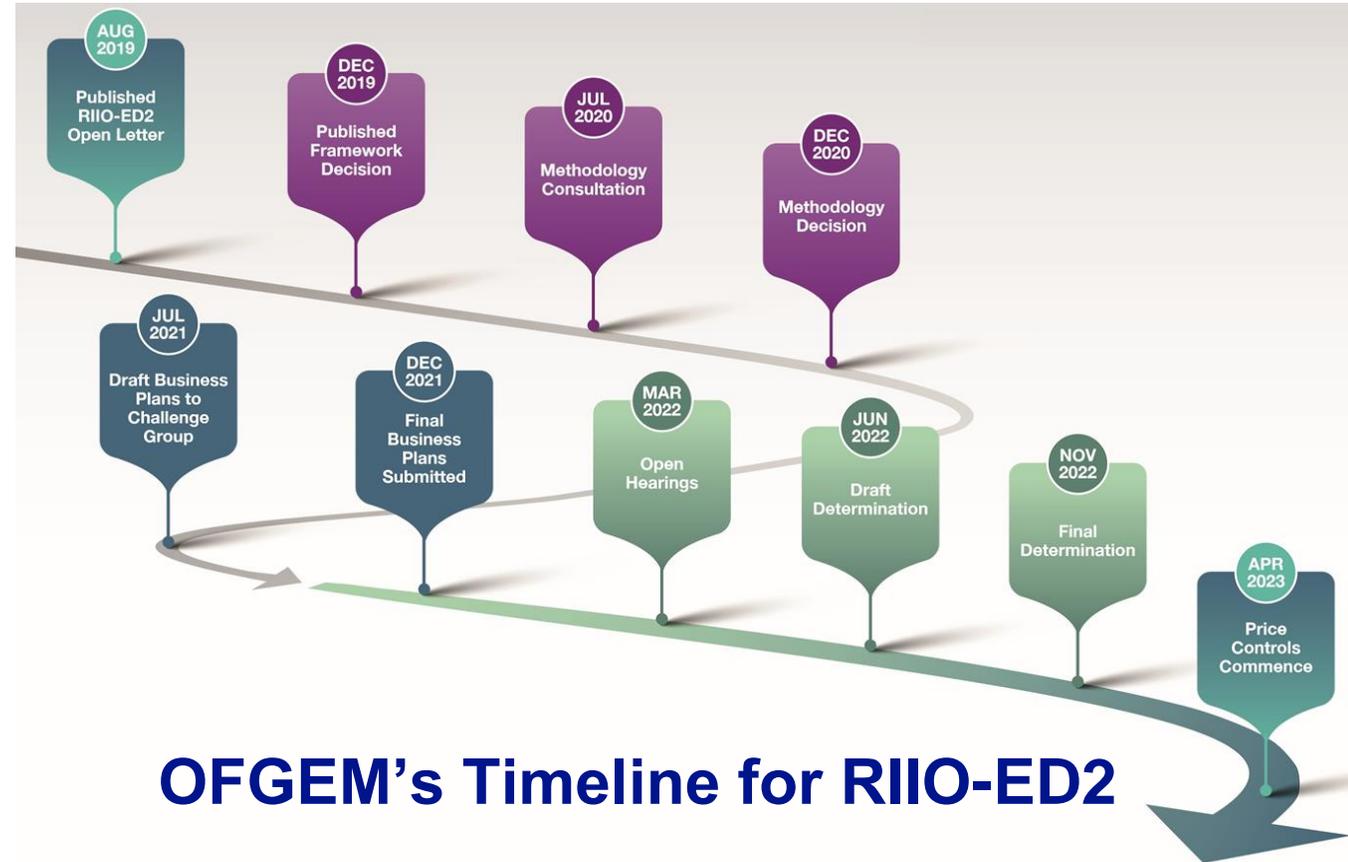
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Timetable

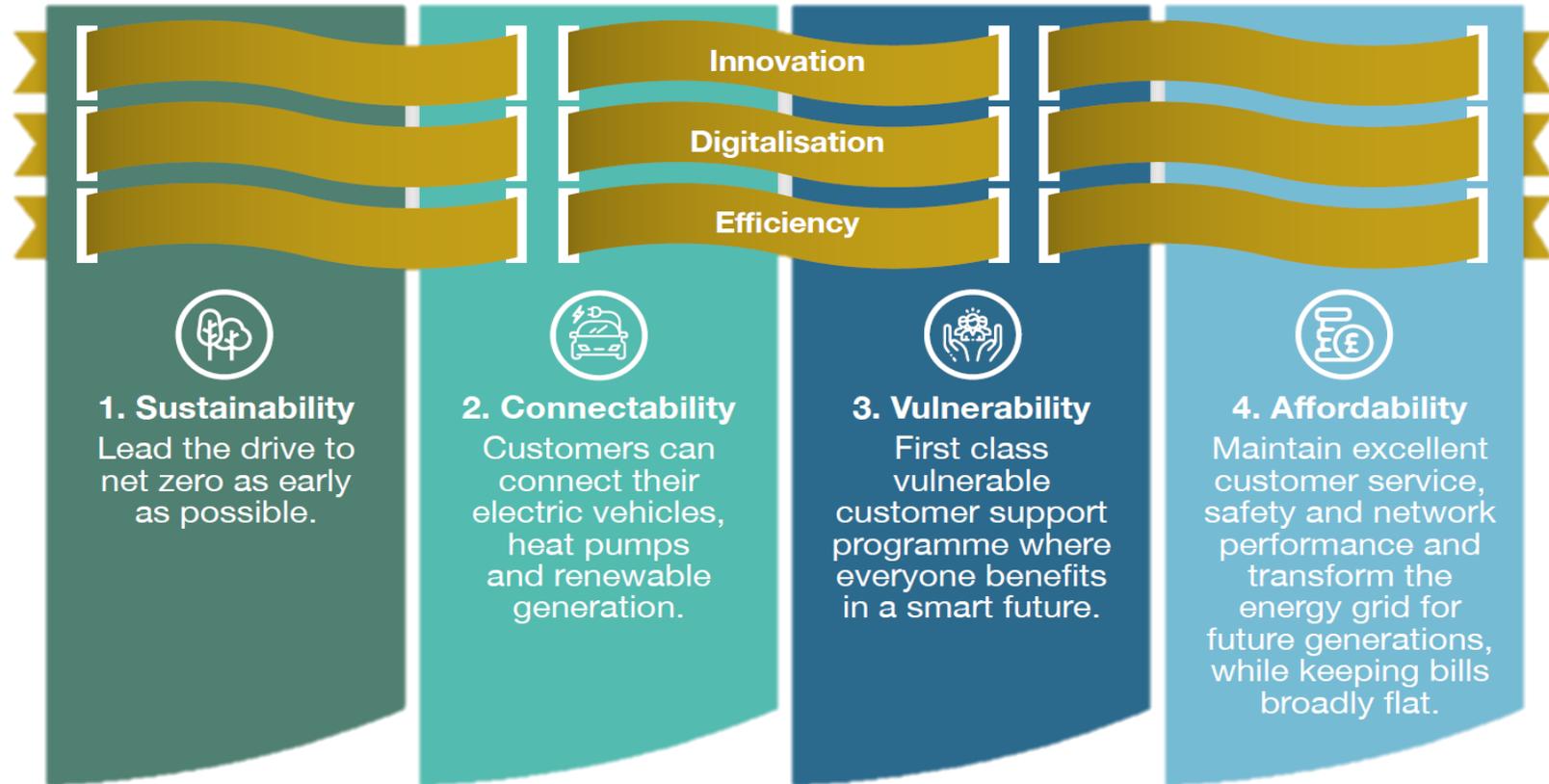
Key Milestones

- Business Plan was submitted to Ofgem on 1st December 2021
- Draft determination was issued on 29th June 2022
- A rapidly changing environment
- Final Determination issued 30th November 2022
- Over 1000 published pages plus data tables so detail yet to be received/analysed
- RIIO-ED2 go Live – 1st April 2023



Our RIIO-ED2 Business Plan

- Four overarching outcomes for our customers
- Supported by over 25,000 stakeholder engagements
- 42 core commitments
- £6.9 billion investment requested to deliver net zero for our customers
- £1.4 billion expenditure increase, but keeping bills broadly flat



Final Determination - Headlines

In light of our responses to draft determinations we have seen some material improvements to the proposals

Finance: **Financing package improved**
Efficiency challenge comprising catch up and ongoing efficiency
NGED ranked 4/6 for efficiency

Totex: **Headline reduction in NGED totex of 13.3% from £6.9bn to £6.0bn over ED2 (£0.9bn)**
+£396m on comparable DD costs + £119m for Access SCR

- **Increased allowances due to successful work on:**
 - EJPs: 82% approved as justified at FD (48% at DD)
 - Improvement in innovation and cyber funding
- **£900m gap comprising £200m uncertainty, £400m efficiency, £300m tbc**

Incentives:

- Incentives for customer satisfaction, interruptions, connections, customer vulnerability
- New DSO incentive
- Business plan reward increased

Final Determination – starting point



National Grid



We have £6 billion to deliver the services for our stakeholders
- largest amount of any DNO in the UK



For RIIO-ED2 we can invest £1.2 billion per year which is
higher than in RIIO-ED1 at £1.05 billion/year



We have access to at least another £200 million via 38
uncertainty mechanisms – how will Ofgem manage this?



We also have an additional £110 million which is associated
with the Significant Code Review



Incentives Range is -4.0% to 2.65% RORE

Initial view

- No significant negative shocks with plenty of positive movement
- The overall package looks tough and challenging and we are continuing to carefully review Final Determinations
- Ongoing assessment of the proposals particularly to understand;
 - The Totex gap split between volumes, uncertainty and efficiency
 - Clarity on ED2 outputs
 - The strength of the incentive package particularly on quality of service
 - The operation of the 38 uncertainty mechanisms
 - The scope for efficiency savings
- Decision to either accept or reject to be made by the NG Board in January

Next Steps

We are currently evaluating what the FD outcome means for NGED including

- Impact of delivery of the 42 core commitments
- Impact on investment in the network activity levels
- Implementing the efficiency challenge

We are finalising our delivery plan in readiness for 1st April 2023 including a focus on the impact on our plans in the following key areas

- People
- Processes
- Systems

Questions

2023 Customer Panel meetings

Next year's proposed meeting dates are as follows. Thoughts welcome on whether we retain the zoom/in-person split

- 15 March 2023 – In person?
- 15 June 2023 – Zoom?
- 14 September 2023 – In person?
- 14 December 2023 – Zoom?

Afternoon surgeries

1-2pm after lunch, Pegasus office

Choose between:

- **Social Obligations**
 - Tracy Cullen will talk you through the recent Social Obligations workshop including some stakeholder feedback and possible actions
- **Connections**
 - Penny Carolan will talk you through the recent Connections hybrid event including some stakeholder feedback and possible actions

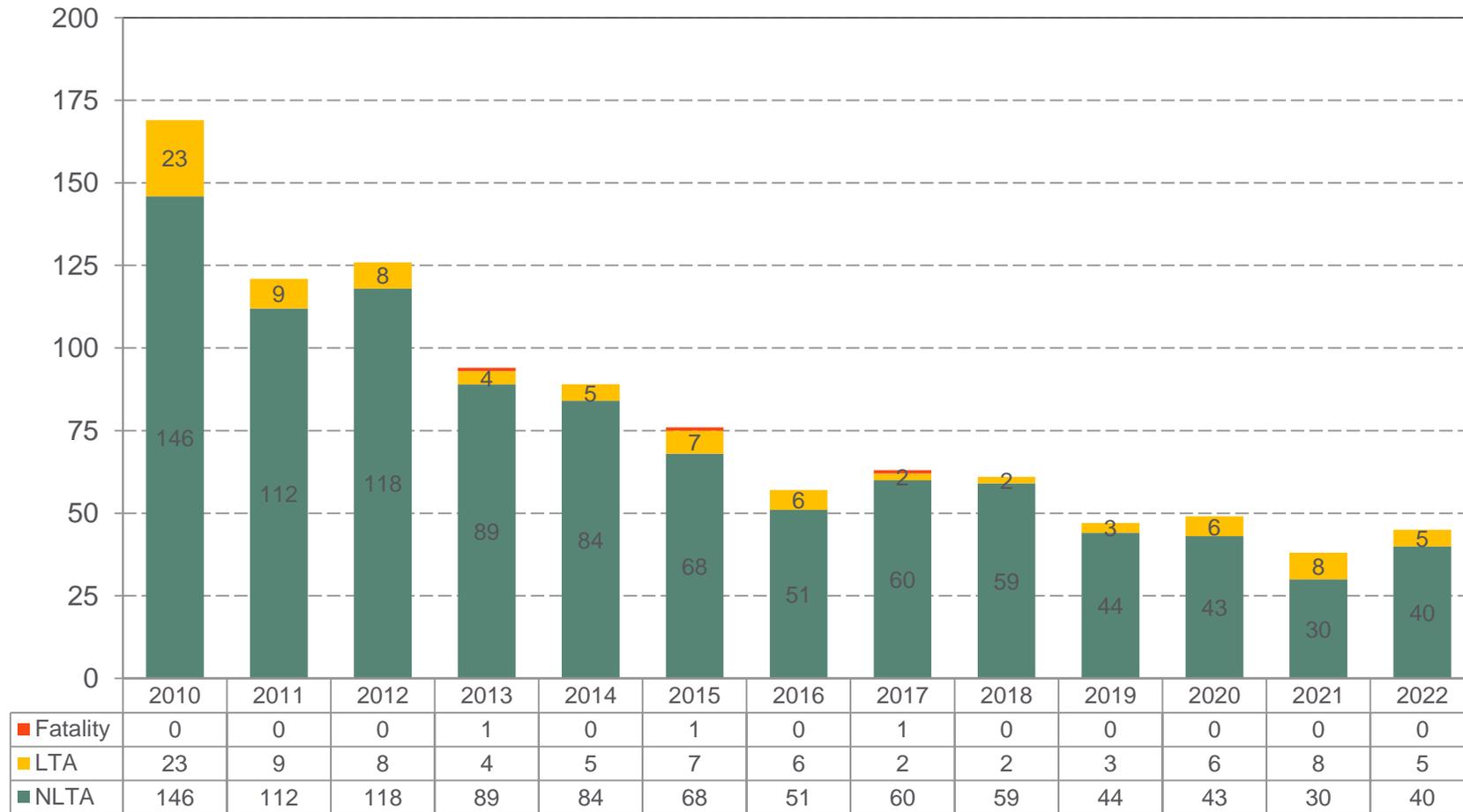
Appendix

YTD Performance



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Safety incidents



As at end of November 2022

*Loss Time Accident / Non Loss Time Accident

IIS Outturn 2022/23

	WPD West Midlands		WPD East Midlands		WPD South Wales		WPD South West	
	CI	CML	CI	CML	CI	CML	CI	CML
Ofgem IIS Target 2022/23	77.3	50.3	49.8	34.9	51.5	32.0	57.1	42.1
IIS Outturn 2022/23	43.0	30.7	30.1	20.7	44.6	25.5	49.5	40.0
% Out Performance	44.3%	39.0%	39.5%	40.7%	13.3%	20.3%	13.3%	4.9%
*Potential reward (£m†)	24.0		23.2		4.6		3.6	

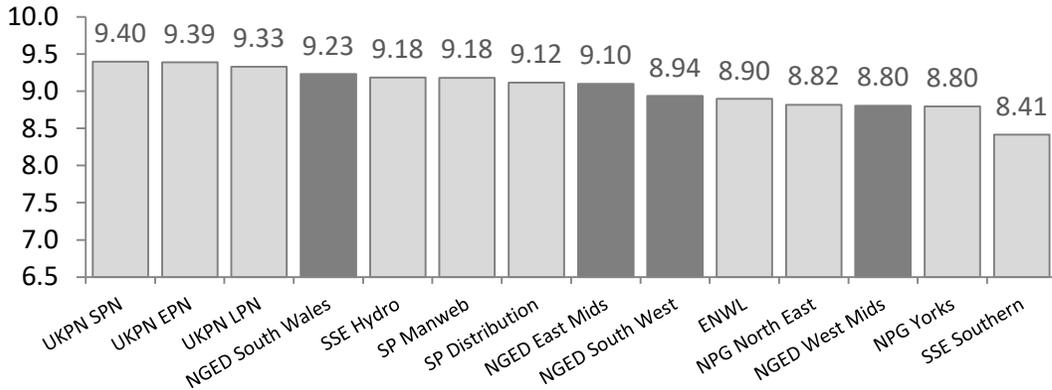
As at October 2022

*Subject to Ofgem audit

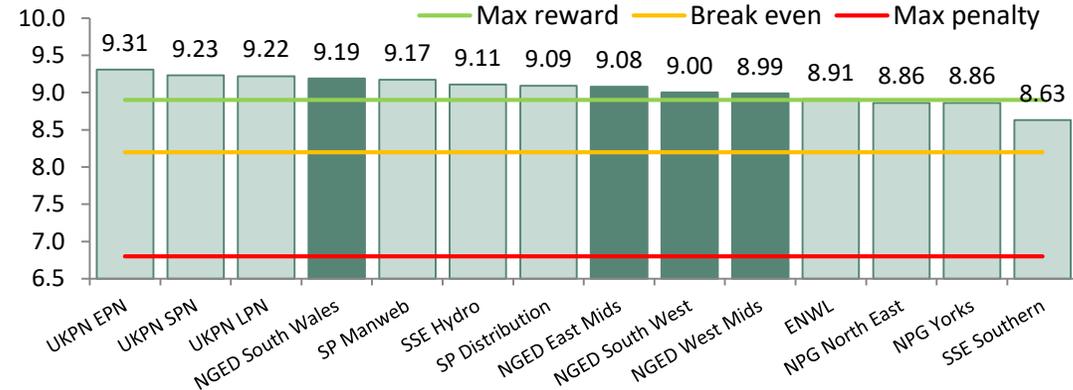
†At 2022/23 prices

Broad Measure Survey – RYTD to October 2022

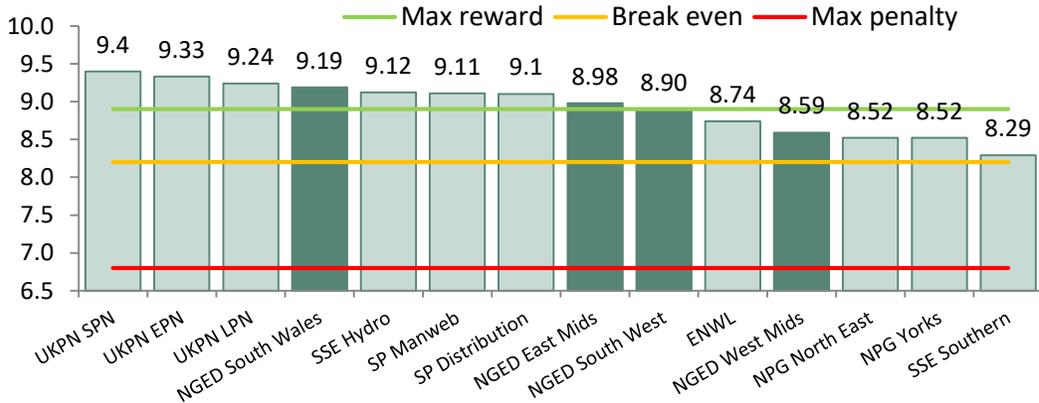
Overall Combined



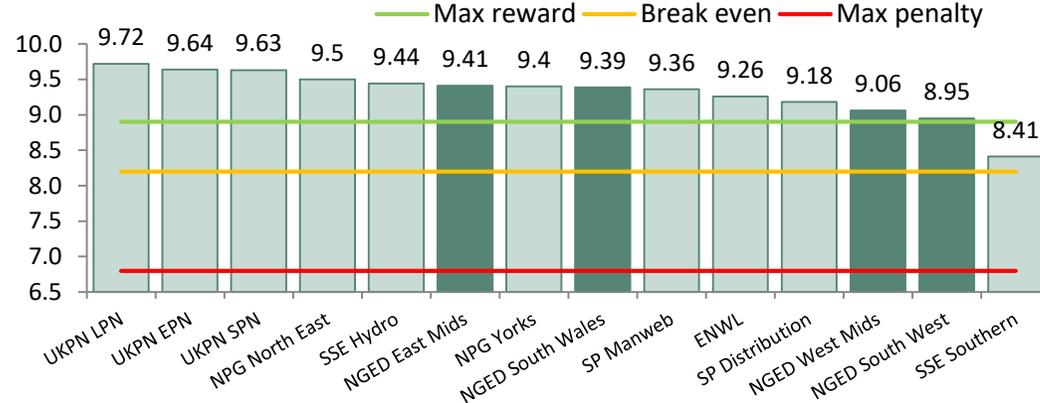
Interruptions



Connections



General Enquiries



Note: Ofgem's incentive only considers individual performance in the 3 categories. An overall score is generated for summary purposes, using Ofgem's weightings of : 30% Interruptions; 50% Connections; 20% General Enquiries

Contact Centre Performance

April 2022- November 2022

Inbound

Service	Total calls	
General enquiries	132,082	Average speed of response - Calls 3.59 seconds
No supply	461,048	Average speed of response - Twitter 3 mins 56 secs
		Average speed of response - Webchat 45 seconds
Calls to 105 (included above)		246,207 (53.4%)

Outbound – Proactive

	Total call backs	Total to vulnerable customers
During fault	608,404	602,352
When ETR changes (Estimated Time of Restoration)	73,200	33,517
Post fault	188,591	83,335
Total	870,195	719,204
Total proactive text messages sent		527,824

Priority Service Register data cleanse

	Total contacts
Customers attempted to contact	799,171
Success rate	18%
Onward referrals made (e.g. for fuel poverty support)	11276 (including 4271 referrals to fire service)

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