



Western Power Distribution Stakeholder Workshop:

Birmingham 6th February 2018

CONTENTS

1	Introduction	03
2	Executive Summary	04
3	Attendees	10
4	Workshop One: WPD's Current Performance	12
5	Workshop Two: Looking Ahead to RIIO-ED2	19
6	Workshop Three: Engaging with Customers and the Role of Customer Panels	26
7	Workshop Four: Transitioning to a DSO	34
8	Afternoon Surgeries	41
9	Workshop Feedback	44

1 | INTRODUCTION

On 6th February 2018, WPD hosted the fourth of a series of six stakeholder workshops, held in locations across its region. The workshop took place at Aston Villa Football Club in Birmingham.

The purpose of the workshop was to seek feedback from WPD's key stakeholders on a range of proposed actions relating to: the company's current performance; key changes in the energy industry; influencing the company's developing Business Plan; and the impact of the anticipated transition to a DSO. WPD also invited Citizens Advice to present an independent workshop on methods of engagement.

EQ Communications (EQ) was appointed as a specialist stakeholder engagement consultancy to independently facilitate the stakeholder workshop on behalf of WPD and neutrally report back on the outputs.



Each of the workshop sessions began with a short presentation from members of the WPD team or Citizens Advice, followed by roundtable discussions. The roundtable discussions were facilitated by trained EQ facilitators and stakeholders' comments were captured by EQ scribes. In addition, there was a Q & A session where stakeholders were invited to ask senior personnel at WPD questions. After lunch, there were three 'surgery' sessions: Losses and Innovation, Connections and Distributed Generation, and Social Obligations (including Fuel Poverty). The full agenda for the workshop can be found on slide 17 of the presentation, which can be found here: [https://www.westernpower.co.uk/docs/Stakeholder-info/2018-\(1\)/180209-WPD-Annual-Stakeholder-Workshops-2018-FINAL.aspx](https://www.westernpower.co.uk/docs/Stakeholder-info/2018-(1)/180209-WPD-Annual-Stakeholder-Workshops-2018-FINAL.aspx)

Where possible, verbatim quotes have been noted by the scribes, along with key themes and areas of consensus. Comments are not attributed to individuals to ensure that all stakeholders could speak as candidly as possible.

Over the course of the workshop, stakeholders were asked to vote on a number of electronic voting questions using the individual tablets provided on their tables. Where relevant, these results will be displayed alongside qualitative feedback from the discussions (please note that in some instances, results do not sum to exactly 100%: this may be due to computer rounding or multiple responses).

This report is a recording of the outputs from the stakeholder workshop. A copy of the presentation given by WPD can be found here: [https://www.westernpower.co.uk/docs/Stakeholder-info/2018-\(1\)/180209-WPD-Annual-Stakeholder-Workshops-2018-FINAL.aspx](https://www.westernpower.co.uk/docs/Stakeholder-info/2018-(1)/180209-WPD-Annual-Stakeholder-Workshops-2018-FINAL.aspx)

2 | EXECUTIVE SUMMARY

The workshop was split into four discussion sessions. The first, second and fourth sessions began with an introductory presentation given by a senior WPD representative, and the third session was introduced independently by a member of Citizens Advice. All presentations were followed by roundtable discussions, with stakeholders then able to give further, quantitative feedback by voting electronically. The four areas for discussion are outlined on the next page, along with a summary of the key points raised.



SESSION 1: WPD'S CURRENT RIIO-ED1 PERFORMANCE

Following an introduction to WPD by Alison Sleightholm, the first workshop discussion session was introduced by Eleanor Sturges, Planning & Regulation and Special Projects Manager. The purpose of the presentation was to give an overview of WPD's current performance within the current RIIO-ED1 framework (2015–2023) and outline how it was adapting to change. Of a possible 76 outputs, Eleanor highlighted gains and achievements in safety, reliability, connections, customer satisfaction and social obligations.

Eleanor concluded by discussing several emerging 'key changes' that had not been anticipated when the current Business Plan was agreed in 2013: WPD's transition to as a Distribution System Operator; Alternative Connections Offers; Electric Vehicles; Changes in Flood Risk Planning; and Cyber Security.

The presentation given by Eleanor can be found here (slides 20–33): [https://www.westernpower.co.uk/docs/Stakeholder-info/2018-\(1\)/180209-WPD-Annual-Stakeholder-Workshops-2018-FINAL.aspx](https://www.westernpower.co.uk/docs/Stakeholder-info/2018-(1)/180209-WPD-Annual-Stakeholder-Workshops-2018-FINAL.aspx)

The key points captured in this session are shown below:

- The session was attended by a wide range of stakeholders with a variety of priorities. Their overarching interest was WPD's plans for the future and their effect on the interests they represented.
- Power outages were flagged as an important issue, both in terms of their impact on people's personal lives and the disruption they could cause to business.
- There was a high level of concern for vulnerable customers, with fuel poverty viewed as a significant issue.
- There was much debate over the transition to DSO and its potential impact on renewable energy, smart meters and network management. Smart meters were viewed as a priority issue by many.
- There was significant interest in the environment, in particular renewable energy and the undergrounding of cables.
- Participants were keen to find out how WPD would respond to developments, including the growth of housing in the region, smart meters and electric vehicles.
- Stakeholders also discussed the issues of pricing, flood risk mitigation, connections, electrical storage, cyber security and international competitiveness.
- WPD was praised for its work on stakeholder engagement.
- WPD's proposed key changes – namely Distribution System Operator Role, Alternative Connections Offers, Electric Vehicles, Changes in Flood Risk Planning, and Cyber Security – were seen as appropriate for the most part. Various additional key changes were proposed. These included: competition from suppliers in China; pressure for re-nationalisation of energy supplies; changing weather patterns; housing development growth; new requirements within planning permission; and fluctuations in the price of copper.
- Generally speaking, WPD's output categories – Safety, Environment, Customer Satisfaction, Reliability, Connections and Social Obligations – were viewed as appropriate for the future, although stakeholders acknowledged that many issues could not be easily categorised. Various additional categories were suggested. These included 'Future Trends', 'Demand Growth', 'Industrial Strategy' (to promote collaboration between energy providers) and 'Flexibility' (to encompass renewables, smart meters and battery storage).
- The development of electric vehicles was perceived as a potentially massive change which would impact in many areas. In the electronic voting 75.9% of stakeholders felt the change required new outputs immediately.
- Cyber security was a big concern, both as a safety issue regarding the risk of a hack on WPD's system, and a Reliability issue regarding WPD's handling of customers' personal data. In the electronic voting, 66% of participants said it needed new measurable outputs immediately.

SESSION 2: LOOKING AHEAD TO RIIO-ED2

This session began with a presentation given by Alison Sleightholm, Regulatory & Government Affairs Manager. Alison explained the changing focus from outputs to outcomes in RIIO-ED2, and outlined the core outcomes that WPD believe stakeholders want them to deliver. After introducing the key components of WPD's Business Plan, she outlined the areas currently shaped by stakeholders and asked whether this influence could go even further in RIIO-ED2.

The presentation given by Alison can be found here (slides 45–56): [https://www.westernpower.co.uk/docs/Stakeholder-info/2018-\(1\)/180209-WPD-Annual-Stakeholder-Workshops-2018-FINAL.aspx](https://www.westernpower.co.uk/docs/Stakeholder-info/2018-(1)/180209-WPD-Annual-Stakeholder-Workshops-2018-FINAL.aspx)

The key points captured in this session are shown below:

- In terms of what outcomes participants wanted to see achieved in RIIO-ED2, more education on energy saving, improvements to reliability and attention to capacity were all seen as means of reducing costs and delivering greater value to consumers.
- Stakeholders also wanted to see outcomes that responded to the future growth of housing and the transition to DSO.
- Attention to rural infrastructure and open-standard technology were also raised as outcomes participants wanted to see, as was benchmarking at domestic and international levels.
- There was much discussion of the role of end users. It was generally acknowledged that most would lack both the knowledge and interest to offer valuable input. However, many felt they needed to be given the opportunity to contribute, as they were the ones ultimately paying for the network. Smart meters were identified as a possible mechanism to make end users more engaged.
- It was generally agreed that to most people, outputs were the only thing that really mattered. If end users were to have any real influence, most thought it would be here.
- Some parish councillors argued end users had a right to have some input into Incentives. Many disagreed, feeling this was an internal matter for WPD.
- In the main, the other categories were viewed as specialist interests, although smart meters were seen as potentially opening up the Innovation category to influence from more groups.
- The electronic voting revealed that Innovation and Outputs were the areas that stakeholders were most interested in influencing, with an average of 8.3 and 7.3 respectively. Incentives was also viewed as a priority, scoring an average of 7.2.
- Stakeholders were least interested in being involved in Financing, which scored an average of 3.3.
- Regional variations in network efficiency were raised as an issue to be dealt with in RIIO-ED2, with a desirable aim being for all regions to have the most efficient network.



SESSION 3: ENGAGING WITH CUSTOMERS AND THE ROLE OF CUSTOMER PANELS

The third session of the morning was an independent workshop introduced by Stuart Horne of Citizens Advice. He began by discussing the importance of proactive engagement and the different levels of influence that stakeholders and customers could potentially exert over a company's business activities. He also explained the role of Customer Challenge Panels, describing their purpose, remit and level of decision-making power, and seeking feedback on how the current model could be adapted in the future.

The presentation given by Citizens Advice can be found in the PowerPoint presentation (slides 67–74).
[https://www.westernpower.co.uk/docs/Stakeholder-info/2018-\(1\)/180209-WPD-Annual-Stakeholder-Workshops-2018-FINAL.aspx](https://www.westernpower.co.uk/docs/Stakeholder-info/2018-(1)/180209-WPD-Annual-Stakeholder-Workshops-2018-FINAL.aspx)

The key points captured in this session are shown below:

- The panels' work was praised by stakeholders who had experience of them, with energy companies in particular saying they had found them useful.
- Some sceptics questioned whether the panels were necessary, arguing that Ofgem existed to represent customers' interests and shouldn't be passing this responsibility off to customer panels.
- Difficulties with achieving a truly representative panel were acknowledged, with the kind of people who would put themselves forward to be on a panel not necessarily representative of the average customer.
- There was some debate over whether it was right for a commercial company to devolve any power to its customers.
- Participants generally felt the current level of influence wielded by the panels was about right, with around 65% supporting the current 'Consult +' arrangement.
- There was speculation that the transition to DSO would lead to customers becoming more heavily engaged, placing an increased importance on the input of the panels.



SESSION 4: TRANSITIONING TO A DISTRIBUTION SYSTEMS OPERATOR

Paul Jewell, Policy Manager, introduced Session 4, explaining the changing role of energy networks and what the transition to a DSO might mean for different customer groups, in particular, large energy users; distributed eneration and storage providers; smart technology providers; local communities; and vulnerable customers. He concluded by discussing how vulnerable customers could benefit from a smart future, giving the example of the 'last gasp' feature on SMETS2. Following the presentations, there was a short Q & A, during which Paul answered questions from the floor.

The presentation given by Paul can be found here (slides 80–94). [https://www.westernpower.co.uk/docs/Stakeholder-info/2018-\(1\)/180209-WPD-Annual-Stakeholder-Workshops-2018-FINAL.aspx](https://www.westernpower.co.uk/docs/Stakeholder-info/2018-(1)/180209-WPD-Annual-Stakeholder-Workshops-2018-FINAL.aspx)

- There was broad consensus that WPD had captured the correct customer segments (see above), and it was acknowledged that these were in line with the approach being adopted by many large businesses. Some stakeholders felt the focus on large energy users and vulnerable customers meant the average customer was being overlooked.
- The DSO transition's impacts on large energy users and distributed generation and storage providers were understood fairly well, with a little under half of participants rating their understanding as high in the electronic voting.
- Participants had less understanding of the impact of the transition on vulnerable customers, voting for an average rating of 4.7 out of 10.
- This relative lack of understanding manifested itself in the debate over how vulnerable customers should best be supported, with some seeing this as WPD's responsibility and others feeling external organisations were better placed to perform this role. There was consensus that vulnerable customers were a disparate group with varying needs, that WPD needed to cater to on a more individual basis.
- Despite the general optimism around the transition to DSO, a few stakeholders sounded notes of caution. One stakeholder viewed it as a short-term measure and a distraction from big questions about the future of the network, while another feared that opening a capacity trading market could hinder WPD's ability to deliver its objectives.
- The idea of allowing customers to customise the times when they received power cut alerts received wholehearted support, with 64.2% voting in favour of offering full customisation.



AFTERNOON SURGERIES

After lunch, stakeholders were asked to participate in one of three informal afternoon surgeries. The subjects for discussion were:

- Connections and Distributed Generation, hosted by Richard Allcock
- Losses and Innovation, hosted by Paul Jewell
- Social Obligations (including Fuel Poverty), hosted by Karen McCalman

These surgeries included presentations on the topics and gave stakeholders an opportunity to ask the three presenters questions. The presentations given at the surgeries can be found here:

- Losses and Innovation: [http://www.westernpower.co.uk/docs/Stakeholder-info/2018-\(1\)/Afternoon-surgery-presentation-Innovation-and-Loss.aspx](http://www.westernpower.co.uk/docs/Stakeholder-info/2018-(1)/Afternoon-surgery-presentation-Innovation-and-Loss.aspx)
- Connections and Distributed Generation: [http://www.westernpower.co.uk/docs/Stakeholder-info/2018-\(1\)/Stakeholder-Events-2018-Connections-breakout.aspx](http://www.westernpower.co.uk/docs/Stakeholder-info/2018-(1)/Stakeholder-Events-2018-Connections-breakout.aspx)
- Social Obligations (including Fuel Poverty): [http://www.westernpower.co.uk/docs/Stakeholder-info/2018-\(1\)/Afternoon-surgery-presentation-Social-obligations.aspx](http://www.westernpower.co.uk/docs/Stakeholder-info/2018-(1)/Afternoon-surgery-presentation-Social-obligations.aspx)

WORKSHOP FEEDBACK

After the workshop, stakeholders were asked to complete a short feedback form. Some of the key findings are shown below:

- 97% of attendees who filled out a feedback form told us that they found the workshop to be 'very interesting' or 'interesting'. 3% told us they found the workshop to be 'not interesting'.
- 93% of attendees 'agreed' or 'strongly agreed' that we covered the right topics on the day. 6% 'disagreed' or 'strongly disagreed'.



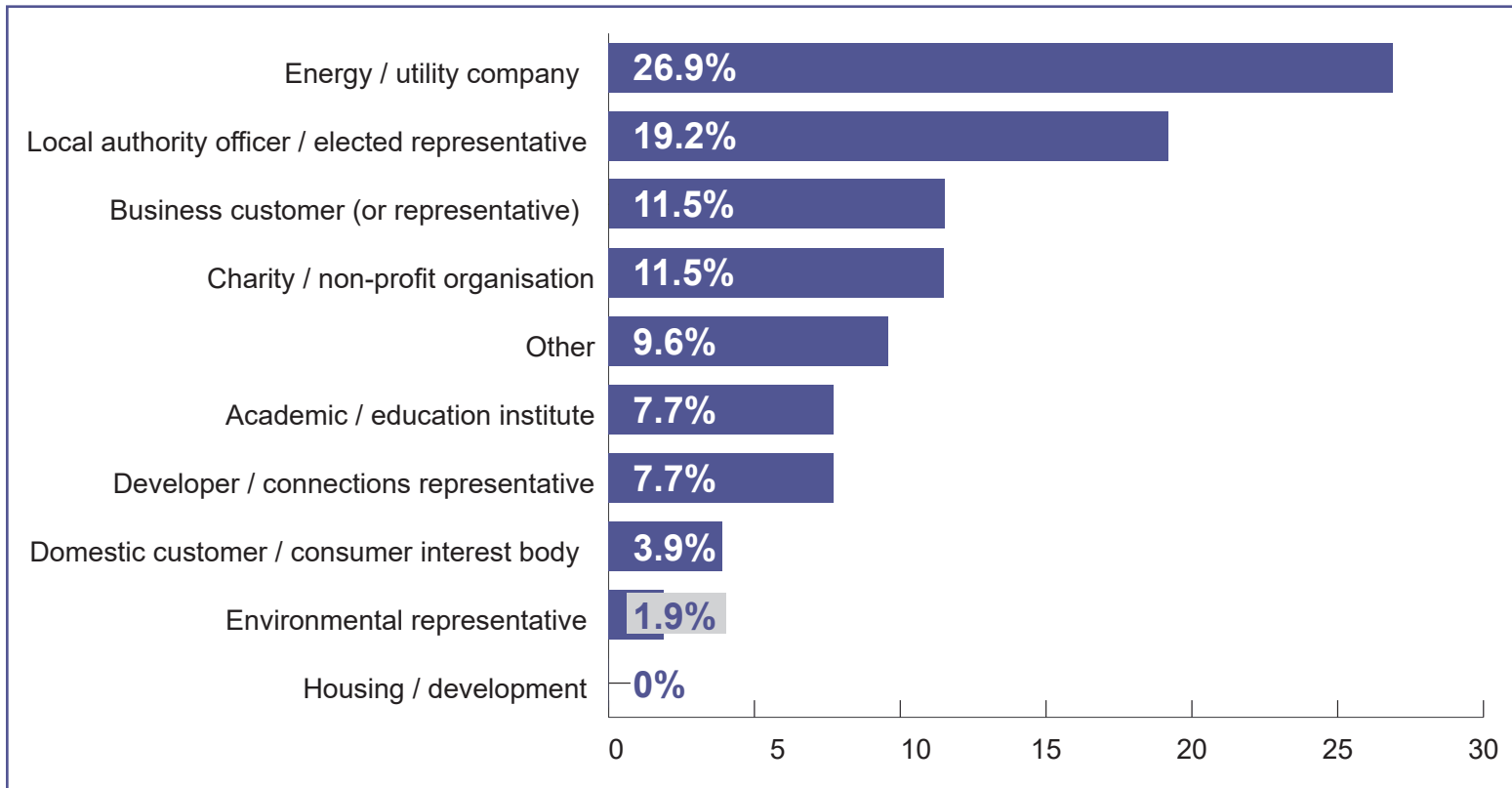
3 | ATTENDEES

A total of 54 stakeholders attended the workshop, representing the following 46 organisations:

- Act on Energy
- Amberside Energy
- Assa Abloy
- Barnt Green Parish Council
- Birmingham Airport
- Blaby District Council
- Black Country Chamber of Commerce
- Camlin
- Cannock Chase AONB Partnership
- Cannock Chase Council
- Centrica
- Chemical Industries Association
- Combe Fields Parish Council
- Coventry Citizens Advice
- Coventry University
- CSWDC
- Daventry District Council
- E.ON UK
- Geldards LLP
- Green Energy Networks Ltd
- Green Frog Power Limited
- Groundwork UK
- Hawker Siddeley Switchgear Ltd.
- Herefordshire Council
- KB Services
- Kettering Borough Council
- Lickey & Blackwell Parish Council
- National Grid
- Nortech Management Limited
- North Warwickshire Citizens Advice Bureau
- npower
- Nuneaton & Bedworth Borough Council
- Red Cross
- Scottish Hydro Electric Transmission
- Severn Trent
- SIG IOT Technologies Ltd
- Solarcentury
- Solihull Metropolitan Borough Council
- Southam Town Council
- Staffordshire County Council
- Suncredit
- Thomas Dudley Ltd
- TUSC
- University of Birmingham
- Warm Zones CIC
- Warwickshire Police



Stakeholders were asked to vote electronically to identify their stakeholder type.
The results were as follows:



4 | WORKSHOP ONE: WPD'S CURRENT PERFORMANCE

Summary of the discussion

- Stakeholders from a wide variety of backgrounds brought a range of priorities to the session. All were interested in finding out more about WPD's plans going forward and what impact these would have on their own areas of interest.
- Power outages were an important issue for many participants, including business representatives who wanted to avoid disruption to their operations, and parish councillors, who wanted answers for their constituents.
- Support for vulnerable customers was generally high on stakeholders' agendas, with charity/voluntary sector representatives particularly vocal in this area. Fuel poverty was a big concern.
- The transition to DSO provoked much debate, with stakeholders keen to find out what it would mean for renewable energy projects, smart meters and network management. It was noted that the sector was evolving fast, and WPD would need to work hard to stay abreast of all the changes.
- Many stakeholders felt that smart meters should be a priority.
- The environment was another popular area of interest, particularly renewable energy and the undergrounding of cables.
- Participants wanted to know how WPD would respond to the growth of housing in the region as well as the arrival of smart meters and electric vehicles.
- Other areas discussed included pricing, flood risk mitigation, connections, electrical storage and international competitiveness.
- The key changes proposed by WPD (Distribution System Operator Role, Alternative Connections Offers, Electric Vehicles, Changes in Flood Risk Planning, and Cyber Security) were mostly seen as appropriate, though various additional key changes were proposed.
- WPD's output categories – Safety, Environment, Customer Satisfaction, Reliability, Connections and Social Obligations – were generally seen as appropriate for the future, though stakeholders recognised that many issues resisted neat categorisation, and that what went on in the various categories was often interlinked. Various additional categories were suggested.
- Electric Vehicles provoked much debate, being discussed with regard to Connections, Reliability and Demand as well as the Environment. It was seen as a potentially massive change with an impact in many areas, as borne out in the electronic voting: 75.9% of stakeholders felt the change required new outputs immediately.
- Cyber security was a big concern for many stakeholders, seen as both a Safety issue due to the risk of a hack on WPD's system, and a Reliability issue in terms of WPD's handling of customers' personal data. The rapid pace of change in this area was perhaps reflected in the electronic voting, where 66% of participants said it needed new measurable outputs immediately.



1. WHAT ARE THE MAIN PRIORITY AREAS FOR YOU?

Summary:

- Stakeholders had a range of priority areas, which varied according to the groups and interests they represented.
- Power outages were an issue raised by many, with parish councillors looking for answers on behalf of their constituents, and business representatives emphasising the importance of a reliable supply to industrial processes and pointing to the financial losses their operations could incur as a result of a power outage.
- Support for vulnerable customers was a priority for many, particularly those representing charitable and voluntary organisations. Various issues affecting vulnerable customers were raised, including fuel poverty, power outages and distraction burglaries committed by criminals posing as workmen, with an emergency services representative praising WPD's efforts in helping to reduce these crimes.
- The transition to DSO was of interest to many stakeholders, who wanted to know how it would impact on various areas, including renewable energy projects, smart meters, and products and services for managing networks.
- The environment was a priority for many, with interest in renewable energy and the undergrounding of cables and how this was funded.
- Stakeholders from across the spectrum were keen to find out how WPD planned to respond to various developments expected over the coming years, including the growth of housing in the region, the transition to smart meters and the proliferation of electric vehicles.
- Other areas of interest for stakeholders included pricing, flood risk mitigation, connections, electrical storage, cyber security and international competitiveness.

Verbatim comments:

"A friend who supplies to Rolls Royce, if the electricity supply goes down she has to throw away all her parts for the cars, so she loses a lot of money."
Infrastructure / engineering representative

"I am an emergency response officer for Red Cross, and I work with WPD supporting vulnerable people in significant power outages."
Charity / voluntary sector representative

"We focus on fuel poverty; in the last couple of years we've done about 100,000 home visits with customers, to help people to pay for and retain the energy they need."
Charity / voluntary sector representative

"When we first started the panel, there was a lot of concern about people posing as workmen. We've seen these distraction burglaries cut by 80%. WPD have taken on a lot of advice on helping vulnerable customers. A lot has been done."
Emergency services representative

"We develop products and services for managing networks. I'm interested in the transition to DSO and what that means for companies like us."
Infrastructure / engineering representative

"We're interested in the undergrounding schemes and how WPD are able to get money from Ofgem."
Environmental representative

"The way power moves across the grid is changing and we need to keep on top of that. Take driverless cars in Coventry at Jaguar Land Rover. It's key to support that industry."
Local authority representative

"I'm interested in how you will fit into the city's plan, how you link your infrastructure development to the government's agenda."
Local authority representative

"I'm from Solihull Council. We've got a lot of growth coming up, and I'm here to make sure the system can cope."
Local authority representative

"For us, international competitiveness and challenges are a priority. We have the most expensive energy across Europe."
Business representative

"Nice you want to engage, it is positive."
Local authority representative

2. HAVE WE CAPTURED THE RIGHT KEY CHANGES THAT HAVE OCCURRED SINCE 2013 – ARE ANY MISSING?

Summary:

- There was general agreement that the key changes proposed by WPD – namely Distribution System Operator Role, Alternative Connections Offers, Electric Vehicles, Changes in Flood Risk Planning, and Cyber Security – were appropriate.
- Various additional key changes were suggested, including: competition from Chinese energy suppliers; pressure for energy supplies to be re-nationalised; changing weather patterns and their effect on supplies; the growth of housing developments; the introduction of requirements within planning permission and the fluctuating price of copper.
- Many suggested that the introduction of smart meters needed to be a priority.
- There was general consensus that the energy sector was developing fast, and some stakeholders expressed concern over whether WPD would be able to keep up with these developments and avoid inefficiencies.
- The shifting political climate was identified by one stakeholder as a missing key change. It was suggested that the position of monopoly providers was currently in the balance, as a result of political factors such as the possibility of nationalisation and the need for suppliers to offer customers an equitable deal.
- One stakeholder queried whether the raising of the target on flood risk protection reflected an increase in the risk of substations being flooded.

Verbatim comments:

“The price of copper goes up and down so although it’s low now, it’s not something to ignore.”

Infrastructure / engineering representative

“We’re trying to compete with the Chinese, we’re on the back foot.”

Infrastructure / engineering representative

“Smart meters needs to be a key priority.”

Business representative

“With the political climate we have a monopoly provider. The approach is that everything should be nationalised again. There’s pressure from rail, industry. The Big Six energy providers, are they offering an equitable deal? How much does WPD reinvest into the network, or could Labour come in and choose to nationalise? It needs to be addressed either way.”

Local authority representative

“On flood risk planning, the fact they’ve changed the criteria, does that mean there are more substations at risk?”

Parish councillor



3. ARE THE SIX OUTPUT CATEGORIES APPROPRIATE FOR THE FUTURE, AND WHERE DO THE 'KEY CHANGES' SIT WITHIN THESE CATEGORIES?

Summary:

- There was a broad consensus that the six output categories (Safety, Environment, Customer Satisfaction, Reliability, Connections and Social Obligations) were appropriate for the future. However, some argued that they needed to be seen in a more fluid light, as many issues straddled various categories and outputs within different categories were often interlinked.
- Various additional categories were suggested, with 'Future Trends' and 'Demand' receiving particular support. An academic suggested a 'Flexibility' category, to encompass renewables, smart meters and battery storage, while a local authority representative called for an 'Industrial Strategy' category to promote collaboration between energy providers.
- One infrastructure / engineering representative voiced the opinion that the most important issue for the future was the decarbonisation of the network, and that WPD's planning should be geared towards that above everything else.
- Many stakeholders emphasised the importance of smart meters and smart networks and called for more information in this area.
- Stakeholders suggested a number of additional outputs, such as cleaner air, connectivity for charging electric vehicles, and flexible demand-side response.
- There was debate over where the DSO key change should sit. Some stakeholders argued the transition to DSO spanned several categories, while others felt it belonged under Reliability or Connections, and others felt it should sit under a new category called 'Future Trends'.
- One stakeholder argued that the DSO role was a short to medium-term solution, with large-scale investment in an infrastructure upgrade inevitably required at some point in the future.
- Regarding the DSO transition stakeholders agreed they wanted to interact more closely with WPD to find out how the company had achieved such high levels of customer satisfaction.
- It was acknowledged that Cyber Security was a key change that impacted various categories, notably Safety and Reliability but also Customer Satisfaction. This reflected the two main aspects of cyber-security discussed by stakeholders – protection against the threat of sabotage via a hack on the system, and the security of customers' personal data. Some stakeholders argued that Cyber Security should have its own output category.
- The two main strands of the cyber issue were reflected in the electronic voting, with 2.5 tables filing it under Safety and 3 tables filing it under Reliability. 2 tables said cyber-security should be a separate output category.
- Electric Vehicles was another key change that was widely seen to span various categories – one energy /utility company representative made the point that while for the customer it might sit under Environment, for WPD it was more of a Reliability issue. Many others, from various backgrounds, suggested the main issue with electric vehicles was Connections. It was pointed out that having the charging points in place was a prerequisite for driving the growth of electric vehicles, with one stakeholder raising the point that electric vehicles would lead to a spike in demand during peak charging hours.
- Despite this debate, Environment remained the most popular category in which to place Electric Vehicles. 2.75 tables placed this key change under Environment, which was equal to the next two most popular categories combined – 1.25 tables placed them under Reliability, while 1.5 tables placed them under Connections.
- It was also suggested Electric Vehicles could bring about a key change under 'Demand', if the cars were able to be used as mini-generators. Others suggested that the key change should sit under 'DSO' or Reliability, or have its own category.
- There was broad agreement that Alternative Connections should be moved into the Connections category, with 4.5 tables making this change and just 1.5 tables keeping it under Environment.
- The vast majority of stakeholders saw Flood Risk as a Reliability issue, with 9 out of the 10 tables placing it in this category.

During the discussion, stakeholders were asked to state their preference for where the key changes should sit under the existing output categories – or whether new categories should be created. The aggregated results across all of the tables were as follows:

Future Capacity	1.00				
Future Trends	2.00		1.00		
Smarter System	0.50		0.50	1.00	
EVs	1.00				
Cyber Security					2.00
DSO	0.50		2.00		
Demand	0.25		0.50		
Bus Connections					1.00
Social Obligations	0.25				0.50
Customer Satisfaction					
Connections	1.50		1.00	4.50	
Environment	2.75		2.00	1.50	
Reliability	1.25	9.00	3.00	0.50	3.00
Safety					2.50
	EVs	FLOOD RISK	DSO	ALTERNATIVE CONNECTIONS	CYBER SECURITY

Verbatim comments:

"We need a section for industrial strategy. The grid is quickly evolving and changing all the time, this needs a response. With strategic partnerships, response times can be cut down to improve customer satisfaction." **Local authority representative**

[on the DSO role] "It's probably a short to medium-term solution – you can only use existing technology for so long. Inevitably you'll need to invest in a heavy-duty way." **Local authority representative**

"For Cyber Security, I'd say the important thing is that the whole network doesn't come crashing down if someone acts from their bedroom." **Local authority representative**

"Unless every customer is sure that their data is secure we aren't going to move forward. That would take us a big step forward." **Domestic customer**

"Safety affects reliability. They're already interconnecting. Taking Cyber Security into a category of its own is now appropriate." **Domestic customer**

"Electric vehicles will never become popular unless the infrastructure's in place. If one of your targets was to have 20 charging points in every motorway service station within two years, people will see electric vehicles as more desirable."

Infrastructure / engineering representative

"I think with Electric Vehicles the driver comes from an Environment perspective but the issue for WPD lies with Reliability." **Energy / utility company**

"I think one of the biggest problems is the trend in peak hours. In the past it used to be turning on the telly for Coronation Street. In the future it's going to be 'when do I charge my electric vehicle?'"

Domestic customer

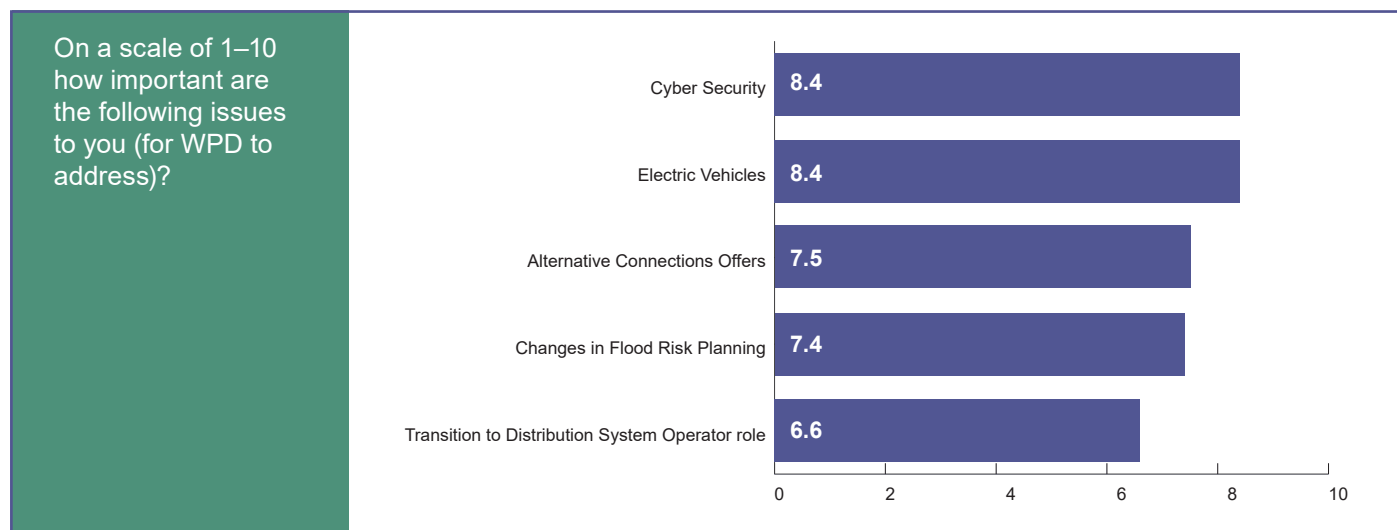
"Alternative Connections should sit under Connections. It's moving away from the Environment." **Charity / voluntary sector representative**

"What's not strong enough is the drive to decarbonise the network. The real goal for the future is ensuring our assets are producing less carbon. That's what we're gifting to our future generations, so everything should be targeting that. WPD is a real cog in society." **Infrastructure / engineering representative**



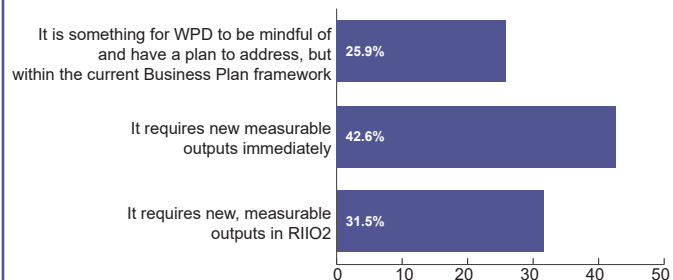
Electronic Voting

At the end of the session, stakeholders were asked to vote electronically on a number of issues relating to the discussions.

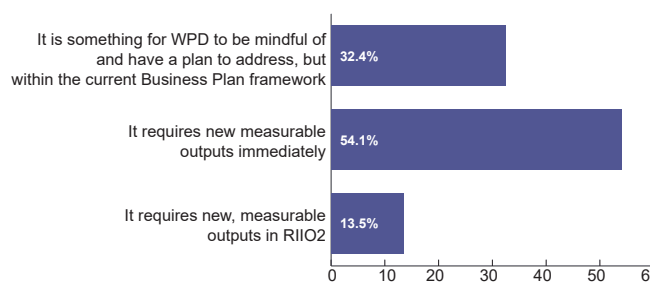


IN TERMS OF BUSINESS PLAN OUTPUTS, HOW SHOULD WPD ADDRESS THE FOLLOWING ISSUES...?

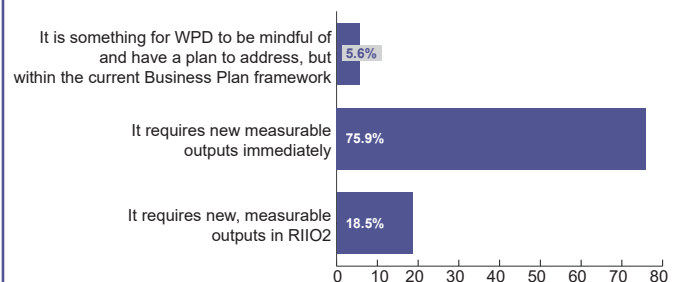
... Transition to Distribution System Operator role?



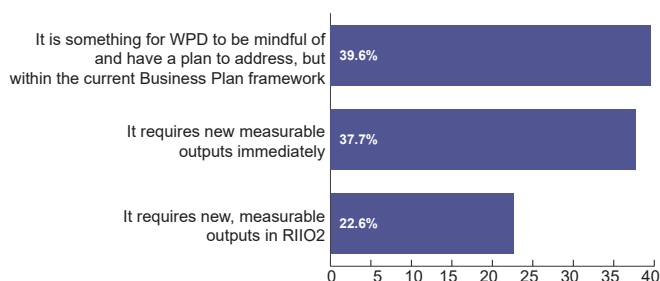
... Alternative Connections Offers



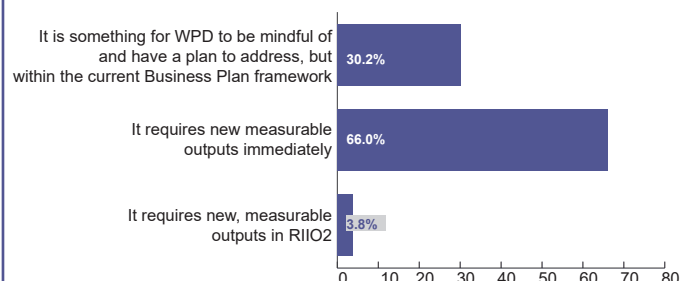
... Electric Vehicles



... Changes in Flood Risk Planning



... Cyber Security



5 | WORKSHOP TWO: LOOKING AHEAD TO RIIO-ED2

Summary of the discussion

- Some participants wanted to see more education on energy saving, though whether this was down to WPD and how it should be done were matters for debate.
- Infrastructure / engineering representatives were keen to target a reduction in costs via improvements to reliability and a focus on capacity
- The growth of housing and the transition to DSO were identified as future developments that should be addressed in RIIO-ED2
- Attention to rural infrastructure was an outcome a charity/voluntary sector representative wanted to see achieved.
- For technology, open standards and interfaces were an outcome desired by an infrastructure/engineering representative.
- An infrastructure/engineering representative wanted to see open standards and interfaces brought in for technology.
- Benchmarking was raised as an outcome to be achieved, both by local authority representatives who wanted customers to know how their system operator compared against others, and by business representatives who identified international benchmarking as key to competitiveness.
- The role of end users stimulated much debate. Participants mostly agreed that in the main, end users would not have enough knowledge to really influence the areas under discussion, nor would many be interested. However, many stakeholders felt that as the network was paid for by end users, it was incumbent on WPD to offer information and give end users the opportunity to get involved. Some speculated that smart meters would see the rise of a new breed of informed end users who could provide more valuable feedback.
- Outputs was identified as the area where end users might be able to have some input, with many stakeholders arguing that outputs was the only thing that mattered to most people.
- There was some debate over who should have input into incentives, with some parish councillors arguing that end users had a right to know how their money was being spent, while other stakeholders argued it was an internal matter for WPD.
- Most of the other categories were viewed as specialist interests, although the role of smart meters in garnering input into the innovation area of the Business Plan was discussed.
- The electronic voting revealed that stakeholders were very interested in influencing innovation, which scored an average of 8.3, and outputs, with 7.3. Incentives was also viewed as a priority, scoring an average of 7.2.
- Financing, in contrast, attracted less interest, scoring an average of just 3.3.
- Regional variations in network efficiency was suggested as something to tackle in RIIO-ED2, with the goal being for all regions to have the most efficient network.



1. WHAT OUTCOMES WOULD YOU LIKE US TO ACHIEVE IN RIIO-ED2?

Summary:

- Some stakeholders argued that more needs to be done to educate people on how to save energy, although there was disagreement over the best way forward and how much of an impact WPD could have.
- Infrastructure/engineering representatives wanted to see improvements to reliability resulting in a reduction of costs. Specifically, capacity was an area it was suggested needed to be addressed here.
- A number of stakeholders wanted to see RIIO-ED2 deliver outcomes that enabled WPD to adapt to developments such as the growth of housing and the transition to DSO.
- A charity/voluntary sector representative suggested WPD needed to look at infrastructure in rural areas.
- An infrastructure/engineering representative wanted to see open standards and interfaces brought in for technology.
- Benchmarking was identified as a desirable outcome by both local authority representatives and business representatives, both domestically against other system operators, and internationally.

Verbatim comments:

"There's no information on saving energy. More of an education aspect. Whether it's WPD's responsibility, I'm not sure." **Parish councillor**

"You're talking about changing the supply, but what about simple things like changing to LEDs?"
Parish councillor

"Improving network failure and addressing the lack of consequence of failure in terms of customer impact on cost." **Infrastructure / engineering representative**

"Improving reliability would significantly reduce cost and capital."
Infrastructure / engineering representative

"Is there anything on the output performance overview in terms of capacity? It's not a power cut, it's all about available capacity. This is something that is really important for the future."
Infrastructure / engineering representative

"Create a network to support transition."
Infrastructure / engineering representative

"This government and future governments will focus on the future of housing. It would be important to have someone that understands what growth means."
Local authority representative

"Birmingham is a huge city but there's a lot of rural areas. You need to look at the infrastructure of those areas." **Charity/ Voluntary Sector Representative**

"Engineering open standards and interfaces for technology."
Infrastructure / engineering representative

"If you're a consumer you don't have much choice over who supplies to your house, but you could have the peace of mind that you are there or thereabouts when compared to other system operators."
Local authority representative

"I think for ED2 there should be some benchmarking. International benchmarking is needed to be competitive." **Business representative**



2. WHAT INPUT/INFLUENCE CAN YOU HAVE – HAVE WE MISSED ANY EXAMPLES?

Summary:

- There was general agreement that the majority of end users would lack the necessary understanding and interest to influence most of the areas under discussion, and that input from more informed groups would be far more valuable.
- However, many made the point that as end users were paying for the network, it was WPD's responsibility to provide information and offer them some level of input. Several stakeholders also made the point that keeping end users informed could equip them to provide more valuable feedback. This point was emphasised particularly with regard to smart meters.
- Reducing or eliminating regional variations in network efficiency was identified as a missed outcome for RIIO-ED2 – a domestic customer argued all regions under WPD's control ought to have the smartest, most efficient network.

Verbatim comments:

"Is there a danger we have too much influence? We're not all experts!" **Parish councillor**

"Brexit is an example of that, most people weren't informed. I work with WPD most days, but I don't think I'm qualified to give input."

Infrastructure / engineering representative

"It's where you get your feedback from as well. We've done things based on internet responses in the past and have got a totally distorted picture of what we thought people really wanted."

Infrastructure / engineering representative

"If you get too much customer advice from people who don't fully understand the intricacies of the topic, it may be the opposite of what you want."

Local authority representative

"It's more time-efficient to get people's opinions who are informed so you don't spend half the conversation having to explain the topic." **Energy / utility company**

"As a consumer, I'd want to know the returns of how my DNO works in terms I'd understand. I think it'd be good to get a more common-sense return for consumers – some of the consumer bodies could engage with WPD to get the information to the customers." **Energy / utility company**

"You're still working in regions, which was meant to stop 40 years ago. WPD works in four areas. You need to make sure these areas get the most efficient, smartest network. Some areas are more efficient than others in terms of structure." **Domestic customer**



Outputs

Summary:

- There was general agreement that outputs was the main area where end users might be able to have some influence.
- There was disagreement, however, about whether end users would have enough knowledge or interest to have any meaningful direct input even in this area.
- Several stakeholders voiced the view that it was down to WPD to make the effort to engage end users, to better inform those who were interested, and in turn reap more valuable feedback.
- A developer pointed out that the ability to influence outputs would lead to better planning and management of demand.

Verbatim comments:

“Consumers should receive an idea about what they’re doing and what they’re spending money on.”
Energy / utility company

“I think end users should be represented but whether they should be consulted individually is a different matter. I don’t know how useful that would be.”
Local authority representative

“As an end user, the bill, what sits behind it, I don’t really think about it. But lots of people are interested, so end users are not a homogenous lump.”
Charity / voluntary sector representative

“There’s something to be said for consumer engagement across the board. You’re fighting some big issues. The more end users understand the energy systems and how they work, the more innovation you will see. The more we talk to end users, the better they get informed and the more useful their feedback becomes. They should be given that opportunity.”
Charity / voluntary sector representative

Incentives

Summary:

- The issue of who should have a say on incentives divided participants. Some felt that end users should be consulted, as they were the ones ultimately paying for the incentives. Others, though, felt that all that mattered to end users was outputs, and the manner in which incentives were used to achieve these outputs was not the end users’ concern.
- Some stakeholders suggested larger customers, for example housing developers, should have some input.
- Consumer bodies were suggested as a group that could represent end users’ interests in this area, but a business representative believed they lacked both the expertise and the funds to properly contribute.

Verbatim comments:

“End users should have a view on incentives because we ultimately pay your wages.” **Parish councillor**

“Why do you do schools and teach children about this, but you won’t consult the person who actually pays the bills? There is this weird early engagement of consumers, but when they become adults and this becomes relevant to them, they aren’t consulted.”
Charity / voluntary sector representative

“If you don’t have efficient incentives, you won’t have good outputs. Why would I be interested in the way it’s being done? I’m only interested in you meeting the outputs.” **Local authority representative**

“I think this one is only relevant to larger customers.”
Energy / utility company

“Listening to a lot of our local developers, getting connections to developments seems a bit delayed at times. So they should definitely have a say on incentives.” **Local authority representative**

“Consumer bodies is a big one for me.”
Parish councillor

“I worry about consumer bodies because they are typically there to protect vulnerable people. I don’t believe they’ve got the expertise or the money. If I was giving money to charity, I’d much rather it went into delivering a change.” **Business representative**

Innovation

Summary:

- There was much debate over whether end users could have much input regarding innovation. Many stakeholders felt this was an area where specialised knowledge was key, and therefore one that specialist interest parties, expert stakeholders and industry participants were clearly best placed to influence.
- Others, however, suggested various ways in which the input of end users could be valuable. One stakeholder pointed out that 'end users' encompassed people with experience in many different fields, some of which could well be relevant to the discussion of innovation in the network.
- A charity / voluntary sector representative and an infrastructure / engineering representative made a similar point – that innovations such as smart meters needed to be embraced by end users in order to be effective, and that, as such, it was important to engage with the end user in this area.

Verbatim comments:

"You can't exclude anyone as it's a public service, but how much can the end user contribute?"

Local authority representative

"People who are end users are in many different fields, so they will have opinions."

Charity / voluntary sector representative

"End users could play a role in that because you're trying to get people to switch and reduce their energy usage." **Charity / voluntary sector representative**

"We're talking about demand-side response, that's more expensive to have a piece of equipment, but it will help in the long run. There must be some way we can help the homeowner to do the work that's important to WPD."

Infrastructure / engineering representative

Expenditure

Summary:

- It was generally felt that expert stakeholders, specialist interest parties, industry participants and consumer bodies were the groups that could shape this area.
- An academic who identified himself as an informed customer gave his view that WPD's finances was not something he had the time to worry about.
- A local authority representative expressed a strong view that councils should be consulted on expenditure.

Verbatim comments:

"In terms of end users and expenditure, they are interested in how much they are paying... People have lobbied their MP to put a cap on distribution charges that they're paying in their bills."

Infrastructure / engineering representative

"My own expenditure and financing! As an informed customer, we've got our own issues to deal with."

Academic

"The councils should definitely be involved in expenditure. We have big issues in this respect and local councils need to be consulted on this."

Local authority representative



Financing

Summary:

- The general feeling was that it was industry participants whose input would be most relevant here.
- Some stakeholders argued that end users should have some input as they were ultimately paying the bill, but others wondered whether end users would be interested.
- A business representative argued that WPD should have more specialist help with determining its financing.

Verbatim comments:

“End users, because they pay the bill.”

Business representative

“Who’s going to be interested from the public with looking at the financial stuff? To me, giving customers a chance to input on the financial aspect is just diluting WPD’s responsibility.”

Local authority representative

“Industry participants would be interested in making sure that you are spending the charges in a way that may benefit them.”

Energy / utility company

“In that context there’s expenditure as well as they fund the connection”. **Business representative**

“When they set it in 2012/2013, there should have been some industry specialists to determine that, for example the City themselves, there needs to be more specialist help. And much more benchmarking.”

Business representative

Uncertainty Mechanisms

Summary:

- One stakeholder made the point that it was difficult to say who was best placed to influence uncertainty.
- A local authority representative gave the examples of local authorities and house builders as special interest groups that could have input into uncertainty mechanisms.

Verbatim comments:

“I think just by the name in the first place, it’d be difficult to tell you what it’d be likely to be.”

Local authority representative

“Put special interest groups and industry participants under uncertainty mechanisms.”

Business representative

“For example, local authorities if they’re looking to plan for growth. House builders looking at very large strategic sites, employment sites.”

Local authority representative

Data assurance

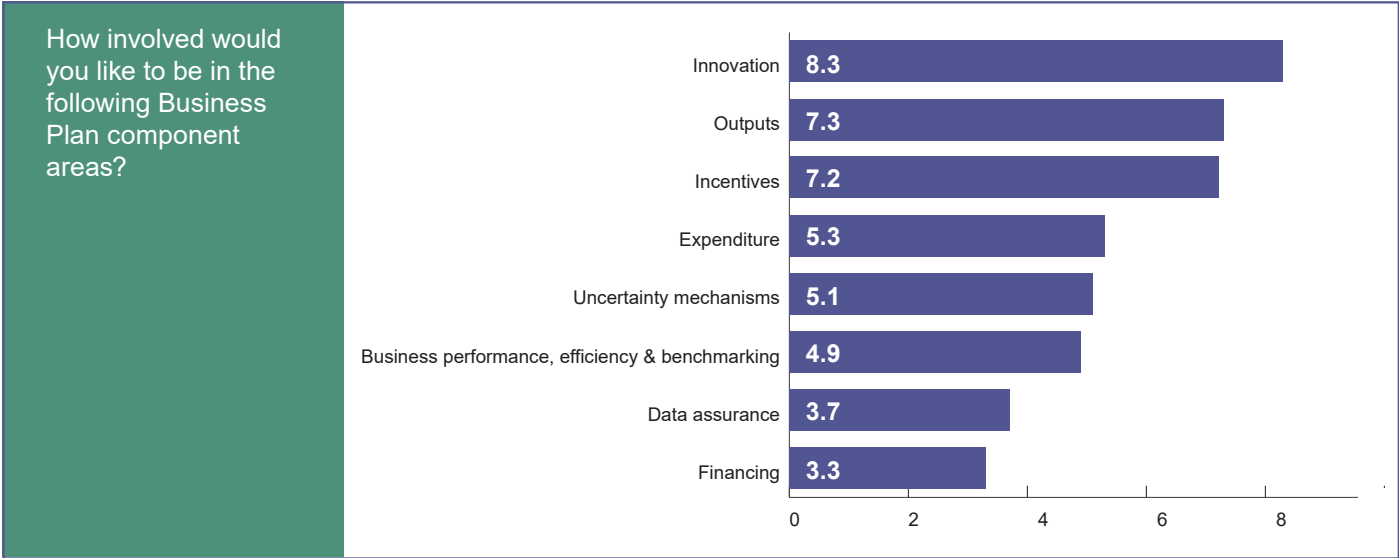
Summary:

- Data assurance was not widely discussed, but where it was, participants agreed it should be monitored by Ofgem, rather than by any of the groups on the board.



Electronic Voting

At the end of the session, stakeholders were asked to vote electronically to provide some quantitative data to support the workshop discussions.



6 | WORKSHOP THREE: ENGAGING WITH CUSTOMERS AND THE ROLE OF CUSTOMER PANELS

Summary of the discussion

- A wide range of stakeholders praised the work of the panels, with energy companies asserting they had found them useful and positive reports from many quarters about the panels' track record.
- Some sceptical voices questioned the need for the panels, arguing that Ofgem was better placed to represent consumers' interests and ought to be shouldering that responsibility rather than passing it off to customer panels.
- The composition of the panels was seen as a difficult balance to achieve. All stakeholders agreed on the desirability of having a truly representative panel, but various barriers to this were acknowledged. Several stakeholders commented that a self-selecting panel would end up representing the vocal majority with an axe to grind, with the voice of the average customer remaining unheard. It was also acknowledged that the desires of individual consumers were only one of several competing interests, leading to calls for trade bodies and local authorities to also be represented on the panels.
- There was disquiet from some quarters at the idea of a commercial company such as WPD delegating power to its customers. It was pointed out that WPD's primary responsibility was to its shareholders.
- This was reflected in the electronic voting, where only 9.8% of delegates supported the idea of delegating any actual decisions to stakeholders. The current level of influence afforded to the panels was generally felt to be about right, with a majority (around 65%) supporting the current 'Consult +' arrangements during both the writing and the delivery of the next Business Plan.
- However, some stakeholders saw the transition to DSO as the start of an era where customers would be more engaged and their input would be more important. This was perhaps reflected in the electronic voting, where the biggest vote (42.4%) was for WPD to give 'a lot' of weight to the views of the customer panels.



1. CUSTOMER CHALLENGE PANELS MIGHT PLAY AN EVEN GREATER ROLE IN THE NEXT ROUND OF ENERGY NETWORKS' BUSINESS PLANNING. WHAT ARE YOUR VIEWS ON THIS CONSIDERING THE VARIOUS OPTIONS OF CUSTOMER ENGAGEMENT THAT EXIST?

Summary:

- Energy companies stated that panels were very useful.
- The track record of customer panels was praised by several stakeholders from various backgrounds.
- Both business representatives and local authority representatives expressed the view that the customer panels were performing a role that ought to fall to Ofgem, and offered the self-confessedly cynical perspective that customer panels were a way for Ofgem and the government to try to offload their responsibilities.
- Several stakeholders argued that businesses and local authorities should also be represented on the panels, as customers' desire to keep the lights on is just one of a set of competing demands that need to be considered.

Verbatim comments:

"It has a proven track record, there were questions about whether it was worthwhile but it has proven it. From my point of view, Citizens Advice members, it has worked." **Emergency services representative**

"The tangible benefits from one of these can flow into seeing things being done." **Business representative**

"If you have a panel that is just consumers, they will mostly care about keeping their bills low, so you have to have some way of balancing all the competing demands." **Local authority representative**

"If it adds value then great, but I want to see lights on, houses being built, etc."

Local authority representative

"Isn't that Ofgem's job? Isn't that what they're supposed to do? It seems like they're trying to distance themselves. I struggle to see how they add value." **Local authority representative**

"Cynically, it allows the government to duck the issue. Because if people complain, the government will be able to say 'we've done that' or 'the community made that decision'. By putting Ofgem in the corner, you can't challenge the regulator."

Local authority representative



2. HOW DO YOU THINK CUSTOMER CHALLENGE PANELS SHOULD BE DESIGNED AND RUN?

Purpose of the Panels

Summary:

- Some stakeholders thought customer panels would be useful in providing additional scrutiny from the bottom up, in addition to Ofgem's top-down oversight.
- A parish councillor believed that part of the panels' role was analysis of WPD's performance in various areas and setting targets.

Verbatim comments:

"Presumably there should be some element of analysing what the business is doing and setting targets and challenges." **Parish councillor**



Panel Meetings

Summary:

- Travel to meetings was discussed, with one stakeholder commenting that holding them outside of office hours would make travelling to the meetings easier. Another stakeholder suggested reducing the burden of travel by holding annual, regional meetings.
- A charity / voluntary sector representative argued that it was important that panellists attend all meetings, rather than picking the ones they were interested in, in order to capture the spectrum of opinions on each topic.
- A local authority representative argued panellists ought to be unpaid, other than receiving expenses, and a charity / voluntary sector representative agreed, arguing that paying panel members would change the nature of the panel.

Verbatim comments:

"I'm quite happy to turn up outside the working day, it's by far the better time to travel."

Infrastructure / engineering representative

"I think it's a big ask to get people to travel a far distance, better to hold an annual one in each area."

Local authority representative

"Customer panel groups should be paid expenses only." **Local authority representative**

"If they don't all attend all the meetings and just attend the ones they think are important, or the ones they have a particular interest in, then the opinions may be biased. Need everyone to attend each panel discussion in order to obtain a variety of opinions."

Charity / voluntary sector representative

"Paying them would move it from a challenge group to a panel of experts."

Charity / voluntary sector representative

Panel Membership

Summary:

- There was widespread agreement that achieving the right balance of panel members was a tricky thing to pull off. Everyone agreed the panels should ideally be a representative cross-section of customers, but various obstacles to achieving this were pointed out.
- A charity / voluntary sector representative complained it could be a bit of a closed shop when trying to get on to a panel.
- Stakeholders from across the spectrum acknowledged problems with a self-selecting panel. The views of a vocal subsection of society, it was noted, would not necessarily reflect those of the average person who wouldn't put themselves forward for this, but just wanted to come home and put on the kettle.
- A charity / voluntary sector representative suggested using independent sourcing companies to assemble a representative sample of panel members.
- It was pointed out that the views of young people were missing from the panel.
- 16 members was suggested as an ideal size for a panel.

Verbatim comments:

"Should be a spread of different representations, you need business and trade bodies, there needs to be a fair balance." **Local authority representative**

"I would suggest 25% consumer, 25% trade bodies, 25% local authority, and 25% individual users who have an issue – so those people get a voice." **Infrastructure / engineering representative**

"I always think it's difficult to get the right composition. We try all sorts, we've got a people's panel with a good cross-section of the demographic, but do they represent the whole community? No, they don't." **Local authority representative**

"You have to make the selection process fair. It can be a bit of a closed shop if you want to get on to it." **Charity / voluntary sector representative**

"Put an open invitation out there and you'll get the radical extreme people who want to make a certain point, this will draw only people looking to get their point across, not help develop the system as a whole." **Local authority representative**

"It's always difficult asking the general public what they want because then you get stupid decisions. You need a focused approach to it so people don't think they can just talk about whatever they want. They need to know what they can influence." **Environmental representative**

"The vocal majority don't always represent the silent majority. Most people want to come in of an evening, put the kettle on and turn on the telly. But the people on the panel will be kicking certain hobby horses." **Local authority representative**

"Go out to independent sourcing companies to get the people, and it's more accurate and representative." **Charity / voluntary sector representative**

"The views of the youngsters are missing." **Infrastructure / engineering representative**

"The size of panels should be 16. Large enough to be representative but small enough to have a reasonable discussion. Got to be less than 20." **Local authority representative**



Remit of the Panels

Summary:

- It was suggested that there could be different panels to represent different interest groups.
- A charity / voluntary sector representative said that the remit of customer challenge panels as to provide a voice for customers who normally wouldn't get heard.
- A charity / voluntary sector representative suggested that a customer challenge panel could have much to offer in terms of social obligations, but much less to offer in other areas that required technical knowledge several stakeholders suggested holding smaller, more specialised panels to address specific issues.

Verbatim comments:

"You need someone on the panel who regularly deals with people whose voices don't usually get heard, e.g. Citizens Advice, or the parish council."

Charity / voluntary sector representative

"Social obligations as a challenge panel, yes. Connections and other more expertise-led panels, much less so. Your information would be narrower and it would be hard to keep people engaged."

Charity / voluntary sector representative



Output of the Panels

Summary:

- There was general agreement that the panels needed a focus on outputs, so that they could see they were actually making a difference to the way the company was operating.
- Stakeholders suggested this started with agreeing a realistic agenda with WPD.
- Documenting actions taken as a result of panel recommendations was suggested as a way to ensure the panels were of practical use. It was suggested this could be summarised in WPD's annual report.
- Speaking from experience in the water sector, an energy/utility company representative asserted that customer panels could deliver meaningful benefits, as they could involve communities in WPD's plans and enable a conversation that went beyond the one WPD would have with Ofgem.
- There was a suggestion that various panel groups across the country should share information, enabling experts in various fields across the country to share their opinions and better inform WPD's future decisions.

Verbatim comments:

"You need to define the agenda – what are you seeking to get out from this? As a panel, you need to agree on realistic outputs, with someone there from WPD to say yes or no, these can be achieved. They need to be reflected in performance so that the people who attend can see they're making a difference."

Local authority representative

"To go beyond the regulator to have different kinds of conversation. Involving communities can create a trade-off which is helpful. These do deliver significant environmental and economic benefits. With a scale of what the community is interested in and passionate about, that can lead to something positive."

Energy / utility company

"Might be worth documenting actual actions. Needs to be more output-driven."

Local authority representative

"A summary in the annual report stating the people who have turned up, documenting that these are the issues, and this is what has been done about it and how it is being represented at top level."

Infrastructure / engineering representative

Decision-Making Power of the Panels

Summary:

- Stakeholders from various backgrounds acknowledged that as a commercial company, WPD was primarily responsible to its shareholders, so they saw the concept of WPD handing significant power to stakeholders as problematic.
- The panels' limited understanding of WPD's internal affairs was given as another factor limiting the amount of influence they should be allowed to have.
- One group of participants agreed that with the current set-up, where the DNO is working mainly within power distribution, customers should not be too heavily involved, as their opinions are not sufficiently informed and open to outside influence. However, looking at the DSO model with customers at the heart of it down the line, this group felt customers would need a lot more power and control so that distribution could be adjusted based on their needs.

Verbatim comments:

"If you have shareholders you're accountable to, it's difficult to see how you delegate."

Business representative

"But you're a commercial organisation with shareholders – so what you do and how you perform is for the benefit of the consumer. So a group of stakeholders wouldn't be allowed to exercise too much power." **Parish councillor**

"From a distribution network point of view, WPD's responsibility is with shareholders, not stakeholders. Ofgem's job is to protect customers."

Infrastructure / engineering representative

"It's a matter of influence, but ultimately the panel doesn't understand everything that's internal, so it has a biased view."

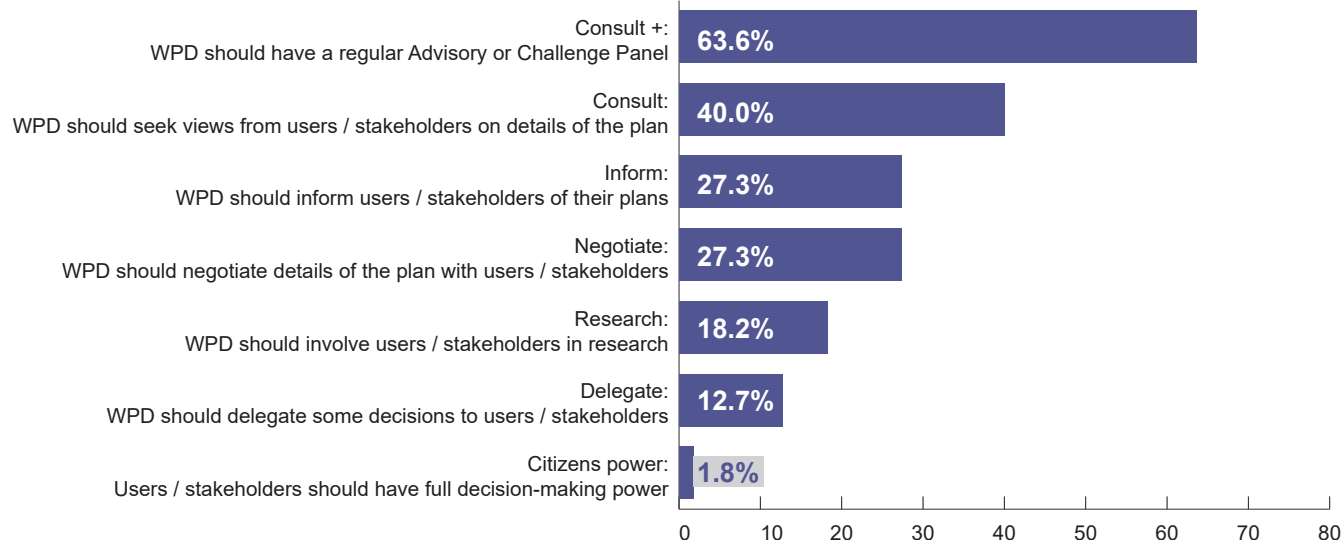
Infrastructure / engineering representative



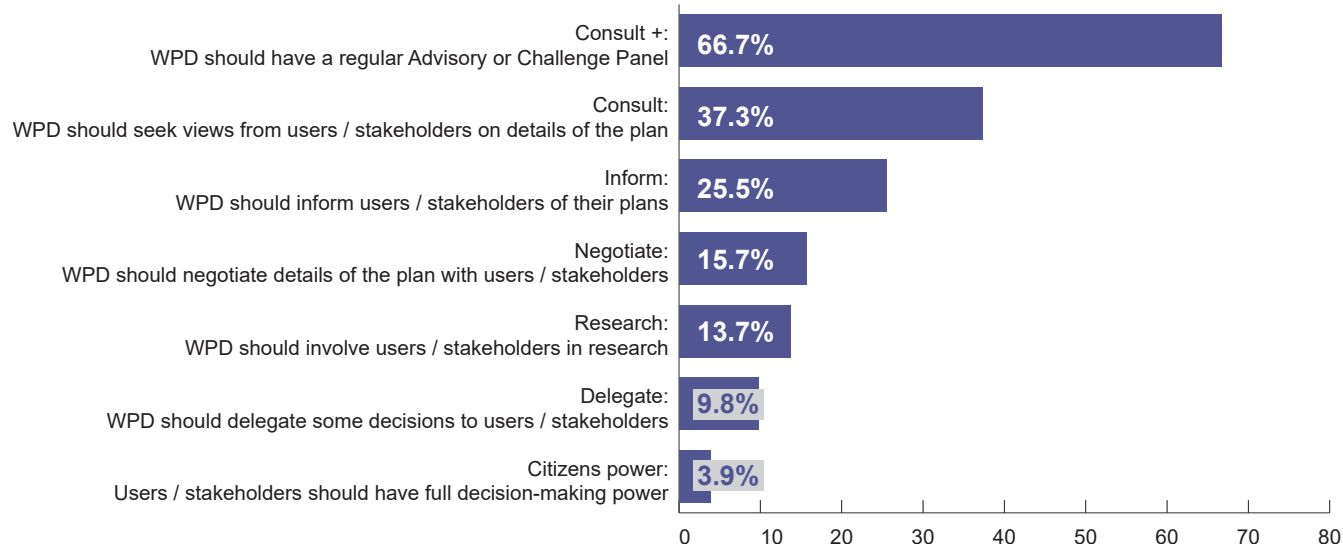
Electronic Voting

At the end of the session, stakeholders were asked to vote electronically to provide some quantitative data to support the workshop discussions.

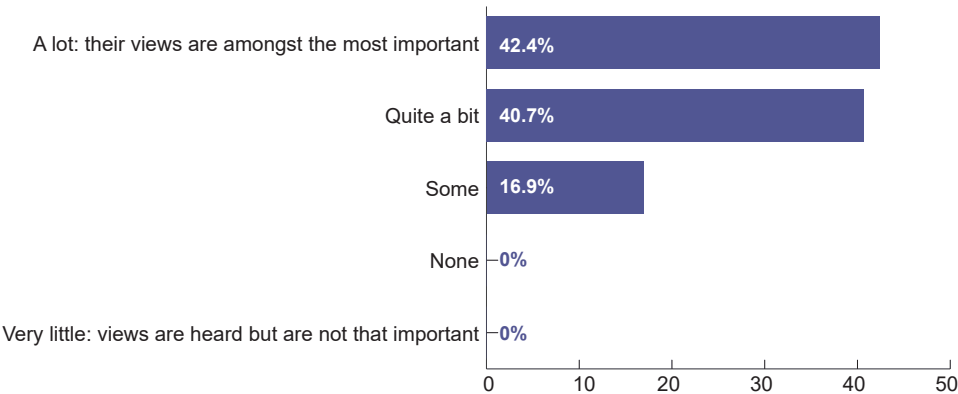
When writing the next Business Plan, what level of power should users / stakeholders be given by WPD? (multiple responses possible)



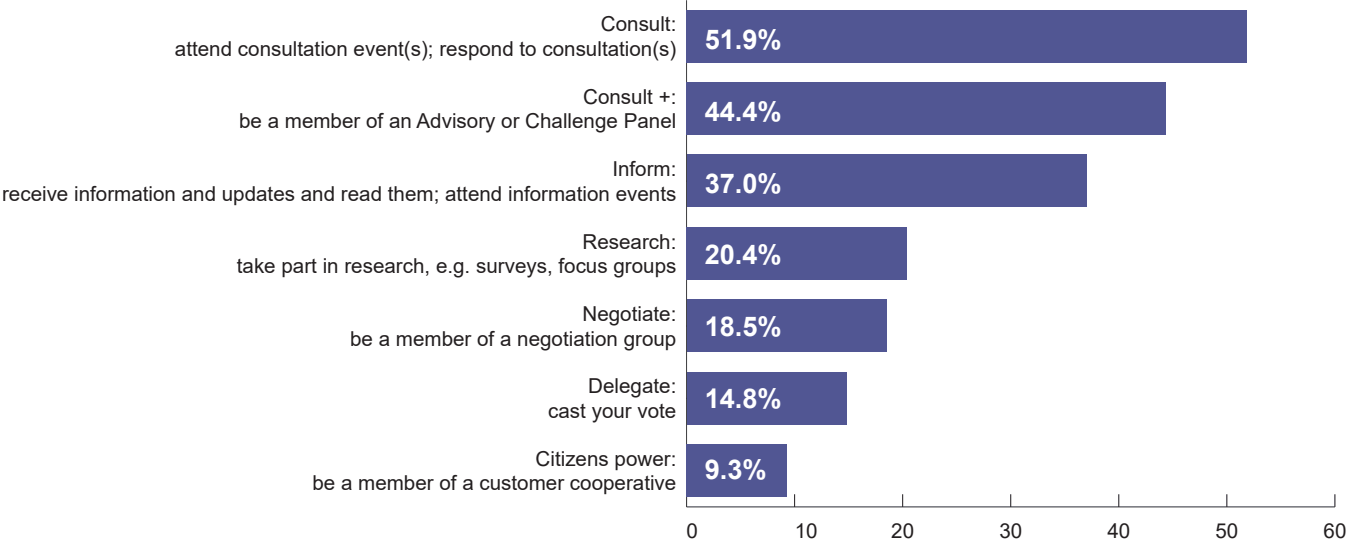
During the delivery of the Business Plan, what level of power should users / stakeholders be given by WPD? (multiple responses possible)



How much weight should WPD give to the voice of its Customer Panel? (pick one answer)



On what level would you be willing to engage with WPD on their next Business Plan?
(multiple responses possible)



7 | WORKSHOP FOUR: TRANSITIONING TO A DSO

Summary of the discussion

- Stakeholders generally agreed the correct key customer segments had been captured, namely: Large Energy Users; Distributed Generation and Storage Providers; Smart Technology Providers; Local Communities; and Vulnerable Customers. Bigger businesses already adapting to these segments was cited as evidence that WPD was on the right track here. However, there was a significant groundswell of opinion that 'the middle' had been overlooked, with small to medium-sized enterprises given as an example by several participants.
- Conversely, one stakeholder viewed the conversation around the DSO as a very middle-class interest, arguing that green technology would be unlikely to find much engagement with those lower down the socioeconomic spectrum.
- Electronic voting showed participants understood the impacts of the DSO transition best as they related to large energy users, with stakeholders rating their understanding as 5.8 on average (with 10 being the highest level of understanding).
- The impacts on distributed generations and storage providers were also fairly well understood, scoring just below large energy users with 5.7.
- The impacts on vulnerable customers were much less well understood, scoring just 4.7.
- While vulnerable customers were viewed as a key impact group, particularly by charity / voluntary sector representatives, there was division over whether they were best supported by WPD, or by external organisations. Many stakeholders were optimistic that smart meters could help vulnerable customers save money, as long as WPD were able to engage this customer segment in their use.
- There was consensus that WPD needed to deal with vulnerable customers in a more individual way, as there are various kinds of vulnerable customers with very different needs.
- Not everybody saw the transition to DSO as an entirely positive development. Some stakeholders worried that opening a capacity trading market could lead to a reduction in reliability. The idea was also raised that the DSO was a short-term measure designed to wring the last usage out of the existing infrastructure, and that, as such, it distracted from bigger decisions that would have to be made for the long term.
- The idea of allowing customers to customise the times when they would be alerted to a power cut received widespread support, with 64.2% voting to allow full customisation and another 30.2% voting in favour of offering a choice of time windows. Nobody voted in favour of a policy of calling between 8am and 8pm only. The point was made that the option to receive alerts in the middle of the night could be a matter of life and death for people on oxygen.



1. HAVE WE CAPTURED THE KEY CUSTOMER SEGMENTS THAT MAY BE AFFECTED BY DSO OPERATIONS?

Summary:

- There was general consensus that the key customer segments had been captured, namely: Large Energy Users; Distributed Generation and Storage Providers; Smart Technology Providers; Local Communities; and Vulnerable Customers.
- One stakeholder mentioned that larger businesses are already adapting to these segments, which was proof of their relevance.
- Many stakeholders raised small to medium-sized enterprises as a customer segment that had potentially been overlooked.
- An environmental representative argued that while middle class customers would be likely to engage on green technology such as electric cars and solar panels, there was a customer segment at the lower end of the socioeconomic spectrum which such developments would largely pass by.
- Vulnerable customers were seen as a key impact group by charity / voluntary sector representatives.
- Stakeholders were divided over whether WPD should be responsible for community issues. Some felt that other organisations were better placed to support vulnerable customers. Others argued that due to the fragmentation of energy suppliers, the DNO was the one organisation that could access everybody, and that, as such, it was incumbent on WPD to engage more with the community.
- One stakeholder commented that as a non-vulnerable average customer, they did not feel represented within WPD's categories.

Verbatim comments:

"Most big businesses are moulding around these areas." **Infrastructure / engineering representative**

"What's crossed my mind is how very middle class it all is. We're talking about electric vehicles, solar panels, etc., it's the people who are invested in the green economy, but there's a whole section of people whom this will pass over completely."

Environmental representative

"Your responsibility is as a DNO, it's all very laudable but it's not something that you need to be involved with. Are there other mechanisms that can tackle it better than you whilst you focus on your specialities?"

Environmental representative

"I disagree with that, in the energy companies the suppliers are so fragmented that you as the DNO are the only entity who can access that wide spread. You can talk with one voice from a community level. Arguably the DSO should have more interaction with people at a community level."

Charity / voluntary sector representative

"If I put myself as a normal person on the street, I don't feel represented as a customer. I'm not a 'vulnerable consumer'."

Infrastructure / engineering representative



2. WHAT ARE THE KEY BENEFITS/IMPACTS FOR YOU (AND STAKEHOLDERS SIMILAR TO YOU)?

Summary:

- An infrastructure/engineering representative said the transition was great for his business, as they would be able to site power plants in the best locations to take advantage.
- A business representative predicted the process of getting new connections agreed would be hugely speeded up, removing a hurdle to housing development.
- There was much discussion of smart meters, with some stakeholders arguing they would help customers reduce their usage and therefore their costs.
- In terms of negative impacts, some stakeholders made the point that Ofgem was essentially opening a commodities market where capacity would be bought and sold. Some worried that this had the potential to be a hindrance, while others wondered whether the DSO's greater autonomy would translate into a reduction in reliability.
- An infrastructure / engineering representative raised the idea that the DSO was a distraction from tough decisions that would need to be made about WPD potentially decommissioning large parts of its infrastructure.

Verbatim comments:

"For us, it's flexibility. It makes it possible to regulate demand, which has to be a benefit."

Local authority representative

"Local supply to balance out demand."

Infrastructure / engineering representative

"Means great things for us, flexible generation offering. That's the benefit, hopefully to offer a service where we could sensibly plant our plant somewhere where the constraints are, and they call us up to deliver on that capacity."

Infrastructure / engineering representative

"Statement of Works process – pretty much every connection we have has to be submitted to National Grid. The response takes 3, 6, 9 months and we can't talk to them as we have to go through the DNO. National Grid will give more control and authority to the DSO, it's a very long process which will become much shorter." **Business representative**

"It can make electricity more affordable."

Charity / voluntary sector representative

"The benefit of a smart meter is communicating back to the base rather than what it gives you."

Local authority representative

"It's useful to the customer, especially when it comes to cost. The value of what you're spending at that moment is always a bit of a shock."

Charity / voluntary sector representative

"I think for the DNOs it's key to understanding how people use the network, to get that data and understand what the average usage profile looks like for different demographics."

Infrastructure / engineering representative

"The capacity that you've talked about, I understand that; what concerns me is that with the capacity, Ofgem are effectively opening a commodities market where capacity is bought and sold. It could hinder things because capacity could be bought and sold back to an area." **Business representative**

"This transition to DSO might be putting off some of the harder decisions to be made – National Grid are doing some stuff at the moment where they are considering alternatives to operating huge parts of their infrastructure."

Infrastructure / engineering representative



3. SPECIFICALLY WHAT DO YOU THINK ARE THE KEY IMPACTS FOR ‘VULNERABLE CUSTOMERS’ AND ‘WIDER COMMUNITIES’?

Summary:

- Many stakeholders agreed that smart meters could be of great benefit to vulnerable customers, and that the challenge was for WPD to engage them.
- However, there was widespread concern over older models of smart meters not being compatible across different energy suppliers, with several stakeholders arguing a national system was needed to ensure consistency.

Verbatim comments:

“You could incentivise people through information about [how it can be cheaper to] use their domestic facilities at different times, meaning that they would use less electricity [and save money]... If you hit people in the pocket, they take notice.”

Infrastructure / engineering representative

“People need to see the bigger picture. If you put to them how much it will save them over the year, they will act.”

Infrastructure / engineering representative

“Smart meters could email people and text people if the customer doesn’t operate or do things they would usually do at certain times, like turning the lights on or cooking food.”

Infrastructure / engineering representative

“My point is that we’re talking about all sorts of good innovation, but somebody government led should decide what it is, and we need a national system so it’s all the same. Smart meters aren’t easy to change.”

Local authority representative

“The old smart meters, SMETS1, don’t change functionality to different suppliers and don’t feed into the grid.”

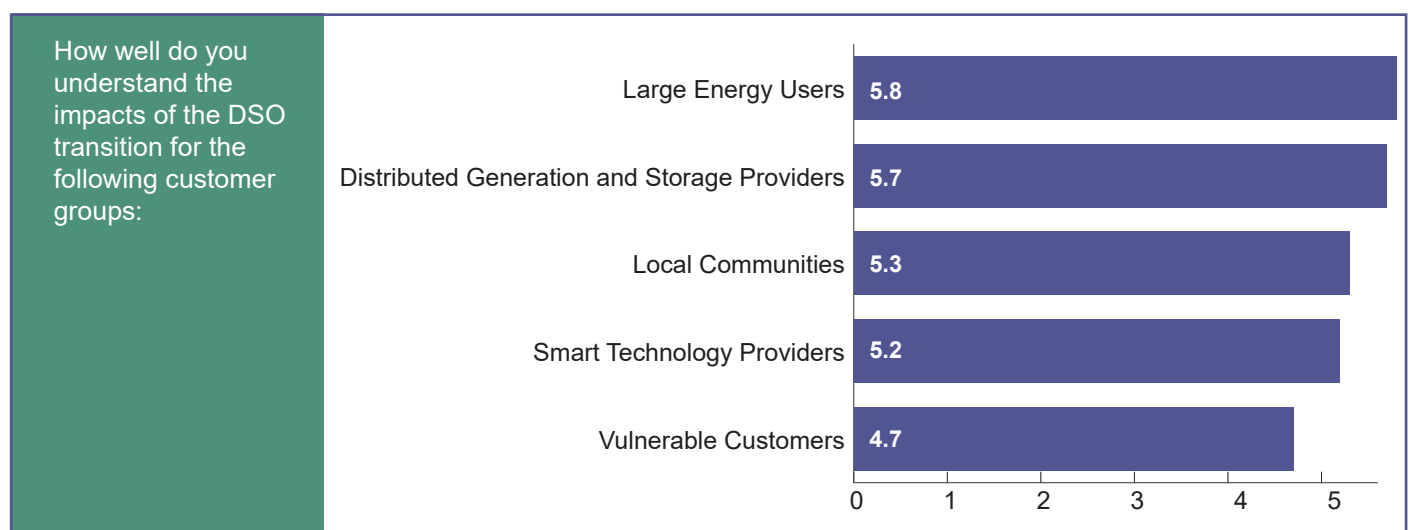
Charity / voluntary sector representative

“People want to be able to switch suppliers and take that functionality with them, so are waiting for the SMETS2 smart meters.”

Charity / voluntary sector representative

Electronic Voting

At the end of the session, stakeholders voted electronically on their understanding of the impacts of the DSO transition for different customer groups. The results were as follows:



4. SHOULD WE ENABLE CUSTOMERS TO CUSTOMISE WHAT TIMES OF DAY THEY RECEIVE POWER CUT ALERTS?

Summary:

- There was general agreement that WPD should offer the option for customers to be alerted about power cuts during the night.
- Several stakeholders pointed out that the category of 'vulnerable customers' encompassed various groups with differing levels of urgency when it came to their need to be informed of power cuts. Many made the point that power cuts could be a matter of life and death for people on oxygen.
- A charity / voluntary sector representative made the point that vulnerable customers could include those with mental health issues and that contacting these customers personally might not be the right approach.
- There was broad agreement that WPD needed to cater to vulnerable customers' needs in a more individual way.



Verbatim comments:

“Maybe [power-cut alerts at night] could be an opt-in service?”

Infrastructure / engineering representative

“You can do it all online. You can set your own priority. You don’t need to make a big deal of it. No one wants to be contacted at 3am unless it’s urgent. You’re empowering customers to make their own choices, and taking it away from the DNO.”

Infrastructure / engineering representative

“You should be able to tick a box, so it’s a choice whether you get a text or a phone call.”

Infrastructure / engineering representative

“On a personal level, I’ve got a text when we’ve lost power at home and I’ve no idea how they’ve got my number, but it was amazing customer service.”

Infrastructure / engineering representative

“You need to make the way you deal with vulnerable customers more individual. Ringing only from 8am–8pm is fine for most, but what about those who need to be informed immediately because of an electricity-dependent health condition.”

Environmental representative

“The vulnerable people I see would want to know in the night. Either people who are virtually blind, or people who are on oxygen. Maybe put a question on the form to customise the question about whether they want to be contacted. Everyone’s different.”

Charity / voluntary sector representative

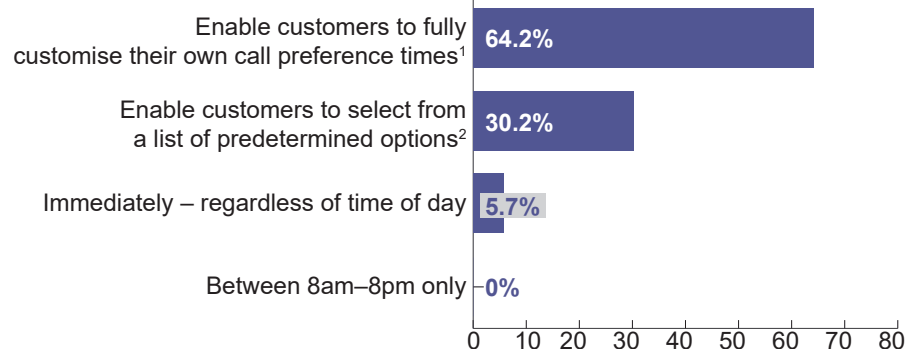
“It’s difficult to answer without knowing what the criteria for vulnerable people is. If you’re going to die if the power goes off, then you need to contact them. Maybe you need two levels of vulnerability, with some where you bang the door down at 3am.”

Local authority representative

“Water companies classified people with mental health or learning difficulties as vulnerable, would they get a call, would that be beneficial? You need to separate vulnerable people into separate lists with how the company would contact them.”

Charity / voluntary sector representative

If we receive a power cut alert from a smart meter, when should we contact a vulnerable customer?



¹ including differences for weekends vs weekdays, for example

² e.g. a choice of four time windows (8am–8pm; 7am–9pm; 6am–10pm; or anytime 24/7)

5. SHOULD WE CONSIDER WAYS IN THE FUTURE OF LOWERING DISTRIBUTION CHARGES SPECIFICALLY FOR FUEL POOR CUSTOMERS?

Summary:

- Only one table discussed this question. As a whole, the table was against this measure, but they felt this way for a variety of reasons. One stakeholder felt that everyone should get lower distribution charges, and another expressed doubts about how 'fuel-poor customers' were defined. Another felt that fuel-poor customers already enjoy a similar benefit from lower energy charges, and another worried about bills going up for everyone else as a result.

Verbatim comments:

"No, [they] should be for everybody."

Business representative

"There are some special tariffs for the fuel poor, so the benefit goes to those who need it there."

Energy / utility company

"If you put this in place, the investment won't change and the price of the bills will go up for everyone."

Infrastructure / engineering representative



8 | AFTERNOON SURGERIES

After lunch, stakeholders were invited to participate in one of three informal afternoon surgeries.

The subjects for discussion were:

- **Connections and Distributed Generation**, hosted by Richard Allcock;
- **Losses and Innovation**, hosted by Paul Jewell;
- **Social Obligations (including Fuel Poverty)**, hosted by Karen McCalman.

These surgeries included presentations on the topics and gave stakeholders an opportunity to ask the three presenters questions. The presentations given at the surgeries can be found here:

- Connections and Distributed Generation: [http://www.westernpower.co.uk/docs/Stakeholder-info/2018-\(1\)/Stakeholder-Events-2018-Connections-breakout.aspx](http://www.westernpower.co.uk/docs/Stakeholder-info/2018-(1)/Stakeholder-Events-2018-Connections-breakout.aspx)
- Losses and Innovation: [http://www.westernpower.co.uk/docs/Stakeholder-info/2018-\(1\)/Afternoon-surgery-presentation-Innovation-and-Loss.aspx](http://www.westernpower.co.uk/docs/Stakeholder-info/2018-(1)/Afternoon-surgery-presentation-Innovation-and-Loss.aspx)
- Social Obligations (including Fuel Poverty): [http://www.westernpower.co.uk/docs/Stakeholder-info/2018-\(1\)/Afternoon-surgery-presentation-Social-obligations.aspx](http://www.westernpower.co.uk/docs/Stakeholder-info/2018-(1)/Afternoon-surgery-presentation-Social-obligations.aspx)

SURGERY SESSION 1:

CONNECTIONS AND DISTRIBUTED GENERATION

RICHARD ALLCOCK

Key Themes and Issues Raised

- It was suggested connections should go down to parish council level or lowest denominator, as this is where decisions are made and this would help a more holistic approach utilising local knowledge.
- Regarding reinforcement works, a stakeholder asked whether WPD would share information on constraints.
- It was asked whether there was more WPD could do to change customers' attitudes, for example, around LED lights.
- It was suggested WPD could share information on innovation trials through maps.



SURGERY SESSION TWO: LOSSES AND INNOVATION

PAUL JEWELL

Key Themes and Issues Raised

- A stakeholder pointed out that reducing voltage charge could help with network losses. Small margins could offer great gains, it was argued.
- In answer to a stakeholder question, it was explained WPD have done a lot to monitor losses. There may be a need to move away from Ofgem incentives to ones devised by WPD if Ofgem agree.
- A stakeholder asked about the amount of research that WPD have done, given that in Europe most big domestic appliances are spread on three phases. It was suggested there must be lessons to learn.
- A stakeholder suggested that a change in supply and capacity might be possible with the developments in switchgear technology.
- A stakeholder said that WPD should encourage the government to allow three-phase smart meters.
- A stakeholder asserted that new developments should all have three-phase supply available.
- A stakeholder suggested that if WPD were able to support local councils with information and technical details on three-phase supply, then local councils could build this policy into their local plans for new builds.
- A stakeholder suggested looking at the Faraday Grid, which gives existing electricity networks an opportunity to allow a much greater and more efficient use of renewable energy.
- A stakeholder asked whether space was available in existing sub-stations, so, for example, there could be charging spaces for electric vehicles.



SURGERY SESSION THREE:

SOCIAL OBLIGATIONS (INCLUDING VULNERABILITY & FUEL POVERTY)

KAREN MCCALMAN

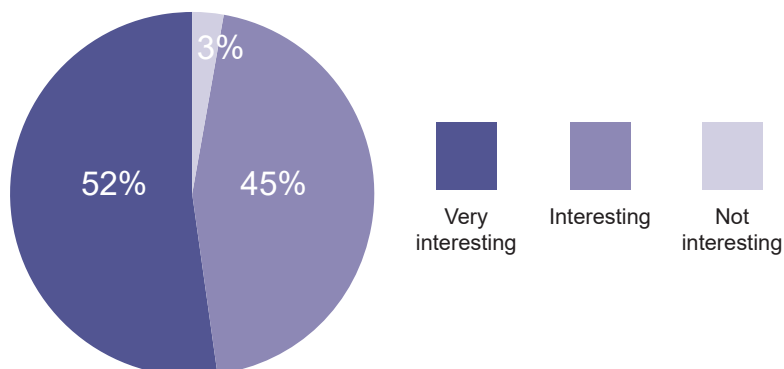
Key Themes and Issues Raised

- Who carries out the cost benefit assessment?
- Does that person you contact really want the help?
- Contact referrals within a week; three weeks is too long.
- Seems unreasonable to put targets on WPD if this is an Air Liquide issue.
- Can Air Liquide refer to existing partners rather than start a new programme? (Referring to the pilot Power Up health programme.)
- Can you 'smart' monitor the programme via data from oxygen tanks?
- If you think people are going to ration their oxygen because of financial concerns, could you set up an energy monitor to see how people are using their energy and powering their oxygen?
- Look at house type and look for correlations between vulnerability and housing stock.
- Targets for affordable warmth are sensible.
- Consensus that affordable warmth works quite well – overall you do get that cost benefit.
- The Fire Service has very good referral pathways.
- WPD should send an e-learner to referral partners.
- Before publishing an agency list, WPD need to speak to agencies: they may not want their information out there on taking referrals. They might not have capacity or funding to support these referrals. WPD needs to check.
- Hold a referral agency forum; enable these agencies to meet.
- Consensus that an agency workshop sounds like a better idea than simply publishing a list of agencies.



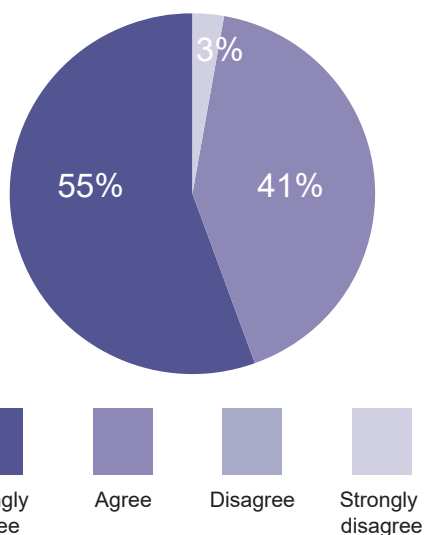
9 | WORKSHOP FEEDBACK

Overall, did you find the workshop to be:



No comments given

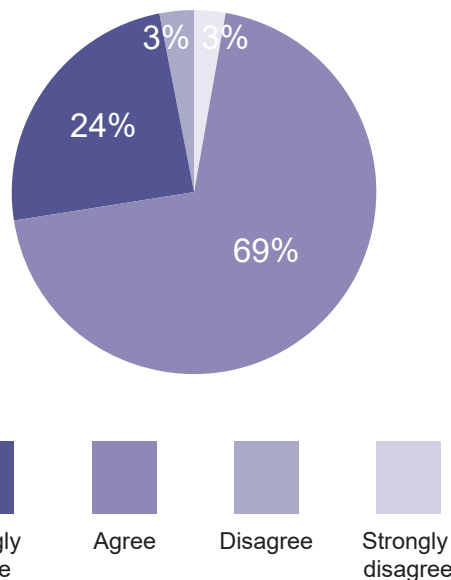
Did you feel that you had the opportunity to make your points and ask questions?



I felt the table discussions could have been afforded more time.

Very well organised, with good use of technology.

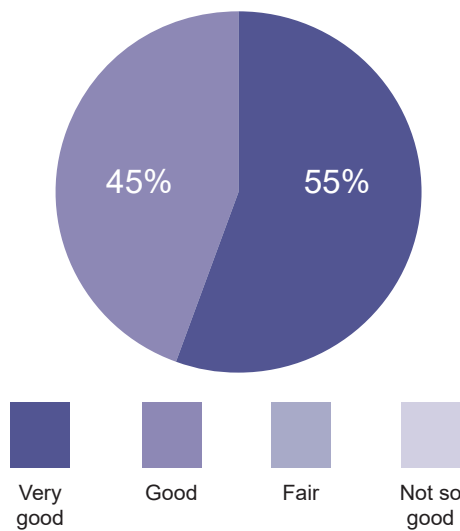
Did we cover the right topics for you on the day?



Technology to enable future network would be good.

Not what I expected but an opportunity to learn.

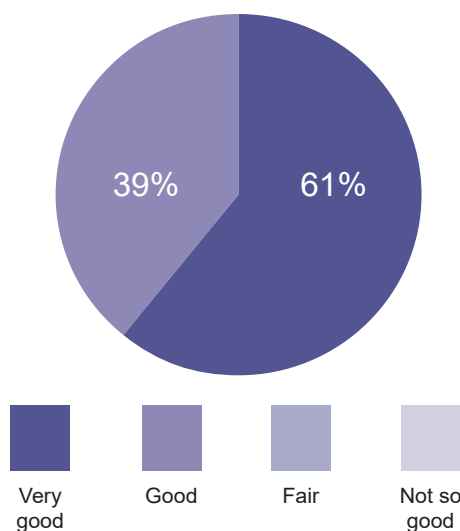
What did you think of the way the workshop had been facilitated?



Enjoyed the mix of presentations, discussions and voting.

A nice pace to the event.

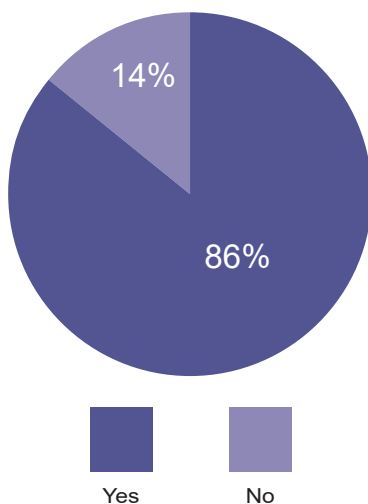
What did you think of the venue?



However, it was really quite under heated to the point that many delegates were complaining among themselves.

Screens too low to see whole slide.

Would you be interested in attending future workshops on this subject?



No comments given

Do you have any other comments?

A very informative event, good use of tech for interaction and engagement within the room as a group debate.

Maybe consider smaller, more detailed workshops – legal, generation, housing companies, etc. It is hard for some groups to discuss their issues if we are talking at the table about smart dishwashers...

Opportunity to hold a brief surgery to discuss specific network areas?

Would have been nice to see more on electric vehicles.



