



# Western Power Distribution Stakeholder Workshop:

## Lincoln 8th February 2018

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## 1 | INTRODUCTION

On 8 February 2018, WPD hosted the last of a series of six stakeholder workshops, held in locations across its region. The workshop took place at the Lincolnshire Showground in Lincoln.

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 below, along with a summary of the key points raised.

### SESSION 1: WPD'S CURRENT RIIO-ED1 PERFORMANCE

Following an introduction to WPD by Alex Wilkes, 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 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:

- A majority of participants prioritised fuel poverty, with some going on to suggest a 'Fuel Poverty' key change.
- All the key changes, namely Distribution System Operator Role, Alternative Connections Offers, Electric Vehicles, Changes in Flood Risk Planning, and Cyber Security, scored very highly in the electronic voting when stakeholders were asked how important they were to address, receiving average scores between 8.4 and 8.9. Electric Vehicles attained the top score of 8.9.
- Taking into account the unpredictability of future energy markets, participants emphasised the importance of creating new categories that can adequately respond to growth and uncertainty, with proposals such as 'Facilitating Growth', 'Growth and Innovation', 'Economic Development', 'Influencing Behaviours', 'Future Planning' and 'Alternative Fuels'.
- Stakeholders agreed that the 'Electric Vehicles' key change had outgrown the Environment category and aligned better with a new category related to innovation and that Transition to DSO could front its own category.
- Stakeholders wanted to see proactive measures taken now to protect against cyber attacks and flooding.
- A majority of stakeholders voted all the key changes, with the exception of Flood Risk Planning, as requiring 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:

- Stakeholders wanted to see an outcome that committed to investment in a sustainable network.
- Stakeholders took a distinctly local perspective, citing a desire for simplicity and flexibility in the Business Plan to engage local input, and calling for an influence on incentives that were relevant to their local networks.
- The electronic voting results revealed Innovation as the most popular area to have influence, with an average score of 8 out of 10.
- Participants felt influence over Expenditure and Financing was best left to experts, industry participants and consumer bodies: a key attitude expressed was that end users were more concerned with price rises than consultation.
- This was reflected in the electronic voting, where Expenditure and Financing received average scores of 5.4 and 3.9 respectively.
- Some wanted greater local engagement on deciding where and how to invest and spread risk under Uncertainty Mechanisms.



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

The third session of the morning was an independent workshop introduced by Victoria Pryker of Citizens Advice. She 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. She 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:

- Stakeholders were generally positive about Customer Challenge Panels, with a key perceived benefit being interlinked, network-wide influence and action.
- Participants once again demonstrated a localised agenda, arguing for resident-focused panels over experts to get good community feedback.
- There was consensus that panels need to demonstrate a power that is impactful and generative of quick results in order to be useful.
- The electronic voting showed Consult Plus to be the most popular level of power in the writing and delivery of WPD's next Business Plan, although only 38.7% expressed an interest in participating in a customer panel.
- Some expressed the view that in the long term these panels could do the work of creating a well-informed, responsible generation of stakeholders that can usefully influence the energy industry.

### SESSION 4: TRANSITIONING TO A DISTRIBUTION SYSTEM 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 generation 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)

- Stakeholders saw that large energy users were already benefitting financially from the greater flexibility provided by the DSO transition, and felt they could lead by example.
- A key concern was that a perceived benefit of the DSO transition – storage – was not receiving adequate investment.
- Stakeholders argued for greater simplicity in technologies, better education, incentives and grant funding to ensure that vulnerable customers and communities shared in the benefits of the DSO transition.
- There was consensus that customers should be able to tailor power cut alerts to their own needs, and this was borne out in the electronic voting where 56.7% opted for full customisation.

## AFTERNOON SURGERIES

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

- Losses and Innovation, hosted by Paul Jewell
- Connections and Distributed Generation, hosted by Alison Sleightholm
- Social Obligations (including Fuel Poverty), hosted by Alex Wilkes

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:

- 72% of attendees who filled out a feedback form told us that they found the workshop to be 'very interesting' and 28% said they found it to be 'interesting'. No one told us they found the workshop to be 'not interesting'.
- 100% 'strongly agreed' or 'agreed' that we covered the right topics on the day.



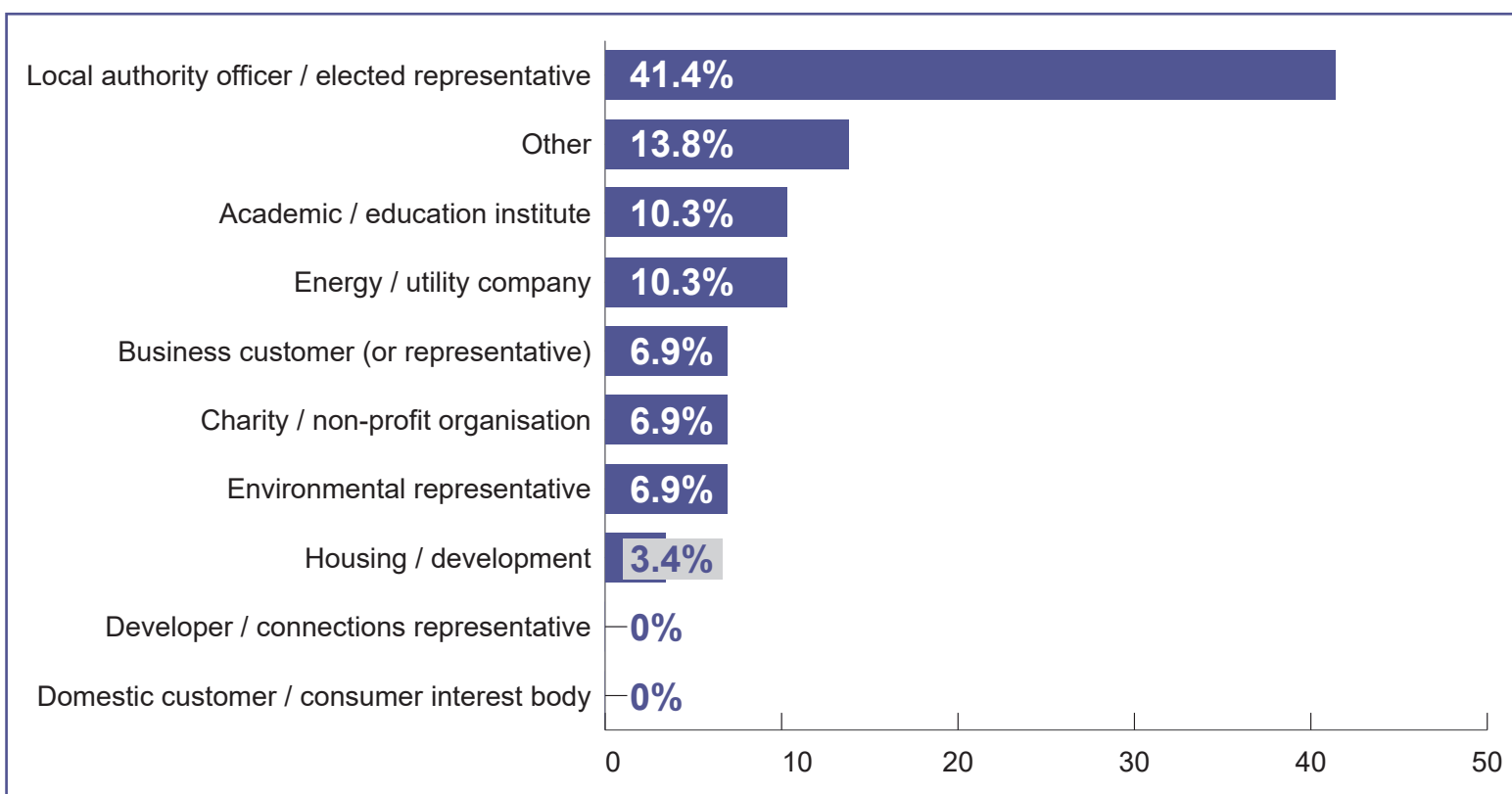


### 3 | ATTENDEES

The workshop was attended by a total of 33 stakeholders, representing 21 different organisations:

- Amelio Energy
- Amey
- Citizens Advice
- City of Lincoln Council
- East Lindsey District Council
- Geldards LLP
- Highways England
- Lark Energy
- Lincolnshire County Council
- Lincolnshire Wolds Countryside Service
- North Kesteven District Council
- Nottinghamshire Association of Local Councils
- Pollock Associates
- SmartestEnergy Ltd
- South Leverton Parish Council
- Stamford Transition Town
- Sustainable Direction Ltd
- Taylor Lindsey
- University of Lincoln
- Wilson Power
- YES Energy Solutions

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' priorities generally reflected the organisations they represented, but participants across the spectrum prioritised fuel poverty.
- Many suggested a 'Fuel Poverty' key change, arguing the issue – was becoming increasingly widespread, as illustrated by a rise in the use of food banks.
- All the proposed key changes, namely Distribution System Operator Role, Alternative Connections Offers, Electric Vehicles, Changes in Flood Risk Planning, and Cyber Security, scored very highly in the electronic voting when stakeholders were asked how important they were to address, receiving average scores between 8.4 and 8.9. The top score (8.9) was attained by Electric Vehicles.
- Stakeholders were forward-thinking when proposing new categories, with ideas such as 'Facilitating Growth', 'Growth and Innovation', 'Economic Development', 'Influencing Behaviours', 'Future Planning' and 'Alternative Fuels'.
- Given the difficulty of anticipating future technology and demand, participants highlighted the importance of creating new categories that can adequately address and respond to growth and uncertainty.
- There was general consensus that the Electric Vehicles key change had more to do with growth, innovation and infrastructure than environment, with some stakeholders suggesting that Transition to DSO and Alternative Connections could head their own categories.
- Stakeholders were serious about Cyber Security and Flood Risk Planning, urging WPD to take action now to prevent maximum damage in the future.
- This was reflected in the electronic voting, where both the Flood Risk Planning and Cyber Security key changes received an average score of 8.4 in terms of how important they were to address.
- On measurable outputs, some wanted charging points installed for every electric vehicle, and others proposed elevating substations to aid flood risk planning.
- Stakeholders voted all the key changes except for Flood Risk Planning as requiring new measurable outputs immediately.



## 1. WHAT ARE THE MAIN PRIORITY AREAS FOR YOU?

### Summary:

- Stakeholders' priorities tended to reflect their respective sectors, with the exception of fuel poverty, which generated interest from across the spectrum.
- Local authorities wanted to talk about planning for growth, energy partnerships and a forward-thinking energy strategy for the area.
- Business and energy and utilities representatives prioritised connections, DSO transition, capacity and flexible supply.

### Verbatim comments:

"We are very interested in the link between poverty and energy."

**Charity / voluntary sector representative**

"I've seen a number of fuel poverty projects, I'd like to know more about how they trickle down to the actual user." **Local authority representative**

"We're here to ask you to engage with us when it comes to growth, so we know you're connecting at the right time." **Local authority representative**

"For me it's primarily the connections stuff, and how we can manage through to what the future holds."

**Business representative**

"I'm interested in capacity and what the DSO transition means for us and our customers. We've got 10,000 meter points that we supply, which could be flexible, so I want to find out more about that."

**Energy / utility company**

"I'm representing an energy partnership and we're looking at what's next, looking at an energy strategy, all moving forward to a local industrial strategy taking forward to jobs, growth post-Brexit, for a conversation with government." **Local authority representative**

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

### Summary:

- Some felt that a 'Fuel Poverty' key change was missing, given that the issue was on the rise locally in Lincolnshire and across the UK, as illustrated most starkly by the trends in food bank use.
- Others felt an 'Education' key change could be useful for engaging older consumers and end users about the changes happening in the energy industry.

### Verbatim comments:

"The fuel poverty situation. We know more people are going to food banks, so how are they heating and powering their homes? I'm concerned about it, I think it is an issue in more deprived wards. We have some in Lincolnshire and there might be a correlation with more people queuing up at food banks – even working people." **Environmental representative**

"Fuel poverty in Lincolnshire is on the rise again, I think the fuel poverty topic should be more prominent." **Local authority representative**

"The engagement you do with school children... are you missing a trick in not engaging in a broader sense, talking at over 50s clubs, etc. Because you may be asking for more money in the future, is it not important to start engaging a wider range of people so they understand why?" **Business representative**

"Do you have any plans to take on board what the end user thinks, to make sure you're educating them? This will lower their energy consumption and allow them to shape a city for the better." **Academic**







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

#### Summary:

- Stakeholders had their sights set resolutely on the future, suggesting new output categories such as 'Facilitating Growth', 'Growth and Innovation', 'Economic Development', 'Influencing Behaviours', 'Future Planning' and 'Alternative Fuels'.
- There was also broad support for the Transition to DSO and Electric Vehicles key changes to have their own categories.
- Most participants agreed that the Electric Vehicles key change is less about the environment and more about growth, innovation and infrastructure.
- This could be seen in the aggregated results of the exercise, where most tables placed Electric Vehicles in its own category or under 'Facilitating Growth'.
- Several stakeholders highlighted the importance and difficulty of anticipating future technology and usage, underlining the importance of creating new categories that can work with growth and unpredictability in future markets.
- There was some debate over where the Alternative Connections Offers key change would sit: most agreed it didn't belong under Environment, with some proposing it should form part of the new 'Influencing Behaviours' category, and others argued it arguing its own category.
- This was reflected in the aggregated data from the exercise, where the key change was split between Environment, Connections, Customer Satisfaction, Social Obligations, and the new categories 'DSO', 'Future Planning' and 'Facilitating Growth'.
- Stakeholders took Cyber Security and Flood Risk very seriously, and whether they belonged in Reliability, or needed their own categories, urged WPD to take preventative action to mitigate the effects of any incidents in these areas.



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:

Facilitating Growth	1.00		1.00	0.50	
Security					1.50
Future Planning			1.00	1.00	
Energy Transition			2.00		
DSO			1.00	0.25	
EVs	3.00				
Social Obligations				0.25	
Customer Satisfaction				0.25	
Connections				2.75	
Environment	2.00		1.00	1.00	
Reliability		6.00			3.50
Safety					1.00
	EVs	FLOOD RISK	DSO	ALTERNATIVE CONNECTIONS	CYBER SECURITY



### Verbatim comments:

"I drive a hybrid, so maybe 'Alternative Fuels' as its own category." **Business representative**

"Maybe DSO could go under a 'Future Planning' category – you've got to be forward-looking, particularly now with the challenges of renewable energy, a 'Future Planning' category would be beneficial." **Business representative**

"The economic side of the bigger picture is not included in the six categories – whilst we're making in-roads, it is not highlighted in the Business Plan as a focus, a seventh category 'Facilitating Growth' would link in EVs, Alternative Connections and the change to DSO." **Local authority representative**

"My view around Electric Vehicles is that it becomes less of an issue with low-carbon technology and more about how on earth are we going to manage that. It becomes an infrastructure/power supply issue. It's a problem because your guaranteed ability to get from A to B doesn't match the ability of electric vehicles at the moment – we're talking about connection points, but what about battery storage, etc.? Growth needs to incorporate innovation." **Energy / utility company**

"Electric vehicles is 'Growth and Innovation' – you can drive for miles, but when you get there, there's no point if you're going to a market town or a farm." **Environmental representative**

"In total, car numbers will slump massively in 20–30 years' time according to some people because of driverless vehicles – car ownership will decrease massively. The social implications – who knows how that's going to go. In power supply, arguably, is there going to be a shift from urban to rural because of some of these issues?"

**Local authority representative**

"Alternative Connections Offers sits within 'Influencing Behaviour'." **Local authority representative**

"The DSO Role and the Alternative Connections Offers is too big an issue to be in the Environment category." **Local authority representative**

"I mean reliability, flood risk, climate change predictions, that's a huge issue and I think people still think it's a long way off but we are seeing it happening right now. It's here and now and only going to get more frequent, more destructive, and more costly. If we don't start planning now, it's going to get even worse." **Local authority representative**

"I would argue cyber security should have its own category to be honest, given the potential implications from a global point of view. I think it's serious enough for that. I think having electricity is simply taken for granted." **Local authority representative**

"It sits over everything, it's a serious issue, if you consider everything that happens, if we have a hit – be it natural or sinister – it still needs to sit over everything." **Academic**



#### 4. WHAT TYPES OF OUTPUT WOULD YOU LIKE TO SEE DELIVERED IN EACH OF THESE AREAS?

##### Summary:

- Some participants, particularly local authorities, wanted to see measurable outputs linked to financing infrastructure, specifically charging points for every person with an electric vehicle.
- Others wanted to see substations elevated as an output under Flood Risk Planning.
- A minority of stakeholders thought that WPD should focus on core basic outputs like upgrading the network and creating capacity.

##### Verbatim comments:

“An aspiration for us is that every person would have a charging point for an electric vehicle. That comes into the planning process and it may be a marginal cost each time but it all adds up. But it's needed to change people's way of thinking. We could look at technology, working with highways to put in under-street charging facilities and communal charging points.”

**Local authority representative**

“You could elevate the substations.”

**Housing representative**

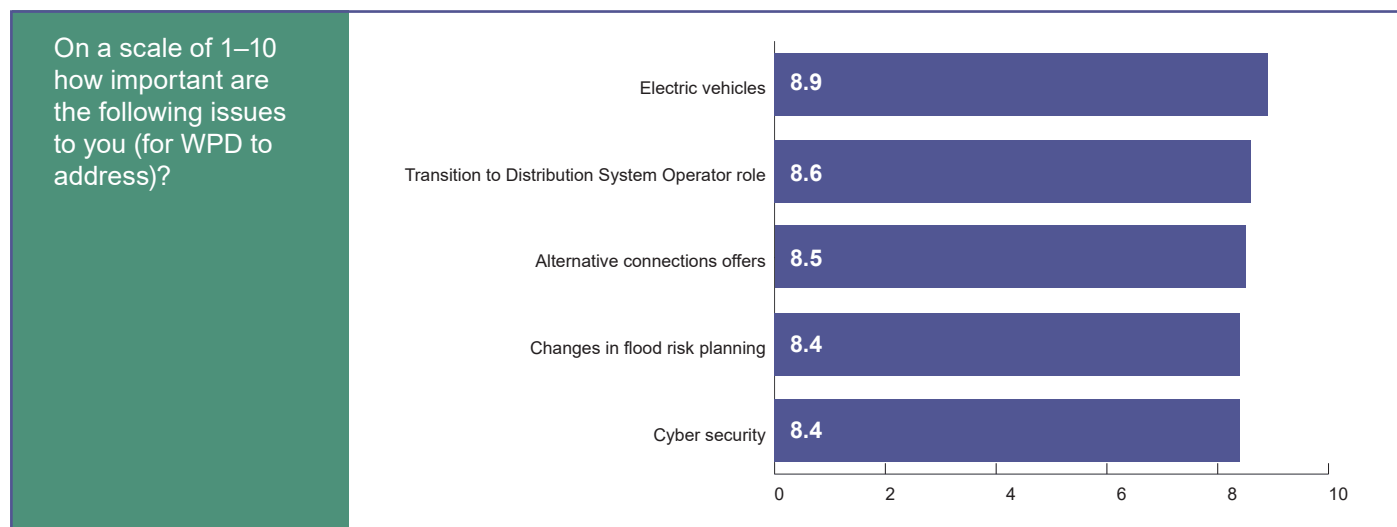
“I think that in terms of outputs, 76 of them, it's great you've achieved them, but it makes me think those outputs weren't stretching you enough. A lot of outputs are about business processes, but because there are so many, it distracts from the basics – upgrading the network, creating capacity – so maybe there needs to be an emphasis on the core business to highlight that rather than what's within the 76.”

**Business representative**



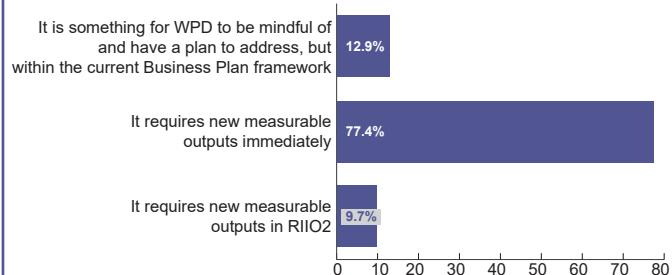
## Electronic Voting

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

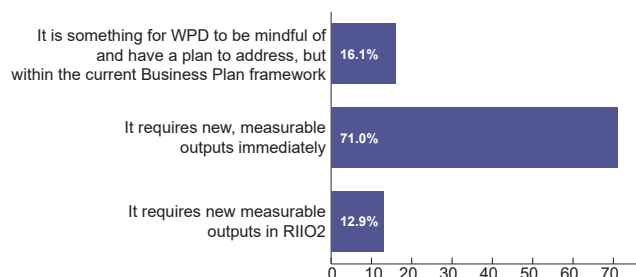


## IN TERMS OF BUSINESS PLAN OUTPUTS, HOW SHOULD WPD ADDRESS THE FOLLOWING ISSUES...?

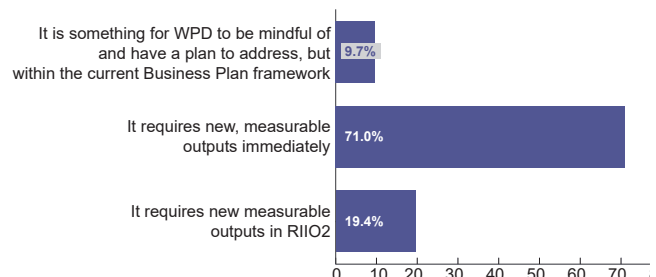
### ... Transition to Distribution System Operator role?



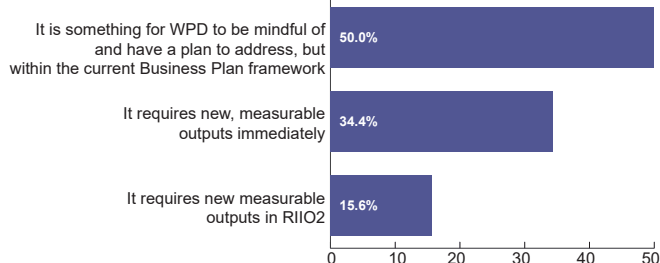
### ... Alternative Connections Offers



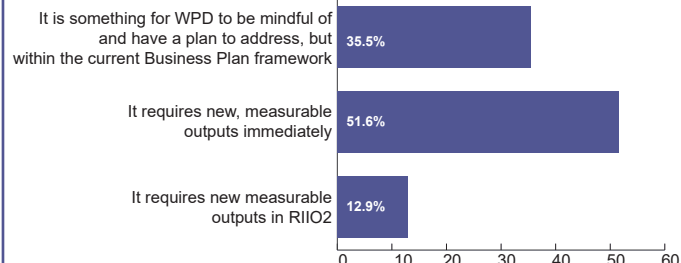
### ... Electric Vehicles



### ... Changes in Flood Risk Planning



### ... Cyber Security





## 5 | WORKSHOP TWO: LOOKING AHEAD TO RIIO-ED2

### Summary of the discussion

- Stakeholders wanted to see an outcome that ensured a sustainable network from adequate, proactive investment.
- Others wanted to see a commitment to enlarging capacity in line with an expanding network.
- Stakeholders argued for degrees of simplicity and flexibility in the Business Plan to allow for better informed, localised influence.
- Stakeholders disagreed over incentives: some felt it was a specialist issue, and others felt that with the right information everyone could have a valuable influence.
- The ability to think and act locally resurfaced when discussing incentives: what mattered to participants was getting a view on incentives relevant to their networks.
- Some wanted to see a focus on end-user-driven innovation: in the electronic voting this was the most popular area to have influence, with an average score of 8.
- Most felt that expenditure and financial influence should fall to experts, industry participants and consumer bodies, with a key attitude being that end users were more concerned with price rises than consultation.
- This was borne out in the electronic voting, where expenditure garnered an average score of 5.4 and financing received 3.9.
- On uncertainty mechanisms, some suggested greater local engagement on deciding where to invest and how to spread that risk.

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

#### Summary:

- Stakeholders called for an additional outcome around future investment in a sustainable network, which would involve areas such as technology and innovation, fuel poverty, undergrounding and flexibility.
- There was consensus that an outcome around expanding network capacity was needed, although some stakeholders questioned how WPD would decide what is 'sufficient' capacity.
- Stakeholders agreed the Business Plan needs to involve an element of simplicity so that localised suppliers can have a logical, active and valuable input.
- Additionally, it was agreed that the plan needed a degree of flexibility to allow for the different needs of local areas.

#### Verbatim comments:

"A Business Plan that's viable, something that the government requires on a wider strategic basis, but something that can be flexible on a local level: we are not the same as London."

**Local authority representative**

"The key thing with electricity (and other utilities) is that it's like being a brain surgeon: the people who use it outside the specialists don't understand it. Somehow that has to be made simple through a Business Plan. If you take localised suppliers, we're always looking for power when allocating land. In reality, if we knew a little bit more, then the requests coming in might be more logical to you as an organisation."

**Local authority representative**

"I want to see a much more apparent and overt future financing component. Future investment and sustainable network, there's something about that – you can play around with it – but it's about financing becoming sustainable for all the players involved, especially developers. You've got implications of what we do with innovation and technology, and you have some components that provide the investments for future Business Plans. You could also widen that out to fuel poverty, undergrounding..."

**Local authority representative**

"What's implied but not said is a big enough network with big enough capacity. It needs to be more explicit. It surrounds all the hexagons."

**Business representative**

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

### Outputs

#### Summary:

- There was general consensus that all stakeholders could have a say on outputs.

#### Verbatim comments:

"I think the table is right. I think everyone could have an input on outputs." **Local authority representative**

### Incentives

#### Summary:

- Stakeholders were split over incentives: some felt it was a specialist issue best influenced by experts and consumer bodies, and others felt that with the proper education and research, other stakeholders could have a valuable influence.
- Some participants wanted the ability to cut to precise elements of the incentives agenda, gaining an overview on local incentives and issues relevant to their networks.

#### Verbatim comments:

"I think incentives is too specialist, I think the expert panel and consumer bodies possibly with a bigger overview would have an impact on incentives." **Housing representative**

"If consulted, I would probably be willing to pay more if it means the lights never go off. But I need to be educated in order to have a valuable input." **(all stakeholders agree) Business representative**

"We wouldn't want to comment on all incentives, but we'd like to have local incentives with components around growth, disruptions to network – which is relevant to local transport networks – these are things that add richness and emerge as you go forward." **Local authority representative**

### Innovation

#### Summary:

- There was no consensus here: some felt it was a specialist issue, and others felt that end-user-driven innovation was a positive, as the information flows could reverse, empowering the consumer.

#### Verbatim comments:

"I would have thought the challenge panel ought to be involved in innovation." **Local authority representative**

"Customer-driven innovation is a good idea. Unlike smart meters, which is top down and you have to explain the benefits to end users, you could do it the other way round and ask customers how they want to improve their electricity." **Business representative**

"As an end user I would happily pay a small innovations fee if I knew where it was going." **Local authority representative**

### Expenditure

#### Summary:

- Most agreed that expenditure influence was for experts and industry participants, and that end users were more concerned with price rises than a consultation process.

#### Verbatim comments:

"I would say the first thing the end users will say is 'don't raise my charges'." **Parish councillor**

"I think from an end user's point of view they'll want to know where the expenditure has gone, but won't necessarily want to be consulted beforehand." **Business representative**

"The development industry has a keen interest in where the money is spent on the infrastructure, but that comes back to the local planning process. It's a part of expenditure rather than expenditure itself." **Housing representative**

"If they're expert stakeholders, they ought to be involved." **Local authority representative**

## Financing

### Summary:

- Stakeholders from utilities and local authorities expressed an interest in influencing financing, but most agreed that this was an issue for consumer bodies and specialist interest groups.

### Verbatim comments:

“On the financing side, you have got individual investors that will look at a plot of land and have an upper and lower threshold for what they will pay for utilities. That means you can go back to government and feed that back, it would add richness to data. I would want to be involved in that conversation, it’s hindering their ability to develop business and it will help us and MPs – no one understands utility.”

**Local authority representative**

“Consumer bodies should be more involved on the behalf of end users.”

**Local authority representative**

“In terms of the returns for the shareholders, I think it’s healthy to have that debate, and we need the facts to be fairly presented. The specialist interest groups may have something to say. I personally wouldn’t want to talk about it.”

**Business representative**

“In this sort of format it would be beneficial to have a bit more background about the company and what the profits are. In terms of what the profit should be, that’s more of a regulator issue.”

**Housing representative**

## Uncertainty Mechanisms

### Summary:

- Stakeholders tended to think special interest parties and consumer bodies were best placed to influence here.
- Some argued for greater engagement of expert businesses and developers on a local scale, enabling WPD to mitigate risk across a range of partners and interests when deciding where to invest.

### Verbatim comments:

“I would go back to the special interest parties, you need them to look into a crystal ball to influence what the future might be.”

**Business representative**

“There was a discussion we had at a utility summit – it was important to engage business, developers, etc. and you got an understanding of what the implications were, and you need to be within that component to create a scenario where risk is managed rather than completely unseen. Being able to mitigate risk across a range of partners allows you to produce better business cases, which mitigates some uncertainty although it doesn’t get rid of the uncertainty around the future of energy going forward. So we need experts coming forward on a local scale to help us show what we’re going to back – we can’t afford to invest in the wrong thing.”

**Local authority representative**

“I think the informed stakeholders should have an input on uncertainty mechanisms.”

**Housing representative**

## Business performance

### Summary:

- Most agreed that experts and specialists were best placed to influence here.
- Some suggested DNOs’ performance should be measured against companies in other industries, like Amazon and John Lewis, providing a point of comparison outside of the energy sector.

### Verbatim comments:

“Well you said all the DNOs and that’s the bit I disagree with, it should be Amazon or John Lewis... it’s more asking how do I rate the service against the other services I receive generally, not just within the energy sector.”

**Business representative**

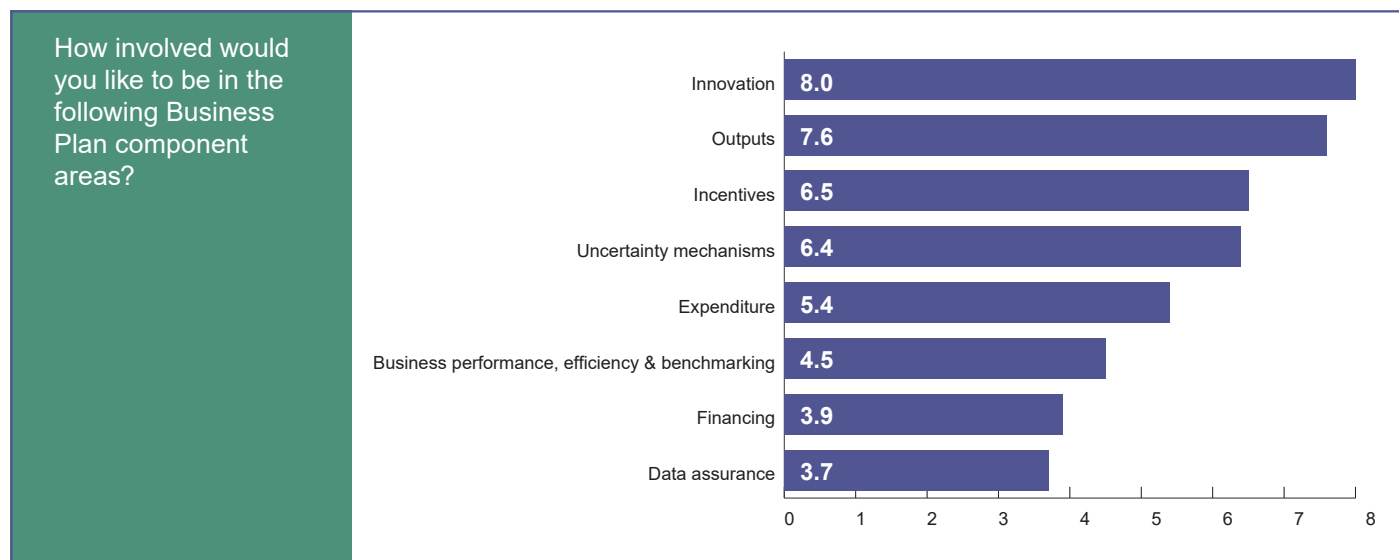
“I would say it’s the same as the one above, the experts and the specialists.”

**Business 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.



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

### Summary of the discussion

- Stakeholders were generally positive about Customer Challenge Panels.
- A crucial purpose of a network-wide panel was identified as uniformity of purpose and joined-up thinking.
- Some suggested the panels should set the discursive agenda, and others called for the panels to be organised around RIIO-ED2 outcomes.
- Membership should be led by residents rather than experts to get good, localised community feedback.
- Participants pointed out that good panels take time to grow, and require a decent commitment, context and education to take root.
- Stakeholders were split on remuneration: some argued that paying more than expenses would lead to less influential customers and less valuable input, while others stated that members' time should be valued.
- Panels needed to demonstrate a certain power, have teeth and show quick progress in order to make them attractive prospects.
- The electronic voting revealed that Consult Plus was the most popular level of power in the writing and delivery of WPD's next Business Plan, although only 38.7% of voters expressed an interest in taking part in a customer panel.
- Participants argued that in the long term panels could create a high-calibre, professional strata of stakeholders to ethically engage with and influence the energy industry.

### 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:

- There was general support for the principle of Customer Challenge Panels.
- Some stakeholders praised WPD's challenge panel, particularly the way they implement suggestions and engage in 'active listening'.
- Others expressed doubt that WPD would be able to persuade end users to participate.

#### Verbatim comments:

"I've been on a challenge panel for a water company and WPD. WPD is way beyond where the water sector is... an example of this is that WPD engage with fuel poverty – it's fantastic and very forward-thinking. This comes down to active listening, they can have all the teeth in the world but it's about how you go away and process that information into future plans."

**Business representative**

"I think you're unlikely to be able to get individual customers to be able to engage with WPD, I doubt they understand or really care, as long as power comes out when they switch it on."

**Housing representative**

"These workshops are really good as long as you listen, but it's also about who you invite."

**Local authority representative**

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

### Purpose of the Panels

#### Summary:

- A unity of purpose across a wide area was seen as a key purpose of a network-wide panel.
- It was suggested that the panels, rather than WPD, set the discursive agenda.
- Some argued for one panel per RIIO-ED2 outcome.

#### Verbatim comments:

“At the moment we’re cross purposes, all sat in councils and offices writing master plans having great ideas that don’t feed into each other”

**Local authority representative**

“Western Power Distribution can act as a secretariat and find out more. Rather than driving the conversation.” **Local authority representative**

“You could have a challenge panel for each output or outcome, give them a focus, a different set of people with a different set of ideas.”

**Local authority representative**

### Panel Membership

#### Summary:

- Stakeholders wanted membership to include the hard to reach, and were in favour of a panel consisting of residents rather than experts in order to glean properly localised feedback.
- Most argued for more representation on the panels rather than less to get a good, stratified sample of the population.
- Some pointed out that proper time, context and education were needed in order for panels to make a positive contribution.

#### Verbatim comments:

“Hard-to-reach groups, you’d have to go out and reach them.” **Local authority representative**

“We tend to prefer resident-led rather than expert-led. You can get some genuine community feedback.”

**Local authority representative**

“It’s again that balance, all the challenge panels may be just the loudest voice in the room. You do need, I don’t know, that cross-section.”

**Business representative**

“The more you’d have, the better – as you’d remove certain groups.” **Parish councillor**

“Certainly from the water sector experience I’ve got, people’s contribution was much more valuable once they understood the context. Issues need to be looked at in the round, the people who joined those panels two years ago are making a much more valuable contribution now.” **Business representative**

“If you’re on a panel, you need a certain amount of background information... I guess you can’t just have someone rolling up and saying ‘let’s do this’ if they don’t have that basic level of education.”

**Local authority representative**





## Panel Meetings

### Summary:

- There was disagreement on remuneration: some claimed that paying people anything more than expenses would draw members for the wrong reasons, while others said that a financial incentive was vital.
- WPD should take into account that paying expenses to attend might actually deter low-income participants, as declaring expenses could have a negative impact on housing benefits.
- Stakeholders agreed that the meetings should not allow member substitutes, and members should commit to the process of full attendance.

### Verbatim comments:

"I've got firm views on this one I'm afraid: I get my expenses paid and that's fine, I'm not there to be paid, I'm there because I care deeply about shaping the network for the better. If you paid people, you end up with less influential people within companies, you'd get people there only as part of a job."  
**Business representative**

"Very low-income households would worry about how being paid expenses might affect their housing benefits. It's a barrier in itself because they'd have to declare it and it would have a negative impact on their housing benefit."  
**Local authority representative**

"Firstly, don't allow substitutes. Secondly, you've got to pay people. You can be paid a day rate for turning up."  
**Business representative**

"You're getting people because they've got contributions to make. It sets standards and expectations if you pay people."  
**Business representative**

"If people miss a meeting or only turn up once a year, they miss crucial things. Every three months is a good time. You need to build steam and get trained up and informed of the different processes at WPD."  
**Environmental representative**

## Decision-Making Power of the Panels

### Summary:

- Most stated that panels needed demonstrable power and quick results in order to make people want to contribute.

### Verbatim comments:

"A lot of this depends on the level of teeth and outputs the panel have. If it is demonstrated that panels have an impact, it makes it more attractive for people to be a part of."  
**Academic**

"It takes time, you've got to show people quick wins in terms of their ability to make a recommendation, it's important they see a result."  
**Local authority representative**

## Remit of the Panels

### Summary:

- Participants argued for a remit to professionalise the influence of stakeholders into utilities in general.

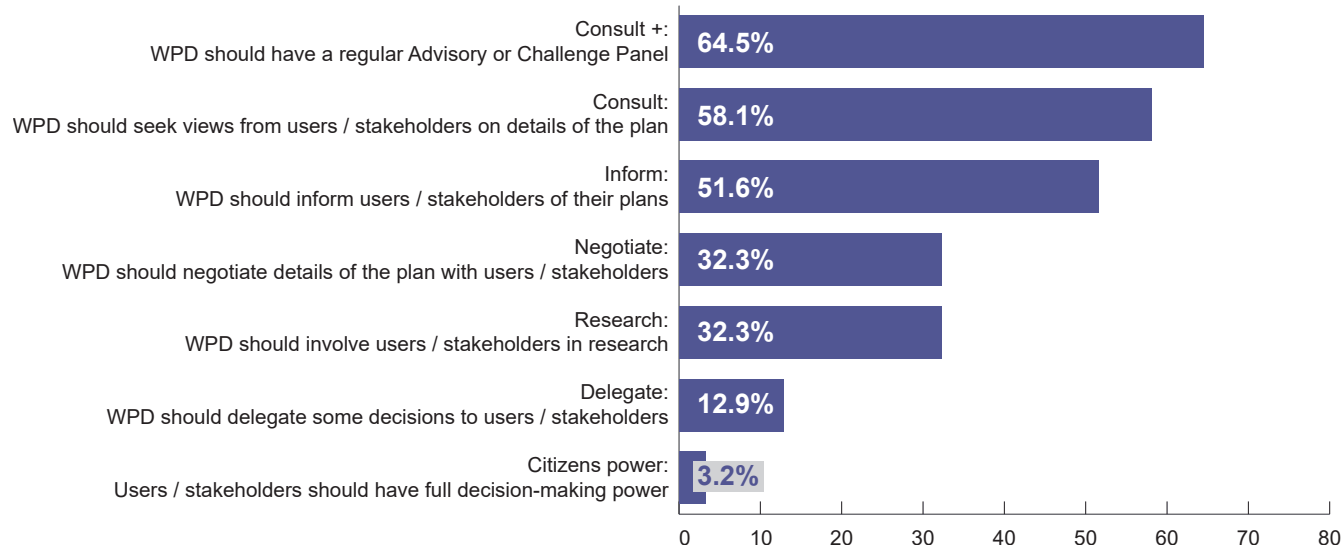
### Verbatim comments:

"It's much more about professionalising the input into utilities. That sort of importance as a premise for your group will be key – it ties you in with the calibre of people who want to make a difference in society. It's about society being able to deliver. If you create an environment with short, medium and long-term wins in that way, you'll get the right calibre of individuals who want to make a difference, e.g. in terms of vulnerable customers."  
**Local authority representative**

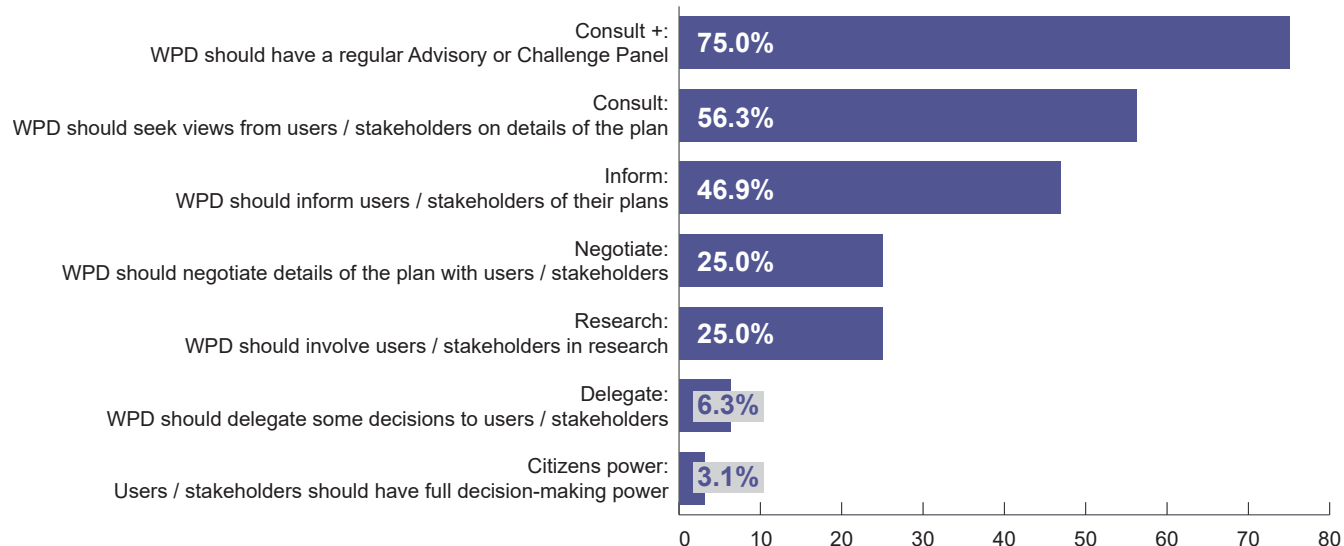
## Electronic Voting

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

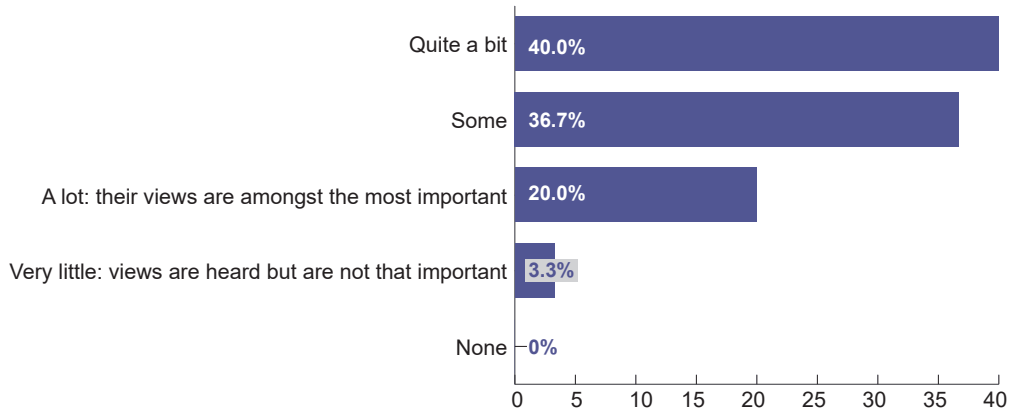
When writing the next Business Plan, what level of power should users / stakeholders be given by WPD? (multiple responses possible)



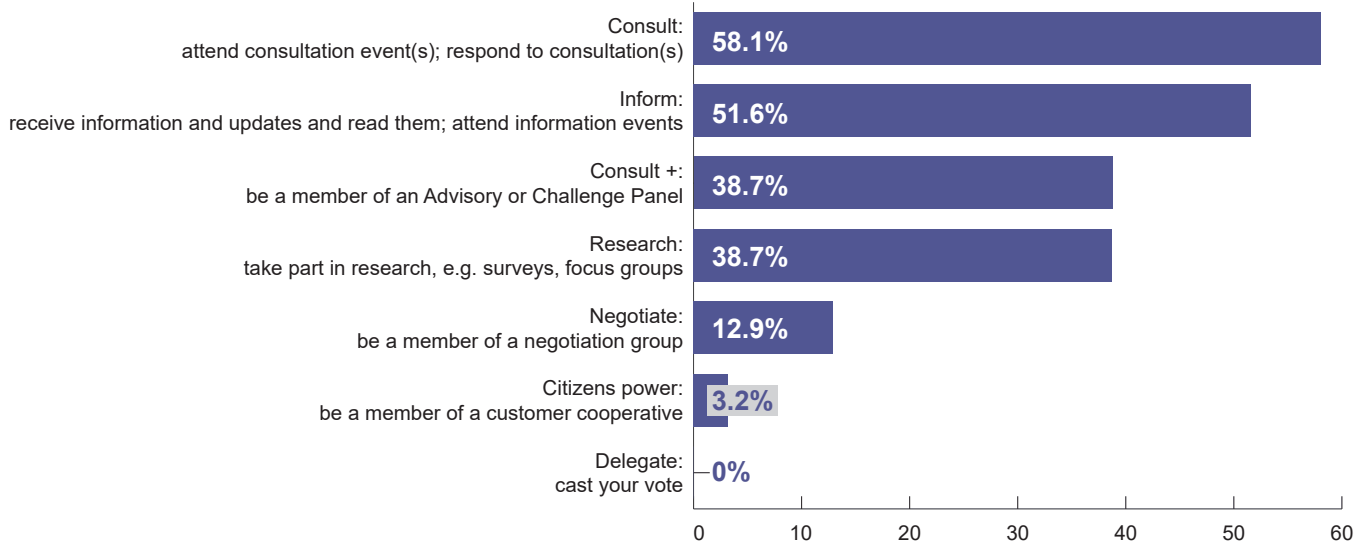
During the delivery of the Business Plan, what level of power should users / stakeholders be given by WPD? (multiple responses possible)



### 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

- Large energy users need to lead the way in incentivising all users to benefit financially from the transition to DSO.
- Stakeholders were concerned that a perceived key benefit of the DSO transition – storage – was suffering from under-investment.
- Stakeholders proposed greater simplicity in technologies, better education, incentives and grant funding as methods to better engage with vulnerable customers and communities on the benefits of the DSO role.
- Stakeholders were generally ambivalent about how well they understood the impacts of DSO on different customer groups (Large Energy Users; Distributed Generation and Storage Providers; Smart Technology Providers; Local Communities; and Vulnerable Customers): in the electronic voting the average understanding stayed resolutely in the middle, with a range between 5.2 and 5.9.
- Everyone agreed that customers should be able to customise their power cut alerts.

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

#### Summary:

- It was widely felt that WPD had captured the correct the key customer segments that may be affected by DSO operations.
- The point was, however, made that WPD had picked large business and small communities, neglecting those in the middle, including small businesses.

#### Verbatim comments:

“These do seem about right but it’s you need to bear in mind that the less well off will be the ones losing out.” **Voluntary sector representative**

“What about SME’s. You should look into how this is going to affect small businesses in your patch.” **Business representative**



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

### Summary:

- Stakeholders pointed out that large energy users such as businesses were already benefitting financially from smart technologies and need to lead the way in incentivising all users to do the same.
- Others agreed with the financial benefits deriving from flexibility, but warned that storage was not being invested in proactively enough.
- Locally, benefits were rooted environmentally in renewable generation.

### Verbatim comments:

“I think as the large energy users are now running their processes internally – they run their own data centres – they have the opportunity to switch that off for a couple of hours to save themselves thousands in energy bills. They will lead the push towards a future where end users can turn their energy on and off against the market.” **Business representative**

“I think for us it would be extra revenue streams – potentially WPD paying our customers for flexibility. The problem we’ve got is if you look at the classic aggregation as demand-side response, battery storage is not getting invested in; it’s too low. We need additional revenue streams.”

**Energy / utility company**

“Lincolnshire was a county never designed to be on a grid. We’re third in renewable energy levels. Once you start educating people that we have that energy generation much closer – there is a real opportunity to change what we do.”

**Local authority representative**





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

#### Summary:

- Stakeholders were concerned vulnerable customers and communities would not have the tools to best benefit from the DSO transition, suggesting that this situation could be improved by a degree of simplicity in accessible technologies, better education, incentives and grant funding.
- Some argued that a key benefit would be lower distribution costs.

#### Verbatim comments:

“It has to be a two-pronged approach, both education and grant funding to allow people to access these technologies.” **Local authority representative**

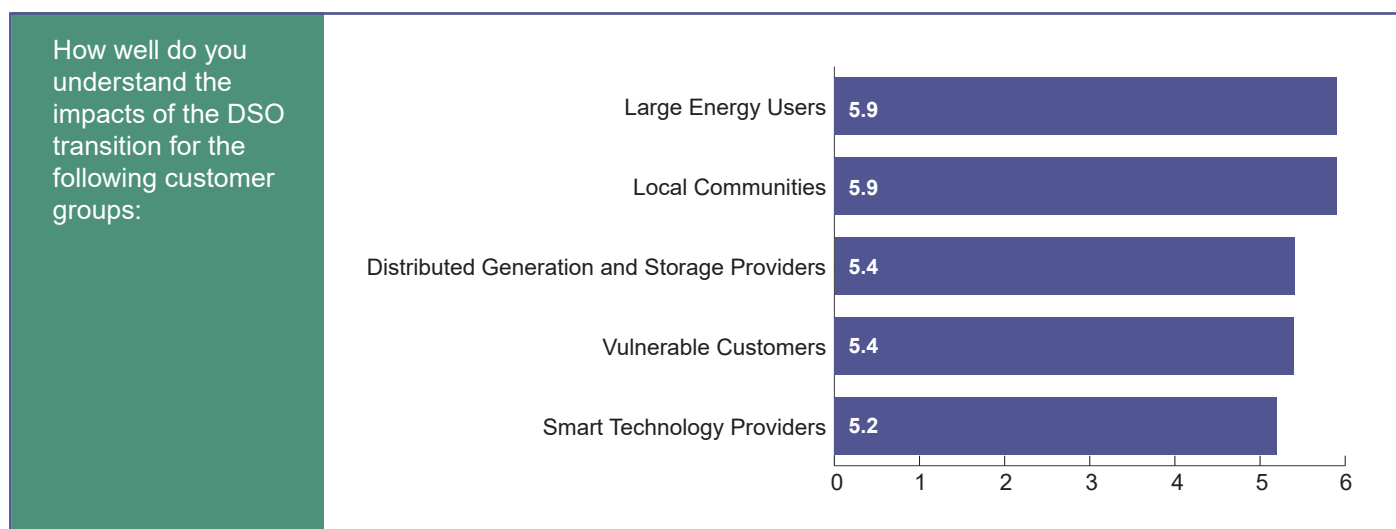
“It’s about rolling out very simple technologies that are easily understood by anyone. They may be more resistant to having technologies introduced into their properties as well. There needs to be government financing schemes to allow people to get these technologies into their home... get social housing involved, for example.” **Academic**

“I think it will lead to a lower cost, because if WPD doesn’t need to invest millions in infrastructure upgrades, that’s better, and if it’s invested in by an investor who’s profiting, that’s good for everyone.” **Business representative**

“Incentives could play an important role, you have to find and make some plans to make them motivated. Again it’s about education, making them knowledgeable about these things.” **Academic**

#### 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 broad consensus that WPD should notify customers on an individual basis, and ask customers what times they would be happy to be notified of a power cut.

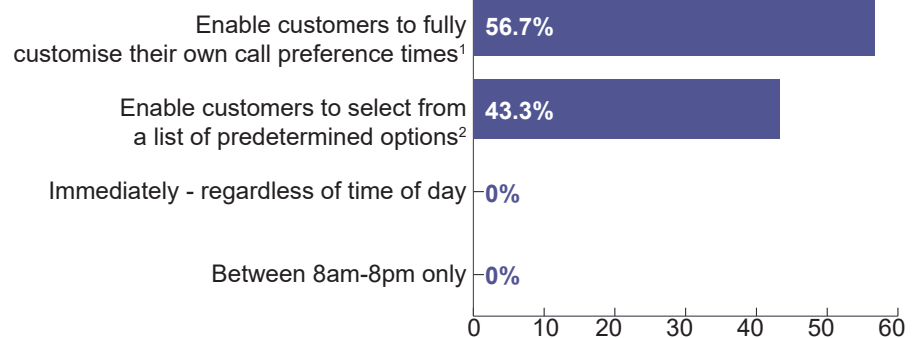
##### Verbatim comments:

"I think if you're on some medical equipment that needs power, there should be a backup battery. If the power went off for 10 hours, it shouldn't be a problem. Whether you need waking up at 3am, I'm not sure. I don't think I'd be too pleased."

**Local authority representative**

"The Priority Service Register could ask the question 'would you want to be notified in the middle of the night or not?'" **Local authority representative**

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



<sup>1</sup>: including differences for weekends vs weekdays, for example

<sup>2</sup>: 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:

- There was no consensus on this question. Some stakeholders were of the view that lowering distribution charges for fuel poor customers was the right thing to do. However, others stated that this would require means testing, which would be an onerous process.

##### Verbatim comments:

"I think this sounds like a good idea and it may actually help people get themselves out of this situation [living in fuel poverty]"

**Local authority representative**

"How are you going to do this on a practical level. It sounds far too difficult to police. You'll end up having to means test your customers. Also, how do you know people are telling the truth? It seems a step too far to me." **Business 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 Alison Sleightholm;
- **Social Obligations (including Fuel Poverty)**, hosted by Alex Wilkes;
- **Losses and Innovation**, hosted by Paul Jowell.

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)
- 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)
- 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)

### **SURGERY SESSION ONE:**

#### **CONNECTIONS AND DISTRIBUTED GENERATION**

##### **ALISON SLEIGHTHOLM**

###### **Key Themes and Issues Raised**

- Clarification sought as to whether WPD were the only company that could connect to the network, and the standards adopted by other companies who do that.
- How easy it would be to add drawdowns to the capacity map?
- Some suggested that people should pay to be in the connections queue; other stakeholders pointed out the problems this would present to smaller community groups.
- If a situation arose where WPD were being constrained by the National Grid, what would happen if that were to restrict growth in a particular area?
- If you can't identify a marketplace development properly, was it right to also haggle about the amount of energy available? A rude awakening about the availability of utilities is needed.
- Why are all charges retrospective?

### **SURGERY SESSION TWO:**

#### **SOCIAL OBLIGATIONS (INCLUDING VULNERABILITY & FUEL POVERTY)**

##### **ALEX WILKES**

###### **Key Themes and Issues Raised**

- What legal requirement does WPD have for social obligations and vulnerable customers?
- On sharing data between different utilities, the principle of 'teamwork' was supported by stakeholders.
- Data from heat maps and grid data is intimidating for communities to use.
- On the Power-Up scheme, clearer outcomes needed, such as 85% of stakeholders receiving tangible support.

## SURGERY SESSION THREE: LOSSES AND INNOVATION PAUL JEWELL

### Key Themes and Issues Raised

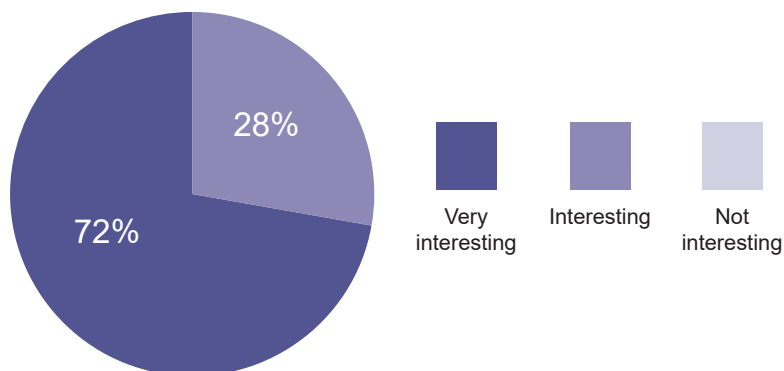
- Losses will get more important in the future as we see more batteries: the AC/DC loss is huge.
- Could undergrounding collaborate with three-phase cabling to houses for future proofing?
- Three-phase could triple the capacity for solar power.
- Vegetation management: could it be treated as a cost-benefit rather than a loss? Can you sell it as such? Green infrastructure management underpins the liability of high-voltage cable management, and can be a measure of proactively saving losses and doing it in an eco-friendly way. From an ecological point of view, you could better manage a green infrastructure: cultivate a green corridor; accentuate the perceived public benefit; feed into pollinator policies; feed anaerobic digesters in an environmentally smart way, the trimmers could drop off green waste directly at the digester... WPD could play a carbon reduction card.
- Stobart energy would like to get involved with such a collaboration.
- Sleaford hubs are in desperate need of upgrading: if there are a group of projects, can upgrades be sped up?





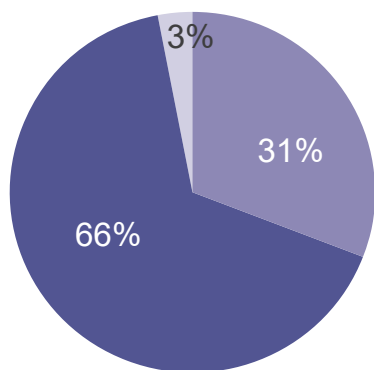
## 9 | WORKSHOP FEEDBACK

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?



The group was just about the right size for people to contribute.

Good open table discussions.

Some time restrictions.

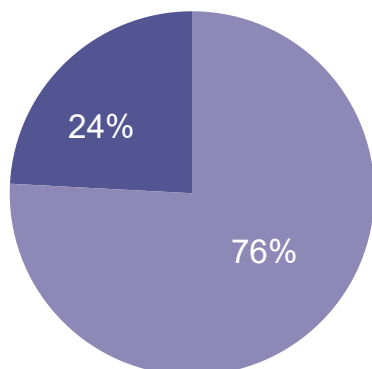
Strongly agree

Agree

Disagree

Strongly disagree

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



Yes, I found the topic on ED1/ED2 particularly interesting.

Some mention of resilience measures.

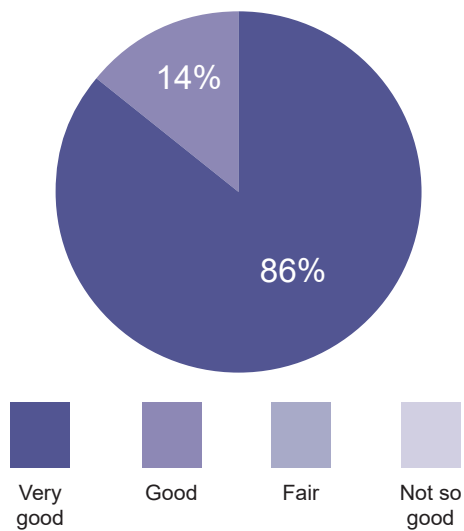
Strongly agree

Agree

Disagree

Strongly disagree

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



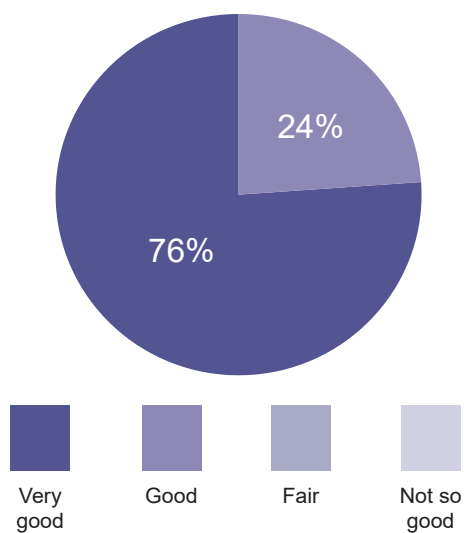
*Liked the idea of overall discussions and then table talk.*

*Concern about lack of business and developer attendance.*

*Best I've seen!*

*It worked very well.*

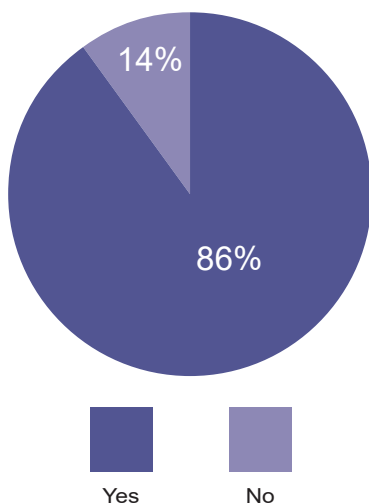
What did you think of the venue?



*Great venue, parking facilities good.*

*Good space and parking.*

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



*No comments given*

Do you have any other comments?

*Excellent facilitation – very good at involving us all and clearly capturing feedback. Flowed very well throughout.*

*Excellent event. Increased understanding of opportunities and challenges. Highlighted the possibilities available if there was a greater level of knowledge sharing and partnership working.*

*Main interests are distributed generation and DSO implementation and revenue streams for flexibility.*

*Great to have the opportunity to contribute.*





