

CCSG - Introduction



Agenda

Introduction to CCSG & Director's Update	Alison Sleightholm	10:00 – 10:20
ICE – Updates & Moving Forward into RIIO-ED2	Penny Carolan	10:20 – 10:40
Session 1 – Connections Strategy & Principle 1	Tim Hughes	10:40 – 10:55 Overview 10:55 – 11:10 Breakout
Refreshment / Comfort Break		11:10 – 11:20
Session 2 – Principle 2	Tim Hughes	11:20 – 11:30 Overview 11:30 – 11:45 Breakout
Session 3 – Principle 3	Tim Hughes	11:45 – 11:55 Overview 11:55 – 12:10 Breakout
Summary, Feedback & Close	Tim Hughes	12:10 – 12:15

All Sessions 1-3 have an

- Overview
- Break-out Session

You will be automatically placed into a break-out room



Introducing WPD's First Draft Business Plan for RIIO-ED2

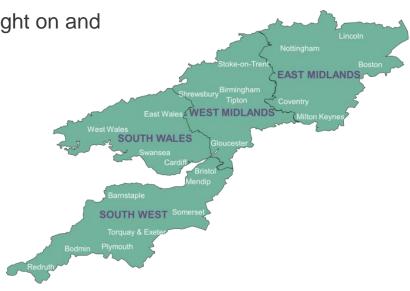
Alison Sleightholm

Resources and External Affairs Director

Wednesday 24th February 2021

Setting the scene

- We distribute power to 7.9 million homes & businesses
- Covering the East and West Midlands, South Wales and South West England
- Our focus is to deliver affordable excellent customer service by keeping the light on and ensuring customers can have a connection when they want it.
- Ofgem regulates how much revenue we can earn and what we must deliver in 'price control periods'
- "RIIO-ED2" will cover the 5 years 2023-2028
- We are developing our Business Plan for that period setting out, in detail, our commitments to stakeholders, performance targets and planned investment and expenditure



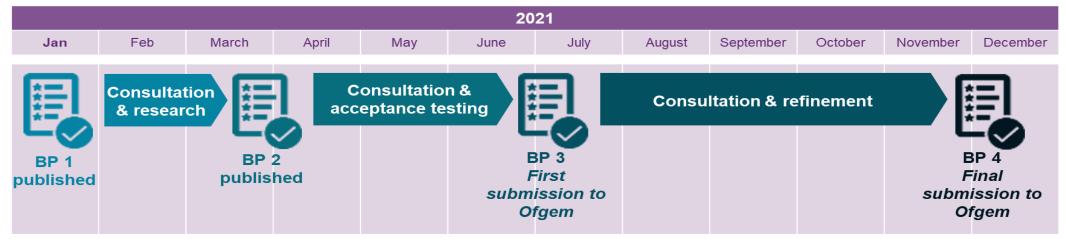
Our stakeholder engagement programme



- Since 2019 we have engaged over 4,500 stakeholders on the creation of our Business Plan
 - Bill payers, future users, industry parties, local authorities, green energy organisations, consumer groups, charities and many more



We will publish 4 versions of our Business Plan up to the final submission to Ofgem on 1st December 2021:



Co-creation with stakeholders



- We want the best possible Business Plan in the eyes of our customers – entirely reflective of their needs and priorities
- We are building our Business Plan with stakeholders in stages
- We're aiming for the greatest involvement of stakeholders ever co-creating our Plan with stakeholders
- We started from a blank piece of paper
 - Whilst in many cases the priorities suggested by stakeholders have not come as a surprise, starting afresh was an intentional approach to:

Update our understanding of stakeholder priorities

Identify significant changes in expectations

Invite suggestions for how we can improve or evolve our operations

- Every commitment in our first draft Business Plan is a result of stakeholder feedback
 - In some cases feedback has developed the precise commitment and targets being proposed
 - In others stakeholders indicated a general area of focus/priority. We have then suggested what we believe is an appropriate commitment.
- We are now seeking your views on the precise targets and/or suggest alternative commitments



What we have published

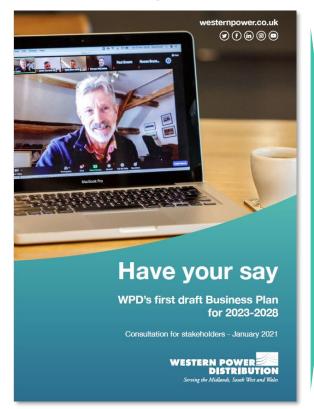


First draft Business Plan



Busin	Business Plan Chapters					
Chapter 1	A summary of our plan					
Chapter 2	We deliver on our commitments					
Chapter 3	Giving consumers a stronger voice					
Chapter 4	Our RIIO-ED2 core commitments					
Chapter 5	Delivering a smart, flexible energy system					
Chapter 6	Proposed RIIO-ED2 expenditure					
Chapter 7	Adapting to change					
Chapter 8	Glossary					

Accompanying consultation



- Detailed overview of the 67 core commitments
- 13 consultation questions for you to respond to

Headlines of our plan



Expenditure

- We propose to invest around £6 billion in the network across the period 2023-2028 to deliver WPD's current view
- This is an increase of around £750 million from current levels (or +£150 million per year)





- This will result in significant benefits to customers and deliver the priorities of our stakeholders and the outcomes they value
- It will also move us towards the achievement of Net Zero carbon emissions in the UK

Customer bills

- Our calculations estimate the increased expenditure would result in an approximate £1.50 increase on the average domestic bill.
- However, we predict that this will be offset by our efficiencies, changes to the financing parameters and other aspects of the RIIO-ED2 price control process.
- We therefore intend to keep bills broadly flat across the five year period 2023-2028, in line with present day.

£96
a year for the average domestic customer

Headlines of our plan



67 core commitments

Within 3 categories:

Meeting the needs of consumers and network users

Maintaining a safe and resilient network

Delivering an environmentally sustainable network

Customer service

Customers in vulnerable situations

Connections

Social contract

Network resilience

Business IT security and cyber resilience

Safety

Workforce resilience

Environment and sustainability

A smart, flexible network

Innovation

Community energy

Headlines of our plan



Examples of our commitments

9 out of 10

on average for customer satisfaction

2 million

priority services customers contacted every two vears 75,000

fuel poor customers to be supported to save £40m

Power cuts

improve on the current customer experience of 1 power cut lasting 24 minutes, every two years

50 schemes

benefitting 5,900 Worst Served Customers Underground, insulate or divert overhead lines crossing

school play areas

Low Carbon Technology

affordable connections when required by our customers

Net Zero

business carbon footprint by

2043

Community Energy Surgeries

to be held for local energy groups Within our consultation we are asking you to comment on options to alter the ambition of these outputs. E.g.

Core commitment		Current RIIO-ED1 performance	Option 1: Incremental improvement	Option 2: WPD current view	Option 3: Further ambition	Option 4: Considerably greater ambition	Positive impact for customers	Option 5: Your suggestion for alternatives
40	Reduce internal Business Carbon Footprint to be Net Zero by following a verified Science Base Target to limit the climate impact of our activities.	New	Net Zero 2050	Net Zero 2043	Net Zero 2035	Net Zero 2028	Accelerate a reduction in carbon emissions to minimise our impact on climate change.	?
		Bill impact:	-1p	-	+1p	+1.5p		

Questions we'd like you to answer

Core commitments

(see consultation document)

Qu. 1-5

For example:

Question 4:

What option level would you prefer for each core commitment?

Option 1: Less than our current view (and at a lower cost).

Option 2: WPD's current view Option 3: Further ambition

Option 4: Considerably greater ambition

WPD's first draft Business Plan

(see Business Plan)

Qu. 6-13

Covering:

- Presentation and accessibility of the Plan
- Overall acceptability of the Plan
- Delivering a low carbon future

What we're asking you to do

www.westernpower.co.uk/RIIO-ED2-Business-Plan-Jan2021

- Download and review our full Business Plan draft
- If you're time-pressed, review our consultation document (67 core commitments)

How to respond to this consultation

- You can submit your responses to this consultation online.
- If you want to respond only about WPD's core commitments, you
 can use our online tool to provide feedback on each of the specific
 core commitments.
- Alternatively you can download a response form and email or post this to us.

Closing date: Sunday 28th February



Visit:

www.westernpower.co.uk/RIIO-ED2-Business-Plan-Jan2021



Email:

yourpowerfuture@westernpower.co.uk



Write:

Stakeholder Team, Western Power Distribution, Herald Way, Castle Donington, DE74 2TU









ICE – Updates & Moving forward into RIIO-ED2

Penny Carolan - Connections Policy Incentive on Connections Engagement - ICE



ICE - Update



ICE Update

- Following our ICE Looking Back and Looking Forward report 2020,
 Ofgem published that all DNO's had met the minimum ICE Criteria for 2019/20
- The Ofgem Final Decision Letter did Include Areas of Concern:
 - Connections information and information systems rollout
 - Request for additional information / engagement on the Distribution Service Operator ('DSO') transition
 - ✓ Issues in the connections process relating to customer service
 - Electricity Connections Offer Expenses and the concerns stakeholders raised in its application
 - Reforms to the ICE process



ICE - Update



ICE 2020/21 Plan - Update

Initially we implemented 28 actions in our ICE 2020/21 Plan, under 4 key headings

➤ Policy Guidance –

7 Committed Actions

➤ Customer Support –

6 Committed Actions

➤ Communication –

9 Committed Actions

➤ Stakeholder Engagement – 6 Committed Actions

- In our October 2020 ICE submission, we added a further 4 actions
 - ➤ 2 Action in Customer Support
 - > 1 Action in Communication
 - ➤ 1 Action in Stakeholder Engagement





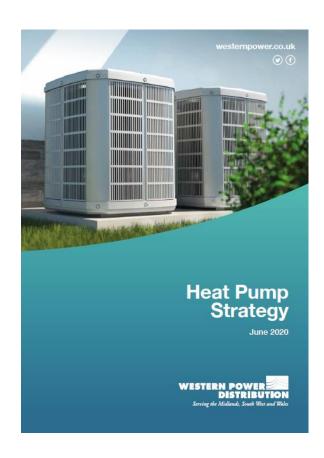
ICE Actions Completed – Q2 June 2020

ICE Action Number 1 – Heat Pump Strategy

OUTCOME - To support the up-take of heat pumps we will issue a Heat Pump Strategy. The document will explain the options for connection and detail the actions we are taking to support roll out.

Heat pump strategy was completed in June 2020 - Heat pumps are a key part of our plans to achieve net zero by 2050. The strategy sets out how we will ensure heat pump owners are able to connect in a way that suits them.

Please see our heat pump strategy https://www.westernpower.co.uk/heat-pump-strategy





Serving the Midlands, South West and Wales

ICE Actions Completed – Q2 June 2020

ICE Action Number 19 – Community Energy and Innovation Jargon Buster

OUTCOME - To simplify the jargon world of acronyms within innovation and community energy. To give a clear and concise understanding of both worlds, giving the outcome on a podcast and simple web page.

Community Energy and Innovation Jargon Buster, completed in June 2020 on our community energy website, to give a better understanding of community energy and innovation. Distribution Networks & Innovation Jargon Buster, also includes

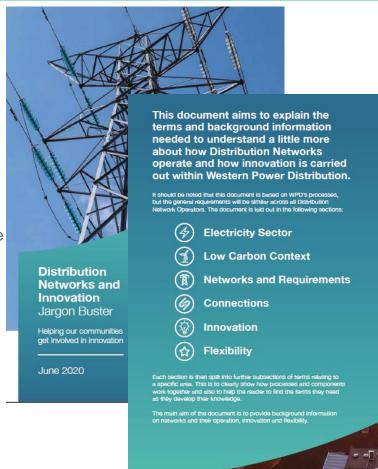
Connections

Flexibility Services

Networks and Requirements

Also

- Community energy animations via YouTube to give clear guidance
- Podcasts, to give individual innovation project information
- On our community energy website at https://www.westernpower.co.uk/customers-and-community/community-energy





ICE Actions Completed – Q3 September 2020

ICE Action Number 10 – Opening ANM Zones

OUTCOME - Improve the way ANM zones are opened by using a more flexible and responsive method, rather than on a specific programme. This will include changed external and internal guidance.

Where ANM provides a viable solution and the customer expresses interest in connecting using the system, the following steps will be taken to create a new zone.

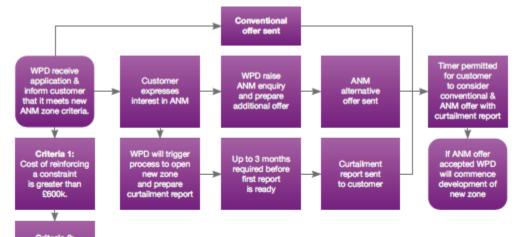
Carry out preparatory curtailment report analysis and provide a curtailment report alongside the new alternative connection offer -Target time 3 months.

Upon acceptance of the Offer by the customer, WPD will commission the development of the new zone with a 3rd party ANM provider - Target time 9-12 months. The timescale to develop and complete the ANM zone may be determined by the terms and any specific milestones set out in the Offer. WPD will work and liaise regularly with customers during the process.

Install and commission ANM control system at customer's site alongside normal commissioning process.

onstraint will take

longer than 18 months to



All subsequent applications within this GSP will be eligible to utilise the ANM zone where necessary.

WPD may decide to open the zone if regular interest is shown in connecting to the GSP.

The new process will be updated on the website by 30th Sept. https://www.westernpower.co.uk/active-network-management-anm





Serving the Midlands, South West and Wales

ICE Actions Completed – Q3 September 2020

ICE Action Number 22 - Distributed Generation Owner Operator Portal

OUTCOME - Enhance DGOO portal to be able to record and communicate reasons for changes to planned outages.

WPDs Outage Management System (OMS) has been updated to include a new field called 'Reason for Change' and this field now appears on the DG portal when a Planned Outage is viewed, completed in September 2020.

This new field will be populated on the OMS by an Outage Planner whenever there is a change in date/duration of an outage that affects the DG customer

The DG portal can be accessed at https://www.generation.westernpower.co.uk

If you are making an initial enquiry, you have to ask for an account at email address – wpdswestwalesgen@westernpower.co.uk





ICE Actions Completed – Q4 December 2020

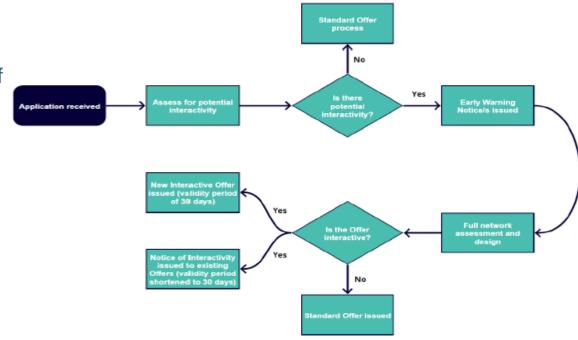
ICE Action Number 3 – Connections Interactivity

OUTCOME - Identify and implement any improvements to existing guidance to improve consistency, transparency and fair application of interactivity principles. Have regard to concurrent work being undertaken by the ENA following Open Network consultation on the policy mechanisms and implement any changes as necessary.

New Interactivity Guidance is now published. Please see the WPD website https://www.westernpower.co.uk/connections-landing/connection-offers-and-agreements/types-of-connection-offer.

Updated internal guidance was also published in parallel.







ICE Actions Completed – Q4 December 2020

ICE Action Number 26 – Major Customer Engagement Event

OUTCOME - Hold an event in Autumn 2020 to brief with a wide spectrum of stakeholders on WPD's connection strategies and actions we have taken or about to take in 2020 and the future.

An event was held virtually via Zoom on 25th November 2020 on new connections.

In total 53 stakeholders attended the workshop representing 45 organisations.

The workshop covered the topics;

- connections strategy for RIIO-ED2
- supporting the transition to Net Zero (heat pumps & EVs)
- digitalisation & data
- strategic investment during ED2

91% of the attendees thought the event was interesting or very interesting on the overall satisfaction of the event.





ICE Actions Completed – Q4 December 2020

ICE Action Number 28 – Motorway Services EV Charging

OUTCOME - To understand motorway services operators in their plans to develop EV charging at their sites. To develop with them a suitable innovative connection arrangement for the capacity they need. To work with OLEV Project RAPID to develop solutions.

A contract has now been placed with a switchgear manufacture to build the packaged substation. The functional specification is available on the innovation project pages of our website.

The first site chosen is M5 Exeter Services.

https://www.westernpower.co.uk/innovation/projects/take-charge



NEW ICE 2021/22 Plan



ICE Actions for 1st April 2021 Start

ICE has only 2 more years to run, before we move into RIIO-ED2.

In our 4 areas, this year

- Policy Guidance
- □ Customer Support
- Communication
- Stakeholder Engagement

We are in the initial stages of collating our actions for the ICE 2021/22 Plan.

We have some ideas but any feedback welcome.

Our ICE 2020/21 Plan Q4 (Dec 2020) Status update is now available on www.westernpower.co.uk/ice





WPD's Connections Strategy: A Plan for RIIO-ED2

Tim Hughes
Connections Policy Manager



WPD's Major Connections Customers Strategy

Our objective for this session

Meet the needs of consumers and Maintain a safe and resilient Deliver an environmentally sustainable network network users network Customer service Network resilience Environment and sustainability Connections **Business IT Security & Cyber Resilience** Distribution System Operator Vulnerability Safety Innovation Workforce resilience Community energy Digitalisation

- ✓ To discuss the requirement for a Connections Strategy
- ✓ To highlight the framework that we need to operate under
- ✓ To obtain feedback from you





Major Connections Customers Strategy

Ofgem's proposals for improving service standards for major connections customers

- Network operators must create a Connections Strategy setting out how they will deliver quality services for major connections customers
- Network operators will be held to account through an expost assessment of performance
- The Connections Strategy will be aligned to three <u>high-level connection principles</u> and twenty associated <u>baseline expectations</u> for performance

CONNECTION PRINCIPLE 1

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

- Baseline expectation 1
- Baseline expectation 2
- Baseline expectation 3
- Baseline expectation 4
- Baseline expectation 5
- Baseline expectation 6
- Baseline expectation 7
- Baseline expectation 8

CONNECTION PRINCIPLE 2

Deliver value for customers by ensuring simplicity and transparency through the applications process

- Baseline expectation 9
- Baseline expectation 10
- Baseline expectation 11
- Baseline expectation 12
- Baseline expectation 13
- Baseline expectation 14
- Baseline expectation 15

CONNECTION PRINCIPLE 3

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

- Baseline expectation 16
- Baseline expectation 17
- Baseline expectation 18
- Baseline expectation 19
- Baseline expectation 20

WPD's Major Connections Customers Strategy

Our intent for developing a Connections Strategy

- Our aim is to create a Connections Strategy that will deliver excellent services for major connections customers
- Our Connections Strategy will;
 - ✓ adhere to Ofgem's three connection principles and associated baseline expectations
 - ✓ set out a number of deliverables and describe the benefits they will provide
 - ✓ contain commitments born from robust customer engagement and reflect what our connections stakeholders have told us is important to them

"Each strategy should have a clearly articulated vision for meeting major connection customers' needs, with tangible links between the proposed deliverables, the outcomes or the benefits it hopes to deliver and how this compares to its existing service provision."

Source: Ofgem's SSMC - RIIO-ED2 Sector Methodology Consultation: Annex 1 - Delivering value for money services for consumers







Connections Strategy - Principle 1

Tim Hughes – Connections Policy Manager



Connection Principle 1

Connection Principle 2

Connection Principle 3

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



				Market Segment Applicable		
Focus area	Principle		Baseline Expectation	DMD	DG	UMS
	Support connection stakeholders prior to application by providing accurate, comprehensive and user-friendly information	1	Provide access to up to date and relevant information to enable a connection stakeholder to decide whether, and where, to connect to the distribution network. This should include, but not be limited to, graphical network records that show the location, size and type of assets.	✓	√	✓
		2	Communicate a clear connections process for all customers. This should include providing clarity of DNO, customer and third-party responsibilities. This should also include providing clarity on how issues that arise can be raised and resolved.	√	√	✓
_		3	Provide clear explanations of the types of connection products available, the associated costs of each and the information that would need to be provided by the customer to make an application. Where appropriate, this should also include the provision of general information on the potential implications for a customer's connection offer if they change their own requirements, if other customers are seeking to connect in the same area or if they do not accept an offer within its validity period.	√	√	
Principle		4	Provide support and help to customers through appropriate channels which should include, but not be limited to, connections surgeries.	✓	√	
۵		5	Have robust processes in place to proactively engage with stakeholders. This should include how the DNO plans to both identify and address connections issues.	✓	✓	~
		6	Provide clearly signposted information on capacity available to enable points of connection to be identified. (Applies only to Metered demand HV, EHV and 132kV; Metered DG HV)	✓	✓	
		7	Provide guidance that explains to customers the criteria to allow an unmetered connection to be made, ensuring compliance with the Unmetered Supply Regulations			~
		8	Provide support in the form of tailored pre-application communication to suit different stakeholder needs.			✓

Feedback session



Questions for breakout room discussion

Our Connections Strategy must show <u>ambition</u> for improving customer service for major connections customers

With regard to Connection Principle 1;



- What can we do to meet each of these baseline expectations?
- What would differentiate us in providing new connections from other DNOs?



Feedback session



Feedback from breakout room discussion

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

With regards to Connection Principle 1;



- What can we do to meet each of these baseline expectations?
- What would differentiate us in providing new connections from other DNOs?







Coffee Break see you in 10 minutes







Connections Strategy - Principle 2

Tim Hughes – Connections Policy Manager









Connection Principle 1

Connection Principle 2

Connection Principle 3

Deliver value for customers by ensuring simplicity and transparency through the application process



	ea Principle Baseline Expectation			nents le		
Focus area	Principle		Baseline Expectation DI		DG	UMS
	Deliver value for customers by ensuring simplicity and transparency through the applications process	9	Have clear and simple customer application process, which accounts for the particular needs of different groups of customers and which can be shaped by the parties involved. This should include, but not be limited to, providing options for how customers can apply for new connections and ensure these are clearly communicated.	✓	√	✓
		10	Provide tailored communication plans to suit different customer needs, including the provision of specified points of contact during the application process. This should include the provision of various channels through which customers can access support or help.	√	√	
		11	Provide customers with clear connection quotation cost breakdowns, listing out the cost components and any assumptions used in the formulation of a connections offer.	✓	✓	
Principle 2		12	Have processes in place to help customers identify how they could make changes to their connection requirements, that would meet their needs and allow them to get connected more quickly or cheaply.	✓	✓	
ď		13	Specifically, in relation to flexible connection customers, provide clarity around conditions and circumstances of current and future curtailment associated with a connections offer. (Applies only to Metered demand EHV and 132kV; Metered DG HV and 132kV)	√	√	
		14	Provide guidance that explains to customers the criteria to allow an DG connection to be made to ensure compliance with relevant Engineering Recommendations (G98/G99).		√	
		15	Have in place options for 'fast track' reconnections of critical infrastructure such as internet cabinets that have been damaged in road traffic accidents or similar.			~

Feedback session



Questions for breakout room discussion

Our Connections Strategy must show <u>ambition</u> for improving customer service for major connections customers

With regard to Connection Principle 2;



- What can we do to meet each of these baseline expectations?
- What would differentiate us in providing new connections from other DNOs?



Feedback session



Feedback from breakout room discussion

Deliver value for customers by ensuring simplicity and transparency through the applications process

With regards to Connection Principle 2;



- What can we do to meet each of these baseline expectations?
- What would differentiate us in providing new connections from other DNOs?









Connections Strategy - Principle 3

Tim Hughes – Connections Policy Manager









Connection Principle 1

Connection Principle 2

Connection Principle 3

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



			Ą	e		
Focus area	Principle	Baseline Expectation		DMD	DG	UMS
		•	suit different customer needs, including the provision of specified ess. Ensure various channels are available for customers to access	✓	✓	
		Complete any cost reconciliation in a time	ely manner.	✓	✓	✓
Principle 3	Facilitate the delivery of timely and economical connections that meet customers' needs.	Where there are slow moving projects an place for releasing capacity that is not be Applies only to Metered demand HV, EHV and 13.		~	✓	
			n of certain types of customers (such as storage) in connection elp others connect more quickly/cheaply.		✓	
		Provide access to services that facilitate to content services.	he delivery of timely and economical connections such as 'rent a			✓

Market Segments

Feedback session



Questions for breakout room discussion

Our Connections Strategy must show <u>ambition</u> for improving customer service for major connections customers

With regard to Connection Principle 3;



- What can we do to meet each of these baseline expectations?
- What would differentiate us in providing new connections from other DNOs?



Feedback session



Feedback from breakout room discussion

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

With regards to Connection Principle 3;



- What can we do to meet each of these baseline expectations?
- What would differentiate us in providing new connections from other DNOs?



WPD's Connections Strategy

Next steps

- We will create our Connections Strategy based upon feedback obtained from our Business Plan consultation
- We will also undertake further stakeholder engagement to ensure we remain on track
- We will review and revise our Connections Strategy based upon the feedback received
- The final draft will include relevant performance measures proposals which will enable stakeholders and Ofgem to evaluate our progress in delivering our Connections Strategy













Summary, Feedback & Close

Tim Hughes – Connections Policy Manager



CCSG – Summary & Feedback



Summary & Next Steps

- Any Further Feedback
- Feedback captured from today
 - Minutes and slides will be uploaded onto our website
- Hold the Date for CCSG 2021:
 - ✓ 23rd June 2021
 - √ 27th October 2021
- If you would like to be up to date on our previous CCSG meeting, follow us at
- https://yourpowerfuture.westernpower.co.uk/our-engagement-groups/connection-customer-steering-group



Serving the Midlands, South West and Wales

Thank you







