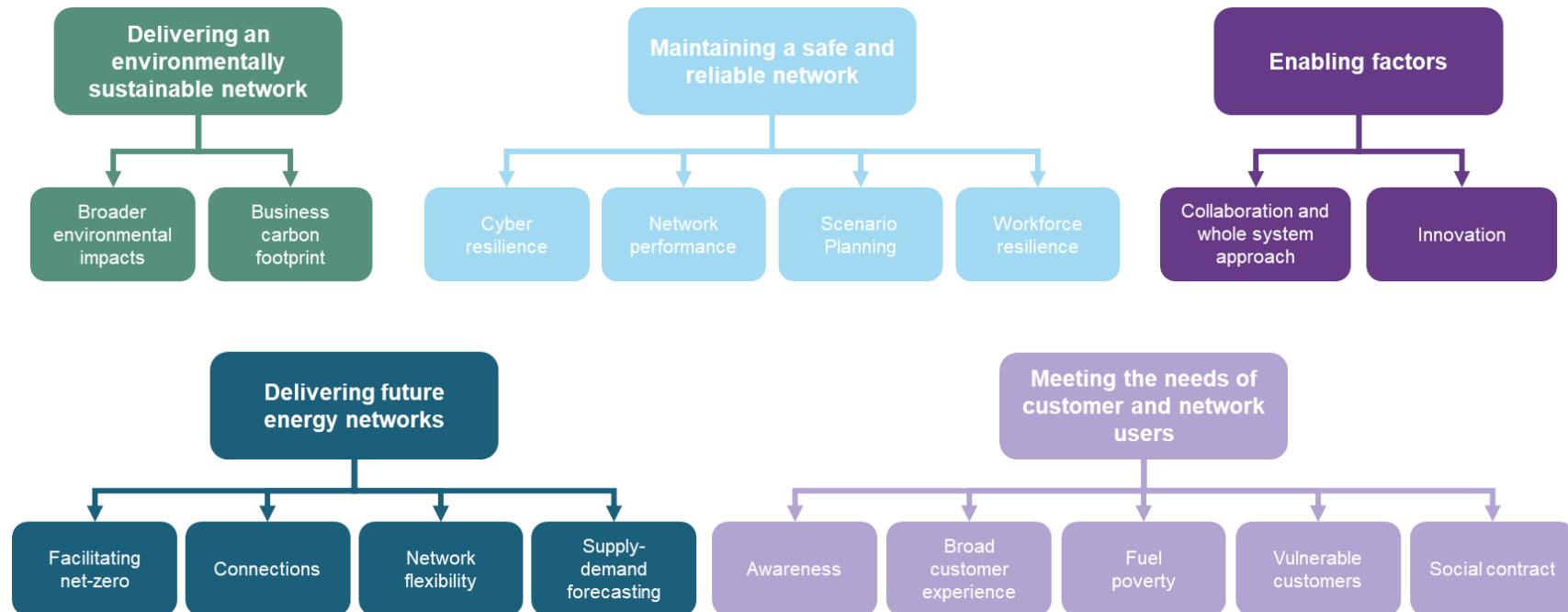


Synthesis report
Phase 4 – Business Plan Refinement
Delivered by Sia Partners
May 2021

Navigating this report

During the preliminary engagement in 2019, stakeholders were given a blank canvas to discuss the issues which were most important to them. Sia Partners, an independent body, analysed the feedback, grouping it into high-level topics – starting with Ofgem’s three output categories, before adding two more for feedback that lay outside of those. Detailed points were then grouped into sub-topics, based on the volume of discussion in each area.

The diagram below visualises the high-level topics, and the sub-topics identified under each one. This report is organised in this structure, with feedback discussed at the sub-topic level. An additional high-level topic has been added in this phase, which contains feedback received on the presentation, structure, and content of the draft business plan overall. This is called ‘Business Planning’ and has one sub-topic, ‘Draft business plan’. The sub-topics are broadly aligned with the chapters of WPD’s business plan, however, there is a large amount of crossover information. It is therefore important that chapter owners review the content in all relevant sub-topics. Identifying the appropriate structure for feedback early in the process (in 2019), allows WPD to understand how feedback has changed over time; with stakeholder views getting more specific as we approach a final business plan.



The 67 draft commitments

The table below shows how the 67 commitments presented in the Draft Business Plan have been categorised in this synthesis report.

High-level topic: Meeting the needs of customers and network users	
Sub-topic: Awareness	Commitment 35: Distribute safety advice information to stakeholders
	Commitment 36: Educate a minimum number of children per year about avoiding danger from electricity
Sub-topic: Broad customer experience	Commitment 1: Maintain a high standard customer satisfaction score across all key services areas
	Commitment 2: Achieve full compliance with the Customer Service Excellence Standard every year
	Commitment 3: Answer calls within an average of four seconds and maintain an abandoned call rate of less than 1%, within our UK-based in-region Contact Centres
	Commitment 4: Respond to social media enquiries and power cut reports quickly
	Commitment 5: Provide greater insight on the planned work activity and interruptions on the network by creating an online viewer for our customers and stakeholders
	Commitment 6: Achieve full compliance with the British Standard for Inclusive Service Provision every year
	Commitment 7: Resolve at least 90% of complaints within one day & resolve 99% of complaints within 31 days
Sub-topic: Fuel Poverty	Commitment 12: Support fuel poor customers to make savings on energy bills over RIIO-ED2
Sub-topic: Social contract	Commitment 21: Publish annual reports in a simple, easy to understand format, setting out WPD's total expenditure, the impact on customer bills and actual regulatory returns
	Commitment 22: We will, as a minimum, maintain our prime Environmental, Social and Governance (ESG) rating from a recognised agency
	Commitment 23: Support local people in our communities via an annual 'Community Matters' Fund

	Commitment 24: Provide staff with paid leave to volunteer to support local community initiatives associated with vulnerability and environmental initiatives
Sub-topic: Vulnerable Customers	Commitment 8: Proactively contact over 2 million Priority Services Register customers once every two years to remind them of the services we provide and update their records
	Commitment 9: Achieve a 'one-stop-shop' service for vulnerable customers joining the PSR so that they only have to register with WPD once to be registered automatically with their energy supplier, water company and gas distributor
	Commitment 10: Identify and engage hard-to-reach vulnerable customers each year to join the Priority Services Register within RIIO-ED2
	Commitment 11: Work with expert stakeholders, including our Customer Panel and referral partners, to annually refresh our understanding of 'vulnerability' and co-create an ambitious annual action plan
	Commitment 13: Develop a model to identify the capabilities of vulnerable customers to participate in a smart, low carbon future. Use this to maximise participation, remove barriers to entry and encourage collaboration with the wider industry
	Commitment 14: Provide vulnerable and fuel poor customers with specific support and education in relation to the smart energy transition
	Commitment 15: Take a leading role in initiating collaboration with a range of industry participants to share best practice and co-deliver schemes to ensure vulnerable customers are not left behind by the smart energy transition
High-level topic: Maintaining a safe and reliable network	
Sub-topic: Cyber resilience	Commitment 32: Continually assess emerging threats to enhance cyber security systems to ensure no loss of data or network interruption from a cyberattack
	Commitment 33: Enhance the resilience of our IT network security by upgrading our disaster recovery capability to ensure continuity of our operations
Sub-topic: Network performance	Commitment 25: On average fewer and shorter power cuts in RIIO-ED2 than RIIO-ED1
	Commitment 26: Reduction of tree related faults on HV and EHV overhead network due to use of LIDAR in RIIO-ED2 thus reducing the impact on the customer
	Commitment 27: Continue to have focus on restoring HV supplies quickly (that are not automatically restored) within one hour
	Commitment 28: We will aim to restore customer supplies in RIIO-ED2 within 12 hours under normal weather conditions
	Commitment 29: Carry out work that improves network reliability for our worst served customers (those experiencing 12 or more higher voltage power cuts over a 3-year period)
	Commitment 30: Invest to improve the overall health of the network and develop a measure of overall asset health. Report annually to stakeholders the impact of our investments

Sub-topic: Scenario planning	Commitment 31: We will continue to install further flood defences to reflect updated data from the Environment Agency
	Commitment 37: Underground, insulate or divert overhead lines that cross school or other playing areas
Sub-topic: Workforce resilience	Commitment 34: Undertake an additional Staff Safety Climate Survey during RIIO-ED2
	Commitment 38: Demonstrate exceptional embedded employment practices by achieving accreditation with Investors in People by the end of RIIO-ED2
	Commitment 39: Publish annually our updated Diversity & Inclusion Action Plan & Performance
High-level topic: Delivering an environmentally sustainable network	
Sub-topic: Business carbon footprint	Commitment 40: Reduce internal Business Carbon Footprint to be Net Zero by following a verified Science-Based Target to limit the climate impact of our activities
	Commitment 41: Replace our transport fleet with non-carbon technology where practical
	Commitment 42: Install renewable local generation at all suitable offices and depots
Sub-topic: Broader environmental impacts	Commitment 43: Reduce leaks from fluid filled cables
	Commitment 44: Replace the poorest performing Extra High Voltage fluid filled cables (FFC) on our network
	Commitment 45: Reduce SF6 losses from that in RIIO-ED1
	Commitment 46: All PCB contaminated equipment will be removed from the WPD network by 2025
	Commitment 47: Reduce tonnage of waste per £ total business expenditure
	Commitment 48: Reduce the volume of waste we send to landfill (excluding hazardous waste)
	Commitment 49: We will remove targeted overhead lines in Areas of Outstanding Natural Beauty
Commitment 50: Where a low voltage mains cable is required it will be a minimum size of a 300mm ² cable and the smallest pole mounted transformer size will be 50kVA single phase to reduce technical losses	
High-level topic: Delivering future energy networks	
Sub-topic: Connections	Commitment 16: We will develop our connections process and improve availability of information so that customers wishing to connect can easily comprehend the process and follow a simple set of rules to apply for a connection

	Commitment 17: Maintain a high standard average customer satisfaction for connections
	Commitment 18: Improve our performance against Time To Quote (TTQ) and Time To Connect (TTC) for LCTs from RIIO-ED1 Level
	Commitment 19: Engage with 130 local authorities and local enterprise partnerships to understand their requirements for strategic investment in terms of changes in demand or network use
	Commitment 20: Improve cross border working practices between WPD, Independent Distribution Network Operators, National Grid Transmission and the Energy System Operator. Also promote competition in connections
	Commitment 56: Increase the range of options for flexible connections
Sub-topic: Network flexibility	Commitment 51: Create and implement simple, fair, and transparent rules and processes for procuring DSO flexibility services and introduce a customer satisfaction monitor to measure the effectiveness of our actions
	Commitment 52: Produce forecasts of potential flexibility requirements in order to undertake a flexibility tender every 6 months
	Commitment 53: Develop a standard to be measured against (using external scrutiny) to demonstrate that we act as a neutral market facilitator to enable accessibility to multiple markets
	Commitment 54: 100% load related reinforcement (primary) decisions include an assessment of flexibility alternatives
	Commitment 55: Ensure that connection offers with a reinforcement requirement are given the option of a flexible alternative
	Commitment 57: Make it as easy as possible for our customers to connect LCTs, such that WPD connects more than the national average connecting in the UK (prorated by our number of customers)
Sub-topic: Facilitating net-zero	-
Sub-topic: Supply-demand forecasting	-
High-level topic: Enabling factors	
Sub-topic: Collaboration & whole system approach	Commitment 60: Using data from updated DFES and stakeholder insight to publish a Long Term Development Statement and a Network Development Plan annually
	Commitment 61: Engage with stakeholders and the Electricity System Operator to update WPD's Distribution Future Energy Scenarios for all four licence areas
	Commitment 62: Hold Local Energy Surgeries for local authorities, supporting them to develop their local energy plans

	Commitment 63: Undertake whole system collaboration schemes with other DNOs and the ESO
Sub-topic: Innovation	Commitment 64: For each innovation project we will undertake a cost benefit assessment and implement into business practice to improve efficiency and effectiveness of assets, operations and customer service
	Commitment 65: Develop an interactive 'innovation ideas portal' aimed at stakeholders submitting ideas for new innovation projects
	Commitment 58: Improve the volume of data available via an interactive API (Application Programming Interface) relative to all data made available (e.g., via spreadsheets and fixed format reports)
	Commitment 59: Introduce a customer satisfaction monitor to measure data availability, ease of access and usefulness, improving from the baseline throughout RIIO-ED2
	Commitment 66: Hold Community Energy Surgeries for local Community Energy groups
	Commitment 67: Establish dedicated innovation projects for Community Energy schemes

Figure 1: The categorisation of the 67 draft commitments under each high-level topic and sub-topic

Summary of Phase 4 Engagement

WPD recently completed the fourth stage of the RIIO-2 engagement programme. This stage builds on the previous “Defining Outputs” work by testing stakeholder opinions around draft commitments and their ambition.

This document collates the feedback collected during the third phase of engagement, drawn from fifteen sources, covering 2,382 stakeholders, resulting in a total of 1,869 pieces of feedback – summarised and detailed in the pages below.

A summary of the feedback collected during the previous phase has also been included for each sub-topic. Thus far over Phases 1, 2, 3 & 4, WPD has engaged 7,949 stakeholders, collecting a total of 8,897 pieces of feedback, across 85 total sources.

Topics covered

As mentioned above, the synthesis work during the Defining Outputs phase defined outputs and measures for each sub-topic area, based on the priorities previously identified during the business plan development analysis. From the feedback received, draft commitments were defined for each sub-topic area. These were voted on and discussed during the Business Plan Consultation, where stakeholders were also asked to provide any alternative commitments thought to be missing. Stakeholders also discussed WPD’s strategy on digitalisation, DSO and connections, innovation, consumer vulnerability and social contract, and the environment and climate resilience, during 5 strategy workshops. Stakeholders expressed their views on these topics during the online meetings and workshops.

Each sub-topic is discussed separately and includes a breakdown of the commitments proposed, as well as the number of pieces of feedback collected. The full detail on each source of feedback can be found in the table in the appendix. The content compiled on each sub-topic has been divided into themes where it is discussed and summarised. In addition to the summaries, conflicting feedback has been identified under each sub-topic and highlighted after the feedback of each sub-topic. These summaries will ultimately form the basis of the triangulation process – informing WPD’s decision-makers of key customer and stakeholder concerns.

Stakeholders engaged

The figures below provide a picture of the ‘Business Plan Refinement’ stage in terms of the stakeholders engaged, their knowledge levels, and the regions covered. Although all engagements were online, due to the Covid-19 pandemic, a regional breakdown is provided based on the regionality of stakeholders engaged. Where such information was not recorded, it has been indicated that there were no regional data available. Only three methods of engagement were utilised for this engagement phase: online workshops/meetings (86%), research (7%) and online surveys (7%).

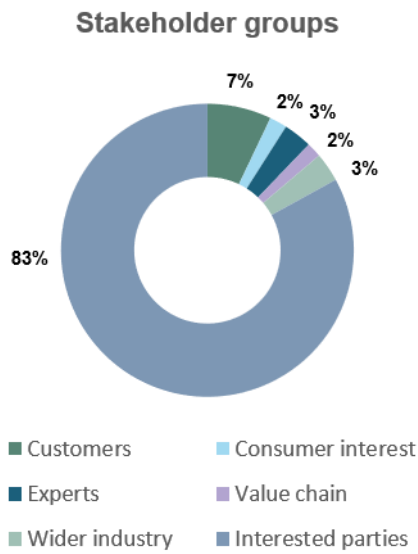


Figure 3: Breakdown of stakeholder knowledge level during the business plan refinement phase

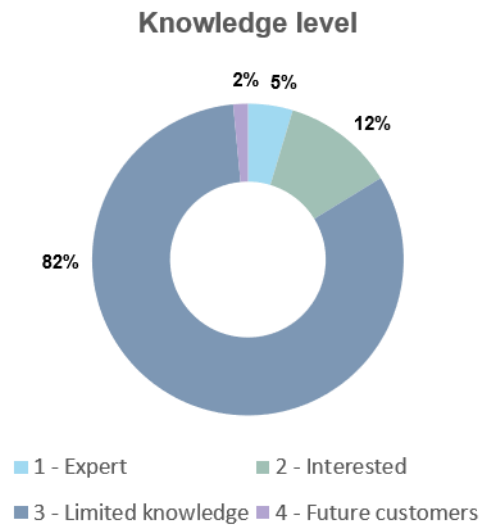


Figure 2: The proportions of stakeholder groups engaged during the business plan refinement phase

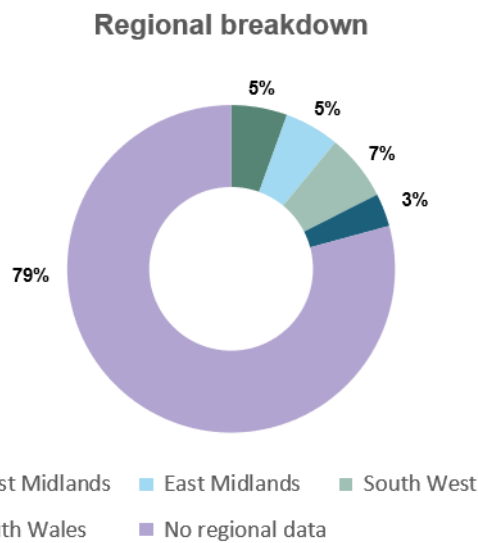


Figure 4: Regional breakdown of the business plan refinement phase

The table below details the number of stakeholders that attended phase 4 of ED2 business development engagement events from each segment.

Stakeholder group	Segment	Number attended
Customers	Major energy users	5
	Domestic customers	60
	Distributed generation customers	39
	Business customers	20
	Fuel poor/vulnerable customers	2
	Major connections customers	7
	Future customers	36
Interested parties	Local authorities	119
	Other	1,844
	Non-governmental organisations	3
	Local Enterprise Partnerships	2
	Emergency services	0
	Trade associations	8
	Healthcare	1
Consumer interest	Parish councils	21
	Charities	6
	Vulnerable customer representatives	10
	Consumer interest bodies	9
Wider industry	Utilities	59
	Community energy groups	17
Experts	Energy Consultant	34
	Academic institutions	27
	Government	7
	Environmental groups	6
	Electric vehicle manufacturers	1
Value chain	Developers	18
	Storage/renewables providers and installers	5
	Electric vehicle charge point manufacturers and installers	4
	Connections providers	10
	Flexibility service provider	0
	IDNO	2
	Energy aggregators	0
Total		2,382

Figure 5: The number of stakeholders from each segment that attended the business plan refinement events.

Feedback collected

Feedback from these stakeholders was initially recorded by the organisation running the events – either WPD or EQ communications - and has now been documented in WPD's central feedback database. Each specific point of view has been recorded as a separate statement and grouped into high-level topics and sub-topics by Sia Partners who are running the process.

The table below sums the feedback, organised by high-level and sub-topics, collected throughout phase 4 of WPD's ED2 engagement events. The remainder of this report will cover the detail, laying out the specific comments in each area.

High-level topic	Sub-topic	# of feedback
Meeting the needs of customers and network users (%)	Vulnerable customers	203
	Broad customer experience	19
	Fuel poverty	18
	Awareness	22
	Social contract	267
Maintaining a safe and reliable network (%)	Workforce resilience	26
	Network performance	62
	Scenario planning	95
	Cyber resilience	22
Delivering an environmentally sustainable network (%)	Business carbon footprint	90
	Broader environmental impacts	205
Delivering future energy networks (%)	Facilitating net-zero	149
	Connections	187
	Supply-demand forecasting	7
	Network flexibility	144
Enabling factors (%)	Collaboration and whole systems approach	28
	Innovation	290
Business planning (%)	Draft business plan	35
Total		1,869

Figure 6: The breakdown of feedback volume collected for each high-level and sub-topic

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Sub-topic: Network flexibility.....	100
Sub-topic: Facilitating net-zero	111
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High-level topic: Meeting the needs of customers and network users

Sub-topic: Awareness

What we heard in early 2021:

Stakeholders highlighted the need for raising awareness and education on various topics, such as WPD's projects and initiatives, new technologies implemented, the DSO transition and the smart future. Even more so, stakeholders stressed the need for education directed to local residents and the general public, who were felt to have the least knowledge and expertise. Education on existing and future projects was thought to be a means of accelerating innovation and allowing opportunity sharing, while it was felt that the most appropriate way to address education is through the outputs suggested. Stakeholders also addressed public safety awareness with a focus on educating contractors and younger people operating machinery on safety issues, as well as educating children on electrical safety from an early age.

Summary of Phase 4 feedback

- 1.1 In general, the majority of stakeholders supported the proposed commitments and only a small minority wished to propose alternative commitments for the topic. For the commitment to 'Distribute safety advice information to stakeholders', most supported the option to distribute 200,000 leaflets per year. Alternatives for this commitment included suggestions for more measurable and effective actions to achieve public safety, such as through social media channels and SMS. Moreover, for the commitment to 'Educate a minimum number of children per year about avoiding danger from electricity', the most prevalent response was to educate 80,000 children per year. Conflicting feedback included that the effectiveness of this cannot be easily measured, while an alternative suggested was sending an information pack for schools with a video and information that schools could share with their pupils.
- 1.2 A total of **22** pieces of feedback were collected for Awareness during phase 4 engagement, which adds to the 37 pieces collected during phase 3, **94** pieces collected during phase 2, and further **36** pieces collected during phase 1.

Detailed feedback

Feedback for Awareness can be divided into two main themes:

- Safety
- Awareness and safety commitments

Safety

- 1.3 When asked in the online workshop whether stakeholders wanted to suggest alternative commitments for the Safety topic, 11% strongly disagreed and 26% disagreed, demonstrating they supported the proposed commitments as they stand. The largest proportion (51%) voted neutral. 13%, however, agreed or strongly agreed that they wanted to suggest alternatives (E083).
- 1.4 On average, Safety ranked eighth (2.67/5) out of the 12 Business Plan topics, suggesting relative to others, stakeholders felt comfortable with the proposed commitments (E083).
- 1.5 Regarding the Safety commitments, one stakeholder made the point that WPD's supply chain and contractors ought to adhere to the same high standards for safety as the company itself (E083).
- 1.6 It was also noted that the changing nature of the electricity network means that consumers will, in the future, increasingly become generators, which is something WPD should be aware of from a safety perspective (E083).
- 1.7 A storage and renewables provider / installer made a comment on the photo WPD used at the start of that section during the Business Plan consultation presentation, saying that showing a worker on a ladder without their hands on it and standing above the harness line, is exactly a classic 'how not to do it' (E083).

Awareness and Safety commitments

Commitment 35: Distribute safety advice information to stakeholders

- 1.8 For the commitment to "Distribute safety advice information to stakeholders", there was a good deal of support for WPD's proposed commitment to distribute 200,000 leaflets per year to stakeholders, with 68% of stakeholders voting for this option. Only 6% of stakeholders wanted the company to do less in this area, voting for Option 1: 100,000 leaflets per year. The next most prevalent response was Option 4: 400,000 leaflets per year, with 20% of the vote. Only 5% of stakeholders chose Option 5 (suggest an alternative commitment). The significant majority (75%) of WPD staff agreed and opted for Option 2. This commitment was also tested in a social media poll. The majority of respondents (45%) wanted WPD to be much more ambitious and voted for Option 4, in contrast to the views of stakeholders and staff (E083).
- 1.9 When asked to suggest alternative or additional commitments in this area, some stakeholders were of the view that WPD should include something more measurable in

terms of the impact of this advice and the efficacy, as it was commented that many people would receive a leaflet but may not take the time to read it. An alternative of measuring content downloads was suggested, although it was recognised that non-digital means might be the only way of reaching some people (E083). One stakeholder questioned whether there are cheaper but equally effective routes of achieving public safety, for example via social media channels or SMS. It was felt that more justification was needed as to why distributing safety advice is an appropriate response to the high-level stakeholder feedback received (E083).

Commitment 36: Educate a minimum number of children per year about avoiding danger from electricity

- 1.10 For the commitment to "Educate a minimum number of children per year about avoiding danger from electricity", 30% of stakeholders supported WPD's draft commitment to educate 60,000 children per year about avoiding danger from electricity, voting for Option 2. The most prevalent response however, with 49% of the vote, was Option 4: educate 80,000 children per year. 5% voted for Option 5, which is a comparatively high figure. This commitment was also tested in a social media poll. The majority of respondents (66%) voted for Option 4, in agreement with the views of stakeholders. However, the majority (56%) of WPD staff disagreed and chose Option 2 (E083).
- 1.11 Local authority stakeholders felt that children are our next generation and greatest resources for the future, so we need to be protecting them at all costs. However, they felt that in terms of publicity this will not come across well and suggested a more positive way to contribute. When asked to suggest commitments, one suggested sending an information pack for schools with a video and information that schools could share with their pupils (E083).
- 1.12 Another one criticized that it is hard to measure the effect of a KPI like this (talking to school children) as they do not know how many schools it involves, so they suggested that if WPD quantified it differently, it would be more tangible. Lastly, one local authority stakeholder noted that the terminology of minimum number of children does not sit well (E083).

Conflicting feedback:

When discussing the commitment to 'Distribute safety advice information to stakeholders', there was slight conflict on the most appropriate method of delivering safety information:

1. Some proposed using social media or text messages to deliver this advice.
2. Others noted that non-digital means such as the leaflets, even if some may not pay attention to it, is the only way to reach some people, such as the elderly.

Sub-topic: Broad customer experience

What we heard in early 2021:

Stakeholders were of the view that WPD is already providing a high level of customer service, but that the company needs to maintain and improve that in light of both Covid-19 and the continuously increasing demand as a result of electrification initiatives. Covid-19 stressed the importance of communication in planned and unplanned power cuts more than ever, especially to vulnerable customers. Although most customer service and satisfaction improvements were welcome, there was widespread agreement that there needs to be a balance between the level of ambition and the cost.

Stakeholders discussed that a range of communication processes and systems is needed, such as telephone and social media platforms, although it was noted that any effort to digitalise customer service should not leave the non-digitally native or vulnerable behind. Especially during power cuts, telephone was seen as the preferred means of communication. Moreover, there was support for mapping initiatives, although half of stakeholders asked were not aware of WPD existing digital services, while text messages were seen as the most effective way to push notification to the right people for cases such as planned works.

Summary of Phase 4 feedback

- 2.1 Most stakeholders were supportive of the customer service commitments, with only a 10% minority wanting to suggest alternative commitments. These were about the expected rise of electric vehicle charge points, and about keeping costs low for consumers. For the output to 'Maintain a high standard customer satisfaction score across all key services areas', the majority voted for a 90% satisfaction rate, while the only two comments urged WPD to be more ambitious and for call centre staff to chat to elderly customers to help prevent loneliness.
- 2.2 The two compliance commitments presented a binary choice, with the overwhelming majority agreeing with them, 98% and 96% respectively, and only raising comments regarding clarity, more context, and cost. Moreover, 95% agreed with the commitment to 'Answer calls within an average of four seconds and maintain an abandoned call rate of less than 1%, within our UK-based in-region Contact Centres', with comments to include a response time for webchat, an option to answer calls within 10 seconds to provide a reduced cost to the customer, and that it should not be about the response time, but the time taken to resolve the issue.
- 2.3 For the commitment to 'Respond to social media enquiries and power cut reports quickly', the majority of stakeholders voted for responding within five minutes, with the bill impact the same as today. However, three stakeholders argued that response to social media enquiries and power cut reports should be treated separately. Lastly, 94% agreed with the commitment to 'Resolve at least 90% of complaints within one day & resolve 99% of complaints within 31 days', with a stakeholder seeking clarification on how communication would be maintained during this time.

- 2.4 A total of **19** pieces of feedback were collected for the broad customer experience during phase 4 engagement, which adds to the **222** pieces collected during phase 3, **120** collected during phase 2, and further **21** pieces collected during phase 1.

Detailed feedback

Feedback for the Broad customer experience falls under one theme:

- Customer service commitments

General customer commitments

General

- 2.5 When asked in the online workshop whether they wanted to suggest alternative commitments for the topic of Customer Service, on average the largest proportion of stakeholders felt neutral (44%), with 30% disagreeing and 16% strongly disagreeing. 10% did, however, agree or strongly agree that they wanted to suggest alternatives (E083)
- 2.6 On average across the 12 Business Plan topics, Customer Service ranked lowest (2.53/5), suggesting that relative to the others, stakeholders felt it included the commitments they wanted to see (E083)
- 2.7 In relation to the Customer Service commitments, many stakeholders felt the list of commitments was the right one on the basis it covered all the main issues and was comparable to the activities undertaken by other companies. One stakeholder felt there needed to be greater emphasis on doing more at lower cost. Another agreed, stating that new technologies presented an opportunity for WPD to improve performance without raising prices. One stakeholder highlighted the significant rise in electric vehicle charge points that will be coming forward, suggesting that electric vehicles should be referenced in the commitments for Customer Service (E083).
- 2.8 In terms of what had changed as a result of Covid-19, a stakeholder said that it is also clear that there needs to be a levelling up of access to wider communications [internet, social media, etc]. This would be on a geographical basis [rural and urban] and well as a vulnerability basis and including the customer income basis. What this means for electricity supply is currently uncertain, but a first estimate would be an expectation of improved reliability of supply and a vast increase in the power requirement (E083).
- 2.9 Responding to the question: "What are your views on WPD's overall package of proposals for RRIO-ED2 as currently set out? Are there aspects you: strongly support? Would like to see changed? Consider to be missing?", a stakeholder said that those parts that support the customers in its core activities and overall support is especially welcome. More emphasis on advice and education in the document would be positive. WPD are the experts and have a wealth of knowledge that can help shape a realistic change to the new energy world (E083).

Commitment 1: Maintain a high standard customer satisfaction score across all key services areas

- 2.10 For the commitment to "Maintain a high standard customer satisfaction score across all key services areas", the majority of stakeholders (66%) voted for Option 2, which is to achieve a 90% satisfaction rate with the bill impact the same as today. This commitment was also tested in a social media poll. The majority of respondents (75%) voted for Option 2, in agreement with the views of stakeholders. The majority (67%) of WPD staff also voted for Option 2 (E083).
- 2.11 Whilst 5% responded they wanted to suggest an alternative, only two stakeholders commented specifically on this commitment, with one urging more ambition and the other suggesting that call centre staff also chat to elderly customers to help prevent loneliness (E083).

Commitment 2: Achieve full compliance with the Customer Service Excellence Standard every year

- 2.12 The commitment to "Achieve full compliance with the Customer Service Excellence Standard every year", presented a binary choice. The overwhelming majority (98%) agreed with this commitment. Only one stakeholder commented specifically on this commitment, to ask for more context and how much it would cost (E083).

Commitment 3: Answer calls within an average of four seconds and maintain an abandoned call rate of less than 1%, within our UK-based in-region Contact Centres

- 2.13 The commitment to "Answer calls within an average of four seconds and maintain an abandoned call rate of less than 1%, within our UK-based in-region Contact Centres", presented a binary choice. The majority (95%) agreed with this commitment, although 5% did want to suggest an alternative commitment (E083).
- 2.14 One stakeholder requested that the commitment include a response time for webchat. Another felt there should be an option to answer calls within 10 seconds to provide a reduced cost to the customer. Lastly, one stakeholder emphasised that the commitment should not be about the response time, but the time taken to resolve the issue (E083).

Commitment 4: Respond to social media enquiries and power cut reports quickly

- 2.15 For the commitment to "Respond to social media enquiries and power cut reports quickly", the majority of stakeholders (74%) voted for Option 2, which is for WPD to respond within five minutes, with the bill impact the same as today. 6% wanted to suggest alternative commitments. This commitment was also tested in a social media poll. The majority of respondents (78%) voted for Option 2, in agreement with the views of stakeholders. The majority (69%) of WPD staff also voted for Option 2 (E083).
- 2.16 Three stakeholders questioned why this commitment and the proposed response covered both response to social media enquiries as well as power cut reports, with the inference they should be treated separately. One stakeholder expressed explicit support for the commitment (E083).

Commitment 5: Provide greater insight on the planned work activity and interruptions on the network by creating an online viewer for our customers and stakeholders

- 2.17 The commitment to "Provide greater insight on the planned work activity and interruptions on the network by creating an online viewer for our customers and stakeholders" presented a binary choice. The majority (96%) agreed with the commitment. Only 4% wanted to suggest an alternative (E083).
- 2.18 One stakeholder did not understand the commitment, while a parish/ community council said they been referred to One Network. If that network is already available, they questioned whether we need to create an online viewer, since the more websites people have to visit, the more complex things become (E083).

Commitment 6: Achieve full compliance with the British Standard for Inclusive Service Provision every year

- 2.19 The commitment to "Achieve full compliance with the British Standard for Inclusive Service Provision every year" presented a binary choice. The majority (96%) agreed with the commitment whilst 4% responded they wanted to suggest an alternative. Only one commented and that was to seek further clarity on what it meant and how much it would cost (E083).

Commitment 7: Resolve at least 90% of complaints within one day & resolve 99% of complaints within 31 days

- 2.20 The commitment to "Resolve at least 90% of complaints within one day & resolve 99% of complaints within 31 days" presented a binary choice. The majority (94%) agreed with the commitment, although 6% wanted to suggest an alternative which, whilst still relatively low, represented the highest number of responses for the commitments relating to Customer Service (E083).
- 2.21 Two stakeholders felt 31 days was a long time to resolve a complaint and urged more ambition and another wanted to understand how communication would be maintained during this time (E083).

Conflicting feedback:

When discussing the commitment to 'Answer calls within an average of four seconds and maintain an abandoned call rate of less than 1%, within our UK-based in-region Contact Centres':

1. The majority of stakeholders agreed with measuring response time.
2. However, one individual disagreed with the commitment and said that the focus should be on the time taken to resolve the issue.

Sub-topic: Fuel Poverty

What we heard in early 2021:

Covid-19 was felt to have exacerbated fuel poverty, pushing more people to it, and therefore requiring enhanced efforts for identification and support from WPD. As a result, it was also thought that a lot of the targets need to become more ambitious to account for this increase in the number of customers struggling. A minority of stakeholders thought however, that this was more the responsibility of the government or suppliers.

Stakeholders raised the issue of a stigma around the fuel poor label and made suggestions for rephrasing it. It was also noted that Fuel Poverty is defined differently between England and Wales. Reducing fuel poverty was thought to be a result of strong collaboration and data sharing across organisations and suppliers, especially healthcare providers and emergency services.

Summary of Phase 4 feedback

- 3.1 Stakeholders continued feeling that Covid-19 had raised new issues and that greater focus should be placed on fuel poverty, namely concern that customers will be facing greater financial challenges in RIIO-ED2 and that there has been a change in energy consumption patterns due to homeworking.
- 3.2 For the commitment to 'Support fuel poor customers to make savings on energy bills over RIIO-ED2', the majority of stakeholders opted for the option of supporting 113,000 customers to save £60m, which was the highest. Conflicting feedback and alternative suggestions focused on partnerships to spread news and offer support, suppliers playing a bigger role, specific innovations to help the fuel poor and promoting the cheapest energy source.
- 3.3 A total of **18** pieces of feedback were collected for fuel poverty during phase 4 engagement, which adds to the **77** pieces of feedback collected during phase 3, **97** pieces collected during phase 2, and further **16** pieces collected during phase 1.

Detailed feedback

Feedback for Fuel Poverty can be divided into two themes:

- General
- Fuel poverty commitments

General

- 3.4 Respondents did feel Covid had led to a change in priorities and raised new issues that WPD should consider. In particular, this included concern that customers will be facing greater financial challenges in RIIO-ED2 and that there has been a change in energy consumption patterns due to homeworking that some viewed as semi-permanent (E083).
- 3.5 A stakeholder said that the local authorities are by far the best placed organisations to connect with residents and service users and due to their holistic person-centred approaches, they are best placed to support families with poor access to heat and light. This has been demonstrated as a result of the pandemic and even strengthened with our grassroots networks specifically set up to support Covid-19 (E083).
- 3.6 A stakeholder said that previous feedback is an accurate representation of the priorities that matter most to them. They would like to see greater focus on tackling fuel poverty. WPD already does a huge amount but can always do more (E083).
- 3.7 Responding to the question: "Our aim is to keep bills as low as possible, but some of our commitments will incur additional costs that can't be fully offset by our efficiency savings. What are your views on the current impact of WPD's current view on customer bills?", a stakeholder asked if in terms of the balance between increasing costs and ability to pay, environmental/social costs could be utilised to effectively subsidise cost rises to fuel poor? (E083). Similarly, an energy steering group expects further government funding to be made available next year to help combat fuel poverty and expand the EV charging network (E091). LAD 2 funding was discussed which is a £5.5M grant made available to the four LA's to be spent on improving fuel poverty and energy efficiency, which could include a wide roll out of Heat Pumps and PV (E091).

Fuel poverty commitments

Commitment 12: Support fuel poor customers to make savings on energy bills over RIIO-ED2

- 3.8 For the commitment to "Support fuel poor customers to make savings on energy bills over RIIO-ED2", the most popular answer when stakeholders were asked to vote on this commitment was Option 4 (113,000 customers to save £60m) with 42% of the vote. Only 8% voted for Option 1 (56,000 customers to save £30m) with Option 2 (75,000 customers to save £40m) and Option 3 (94,000 customers to save £50m) garnering 27% and 20%, respectively. 3% voted for Option 5, indicating that they would like to suggest an alternative (E083). This commitment was also tested in a social media poll. The majority of respondents (42%) voted for Option 4, in agreement with the views of stakeholders. However, the majority (58%) of WPD staff disagreed and opted for Option 2 (E083).

- 3.9 Alternatives tended to focus on working with partners to deliver benefits to fuel poor customers, with the examples of Citizens Advice and Age UK given, which can help to spread the news and offer support. One stakeholder also commented that suppliers should play a greater role in this area. A community energy group stakeholder commented that there is also need to stress the benefit of the fuel poor consuming less in terms of lowering emissions across the country (E083).
- 3.10 A stakeholder expressed that this commitment is a better way of nationally making something happen and said that there needs to be a way of taking trial innovations to aid the fuel poor who are struggling to pay their bills. Moreover, an online stakeholder proposed to work out the cost per kilowatt hour of different energy sources and promote the cheapest, as a solution to expensive prepayment meters (E083).

Conflicting feedback:

No notable conflicts identified under this sub-topic

Sub-topic: Social contract

What we heard in early 2021:

In terms of outputs for the Social Contract, stakeholders in the South West in particular focused on those relating to delivering environmental benefits and meeting Net Zero targets. At all workshops, stakeholders suggested commitments relating to customer vulnerability and fuel poverty. It was commonly felt the commitments need to have a local or regional focus, despite the scale of WPD's network area.

Stakeholders were keen the social contract is articulated well and that it is concise and written in clear language so people can easily understand its purpose.

Summary of Phase 4 feedback

- 4.1 It was noted that Covid-19 and its implications on affordability, the environmental crisis, and increased need for workforce resilience are key drivers that bring the social contract at the centre of attention for stakeholders. Although generally considered a 'hard-to-read' document, there was agreement that a clearly documented social purpose is important and expected – across future, current domestic and business customers. Some stakeholders suggested that some areas such as climate change adaptation and mitigation were missing, while others thought it covered all the right areas.
- 4.2 Stakeholders categorised the core and 'over and above' elements for each category, Customer, Environment and Community. For the first one, it was felt that some high-level outcomes were what would be expected of any business, such as having an 'excellent safety culture', and stakeholders pushed for more ambition, such as more commitments on training the workforce. For the second one, there was widespread support for the local focus, however stakeholders identified several missing high-level outcomes, including a plan around three-phasing homes to boost community resilience; filling the gap created by the lack of information from the government on smart energy; providing more information on electrical safety. For the third, reaction was mixed, as there was a degree of scepticism from stakeholders that the commitments looked a bit thin and wanting to know whether WPD would be offsetting or reducing emissions. Partnering with local councils and social housing providers was suggested, while a missing area was unlocking opportunities for sharing surplus electricity through the smart energy network and microgrids.
- 4.3 Only 7% were of the view that they would like to suggest alternative commitments for this area. 97% of stakeholder agreed with the commitment to 'Publish annual reports in a simple, easy to understand format, setting out WPD's total expenditure, the impact on customer bills and actual regulatory returns', with comments that information on WPD's rate of ROI should be included as well as the sources of investment capital and benefits to stakeholders. 95% also agreed with the commitment to 'We will, as a minimum, maintain our prime Environmental, Social and Governance (ESG) rating from a recognised agency.'

- 4.4 The most prevalent response to the commitment to 'Support local people in our communities via an annual 'Community Matters' Fund', was the £1m option with 44%, followed by 32% for the £2m option 4: £2m. It was noted there was concern about whether it was appropriate that customers' money should be given to activities of this nature. Lastly, the majority supported the option of 1,000 volunteer days per year option for the commitment to 'Provide staff with paid leave to volunteer to support local community initiatives associated with vulnerability and environmental initiatives', while a major energy user expressed conflicting feedback saying that the companies need to aim a little higher.
- 4.5 A total of 267 pieces of feedback were collected for social contract during phase 4 engagement, which adds to the **112** pieces of feedback collected during phase 3, **5** pieces collected during phase 2, and further **11** pieces collected during phase 1.

Detailed feedback

Feedback for social contract can be divided into four themes:

- General
- Research on customers' views on a Social Contract
- The social contract headings
- The social contract commitments

General

- 4.6 In one event, customers said they do not know about 'Social Contracts' – they imagine this to be about a company's moral and ethical obligations, while the businesses are slightly more informed around CSR (E086). It was noted that the interest level is low, and that the language is deconstructive and will need careful consideration, with suggestion that "our social promises/ commitments/obligations" is more customer friendly and better understood (E086).
- 4.7 However, the first of three key reasons driving the elevated importance of the Social contract is Covid-19, which brings about financial pressure, with more people pushed into fuel poverty, higher demand for foodbanks and more people needing bill breaks. The second is the environmental crisis getting more attention and publicity, with companies stating environmental commitment impact on choice. The third is the pressure on staff, namely the importance of speedy response times in winter/Covid-19 world, and the need for increased staff support, as well as the pressure of working at home and mental health issues (E086).
- 4.8 The idea of WPD having a clearly documented social purpose is important and expected – across future, current domestic and business customers (E086). In a workshop, there was widespread support for the scope and creativity of WPD's proposals for their Social Contract, but many stakeholders had concerns about how

the measures would be implemented in practice (E082). A business customer wanted to see KPIs, and a vulnerable customer representative felt that it was difficult to assess the scale of WPD's ambition without knowing how much investment would accompany the proposals (E082).

- 4.9 As an overall response to the social contract, the positives included: Long term initiative, Opportunity to evolve over time, demonstrates company strong ethics, Exceeds expectations and core purpose, Positive impact on WPD brand, 'Formalising' demonstrates seriousness, Positive example for smaller, local companies to follow. While the negatives included: Lack of awareness of WPD, Low relevance of WPD, General cynicism of whether this activity works, needs to be clear, tangible and over and above, Risk of overlap with other local initiatives, Fear of diverting resources from local charities (E086).
- 4.10 In response to whether WPD has interpreted stakeholder views correctly, a vulnerable customer representative wondered how quickly WPD can adapt to societal changes, like the changes brought upon by Covid-19. A parish / community council praised the company for publishing such a broad outline of proposals, saying it is very rare to see that in a private company and very difficult to see in a national company (E082).
- 4.11 In response to whether there are any additional areas the Social Contract should focus on, several additional focus areas were suggested, including an information portal for projects; climate change adaptation and mitigation; a commitment to create a certain number of apprenticeships; and cross-referencing WPD's proposals with the United Nations Sustainable Development Goals (E082).
- 4.12 However, a utility stakeholder did not think anything was missing, whereas a local authority stakeholder said that they only thing they would flag is, having seen the Power Up work in the past, something like a go-to portal for projects when they do raise certain problems. They specified that if you want a specific question about the industry, there is no one there to answer (E082). An academic institution stakeholder also commented that it is worth putting in the word adaptation, in relation to climate change mitigation, because mitigation and adaptation are always used in the same context (E082).

Research on customers' views on a Social Contract

- 4.13 In terms of the positioning of the social contract, it was seen as giving back, having a human face, going the extra mile, and being transparent, while in terms of what should be included in the Social Contract, the discussions showed a distinction between Core Services and Delivering the Unexpected (E086).
- 4.14 Research, in terms of what should be included in the Social Contract, showed that a good business is one that: Is easy to do business with e.g. digital apps, verbal customer service, customer feedback, Provides quality products, Is fair e.g. returns service, Is a trusted provider, Is transparent around costs/fees/charges, Provides personal rewards in recognition for loyalty, Stimulates healthy competition, Adopts clear environmental policies e.g. recyclable/renewables, electric vans (E086).

- 4.15 Examples of 'Best in Class' delivering the unexpected included: Wider rewards not just personal loyalty schemes e.g. Toms shoes, Co-op community schemes, Looking after vulnerable people e.g. packs to vulnerable children in Lockdown, Co-Op vouchers for food poor, Ben and Jerrys commitment to refugees, Driving environmental change e.g. H&M through recycling customer clothes, IKEA recycling furniture, Founded on commitment to charitable work through profit e.g. Gandys, Takes care of Suppliers and shares growth rewards e.g. Naked Wines showcasing of new suppliers, Waitrose focus on farmers, Neil's Yard relationship with grower, Non-discriminatory e.g. Timpsons helping young offenders, Is committed to inclusion e.g. Apple, Treat staff with respect and reward e.g. Waitrose partners, Selfridges allow staff to take 2 days for charity. The case study of Riverford Organic was discussed as an example where social purpose is part of the DNA and has a strong commitment to going the extra mile, giving back, being transparent and human (with commitment to issues like gender pay gap) (E086).
- 4.16 Participants also put together pledges; these included core elements and 'over and above': In terms of the Customer, the core elements were Safe, efficient, reliable service, Good customer service, Fair price, and Equality for all customers, while the 'over and beyond' were Strive to lead the market, Listen to customers, and Be transparent about profits/salaries. In terms of the Environment, the core elements were Respect the environment, Repair any damage caused, Reduce pollutants/leaks, Achieve Net Zero, and Invest in Renewables, while the 'over and above' was to Invest in EVs. Then, in terms of the community, the core elements were to Keep communities empowered, Listen, understand, involve, and represent local issues, and Help communities thrive, while the 'over and beyond' were to Plant trees in local spaces, Network of charging points, Contribute to local fund raising. Finally, in terms of the employee, the core elements were Safe working spaces, Support physical across employee life, Living/strong wages, Career progression and training, Listen to needs, and Promote diversity and inclusion, while the 'over and beyond' were Support mental health cross employee life, and Strong rewards/package (E086).
- 4.17 It was noted that in other markets, two-way commitment is easier - as a customer one will actively engage, consider their energy usage, follow the lead – but here they do not see themselves as customers of WPD so everyday engagement naturally lower (E086).
- 4.18 In terms of measurement and communication, a combination of internal (e.g. panel of employees and communications department) and external validation (e.g. External accreditation: Investors in People, Recognition through awards: Which, Top 100 Employers, Environmental Impact Reports: University of Derby publish their impact for public scrutiny, Performance against other DNO/DSOs) is expected with some form of external measurement seen as essential. Participants did not expect regulatory involvement (E086).
- 4.19 Moreover, participants are looking for WPD to be transparent and publish information on website/social media esp. about local/community projects but unlikely to seek this out. They are not expecting ongoing engagement but periodic refresh to ensure issues are still pertinent and social purpose is still relevant (E086).
- 4.20 Communication suggestions included that lack of direct relationship means communication is unwelcome, Not looking for anything direct or personal, Agreement

with suppliers to include one page flyer/virtual flyer (still might not read), Potential to publish on the website e.g. Uni of Derby, Lego, Accenture - something short and sharp, the top 10 commitments, Some suggestion of social media but vast majority unlikely to follow on Facebook, twitter, Instagram. Continued engagement suggestions included that participants are willing to commit their time for money e.g. focus group events, may respond to a polls/questionnaire via social media or email but only if local hook, unlikely to attend town halls/village events (E086).

The social contract headings

Heading: Responsible Employer

- 4.21 WPD's commitments under the 'Responsible Employer' heading were welcomed but were felt by many to be expressed in somewhat vague terms, with calls for more measurable data and concrete targets (E082). It was suggested that benchmarking against other organisations could help WPD to gauge whether it was challenging itself enough (E082).
- 4.22 Several stakeholders felt that some of WPD's high-level outcomes were what would be expected of any business, such as having an 'excellent safety culture' (E082).
- 4.23 Some stakeholders wanted to see more commitments on training the workforce, and one felt that there should be a concerted effort to really engrain disability awareness within the company (E082). It was also observed that the Social Contract needed to be able to evolve and continue meeting goals as circumstances, the company and its customers change (E082).
- 4.24 In terms of what specific commitments and performance levels stakeholders would like to see to help deliver the outcomes of the 'Responsible Employer' expectation, a vulnerable customer representative noted that the language used should be paid more attention, to avoid any unintended gender bias, while an academic institution stakeholder expressed that they hope that the company is asking and taking into consideration what its employees want (E082). A parish / community council also asked if this extends to WPD's contractors as well as its direct employees (E082).
- 4.25 Stakeholders mooted a number of potential targets under the Diversity and Inclusion focus area, including setting a target number of people to employ from deprived areas, and a 50/50 gender balance for graduate engineers. The company was also advised to target apprenticeship opportunities to achieve a more diverse cohort, and to have some kind of internal training system so people can progress (E082).
- 4.26 Moreover, a vulnerable customer representative stated they appreciate diverse and inclusive, but there is something that separates being disability friendly. That is a particular issue all the way through the process as an employer, from the job description to the induction and training. There can be tokenism towards being disability-friendly rather than engrained disability awareness (E082).
- 4.27 In terms of whether WPD has the right high-level outcomes against each focus area of 'Responsible Employer' and whether there is anything missing, a vulnerable customer representative asked if exit interviews are conducted by an independent organisation?

Most organisations have one with someone within the company, which is not the same (E082).

- 4.28 During the research, 12 examples of how the WPD Social Contract could be of benefit for employees were explored. In general, it was felt that being a responsible employer is expected, striving to be the 'best employer' is ambitious and more meaningful. It was suggested that the 12 examples should be categorised as Social purpose, Could fit 'Social Purpose' with specific examples, and Core purpose. The categories were noted to need simplification, while it was believed that safety should not be included (E086).
- 4.29 The 'Good work and inclusive growth' category was deemed to have the wrong title, but the examples are welcomed and felt ambitious. It was commented that going over and above is about taking a person centric approach and empowering employees to be the best, supporting personal development, equipping people for success, acknowledging evolving workspace/patterns, etc. The most interesting and ambitious examples were: 'Increased awareness and uptake of personal development and training activities', due to its emphasis on 'personal' not career development and focus on the individual vs. employee = 'over and above', and 'Achieve highest 'Investors in People'', with some who have heard of this knowing it is difficult to achieve but saying that there are lots of measures for WPD to achieve (E086).
- 4.30 It was further commented that for the 'Good work and inclusive growth' category, 'Achieving external accreditation in 'investors in people'' is a strong example of seriousness of supporting employees, while 'Improving employee satisfaction' is good but its credibility was questioned e.g. Concerns that some employees feel under pressure to respond in certain ways – and it does not feel 'over and above' (E086).
- 4.31 For the 'Diversity and Inclusion' category, stakeholders found it risky to include this in social purpose that is all about 'over and above', saying that diversity and inclusion is about BLM and LGBTQ, which does not feel ambitious enough here, or that the language really needs to be changed. This category is a hot topic that needs careful handling, as anything that can imply WPD are behind on this is viewed negatively. 'Best in Class' do talk about 'truly inclusive' but as part of their core (E086).
- 4.32 For the same category as above, stakeholders noted that championing LGBTQ and reversing institutionalised prejudice is where the conversation is, while the most interesting and ambitious example was: 'Accreditation in national diversity and inclusion achieved', which although not as well-known as Investors in People, it is an external measure, which is a commitment and demonstrates seriousness. Furthermore, it was commented that Females, disability, minority groups all sound like WPD are 'catching up' vs leading, and that Greater diversity in management is a good thing but it is then about commitment to initiatives like the Gender Pay Gap (E086).
- 4.33 Overall, for the 'Diversity and Inclusion' category, stakeholders wanted it taken out as separate category and include rich examples in previous 'Best Employer' sub-category (E086).
- 4.34 Whilst the 'Health and Wellbeing' category feels core, the examples demonstrate that WPD understand the importance of mental wellness, especially in light of Covid-19 where general mental health feels at a crisis point. Stakeholders suggested looking for gold examples like access to counsellors, MIND subscriptions, Covid-19

acknowledgement (Investors in People specific) etc. Also, it was noted that the 'Health and Wellbeing' category, needs to be renamed to focus on enriching mental well-being of employees (E086).

- 4.35 For the 'Health and Wellbeing' category, the most interesting and ambitious examples were: 'Improving employee health and wellbeing', where stakeholders were keen to understand the details on how this will be done, and discussed that other companies provide extra days and time for supporting charities/communities and this feels good, and that including employees in decision making is beneficial, as well as 'Increasing manager mental health training', as it is positive and tangible, relatable as some employees are already doing this kind of training. But it was asked what about peer-to-peer training? (E086)
- 4.36 The 'Social Mobility' category is the stand-out sub-category that delivers on the 'over and above', although it was said it needs some explanation, and once understood, the idea of WPD championing employees who may not get chances is well liked. Providing educational support is also interesting (E086).
- 4.37 For this category, the most interesting and ambitious example was: 'There is an increase in outreach and recruitment of employees from social mobility 'coldspots'', because once 'coldspot' is understood this is felt to be a strong example of social mobility, and because targeting particular areas is seen as proactive and 'over and above'. Stakeholders also suggested supporting apprenticeships in local schools/colleges. Meanwhile, bigger statements around 'Employees having equal opportunities for progression and success within the company' feel generic and does not reinforce anything about social mobility (E086).

Heading: Resilient Communities

- 4.38 There was widespread support for WPD's local focus in its plans under the 'Resilient Communities' heading, with an environmental group stakeholder saying they think volunteering and additional funding is a good way of doing this. WPD have skilled staff, so adding them to appropriate local projects would be good. However, there were questions about how the focus area 'Just and Fair Net Zero Transition' would be applied in practice, with a developer noting that this should be done through the PSR (E082).
- 4.39 One stakeholder wanted to see a commitment about being able to react quickly to developments as they happen (E082), while another one noted it is really important to adequately report the Resilient Communities outputs, with definitive numbers. Similarly, an academic institution stakeholder suggested having examples of things the company has done in the past, to help people identify previous impact on the community, which can also generate ideas for future projects (E082).
- 4.40 Stakeholders identified several missing high-level outcomes, including a plan around three-phasing homes to boost community resilience; using colleges as a route to getting people into work; filling the gap created by the lack of information from the

government on smart energy; providing more information on electrical safety; and doing more to inform people of WPD's role to avoid confusion between the company and energy suppliers (E082). One stakeholder felt that the outcome relating to community resilience was a long way removed from WPD's core purpose of keeping people safe and supplied with electricity and it was a big ask for WPD to measure social cohesion in communities (E082).

- 4.41 During the research, 12 examples of how the WPD Social Contract could be of benefit to communities were explored. Some aspects were less expected and prime territory for 'Social Contract'. As with the Best Employer category, pushing social mobility is seen as 'over and above'; WPD's core responsibilities, it is where WPD can make a real difference. For example, providing opportunities for young people is admirable and ambitious – although participants were keen for this not to be exclusive to young people (E086).
- 4.42 For the 'Social Mobility' category, it should be recognised that WPD have a big patch and it should relate to the 'coldspots' in rural and coastal areas. It is important to help these areas vs. strip them of their talent. Also important for this to cover older unskilled and skilled workers in the community to provide opportunities e.g. recruit/promote from within WPD patch. Some feel this is an opportunity to push social mobility in other countries by sharing expertise and engineering training e.g. twinning with other places (E086).
- 4.43 For this category, the most interesting and ambitious examples were: 'Increased participation in STEM subjects among young people in our network, particularly in social mobility 'coldspots'', and 'Greater uptake of engineering careers (not just WPD) among young people living in social mobility 'coldspots' within our network'. It was felt that it is important to recognise STEM subjects, which feels relevant to WPD, and it was noted that other service providers e.g. Jaguar Land Rover have similar offers. However, the example of 'Improved understanding within the company of intersectional disadvantages' is felt to be too basic (E086).
- 4.44 For the 'Community Resilience' category, participants were not really sure what it means, and suggested that reframing this as 'supporting local charities and communities' will be better understood and more meaningful (E086).
- 4.45 Regarding the 'Company volunteering hours are increased, meaning charities and organisations have greater capacity to support communities', it was deemed good for employees, for local charities who get additional support, and for WPD as it builds awareness and trust at a local level (E086).
- 4.46 For the 'Just and Fair Net-Zero Resilience' category, although most people understand Net-Zero, the overall term needs to be expressed differently. Supporting communities to achieve better environmental decisions is welcomed and concentrating on EV/LCH feels ambitious, while helping customers and communities to move to Low Carbon Heating and Electric Vehicles is more meaningful. Nevertheless, talking about this as educating, promoting, supporting customers with low carbon choices is more relevant and meaningful (E086).
- 4.47 For the 'Just and Fair Net-Zero Resilience' category, the most interesting and ambitious examples were: 'Barriers for customers to access low carbon technologies

are understood and removed', and 'Communities are informed and supported to access the benefits of low-carbon technologies and renewable energy', as they are both examples that feel progressive and necessary, and customers feel this could directly affect them in a positive way (E086).

Heading: Protected Environment

- 4.48 Reaction to WPD's plans under the 'Protected Environment' heading was mixed, there was a degree of scepticism from stakeholders, with one saying that WPD's commitments looked a bit thin, another wanting to know whether WPD would be offsetting or reducing emissions, and a third saying that the results would depend on how the outcomes were delivered (E082).
- 4.49 It was suggested that partnering with local councils and social housing providers could help to achieve WPD's objectives in this area. Local councils now have climate change pledges, and it is a big focus and a hot topic, looking at not just reducing carbon in their own buildings but also for the communities and social housing providers, so that is something that may be worth feeding into (E082). One stakeholder said that WPD should do more to publicise its work in this area as a way to engage with customers (E082).
- 4.50 In terms of what specific commitments and performance levels stakeholders would like to see to help deliver the outcomes of the 'Protected Environment' expectation, an academic institution stakeholder said that one of the things that they have raised is the issue of tree management to do with things like ash dieback, and they think there are some interesting opportunities there for doing both the day job and also community and environmental protection activities through collaboration (E082).
- 4.51 A suggested missing high-level outcome was unlocking opportunities for sharing surplus electricity through the smart energy network and microgrids. A change in regulations would be needed for this to happen, it was observed, and some stakeholders expressed the hope that WPD could facilitate this change (E082).
- 4.52 Responding to the proposal, a Younger ABC1 stakeholder commented that Protected environment does not feel like something that should be in a social contract that delivers 'over and above' (E086), and the wheel presentation and colours were found to be problematic, in terms of presentation (E086).
- 4.53 During research, 7 examples of how the WPD Social Contract could be of benefit to the environment were explored. Both protected natural environment and climate change mitigation feel core and essential to WPD business, but overall the language needs to be more forceful. The initiatives seen as 'empowering/enabling our communities' rather than separate environmental (E086).
- 4.54 For this category, the most interesting and ambitious examples were: 'Community energy groups are supported to generate community-wide benefits, particularly for those in vulnerable situations and the fuel-poor', as this feels different and new, community energy groups on a local basis are likely to get traction and helping the vulnerable and fuel-poor is important but core commitment. Another was 'Smart energy

innovation projects are designed to increase access (e.g. to Electric Vehicles & renewable energy)', as anything related to EV and LCH support is welcomed. Notably, customers find this area confusing so innovative ways/projects could help (E086).

- 4.55 For the 'Protecting the Natural Environment' category, Environmental examples included in social contract were criticized for needing to go further than just neutralising their impact. Stakeholders said there is a feeling that protecting natural spaces and reducing waste does not go far enough, and they are looking for WPD to do something market leading e.g. promoting awareness of ecosystems. Regardless, this is an area of importance in the core business plan that has gained increasing support, and it was commented that it is important that the expression of this is about strengthening or improving the local environment (E086).
- 4.56 For this category, the most interesting and ambitious examples were: 'Manufacturers and suppliers are supported to exemplify excellent environmental stewardship', as this match 'Best in Class' 360 approach to Suppliers, and sharing expertise and supporting partners throughout the supply chain, and 'Using waste for energy generation', as this feels innovative and relevant to a power related company (E086).
- 4.57 For the 'Climate Change Mitigation' category, there was mixed response to examples given but general sense that these are not ambitious enough. There was universal agreement that this is key, but that including it in a social contract described as 'over and above' business plan devalues its importance. More specifically, 'Company energy waste and emissions reduced' feels flat and detracts from other strong parts of the social contract (E086).
- 4.58 In relation to the above, participants are looking for WPD to do something market leading and gave the following examples of Lego: they have always had a product that is not just enjoyable but also education to children, they have pledged and achieved a number of years to be operating on 100% renewable energy, some of their toy sets are different renewable energy sets, they have set out to be plastic-free in packaging, they engage actively with the local communities to build more energy operations, their head office is built with a huge decrease in steel girders by using thicker plastic plaster board to increase the building durability and reduce CO2 (E086).
- 4.59 For the 'Climate Change Mitigation' category, the most interesting and ambitious example was 'Changes in working patterns brought about by Covid-19 are harnessed to unlock environmental benefits (e.g. reduced office capacity and energy use)', as it is interesting and welcome the inclusion of current issues, forward thinking about working patterns and travel, but needs to be considered as part of being the best employer as there may be a detrimental effect on employee, and include commitment to carry on virtual meetings vs unnecessary travel, etc (E086).

The social contract commitments

General

- 4.60 When asked in the online workshop whether they wanted to suggest alternative commitments in the Social Contract area, the most prevalent answer from stakeholders was neutral, with 56% of the vote. 29% of stakeholders disagreed and

9% strongly disagreed with this. Only 7% were of the view that they would like to suggest alternatives, voting agree (5%) or strongly agree (2%) (E083).

- 4.61 On average, the topic of Social Contract ranked tenth out of the 12 Business Plan topics (2.61), indicating that relative to other topics stakeholders felt it covered the commitments they wanted to see (E083).
- 4.62 A number of stakeholders commended WPD for proposing to have a social contract, stating that it was a good way to build trust, however it was suggested that WPD should consult on and publish its procurement strategy, including how it is ensuring its supply chain is as committed to social, environmental and wellbeing values and commitments as WPD are (E083).
- 4.63 In terms of Social contract commitments, an IDNO would like to see a lot of collaboration with WPD and local councils, a local authority stakeholder said that a green commitment is probably needed, another said that there is need for some subtlety and to properly link social commitments to its industry and how WPD operates, while a community energy group stakeholder urged the company to put some work in to help communities understand who you are and how you can help people (E083).
- 4.64 On Commitments 21–24 (Social Contract), one stakeholder felt that WPD needs to set out an accountability process, as the penalties for missed delivery are currently ambiguous (E083).

Commitment 21: Publish annual reports in a simple, easy to understand format, setting out WPD’s total expenditure, the impact on customer bills and actual regulatory returns

- 4.65 For the commitment to "Publish annual reports in a simple, easy to understand format, setting out WPD’s total expenditure, the impact on customer bills and actual regulatory returns", 97% voted yes. The remaining 3% opted for Option 5, indicating that they would like to suggest an alternative commitment (E083).
- 4.66 One stakeholder suggested that information on WPD’s rate of return on investment should be included as well as the sources of investment capital and benefits to stakeholders, while it was also suggested by one stakeholder that a simple, easy to follow format should include information on how WPD’s activities directly impact customers (E083).

Commitment 22: We will, as a minimum, maintain our prime Environmental, Social and Governance (ESG) rating from a recognised agency

- 4.67 The commitment to "We will, as a minimum, maintain our prime Environmental, Social and Governance (ESG) rating from a recognised agency", was asked as a binary question, with 95% voting ‘yes’, they agreed with the commitment. 5% of stakeholders voted for Option 5, indicating that they would like to suggest an alternative commitment (E083).

- 4.68 One stakeholder who responded online suggested that zero carbon performance should also be recorded, and another said that delivery is not the question; zero-carbon performance reporting is more important – by postcode sector (E083).

Commitment 23: Support local people in our communities via an annual 'Community Matters' Fund

- 4.69 For the commitment to "Support local people in our communities via an annual 'Community Matters' Fund", the most prevalent response was Option 2 (£1m) with 44% of the vote. 10%, however, voted for Option 1 (£0.5m), although a further 10% voted for Option 3 (£1.5m) and 32% wanted WPD to go even further, voting for Option 4: £2m. 3% of stakeholders voted for Option 5, stating that they would like to suggest an alternative commitment. It was also tested in a social media poll. The majority of respondents (46%) voted for Option 2, in agreement with stakeholder views. The majority (64%) of WPD staff also agreed and chose Option 2 (E083).
- 4.70 In terms of alternatives, it was suggested that more detail could be put into this commitment. However, one stakeholder had reservations about whether it was appropriate that customers' money should be given to activities of this nature. An online stakeholder suggested WPD should make more people aware of the In This Together campaign and make it a 'build Britain better' campaign for the future (E083).

Commitment 24: Provide staff with paid leave to volunteer to support local community initiatives associated with vulnerability and environmental initiatives

- 4.71 For the commitment to "Provide staff with paid leave to volunteer to support local community initiatives associated with vulnerability and environmental initiatives", the most prevalent response was Option 2 (1,000 volunteer days per year) with 63% of the vote. Only 1% of voters opted for no volunteer days per year (Option 1). 17% of stakeholders opted for Option 3 (2,000 volunteer days) and 15% wanted WPD to go even further, giving up 3,000 volunteer days per year. 3% voted for Option 5, stating that they would like to suggest an alternative commitment. This commitment the majority (61%) of WPD staff agreed and opted for Option 2. This commitment was also tested in a social media poll. The most frequent answer was Option 2 (1,000 volunteer days per year) (E083).
- 4.72 It was commented that WPD should report on its work in this area and one stakeholder suggested WPD should be involved in projects relevant to the company or ones that make use of its staff experience, for example in engineering. On that, a parish/ community council noted that they are suffering from lack of funds and changes in farming, so they need volunteers (E083).
- 4.73 However, a major energy user said that the companies need to aim a little higher. For example, they had 2 days per employee per year. Lastly, it was noted that as an alternative, doing talks in schools and offering advice on careers in engineering is more impactful than pond dipping (E083).

Conflicting feedback:

Some stakeholders suggested specific areas to be missing, for example:

1. A go-to portal for projects.

Regarding the commitment to 'Provide staff with paid leave to volunteer to support local community initiatives associated with vulnerability and environmental initiatives':

1. A stakeholder criticized the ambition of this, saying companies should aim higher, and that instead, talks in schools and encouraging careers in engineering could be more impactful.
2. However, this is in contrast to only 3% wanting to suggest an alternative to the original commitment.

Sub-topic: Vulnerable Customers

What we heard in early 2021:

Vulnerable customers were once again extensively discussed, with the Covid-19 pandemic having a significant effect on the number of people becoming vulnerable as well as on more and different vulnerabilities surfacing, around digital services, loneliness, isolation, and mental health. This had a direct effect on communication and support initiatives as volunteers revealed facing more difficulty to get in contact with people as well as some cases of abuse.

Stakeholders agree that a robust identification process is essential, one that leverages data sharing, and a referral network across organisations and bodies. The 'one-stop-shop' service was extensively supported, although data and customer privacy issues were raised. It was noted that awareness of the PSR has become digital, through social media rather than word of mouth or personal interaction, which adds an additional challenge to identify and support the digitally non-native. WPD was urged to widen the scope of customer contact to include the provision of wider support at the same time.

The need for network reliability especially for vulnerable customers was stressed, as well as the importance of ensuring that they are not disadvantaged or left behind as a result of the transition to a smarter and more digital network. Education on new technologies and flexibility initiatives were thought to be central to avoid this.

Summary of Phase 4 feedback

- 5.1 There was broad support for WPD's current vulnerability strategy, with much discussion of collaboration and coordination among organisations, and positive feedback for efforts to maintain a wide range of communication formats. Voting revealed that stakeholders felt that WPD was showing a relatively high level of ambition in its proposals related to Ofgem's baseline expectations to provide a range of communication formats and meet a minimum standard of Accessibility AA, to provide a wide range of support in relation to supply interruption and to provide dedicated lines. However, stakeholders wanted more ambition in relation to proposals on the data and information strategy, and maintaining a good understanding of relevant social issues, while the lowest-scoring area was proactive and targeted advertising of the PSR.
- 5.2 Stakeholders praised WPD for its current work on vulnerability, and only 4% wanted to suggest alternatives for the commitments in this area. However, the comment was made that there could be an option to use these funds more effectively via existing channels which could allow a lower cost per customer reached. In general, it was accepted that bills would need to rise for the country to meet its Net Zero ambitions, but the company was urged to offer specialised support to the struggling groups.
- 5.3 The majority of stakeholders wanted WPD to go further in its commitment to 'Proactively contact over 2 million Priority Services Register customers once every two

years to remind them of the services we provide and update their records', with support for calling people but with a note about the recent increase in scam calls. Moreover, 97% agreed with the commitment to 'Achieve a 'one-stop-shop' service for vulnerable customers joining the PSR so that they only have to register with WPD once to be registered automatically with their energy supplier, water company and gas distributor', with a comment to also include telecommunication providers.

- 5.4 Although 36% agreed with the proposed level of ambition: 30,000 customers in response to the commitment to "Identify and engage hard-to-reach vulnerable customers each year to join the Priority Services Register within RIIO-ED2", the majority felt that WPD should go further, with the most popular option being 50,000 customers. It was proposed that an additional commitment is needed for the promotion of the PSR.
- 5.5 96% and 97% agreed with the commitments to 'Work with expert stakeholders, including our Customer Panel and referral partners, to annually refresh our understanding of 'vulnerability' and co-create an ambitious annual action plan', and to 'Develop a model to identify the capabilities of vulnerable customers to participate in a smart, low carbon future. Use this to maximise participation, remove barriers to entry and encourage collaboration with the wider industry; respectively, with a comment on working through third party agencies and partners. The same comment was made in relation to the commitment to 'Provide vulnerable and fuel poor customers with specific support and education in relation to the smart energy transition' to which the most prevalent response with 47% was to support 40% of PSR per year.
- 5.6 Lastly, 99% of stakeholders endorsed the commitment to 'Take a leading role in initiating collaboration with a range of industry participants to share best practice and co-deliver schemes to ensure vulnerable customers are not left behind by the smart energy transition'.
- 5.7 A total of **203** pieces of feedback were collected for vulnerable customers during phase 4 engagement, which adds to the **257** pieces of feedback collected during phase 3, **382** pieces collected during phase 2, and further **26** pieces collected during phase 1.

Detailed feedback

Feedback for vulnerable customers can be divided into three themes:

- Current vulnerability strategy
- Ofgem's consumer vulnerability high-level principles
- Customers in Vulnerable Situations commitments

Current vulnerability strategy

- 5.8 There was broad consensus that the focus areas for WPD's current vulnerability strategy were on the right lines, although many stakeholders had questions about how these would be delivered in practice and referred to KPIs (E082).
- 5.9 There was much discussion of collaboration and coordination among organisations, with many stakeholders suggesting that data-sharing between utility companies would improve the efficiency of WPD's strategy, and funding other organisations, such as Citizens Advice and adult social care teams, to work with the vulnerable. A community energy group stakeholder noted that energy supply companies are not mentioned, and they are the people that have direct contact with customers, so they asked if WPD works with the energy supply companies to get its message across (E082).
- 5.10 There was widespread support for WPD's efforts to maintain a wide range of communication formats, with stakeholders stressing that a varied approach was needed in order to engage with all vulnerable customers (E082).
- 5.11 A stakeholder questioned whether customers, particularly vulnerable individuals, really need to be educated on smart networks, suggesting that educating partner organisations to enable them to offer support to vulnerable customers would be more useful (E082).
- 5.12 Furthermore, in response to whether the current focus areas of the vulnerability strategy are the right one and whether anything is missing, a parish/community council commented that Under point 4 'address fuel poverty and cold homes', the government produced its Energy White Paper in December 2020 and in the section under buildings, what they're looking to do is to raise all properties of Band D to Band G to at least Band C standard by 2035. Is that something that falls within point 4 or is that additional to point 4? (E082)

Ofgem's consumer vulnerability high-level principles

General

- 5.13 Stakeholders were asked to vote on whether they agree that WPD's proposals for Ofgem's baseline expectations are ambitious enough on a scale of 1 (strongly disagree) to 5 (strongly agree). The results revealed that stakeholders felt that WPD was showing a relatively high level of ambition in its proposals related to Ofgem's baseline expectations to provide a range of communication formats and meet a minimum standard of Accessibility AA (3.89 out of 5), to provide a wide range of support in relation to supply interruption (3.79 out of 5) and to provide dedicated lines

for PSR customers (3.76 out of 5) (E082).

- 5.14 At the other end of the scale, stakeholders felt that WPD could go further with its proposals on the data and information strategy (3.42 out of 5) and maintaining a good understanding of relevant social issues (3.34 out of 5). With regard to the former, stakeholders commented that contacting all customers on the PSR every two years was too infrequent considering the pace of change in the sector. The lowest-scoring area was proactive and targeted advertising of the PSR (3.22 out of 5) (E082).

Ofgem's principle one: Support vulnerable customers through sophisticated management, promotion and maintenance of the PSR

- 5.15 Ofgem has set out five baseline expectations under the first principle to: "Support vulnerable customers through sophisticated management, promotion and maintenance of the PSR". When attendees were asked whether they agree that WPD's proposals for each baseline expectation are ambitious enough (1 = strongly disagree, 5 = strongly agree), the averages for each baseline expectation fell between 3.22 and 3.89 out of 5, indicating that stakeholders felt neutral or leaned toward agreement (E082).
- 5.16 The highest-scoring baseline expectation related to communicating in a range of formats and meeting a minimum standard of Accessibility AA, while the lowest scoring expectation related to proactive and targeted advertising of the PSR, suggesting that stakeholders felt that WPD could go further in this area (E082).
- 5.17 Baseline expectation 1: 'Range of communication formats and meet a minimum standard of accessibility AA (3.89/5)
- 5.18 A vulnerable customer representative urged the company not to forget about customers on its network who can pass messages on, for example, they have 8,000 likes on Facebook page and are always happy to pass messages on. A local authority stakeholder added that there are local resilience fora that work with parishes, which would be a good way to coordinate with parishes, while another one said that their parish council is working on an emergency plan, and that there could be a list of vulnerability groups that could feed back information from the utilities (E082).
- 5.19 A vulnerable customer representative added also looking to food banks for champions, as they increased during Covid, while a community energy group stakeholder questioned WPD's expectations on whether these champions would be volunteers or unpaid. A local authority stakeholder commented that there is a massive gap in the information that we need to help people in fuel poverty (E082).
- 5.20 A parish/ community council asked if postcodes are the right thing to identify and added that one of the problems with postcodes is that they actually cut across at civil parish boundaries (E082).
- 5.21 A developer touched upon awareness, saying that the biggest problem they find with tenants is that they do not know who WPD is, and they just think it is another energy company trying to sell to them. Another felt that WPD should be more vocal in

informing government of the impact changes in the energy sector will have on vulnerable customers (E082).

Baseline expectation 2: Dedicated lines for PSR customers (3.76/5)

5.22 Concerns were raised about resilience, in particular, how to ensure a constant supply for people who rely on medical equipment in their home, and how to use the phone in an event of a power cut (E082).

Baseline expectation 3: A wide range of support in relation to supply interruption (3.79/5)

5.23 A parish / community council stakeholder expressed that WPD is doing pretty well with it, saying they do receive emails if there is a threat of a power cut or bad weather. The only question they have is whether fuel poverty actually qualifies someone being vulnerable. Another stakeholder however asked if there are minimum service standards for what WPD has to provide for medically vulnerable customers. Related to that a vulnerable customer representative explained that they see a huge confusion over who is responsible for things within the home (E082).

5.24 One stakeholder felt that customers would not want to be contacted regarding every outage and suggested that WPD should only contact customers about outages lasting 15 minutes or half an hour. Another suggested that WPD was not doing enough to improve infrastructure and was instead simply dealing with power cuts as they arose, suggesting that this should be addressed in the Business Plan (E082).

Baseline expectation 4: Proactive and targeted advertising of the PSR (3.22/5)

5.25 A representative from a community energy group said that it had been very difficult to make contact with the public without face-to-face interaction during the pandemic and suggested that WPD consider advertising through channels such as radio and the press. Another community energy group stakeholder paid attention to the diversity in WPD's coverage, which includes many rural areas where people are likely to be less accessible (E082).

5.26 A local authority stakeholder discussed that in December a local water utility company had an outage, and when comparing lists of vulnerable people affected between the two, one list had 160 people and the other only had 7. This showcases how important collaboration is and how it is probably for the carers and social workers to push the scheme as people move into council residences (E082).

5.27 A vulnerable customer representative suggested community library as a network that is not necessarily national. Libraries need reinforcing for all sorts of reasons, they are talking about hard-to-reach people and are an access point. It is a low-tech access route that does not rely on digital communication, which is not always solid with

vulnerable people (E082).

- 5.28 One stakeholder was unsure whether the target of identifying and engaging 30,000 hard-to-reach vulnerable customers was meaningful in terms of the size of WPD's customer base. It was also asked how a hard-to-reach customer was defined and how the success of coverage would be gauged (E082).

Baseline expectation 5: Data and information strategy, with customer data checks every 24 months and data sharing with suppliers and other utilities (3.42/5)

- 5.29 A local authority stakeholder commented that every two years in infrastructure is not enough, so there needs to be that regular dialogue between these agencies who are trying to keep things up to date. Moreover, a business customer said that KPIs are important, particularly in the general sense with red, amber, green. They are concerned about the PSR because WPD will contact 2 million people every two years, and 40% of them by phone, and that seems to be a conflict (E082).
- 5.30 A vulnerable customer representative asked if when talking about partner agencies, WPD is talking about other suppliers? Also, a developer said that energy suppliers have these PSRs, but they do not think they actually do anything with them. Where people need somebody to speak on their behalf, the data protection rule really gets in the way of that, when they need help to access priority services. Moreover, other stakeholders thought that this is stretching WPD beyond its remit, spreading itself too thinly, and that one of the biggest problems is the energy suppliers and how they are charging bills (E082).

Ofgem's principle two: Maximise opportunities to deliver support through smart use of data

Baseline expectation 6: Use social indicator mapping to inform approach (3.58/5)

- 5.31 A vulnerable customer representative suggested WPD could also look at aligning it with various types of vulnerable customers, almost a mapping exercise, with the characteristics of people in different vulnerable situations, so it is more customer-focused rather than regulator-led. It needs to be aligned to the changing needs of people. A community energy group added that debt levels would be a good one to include, especially coming out of Covid (E082).

Baseline expectation 7: Maintain a good understanding of the social issues associated with the scope of the DNO's role

- 5.32 Vulnerable customer representative noted that there is a trend of food banks closing and variations such as social supermarkets popping up. They vary so much, so the issue is that their data-sharing is variable, but they are a good starting point for messaging (E082).

Ofgem's principle three: Understand new forms of vulnerability

- 5.33 Regarding the principle to "Understand new forms of vulnerability", WPD's proposed actions under this principle provoked much debate, particularly in terms of how to build partnerships and use a partnership approach to support the company's work to understand new forms of vulnerability (E082).
- 5.34 According to the electronic voting, stakeholders felt that WPD's proposals on having an extensive network of partnerships and identifying which partnerships are likely to be most effective in terms of delivering benefits for fuel poverty were relatively ambitious, scoring an average of 3.63 and 3.54 out of 5, respectively. Conversely, it was felt that, of the expectations covered in this workshop session, WPD showed the least ambition in its actions under Ofgem Principle Four; the proposals for the baseline expectations to ensure that protecting customers' interests is embedded in the company's culture and to seek opportunities to protect vulnerable customers received 3.32 and 3.06 out of 5, respectively (E082).

Baseline expectation 8: Have an extensive network of partnerships (3.63/5)

- 5.35 There was much debate over how WPD should use a partnership approach to understand new forms of vulnerability. The relationship between WPD and energy suppliers came up several times, with suggestions that the company should do more to educate customers on its own role and explain how it differs from energy suppliers, in addition to working more closely with energy suppliers to address vulnerability. WPD was also advised to be more transparent with regard to partnership working by publishing a list of the organisations it is partnering with, and to be pushing more towards cross-collaboration (E082).
- 5.36 There was widespread concern that vulnerable customers in particular would not see the smart transition as relevant to their lives, with suggestions that partnering with agencies working with vulnerable customers was vital to engaging vulnerable groups. A vulnerable customer representative said that being able to join the smart future by having electric cars is not relevant for their customers at all (E082).
- 5.37 Several stakeholders argued that the general population had a very low level of understanding of the net zero transition and issues around decarbonisation, and customers struggling to make ends meet were unlikely to see why educating themselves on new technologies such as electric vehicles should be a priority. A vulnerable customer representative said that education would be useful for the agencies working with vulnerable customers, so that we can explain effectively to them (E082).
- 5.38 A vulnerable customer representative wonders if it was possible to pick up the customers on the PSR that go from prepaid meters to credit meters, as they will need additional support. Furthermore, a vulnerable customer representative said that there are 4 million social homes in England, approaching 20% of all houses. Are there options for them to share their data? To their knowledge they have not registered the fact that they have got schemes with vulnerable people living in them and they should be recording that data (E082).
- 5.39 A business customer said they are looking at the use of blockchain technology for purchasing energy in half-hour intervals. Vulnerable people will not have access to

that. They are looking at reducing the demand on the energy network, which makes sense from an environmental and economic perspective, but we need to help vulnerable customers to access that (E082).

Baseline expectation 9: Make use of referral channels to signpost support (3.41/5)

5.40 A vulnerable customer representative proposed that part of your strategy needs to be that you are able to refer people to other things within the utility sector (E082).

Baseline expectation 10: Be involved in two-way flow partnerships (3.39/5)

5.41 A community energy group discussed having a way to work with WPD on a longer-term basis of delivery, which would be helpful where we can think about staff and training, but they are not sure if these words are saying that (E082).

Baseline expectation 11: Identify which partnerships are likely to be most effective to deliver benefits (supporting the energy transition) (3.36/5)

5.42 There was some concern over how vulnerable customers would perceive the relevance to their lives of the transition to smart energy. A number of stakeholders suggested that partnering with agencies that work with vulnerable customers would be key in enabling WPD to successfully engage with vulnerable customers on the energy transition (E082).

5.43 Working with private landlords was raised by several stakeholders as a tricky but important step, although it was noted that landlords with only one or two properties should be addressed differently to larger rental businesses. It was also stated that while social landlords have a duty to improve energy efficiency, this might be difficult to achieve in some properties, and installing smart technology in social housing would be one way to address this (E082).

5.44 A local authority stakeholder suggested that WPD has got a call for improving infrastructure, and it would be useful if there was an extra dimension where if you have got a project, then there was a linkage so we could make sure vulnerable customers can get involved with it. As the government rolls out retrofits, they need to make sure the infrastructure is in place to allow us to do that, particularly properties of certain ages that use gas heating (E082).

Baseline expectation 12: Identify which partnerships are likely to be most effective to deliver benefits (fuel poverty) (3.54/5)

5.45 With regard to WPD's proposals for the baseline expectation to identify partnerships for delivering fuel poverty benefits, there was a general consensus that fuel poverty should be addressed in the wider context of debt, food poverty and changes to Universal Credit, and that partnerships with other organisations are crucial to this work. A vulnerable customer representative said that if the 105 number were available to just register for the PSR, that would be great (E082).

- 5.46 It was noted that there was little government funding available to help people understand how retrofitting could benefit them, and it was felt that WPD should look into commissioning and funding third-party organisations such as Eager and Act on Energy to carry out this work in local communities (E082).
- 5.47 A parish / community council asked what is your measure of fuel poverty? Many people would not want to admit they are in fuel poverty. So the energy efficiency of the home is not part of that? Another council said if we are using the Reduced Data Standard Assessment Procedure energy bands, there are some fundamental problems with that. You could have taken out some energy efficiency measures years ago, but they deteriorate over time, but it never affects your SAP rating. People are living in houses of say, an SAP Band C, but they are not in effect an SAP Band C, they are far worse than that, but there is no help for them (E082).

Ofgem's principle four: Embed the approach to protecting the interests of vulnerable customers throughout our company operations

Baseline expectation 13: Embed commitment to protecting customers' interests within the company's culture (3.32/5)

- 5.48 Stakeholders suggested WPD should ensure that all customer-facing staff receive training, not just those who work specifically on the PSR. The company was also advised that training should cover how to make a safeguarding referral to a local authority, and one stakeholder suggested introducing safeguarding champions (E082).

Baseline expectation 14: Seek opportunities to protect vulnerable customers throughout our capabilities' interests within the company's culture (3.06/5)

- 5.49 There was widespread agreement that WPD was showing good ambition regarding embedding a commitment to protecting vulnerable customers' interests in the company culture, and that this attitude would help drive work throughout the business that would have a beneficial social impact. Not all stakeholders felt this way, however, as around a quarter of voters disagreed or strongly disagreed that WPD's proposals in this area are ambitious enough (E082).
- 5.50 A local authority stakeholder said that identifying the capability of customers to participate, we also need to start thinking about data poverty, especially as Covid has shown us that families are struggling in that way. Maybe we need to have a wider view of fuel and service poverty. A vulnerable customer representative added that the field app is a great thing to have, and WPD executives could play a role in role modelling this stuff (E082).

Customers in vulnerable situations commitments

General

- 5.51 WPD were praised for considering customers in vulnerable situations as part of their strategy. However, it was suggested that there could be an option to use these funds more effectively via existing channels which could allow a lower cost per reach to customers in vulnerable situations and offer more substantial wrap-around holistic care (E083).
- 5.52 In terms of what had changed as a result of Covid-19, several stakeholders felt the pandemic had emphasised the importance of ensuring vulnerable customers have adequate support, with a few noting the role grassroot support networks and local authorities had played in providing effective support over the last year. Some stakeholders said that they think that there will be continuing hardship for several years caused by the economic consequences of Covid-19 and that this represents a further justification for the expansion of your work to support vulnerable consumers to improve their energy resilience (E083).
- 5.53 When asked in the online workshop whether they wanted to suggest alternative commitments in the Customers in Vulnerable Situation area, the most prevalent answer from stakeholders was neutral with 57% of the vote. 31% of stakeholders disagreed and 7% strongly disagreed. Only 4% agreed that they would like to suggest alternatives (E083).
- 5.54 On average, Customers in Vulnerable Situations ranked second lowest (2.59/5) out of the 12 Business Plan topics, indicating that relative to other areas stakeholders felt the commitments covered what they wanted to see (E083).
- 5.55 In relation to the Customers in Vulnerable Situations commitments, the point was also made in the discussion session at the workshop that some of these commitments should be the responsibility of the supplier rather than the DNO. Notwithstanding this, some felt that WPD should lead the way in providing support for customers in vulnerable situations and should do more to identify different types of vulnerability.

Customer bills

- 5.56 In terms of customer bills, respondents generally accepted that bills would need to rise for the country to meet its Net Zero ambitions. It was noted that an increase in the next Plan period could lead to bill reductions in future. However, the impact on vulnerable customers was not overlooked, with respondents requesting that WPD consider putting support packages in place for those who would struggle with bill increases (E083).

Commitment 8: Proactively contact over 2 million Priority Services Register customers once every two years to remind them of the services we provide and update their records

- 5.57 The most prevalent response to the commitment to "Proactively contact over 2 million Priority Services Register customers once every two years to remind them of the

services we provide and update their records" when stakeholders were asked to vote was for Option 2 (40% via direct telephone call) with 41%. However, the majority of stakeholders voted for WPD to go further, with 16% opting for Option 3 and 26% voting for Option 4. 4% of stakeholders voted for Option 5, stating that they would like to suggest an alternative commitment. The majority (56%) of WPD staff also voted for Option 2 (E083).

- 5.58 Most stakeholders focused on communications. It was felt that WPD should do more to promote awareness of the Priority Services Register and, whilst it was felt that calling customers was the best way to do this, one stakeholder made the point that there had been an increase in the number of scam phone calls in recent months, many of which targeted the most vulnerable in society. This presents a problem for WPD when endeavouring to contact those people most in need of additional support (E083).

Commitment 9: Achieve a ‘one-stop-shop’ service for vulnerable customers joining the PSR so that they only have to register with WPD once to be registered automatically with their energy supplier, water company and gas distributor

- 5.59 For the commitment to "Achieve a ‘one-stop-shop’ service for vulnerable customers joining the Priority Services Register so that they only have to register with WPD once to be registered automatically with their energy supplier, water company and gas distributor", the vast majority of stakeholders who voted on this commitment voted for Option 2 (97%), representing ‘yes’ in this binary vote. Only 3% voted for Option 5, to suggest an alternative commitment. When discussing this commitment, it was commented that utilities who participate should include telecoms providers in addition to gas distribution networks and water companies (E083).

Commitment 10: Identify and engage hard-to-reach vulnerable customers each year to join the Priority Services Register within RIIO-ED2

- 5.60 For the commitment to "Identify and engage hard-to-reach vulnerable customers each year to join the Priority Services Register within RIIO-ED2", 36% of stakeholders voted for Option 2, agreeing with WPD’s proposed level of ambition in response to this commitment: 30,000 customers. However, the majority felt that WPD should go further in ED2, with 12% voting for Option 3 (40,000 customers) and 38% voting for Option 4 (50,000 customers). 4% of stakeholders voted for Option 5, indicating that they wanted to suggest an alternative commitment. The majority (64%) of WPD staff disagreed and opted for Option 2.
- 5.61 This commitment was also tested in a social media poll. The majority of respondents (57%) voted for Option 4, as the majority of stakeholders did – though not to the same extent. (E083).
- 5.62 It was suggested that there could be a commitment related to the number of people who are not being identified and the point was made that Covid-19 was likely to result in an increase in the number of people requiring additional support. One stakeholder felt that more context was needed as it is difficult to quantify 30,000 PSR customers per year or ascertain the relevance of this figure. As an alternative commitment, it was

suggested that WPD could have a target for PSR eligibility relative to the number of people on the PSR (E083).

- 5.63 It was also commented that more should be done to promote the PSR so, perhaps, there should be an additional commitment related to promoting awareness of the PSR as well as one related to working with trusted partners such as Citizens Advice (E083).

Commitment 11: Work with expert stakeholders, including our Customer Panel and referral partners, to annually refresh our understanding of ‘vulnerability’ and co-create an ambitious annual action plan

- 5.64 For the commitment to "Work with expert stakeholders, including our Customer Panel and referral partners, to annually refresh our understanding of ‘vulnerability’ and co-create an ambitious annual action plan", 96% of stakeholders voted for Option 2 (yes). The remainder opted for Option 5, stating that they wished to suggest an alternative (E083).

- 5.65 When asked to discuss this commitment, it was suggested that regular Zoom calls with relevant partner organisations would be helpful in order to give WPD greater insight into the changing nature of vulnerability. A local authority stakeholder commented that it is the most important and that there is no point throwing money unless you know what you are dealing with and forms of vulnerability. Working through third party agencies is important to help make contact with these. Phoning and letters are not effective. There needs to be a proactive approach. (E083).

Commitment 13: Develop a model to identify the capabilities of vulnerable customers to participate in a smart, low carbon future. Use this to maximise participation, remove barriers to entry and encourage collaboration with the wider industry

- 5.66 For the commitment to "Develop a model to identify the capabilities of vulnerable customers to participate in a smart, low carbon future. Use this to maximise participation, remove barriers to entry and encourage collaboration with the wider industry", the vast majority of stakeholders (97%) endorsed this commitment, opting for Option 2 in this binary vote. The remainder opted for Option 5 – to suggest an alternative (E083).

- 5.67 It was noted that smart meters have the potential to save customers a good deal of money, the implication being that WPD should do more to promote their benefits (E083).

Commitment 14: Provide vulnerable and fuel poor customers with specific support and education in relation to the smart energy transition

- 5.68 For the commitment to "Provide vulnerable and fuel poor customers with specific support and education in relation to the smart energy transition", the most prevalent response with 47% of the vote was Option 4: Support 40% of PSR per year. Option 2 (Support 20% of PSR per year) garnered 22% of the vote and 19% voted for Option 3: Support 30% of PSR per year. A comparatively high proportion (6%) voted for Option

5, to suggest an alternative commitment (E083). However, the large majority (64%) of WPD staff disagreed and opted for Option 2 (E083).

5.69 This commitment was also tested in a social media poll. The majority of respondents (53%) voted for Option 4, in agreement with the views of stakeholders (E083).

5.70 Stakeholders commented that partner organisations, including local authorities and charities, could be used. A local authority noted that lots of people are already doing work in this area and urged WPD to ensure that there is a coordinated approach so there are not many different companies contacting these vulnerable customers. Utilise local authorities or combined authorities. They also suggested combining Commitments 9 and 14, to have one place people can access and know they will get good advice and a consistency of language and clarity with no repetition. Indeed, another stakeholder made the point that customers should not be 'bombarded' by leaflets and text messages so perhaps a different approach is required (E083).

5.71 An online stakeholder said that this sounds socially divisive; why should a vulnerable customer be excluded in any way, while another said that WPD should aim to do more for no extra charge (E083).

Commitment 15: Take a leading role in initiating collaboration with a range of industry participants to share best practice and co-deliver schemes to ensure vulnerable customers are not left behind by the smart energy transition

5.72 For the commitment to "Take a leading role in initiating collaboration with a range of industry participants to share best practice and co-deliver schemes to ensure vulnerable customers are not left behind by the smart energy transition", 99% of stakeholders endorsed this commitment when asked to vote 'yes' or 'no', Although 1% of stakeholders voted to suggest an alternative commitment, no written or verbal feedback on what that alternative might be was given (E083).

Conflicting feedback:

Stakeholders debated the role of WPD in understanding new forms of vulnerability:

1. Some stakeholders stated that the role should fall to energy suppliers.
2. Others argued that WPD should educate people more on where the DNO sits in the value chain.

High-level topic: Maintaining a safe and reliable network

Sub-topic: Cyber resilience

What we heard in early 2021:

Stakeholders felt that Covid-19 puts pressure on the company to have contingency plans in place to deal with unexpected scenarios and to ensure reliability for increased cyber resilience. There was agreement that the relevant outputs need to become more measurable, while there was also some concern for the level of security currently in place, for example that aspects of the network currently remain unencrypted, and for potential attacks. While stakeholders were very concerned about cyber resilience and disaster recovery and wanted WPD to do more to address them, they did not necessarily have the knowledge or understanding with which to advise.

Education and training of personnel was found to be important, to avoid human errors. It was also thought that WPD could follow best practices from other industries and seek to become accredited.

Summary of Phase 4 feedback

- 6.1 Only 9% of stakeholders wished to propose alternative commitments for the area of Cyber resilience, these being getting external accreditation (ISO) and aim for zero cyber threats. Still, it was acknowledgement that cyber resilience is of high priority and importance as the electricity network becomes smarter, and we decarbonise the grid.
- 6.2 96% of stakeholders agreed with the commitment to 'Continually assess emerging threats to enhance cyber security systems to ensure no loss of data or network interruption from a cyberattack and pushed for flexibility in design, while the same percentage also agreed with the commitment to 'Enhance the resilience of our IT network security by upgrading our disaster recovery capability to ensure continuity of our operations', with a comment that domestic local generation and smart housing systems increase the risk.
- 6.3 A total of **22** pieces of feedback were collected for cyber resilience during phase 4 engagement, which adds to the **93** pieces of feedback collected during phase 3, **115** pieces collected during phase 2, and further **3** pieces collected during phase 1.

Detailed feedback

Feedback for cyber resilience falls under one theme:

- Cyber resilience commitments

Cyber resilience commitments

- 6.4 When asked in the online workshop whether they wanted to suggest alternative commitments for Business IT Security and Cyber Resilience, on average 31% of stakeholders disagreed or strongly disagreed, demonstrating that the majority endorsed the proposed commitments as they stand. The largest proportion (61%) felt neutral, with 9% voting agree or strongly agree (that they wished to suggest alternatives) (E083).
- 6.5 On average, this topic ranked joint fifth (2.71/5) out of the 12 Business Plan topic areas (E083).
- 6.6 There were few specific commitments suggested in this area, but there was acknowledgement that this was a high priority and one that was growing in importance as the electricity network becomes smarter, and we decarbonise the grid. One stakeholder suggested that the company should see external accreditation in this area, for example by working towards ISO (International Organization for Standardization) certification (E083).
- 6.7 A domestic customer commented that the commitments should be reworded to be not just spend money or assess but aim for zero events in both of them. Also, a local authority stakeholder discussed that on IT systems, you need to consider how easy it is for people to hack. If we are having a one touch shop, this is exposing more people and data, especially of the vulnerable, if there is a successful cyberattack. (E083).

Commitment 32: Continually assess emerging threats to enhance cyber security systems to ensure no loss of data or network interruption from a cyberattack

- 6.8 For the commitment to "Continually assess emerging threats to enhance cyber security systems to ensure no loss of data or network interruption from a cyberattack", 96% of stakeholders voted that they agreed with this commitment, with the remaining 4% voting to suggest an alternative (E083).
- 6.9 An online stakeholder noted that in the act of moving towards a more actively managed network with increased automation of assets, appropriate investment will need to be made to the operational control capability to ensure that it is sufficiently resilient and secure to allow the network to address the demands of increases in DERs (Distributed Energy Resources) and EVs. Therefore, sufficient design flexibility needs to be accommodated in the proposals to ensure that the changing demands of the consumer and public policy can be addressed (E083).

6.10 A domestic customer said that what is important is threat monitoring and identification. WPD need to talk about the increase in deployment of IP enabled units for network control and monitoring. Every time you put a unit into the network it becomes a threat point, and these will increase in the next regulatory period. One local authority stakeholder asked if WPD is using mystery shoppers to get into its systems? (E083).

Commitment 33: Enhance the resilience of our IT network security by upgrading our disaster recovery capability to ensure continuity of our operations

- 6.11 96% of stakeholders voted in support of the commitment to "Enhance the resilience of our IT network security by upgrading our disaster recovery capability to ensure continuity of our operations", although 4% voted to suggest an alternative. However, no specific alternatives were suggested either verbally or via the online consultation (E083).
- 6.12 An online stakeholder suggested to minimise reliance on such systems, as they are not reliable enough, while another said that as more domestic local generation is added to the network, as well as smart housing systems, the potential for increased domestic cyberattack is much increased. This element of the network must also be considered (E083).

Conflicting feedback:

No notable conflicts identified under this sub-topic

Sub-topic: Network performance

What we heard in early 2021:

Network performance was regarded as extremely important, in response to almost the whole population working from home and relying on electricity. Stakeholders wanted WPD to be more ambitious with its outputs both for power cut frequency and duration, and they discussed having another output on education and engagement on black start situations. There was also agreement that average figures for the duration of power cuts varies significantly across regions, and therefore its reporting should be updated to reflect that.

Maintaining a reliable network and improving the quality of supply were also seen as essential, with stakeholders showing support for initiatives to implement LIDAR to reduce tree related faults, and the use of asset condition data to target where the need for investment is greatest. Grid constraints and capacity issues were often raised in this regard and WPD was called on to provide sufficient grid capacity for LCTs and support retrofits

Stakeholders urged WPD to improve the support and communication when power cuts and faults happen and to prioritise restoring vulnerable customers, which now very pressing include those self-isolating. The worst served were also a key priority.

Summary of Phase 4 feedback

- 7.1 It was, once again, noted that the pandemic has even more crucially highlighted the overreliance of people on electricity, which will require greater visibility and control of the LV layer, in order to ensure stability of supply and minimise outages.
- 7.2 Compared to other topics, a relatively high percentage of 12% wanted to suggest alternative commitments for the Network performance area. It was noted there were no commitments relating to power quality and there was a desire for a commitment to both improving overall power quality as well as to recording when irregular power flows take place, to increase the use of data, heat maps, strategic assets management tools, as well as to increase the focus on electrification effects on the network.
- 7.3 92% agreed with the commitment 'On average fewer and shorter power cuts in RIIO-ED2 than RIIO-ED1', 94% agreed with the commitment 'Reduction of tree related faults on HV and EHV overhead network due to use of LIDAR in RIIO-ED2 thus reducing the impact on the customer' although some said that there should be a focus on LV and tree management as well, and one noted that LIDAR technology is not new.
- 7.4 For the commitment to 'Continue to have focus on restoring HV supplies quickly (that are not automatically restored) within one hour', the most prevalent option was of restoring 86% of supplies within one hour, with 52%, followed by restoring 88% within an hour, with 36%. Moreover, 93% of stakeholders supported the commitment 'We will

aim to restore customer supplies in RIIO-ED2 within 12 hours under normal weather conditions', although WPD was urged to focus on abnormal conditions, when customers will be most at need.

- 7.5 Lastly, the majority (52%) supported the commitment to 'Invest to improve the overall health of the network and develop a measure of overall asset health. Report annually to stakeholders the impact of our investments and supported incrementally improving asset health and therefore keeping the bill impact as today.
- 7.6 A total of 62 pieces of feedback were collected for the network performance during phase 4 engagement, which adds to the **295** pieces of feedback collected during phase 3, **238** collected during phase 2, and further **13** pieces collected during phase 1.

Detailed feedback

Feedback for the Network performance can be divided into two themes:

- General
- Network performance commitments

General

- 7.7 In terms of what had changed as a result of Covid-19, a number of stakeholders pointed out that the pandemic has served to reinforce the essential nature of the electricity supply, elevating the central role of electricity networks to the functioning of society. A stakeholder said that the emphasis being placed by government on 'Net Zero' is driving industry and society to adjust to a zero-carbon future. There will be a need for greater visibility and control of the LV layer in order to ensure stability of supply and minimise outages. (E083).
- 7.8 Responding to the question: "What are your views on WPD's overall package of proposals for RRIO-ED2 as currently set out? Are there aspects you: strongly support? Would like to see changed? Consider to be missing?", Two stakeholders urged WPD to consider investing ahead of need to minimise constraints on the network (E083).
- 7.9 Distributed Generation (DG) customer noted their positive experience with WPD Outage Planning regarding merging two outages which were due to happen within the same month. Other customers agreed they would have the same positive experience regarding merging of outages. Nevertheless, customers would like to see more than four weeks' notice for 'significant' outages. A stakeholder asked the question on what would be deemed a significant outage. The most common answer was 'over 5 days' (E090).
- 7.10 Customers have asked for a notification system to be created that will let them know when there are any changes to their portal activity, while there were also questions regarding payment and timescales (E090).

Network performance commitments

- 7.11 When asked in the online workshop whether they wanted to suggest alternative commitments for the topic of Network Resilience, on average 28% of stakeholders disagreed or strongly disagreed, demonstrating they supported the proposed commitments as they stand. The largest proportion (60%) felt neutral. 12% did, however, agree or strongly agree that they wanted to suggest alternatives – which relative to other topics was quite high (E083).
- 7.12 As an average, this topic ranked fourth highest across the 12 Business Plan topics (2.72/5), indicating that relative to other topics stakeholders felt there were commitments missing (E083).
- 7.13 When asked to propose alternative commitments, several stakeholders noted there were no commitments relating to power quality and there was a desire for a

commitment to both improving overall power quality as well as to recording when irregular power flows take place. Several stakeholders felt WPD needed to be more 'forward looking' and take 'smarter approaches' in this area. For example, several stakeholders wanted to see a commitment to new technologies, such as increased network automation to reduce the potential for outages (E083).

- 7.14 It was also noted WPD needed to increase the use of data, heat maps, strategic assets management tools, which are not demonstrated at a high level, to help improve the health of the network. One stakeholder wanted to see an online tracker so customers can get live updates on the status of faults (E083).
- 7.15 Two stakeholders raised the impact that climate change was going to have on WPD's network, with one noting it will become hard for WPD to stand still in its network performance and the other suggesting a commitment around network adaption in response to climate impacts. One stakeholder wanted WPD to commit to using batteries at substations to provide back-up generation (E083).
- 7.16 One stakeholder wanted the increased pressure on the network from the growth in electric vehicles referenced in a commitment under Network Resilience. Another suggested seeking to exploit the potential for increased network automation to further reduce the propensity for outage (E083).
- 7.17 One stakeholder made reference to a low voltage system in the centre of a local village, which is in a very poor condition and needs urgent refurbishment and replacement. They said the system is fed from three separate transformers which all interconnect, so a phased plan to replace and modernise this network would be easy but beneficial to this village in the case of high voltage faults on any of the three HV feeds coming into this rural village (E083).

Commitment 25: On average fewer and shorter power cuts in RIIO-ED2 than RIIO-ED1

- 7.18 The commitment "On average fewer and shorter power cuts in RIIO-ED2 than RIIO-ED1", was presented as a binary choice. 92% agreed with the commitment, while 8% wanted to suggest an alternative (E083).
- 7.19 One stakeholder suggested the use of enhanced network automation, and two suggested the use of undergrounding to improve reliability. Another stakeholder felt they were experiencing an increasing number of power cuts and challenged WPD on what improvement they were offering. An online stakeholder criticized that this ignores the worst event when a third party causes the loss of power. The number of power cuts reduced for the first few years with WPD and now it has been increasing, so what improvement are you offering? (E083)
- 7.20 An online stakeholder said that target proactive advancement plus 10%, leveraging the opportunity of enhanced network automation, monitoring and control to facilitate real-time asset performance and allow equipment to be maintained effectively and / or replaced independent of failure (E083).

Commitment 26: Reduction of tree related faults on HV and EHV overhead network due to use of LIDAR in RIIO-ED2 thus reducing the impact on the customer

- 7.21 The commitment "Reduction of tree related faults on HV and EHV overhead network due to use of LIDAR in RIIO-ED2 thus reducing the impact on the customer" was presented as a binary choice. 94% agreed with the commitment, while 6% wanted to suggest an alternative (E083).
- 7.22 One stakeholder suggested LV networks also be considered in ED2 given the increase in embedded generation, another restressed the need for undergrounding to help reduce tree-related faults, and one stakeholder noted the importance of sensitive tree management in the process. Other comments related to confirmation that trees and foliage does have an impact on reliability, concern about LIDAR delivering value for money and an observation that LIDAR technology is not new (E083).

Commitment 27: Continue to have focus on restoring HV supplies quickly (that are not automatically restored) within one hour

- 7.23 For the commitment to "Continue to have focus on restoring HV supplies quickly (that are not automatically restored) within one hour", over half (52%) of stakeholders agreed with WPD's proposed ambition for this commitment, voting for Option 2 – restoring 86% of supplies within one hour. However, a significant proportion (36%) wanted WPD to be more ambitious, voting for Option 4 – restoring 88% within an hour. Only 4% wanted to suggest an alternative. The majority (69%) of WPD staff opted for Option 2 (E083).
- 7.24 This commitment was also tested in a social media poll. The majority of respondents (46%) wanted WPD to be much more ambitious, and voted for Option 4, in contrast to the views of stakeholders and staff (E083).
- 7.25 One stakeholder sought further clarity and another encouraging WPD to be even more ambitious and achieve 90% supply restored with an hour (E083).

Commitment 28: We will aim to restore customer supplies in RIIO-ED2 within 12 hours under normal weather conditions

- 7.26 The commitment "We will aim to restore customer supplies in RIIO-ED2 within 12 hours under normal weather conditions" presented a binary choice, with 93% of stakeholders supporting the commitment as it stands and 7% wanting to suggest an alternative (E083).
- 7.27 One stakeholder noted WPD should focus on restoring supplies in abnormal weather conditions when disruption is more likely, another stakeholder felt 12 hours was unambitious and WPD should aim for something less, and another noted that restoring night-time outages should be prioritised (E083).

Commitment 29: Carry out work that improves network reliability for our worst served customers (those experiencing 12 or more higher voltage power cuts over a 3-year period)

- 7.28 For the commitment to "Carry out work that improves network reliability for our worst served customers (those experiencing 12 or more higher voltage power cuts over a 3-year period)", while 23% of stakeholders supported WPD's proposed commitment, a significant majority (57%) wanted WPD to be as ambitious as possible here voting for Option 4 – 70 schemes, benefiting 8,260 worst served customers. Only 4% of stakeholders wanted WPD to do less in this area. 6% wanted to suggest an alternative. However, the majority (61%) of WPD staff disagreed and opted for Option 2 (E083).
- 7.29 This commitment was also tested in a social media poll. The majority of respondents (64%) voted for Option 4, in agreement with the views of stakeholders (E083).
- 7.30 One stakeholder urged WPD to explore the potential for network automation to improve restoration times for worst served customers. Another stakeholder wanted WPD to not only go for the most ambitious level, but to complete the schemes urgently (E083).
- 7.31 Two stakeholders felt the number of worst served customers needed some context (i.e., as a proportion) to be able to properly assess the commitment. It was suggested that WPD should continue exploring the crossover between worst served areas and areas with high rates of customer vulnerability, perhaps as an area of potential overlap with its Customer Vulnerability Strategy (E083).

Commitment 30: Invest to improve the overall health of the network and develop a measure of overall asset health. Report annually to stakeholders the impact of our investments

- 7.32 For the commitment to "Invest to improve the overall health of the network and develop a measure of overall asset health. Report annually to stakeholders the impact of our investments", the majority (52%) supported WPD's current proposals for this commitment – incrementally improving asset health and therefore keeping the bill impact as today (E083).
- 7.33 This commitment was also tested in a social media poll. The majority of respondents (47%) wanted WPD to go much further and voted for Option 4, in contrast to the views of staff and stakeholders (E083).
- 7.34 This was singled out for praise by one stakeholder who urged WPD to install the most efficient infrastructure possible now as it will prepare our energy system and mitigate the need for extensive costly reinforcement down the line. One stakeholder sought to understand the outcome of the different investment options and another discussing depreciation of the network assets (E083).

Conflicting feedback:

Regarding the commitment 'Reduction of tree related faults on HV and EHV overhead network due to use of LIDAR in RIIO-ED2 thus reducing the impact on the customer": A go-to portal for projects.

1. One stakeholder objected, saying that LV networks should also be considered given the increase in embedded generation.
2. Another stakeholder restressed the need for undergrounding to help reduce tree-related faults.
3. It was also criticized that LIDAR technology is not new.
4. However, this is in contrast to only 6% wanting to suggest an alternative to the original commitment.

Regarding the commitment 'We will aim to restore customer supplies in RIIO-ED2 within 12 hours under normal weather conditions': A stakeholder criticized the ambition of this, saying companies should aim higher.

1. One stakeholder urged WPD to do so under abnormal weather, when it is more likely to face faults and have people struggling.
2. Other stakeholders criticized the 12 hours target as unambitious and suggested prioritising night-time outages.
3. However, this is in contrast to only 7% wanting to suggest an alternative to the original commitment

Sub-topic: Scenario planning

What we heard in early 2021:

Stakeholders discussed scenario planning as crucial for resilience and maintaining a safe network with minimal risks. Stakeholders were concerned about the increasing number of extreme weather and unpredictable events that affect the network. Flooding was a big issue in specific reasons, although stakeholders generally felt that WPD has proven successful in dealing with these situations. Collaboration with local agencies and authorities was seen as key to employ a preventative approach based on historic data.

Stakeholders expressed concerns about tree cutting and management, although they were supportive of undergrounding, insulating, or diverting overhead lines that are close to school playing areas.

Summary of Phase 4 feedback

- 8.1 Tree cutting and planting attracted a lot of discussion from stakeholders, with concern about how these might affect security of supply. Additionally, extreme weather events were also raised as an issue that deserved to be high on the agenda and for WPD to understand their impact on its assets. There was debate on which data sources to use, such as Met data. In line with this, stakeholders suggested that WPD should partner with utilities and critical infrastructure networks, as well as the Environment Agency and the Energy Networks Association.
- 8.2 For the commitment 'We will continue to install further flood defences to reflect updated data from the Environment Agency', although 43% supported the current view for this commitment: maintaining the current bill impact and implementing 95 flood schemes, 33% wanted more ambition, voting for 125 schemes. It was pointed out that strategic planning is of essence, and that WPD should be collaborating with the water companies. Moreover, the commitment to 'Underground, insulate or divert overhead lines that cross school or other playing areas', had 57% voting to do so in 780 locations, with the next most prevalent responses being 1,560 schemes and 3,120 scheme, which both scored 17% of the vote.
- 8.3 A total of **95** pieces were collected for scenario planning during phase 4 engagement, which adds to the **80** pieces of feedback collected during phase 3, **173** collected during phase 2, and further **9** pieces collected during phase 1.

Detailed feedback

Feedback for Scenario planning can be divided into three themes:

- General
- Scenario planning commitments
- Weather and climate change

General

- 8.4 On whether stakeholders agree with the previous feedback received, some stakeholders agreed, while others made comments about missing issues or remarks. An environmental group stakeholder said that electricity is so integral to all the other utilities that it probably should be a priority to protect those assets above all (E089).
- 8.5 When asked if they have any comments on WPD's five-point plan, a local authority stakeholder said that something around children needs to dovetail in here. Children come up with fabulous ideas and could really help you come up with initiatives for this five-point plan (E089).

Scenario planning commitments

- 8.6 Tree planting was a case in point, with stakeholders noting that willows take up less space and grow more quickly than oaks (and are therefore a better choice for replanting), trees could sometimes be relocated, industrial hemp planting could remove more CO₂ per hectare than trees and planting low-level vegetation could help to reduce water run-off. Similarly, one stakeholder raised a concern about reducing tree cutting and how that might affect security of supply (E089).
- 8.7 Peat bogs and teasel can also capture a significant amount of carbon, while hedgerows can function as an effective windbreak and a habitat for wildlife, it was added. Furthermore, an energy consultant suggested WPD should look at island network management in the event of serious disruptions (E089).

Commitment 31: We will continue to install further flood defences to reflect updated data from the Environment Agency

- 8.8 For the commitment "We will continue to install further flood defences to reflect updated data from the Environment Agency", the largest proportion of stakeholders (43%) supported WPD's current view for this commitment – voting for Option 2: maintaining the current bill impact and implementing 95 flood schemes. However, a significant proportion (33%) wanted WPD to be as ambitious as possible in this area, voting for 125 flood defence schemes (Option 4). Only 4% wanted to see WPD's work in this area reduced from current levels, while 6% wanted to suggest alternative commitments. The majority (67%) of WPD staff agreed and opted for Option 2 (E083).
- 8.9 This commitment was also tested in a social media poll. The majority of respondents (57%) wanted WPD to be much more ambitious and voted for Option 4, in contrast to

the views of stakeholders and staff (E083).

- 8.10 Looking at WPD's current resilience initiatives, stakeholders generally agreed that extreme weather resilience, particularly with regard to flooding, should be a priority (E089). One stakeholder expressed concern about the increase in flooding in their area and supported this commitment, however two stakeholders felt the numbers quoted required more context and the commitment needed to focus on what would be achieved. Three stakeholders felt WPD should also seek to influence planning decisions – addressing the symptom and not the cause (E083).
- 8.11 An online stakeholder proposed WPD might also lean on the EA not to allow development in flood plains. They have a bad idea whereby any development of less than 0.5 Ha is ok so any number of 0,499s can occur, and they take no account of the cumulative impact (E083).
- 8.12 As a more general comment, a domestic customer said WPD has installed flood defences and done risk analysis, so they asked the company to be more specific in what it is going to achieve with the money spent rather than just say it is going to spend money. This point applies to a lot of them (E083).
- 8.13 On whether stakeholders have any comments on WPD's current resilience initiatives, and where it should put the most emphasis, a business customer said that to adapt to climate change and become more resilient, you need to work with local communities on infrastructure planning. In particular, there needs to be careful liaison around the provision and positioning of sustainable drainage systems, so your substations and the huge numbers of new houses being built are not affected by flooding (E089).
- 8.14 It was also commented, that with floods becoming an increasing issue for WPD, they should be seeking links with the water companies in WPD's area, as they may be taking action to avoid flooding, and that cooperation could eliminate the need for WPD to have flood defences (E089).
- 8.15 A business customer noted that WPD's substations take up quite a large land mass, so there is definitely scope for rethinking how groundwater moves around your estate and even redesigning the positioning of your future network (such as moving substations), now that we know so much more about flooding than we did when your land was originally acquired (E089).
- 8.16 An energy consultant said that trying to maximise the land around your substations should be prioritised. One of the regions that could benefit is wetlands as they do not require trees, they are great for flood defences elsewhere, they can have lots of biodiversity and they can lock up a lot of carbon. It would be possible in a lot of flatlands, such as Somerset, South Lincolnshire, etc (E089).

Commitment 37: Underground, insulate or divert overhead lines that cross school or other playing areas

- 8.17 For the commitment to "Underground, insulate or divert overhead lines that cross school or other playing areas", the majority of stakeholders supported WPD's draft commitment, with 57% of stakeholders voting for Option 2 to underground, insulate or

divert overhead lines that cross school or other playing areas in 780 locations in ED2. The next most prevalent responses to the vote were Option 3 (1,560 schemes) and Option 4 (3,120 scheme), which both scored 17% of the vote. 7% of stakeholders voted for Option 5, stating that they would prefer to suggest an alternative commitment. The majority (58%) of WPD staff agreed and chose Option 2 (E083).

- 8.18 This commitment was also tested in a social media poll. The majority of respondents (58%) wanted WPD to be even more ambitious, and voted for Option 4, in contrast to the views of staff and stakeholders (E083).
- 8.19 Several stakeholders stated that safety was of paramount importance, so WPD's approach should not be based solely on school or other playing areas but on other areas where the electricity network posed a danger to children. One stakeholder welcomed the idea of strengthening safety at schools, but it was noted that this commitment had not previously enjoyed much support from stakeholders – although no further comment was provided on this (E083).
- 8.20 A domestic customer asked for more details and targets, saying that the commitment is good, but it would be better to know how many of these lines you have got and the timescale to clear them, and a local authority stakeholder said it would be useful if they knew the extent of the issue that the commitment is addressing (E083).
- 8.21 In contrast, a consumer body stakeholder stated that coming from an organisation that represents landowners, underground faults are more difficult to detect (E083).

Weather and Climate change

- 8.22 A stakeholder said that WPD's understanding of wider weather issues on resilience and customer service impact need to be developed more. Climate change over the life of your assets is more than flooding, e.g., extreme heat impacts on equipment (E083). Indeed, extreme weather events, including solar storms, were also raised as an issue that deserved to be high on the agenda (E089). Moreover, stakeholders expressed the need for WPD, through its Business Plan to: better understand the impacts of climate change on its assets (E083).
- 8.23 Some suggestions were made as to how the company could refine its predictions for the effects of climate change, including by accounting for human behaviour and the various microclimates around the UK. Stakeholders suggested that WPD should partner with utilities and critical infrastructure networks, as well as the Environment Agency, the Met Office and the Energy Networks Association, to find efficient ways to mitigate risks related to climate change (E089). Other reasons for partnering were brought up, for deciding which mitigation measures to invest in, it was felt WPD could reduce costs by working in partnership with other organisations, for example, when roads are being dug up (E089).
- 8.24 The question of what WPD should be using besides Met Office data provoked some debate among stakeholders. Many felt that Met Office data was world-leading and that WPD would be unlikely to find any better sources of data; however, some felt that it

was important to aggregate data from several sources. Others saw Met Office predictions as fairly optimistic and felt that WPD ought to factor in more pessimistic worst-case scenarios than those provided by the Met Office. One stakeholder suggested that more in-depth academic knowledge was required to predict climate change outcomes (E089).

- 8.25 An energy consultant said that all critical infrastructure networks should be involved, in a cross-sector working group, and others made reference to local authorities and utilities (E089).
- 8.26 In terms of how WPD addresses the challenge of 'Choosing the best mitigation measures and investments', an environmental group stakeholder said that they would like to see WPD exploit situations where you can work with another organisation for an idea of measure. The thing that has come to mind is where you have got a shared location, for example, if you are doing stuff in the road (E089).
- 8.27 In terms of how WPD addresses the challenge of 'Predicting the effects of climate change', a parish/ community council said that climate-change-prediction models will have a wide range of scenarios with different outcomes. Does WPD use the worst-case scenarios? This could be critical in planning towards overcoming the potential effects of future climate-change phenomena, such as sea-level rises, which could pose a threat to low-lying assets (E089).
- 8.28 A local authority stakeholder noted that local climate impact profiles do exist from Met Office data, but that was 10-15 years ago in their area. It could be done again. It would be great if stakeholders like WPD add to that and make the data more meaningful (E089).

Conflicting feedback:

Stakeholders debated what WPD should be using besides Met Office data:

1. Many felt that Met Office data was world-leading.
2. Others supported aggregating data from many sources.
3. Others felt that data predicting worst-case scenarios were needed, as those provided by the Met office were considered optimistic.
4. It was also suggested that more in-depth academic knowledge was required to predict climate change outcomes.

Sub-topic: Workforce resilience

What we heard in early 2021:

Stakeholders referred to workforce resilience as a pressing issue due to the Coronavirus pandemic, as people working from home makes communication more difficult. Stakeholders also felt that is critical for WPD to continue upskilling a specialised workforce, in light of the smarter network and new technologies, such as to be able to install three-phase connections.

Diversity and inclusion were felt to be important so that WPD can reach a more diverse demographic. The safety of the workforce was also discussed, with stakeholders urging WPD to be more ambitious about reducing accident rates and ensuring there is enough education to make its workforce feel safe and capable of prioritising their safety while working.

Summary of Phase 4 feedback

- 9.1 Only 6% wanted to suggest alternative commitments for the Workforce resilience area. These included workforce renewals, engaging with further education institutions and developing apprenticeship schemes, and wanting to see a commitment to improving pay gaps and regularly reporting on them. Stakeholders expected more investment of WPD in its workforce.
- 9.2 94% voted in favour of the commitment to 'Undertake an additional Staff Safety Climate Survey during RIIO-ED2', with one comment being in conflict, of a stakeholder wanting such surveys to be happening more frequently. Additionally, for the commitment to 'Demonstrate exceptional embedded employment practices by achieving accreditation with Investors in People by the end of RIIO-ED2', 48% agreed and voted for the company to achieve the silver accreditation, but 29% voted for gold accreditation and 15% for the platinum. One stakeholder was surprised WPD did not already have this.
- 9.3 Lastly, 97% supported the commitment to 'Publish annually our updated Diversity & Inclusion Action Plan & Performance', although one stakeholder urged WPD to be publishing diversity targets and committing to them, as do other energy companies.
- 9.4 A total of 26 pieces of feedback were collected for workforce resilience during phase 4 engagement, which adds to the **43** pieces of feedback collected during phase 3, **252** pieces collected during phase 2, and further **1** piece collected during phase 1.

Detailed feedback

Feedback on workforce resilience falls under one theme:

- Workforce resilience commitments

Workforce resilience commitments

- 9.5 When asked in the online workshop whether stakeholders wanted to suggest alternative commitments for this topic, 32% disagreed or strongly disagreed, demonstrating they supported the proposed commitments as they stand. The largest proportion (62%) voted neutral. Only 6% agreed or strongly agreed that they wanted to suggest alternatives (E083).
- 9.6 On average, Workforce Resilience ranked ninth (2.64/5) out of the 12 Business Plan topics indicating that relative to other topics it was felt the commitments here covered what was required (E083).
- 9.7 Regarding the Workforce Resilience commitments, several suggestions for new commitments were raised. This included workforce renewal, with one stakeholder wanting a commitment to engaging with further education institutions and developing apprenticeship schemes to encourage the new generation. Four stakeholders also raised the gender and / or BAME pay gap, wanting to see a commitment to improving pay gaps and regularly reporting on them (E083).
- 9.8 In terms of what had changed as a result of Covid-19, a stakeholder mentioned reduction in available labour constrained by business plan budgets, affecting productive outputs and reduced investments. Aside from the Covid-19 pandemic, one stakeholder implied Brexit would lead to a shortage in available labour for WPD (E083).
- 9.9 A stakeholder wanted more of a priority for increasing staff to deal with the increased workload of electric vehicles connections. One stakeholder criticized that there was no mention of investing in staff, which ultimately are WPD's most valuable asset. It was thought, essentially, that what WPD needs to, through its Business Plan: adequately invest in its workforce, particularly to meet the increased workload created by electrification (E083).

Commitment 34: Undertake an additional Staff Safety Climate Survey during RIIO-ED2

- 9.10 For the commitment to "Undertake an additional Staff Safety Climate Survey during RIIO-ED2", there was a good deal of support for WPD's commitment to undertake an additional staff climate survey in RIIO-ED2, with 94% voting in favour of this. 6%, however, voted that they would like to suggest an alternative commitment. A

stakeholder said that they found this commitment to be somewhat unambitious and that the company should carry out a survey of this nature more often (E083).

Commitment 38: Demonstrate exceptional embedded employment practices by achieving accreditation with Investors in People by the end of RIIO-ED2

- 9.11 For the commitment to "Demonstrate exceptional embedded employment practices by achieving accreditation with Investors in People by the end of RIIO-ED2", the largest proportion (48%) agreed with WPD's proposed commitment, voting for the company to achieve the silver accreditation (Option 2). However, a significant proportion wanted WPD to be more ambitious in this area, with 29% voting for gold accreditation (Option 3) and 15% even voting for the platinum accreditation (Option 4). 4% wanted to suggest alternative commitments, but no alternatives were suggested in the written feedback. The most prevalent answer among WPD staff was Option 2 (39%) (E083).
- 9.12 This commitment was also tested in a social media poll. The majority of respondents (40%) wanted WPD to go much further, and voted for Option 4, in contrast to the views of stakeholders and staff (E083).
- 9.13 One stakeholder expressed surprise that WPD did not already have this accreditation, and another sought further clarification on what the different accreditation means (E083).

Commitment 39: Publish annually our updated Diversity & Inclusion Action Plan & Performance

- 9.14 The commitment to "Publish annually our updated Diversity & Inclusion Action Plan & Performance" commitment presented a binary choice. Nearly all stakeholders (97%) supported this commitment with only 3% wanting to suggest an alternative (E083).
- 9.15 One stakeholder sought confirmation that the Plan covers gender and disability, as well as ethnicity, while another stressed that the reporting needed to apply up to board level (E083).
- 9.16 An energy consultant said that other energy companies are publishing diversity targets rather than committing to publish a report, so they suggested going both, commitment to targets rather than just the report (E083).

Conflicting feedback:

Regarding the commitment to 'Undertake an additional Staff Safety Climate Survey during RIIO-ED2'

1. One stakeholder urged WPD to undertake such surveys more often.
2. However, this is in contrast to only 6% wanting to suggest an alternative to the original commitment.

Regarding the commitment to 'Publish annually our updated Diversity & Inclusion Action Plan & Performance':

1. One stakeholder noted the fact that other energy companies are instead publishing diversity targets, rather than a report, and suggested WPD do both
2. However, this is in contrast to only 3% wanting to suggest an alternative to the original commitment.

High-level topic: Delivering an environmentally sustainable network

Sub-topic: Business carbon footprint

What we heard in early 2021:

Stakeholders were critical of WPD's net zero target, deeming it unambitious and urging the company to pledge to a more ambitious date, to lead by example in the industry. Some suggested a tiered target, and some were concerned about whether any target set stretches to WPD's supply chain and contracts. The adoption of EVs decarbonisation of buildings and depots were seen favourably, although various stakeholders noted that hydrogen and alternative technologies should be considered for larger vehicles. It was noted that procurement should be responsibly source and that the electrification of the fleet shall not come at the cost of the environment or produce waste.

On the operational impact of WPD's network, some stakeholders felt they did not have the technical knowledge to comment and advise on outputs about harmful leaks, losses, and fluid-filled cables, although greater ambition on all targets was deemed appropriate. The point was made that there should be a stronger link between the operational impact and WPD's innovation strategy.

Summary of Phase 4 feedback

- 10.1 In line with previous feedback in this area, most stakeholders (52% in the vote) wanted WPD to achieve net zero the soonest, by 2028. It was supported that there should be one commitment to reduce WPD's own carbon footprint and one to support the country to do the same. Moreover, relating to the commitment to 'Replace our transport fleet with non-carbon technology where practical', 40% agreed and voted for the option to replace vehicles at end of life, although 22% voted for the option of an accelerated programme, with 89% of fleet to be non-carbon vehicles by 2028 and 33% for the option of 100% of fleet vehicles non carbon by 2028. Overall, there was support for having science-based targets. Also, 95% agreed with commitment to 'Install renewable local generation at all suitable offices and depots'. Moreover, stakeholders debated carbon offsetting, with just 17% of stakeholders agreeing or strongly agreeing that WPD should be using offsetting, 42% disagreeing or strongly disagreeing and 42% remaining neutral on the issue.
- 10.2 Stakeholders also debated applying carbon reduction metrics on the supply chain, with 70% of stakeholders agreeing that WPD should weight the carbon reduction performance of contractors at least as highly as cost and safety, and others objected saying that would exclude smaller suppliers with a lack reporting capacity among,

which could result in WPD only working with large suppliers owing to more stringent rules.

10.3 A total of **90** pieces of feedback were collected for business carbon footprint during phase 4 engagement, which adds to the **139** collected during phase 3, **189** collected during phase 2, and further **4** pieces collected during phase 1.

Detailed feedback

Feedback for Business Carbon Footprint can be divided into two themes:

- Business Carbon Footprint commitments
- WPD's Environmental Strategy

Business carbon footprint commitments

- 10.4 Regarding the Environment and Sustainability commitments, one stakeholder questioned who should pay for the reduction in WPD's business carbon footprint – feeling it was perhaps inappropriate for the customer to have to pick up this business cost (E083).
- 10.5 A local authority stakeholder suggested perhaps WPD can work with other people actively to use its substations as places to locate solar. Also, a local enterprise partnership said that rooftop PV is very important and there should be more upwards action towards government (E083).
- 10.6 A community energy group stakeholder said they know WPD is working closely with local authorities who all have different zero carbon targets. Would it be more efficient to operate regionally? To prioritise and decarbonise areas that have the most ambitious targets first (E083).
- 10.7 A local authority stakeholder thinks that there needs to be a total attitude change from government, individuals, and businesses to reduce journeys, energy use and the number of things that they buy, commenting that we do not seem to be there yet, but things are moving in the right direction slowly (E089).

Commitment 40: Reduce internal Business Carbon Footprint to be Net Zero by following a verified Science-Based Target to limit the climate impact of our activities

- 10.8 For the commitment to "Reduce internal Business Carbon Footprint to be Net Zero by following a verified Science-Based Target to limit the climate impact of our activities", the majority of stakeholders (52%) voted for Option 4 for this commitment, demonstrating they wanted WPD to be as ambitious as possible – achieving Net Zero by 2028. 3% said they wanted to suggest an alternative commitment. However, the majority (47%) of WPD staff disagreed and chose Option 2 (E083).
- 10.9 This commitment was also tested in a social media poll. The majority of respondents (61%) wanted WPD to be more ambitious, and voted for Option 4, in agreement with the views of stakeholders (E083).
- 10.10 Stakeholder pushed for zero net carbon to be brought forward to 2030 and even sooner than 2028 by doing something drastic. It was suggested splitting the commitment in two, having one commitment to reduce WPD's own carbon footprint and one commitment to support the country to do the same (E083, E089). However, as one stakeholder pointed out, WPD would not achieve Net Zero if there were still

SF6 losses on the network (E083).

- 10.11 Several stakeholders sought clarity on what the commitment meant – for example, how WPD intended to achieve this, what the cost implication is and whether it just related to their carbon footprint or the whole of the UK. An online stakeholder would be in favour if it means getting as many EVs as possible, but not if it means forcing innocent customers to go digital for their billing (E083).
- 10.12 One stakeholder suggested establishing an independent body responsible for enabling net zero infrastructure at a local level to help achieve integrated cross-sector working (E083).

Commitment 41: Replace our transport fleet with non-carbon technology where practical

- 10.13 For the commitment to "Replace our transport fleet with non-carbon technology where practical", the largest proportion (40%) agreed with WPD's proposed commitment, voting for Option 2: replace vehicles at end of life. However, a significant proportion wanted to see more ambition with 22% voting for Option 3 (an accelerated programme, with 89% of fleet to be non-carbon vehicles by 2028) and 33% voting for Option 4 (an accelerated programme with 100% of fleet vehicles non carbon by 2028). 5% wanted to suggest an alternative commitment. The majority (67%) of WPD staff chose Option 2 (E083).
- 10.14 This commitment was also tested in a social media poll. In the poll, 49% opted for Option 2 and the same proportion chose Option 4 (E083).
- 10.15 One stakeholder urged the company to lead the way by ensuring the fleet vehicles operated as vehicle to grid and / or battery back-up, another asked what was done with the vehicles that were replaced, and one more questioned whether it should be the customer that pays for this (E083).
- 10.16 A stakeholder asked, with transport, is the aim to be totally green within ED2 or sometime later? Those things are important to the background of this (E089).
- 10.17 An academic institution urged WPD to adopt a science-based target to calibrate the scale of their ambition. Embodied carbon emissions in WPD infrastructure can be a significant driver in addition to generating renewable electricity. They noted that Hungarian Water's recent presentation was good, and that WPD could learn from them (E089).
- 10.18 A business customer criticized the ambition to have the company's entire fleet electrified by 2025, as it is virtually impossible for workers to charge on the go at the moment due to the limited scope of the EV charging network, particularly with the size of WPD's operating area. Another agreed that there needs to be far more investment in EV charging points to enable electrified company vehicles to get around, saying it would defeat the whole point if an EV driving to a remote rural location had to use a

dirty diesel generator to charge up (E089).

10.19 Referring to the idea of WPD setting an example, one stakeholder suggested that a sign on the side of WPD vans reading 'I'm electric' would be a simple way to do this (E089).

Commitment 42: Install renewable local generation at all suitable offices and depots

10.20 The commitment to "Install renewable local generation at all suitable offices and depots", presented a binary choice to stakeholders. 95% agreed with the commitment, while 5% wanted to suggest an alternative (E083).

10.21 One stakeholder suggested also looking at biogas and biofuels to provide greater reliability to wind and solar schemes. Another stakeholder urged WPD not to greenwash, stating that renewable generation should be installed at offices where it is a good idea – not just as a PR exercise (E083).

WPD's Environmental Action Plan

Offsetting to reduce carbon footprint

10.22 The question of whether WPD should use offsetting to reduce its carbon footprint provoked much debate. The consensus was that offsetting amounted to kicking the can down the road rather than a solution to carbon emissions and should only be used as a last resort, with many stakeholders expressing this view. A business customer pushed for a holistic approach being rolled out in collaboration with other DNOs and the Network Grid (E089).

10.23 A storage and renewables provider / installer, however, argued that with SF6 use predicted to grow and the gas taking more than 1,000 years to decompose in the atmosphere, offsetting needs to be a fairly prominent solution in the medium term, rather than simply a last resort. In addition, a local authority stakeholder said that instead they would support would be some kind of insetting scheme (E089).

10.24 This division of opinion was reflected in the electronic voting, with just 17% of stakeholders agreeing or strongly agreeing that WPD should be using offsetting, 42% disagreeing or strongly disagreeing and 42% remaining neutral on the issue. Some stakeholders saw a middle way, with offsetting providing the breathing space to help new technologies get off the ground (E089).

10.25 Stakeholders discussed alternative solutions, such as peat bogs, which are excellent carbon sinks. WPD was urged to regenerate these areas back from agriculture; otherwise, carbon offsetting could become an excuse. However, a community energy group stakeholder said they will plant saplings that grow very slowly over 20 years. The carbon capture then does not happen for decades (E089).

10.26 An energy consultant stated that offsetting is good, but your priority should be to reduce your impact. As for doing your own offsetting, most of the times where WPD is

impacting diversity they do not own the land. If you controlled the long-term lease of the land, you could do more offsetting, so it could be interesting, but it must be the last resort where you cannot mitigate at source. A local authority stakeholder said that WPD could do your carbon offsetting internally. You can have a self-referencing strategy. (E089).

Supply chain and contractors

10.27 The majority of stakeholders (70%) agreed or strongly agreed that WPD should weight the carbon reduction performance of contractors at least as highly as cost and safety, while one stakeholder suggested that the simplest approach to reducing Scope 3 emissions would be to incentivise suppliers and contractors, with funding mechanisms in place to offset any losses (E089).

10.28 However, stakeholders pointed out various obstacles to this approach, including contracts that were agreed before the declaration of a climate emergency and the lack of reporting capacity among smaller suppliers, which could result in WPD only working with large suppliers owing to more stringent rules. Moreover, an energy consultant said their problem with using ISO accreditation is that it would affect the competitions market (E089).

10.29 A business customer said we need to make sure all of the targets pushed on contractors are applied to the business itself, so we can all feel we have an equal role. One stakeholder wanted to see the actions of others properly considered in a dynamic fashion. They proposed a much deeper working relationship between electricity DNOs and other actors in the local energy system on a day-to-day and detailed location basis, using digital, geospatial intelligence (E089).

10.30 Responsible supply chains would be a massive issue in the future, one stakeholder said, suggesting making innovation and quality a higher-award target on tenure bids and contracts, while another suggested that a scheme involving working with schools would be money well spent in terms of pursuing WPD's long-term environmental goals (E089).

10.31 A local authority stakeholder commented that in the plenary, there was a distinction between Scope 1, 2 and 3 emissions. Scope 2 includes electricity. They asked if WPD's strategy included an assumption that grid electricity is going to go to zero carbon by 2050? Because that would grossly affect its strategy (E089).

Other

10.32 WPD was urged to play a bigger role in educating and helping people as an 'enabler', and a local authority urged WPD to push the conversation forward about using cars less and adopting smart travel (E089).

10.33 A local authority representative raised the need to balance environmental measures with their impact on communities, giving the example of the phasing out of red diesel

and the knock-on effect of that cost to households in rural areas (E089).

Conflicting feedback:

Stakeholders strongly debated whether WPD should use offsetting to reduce its carbon footprint:

1. Most stakeholders argued that offsetting is just kicking the can down the road and should only be used as a last resort.
2. Other supported that offsetting needs to be a fairly prominent solution in the medium term, rather than simply a last resort.
3. One stakeholder supported having some kind of inseting scheme.
4. Stakeholders also discussed alternative solutions, such as peat bogs.
5. When voting, 17% of stakeholders agreed or strongly agreed that WPD should be using offsetting, 42% disagreed or strongly disagreed and 42% remained neutral on the issue.

Stakeholders also debated whether WPD should weight the carbon reduction performance of contractors at least as highly as cost and safety:

1. 70% voted that they agree or strongly agree for WPD to be doing as such.
2. Some stakeholders disagreed saying that this would only favour larger suppliers and exclude smaller ones, which lack reporting capacity.
3. It was also noted that contracts agreed before the declaration of a climate emergency would also be an obstacle to this approach

Sub-topic: Broader environmental impacts

What we heard in early 2021:

Stakeholders were very passionate on the broader environment and supported measures to reduce carbon emissions, plastics, and waste. They were particularly interested in minimising the effect of the network on biodiversity, such as the effects of tree trimming on nesting, and although resonated with the initiative to remove overhead lines in Areas of Outstanding Natural Beauty, they were concerned that underground lines will be more disruptive.

Summary of Phase 4 feedback

- 11.1 23%, a high proportion relative to other topics, wanted to suggest alternative commitments for the topic of Broader environmental impacts. Stakeholders noted that there were no commitments relating to replanting trees, collaborating with local climate groups, and especially about biodiversity. Stakeholders supported aligning with the UN's SDGs and promoting closer collaboration and engagement with WPD.
- 11.2 For the commitment to 'Reduce leaks from fluid filled cables', 43% voted for a 50% reduction in leaks, while the same proportion voted for a 30% reduction, with much discussion on whether this is more important than spending resources on other areas of the Action Plan.
- 11.3 46% voted for the greatest level of ambition for the commitment to 'Replace the poorest performing Extra High Voltage fluid filled cables (FFC) on our network', to replace 90km of fluid filled cables, followed by 34% agreeing with the current level of ambition, to replace 70km. Moreover, 44% voted for a 10% reduction in relation to the commitment to 'Reduce SF6 losses from that in RIIO-ED1', followed by 37% which agreed with the current level of ambition, a 10% reduction. Again, there was conflicting feedback on the latter commitment, between recognising SF6 as a harmful substance to be removed from the network, and concern about the cost of replacement and whether resources would be wasted.
- 11.4 Although 94% agreed with the commitment that 'All PCB contaminated equipment will be removed from the WPD network by 2025', there was discussion about whether removing it is the right thing to do if it is not disposed of properly and what it would be replaced with. Stakeholders also wanted the highest level of ambition for both waste-related commitments, voting for a 30% reduction in tonnage of waste, and for achieving zero waste to landfill. However, it was commented that ensuring materials are actively reused might be more important.
- 11.5 The commitment 'We will remove targeted overhead lines in Areas of Outstanding Natural Beauty' had 39% wanting to remove 40km, 33% wanting more – 50km, but also 16% wanting to reduce the level of ambition from what is currently delivered.

Furthermore, one stakeholder expressed surprise that single-phase cables are still being used, and another wanted to ensure the size did not limit future load growth, while 93% agreed with the commitment 'Where a low voltage mains cable is required it will be a minimum size of a 300mm² cable and the smallest pole mounted transformer size will be 50kVA single phase to reduce technical losses'.

- 11.6 A total of **205** pieces of feedback were collected for the broader environmental impacts during phase 4 engagement, which adds to the 113 pieces collected during phase 3, **182** pieces collected during phase 2, and further **4** pieces collected during phase 1.

Detailed Feedback

Feedback for the Broader environmental impacts can be divided into three themes:

- Broader environmental impact commitments
- Biodiversity
- WPD's Environmental Strategy

Broader environmental impact commitments

- 11.7 In terms of what had changed as a result of Covid-19, the comment was made by several stakeholders that the use of open green spaces during the pandemic had further enhanced the need for undergrounding schemes to improve visual amenity (E083).
- 11.8 When asked in the online workshop whether stakeholders wanted to suggest alternative commitments for this topic, 23% disagreed and strongly disagreed, demonstrating they supported the proposed commitments as they stand. The largest proportion (53%) voted neutral. However, 23% agreed or strongly agreed that they wanted to suggest alternatives – relative to other topics this was a high proportion (E083)
- 11.9 On average, Environment and Sustainability ranked highest (2.97/5) out of all 12 Business Plan topics, indicating stakeholders felt there were commitments missing for this topic (E083).
- 11.10 Regarding the Environment and Sustainability commitments, stakeholders noted that there were no commitments relating to replanting trees to mitigate the action you take, in the draft Business Plan and urged WPD to address this. You could also tap into opportunities to support microgrids (E083).
- 11.11 A local authority stakeholder suggested to collaborate with local climate groups. As a councillor, they have lots of people wanting to know how they can help, so they need to be able to signpost them to get the answers they want. For example, a leaflet or booklet from WPD that we can pass on providing information on climate change in terms of electricity. Making clear(er) what channels are available for both individuals, organisations, and activist groups to approach WPD on efficiency and climate change advice in their local area. Share corporate knowledge with the local authorities and beyond (E083).

Commitment 43: Reduce leaks from fluid filled cables

- 11.12 For the commitment to "Reduce leaks from fluid filled cables", one third of stakeholders (43%) wanted a high level of ambition on this commitment, voting for Option 4: 50% reduction in leaks from fluid filled cables. The same proportion (43%) voted for Option 2, which related to WPD's proposed ambition to deliver a 30% reduction in leaks. 8% of stakeholders wanted to suggest an alternative commitment. The majority (67%) of

WPD staff disagreed and chose Option 2 (E083).

11.13 Several felt they needed more information to understand the scale of the challenge and the impact of each level of investment. One stakeholder explicitly stated that the benefit needs to be balanced against the substantial cost, and another stakeholder wanted the commitment to include something about removing the cables safely. Additionally, one stakeholder felt this Commitment (43) should be combined with Commitments 44 and 45 (E083).

11.14 Four stakeholders did urge WPD to be ambitious with this commitment, seeing it as a priority area for the company – with two requesting that WPD reduce these leaks to zero, while one suggested WPD gradually remove them over several regulatory periods as it is too much to achieve in one price control (E083).

11.15 Stakeholders were also asked whether WPD should be more ambitious on replacing fluid filled cables or whether resources would be better spent on other areas of the Action Plan. Several felt they would need to know more about the whole carbon life cycle of the equipment, what alternatives to SF6 were available, how quickly they could be rolled out, and what indirect environmental costs or benefits these would generate, to make an informed judgement (E089).

11.16 Others wondered what impact the incoming resin technology would have on the problem. This quandary was reflected in the electronic voting, with just over half of voters (56%) saying that WPD's level of ambition was about right, and the remaining vote fairly evenly split between those who thought WPD should do more and those who thought the company should do less (E089).

11.17 The general consensus seemed to be that it was better to monitor and manage existing fluid filled cables so as to minimise the impact of any leaks, while focusing resources on more cost-effective initiatives in other areas of the Action Plan (E089).

Commitment 44: Replace the poorest performing Extra High Voltage fluid filled cables (FFC) on our network

11.18 For the commitment to "Replace the poorest performing Extra High Voltage fluid filled cables (FFC) on our network", the largest proportion of stakeholders (46%) voted for the greatest level of ambition for this commitment: replacing 90km of fluid filled cables (Option 4). The second highest proportion (34%) agreed with WPD's current level of ambition, voting for WPD to replace 70km of fluid filled cables (Option 2). 6% wanted to suggest alternative commitments. The majority (72%) of WPD staff disagreed with stakeholder views and opted for Option 2 (E083).

11.19 Stakeholder requested more context to understand the proportion of cable this would replace and the cost associated, while one wanted to ensure that whatever replaced these cables was carbon neutral. Two stakeholders expressed concern about what would be done with the old cables and felt that they should not be left in the ground (E083).

Commitment 45: Reduce SF6 losses from that in RIIO-ED1

- 11.20 For the commitment to "Reduce SF6 losses from that in RIIO-ED1", the largest proportion of stakeholders (44%) wanted to see a high level of ambition for this commitment, voting for Option 4: a 20% reduction in SF6 losses. The second highest proportion (37%), however, agreed with WPD's current level of ambition, voting to reduce SF6 losses by 10% (Option 2). 10% wanted to suggest an alternative commitment – which was a relatively high percentage compared to other commitments. The majority (53%) of WPD staff chose Option 2 (E083).
- 11.21 Three stakeholders sought greater clarity to understand the scale of the problem. One stakeholder urged WPD to work in collaboration with industry partners on this issue and advise on alternative equipment to be adopted by providers (E083).
- 11.22 An energy consultant stated that on SF6 they liked how other opportunities were linked with greenhouse gases. They think this is a balanced approach. Cost abatements would be an additional level of detail beyond the qualitative level (E089).
- 11.23 A parish/ community council noted that the SF6 standard is 5% currently. They added that it is almost impossible to get to 2.5%, and asked how is WPD going to reduce these losses? Go back to oil? (E083).
- 11.24 Stakeholder also faced a dilemma with the issue of SF6 gas, with many recognising it as a harmful substance that should be removed from the network yet expressing concern about the cost of replacement and whether resources would be wasted. Cautionary notes were sounded by some stakeholders, who argued that if WPD were equivocal about the potential harm of SF6, it would send out the wrong message (E089).
- 11.25 A utility stakeholder noted that SF6 is a real concern with leaks into SSSIs, for example. It would be taking a hit in these high-risk areas, rather than replacing the [whole] network. An energy consultant also stated that 80% of SF6 is used by the electrical distribution industry. If WPD does not do anything about it, no-one else will (E089).
- 11.26 A local authority stakeholder discussed that although SF6 is only a small amount of leakage, it is still 21% of the overall footprint, which is massive. The replacement gas should be included in the strategy as a key performance indicator (E089).
- 11.27 Several stakeholders were in favour of a more nuanced and targeted replacement plan, replacing older cables that were more likely to leak and those that were located where a leak would cause the most environmental damage. However, energy consultant stated it should be risk managed and replaced on failure rather than going in and replacing it for no reason (E089).
- 11.28 A consumer body stakeholder expressed that there is the strategic investment fund for businesses like WPD and other DNOs to come together and look at innovative solutions together. So, with SF6, they can work together to find better alternatives (E089).
- 11.29 A local authority stakeholder proposed that WPD needs to think about the potential damage if something goes wrong. It is like nuclear power plants; they are very good,

but when they go wrong the damage is catastrophic (E089).

11.30 An energy aggregator commented that one thing not explicitly mentioned is the security of the data. The data needs to be secure and free from any kind of abuse or possible theft (E089).

Commitment 46: All PCB contaminated equipment will be removed from the WPD network by 2025

11.31 The commitment "All PCB contaminated equipment will be removed from the WPD network by 2025", presented a binary choice. 94% of stakeholders agreed with the commitment, while 6% wanted to suggest an alternative (E083).

11.32 One stakeholder urged WPD to focus on replacing PCB contaminated equipment near groundwater sources, as they present the highest risk (E083).

11.33 A stakeholder questioned whether removing the equipment is the right thing to do as it will just move it somewhere else without it being disposed of properly. One stakeholder wanted to understand what the equipment would be replaced with, and another expressed concern that WPD would not be able to commit to replacing it all without being able to sample it because it is sealed (E083).

Commitment 47: Reduce tonnage of waste per £ total business expenditure

11.34 For the commitment "Reduce tonnage of waste per £ total business expenditure", the majority (49%) wanted the greatest level of ambition for this commitment, voting for a 30% reduction in tonnage of waste (Option 4). 5% wanted to suggest an alternative commitment. However, the majority (67%) of WPD staff disagreed with stakeholder views and chose Option 2 (E083).

11.35 An online stakeholder asked if none of your waste recycled, saying that surely WPD should be reducing waste produced and recycling that which is produced, as this should also yield a bit of money (E083).

Commitment 48: Reduce the volume of waste we send to landfill (excluding hazardous waste)

11.36 For the commitment to "Reduce the volume of waste we send to landfill (excluding hazardous waste)", the vast majority of stakeholders (69%) wanted the highest level of ambition for this commitment, voting for Option 4 (to achieve zero waste to landfill). Only 1% wanted to suggest an alternative commitment. However, the majority (69%) of WPD staff disagreed and opted for Option 2 (E083).

11.37 This commitment was also tested in a social media poll. The majority of respondents (52%) wanted WPD to be more ambitious and voted for Option 4, in agreement with stakeholder views (E083).

11.38 A local authority stakeholder wanted to know whether zero waste to landfill includes incineration. If so, that would be a massive greenwash. A business customer agreed

that zero waste to landfill needs to focus far more on ensuring that materials are being actively reused, rather than efforts on stopping them being sent to landfill. This approach cannot be just about landfill targets (E089).

11.39 Four stakeholders expressed explicit support for zero waste to landfill. Other comments included prioritising types of waste, so it is clear which ones are being targeted. One stakeholder wanted separate reference to what would be done with hazardous waste, while another stakeholder encouraged WPD to allocate any non-recyclable material to be used to create energy from waste (E083).

11.40 A storage and renewables provider / installer said WPD should look to go further long-term by looking into new technological solutions which would reduce waste sent to landfill (E089).

Commitment 49: We will remove targeted overhead lines in Areas of Outstanding Natural Beauty

11.41 The votes for the commitment "We will remove targeted overhead lines in Areas of Outstanding Natural Beauty", were quite evenly spread among the different options. In fact, unlike most other commitments, there was a sizeable vote (16%) for Option 1 – to reduce the level of ambition from what is currently delivered. The largest proportion (39%) agreed with WPD's current proposal to remove 40km of overhead lines. However, one third (33%) wanted the highest level of ambition, voting for Option 4 – removing 50km of overhead lines. 8% also wanted to suggest alternative commitments. Moreover, the majority (69%) of WPD staff agreed and chose Option 2 (E083).

11.42 This commitment was also tested in a social media poll. The significant majority of respondents (70%) wanted WPD to go even further and voted for Option 4, in contrast to the views of stakeholders and staff (E083).

11.43 In general stakeholders expressed support for undergrounding lines in AONBs, with one noting the dual benefit of also helping network resilience. However, one stakeholder noted that areas aside from AONBs also deserved consideration. Also, one stakeholder felt that this commitment was not the highest priority at this current time (E083).

11.44 A stakeholder noted that the negative impacts on biodiversity needed to be taken into consideration, while another stakeholder urged more creative and innovative approaches to funding undergrounding as the current costs are prohibitive. One stakeholder commented that WPD should use CTS-enabled cables as they perform better underground than conventional cables, with lower earth leakage (E083).

11.45 An online stakeholder said that WPD does not have a good track record for delivering visual amenity projects. Information included in the Ofgem consultation document from last year (see Table 44 on p.152) shows clearly that WPD is underspending in the current period compared to most other DNOs. For example, while some of the other DNOs have spent more than 40% (and up to 66%) of the allowance to date in the regions they are responsible for, spending in all of the WPD regions is considerably less than average and in one case [EMIDS] is only just over 1% of the allowance. In

our view, WPD should not be allowed to use the slow progress in the current price control period as a justification for setting lower targets for the next period (E083).

11.46 Another stakeholder criticised WPD's ED1 consultation in relation to undergrounding schemes in National Parks and AONBs and expressed concern about the approach that will be taken in ED2. They said that National Parks and AONBs are a national asset and Ofgem WTP research determined expert allocations of customer willingness to pay to see landscapes improved and thereby set targets for DNO ambition. WPD then consulted on a set of options, all of which were below the full amount of allocation stipulated by Ofgem. This was not a transparent consultation and led to a biased choice in WPD's Business Plan consultation. They entirely fail to understand WPD thinking on this matter (E089).

Commitment 50: Where a low voltage mains cable is required it will be a minimum size of a 300mm² cable and the smallest pole mounted transformer size will be 50kVA single phase to reduce technical losses

11.47 The commitment "Where a low voltage mains cable is required it will be a minimum size of a 300mm² cable and the smallest pole mounted transformer size will be 50kVA single phase to reduce technical losses", presented stakeholders with a binary choice. 93% supported the commitment, with 7% wanting to suggest an alternative (E083).

11.48 Comments related to ensuring that the sizes did not limit future load growth. One stakeholder expressed surprise that single-phase cables are still being used, having understood that all future cables would be three-phase. One stakeholder sought further clarity on what the current level of network losses is, while another urged a very high level of ambition so that losses were reduced to almost nothing (E083).

11.49 A stakeholder commented suggesting that WPD use CTS-enabled cables as they provide the benefits of lower losses and increased capacity, without needing to increase the amount of copper, which has high carbon production costs (E083).

Biodiversity

11.50 Two stakeholders noted that there were no commitments relating to biodiversity in the draft Business Plan and urged WPD to address this by including a biodiversity action plan to help protect and enhance the environment, while one noted that the responsibility to protect the local and regional environment from damage by WPD's activities appears to be specific to protected flora and fauna species (E083, E089).

11.51 Stakeholders asked for more detail on how WPD plans to promote biodiversity and whether the Environmental Strategy would be rolled out to contractors. It was also suggested that WPD was in a position to be an exemplar in terms of using innovation to promote biodiversity (E089).

11.52 A business customer liked the idea of a biodiversity net gain [mentioned in the Environment Action Strategy] and thinks it is fantastic, but in its strictest form, it needs 30 years to be counted. WPD needs to look at biodiversity more broadly, with a greater

community focus (E089)

11.53 An environmental group stakeholder said that biodiversity is affected by leaking cables, so you need to be looking at which cables to replace based on where they are and how much SF6 they are leaking. Also, it is about the full lifetime carbon of cables. What is the carbon intensity of self-healing cable fluid compared to cable replacement? All of these things need to be compared as opposed to having a mere cost comparison (E089).

WPD's Environmental Strategy

11.54 When asked to vote on what WPD should prioritise in ED2, stakeholders rated transport as the top priority, with a score of 3.2 out of 5 for importance, and fugitive emissions such as SF6 as the lowest priority, with a score of 1.77 out of 5. Sandwiched between them were fuel combustion (2.57 out of 5) and building energy use (2.46 out of 5) (E089).

11.55 Regarding what stakeholders think of WPD's overarching strategy and whether it has got the balance right, there was broad consensus that the scope and ambition of WPD's Environmental Strategy was impressive, but stakeholders wanted more detail on its implementation, including targets and timescales (E089).

11.56 Stakeholders' approval of the general direction of WPD's strategy was reflected in the electronic voting, when no attendees disagreed with the focus areas identified by WPD for Net Zero and Environmental Responsibility. Stakeholders broadly agreed that WPD had identified the right focus areas for Environmental Responsibility. In the electronic voting, they awarded WPD an average score of 4.0 out of 5 (1= strongly disagree, 5 = strongly agree), with 87% either agreeing or strongly agreeing that WPD's strategy was focusing on the right areas (E089).

11.57 Some stakeholders agreed with the idea that WPD should be more ambitious, particularly with regard to the transition of its fleet to EVs; vehicle-to-grid technology; looking at technological solutions to reduce waste sent to landfill; and increasing the amount of waste re-used, rather than simply kept out of landfill (E089).

11.58 Various missing focus areas were suggested, including balancing visual amenity with biodiversity when undergrounding cables, providing clarification on what customers need to tell WPD when they want an EV charger or heat pump installed, collaboration with external organisations, a review of WPD's asset specifications and a plan for balancing the company's Environmental Responsibility goals with the need to address fuel poverty. A local authority stakeholder further suggested that there should be a commitment to provide advice to customers, developers, whoever, to suggest that 'you could go down that BAU route or you could go down another route' (E089).

11.59 A local authority stakeholder said they want to know whether WPD is setting out to reduce pension investments in fossil fuels as part of this strategy (E089).

11.60 One stakeholder argued that given the difficulties of carrying out accurate cost–benefit analyses for various initiatives, WPD needed a consistent framework against which to compare the environmental impact of all options (E089).

United Nations Sustainable Development Goals (SDGs) alignment

11.61 Aligning with the United Nations Sustainable Development Goals (SDGs) was widely seen as a good idea, with 82% of attendees agreeing or strongly agreeing that adopting some of the SDGs would add value to WPD’s strategy, leading to an average score of 4.1 out of 5 (1= strongly disagree, 5 = strongly agree). Some stakeholders queried why WPD was focusing on just three of the SDGs, rather than embracing all of them. A business customer was disappointed not to see anything about working with small to medium-sized enterprises (SMEs) or employing people from local communities, saying that in their own organisation, this kind of activity was tied to the SDGs (E089).

11.62 A consumer body agreed that there should be one target, but I believe the UK government should set their own targets rather than be led by the UN (E089).

11.63 An energy consultant commented that it is a bit concerning that UK productivity is not mentioned, and that people’s domestic quality of life should not suffer, so they would like to see that as some sort of aim on there (E089).

11.64 WPD’s role as an ‘honest broker’ in the electricity market was seen as highly important, making it well placed to advise community groups. Stakeholders also addressed the point of WPD engaging in a more collaboratively way to help community groups. One said that one area that is important to link into is the emerging hydrogen economy. WPD should have a commitment to play a role as part of the wider green economy rather than just within its own business (E089).

Stakeholder involvement

11.65 In response to how would stakeholders like to be involved in WPD’s environmental journey, stakeholders mentioned getting the necessary infrastructure support to meet their decarbonisation targets. A business customer said that WPD has got a huge role to develop in being proactive, in bringing realism to the market. They criticized that there is a huge gap about governments and pseudo bodies like Ofgem not actually knowing what the real picture is, and somebody needs to bring them down to Earth (E089).

11.66 An energy consultant proposed having a dedicated page for what problems WPD is trying to solve, so that people can work on them and offer help. Similarly, a business customer said that at the airport they have an environmental and sustainability department, and they would have a lot of interest in this area, so it would be good for them to share best practice with WPD. They are really committed to achieving carbon neutral in the organisation (E089).

11.67 A consumer body stakeholder was interested in getting involved with tree management (E089).

11.68A local authority stakeholder suggested more sessions like this but with more facts and figures. A trade association stakeholder also added that it should be a two-way conversation, and said they need more information before we can provide their feedback. Responding to the question: "What are your views on the process WPD has followed to determine the WPD best view? E.g. Are there any other stakeholders we should be engaging with, or datasets we should be using, to improve our approach?", one stakeholder agreed and critiqued the process for not giving clear enough indications of the scale of certain problems or the risks involved, giving the example of contaminants and oil leaks as an area without sufficient context for stakeholders to be able to make informed decisions about the best option (E089).

Other

11.69A local authority stakeholder made a comment that they use WPD's carbon calculator quite a bit and feel the company could promote that more because not many people are aware of it. It would be a good thing to publicise it more (E089).

Conflicting feedback:

Regarding the commitment to 'Reduce SF6 losses from that in RIIO-ED1':

1. Stakeholders recognised SF6 as a harmful substance that should be removed from the network, with some even pushing for a total removal.
2. Several stakeholders however, supported having a more targeted replacement plan, replacing older cables that were more likely to leak and those that were located where a leak would cause the most environmental damage
3. Some expressed concern about the cost of replacement and whether resources would be wasted.
4. When asked whether resources would be better spent on other areas of the Action Plan, the issues of cost, the existing alternatives and if they are market-ready were raised.

Regarding the commitment 'We will remove targeted overhead lines in Areas of Outstanding Natural Beauty':

1. The dual benefit of this commitment also helping network resilience was highlighted.
2. One stakeholder noted the fact that the use of open green spaces during the pandemic had further enhanced the need for undergrounding schemes to improve visual amenity.
3. Another stakeholder believed that this was not the highest priority at this current time.
4. However, this is in contrast to only 8% wanting to suggest an alternative to the original commitment.

Regarding WPD's environmental strategy:

1. In general, the strategy was supported. 87% either agreed or strongly agreed that WPD's strategy was focusing on the right areas.
2. Various missing areas were identified, such as balancing visual amenity with biodiversity.
3. Stakeholders agreed that WPD should be more ambitious, particularly with regard to the transition of its fleet to EVs; vehicle-to-grid technology; looking at technological solutions to reduce waste sent to landfill; and increasing the amount of waste re-used, rather than simply kept out of landfill.

High-level topic: Delivering future energy networks

Sub-topic: Connections

What we heard in early 2021 :

Connections was an important topic for stakeholders, gathering once again a significant volume of feedback. Firstly, in terms of the application process, there was appetite for early engagement and support, especially with community energy groups, more availability of information on the process itself, and most prominently on capacity. Secondly, stakeholders felt that prioritising community energy groups when capacity exists is important to get them motivated to participate, otherwise they lack expertise in the connections area and tend to lack funding in the beginning of projects, making it harder for them to secure the connections. Stakeholders called for a joint-up approach and more collaboration and early planning for connections, including strategic investment and promoting competition. Thirdly, stakeholder had extensive discussions on different connections, including three-phase connections, with some stakeholder agreeing with their benefits and their contribution in facilitating net zero, and others expressing concerns over practical limitations and the increased costs to customers and developers. Alternative connections were also discussed stressing the importance of flexibility. Low carbon connections were also a big theme although stakeholders discussed that they are limited by capacity constraints.

Local authority stakeholders submitted their plans for industrial and commercial, and domestic developments and discussed to what extent Covid-19 has affected those. These have been summarised in a table. Stakeholders also discussed capacity allocation with some favouring developing the network strategically and others developing it reactively.

Summary of Phase 4 feedback

- 12.1 13% of stakeholders wanted to suggest alternative commitments in relation to the Connections topic, with appetite for a more proactive approach to the volume of new connections expected in the future.
- 12.2 96% agreed with the commitment 'We will develop our connections process and improve availability of information so that customers wishing to connect can easily comprehend the process and follow a simple set of rules to apply for a connection', with some asking for more information on cost and speed for commercial connections. There was a lot of discussions around providing accurate, comprehensive, and user-friendly information prior and during the application process, with debate about the use of heat maps. Stakeholders also asked for clear quotation cost breakdown, tailored communication, and having a specified points of contact during the application process.

- 12.3 78% wanted WPD to maintain a 90% customer satisfaction score for connections. It was commented that there is a significant gap in post connection offer to pre acceptance and/or delivery. Stakeholders wanted proactive communication especially with planners and engineers, use of a variety of channels, fast-track for critical infrastructure, releasing capacity that is not being used, and understanding how they can progress in the connections queue.
- 12.4 58% wanted to see a 1% improvement on WPD's performance against Time To Quote and Time To Connect for LCTs, while 29% did want to see the highest level of ambition for this commitment (3% improvement). Some stakeholders felt this was aimed more at smaller customers and wanted it extended to take larger customers into account. Additionally, 53% supported engaging with local authorities and LEPs once every year, to understand their requirements for strategic investment, while 97% also agreed with the commitment to 'Improve cross border working practices between WPD, Independent Distribution Network Operators, National Grid Transmission and the Energy System Operator. Also promote competition in connections. Lastly, 48% voted for an increase to 3 types of flexible connections, and 38% for 5 types, while stakeholders also asked for clarity around curtailment.
- 12.5 A total of **187** pieces of feedback were collected for connections during phase 4 engagement, which adds to the **406** pieces of feedback collected during phase 3, **223** pieces collected during phase 2, and further **23** pieces collected during phase 1.

Detailed feedback

Feedback for Connections falls under one theme:

- Connections commitments

Connections commitments

General

- 12.6 When asked in the online workshop whether stakeholders wanted to suggest alternative commitments for the topic of Connections, on average the largest proportion felt neutral (48%), with 29% disagreeing and 10% strongly disagreeing. 13% did, however, agree or strongly agree that they wanted to suggest alternatives (E083).
- 12.7 On average, across the 12 Business Plan topics, Connections ranked seventh (2.68), which though higher than other topics in this area still came in the bottom half of the Business Plan topics (E083).
- 12.8 When asked to propose alternative commitments, stakeholders did not suggest anything concrete but several stressed that the future will require a different approach given the volume of new connections that are going to be required. There was a desire among these stakeholders to see WPD take a more proactive approach to managing connections which in turn would require more internal resource. Specifically, an online stakeholder stated that WPD will need internal resource capacity in the DSO team or other to discuss non-BAU connection options (e.g., demand ANM, integrating with flexible power contracts ahead of time), and sharing these options to planners and new connection applicants (E083).
- 12.9 In addition, one stakeholder wanted to see options that improved performance without increasing cost. Another stakeholder requested more granular information to be able to better understand the commitments (E083).
- 12.10 An online stakeholder commented that WPD must break out of the 'we will only respond to planning inputs' mindset. Instead, it should be actively engaging with local communities, e.g., in respect of domestic PV and electric vehicles, and use tariff differentials to encourage use of all the spare capacity in the street-level network and provide increases in this capacity in a targeted and well-publicised way. Similarly, using conservative estimates for heat pumps, PV and EV reinforces public apathy and is ultimately to WPD's commercial disadvantage (E083).
- 12.11 A stakeholder said the core commitments all appear to cover all of the key priority areas. However, ensuring that connections can be completed efficiently and at a reasonable cost should be a leading focus for this price control period, as well as alternative measures to relieve grid constrained areas and promote green economic growth (E083).

Commitment 16: We will develop our connections process and improve availability of information so that customers wishing to connect can easily comprehend the process and follow a simple set of rules to apply for a connection

- 12.12 For the commitment to "We will develop our connections process and improve availability of information so that customers wishing to connect can easily comprehend the process and follow a simple set of rules to apply for a connection" the majority of stakeholders (96%) agreed with this commitment, with only 4% wanting to suggest alternatives. Several stakeholders explicitly supported the provision of more information to improve network visibility and transparency (E083).
- 12.13 One stakeholder wanted this commitment to include information on cost and speed for commercial connections, and another stakeholder stressed the low level of understanding among some connections customers (e.g., local authorities) and the need to improve this understanding (E083).
- 12.14 One wanted the commitment to include more specifics to be able to establish whether it would deliver value for money. Another stakeholder noted that the vast increase in connection requests that will be coming forward in future means it is important WPD is able to meet the current demand (E083).
- 12.15 An energy consultant asked for visibility in terms of network conditions, saying they know WPD has a capacity map but improved granularity around that would be beneficial that so connections can be checked in advance rather than before you start the connections process (E083, E084).

Accurate, comprehensive and user-friendly information

- 12.16 In relation to this commitment, the 1st principle: 'Support connection stakeholders prior to application by providing accurate, comprehensive and user-friendly information' of the Connections strategy was discussed by stakeholders. Specifically about the baseline expectation to "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", stakeholders said they use heat maps regularly, and that they are useful, and provide good balance in information available for people from technical and non-technical backgrounds (E084).
- 12.17 Although they recognised that WPD have gone a long way on mapping over the last few years, they suggested that it would be beneficial to include information for the demand sector (E084). Stakeholders also called for greater detail on the connections portal about upgrades and spare capacity, stressing that data needs to be timestamped to be relevant. It was noted that the online tool is currently quite clunky and could be made more user-friendly (E080).
- 12.18 They suggested the addition of guides to help users interpret the information and a FAQ database. They felt that this would become an increasingly pressing priority as single one-off applications for connections become more common in future with the projected increase in renewable generation and EVs (E080).

12.19 However, others in the discussions noted that it is better to have more detailed information published which can minimise queries taking up planner's time. Alongside this is a feeling that the heat maps are less useful and should not be worked on anymore – they are felt to be misleading in terms of capacity availability. They argued that one size fits all approach is flawed and that time should be spent on improving the data (E084).

12.20 It was asked if WPD could share an online data of their earthing information for the primaries? Some stakeholders said they are always working with worst case scenario fault clearance times and it is taking long time for the WPD. Planners have to confirm if a primary is hot or cold which sometimes delays their design submissions (E084).

12.21 Stakeholders also asked if there could be a "Self Service Budget Estimate". E.g. detailed enough information for connections Customers to carry out their own assessment on a Budget Basis (E084).

12.22 The point was made that anything published on the portal needs to be timestamped; otherwise, customers are forced to second-guess how up to date the information is, which arguably renders any data redundant (E080).

Clear connections process for all customers

12.23 In regard to the 1st Principle's baseline expectation to "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", stakeholders said they are going to see significant volumes of EV applications, so information/process needs to be clear and jargon free (E084).

12.24 Stakeholders then referred to heat pumps/EV installers working to get the process in place with ENA, where an upgrade is required, WPD can consider installation of both EV & heat pump to future proof. Applications for heat pumps & EV should also be tracked and visible so applicants can share costs (E084).

Clear explanations of types of connections, costs and information

12.25 Regarding the 1st principle's baseline expectation to "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", it was discussed that budget quotation options are mostly useful in demand applications, but for generation applications, WPD are suggesting that they will not be picking up any reinforcement works or additional network requirements unless it is a firm offer application. This situation eliminates the advantage of having the option to apply for a budget quotation on generation applications. It was also noted that tertiary offers are working well however, there is need for improvements in clarity (E080, E084).

Capacity availability information

12.26 Regarding the 1st principle's baseline expectation to "Provide clearly signposted information on capacity available to enable points of connection to be identified", stakeholders asked for simplification of the increase process. Essentially, they wanted WPD to enable a capacity check to be undertaken which determines if a simple increase can be applied or if it does need to go through the connections process. There is a feeling that users are reluctant to relinquish capacity (which it is noted is a very simple and quick process) as once they have done, they have to jump through hurdles to ramp back up again. That is not to say that some circumstances will not need to go through the full process – disturbing loads for assessment, constrained areas etc. Moreover, it was pointed out that Tipping Point information would be very useful, and that SSE do this. Additionally this should ideally be available not only for generation but also for demand (E080, E084).

Simple and transparent process

12.27 Regarding principle 2 of the Business Plan to 'Deliver value for customers by ensuring simplicity and transparency through the applications process', and the baseline expectation to "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", stakeholders wanted better communication in regard to the application process. Specifically it was mentioned that just a validation email is not enough, and that more information up front would be useful to avoid putting in multiple applications. It was further suggested that the application process needs to be tailored to the customer to allow choice. Email, Online, etc, and not forced to one route e.g. forced via online web portal only (E080, E084).

12.28 Larger applications prefer the existing email process (note this was compared to other web portal processes that may be not user friendly). It was noted that for the EV application process, it would be useful to have the V process – ability to select pre-approved equipment from a drop down (from ENA table of compliant installations) (E080, E084).

Customer-tailored communication

12.29 Regarding the 2nd principle's baseline expectation to: "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" stakeholders discussed targeted mail outs to previous correspondents (where GDPR can be adhered to – i.e. user signs up in agreement to updates and we'd need a mechanism for periodic review of mailing lists held) (E080, E084).

12.30 Stakeholders were strongly in favour of an online progress tracker for connections applications where customers can check the status of their application and WPD can provide feedback at different stages of the application process. However, the word 'progress' was felt to be quite vague, which implies that stakeholders may want more

granular detail on this tracker, including concrete milestones (E080).

12.31 A business customer added that as a consultant, they could spend 90% of their day answering queries from customers, and they just disappear. They would not be happy with any DNO dedicating a lot of time and effort towards those customers who do not genuinely want to connect. The availability of electrical engineers in the UK is a depleting resource and wasting their time on trivia is not a good use of that resource (E080).

Clear quotation cost breakdown

12.32 Regarding the 2nd principle's baseline expectation to: "Provide customers with clear connection quotation cost breakdowns, listing out the cost components and any assumptions used in the formulation of a connections offer", WPD was asked to provide better breakdowns or more transparent communication on installation costs included within the EHV connection offer (E080, E084).

12.33 Stakeholders also said they are seeing more request for automation on WPD's network, however, every WPD area is approaching this differently and there is no clear process or standard cost to cover their requirements. We have been requested/informed of the following in different WPD schemes and it will be good if WPD had a clear guideline on this when they are producing their connection offers: required to provide and pay for full automation of the switchgear & RTU, required to provide automation on the switchgear while WPD provided the RTU themselves, asked to deliver the switchgear to WPDs depot to get the automation fitted, advised that WPD always pays for the automation and ICPs can claim this back from WPD. However, there is no process in place to follow (E084).

12.34 A stakeholder commented they are dismayed that Ofgem had only just realised that Electricity Connections Offer Expenses was an area of concern from a customer point of view (E084).

12.35 Moreover, a developer added that in connection offers there is no information on when the payment needs to be made or staggered payment options. It is only when the application is accepted that they are told when it should be paid by. It would be good to have clarity on that at the preapplication stage (E080).

Changes to connection requirements

12.36 Regarding the 2nd principle's baseline expectation to: "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", stakeholders said that regarding changes to the customers connection request, instead of being asked to re-submit application could the planner/designer be proactive in contacting the customer giving feedback on the connection, such as their demand tipping point, and have more flexibility on the minor connection requirement changes. This could be time saving for the DNO (E080, E084).

Commitment 17: Maintain a high standard average customer satisfaction for connections

- 12.37 For the commitment to "Maintain a high standard average customer satisfaction for connections", the highest proportion of stakeholders (78%) wanted WPD to maintain a 90% customer satisfaction score for connections – maintaining the same level as today. 6% wanted to suggest an alternative commitment, although it was not clear from the comments what the alternative would be. The significant majority (78%) of WPD staff agreed and opted for Option 2 (E083).
- 12.38 One stakeholder felt if the 90% satisfaction score included major energy users this would be a step forward. Another stakeholder recognised that achieving the last few percentage points is always difficult but urged the highest level of ambition (E083).
- 12.39 One stakeholder pointed out that the customer profile would be varied, e.g., being both a consumer and a generator (E083).
- 12.40 One stakeholder wanted to make sure that there is an emphasis on affordable connections (E083).

Variety of channels

- 12.41 Regarding the 1st principle's baseline expectation to "Provide support and help to customers through appropriate channels which should include, but not be limited to, connections surgeries", it was suggested that WPD should make an assessment/steer to advise the customer about what they need to do, as the customer may not require a full surgery just some relevant information (E084).

Proactively engage with stakeholders

- 12.42 On the 1st principle's baseline expectation to "Have robust processes in place to proactively engage with stakeholders. This should include how the DNO plans to both identify and address connections issues", stakeholders asked for improved communication on changes to their application processes or policies (E080, E084).
- 12.43 As for the content of the surgeries proposed, it was felt that WPD should not just answer questions when asked but should take a more proactive role in educating new or existing connections customers on the ins and outs of the network, constraints, and capacity, with local authority representatives in particular reporting that receiving this information far in advance would help them to future-proof their local plans (E080).

Critical infrastructure

- 12.44 On the 2nd principle's baseline expectation to: "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", stakeholders discussed whether EV street chargers should be considered as critical infrastructure and eligible for 'fast-track' reconnections (E080, E084).

Specified points of contact during the delivery process

- 12.45 Regarding principle 3 of the Business Plan: 'Facilitate the delivery of timely and economical connections that meet customers' needs', and the baseline expectation to "Provide tailored communication plans to suit different customer needs, including the provision of specified points of contact during the delivery process. Ensure various channels are available for customers to access support or help", some said that they have to chase WPD after acceptance, and that there is not much communication from technicians. It would be beneficial to make customers aware of who is involved in scheme post acceptance, and to improve handover process from planner to technicians/project controllers post acceptance E080, (E084).
- 12.46 Moreover, some stakeholders felt that there was a jump from application to delivery, but there is a significant gap in post connection offer to pre acceptance and/or delivery. Improvements required on having access to a system planner or PSD engineer post offer but pre acceptance to enable discussions to determine if the solution issued is the correct one to proceed with. An example was mentioned where engagement was attempted but the planner advised they could not engage with the customer unless they accepted the scheme. Stakeholders were in favour of, for example a list of contacts that are responsible for the delivery of the project e.g. PSD, Projects, Specialists etc (E084).
- 12.47 Overall, stakeholders wanted better transparency of post acceptance programme, clarity on when an engineer will be appointed, provision of a programme/works schedule for the WPD works in relation to ICP installations, as it is currently felt that it can take a long time before WPD admit there is a couple of years before completion of reinforcement for example. An online tracker system would help with this (E084).
- 12.48 Stakeholders further said there is no clear process or transparency on WPD's NC reinforcement works programme. WPD's delivery engineers are always getting involved at a later date, which results in them having no information of specific WPD delivery timescales. It would be useful for WPD to share their programme from design to completion including the payment milestones upon offer acceptance so that we can report this back to our end client and programme our connection works accordingly. The information could be shared via an online project tracker system or simply via an email provided by the WPD delivery engineer. Communications in person are the best solution. This combined with the "Tipping Point" website information would be better for many people (E084).
- 12.49 Turning to the support WPD could provide through connections surgeries, stakeholders commented that human interaction is very valuable given the inevitable obstacles that arise with connections applications, pointing out that an online tool can only go so far. There was some concern that the industry is moving away from this human interaction, with participants feeling that there is no replacement for a one-on-one conversation with a connections engineer (E080).

Cost reconciliation

- 12.50 On the 3rd principle's baseline expectation to: "Complete any cost reconciliation in a timely manner", it was noted that there needs to be an improvement in the refund information, for example to explain why this has been refunded. Moreover, it was

commented that a milestone or KPI for project cost review would be useful. An example was given of WPD going back with additional costs 3 years after project completion, which is unjustifiable – the ICP’s contract with their own client has ended and they cannot go back to them for further payment. It is difficult to justify any costs after a project is energised and handed over to the network operator, so it will be useful if WPD could introduce a deadline period for their invoices and take the responsibility of the costs if they are not progressed prior to the deadline date (E084).

Releasing capacity that is not being used

12.51 On the 3rd principle’s baseline expectation to: "Where there are slow moving projects and where these may impact on other customers, have processes in place for releasing capacity that is not being used", it was noted that WPD's connection offer milestones dates are only focused on the customers. There is nothing covering WPD's works and how the customer milestones are affected by the delays caused by the company. So, stakeholders wanted to improve the consistency of the Application of Milestones, improve clarity on the process and shorten timescales for dealing with evidence of progress (E084).

12.52 It was suggested that WPD could introduce a system of prioritisation for time-sensitive connections applications and seek to obtain greater detail on development plans to ensure that capacity is not reserved unnecessarily (E080).

Connections queue

12.53 On the 3rd principle’s baseline expectation to: "Have processes in place for the promotion of certain types of customers (such as storage) in connection queue in circumstances where they will help others connect more quickly/cheaply", stakeholders asked for more information to understand how a project can move up in the connections queue (E084).

12.54 Additionally some gave an example, that having a greater understanding of each individual development might allow WPD to gain a more detailed picture of the capacity required and thus reduce the need for developers to reserve more capacity than they need in the first place (E080)

12.55 It was felt that WPD could provide enhanced support for new customer and, importantly, market this support effectively to ensure that new customers are reached and engaged. A ‘traffic light approach’ to connections was suggested, which would involve WPD demonstrating how customers could achieve a ‘green light’ for a connection. A business customer proposed WPD need to do more marketing in terms of their connection abilities and the support available to customers to demonstrate they are ahead of the game (E080)

Commitment 18: Improve our performance against Time To Quote (TTQ) and Time To Connect (TTC) for LCTs from RIIO-ED1 Level

- 12.56 For the commitment to "Improve our performance against Time To Quote (TTQ) and Time To Connect (TTC) for LCTs from RIIO-ED1 Level ", whilst the greatest proportion of respondents (58%) wanted to see a 1% improvement on WPD's performance against Time To Quote and Time To Connect for LCTs, a relatively large proportion (29%) did want to see the highest level of ambition for this commitment (3% improvement). 5% wanted to suggest an alternative. The majority (67%) of WPD staff agreed and opted for Option 2 (E083).
- 12.57 Several explicitly stated the TTQ needs to be improved, with one also noting the TTC could be improved on. Others felt the commitment was primarily aimed at smaller customers and wanted it extended to take larger customers into consideration. Specifically, a storage and renewables provider/ installer noted that across the DNOs the delivery process needs cohesive project management and reviews on connections and needs to be more outcome-focused. Take into account the whole gamut of connections revision in terms of size and number. A local enterprise partnership agreed and added that the DNOs could publish agnostic data on every single application and offer, giving the cost of that against the kW connection and start building up an easily accessible database for customers to see roughly what the cost might be for a connection in an area (E083).
- 12.58 Two stakeholders stressed how important understanding connections costs was for customers, with one noting WPD also needs to be more aware of local authority timelines for projects and costs. Another two stakeholders felt the key here is consistency so that customers can better understand what to expect (E083).
- 12.59 A connections provider felt that only seeking percentage improvements underestimates the step change required to deliver on Net Zero and urged a more ambitious approach (E083).
- 12.60 An online stakeholder commented that staff are at breaking point – if you want to improve times, you need more staff (E083).

Commitment 19: Engage with 130 local authorities and local enterprise partnerships to understand their requirements for strategic investment in terms of changes in demand or network use

- 12.61 For the commitment to "Engage with 130 local authorities and local enterprise partnerships to understand their requirements for strategic investment in terms of changes in demand or network use", the greatest proportion of respondents (53%) wanted WPD to be as ambitious as possible with this commitment, voting Option 4 (engaging with local authorities one every year). The second highest (21%) wanted Option 3 (once every two years). 6% of stakeholders wanted to suggest an alternative. However, the majority (56%) of WPD staff disagreed, and opted for Option 2 (E083).
- 12.62 This commitment was also tested in a social media poll. The majority of respondents (46%) voted for Option 4, in agreement with the views of stakeholders (E083).
- 12.63 Stakeholders supported the need for a commitment to engage with local authorities to understand their capacity requirements. In fact, two stakeholders urged WPD to broaden the scope, with one suggesting it include Local Enterprise Partnerships, and

another suggesting other interested parties such as water companies (E083).

Commitment 20: Improve cross border working practices between WPD, Independent Distribution Network Operators, National Grid Transmission and the Energy System Operator. Also promote competition in connections

- 12.64 The commitment to "Improve cross border working practices between WPD, Independent Distribution Network Operators, National Grid Transmission and the Energy System Operator. Also promote competition in connections" presented a binary choice. The majority (97%) supported WPD's proposed commitment. Only 3% wanted to suggest an alternative (E083).
- 12.65 One stakeholder wanted to see other DNOs explicitly included in the commitment, and another wanted more exacting targets rather than to just 'improve'. An online stakeholder asked if WPD has a NPS assessment to inform this? (E083)
- 12.66 Two stakeholders commented on the reference to competition in connections, with one supporting the commitment to promote them if it means more time and money and another feeling it deserved to be a separate commitment in and of itself (E083).

Commitment 56: Increase the range of options for flexible connections

- 12.67 For the commitment "Increase the range of options for flexible connections", the most prevalent response given by stakeholders was Option 2 (3 types) with 48% of the vote. The next most prevalent answer with 38% of the vote was for 5 types. Only 4% of stakeholders stated that they would like to suggest an alternative. The significant majority (75%) of WPD staff agreed with stakeholders and chose Option 2 (E083).
- 12.68 It was suggested that these options should be provided at a postcode and community group level (E083).
- 12.69 An online stakeholder said that it sounds like flexible alternatives are things which might or might not work as well as reinforcement, and asked if customers trade off cost for reliability and then complain when it does not work? (E083)
- 12.70 A stakeholder emphasised the value of flexibility with 3ph chargers (E084).

Proactively engage with stakeholders

- 12.71 On the 1st principle's baseline expectation to: "Have robust processes in place to proactively engage with stakeholders. This should include how the DNO plans to both identify and address connections issues", stakeholders supported that "Flexibility First" principle needs to be pulled into BAU. Currently this is not the reality and only limited flexible technology options are available for specific connections (EHV DG) (E080, E084).

Clarity around curtailment

12.72 Regarding the 2nd principle's baseline expectation to: "Specifically, in relation to flexible connection customers, provide clarity around conditions and circumstances of current and future curtailment associated with a connections offer", stakeholders said that process for assessing flexibility can become convoluted. The customer should be made aware there are innovative options available (E084).

Distributed generation connections

12.73 On the 2nd principle's baseline expectation to: "Provide guidance that explains to customers the criteria to allow a DG connection to be made to ensure compliance with relevant Engineering Recommendations (G98/G99)", stakeholders wanted to improve understanding of process availability of information, and to engage internally and externally to raise awareness (E084).

Conflicting feedback:

Regarding the Connections topic overall:

1. Stakeholders urged WPD take a more proactive approach to managing connections which in turn would require more internal resources.
2. One stakeholder commented WPD should be actively engaging with local communities, to change its 'only responding to planning inputs' approach.
3. However, this is in contrast to 13% wanting to suggest alternatives to the Connections commitments.

Regarding the baseline expectation to "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":

1. Some stakeholders supported that heat maps are useful and provide good balance in information available for people from technical and non-technical backgrounds.
2. Others said that they are less useful and should not be worked on anymore, as they are felt to be misleading in terms of capacity availability, while more detailed information is favoured.

Regarding the commitment to 'Improve our performance against Time To Quote (TTQ) and Time To Connect (TTC) for LCTs from RIIO-ED1 Level'

1. Some stakeholders felt this commitment was primarily aimed at smaller customers and wanted it extended to take larger customers into consideration.
2. It was commented that staff are under considerable pressure, and the achievement of this output would depend on having additional resources.
3. However, this is in contrast to only 5% wanting to suggest an alternative to the original commitment.

Sub-topic: Network flexibility

What we heard in early 2021:

Covid-19, once again, challenged the performance of the network and highlighted the need for upgrades to facilitate the decarbonisation and electrification agenda. It was thought that policy and regulation developments, education, co-operation within different sectors of the smart charging value stream, residential flexibility from electric vehicles will be key drivers of domestic flexibility adoption.

Community groups were thought to need to play an important role, but they require more support and guidance, especially on the technical side. WPD needs to ensure they are not disadvantaged in terms of capacity allocation. Stakeholders were also interested in battery storage and getting WPD's input on strategic investment. One stakeholder wanted WPD to lobby Ofgem to get regulations changed around setting up community battery storage and having access to operate it.

Stakeholders also favoured producing case studies and clear information to demonstrate the benefits of flexibility services to customers, investigate the use of incentives to encourage greater take up of flexibility services. It was also acknowledged that, at present, the rules, and processes for procuring DSO flexibility services are complex and that there is currently a lack of standardisation, which should be addressed.

Summary of Phase 4 feedback

- 13.1 Overall, it was commented that investment in a smarter, digitalised energy network should not happen at the expense of delivering capacity improvements to alleviate the current constraints. An additional commitment was suggested to use remote sensing to help improve the efficiency and resilience of the network, but overall only 13% wanted to suggest alternative commitments for the topic of a Smart, Flexible Network.
- 13.2 94% of stakeholders supported the commitment 'Create and implement simple, fair, and transparent rules and processes for procuring DSO flexibility services and introduce a customer satisfaction monitor to measure the effectiveness of our actions', with a call for external scrutiny. Moreover, 93% of stakeholders supported the commitment to produce forecasts of potential flexibility requirements in order to undertake a flexibility tender every 6 months, with an alternative being that the company's approach should be aimed at encouraging more renewable generation. Also, 93% agreed with the commitment 'Develop a standard to be measured against (using external scrutiny) to demonstrate that we act as a neutral market facilitator to enable accessibility to multiple markets'.
- 13.3 95% supported the commitment for 100% load related reinforcement (primary) decisions to include an assessment of flexibility alternatives, although it was questioned why this is only applied to primary decisions, and it was commented that it

should be made clearer that flexibility is the preferred option over conventional reinforcement on all schemes. Further, it was suggested that WPD should pursue energy efficiency more widely to reduce demand and avoid reinforcement and have an equivalent commitment within the DSO strategy. In addition, for the commitment to 'Ensure that connection offers with a reinforcement requirement are given the option of a flexible alternative', 30% voted for the threshold to offer a flexible alternative having a reinforcement cost of more than £125k per MW and/or works will take more than two years to complete (bill as today), although 49% voted for a reinforcement cost of more than £75k per MW and/or works will take more than 12 months to complete. Lastly, 62% voted for WPD enabling 6% higher than national average of LCT connection volumes.

- 13.4 Stakeholders extensively discussed the DSO strategy and expressed their views on network monitoring, energy efficiency and what is suitable to the role of WPD, and the facilitation of the flexibility market.
- 13.5 A total of 144 pieces of feedback were collected for the network flexibility during phase 4 engagement, which adds to the **104** pieces of feedback collected during phase 3, **103** pieces collected during phase 2, and further **19** pieces collected during phase 1.

Detailed feedback

Feedback for network flexibility can be divided into two themes:

- Network flexibility commitments
- DSO transition

Network flexibility commitments

- 13.6 Nearly all 20 respondents supported WPD's proposal to build a smarter, secure, digitalised energy network on the basis it would make the future network more resilient by helping with constraints and strengthening the network's flexibility and responsiveness (E083).
- 13.7 Several stakeholders urged WPD to duly consider the opportunities of flexibility or other alternative measures to relieve grid capacity without the need for traditional reinforcement. However, two stakeholders did caveat this by saying that investing in a smart network should not come at the expense of delivering capacity improvements. It was added that grid and planning issues are interlinked and if this is not resolved, there is a risk of significant backlash against renewables, jeopardising our climate commitments (E083).
- 13.8 One stakeholder encouraged WPD to develop the role a smart network could have in helping to alleviate fuel poverty, and another wanted to see a commitment to the use of remote sensing to help improve the efficiency and resilience of the network (E083).
- 13.9 When asked in the online workshop whether they wanted to suggest alternative commitments for the topic of A Smart, Flexible Network, 29% of stakeholders either disagreed or strongly disagreed, demonstrating they supported the proposed commitments as they stand. The largest proportion (58%) voted neutral. 13% agreed or strongly agreed that they wanted to suggest alternatives (E083).
- 13.10 On average, this topic ranked second (2.82/5) across all 12 Business Plan topics, indicating stakeholders wanted to suggest different commitments for a smart, flexible network (E083).
- 13.11 It was commented that many of the commitments in this area are interrelated. It was also commented that WPD should promote flexibility services but that this should not involve the curtailment of supply, which can impact the viability of new schemes (E083).
- 13.12 A stakeholder made the point that a definitive commitment should be devised based on the number of charge points or LCTs connected to the electricity grid. This stakeholder stated that they would like to see WPD be more ambitious in this area. Another suggested that WPD engages with the motor industry as the increase in EVs will provide a source of energy storage, which could be useful for electricity networks in order to manage the system (E083).

Expenditure

- 13.13 Only two stakeholders answered the question about the level of expenditure, both of whom felt that an additional 25p per bill should be spent to achieve the highest level of ambition in this area. One stakeholder felt the level of detail in the expenditure plans was insufficient to be able to make an informed judgement (E083).
- 13.14 The proposal to look at lower cost alternatives to providing network capacity was welcomed by two stakeholders; in particular, the use of flexibility, local generation by community groups and battery storage was mentioned (E083).

Commitment 51: Create and implement simple, fair, and transparent rules and processes for procuring DSO flexibility services and introduce a customer satisfaction monitor to measure the effectiveness of our actions

- 13.15 For the commitment "Create and implement simple, fair, and transparent rules and processes for procuring DSO flexibility services and introduce a customer satisfaction monitor to measure the effectiveness of our actions", 94% of stakeholders supported this commitment in the online vote, although 6% – a comparatively high proportion – voted that they would like to suggest an alternative commitment (E083).
- 13.16 One such commitment involved having customer representatives on WPD's Board of Directors in order to provide external scrutiny (E083).
- 13.17 An online stakeholder noted that all of these core commitments are commendable but there are a lot of interdependencies and detail to be considered in order to realise success. For example, Commitment 51 on flexibility procurement, service terms must be 'stackable' in order for them to support a meaningful investment case. Similarly, alternative flexible connection options must be supported by network access / availability terms that make them bankable to new service providers. These features of DSO have to be properly addressed in order to do justice to 'flexibility first' (E083).

Commitment 52: Produce forecasts of potential flexibility requirements in order to undertake a flexibility tender every 6 months

- 13.18 For the commitment "Produce forecasts of potential flexibility requirements in order to undertake a flexibility tender every 6 months", 93% of stakeholders supported WPD's draft commitment to produce forecasts of potential flexibility requirements in order to undertake a flexibility tender every 6 months, although 7% of stakeholders voted to suggest an alternative commitment. When asked for suggestions, one stakeholder suggested that the company's approach should be aimed at encouraging more renewable generation (E083).

Commitment 53: Develop a standard to be measured against (using external scrutiny) to demonstrate that we act as a neutral market facilitator to enable accessibility to multiple markets

- 13.19 The commitment "Develop a standard to be measured against (using external scrutiny) to demonstrate that we act as a neutral market facilitator to enable accessibility to

multiple markets", presented a binary choice to stakeholders. 93% agreed with the commitment, although 7% wanted to suggest an alternative (E083).

13.20 It was suggested that the company takes an open-source approach, with the only limitation being individuals' personal data (E083).

Commitment 54: 100% load related reinforcement (primary) decisions include an assessment of flexibility alternatives

13.21 For the commitment "100% load related reinforcement (primary) decisions include an assessment of flexibility alternatives", the vast majority of stakeholders (95%) supported WPD's draft commitment for 100% load related reinforcement (primary) decisions to include an assessment of flexibility alternatives, although one online respondent questioned why this commitment only applied to primary decisions (E083).

13.22 One stakeholder felt that it should be made clearer that the objective is 'flexibility first', i.e., that flexibility is the preferred option over conventional reinforcement on all schemes. Moreover, it was felt that WPD should not just conduct flexibility assessments but should pursue energy efficiency more widely to reduce demand and avoid reinforcement. It was suggested that an equivalent commitment needs to be embedded within the DSO strategy (E083).

Commitment 55: Ensure that connection offers with a reinforcement requirement are given the option of a flexible alternative

13.23 For the commitment "Ensure that connection offers with a reinforcement requirement are given the option of a flexible alternative", 30% of stakeholders voted for Option 2 where the threshold to offer a flexible alternative has a reinforcement cost of more than £125k per MW and/or works will take more than two years to complete (bill as today). However, the most prevalent response with 49% of the vote was Option 4 (a reinforcement cost of more than £75k per MW and/or works will take more than 12 months to complete). 9% opted to suggest an alternative commitment. However, the significant majority (75%) of WPD staff disagreed with stakeholder views and chose Option 2 (E083).

13.24 One stakeholder was of the view that WPD should be offering a flexible option irrespective of whether reinforcement is requirement (E083).

Commitment 57: Make it as easy as possible for our customers to connect LCTs, such that WPD connects more than the national average connecting in the UK (prorated by our number of customers)

13.25 For the commitment "Make it as easy as possible for our customers to connect LCTs, such that WPD connects more than the national average connecting in the UK (prorated by our number of customers)", 20% of stakeholders supported WPD's draft commitment to aim for 2% higher than national average of LCT connection volumes under this commitment. However, the majority (62%) voted for Option 4: 6% higher than the national average. 6% of stakeholders voted to suggest an alternative commitment. The majority (69%) of WPD staff disagreed with stakeholder views and chose Option 2 (E083).

13.26 The point was made that this commitment would benefit from clarification as it could include very small sources of generation such as an individual solar panel. One stakeholder felt that WPD had got the metrics wrong, with the general feeling being that 2% above the national average was too low and that this does not take into account regional disparities in take-up levels (E083).

13.27A connections provider noted that farms with a single-phase supply are excluded from innovation, whereas a three-phase supply would open up ample opportunities (E083).

DSO transition

Network monitoring

13.28 With regard to the approach that WPD should take to network monitoring in ED2, opinion was clearly split among stakeholders. The most popular approach was option 4 (substation monitoring at 50% of sites), which gained 40% of the vote. Many stakeholders were of the view that WPD should be as ambitious as possible, particularly those from community energy groups, who felt that WPD should get ahead of the curve to help achieve national decarbonisation targets (E080).

13.29 However, stakeholders expressed some reservations, questioning whether WPD would be able to handle the increased workload that this level of monitoring would entail and whether the equipment involved would become obsolete too quickly under this approach (E080).

13.30 Option 2 (substation monitoring at 25% of sites) was almost as popular as option 4, garnering 39% of the vote. Stakeholders felt that this target, which was seen to be the most achievable, could result in a useful learning process that WPD could build on if the approach proves successful. Proponents of this option called for a cautious, future-proofed approach, commenting that WPD needs to demonstrate that spending money on substation monitoring is beneficial before rolling it out to more substations. Option 3, monitoring at 35% of sites, gained 14% of the vote (E080).

13.31 Notably, a community energy group stakeholder noted that the way an innovator would work is that you would have a learning period. It seems to them, if you choose option 2, you get a fantastic learning period, meanwhile 5G develops and you learn how best to lay things out. That way you only spend the £30 million and then use that as a learning phase, then spend the £100 million in the next price control period (E080).

13.32 Moreover, a developer said that most developers are looking for areas where they can counteract that usage. If it is going to be a moving target between now and 2028, the strategy needs futureproofing in terms of development. You could do that with AI (E080).

13.33 Responding to whether monitoring should be based solely on substation monitoring (cost for equipment and installation but provides 100% accurate load data), an energy consultant liked the idea of using substation monitoring, as the accurate load data would make it possible to make more effective and targeted investment in the network. An environmental group stakeholder said that substation data would also remove the

danger of data breaches as a result of individual houses being identified, which is a risk involved when you take the data at a smart meter level. However, a major connections customer added that it will already be a huge ask to monitor 25% of the substations. Five years skips by quickly, so I think that option 2 is probably the best place to start. Deciding which 25% to monitor is important (E080).

13.34A business customer supported that large substations in places where the network is at capacity should be the priority in terms of monitoring during ED2. Stakeholders also noted that WPD needs to make sure that the data gathered is open and shared (E080).

13.35Option 1 (use smart meter data only) was the least popular, with just 7% of stakeholder votes. While stakeholders felt that smart meter monitoring may become more relevant in future, they gave a number of caveats regarding its implementation in the immediate future (E080).

13.36Stakeholders questioned whether smart meter data is sufficiently accurate to be used for monitoring purposes and whether enough people use smart meters to make this option viable. Indeed, it was commented that it is difficult to rely on smart metering given that the target rollout date has already passed, yet uptake is still fairly low among the general population. However, a parish/community council supported the smart meter option, saying that this will provide more granular detail due to the spread of meters (E080).

13.37When asked whether monitoring should be based solely on smart meter data, stakeholders felt that although this was attractive from a cost point of view, this suggestion is arguably redundant at the moment, given that not many people have or use smart meters. Questions were raised around who owns smart meter data, whether WPD can pass it on to third parties and whether customers would be able to opt out of this type of monitoring. The issue of data breaches was also mentioned, perhaps reflecting the persistent scepticism around smart meter monitoring (E080).

13.38Regardless of their preferred option, stakeholders cautioned against a 'one-size-fits-all' approach for monitoring, noting that WPD would invariably need to prioritise certain regions over others (on the basis of capacity and constraints) (E080).

Energy efficiency

13.39Many stakeholders felt that WPD should go as far as possible in its approach to energy efficiency, with the majority (57%) supporting option 4 (develop an energy-efficient demand reduction offering and actively support uptake). 14% voted for option 3 (Develop an energy-efficient demand reduction offering), 20% voted for option 2 (Inform wider customers of savings), and 11% voted for option 1 (Inform fuel-poor and vulnerable customers of savings) (E080).

13.40A business customer said they come from an industry that is effectively subsidised and think that the way to change habits is with financial inducement, so option 3: Develop an energy-efficient demand reduction offering. They said if WPD wants to drive change, it can do it very quickly if you make it worth people's while financially. However, a parish/community council said they would like to go one stage further and

choose option 4, as WPD should provide active support for uptake (E080).

13.41 Some stakeholders expressed their interest in ensuring the fuel-poor will benefit from lower prices, while others said that this group cannot actually benefit, because they cannot work around time-of-day pricing, and because EV uptake is lower. Regardless, a major connections customer said they think option 4 makes it more accessible to people if WPD is the facilitator for things (E080).

13.42 On whether WPD should promote energy efficiency, or actively create and push an energy-efficient demand reducing offer for customers, a utility stakeholder noted there is a difference between energy efficiency and demand reduction or demand avoidance. It is perhaps more interesting for WPD to get involved in areas like peak demand avoidance going back to your substations. So, if it has got a substation that only ever gets loaded up between 5 and 6 p.m. and it is going to cost £1 million to replace it, then how can you inform your customers to take demand off, and have a targeted reduction? On this, a consumer body would suggest that you need to be focusing on putting pressure on big businesses to make these reductions, while a local authority stakeholder criticized that it seems patronising and wrong to me to put the burden of energy efficiency on the poorest and most vulnerable (E080).

13.43 Moreover, 43% strongly agreed it should be WPD's role to proactively promote and encourage energy efficiency in ED2 and 32% agreed. However, a small but not insignificant proportion (17%) felt that it was not WPD's role and, in the discussions, suggested this should be left to organisations that already have an established line of communication with consumers (E080).

13.44 The discussions reflected this split in views, with some stakeholders questioning whether promoting and encouraging energy efficiency is within WPD's remit. Some felt that WPD is best placed to perform this task, given that it is well versed on efficiencies as a network operator and holds valuable expertise. Some saw a role for WPD in touting flexibility and related benefits to major energy users where the grid is at capacity (E080).

13.45 However, others felt that the company is not well known enough to work with customers directly on this and should instead focus its efforts on collaborating with more consumer-facing partners, including the Government, businesses, and energy suppliers. Indeed, a utility stakeholder said that in general, they are a bit wary about WPD being involved in things that concern consumption because for them, that is a supplier's job, although if one wants to know where the expertise is, it would probably find it in the DNOs and DSOs rather than the supplier (E080).

13.46 Regarding partnerships, a major connections customer stated that the companies and suppliers that have profited from selling excess fuel that seeps out of the leaky houses should contribute and assist the poor in insulating their homes (E080).

13.47 In particular, it was felt that the Government should take the lead on energy efficiency and partner with the various DNOs, with the point made that a decentralised DNO-led approach might breed inequality between licence areas (E080).

13.48 A business customer who does some work for a water company representing customers, has seen that one of the biggest things is that customers have difficulty

understanding why a company that exists to make a profit from its supply is advising customers on how to reduce their demand. If WPD were to explain why they are doing it, such as overloading the transformer, that would go down well (E080).

Market facilitation

- 13.49 Stakeholders discussed the domestic flexibility market, with most (58%) feeling confident that it could be established during the next price control period, ED2 (2023–2028), and a smaller proportion (37%) feeling that it would likely be established in ED3 (2028–2033). It was commented that the technology and financial incentives that are currently available are not sufficient to facilitate the flexibility market, and this issue is compounded by a lack of public awareness about the benefits of flexibility services (E080).
- 13.50 An overwhelming proportion of attendees (72%) agreed or strongly agreed that WPD should actively facilitate the domestic customer flexibility market, although some questioned whether this is really within WPD’s remit and felt that suppliers are naturally more involved in the consumer side of energy. Nonetheless, there was consensus that WPD has a responsibility to help its customers reduce demand, for example, by offering practical and digestible energy saving tips (E080).
- 13.51 An energy consultant stated that to achieve that, the two issues are getting the technology installed and getting people engaged. Indeed, other stakeholders also supported that educating people is fundamental, as well as ensuring there are mechanisms to ensure information sharing especially in rural areas. An example was given that there are less affluent areas where the property is tenanted, and landlords do not seem to have much of an interest about getting the infrastructure in that will promote energy efficiency. This is something that needs to be looked at before you can see the benefits from this initiative. Moreover, a local authority noted that domestic customers need to be incentivised through attractive tariffs, while a business customer said that WPD encouraging the growth of trusted intermediaries is probably what individual domestic customers want (E080).
- 13.52 To establish the domestic flexibility market, it was felt that WPD would need to ensure that its customers actively participate in flexibility services, which would require a targeted outreach and engagement strategy tailored to the specific needs of each customer demographic. However, regardless of customer type, attendees felt that WPD would need to communicate ease of use to all its customers. A business customer added that WPD needs smart digital solutions that do not require much input from people (E080).
- 13.53 Responding to whether customers will be actively participating in their energy usage, or will they still be passive recipients, a major connections customer said that money is a major driver, so WPD also need to look at payback. Experience gained with the PV issues at this time shows it is not good. They insisted that people need to be educated on this to understand the costs and gains, especially the less tech-savvy and older people (E080).
- 13.54 A business customer, however expressed concern about the fact that Ofgem is leaning on DNOs because they are trustworthy as far as customers are concerned, rather than

leaning on suppliers who are the ones that should be driving this, getting the financials signal from the generators, and sending out financial incentives to domestic customers. Another noted that aggregators have a very central role to play in this (E080).

Domestic customers

13.55 In relation to how WPD's existing strategy which is primarily aimed at commercial and industrial customers should be developed to support domestic customers, a local authority stakeholder said that social housing providers could play a key role. WPD could incentivise and communicate with social housing providers to enter this flexibility model. Another said that indeed, housing associations could be penalising behaviours and making the take-up of this flexibility mandatory (E080).

13.56 Another local authority stakeholder suggested it is worth thinking about economic cycles of domestic appliances. They speculated that there are not many 50- or even 10-year-old washing machines out there, so this is probably the way into domestic customers. Manufacturers are going to have to include some protocols that allow these domestic appliances to participate in flexibility markets. Things can change very quickly. Electric car uptake in the last 12 months has rocketed (E080).

13.57 A community energy group stakeholder supported that engaging in residential flexibility and with trusted intermediaries will not only help you advance your general flexibility agenda, but also the overall fuel-poor agenda. A consumer body stakeholder also pushed for not leaving the vulnerable behind, saying that we know that over 85% of people in fuel poverty have smartphones, so an app-based approach might be useful, and WPD needs to also plan for people who cannot afford the technology. A local authority stakeholder commented that Distribution Use of System rates might be beneficial to people in poverty (E080).

Engagement

13.58 Stakeholders agreed that scheduled events at each licence area would be useful, as different licence areas have different needs. It was noted that local authorities are all at different points with their projects and are making progress at different paces, so an overly fixed timetable would be completely inappropriate (E080).

13.59 A business customer criticized that consultation every 12 months is too little for them, and there has to be regular consultation at each stage of the journey (E080).

13.60 One stakeholder felt that the role of DSO should be separated from the DNO as it has been for the ESO, and that it should be incentivised on customer outcomes (E083).

Conflicting feedback:

Regarding the Network flexibility topic overall:

1. Several stakeholders urged WPD to consider flexibility over traditional reinforcement to relieve grid capacity.
2. Two stakeholders however, noted that investing in a smart network should not come at the expense of delivering capacity improvements.

Stakeholders debated the options for network monitoring under the DSO strategy:

1. Some favoured substation data for its accuracy, although the percentage of substations monitored was also a point for debate.
2. Relying only on smart-meter data was criticized by some due to the low up-take of the technology.
3. Others supported that smart-meter data monitoring is more cost-effective.

There was slight conflict about whether WPD should promote energy efficiency, or actively create and push an energy-efficient demand reducing offer for customers:

1. The majority voted that WPD develop an energy-efficient demand reduction offering and actively support uptake.
2. Others voted for the option to only develop an energy-efficient demand reduction offering, with one stakeholder noting that that the way to change habits is with financial inducement

There was also some conflict about whether WPD should actively facilitate the domestic customer flexibility market:

1. An overwhelming agreeing agreed that that WPD should actively facilitate the domestic customer flexibility market
2. Some argued that this is more within suppliers' remit and that Ofgem should be leaning more on suppliers rather than DNOs, as well as aggregators.

Sub-topic: Facilitating net-zero

What we heard in early 2021:

Facilitating net zero was the topic that received the most feedback by far. Overall, stakeholders were very keen for decarbonisation and supported initiatives that would speed up their achievement of net-zero targets, however, there was a lot of discussion around the technical barriers, capacity and grid constrain, unbalancing of the network due to excess demand, costs, and lack of education and awareness. Apart from heat pumps and electric vehicles, stakeholders were interested in the circular economy and other technologies that can provide renewable heat. It was also felt that going greener will depend on the education, behavioural changes and encouraging greener behaviour and thus WPD's role in the transition should have a wider scope.

Most local authorities have set ambitious net-zero targets, earlier than the government's 2050 and a big majority have declared climate emergency, although there was consensus that there is need for joint-up action and support from WPD. The details of each local authority's targets and actions have been summarised in a table. Moreover, local authorities set out the details of their local energy strategies and how these are structured and governed, their plans for EV and heat pumps uptake, as well as for renewable and other generation, also summarised in a table. Most stakeholders favoured prioritising on-street charging in terms of electric vehicles, and both housing developments and off-gas grid properties in terms of heat pumps.

Stakeholders were particularly wary of capacity constraints to local generation being a barrier to achieving net-zero and discussed the demand for help from WPD especially for local communities. There was agreement that rural communities should be paid particular attention so that they are not left behind.

Summary of Phase 4 feedback

- 14.1 90% of stakeholders agreed that WPD has the right focus for Net Zero, however it was commented that noise pollution and decarbonisation of heat are missing. Additional commitments included delivering a network that enables regional net zero ambitions, providing more support and information to individuals and organisations on how to decarbonise their energy consumption, ensuring all new or upgraded domestic connections are three-phase to provide the future capacity required for electrification, and doing more to encourage the uptake of solar PV, such as working collaboratively with housing developers and putting pressure on government to improve national policy in this area.
- 14.2 The draft Business Plan was criticized for not adequately setting out the challenge faced by DNOs to deliver the network capacity required to facilitate the country's transition to a zero-carbon future. Stakeholders placed a lot of importance on achieving net-zero and most felt that this justifies the increase in expenditure.

- 14.3 In the relevant event, stakeholders also had multiple questions regarding the green recovery scheme, the application process and eligibility criteria.
- 14.4 A total of **149** pieces of feedback were collected for the Facilitating Net-Zero during phase 4 engagement, which adds to the **729** pieces during phase 3 engagement, **582** pieces collected during phase 2, and further **36** pieces collected during phase 1.

Detailed feedback

Feedback for Facilitating Net-zero can be divided into two themes:

- General
- Net-zero related commitments

General

- 14.5 Asked to vote on whether WPD has the right focus areas for Net Zero, 90% of stakeholders either agreed or strongly agreed that this was the case, with the remainder opting for 'neutral' (E089).
- 14.6 Stakeholders suggested various elements that were missing from those focus areas. There should be greater focus on the types of technologies required to hit Net Zero, some suggested, including photovoltaic systems, wind turbines, insulation installed at the point of building and ultra-low emission vehicles. Electric vehicle (EV) batteries and battery storage were raised as additional areas that warranted greater attention. (E089).
- 14.7 Stakeholders also suggested noise pollution and decarbonisation of heat as missing elements and asked the company how its EV charging strategy would be affected by the expected long-term trend towards working from home post-Covid. A domestic customer commented that the big challenge is domestic heating (E089).
- 14.8 One stakeholder was concerned that efforts to tackle the climate challenge through EVs and heat pumps were doomed to fail as they would increase the amount of electricity consumed and said that WPD should focus on reinforcement through embedded generation in remote areas (E089).
- 14.9 A business customer suggested that reviewing WPD's asset specifications would be a big step towards Net Zero, for example, by approving the use of low-carbon cement to manufacture pylons for WPD (E089).
- 14.10A business customer said they are interested in disposal, for when batteries come to the end of their life, using them for battery storage onsite tied into our PV. So maybe WPD should look at asset life cycles and end of life (E089)
- 14.11 Several stakeholders raised the need for WPD's Business Plan to be ambitious in its approach to achieving Net Zero, increasing the speed of decarbonisation through greater renewable energy use and encouraging energy efficiency. A stakeholder urged WPD for more on allowing quicker decarbonisation of grid and greater renewable energy generation and use (E083).
- 14.12A stakeholder said that it is the level of priority given to the environmental commitments that seems to be the issue in feedback they have seen in the workshops they have attended. This is not just about getting the operations of WPD to Net Zero as soon as possible, but also making every effort to support the transition to a net zero energy services system by Ofgem's 2030 target. Other stakeholders stressed that the ambitious Net Zero target set by the government would mean WPD would need to prioritise delivering the infrastructure to support decarbonisation, particularly on the low

voltage network (E083).

14.13 In terms of what had changed as a result of Covid-19, a stakeholder said that potential for the change in working patterns to stimulate uptake of domestic low carbon technologies such as solar PV and heat pumps, if correct incentives provided (E083).

14.14 A national park would like to meet in August/September to give them data on capacity within their area. WPD have asked them to speak with their parish councils to come back also with proposals they might have that they may wish to invest for LCT (E093).

Collaboration and leadership

14.15 A stakeholder would like to see greater recognition of the role of WPD as an enabler of local economic development and transition to Net Zero (i.e., not simply as a provider of innovative services, etc). One stakeholder also wanted to see WPD adopt a leadership position in the Net Zero transition by providing more advice and education to stakeholders given their expertise (E083).

14.16 Stakeholders from various backgrounds wanted collaboration to play a bigger role, urging the company to engage with local authorities, low-carbon technology providers and other DNOs to help people become more energy efficient (E089).

14.17 A stakeholder said they feel WPD has downplayed (a) the need for WPD to play its full leadership and enabling role in the transition of the electricity system to Net Zero and (b) the extent of change this requires in the skills and knowledge and capabilities within the company (E083).

14.18 One stakeholder felt there was a disconnect between energy usage and decarbonisation messaging. It was felt a national funding programme should be established with funding provided at a local level to support all communities through a trusted and established route via local councils (E083).

14.19 On whether WPD is missing any focus areas in relation to Net Zero, an energy consultant said they think it creates an opportunity for WPD to set a benchmark and show how the decisions were made internally. So, people going on their own journey to sustainability can pick your brains. It is an opportunity to do your own in-house stuff but also set an example (E089).

14.20 A storage and renewables provider / installer said that it would be great if the carbon-removal calculation was in the public domain so that we can work with that (E089).

14.21 A storage and renewables provider / installer would like to see more focus on innovation and procurement collaboration with LCT providers. WPD cannot achieve this on its own (E089).

14.22 A consumer body stakeholder said that a couple of things are missing for them. Part of your Environmental Strategy should be about making your customers more efficient. WPD has a lot of experience of doing things in a different way. It should engage with local authorities as part of your Environmental Strategy. They are delighted to see your science-based targets. The water sector will need support from WPD to reach their

2030 target. WPD needs to go further than just offsetting (E089).

14.23A parish / community council said that very few EVs on the market support vehicle-to-grid technology at the moment. The Office of Low Emission Vehicles that sets out requirements for EV development needs to be working hand in glove with you if vehicle to grid is going to happen (E089).

Best view for Low Carbon Technology uptake

14.24 In terms of low carbon technology uptake, generally stakeholders acknowledged that WPD's best view was reasonable based on the available data, but there was a significant amount of scepticism about whether it would be enough to deliver the step change required for the country to achieve Net Zero. One stakeholder was of the view that the regional uptake of low carbon technologies would outstrip the current ambition in WPD's Business Plan, and two separate stakeholders noted that the Distribution Future Energy Scenarios for their network area presented scenarios that they felt were lower than the anticipated uptake of LCTs (E083). (E083).

14.25 The move to a more strategic and planned approach to the provision of infrastructure and the deployment of LCTs was seen as required if net zero targets are to be met. However, this will need a government-led regional strategic planning and coordination function, working in partnership with DNOs/DSOs and developers. A key enabler of this will be a collaboration between local authorities and DNOs/DSOs on Local Area Energy Planning, enabling alignment and acknowledgement of local authority housing trajectories and spatial plans (E083).

14.26 Some stakeholders emphasised how uncertain these predictions were, and others noted government policy was evolving very quickly in this area. One stakeholder said they do not think WPD has enough understanding of what might shift things away from that view (either generally or in particular locations) and therefore whether it will be able to keep ahead of changes, as it needs to if it is to fulfil the role of enabler (and not blocker) of the net zero transition (E083).

14.27 Many of the stakeholders who responded to this question urged WPD to ensure that they remain as ambitious as possible to avoid a situation where the capacity of the electricity network becomes a blocker to achieving decarbonisation (E083).

14.28 A stakeholder said that they are not sure what LCTs you include. To them WPD needs to make sure that the LCTs which it supports are the best, i.e. not wind and solar which have structural limits, but those which give the best return per £ invested unsubsidised (E083).

Expenditure

14.29 In terms of the proposed level of expenditure, respondents generally accepted that greater ambition would require a higher level of expenditure – but that this was a necessary consequence of the need to respond to climate change. In fact, several respondents felt the level of expenditure proposed was insufficient to meet the country's Net Zero ambitions, with one noting that the cost of not achieving

decarbonisation would be much higher (E083).

14.30 One stakeholder urged WPD to establish a mechanism to subsidise the bills of fuel poor customers to offset any future bill increase (E083).

14.31 Two stakeholders criticised WPD's draft Business Plan as they did not feel it adequately set out the challenge faced by DNOs to deliver the network capacity required to facilitate the country's transition to a zero-carbon future (E083).

14.32 Three stakeholders felt unable to comment on the level of expenditure on the basis that there was insufficient information presented, or that they lacked the expertise with which to do so. One said that they are not in a position to comment on whether the level of expenditure currently proposed is sufficient (or excessive) to meet the best view. The numbers are too aggregated for such judgements to be made. They would like to see more detail on this in future business plan drafts (or at least in relevant annexes), including the assumptions about costs of different elements of the reinforcement needed (E086).

14.33 A stakeholder said there is a need for WPD to be able to make the case to government for infrastructure investment to enable the implementation of the government's 10 Point Plan. WPD will need to ensure it has sufficient capacity to be able to persuade government to release public funds to make crucial projects that will deliver significant economic benefits a reality. They criticized that Business Plan falls woefully short in meeting this challenge (E083).

Other

14.34 The Energy Hub have engaged a consultant to determine what is required to upgrade council depots in preparation for an EV fleet and EV bin lorries (E091).

Net-zero related commitments

14.35 Several additional commitments for A Smart, Flexible Network were put forward. Firstly, two stakeholders suggested a commitment about delivering a network that enables regional net zero ambitions. Building on this, one stakeholder wanted to see WPD provide more support and information to individuals and organisations on how to decarbonise their energy consumption (E083).

14.36 Other suggestions included the proposal by one stakeholder to ensure all new or upgraded domestic connections are three-phase to provide the future capacity required for electrification (E083).

14.37 Three stakeholders wanted WPD to commit to doing more to encourage the uptake of solar PV, such as working collaboratively with housing developers and putting pressure on government to improve national policy in this area (E083).

14.38 One stakeholder wanted to see more of an emphasis on decarbonising the network in rural areas (E083).

14.39 An online stakeholder would like to see an output that says how many electric vehicles the network will be able to connect and at what cost? WPD is saying it will be more ambitious than the national average, but if others are slow this is not that ambitious (E083).

Green recovery

14.40 During the green recovery webinars, stakeholders addressed multiple questions to WPD, about the scheme, green recovery maps, submitting questionnaires, future plans, project eligibility and using specific local examples. WPD representatives provided answers and pointed towards the green recovery webpage for more information about the scheme (E092).

General scheme questions

14.41 A stakeholder asked WPD to explain what you mean by 'ready to go' projects? Many large renewable projects will not have progressed to say a planning permission stage due to the cost of upstream reinforcement costs which prohibit the projects viability. However, they would progress if the additional costs were covered as part of this green recovery programme? (E092)

14.42 A stakeholder wanted to know if all the information/ schemes will be public, as some schemes may be commercially sensitive. Another asked if submitted questionnaires will be confidential or potential projects requiring reinforcements will be revealed in mid-May? And are you going to share webinar recording? (E092)

14.43 Another asked what would be the best way to stay updated on this scheme as specific reinforcement works are planned? (E092)

14.44 A stakeholder criticized that it does not look like the Green Recovery funds help reduce transmission cancellation charges which have significantly increased the at-risk investment for new generation? (E092)

14.45 A stakeholder noted that there are many sites which have been discounted for any further development due to the information on your constraints maps. So this means there are opportunities elsewhere but are not taken any further. Another stakeholder added that if there is 10MW export/import capacity at the nearest substation or overhead line, but the project needs 50MW. Would the network be reinforced to accommodate only those extra 40MW or possibly more? (E092)

14.46 A stakeholder asked if the process is really for approval of a specific 'shovel ready' project or a general call for evidence to identify areas for reinforcement? Another stakeholder asked for reassurance that WPD understand that the current network constraints are the reason why numerous potential projects have not been developed to be 'shovel-ready'? There is a chicken & egg situation here. We have not progressed opportunities to 'shovel ready' as we knew there was no network capacity (E092).

- 14.47 Another asked if the funding is only for the Western power Equipment upgrade. Does the funding cover any works on the customer side of the Western Power connection? (E092)
- 14.48 From the information WPD have used to create their Green Recovery Scheme, there must be some locations where you are certain that reinforcement is required - will these be going ahead regardless of the call for evidence? (E092)
- 14.49 A stakeholder asked how will the fund be applied to existing large strategic schemes with an existing WPD PoC and has there been engagement with local planning policies and allocations? (E092)
- 14.50 A stakeholder asked details about what is the granularity of evidence that you are looking for? Do we need to submit grid connection quotes, exact boundaries etc or would wider more strategic schemes count? (E092)
- 14.51 From a lay person's view, how do we check what grid capacity is currently in situ to identify the location gaps? (E092)
- 14.52 A stakeholder asked that if say we have accepted connection offer with a connection date in 2023. Is it possible to reduce contribution to the reinforcement costs outlined in the connection offer using Green Recovery scheme? (E092)
- 14.53 Another stakeholder asked if WPD will be sharing a list of the sites that you are expecting to receive interest from? (E092)
- 14.54 A stakeholder asked how the viability is assessed for each development as the form primarily aims at the benefits, and added they cannot see financial viability business case etc (E092)

Green recovery map

- 14.55 Stakeholders asked if the green recovery identified are upgrade locations also based on the 2030 EV uptake targets for the East Midlands region, whether WPD is able to invest in areas not highlighted on the green recovery map, and whether funding is only available in those area marked in Green (E092).
- 14.56 One stakeholder had more technical questions, saying that WPD mentioned that the consultation for the ED2 investment works, are you able to provide the link for this, an indication of the reinforcement funding available and the closing date for the consultation? Should project details be submitted to both consultations? (E092)

Submitting questionnaires

- 14.57 More on the technical side, stakeholder asked how to provide evidence for multiple projects, whether WPD would you prefer a consolidated response, or separate submissions for each project, and whether having multiple requests for the same project (e.g. different project partners) hold greater weight? Additionally, another asked if your scheme is located adjacent to new other shovel ready schemes, is it advisable to make a joint application to demonstrate the additional benefits of the specific WPD

investment rather than seeing it as two separate applications and perhaps not seeing the mutual benefit? (E092)

14.58 Another stakeholder asked to what extent do we need to show political and local LEP, educational etc support for the development itself in the submission? (E092)

14.59 Others wondered if they have supplemental documents to submit with maps / plans etc, can we submit these as well even though the form suggests only 400 words per query, how detailed/advanced should project proposals be, and what level of details are required as part of project submission? (E092)

Future plans

14.60 Stakeholders asked about future plans, wanting a brief run through of the process that would follow the 19th of March, asking if WPD is likely to spread the £20m across as many projects as possible or will you be focussing on a few large projects, and what happens to all those projects which do not get selected? Will they go to a subsequent round (part of ED2)? (E092)

14.61 Other questions included if there is a target generation connection that WPD are wanting to deliver for the £20M, if following announcement of the final areas in May, WPD will be able to provide updated budget estimates/formal quotes for projects in those areas based on the reinforcements having been completed, and whether there are any plans for similar schemes for post-2023? (E092)

14.62 One stakeholder said they are looking at the long term to 2030 and beyond and particularly assess electricity constraints. Will there be an opportunity to accept input for long term challenges within a further consultation? (E092)

General project eligibility

14.63 Questions about eligibility in general included whether there is a minimum scale of development that WPD is interested in for this call, as many installations maybe smaller scale but have cumulative impacts on the network, would the installation of 6.9MW PV Array feeding a nearby offtaker by a possible private wire, could this be funded by this, will consideration be given to circuits/areas with known voltage constants, and do these proposed upgrades include areas with fault level contribution issues? (E092)

14.64 Others asked where would we sit with placing in infrastructure for areas which are programmed for significant investment i.e. major economic growth areas for supporting industrial activity? (E092)

14.65 Regarding mass Heat pumps for domestic properties if we are able to identify areas of social housing that will have heat pumps in the future from now until after 2023. Would this be a possible scheme? As this would be the catalyst to this happening earlier (E092).

14.66 Another question was from a stakeholder who already has a grid application in. If we get an offer and then you upgrade the network, will the price go down? (E092)

- 14.67 Will funding cover necessary enabling investment such as comms upgrades required for protection or ANM purposes? (E092)
- 14.68 Other questions for WPD included that it has used the phrase 'shovel ready', but a stakeholder has projects that may not be shovel ready but may help you see what might happen. Do you want these, would WPD want the Grid installation completed by March 2023 or the assets developed in full by this date, and would the options include upgrading existing infrastructure e.g. replacing 6.6KV networks with higher voltage infrastructure and where would one sit with placing in infrastructure for areas which are programmed for significant investment i.e. major economic growth areas for supporting industrial activity? (E092)
- 14.69 One asked if they can put forward projects that have already had a quote from yourselves? Or do they need to be "unknown" projects? Another asked if WPD is interested in contracted (accepted connection offer) schemes that are currently on hold due to grid upgrades or only those that have not entered the formal application / offer process? Similarly, one asked if projects which have already received public money through schemes such as the Getting Building Fund, but would benefit from this funding, be in scope? (E092)
- 14.70 Another said they understood that one of the requirements is for the projects to have had a budget offer and not necessarily a formal offer? Their question is based on the projects that they have tried developing in the past where we obtained formal offers and could not be developed due to expensive WPD re-enforcement works at the time and connection offers lapsed as the business cases could not be viable then. Will such projects be worth submitting as they are still on the shelf using the previous grid connection offers? (E092)
- 14.71 The form refers to Transport in a number of cases, including rail. If your new development includes rail reinstatement to reduce road travel, one assumes this will be seen as a benefit of investment by WPD in the green context, even though the rail will not require that much power in itself? (E092)
- 14.72 Is this investment bid suitable for Electric Vehicle Chargepoints in residential areas, and will you accept match funded proposals to improve value for money? (E092)

Using specific local examples

- 14.73 A region-specific question was what are WPDs plans are to upgrade the grid connection viability in Somerset near Glastonbury for a renewable energy, battery storage and EV charging community energy project which has central Gov funding. Many areas in Somerset have grid constraints which have stopped community energy projects going forward. Will WPD support these community energy initiatives please by investing in the grid upgrades and potentially invest in the projects too? (E092)
- 14.74 Cornwall has significant aspirations for generation, Geothermal, offshore turbines, wave generation etc. All very green. These are unlikely to be connection ready in the next two years. are you taking these into account in your planning? (E092)

- 14.75A stakeholder asked if small scale projects, such as EV chargers in car parks, are considered? Also, they have identified targets for renewable generation projects etc to inform our future emissions trajectory - are these targets helpful, if definitive projects have not been explored or planned? (E092)
- 14.76Another said they have a proposal offer for a connection of a private wire to high use commercial user of existing solar farms in the Forest of Dean area (E092).
- 14.77One stakeholder noted that export is limited by the cable capacity between the consumer and the substation. This means load management is required reducing the benefit of the project to all stakeholders. Would local cable reinforcements be part of the consideration for such a project to allow a revised connection offer with increased capacity? (E092)
- 14.78In Somerset, a stakeholder said, they are looking at developing a Residential Charging Policy and approach for Electric Vehicle infrastructure. As yet they do not have exact locations for where these EV's would be installed or how many, they would like to know if they need to feed this into this call for evidence and how would WPD want this information? (E092)
- 14.79A stakeholder said they have several roadbuilding projects which are planned for delivery within your window, can WPD just explain how this investment can work with that? (E092)
- 14.80A stakeholder said that at Shropshire Climate Action Partnership they are mapping the renewable energy opportunities of Shropshire and how the demand map will develop on the road to Zero Carbon Shropshire as they decarbonise heating and cars. This map will help WPD to build the business case for grid improvements etc. They need £50K for this project. Is this a project that this Green Recovery fund can finance? The way your offer is presented it sounds like it is just for individual site projects rather than this strategic mapping (E092).
- 14.81 Lastly, one stakeholder asked what will be the eligibility of large-scale deployment of EVCP's? They have 1000 they need to deliver between now and 2025 across the Black Country, and a further 3000 by 2030 to meet EV uptake but know from recent experience that local grid constraints are significant barriers to this, another difficulty is early determination of what roll out of those plans look like, so they asked if WPD could advise how these could be included in this round of work? (E092)

Conflicting feedback:

Regarding the Facilitating Net-zero topic overall:

1. Stakeholders suggested various missing topics:
 - a. Greater focus on the types of technologies required to hit Net Zero, including photovoltaic systems, wind turbines, insulation installed at the point of building and ultra-low emission vehicles, electric vehicle (EV) batteries and battery storage, noise pollution and decarbonisation of heat, especially domestic.
2. Two stakeholders suggested a commitment about delivering a network that enables regional net zero ambitions.
3. One stakeholder wanted to see WPD provide more support and information to individuals and organisations on how to decarbonise their energy consumption.
4. One stakeholder proposed to ensure all new or upgraded domestic connections are three-phase to provide the future capacity required for electrification.
5. Three stakeholders wanted WPD to commit to doing more to encourage the uptake of solar PV, such as working collaboratively with housing developers and putting pressure on government to improve national policy in this area
6. However, this is in contrast to 90% agreeing that WPD has the right focus for Net-zero and the remaining 10% being neutral.

Stakeholders debated the Best view for Low Carbon Technology uptake:

1. Several stakeholders agreed that the best view is reasonable based on available data.
2. Others made the argument that the view is not enough to deliver net-zero, and that the numbers are conservative.

Stakeholders also debated the proposed level of expenditure:

1. Several stakeholders criticized that the level of expenditure proposed was not enough to meet the country's Net Zero ambitions.
2. Stakeholders were very passionate about this topic, and one said that the cost of not meeting the ambitions will be even higher.
3. Some said they understood and accepted that increased ambition translates to increased cost.
4. However, some others said they did not have enough information to make informed comments on this.

Sub-topic: Supply-demand forecasting

What we heard in early 2021:

Supply-demand forecasting was seen as a pressing matter due to the changes of energy profiles brought upon by the Covid-19 pandemic. Energy usage was seen to have shifted from business use to personal use as people were working from home, which creates an excess of electricity demand. Moreover, electrification was once again raised as a point to plan ahead for, with stakeholders stressing the need to future-proof the network to maintain reliability. Stakeholders were also very keen to see the excess demand being met through flexibility with initiatives.

Summary of Phase 4 feedback

- 15.1 There was very little feedback in this engagement phase for the supply-demand forecasting topic. Stakeholders discussed the effect of the Covid-19 pandemic on shifting energy demand and consumption patterns, and although seen as a challenge for the reliability of the network, it was also seen as an opportunity to stimulate the uptake of domestic low carbon technologies through incentives.
- 15.2 Areas missing from WPD's proposal were mentioned, such as increased demand due to home working and EVs, behavioural change, and more dynamic interaction with industry bodies on how the energy and power infrastructure needs to service future growth. A 'highly anticipatory investment' approach was also recommended.
- 15.3 A total of **7** pieces of feedback were collected supply-demand forecasting during phase 4 engagement, which adds to the **96** pieces collected during phase 3, the **127** pieces during phase 2, and further **9** pieces collected during phase 1.

Detailed feedback

Feedback for Supply-demand forecasting falls under one theme:

- Demand and consumption patterns shift

Demand and consumption patterns shift

- 15.4 In terms of what had changed as a result of Covid-19, several stakeholders pointed to the changing energy consumption patterns brought on by the shift to homeworking, with some regarding these as semi-permanent. On the one hand, stakeholders saw this as a challenge as it puts more pressure on the need to have a consistently reliable network – for domestic properties, but also for rural and vulnerable customers. On the other hand, one stakeholder felt it presented an opportunity to stimulate the uptake of domestic low carbon technologies through incentives (E083).
- 15.5 Adding to the above, a stakeholder said that it seems likely there is going to be continued pressure on domestic supplies moving forward with the decentralisation of the workforce. This leads to overall increased energy consumption and presumably less control of the source (E083).
- 15.6 Another stakeholder said that more remote working potentially post-Covid could see that number rise as more have to heat and power their homes throughout the year whilst working from home. This elevates an already high priority for our local authority and region to tackle (E083).
- 15.7 Responding to the question: "What are your views on WPD's overall package of proposals for RRIO-ED2 as currently set out? Are there aspects you: strongly support? Would like to see changed? Consider to be missing?", a stakeholder said they support the general themes of the Business Plan, but some important issues are missing, such as the changing dynamics of the economy, namely increased homeworking, increased use of electric vehicles, behavioural change and modal shift – and the need for more dynamic interaction with industry bodies on how the energy and power infrastructure needs to service future growth (E083).
- 15.8 Another stakeholder said they would encourage WPD to undertake 'highly anticipatory investment' (HAI), where demand is predicted to emerge long-term (E083).

Conflicting feedback:

No notable conflicts identified under this sub-topic

High-level topic: Enabling factors

Sub-topic: Collaboration & whole system approach

What we heard in early 2021:

Stakeholders supported the proactive and open discussions allowed for by the DFES and stressed that engagement and collaboration is key to creating local and accurate future energy scenarios. Collaboration and frequent engagement were thought of as the driving factor for a whole systems approach, so that WPD and local authorities are up to date on council plans and there is transparency between them. There was also support for collaboration between DNOs as well as within the industry and for easy and accessible sharing of data with interested parties. Local authorities gave specific details on further stakeholders suggested for engagement as well as on data sharing for a whole system approach, which have been summarised in a table.

Summary of Phase 4 feedback

- 16.1 95% of stakeholders supported 'Using data from updated DFES and stakeholder insight to publish a Long Term Development Statement and a Network Development Plan annually', with comments for more locally targeted support, especially for rural areas who face certain challenges to deliver a low carbon future. Moreover, 52% of stakeholders voted for WPD to 'Engage with stakeholders and the Electricity System Operator to update WPD's Distribution Future Energy Scenarios for all four licence areas' every 12 months, followed by 37% who voted for every two years. It was felt that more relevant stakeholders should be engaged and that commercial and industrial customers had been missed out of WPD's consultation to date.
- 16.2 For the output to 'Hold Local Energy Surgeries for local authorities, supporting them to develop their local energy plans', 49% voted for holding 90 surgeries, while 24% voted for holding just 30, although continual contact and engaging with a variety of stakeholders and different groups was encouraged. Lastly, 39% wanted to 'Undertake whole system collaboration schemes with other DNOs and the ESO', with 2 schemes within the next Business plan period, while 35% voted to have 4 schemes by 2028.
- 16.3 A total of **28** pieces of feedback was collected for the collaboration and whole systems approach during phase 4 engagement, which adds to the **250** pieces collected during phase 3, **258** pieces collected during phase 2, and further **25** pieces collected during phase 1.

Detailed feedback

Feedback for Collaboration and whole systems approach falls into one theme:

- Collaboration and whole system approach commitments

Collaboration and whole system approach commitments

16.4 One stakeholder felt that the current approach to stakeholder engagement undertaken by DNOs is insufficient to guarantee a fair outcome for customers. They suggested a range of activities, including: participation in forums arranged by others; basing incentives on delivering the best outcomes for customers of all energy vectors, not just electricity; offering cost estimates for LCTs without having to lodge a connection quotation request; and developing local area energy plans for each city in WPD's patch as a minimum (E083).

Commitment 60: Using data from updated DFES and stakeholder insight to publish a Long Term Development Statement and a Network Development Plan annually

- 16.5 For the commitment "Using data from updated DFES and stakeholder insight to publish a Long Term Development Statement and a Network Development Plan annually", there was good support with 95% of stakeholders voting in support of this. 5% of stakeholders voted to suggest an alternative commitment (E083).
- 16.6 A stakeholder stated that this is one of the single most important commitments for WPD as data and insight from relevant stakeholders will be required in order to help the company to plan effectively. However, it was added by this stakeholder that this commitment is perhaps somewhat simplistic given how important it is. Another stakeholder made the point that the commitment could be expanded in order to contribute to local authorities' own net zero ambitions (E083).
- 16.7 One stakeholder requested that the DFES recognise the rurality of certain local authorities and the challenges this presents to enable the delivery of a low carbon future. Building on this, they wanted WPD to consider the decarbonisation of farming machinery, processing and transport which is especially important to the rural network (E083)

Commitment 61: Engage with stakeholders and the Electricity System Operator to update WPD's Distribution Future Energy Scenarios for all four licence areas

16.8 For the commitment "Engage with stakeholders and the Electricity System Operator to update WPD's Distribution Future Energy Scenarios for all four licence areas", a sizeable proportion (37%) of stakeholders supported WPD's draft commitment to engage with stakeholders and the Electricity System Operator to update WPD's Distribution Future Energy Scenarios for all four licence areas every two years. However, over half of stakeholders (52%) voted for WPD to do this every 12 months. 6% of stakeholders voted to suggest an alternative commitment. However, the large

majority (83%) of WPD staff disagreed with stakeholder views and chose Option 2 (E083).

16.9 Although no specific commitments were given, the point was made that more relevant stakeholders should be engaged with in order to give WPD the most accurate picture of future demand and generation (E083).

16.10 In terms of other stakeholders WPD should be engaging with, one stakeholder felt commercial and industrial customers had been missed out of WPD's consultation to date. Another suggested WPD's own shareholders, as well as the Met Office (E083).

Commitment 62: Hold Local Energy Surgeries for local authorities, supporting them to develop their local energy plans

16.11 For the commitment "Hold Local Energy Surgeries for local authorities, supporting them to develop their local energy plans", 24% of stakeholders voted in support of WPD's draft commitment to hold 30 Local Energy Surgeries for local authorities, supporting them to develop their local energy plans. However, 49% of stakeholders voted for the company to hold 90 such surgeries in ED2. A minority 5% of stakeholders voted to suggest an alternative commitment. However, the majority (72%) of WPD staff disagreed with stakeholder views and chose Option 2 (30 per year) (E083).

16.12 One stakeholder commented that WPD should be in continual contact with local authorities in order to shape its future plans, and another asked if there will be any financial help for communities. One stakeholder noted the idea of supporting local authority energy plans was welcome, but there was a need to be mindful of the variations between plans (E083).

16.13 It was suggested by another stakeholder that the company should have a commitment to partner with other relevant organisations in order to raise awareness of other topics relevant to the green agenda (E083).

16.14 One stakeholder supported greater opportunities for community groups to engage with WPD to enhance their confidence and understanding of WPD processes and connection requirements (E083).

16.15 It was also suggested by one stakeholder that a government-led, regional approach is required and that this will require collaboration between WPD and local and regional government to respond to Local Area Energy Planning and spatial planning. A stakeholder insisted there is a significant need to work in collaboration and engage with the City Council's local area planning policy and inward investment teams combined with the LEPs to ensure the needs of the city and future ambitions are met. We would strongly support additional resource allocation for a flexible process to be incorporated into longer term local area planning as well as collaboration across geographical areas (E083)

Commitment 63: Undertake whole system collaboration schemes with other DNOs and the ESO

16.16 For the commitment "Undertake whole system collaboration schemes with other DNOs and the ESO", 39% of stakeholders voted for the company to undertake 2 schemes within the next Business plan period (Option 2). However, 35% voted to have 4 schemes by 2028 (Option 4). Although 5% of stakeholders voted to suggest an alternative commitment, no alternatives were suggested in the discussions or submitted online. However, the significant majority (86%) of WPD staff disagreed with stakeholder views and chose Option 2 (E083).

Regarding the commitment 'Using data from updated DFES and stakeholder insight to publish a Long-Term Development Statement and a Network Development Plan annually':

1. A stakeholder commented that this is one of the most important commitments.
2. The commitment was however criticized for being too simplistic.
3. Others wanted the commitment to be expanded in order to contribute to local authorities' own net zero ambitions, while recognising the rurality of certain local authorities.
4. However, this is in contrast to only 5% wanting to suggest an alternative to the original commitment.

Regarding the commitment to 'Hold Local Energy Surgeries for local authorities, supporting them to develop their local energy plans':

1. Two stakeholders commented that WPD should be in continual contact with local authorities in order to shape its future plans, and that it should be mindful of the variations between plans.
2. It was suggested by another stakeholder that the company should have a commitment to partner with other relevant organisations in order to raise awareness of other topics relevant to the green agenda.
3. More opportunities for community groups to engage were supported.
4. However, this is in contrast to only 5% wanting to suggest an alternative to the original commitment.

Sub-topic: Innovation

What we heard in early 2021:

There was praise for WPD's focus on innovation, seen to be unique across DNOs. The call for innovation ideas based on stakeholder engagement and feeding the learnings back to the business operations was highly supported, with further suggestions to include broader eligibility criteria and projects that will enable collaboration with councils and social housing providers. Community energy-specific innovation projects were seen as facilitators to overcome capacity issues and constraints, but that these should primarily support existing initiatives to make the most out of the existing progress community energy groups have made. Stakeholders also widely supported having a dedicated community engineer to ease communications and support communities in a tailored way.

Digitalisation and leadership in publishing data were also seen as central to a forward-looking approach, with extensive interest in the ideas portal and mapping services, although some stakeholders pointed out best practices implemented by other DNOs as learning points.

Summary of Phase 4 feedback

- 17.1 This topic gathered the most feedback in this phase. 10% of stakeholders wanted to submit alternative commitments for the topic of Innovation, with a comment that there was no mention of learning from other companies' best practice, therefore the commitments seemed too internally focused, and a call for more science-based targets and for carbon accounting to feed through into innovation projects.
- 17.2 90% of stakeholders supported the commitment 'For each innovation project we will undertake a cost benefit assessment and implement into business practice to improve efficiency and effectiveness of assets, operations and customer service', and suggested considering carbon costs and holistic long-term benefits. In addition, 95% supported the ideas portal, suggesting it should be as accessible and inclusive as possible to give all kind of stakeholders the opportunity to contribute to it, whereas others preferred round-table discussions. Other proposals to encourage a diverse participation was partnering with universities or participating in open forums although some cautioned that WPD should not commit to partnerships too early, to remain open to a wide pool of stakeholders.
- 17.3 In the very rich discussion about data, 43% of stakeholders voted for WPD to increase the volume of data available via API by 60%, but it was also made clear that WPD should deliver three levels of data, namely high-level visual, raw data and API, as different users have very different data needs. Similarly, 94% of stakeholders supported WPD's proposed commitment to 'Introduce a customer satisfaction monitor to measure data availability, ease of access and usefulness, improving from the baseline throughout RIIO-ED2', but made comments that data go out of date quickly so should be timestamped, and that there is need for historical data as well. Providing examples of how to use the data, identifying overlaps in different stakeholder needs

and prioritising tailoring data to serve those demands were also strongly supported.

- 17.4 In terms of community energy, 14% of stakeholders voted for alternative commitments, with comments including that the company should commit to working with organisations that support social enterprises like community energy groups, as well as working with the groups directly. 41% agreed with the current level of ambition (30 surgeries per year) for the commitment to 'Hold Community Energy Surgeries for local Community Energy groups', but a sizeable proportion (27% and 28%) called for 60 and 90 per year, respectively. Moreover, 97% supported the commitment to 'Establish dedicated innovation projects for Community Energy schemes'.
- 17.5 There was broad support for the three core principles of the Digitalisation Strategy, although WPD was urged to improve scalability and expansion, and develop an ethical framework for data sharing. There was also strong support for continuing to focus on delivering against the EDTF recommendations in RIIO-ED2. Most stakeholders also agreed that WPD had covered the main stakeholder types that would seek to use the company's data, but said that more work is needed to more closely serve their individual needs, while others pushed for a more holistic approach and identified some missing groups. Stakeholders also debated the proposed investment, with some feeling that it is not ambitious enough and that more should be done to achieve BAU innovation, such as demonstrating lessons learned and having a board member responsible for innovation. Overall, it was felt that WPD should adopt a more open and collaborative approach to innovation, including publishing innovation challenges and encouraging stakeholders to solve them.
- 17.6 A total of **290** pieces of feedback were collected for innovation during phase 3 engagement, which adds to the **249** pieces collected during phase 3, **273** pieces during phase 2, and further **3** pieces collected during phase 1.

Detailed feedback

Feedback for innovation can be divided into four themes:

- Innovation commitments
- Community energy commitments
- Digitalisation strategy
- Innovation strategy

Innovation commitments

- 17.7 When asked in the online workshop whether they wanted to suggest alternative commitments for the Innovation topic, 32% of stakeholders either disagreed or strongly disagreed, demonstrating they supported the proposed commitments as they stand. The largest proportion (59%) voted neutral. 10% agreed or strongly agreed that they wanted to suggest alternatives (E083).
- 17.8 On average, Innovation ranked third (2.73/5) out of the 12 Business Plan topics, demonstrating that stakeholders felt there were commitments missing (E083).
- 17.9 In regard to the Innovation commitments, a storage and renewables provider / installer said that what worries them is that neither of them are particularly new, though I recognise that you do have to do a CBA for the ENA projects (E083).
- 17.10 One stakeholder commented that there was no mention of learning from other companies' best practice, therefore the commitments seemed too internally focused. A suggestion was made to incorporate learning from other successful DNO projects into the existing commitments (E083).
- 17.11 There were calls for more science-based targets and for carbon accounting to feed through into innovation projects (E089).

Commitment 64: For each innovation project we will undertake a cost benefit assessment and implement into business practice to improve efficiency and effectiveness of assets, operations and customer service

- 17.12 The commitment "For each innovation project we will undertake a cost benefit assessment and implement into business practice to improve efficiency and effectiveness of assets, operations and customer service", presented a binary choice to stakeholders. 90% supported it, although 10% wanted to suggest an alternative – which was a relatively high percentage compared to the voting results for the other binary commitments (E083).
- 17.13 Three stakeholders expressed explicit support for WPD's commitment to implement innovation projects into business as usual, although one urged them to make sure they were reporting on it – including in the cost benefit analyses. Two stakeholders encouraged WPD to consider the carbon cost alongside the financial cost when undertaking the cost benefit analyses. Another suggested to include the return per pound invested and to consider all alternatives on that basis before proceeding (E083).

17.14 An online stakeholder said that as stated, WPD and the government will have to accept that Net Zero will require cost and that delay will hamper ability to meet the target. These changes will have to not keep thinking cost benefit but carbon benefit and agility for the customers to make the changes needed to power use (E083).

17.15 Additionally, several stakeholders noted that there could be a longer-term benefit to accepting an increase in customer bills – with a rise in ED2 potentially being offset by a bill reduction in ED3 and beyond, in part due to the rise in innovations and smart technologies (E083).

Commitment 65: Develop an interactive ‘innovation ideas portal’ aimed at stakeholders submitting ideas for new innovation projects

17.16 The commitment "Develop an interactive ‘innovation ideas portal’ aimed at stakeholders submitting ideas for new innovation projects" was also presented as a binary choice. 95% supported the commitment, with 5% wanting to suggest alternatives (E083).

17.17 One stakeholder suggested the portal is also used for WPD to put forward its own ideas, and another expressed support for this commitment, particularly given the recent interest in the sector from those traditionally outside of the industry, such as parish councils (E083).

17.18 Stakeholders felt that the innovation ‘ideas portal’ would be useful, ideally as part of a hybrid approach including in-person forums. It was felt that, if implemented, the portal should be part of a structured approach whereby more general ideas are gradually refined into workable projects. Importantly, it was felt that the portal should be as accessible as possible to ensure that no input is excluded owing to a lack of relevant technical expertise or experience on the part of the stakeholder (E081).

17.19 The portal was felt to be useful for some, although not for others. The point was made that refining ideas through round-table discussions is a valuable part of the ideas process and should not be neglected, with some stakeholders recalling that discussions with WPD at such events had enabled them to hone their plans and ultimately make a better business case for their ideas (E081).

17.20 However, it was recognised that stakeholders should be able to put forward ideas at any time, as timescales for different projects in different industries rarely align, so the ideas portal would be useful in the interim (E081).

17.21 It was suggested that the portal should be open to all initially, with a focus on general ideas and a structured process in place for moving ideas on to development phases. This was felt to be important because the stakeholders with the best ideas may not always possess a high level of relevant technical knowledge, meaning that WPD must democratise the process to avoid blocking innovation (E081).

17.22 Another suggestion was for a hybrid approach in which WPD runs forums that are open to anyone in addition to scheduled forums that require pre-registration, as a way of gathering ideas for the portal. One stakeholder envisaged the portal as a portfolio of

projects which investors could review, select and invest in (E081).

17.23 It was felt that WPD needs to find a way of promoting the portal so that key innovators, such as those from prestigious universities, can see the value in contributing to it. Moreover, an environmental group stakeholder said that having that resource to help groups that don't know the process is definitely crucial. Making a business case can be difficult, so having someone there to help you think that through is very important (E081).

Partnerships and Call for Ideas

17.24 Similarly to the portal, stakeholders suggested specific initiatives, including partnering with universities to encourage students to solve innovation challenges and participating in open forums with developers in a more transparent process, whereby developers can benefit from advice and guidance from WPD and can subsequently move forward with the confidence to invest in their own innovation projects. In this respect, it was felt that WPD needs to move away from innovation projects sponsored by Ofgem to a process which encourages third-party input. One caveat, however, was that WPD should not commit to partnerships too early, with attendees stressing the need to involve as large a pool of stakeholders as possible in the initial stages. Another suggestion was for WPD to introduce an area covering connections to reflect the changing nature of the connections process in ED2 and the resulting need to present customers with innovative ways of connecting to the network (E081).

17.25 In terms of how should WPD promote its 'Call for Ideas', a utility stakeholder explained that they also take part in the national call for innovation, and the Energy Networks Association will have a collaboration portal, which they all as DNOs review. So, they all end up doing the same things, some more successfully, but sharing always helps. On the process, an energy consultant said that from previous experience it is straightforward, but it takes a long time to get through to the end and there isn't a great deal of transparency about any delays. That makes it hard for them to plan (E081).

Commitment 58: Improve the volume of data available via an interactive API (Application Programming Interface) relative to all data made available (e.g., via spreadsheets and fixed format reports)

17.26 For the commitment "Improve the volume of data available via an interactive API (Application Programming Interface) relative to all data made available (e.g., via spreadsheets and fixed format reports)", the most widely supported option (43%) was Option 2: for WPD to increase the volume of data available via API by 60%. 6% of stakeholders voted for Option 5, preferring to suggest an alternative commitment. The majority (72%) of WPD staff agreed with stakeholder views and chose Option 2 (E083).

17.27 It was commented that investment in systems of this nature would prove invaluable in the future (E083).

17.28 The emphasis on providing more data was endorsed by one stakeholder who expressed support for additional spend in this area. It was noted that an area which

needs to markedly improve is the provision of data that allows interoperability with other datasets with minimal additional effort, e.g., weather data. In future, for interoperability, the data needs to be designed to be of use to external systems (E083).

17.29 Delegates made it clear that focusing on delivering three levels of data, namely high-level visual, raw data and API, was the right approach, and not focusing on API at the expense of the other two, as different users had very different data needs, with one pertinent example being the different levels of data needed even within one local authority, applied to a range of different projects (E079).

17.30 This was reflected in the electronic voting, where on a scale of 1 (not useful at all) to 10 (very useful), high-level visual data received an average of 7.29, raw data an average of 8.37 and API an average of 8.02. This relatively even spread demonstrates that all types of data were felt to be useful. Stakeholders suggested that WPD had a role to play in tailoring the types of available data to different stakeholder needs, which could in turn increase accessibility, but for the most part, the prevailing feeling was that people should be free to decide which types of data their project demands, and that the relevant data should be available to them (E079).

17.31 For example, an academic institution stakeholder would be more interested in raw data for download. In addition, it would be great if it were made possible for users to access certain restricted data under specific conditions, such as signing an NDA.

17.32 In the electronic voting, 24% strongly agreed, 27% agreed, 15% were neutral, 29% disagreed, and 5% strongly disagreed with the statement that WPD should focus on providing solutions rather than just delivering raw data (E079).

Commitment 59: Introduce a customer satisfaction monitor to measure data availability, ease of access and usefulness, improving from the baseline throughout RIIO-ED2

17.33 94% of stakeholders supported WPD's proposed commitment to "Introduce a customer satisfaction monitor to measure data availability, ease of access and usefulness, improving from the baseline throughout RIIO-ED2". 6%, however, voted to suggest an alternative commitment in this area (E083).

17.34 A domestic customer said that the survey should be done fairly soon as it might affect what you want to do in Commitments 56, 57 and 58 (E083).

17.35 It was noted by one stakeholder that, in order to achieve Net Zero, there would be a requirement for all technical approaches to be used freely and that ease of access would play a vital part in this (E083).

17.36 In terms of ease of access and usefulness, a key point made was that "data goes out of date quite quickly", and delegates wondered how the energy industry in general was planning to address this. In a complementary point, stakeholders also stressed the importance of publishing historical data, which was seen to be as important as current data, with retention and timestamping of data therefore playing a critical role (E079).

- 17.37 In terms of data availability, some stakeholders welcomed the idea of additional monitoring being added at local levels where substations are feeding into a number of houses, which was seen as a benefit for community energy groups and those seeking access to more specific, localised data. However, others warned that this increased the risk of data breaches (E079).
- 17.38 To make data more accessible and usable, delegates advised WPD to use examples of how to use its data, identify overlaps in different stakeholder needs and prioritise tailoring data to serve those demands. This was reflected in the electronic voting, where 70% either agreed or strongly agreed that WPD should focus on providing examples of how to use its data (E079).
- 17.39 Stakeholders were keen to see WPD focus on providing external users with examples of how to use the company's data. The example of raw data was raised for community energy groups, with the point made that seeing what others had done with that data could make a huge difference, particularly if expertise or experience in harnessing that data wasn't yet at a high level (E079).
- 17.40 In the electronic voting, 40% strongly agreed, 30% agree, 15% were neutral, 5% disagreed, and 10% strongly disagreed with the statement that WPD should focus on providing examples of how to use its data (E079).

Community energy commitments

- 17.41 When asked in the online workshop whether they wanted to suggest alternative commitments for this topic, 34% of stakeholders either disagreed or strongly disagreed, demonstrating that they supported the proposed commitments as they stand. The majority (51%) voted neutral, while 14% agreed or strongly agreed that they wanted to suggest alternatives (E083).
- 17.42 On average, Community Energy ranked joint fifth (2.71/5) among the 12 Business Plan outputs (E083).
- 17.43 Two stakeholders stressed that it ultimately comes down to WPD ensuring the capacity is available for community energy groups to connect to the network – without prohibitive costs. One stakeholder felt WPD should commit to working with organisations that support social enterprises like community energy groups, as well as working with the groups directly, involving WPD attending local community energy events, as well as holding their own surgeries (E083).
- 17.44 A community energy group stakeholder stated that most community energy groups tend to have shares. They raise money by having shared ownership. The community energy group they belong to is in a working-class area and they do not do that because it excludes poorer people. They raise funds through various other investors and schemes. When it comes to getting smart grids moving, they simply do not have the funds. It would be hugely helpful if WPD could step in and help community energy projects to raise the money needed (E083).

17.45 One stakeholder questioned whether WPD could align with other organisations' vulnerability strategies and schemes to support those most in need, including those of Citizens Advice. It was also commented that WPD could perhaps do more to make the most of resources within community energy groups (E083).

Commitment 66: Hold Community Energy Surgeries for local Community Energy groups

17.46 For the commitment "Hold Community Energy Surgeries for local Community Energy groups", the largest proportion (41%) felt WPD's current proposals displayed the right level of ambition – voting for WPD to hold 30 community energy surgeries a year (Option 2). However, a sizeable proportion (27% and 28%) called for greater ambition, voting for Option 3 (60 per year) and Option 4 (90 per year), respectively. Only 4% wanted to suggest an alternative commitment. The majority (69%) of WPD staff agreed with stakeholders and opted for Option 2. This commitment was also tested in a social media poll. The significant majority of respondents (82%) also voted for Option 2, in agreement with stakeholders and staff (E083).

17.47 One stakeholder felt the surgeries should only be a stopgap whilst WPD delivers self-help facilities for community energy groups, while another stakeholder urged transparency and openness about when WPD holds these surgeries (E083).

Commitment 67: Establish dedicated innovation projects for Community Energy schemes

17.48 The commitment "Establish dedicated innovation projects for Community Energy schemes", presented stakeholders with a binary choice. 97% supported the commitment, with 3% wanting to suggest an alternative. There was limited verbal or written feedback, with one stakeholder seeking clarification as to what the commitment meant (E083).

Digitalisation strategy

Three core principles

17.49 There was broad consensus that the three core principles of the Digitalisation Strategy – improved data management, presumed open data and increased network insight and operation – were correct, although there were recommendations to improve scalability and the expansion of data. This was supported in the electronic voting, where 82% of participants either agreed or strongly agreed that WPD's three principles remain appropriate for RIIO-ED2, while 11% remained neutral and 7% strongly disagreed (E079).

17.50 Some felt that scalability, or the ability to increase data on demand, was not quite captured in the principles. In the same vein, stakeholders advocated the provision of real-time data, produced as a result of live updates, that customers could access at the push of a button, in line with the way in which mobile technology has evolved (E079).

17.51 A key point raised during these discussions was that “data is knowledge; the use of this knowledge is power” (E079).

17.52 In terms of what was missing in the strategy, many delegates urged WPD to think about value creation from data beyond the use of energy. This would, in some cases, involve creating other services, empowering consumers in the transition to DSO and restructuring the industry as a result of new players, such as data management specialists, entering the market. It was commented that there’s something missing around wider industry collaboration that can inform the type of data WPD uses, as well as the potential uses for it (E079).

17.53 Moreover, an energy aggregator voiced that one thing not explicitly mentioned is the security of data. The data needs to be secure and free from any kind of abuse or possible theft (E079).

17.54 Referring to whether the three core principles are appropriate, an academic institution stakeholder commented that delivering these will be possible, but they feel like a framework should be developed around the ethics of data sharing, particularly if you are looking to share as much data as possible (E079).

EDTF

17.55 When participants were asked whether WPD should continue to focus on delivering against the EDTF recommendations in RIIO-ED2, 81% either agreed or strongly agreed with this approach, with 13% remaining neutral, 2% disagreeing and 4% strongly disagreeing (E079).

17.56 Responding to the EDTF recommendations, stakeholders were keen to point out the critical importance of the customer in digitalisation and felt that increasing consumers’ “energy IQ” and making data accessible and digestible were key to a smart, decarbonised future energy system. An energy aggregator commented that although WPD are good at providing asset information geographically, it would be good to see load data on substations to help us determine insights for heat pumps and that sort of thing (E079).

17.57 In response to whether WPD should go further or look to expand on the EDTF recommendations, a utility stakeholder noted that some principles could become part of contracts and commercial agreements, and WPD can then add KPIs and start a feedback loop based on this, in order to build trust (E079).

17.58 An academic institution voiced that it is really important to manage the interactions that have been enabled through this data, adding that it is the feedback loop with the customer (E079).

17.59 A utility stakeholder noted that there seems to be a lack of focus on how people in local communities will be affected with everything being digitalised. In addition, there seems to be no thought on the fuel poverty element and efforts to ensure that nobody is left behind. This data needs to be harnessed to help to tackle issues related to fuel poverty (E079).

Self-serve

- 17.60 Delegates were pleased with the focus on self-serve design but felt that focusing on a “common language of data” and consistency in the data published across the whole industry would enable more customers to make better decisions with their data (E079).
- 17.61 A local authority stakeholder commented that they believe in self-serve design, but for the majority of their customers, they might just move on without looking. Therefore, the information has to be presented in a timely manner, in order to use the data and present information in a way that vulnerable customers feel they could use it (E079).

Stakeholder types

- 17.62 There was broad consensus that WPD had covered the main stakeholder types that would seek to use the company’s data. Some felt that the split between external and internal user types was helpful, but others, particularly in local government, wanted to see the two types considered more holistically, with a clear line between, for example, “local authorities and regulators” in the external camp and “design and planning” on the internal side (E079).
- 17.63 Others felt that the non-electrical sectors were missing from the groups, and that greater interplay with different sectors would become more necessary and commonplace as we move towards Net Zero (E079).
- 17.64 Some delegates asked whether the types were restricted to the UK and urged WPD to include international approaches and best practice when considering how to ensure best use and distribution of data (E079).
- 17.65 A utility stakeholder noted that there is more work to be done in identifying the specific needs of these different stakeholder groups and then working out a way to prioritise needs that overlap these different groups. If WPD can identify areas where it can provide the most comprehensive services for your stakeholders, that means that they will be getting the most bang for their buck (E079).
- 17.66 An interesting idea was put forward about visualising how the stakeholder types might overlap and interact, perhaps through the use of a Venn diagram, with the aim of identifying and prioritising overlapping stakeholder needs (E079).
- 17.67 The conversation around operability extended to vulnerable and fuel-poor customers, with delegates feeling that in order to achieve the best, most efficient use of data overall, more education was needed. Examples of how to use data were therefore an important piece of this work (E079).

Innovation strategy

General

17.68A trade association stakeholder stated that process seems to be clunky and squeezing out creativity. WPD's desire to get your presence and interest in innovation known was the only glimmer of hope.

Innovation aims

17.69When presented with WPD's Innovation Strategy, stakeholders questioned whether some areas would be prioritised over others and felt that a 'rich picture' would be useful to show the links between areas and to enable WPD to identify gaps, risks and opportunities within the strategy. As for areas they felt were missing, participants suggested network reliability, cyber security and transition to DSO, as well as an area that reflects WPD's future role in nudging customers to become more energy efficient and enacting wider societal change around energy use (E081).

17.70Stakeholders discussed WPD's innovation aims for ED2, 'keeping electricity affordable', 'continue transforming our network' and 'achieve Net Zero', making a range of proposals and suggesting refinements under each area. There was some disagreement around affordability, with several participants feeling that WPD should prioritise investment in innovation over short-term cost savings for customers, and others stating that cost savings were needed more than ever in the current climate. 'Transforming our network' was felt to be too vague and, crucially, was seen as more of a statement than an aim, with stakeholders calling for the addition of more metrics and suggesting that there needs to be a wider recognition of a whole systems approach within this objective. In terms of achieving Net Zero, it was commented that there is a potential trade-off with other priority areas such as service quality and affordability (E081).

17.71It was also commented that innovation should naturally include innovative ways of working with external organisations, such as local authorities and businesses, to drive innovation forward and unlock investment. Moreover, questioning whether WPD's aims are still relevant, one stakeholder asked whether they had been revised in the wake of the Covid-19 pandemic (E081).

17.72While stakeholders did feel that WPD is leading on innovation, they noted that the company should also seek to collaborate with other DNOs. This was reflected in the general sentiment that the aims were perhaps too internally focused, and that in ED2, WPD would need to place greater focus on outreach and engagement with the customer, given the broader scope of its role in educating customers and promoting behaviour change in the shift to DSO. Carbon-neutral fuels, for example, could be an external focus (E081).

17.73It was commented that every WPD employee should have the chance to suggest innovation projects, especially those in customer-facing roles, who may come across good examples of innovation quite frequently but do not currently have a platform to relay these ideas. It was therefore felt that innovation should be placed at the heart of WPD's culture, rather than operating in a silo. To support this, it was felt that senior executives could lead by showing that innovation suggestions are taken seriously, regardless of who makes them (E081).

BAU innovation

- 17.74 When asked to comment on WPD's level of ambition for its Innovation Strategy, many stakeholders felt that while £4 million is a relatively small amount, creating a culture of innovation is perhaps more important, for example, by embedding innovation in every department and at every level of the business (E081).
- 17.75 There was concern that this would not go far enough, particularly given the expected pace of change in ED2, and in comparison to WPD's turnover. It was suggested that WPD could potentially make the business case for a larger investment by presenting a tangible list of deliverables (E081).
- 17.76 An academic institution said that £4 million a year investment sounds like a low figure from a university perspective. Normally such a project would be 1 to 2 million per project. £4 million might not be sufficient to cover ED2, especially in a fast-changing landscape with increasing digitalisation, for example (E081)
- 17.77 As for what more WPD should do to encourage, monitor and deliver business-as-usual (BAU) innovation and innovation rollout, suggestions included having a board member responsible for innovation, demonstrating how proposed innovation is assessed against a framework of risks and opportunities, monitoring innovation using metrics such as technology readiness levels and demonstrating that lessons learned from innovation projects are embedded in BAU (E081).
- 17.78 A local authority stakeholder commented that WPD should be utilising innovation to be able to find solutions that will decentralise that energy network rather than compound a nationalised system (E081).
- 17.79 A consumer body stakeholder said they have just been on the RIIO-ED2 engagement groups with gas and electricity transmission. They're targeting the various managers of their departments and saying it's their budget that has to pay for innovation. In other words, if new ideas come up, they have to drive it, and not some innovation team sat apart from it. It was suggested that this is quite a sensible approach that perhaps WPD would adopt in taking ownership of the various sections within WPD (E081).
- 17.80 An energy consultant noted that they think it comes down to identifying the threats and opportunities that face the business to both shape investment against the particular divisions and gauge the potential mitigation magnitude that you need for a particular risk and how that impacts on the organisation operationally and financially. Something about how this is constructed against a portfolio of risks and opportunities would be quite a useful way of seeing into this (E081).
- 17.81 Responding to what other activities should WPD consider beyond additional resourcing and performance metrics, a local authority discussed that in moving things forward, we want to allow people to bring forward more net zero carbon solutions more locally, so that they do not cause a problem for the existing network. Everybody needs to part of this solution, not just one organisation (E081).

Resource upscaling

- 17.82 A business customer added that it is the day-to-day, customer-facing people that deal with new connections and developments, that should fully understand opportunities where innovation might be needed (E081).
- 17.83 In response to whether stakeholders think the upscaling of resource is enough to address the challenges of ED2, an energy consultant commented that potentially not, as the low-carbon technologies and the effects on the network's loads are some of the bigger issues faced by DNOs. It won't be something just faced by WPD, so it would be useful to talk to other DNOs and work together with them (E081).
- 17.84 An environmental group stakeholder noted that with the huge challenges that we're facing, perhaps a new approach is needed so that innovation is integrated throughout all operations, rather than standing alone as a separate department (E081).

Innovation team

- 17.85 In response to thinking about the radical changes taking place in the energy system: Do you think expanding the innovation team by 50% will deliver sufficient resource to deliver on BAU innovation, a business customer finds it difficult at the moment, and they commented they don't know what a 50% increase means in terms of heads, and they don't know anything about the £4 million in terms of a percentage increase. A trade association stakeholder added that 50% is really pointless; it should be what's necessary, and that could be more or less (E081).
- 17.86 An environmental group stakeholder suggested that great innovation ideas coming from internal staff is why innovation should be embedded within every department, so that everyone is always thinking about making innovation BAU (E081).

Innovation delivery and innovation roll-out / BAU innovation

- 17.87 On Coordinating innovation delivery and innovation roll-out / BAU innovation will be key. What should be done to achieve this coordination in the best way possible, a local authority stakeholder said that as much as there is a self-funded mechanism for delivering projects, there's a large number of funding streams that you can tap into with collaborative partners, and as far as they can see, in terms of delivering those innovation projects, there is no reference currently. They commented they have found it quite challenging to engage with the innovation team at WPD (E081).
- 17.88 A business customer would like to see DNOs engage more with the developers, the consultants, and enable new developments to be offered connections. Often it's through your connection offer team, who in many cases don't even know this [innovation team] exists (E081).

Best practice examples

- 17.89 Stakeholders were asked to reflect on any best practice they had encountered and suggest how WPD could apply this in its own business. Suggestions included having

an 'innovation cell' within the organisation, having a non-executive board member responsible for scrutinising innovation projects, and looking beyond the energy distribution network for ideas to emulate, including among start-ups and small businesses in particular (E081).

17.90 With reference to development projects involving multiple landowners, it was suggested that given its customer-facing position, WPD could more proactively engage with energy users to advise them on energy use and reduction (E081).

17.91 it was suggested that WPD could focus on the four attributes of agility in supply chain risk management (responsiveness, robustness, flexibility and resilience) (E081).

17.92 A storage and renewables provider/ installer said that there are good examples set by Microsoft and Shopify regarding accredited carbon negative solution certificates. Could WPD look at that kind of model to promote with its stakeholders and customer base? (E081).

17.93 A local authority stakeholder noted that the Ministry of Defence has come up with four attributes of agility, which are responsiveness, robustness, flexibility and resilience, and they suggested it is worth looking at those (E081).

Engagement and collaboration

17.94 In terms of generating ideas and partnership working, it was felt that WPD needs to encourage innovation within the business and work with a range of partners, such as Local Enterprise Partnerships, local councils, start-ups and organisations such as the Energy Innovation Centre. In general, stakeholders felt that WPD should be much more open and collaborative in its approach to innovation, including by publishing a list of innovation challenges cited by stakeholders and encouraging stakeholders to put forward potential solutions. In adopting this approach, the company would need to select appropriate communication channels and be very clear on what it wants to achieve so that projects are closely aligned with WPD's innovation requirements (E081).

17.95 In terms of engaging with wider stakeholders, one attendee called for WPD to target the entire £4 million spend at allowing communities to bring forward more net zero solutions at a local level. Similarly, it was felt that WPD should enact a process of continuous engagement with stakeholders specifically around innovation. It was also felt that WPD is not well represented at third-party innovation forums and could do more to tap into existing funding streams and promote its innovation team (E081).

17.96 Moreover, WPD should let stakeholders know about all innovation on the horizon – even innovation projects with a low probability of success – to ensure transparency and foster trust. Key partners that WPD should work with included developers, universities and energy consultants (E081).

17.97 A parish/ community council stakeholder commented they think a huge part of the mission going forward is to engage with communities and to involve people like the parish councils in innovating in the community. What they are seeing here is the missing of the marketing piece which is looking at how you go out to more groups and

engaging with them and including them in innovation (E081).

17.98 Responding to what other activities should we consider beyond additional resourcing and performance metrics, an energy consultant said that maybe some approach where there is continuous engagement with stakeholder groups that are particularly concerned about innovation, because it would steer the course of the innovation ship a little bit (E081).

17.99 In terms of leading internationally, it was felt that WPD must ensure a balance between its outward-facing activities – including looking abroad for best practice – and its inward-facing activities, namely its internal business priorities. That said, stakeholders did feel that WPD could gain valuable insight by considering DNOs in countries with similar energy systems to the UK, and by sharing its findings among the other DNOs (E081).

17.100 Attendees called for greater detail in this area, in particular, on whether ‘leading internationally’ entailed promotion or collaboration. There was consensus that it is important to focus on global trends happening beyond the UK, and that WPD should explore both successful and less successful examples of innovation to truly get a feel for industry best practice and the potential pitfalls of innovation projects (E081).

17.101 Regarding WPD’s ambition is to ‘establish the trends on how the energy system changes internationally’, and if stakeholders think this is a good use of customer money, a business customer said they do some work internationally in terms of utilities across the world, what we do in the UK is well ahead of everyone else. There is certainly stuff to take, but we do need to get our own house in order first (E081).

17.102 In terms of generating ideas and partnership working, stakeholders felt that WPD needs processes in place to tap into the good ideas originating from within the organisation and stressed that innovation must be embedded in every department. That said, stakeholders recognised that partnership working is vital given that most innovation will likely happen outside of WPD. Suggested partners included Local Enterprise Partnerships, local councils, start-ups and organisations such as the Energy Innovation Centre (E081).

17.103 The point was made that while WPD undoubtedly facilitates invaluable expertise sharing among its pool of technical stakeholders, the ‘usual suspects’ tend to participate in WPD’s workshops, suggesting that some stakeholder groups are not being reached or engaged. As a result, WPD is currently lacking the wider picture of people’s requirements and an understanding of what ‘good innovation’ looks like from a market point of view, rather than a purely technical perspective. Ideally, it was felt that WPD could enhance its messaging process to attract all types of stakeholder and take a leadership or facilitatory role in this problemsolving process (E081).

Aim 1: Keeping electricity affordable

17.104 It was noted that ‘keeping electricity affordable’ could be reworded to ‘keeping electricity equitable’, as ‘affordable’ was felt to be too subjective and unclear. It was also suggested that the phrase ‘and accessible’ could be added to this aim to reflect

the idea that WPD should be promoting new technologies to its customers (E081).

17.105 It was felt that affordability was often prioritised over innovation, but looking ahead to ED2, WPD should potentially consider sacrificing modest short-term savings for households in favour of innovations that would bring longlasting benefits. However, there was a lack of consensus on this, as some felt that customers should not be put under too much financial pressure from WPD, particularly vulnerable or fuel-poor individuals. As one stakeholder put it, WPD would need to effectively balance its network transformation and net zero goals against affordability (E081).

Aim 2: Continue transforming our network

17.106 Under the aim to Continue transforming our network, it was commented that given the existing barriers to community energy projects, such as network constraints and lack of capacity, WPD should perhaps consider “radical” innovation rather than simply BAU innovation. The point was made that this aim in fact reads as a process rather than an objective, and WPD needs to state more clearly what it plans to achieve through its network transformation or at least outline its direction of travel (E081).

17.107 One attendee suggested that network transformation should be aimed at establishing a decentralised energy system which is accessible, resilient and caters to the needs of vulnerable customers. On a similar note, it was commented that the metrics for this aim are unclear, for example, with regard to how WPD would benchmark its progress or measure success. It was also suggested that the word ‘network’ be replaced by the word ‘system’ to reflect the idea that WPD should be implementing a whole systems approach rather than focusing solely on transforming its own network (E081).

Aim 3: Achieve Net Zero

17.108 Under the third aim: Achieve Net Zero, it was suggested that WPD should go further by striving to gain carbon negative accreditation. Some commented that this aim should not be achieved at the expense of service quality or network resilience, and the point was made that WPD needs to demonstrate more clearly that it is on the same net zero journey as other organisations. It was suggested, WPD could present its plans alongside government targets and timescales. It was also commented that something should be added around climate resilience and adaptation (E081).

17.109 Moreover, WPD should ensure that those unable to afford smart technology are not excluded from the smart energy transition, perhaps by developing specific innovations to help support the fuel poor (E081).

17.110 In terms of what is missing under this aim, it was commented that there ought to be a marketing piece around engaging community energy groups, whose participation was seen as key to achieving this aim, and perhaps the addition of a target date, given that the level of ambition could vary quite significantly depending on the date by which WPD hopes to achieve this aim (E081).

Whole system approach

- 17.111 In regards to a whole system approach, an academic institution said that a whole systems approach is a good idea, but people have different ideas of what one is. In their view, making electricity affordable is important, but it should not go so far the other way that it prevents the industry from being competitive. At present, they feel that the focus is too much on affordability and I feel that the small savings for each household could go towards innovation efforts instead (E081).
- 17.112 A business customer said that supporting the economy generally, that's just as important as supporting existing customers, while another stakeholder supported more collaboration with other DNOs (E081).
- 17.113 Broadly, it was felt that WPD needs to demonstrate how the different areas interlink. For example, vulnerability is often linked to digital exclusion and therefore should not be considered in isolation. Creating a 'rich picture' would enable the company to identify gaps in its strategy and assess potential risks and opportunities (E081).
- 17.114 Stakeholders also felt that the transition to DSO should be reflected more clearly, especially as innovation will not happen in silos once network data becomes open, and that WPD must play a part in wider societal change; a reality which, arguably, is not adequately reflected by any of the existing focus areas. As one stakeholder put it, WPD needs to leverage its position as having "the biggest voice and the greatest audience". Attendees therefore called for a whole systems approach across all the DNOs, with one feeling that this would avoid white elephants and stranded assets and another suggesting that this approach could be used to promote the role of DNOs to customers more widely with a view to encouraging behaviour change around energy consumption (E081).

Conflicting feedback:

Regarding the commitment to ‘Develop an interactive ‘innovation ideas portal’ aimed at stakeholders submitting ideas for new innovation projects’:

1. 95% of stakeholders supported the commitment.
2. Some did not see it as helpful as refining ideas through round-table discussions and said that this should not be neglected.

Regarding the commitment to ‘Improve the volume of data available via an interactive API (Application Programming Interface) relative to all data made available (e.g., via spreadsheets and fixed format reports)’:

1. Some stakeholders indeed preferred data available via API.
2. Many others opted for having all three options available, including raw and high-level visual data, as different stakeholder types would have different data needs.
3. However, this is in contrast to only 6% wanting to suggest an alternative to the original commitment.

Stakeholders debated the coverage of stakeholder types under the Digitalisation strategy:

1. Some stakeholders agreed that WPD had covered the main stakeholder types that would seek to use the company’s data.
2. Some others said that the split between external and internal user types was not helpful, and the two types should be considered more holistically.
3. Others felt that the non-electrical sectors were missing from the groups, and that greater interplay with different sectors would become more necessary and commonplace as we move towards Net Zero.

Stakeholders also debated WPD’s Innovation strategy:

1. It was indeed felt that WPD is leading on innovation.
2. Some stakeholders wanted more ambition, especially to support the transition to DSO.

Regarding the affordability and expenditure section of the Innovation strategy:

1. Several participants supported that WPD should prioritise investment in innovation over short-term cost savings for customers.
2. Others stated that cost savings were needed more than ever in the current climate.
3. Some stakeholders also felt that the £4 million investment every year is a relatively small amount and required more ambition.
4. Creating and nurturing a holistic culture of innovation was seen by some as actually more important.

High-level topic: Business Planning

Sub-topic: Draft business plan

What we heard in early 2021:

This is a new sub-topic focusing on the format, content and presentation of the Draft Business Plan, with stakeholder feedback from the Business plan 1 consultation event held on the 2nd of March 2021. Therefore, there is no previous feedback.

Summary of Phase 4 feedback

- 18.1 In terms of the layout and structure of the business plan, some found it very comprehensive with little jargon, while others disagreed and thought the plan was too long and difficult to follow, and suggested an executive summary.
- 18.2 In general voting about the content of the business plan, 22% did have some caveats or comments to make on the feedback included so far, while a staggering 73% felt priorities had changed or new issues had emerged, primarily as a result of the Covid-19 pandemic, but also due to Brexit and the green agenda. There were also comments that the presentation of the content is over-complicated, and one wanted to see commitments presented as SMART targets.
- 18.3 In terms of customer bills, there was general support that bills will need to increase to achieve net zero and the commitments presented, however it was also commented that as costs have not been shared until this final stage in the consultation, it has been difficult to assess and consider the balance of these issues in relation to the costs.
- 18.4 In terms of engagement to determine the best view, some praised it, while others felt the 'best view' was a little 'conservative' and that WPD needs to ensure that this view will enable the country to achieve its Net Zero targets.
- 18.5 A total of **35** pieces of feedback were collected for the draft business plan during phase 4 engagement.

Detailed feedback

Feedback for Draft business plan can be divided into three themes:

- Presentation
- Content
- Engagement

Presentation

- 18.6 Responding to the question: "What are your views on the layout and structure of WPD's Draft Business Plan, and how easy is it to understand and what would you change to make it clearer?", several commented it had a logical structure and that the use of the 67 commitments meant it was easy to follow and digest (E083).
- 18.7 It was noted by several stakeholders that the Business Plan itself was very detailed and comprehensive. Several felt it was well written, with one feeling there was little jargon. One stakeholder explicitly welcomed the summary document (E083).
- 18.8 However, other stakeholders felt the Business Plan was too long and found some of the layout confusing and hard to follow. It was felt by a couple of stakeholders, in contrast to the previous view, that actually there was too much jargon in the Plan, particularly for a less informed audience (E083).
- 18.9 Two stakeholders commented on the need for WPD to present a clear narrative, clearly setting out the external context and WPD's proposed response. One of these stakeholders suggested the use of an executive summary section as a potential solution, they said there is a need for a clear executive summary which sets the context and the key recommendations which could not be readily seen in the format that one would expect of such a document (4 to 6 pages in length). This is particularly important when engaging with senior stakeholders from public bodies and business representative bodies (E083).
- 18.10 Some other stakeholders felt the consultation was difficult to access and found the structure confusing. One of these stakeholders expressed concern at the assumption all stakeholders had time to respond to a long online consultation (E083).
- 18.11 In terms of the wording of the Business Plan, it was felt by one stakeholder that there was inordinate focus on delivery and that solid outcomes should be outlined instead. They noted the wording 'current view' came across as a 'middle ground and conversative' as well as being misleading as it sounds as if this view is directed by WPD rather than being shaped by stakeholder feedback (E083).

Content

- 18.12 Of 49 stakeholders responding to the question: "In terms of what we have heard from stakeholders so far, do you disagree with any of the feedback or do you consider any key priorities to be missing?", just over half (55%) explicitly stated they did not disagree with the feedback or consider any key priorities to be missing – although a

proportion (22%) did have some caveats or additional comments to make (E083).

18.13 Of the 44 stakeholders responded to the question: "Has there been any change in priorities, or emerging issues, for example as a result of Covid-19?", only 23% felt there has not been any change in priority. The remaining 73% felt priorities had changed or new issues had emerged. This was primarily as a result of the Covid-19 pandemic, although the impact of Brexit and the green agenda were also raised as drivers of change (E083).

18.14 Two stakeholders responded that they felt the content was comprehensive and covered everything they would expect to see in a business plan. Also, the inclusion of links to additional information was singled out for praise. A stakeholder agreed that overall, the content is comprehensive for both consumers and commercial customers (public and private sector), but said that the presentation of it is over-complicated (E083).

18.15 Individual stakeholders did raise a range of different topics they felt were missing from the draft Business Plan. For the most part these were suggested by one respondent only. This included more information on: costings and incentives; returns on investment and impact on shareholder dividends; delivering a network that responds to population growth; investment ahead of need; closer collaboration with local authorities (raised by two stakeholders); the impact of climate change on the network; working with stakeholders to enable the net zero transition; and reference to Environmental Impact Assessments and environmental risk management (E083).

18.16 One stakeholder would also like to see the commitments expressed much more clearly as SMART targets which relate to the outcomes achieved (specific and measurable impacts the intended activities will have) rather than inputs made (the amount of activity, e.g., calls made, meetings held, advice given, leaflets distributed) (E083).

18.17 A stakeholder said it is not clear on costing information and what rewards WPD expects to gain. Another stakeholder urged WPD to be open and show what the returns per £ invested are and what you forecast the impact will be on dividends and share prices. Otherwise, it is somehow just more PR/whitewash? (E083).

18.18 Responding to the question: "Our aim is to keep bills as low as possible, but some of our commitments will incur additional costs that can't be fully offset by our efficiency savings. What are your views on the current impact of WPD's current view on customer bills?", one stakeholder did ask about WPD's assumption on the return on investment they expect to make as a company and another suggested looking for investment capital from the market rather than from customers. One stakeholder said they agree with all the commitments so would pay more for them to be actioned, and they think a lot of our customers will see it this way (E083).

18.19 A customer representative noted it was good the customer's bill was staying flat and discussion followed about the social responsibility around the DNO portion of the bill (E087).

18.20 One stakeholder would like to understand how the bill impact is driven by your assumptions about the returns WPD will make on its activities and whether we consider these fair in the light of the cost of capital and risks involved in your business

(E083).

18.21 Another stakeholder noted that as costs have not been shared until this final stage in the consultation, it has been difficult to assess and consider the balance of these issues in relation to the costs. At initial assessment, it appears that commitment weightings and levels of additional costs do not appear comparable. As an example – zero waste to landfill is the same cost impact of making an extra 100k phone calls a year (E083).

18.22 One stakeholder wanted WPD to go for the maximum ambition on its commitments, as it was felt that efficiencies could level out the relatively small impacts on customer bills. It was commented that WPD could even go further in creating more stretching commitments as stakeholders can't always make ambitious proposals if they lack the expert knowledge needed to formulate them in the first place (E083).

18.23 It was asked if it was too late to make major changes. It was confirmed that because engagement started in 2019 with 'blank sheet of paper' there were not lots of calls for being radical but there is still time to feed in to the consultation (E087).

Engagement

18.24 Responding to the question: "What are your views on the process WPD has followed to determine the WPD best view? E.g. Are there any other stakeholders we should be engaging with, or datasets we should be using, to improve our approach?", three stakeholders expressed explicit support for WPD's process on the basis of the number of stakeholders engaged and the fact it exceeded anything else WPD had done before (E083).

18.25 Another praised the approach for being rational but did feel the resulting 'best view' was a little 'conservative' (E083).

18.26 Several stakeholders commented on the importance of ensuring that the process WPD follows delivers a best view that enables the country to achieve its Net Zero targets (E083).

Conflicting feedback:

Regarding the presentation of the Draft Business Plan:

1. Several stakeholders commented it had a logical structure, it was easy to follow and digest, it was comprehensive and well-written.
2. A stakeholder felt there was little jargon.
3. Other stakeholders felt the Business Plan was too long and found some of the layout confusing and hard to follow.
4. It was also felt by a couple of stakeholders that actually there was too much jargon.

Regarding the content of the Draft Business Plan overall:

1. The majority of stakeholders (73%) felt priorities had changed or new issues had emerged, due to the Covid-19 pandemic, Brexit and the green agenda.
2. Missing topics included:
 - a. Costings and incentives; returns on investment and impact on shareholder dividends; delivering a network that responds to population growth; investment ahead of need; closer collaboration with local authorities (raised by two stakeholders); the impact of climate change on the network; working with stakeholders to enable the net zero transition; and reference to Environmental Impact Assessments and environmental risk management.
3. However, 55% explicitly stated they did not disagree with the plan or consider any key priorities to be missing.

Appendix 1 – All engagement sources

Date	Phase	Event	Event code	Description	Delivery partner	Top 5 segments engaged (% of total event)	Attendees
Feb-21	Phase 4 - Business plan refinement	WPD Digitalisation strategy workshop	E079	Workshop to seek feedback from stakeholders on WPD's Digitalisation Strategy and action plan and the roadmap to RIIO-ED2. The session was split into two main workshops. Workshop One: Our Digitalisation Strategy and action plan, and Workshop Two: Our roadmap to RIIO-ED2. A total of 54 stakeholders participated in the workshop, representing 45 organisations.	EQ Communications	<ol style="list-style-type: none"> 1) Local authorities (20%) 2) Energy Consultant (19%) 3) Utilities (17%) 4) Academic institutions (17%) 5) Other (15%) 	54
Feb-21	Phase 4 - Business plan refinement	WPD DSO and Connections Strategy workshop	E080	On 12 February 2021, WPD hosted a workshop to seek feedback from its stakeholders on the following topics: WPD's DSO Strategy and WPD's Connections Strategy. The workshop was split into three main sessions. Workshop One: DSO planning and network development, Workshop Two: DSO market facilitation, Workshop Three: Connections. A total of 63 stakeholders participated in the workshop, representing 56 organisations.	EQ Communications	<ol style="list-style-type: none"> 1) Other (25%) 2) Developers (14%) 3) Local authorities (14%) 4) Energy Consultant (11%) 5) Utilities (8%) 	63
Feb-21	Phase 4 - Business plan refinement	WPD Innovation Strategy workshop	E081	On 25 February 2021, WPD hosted a workshop to seek feedback from stakeholders on its Innovation Strategy as part of a series of delivery strategy workshops. The session was split into two main workshops. Workshop One: Innovation Strategy – Our proposed approach, and Workshop Two: Innovation Strategy – Delivering with our stakeholders. A total of 52 stakeholders participated in the workshop, representing 46 organisations.	EQ Communications	<ol style="list-style-type: none"> 1) Other (23%) 2) Local authorities (15%) 3) Community energy groups (13%) 4) Academic institutions (10%) 5) Energy Consultant (8%) 	52

Feb-21	Phase 4 - Business plan refinement	WPD Consumer Vulnerability Strategy and Social Contract Workshop	E082	On 23 February 2021, WPD hosted a workshop to seek feedback from stakeholders on the following topics: WPD's Consumer Vulnerability Strategy and the Social Contract. The session was split into three main workshops: Workshop One: Our Consumer Vulnerability Strategy (Part 1), Workshop Two: Our Consumer Vulnerability Strategy (Part 2), Workshop Three: Social Contract. A total of 37 stakeholders participated in the workshop, representing 31 organisations.	EQ Communications	<ol style="list-style-type: none"> 1) Local authorities (27%) 2) Vulnerable customer representatives (19%) 3) Other (16%) 4) Parish councils (14%) 5) Utilities (11%) 	37
Mar-21	Phase 4 - Business plan refinement	Business Plan 1 Consultation report	E083	This report covers the feedback received during the formal consultation (reviewing the commitments to ensure they deliver the right outcomes and represent the right level of ambition) period that took place between 27 January and 2 March 2021. The purpose of the formal consultation was to understand stakeholders' priorities to ensure the commitments WPD was proposing delivered the outcomes they wanted and that the commitments reflected the appropriate scale of ambition to meet the requirements and challenges of the next Business Plan period. WPD utilised different methods of engagement, namely a webinar, an online consultation, bilateral expert sessions, bill payer/ consumer surveys, and an online stakeholder workshop. In total, WPD consulted with 1,788 stakeholders and customers as part of the formal consultation period. Of these, a significant proportion (1,487) were responses to social media polls, with the	EQ Communications	<ol style="list-style-type: none"> 1) Other (94%) 2) Local authorities (2%) 3) Utilities (1%) 4) Connections providers (0,4%) 5) Energy consultant (0,4%) 	1,788

				remaining 301 participating via the other engagement methods: 86 attended the webinar, 125 responded to the online consultation, 2 participated in bilateral expert sessions and 88 attended the online workshop.			
Feb-21	Phase 4 - Business plan refinement	Connections Strategy feedback from CCSG February 2021	E084	The strategy feedback is referenced within the CCSG minutes and was provided by the CCSG. During the meeting, the group disseminated into three 'break-out' rooms to discuss each Connection Principle and its associated baseline expectations SG members were invited to provide feedback on how WPD could develop initiatives to meet the baseline expectations. During each feedback session the SG members were asked; What can we do to meet each of these baseline expectations?, and What would differentiate us in providing new connections from other DNOs?	WPD	<ol style="list-style-type: none"> 1) Utilities (45%) 2) Electric vehicle charge point manufacturers and installers (10%) 3) Other (10%) 4) Storage / renewables providers and installers (5%) 5) Connections providers (5%) 	20
Feb-21	Phase 4 - Business plan refinement	CCSG minutes February 2021 (summary)	E085	Connection Customer Steering Group held 24th February 2021 via Zoom, with 20 stakeholders in attendance. This is a summary report, and although recorded it has not contributed to the main body of the report to avoid repetition. The feedback it summarises have been assigned to their original source event.	WPD	n/a	-
Mar-21	Phase 4 - Business plan refinement	Social Contract qualitative research	E086	Social Contract Development Research Qualitative Insights: Research required to provide insight into concept of a Social Contract for WPD and measurement of interest amongst different consumer groups. All participants recruited from	Accent	<ol style="list-style-type: none"> 1) Domestic customers (50%) 2) Future customers (38%) 3) Business customers (13%) 	96

				previous Measures of Success (Core and Youth) research to ensure that understanding of WPD was strong and prior context of the Business Plan understood. Sample of 96 reconvened participants covering WPD locations including rural/urban areas.			
Mar-21	Phase 4 - Business plan refinement	Customer Panel minutes March 2021	E087	Meeting minutes from the WPD Customer Panel on the 18th of March, with 14 stakeholders in attendance.	WPD	<ol style="list-style-type: none"> 1) Consumer interest bodies (29%) 2) Other (14%) 3) Parish councils (14%) 4) Utilities (14%) 5) Government (7%) 	14
Feb-21	Phase 4 - Business plan refinement	WPD Engagement form 24.02.21 (summary)	E088	Engagement form on the Connections Customer Steering Group (CCSG) held on the 24th of February 2021, to engage with the major connections stakeholder's expert panel, on our connections process, whilst endorsing our ICE incentive. To feedback on the evolving connections business plan/strategy for RIIO-ED2. This is a summary report, and although recorded it has not contributed to the main body of the report to avoid repetition. The feedback it summarises have been assigned to their original source event.	WPD	n/a	-
Feb-21	Phase 4 - Business plan refinement	WPD Environmental Strategy and Climate Resilience Strategy workshop	E089	On 26 February 2021, WPD hosted a workshop to seek feedback from stakeholders on its Environmental Strategy, Environmental Action Plan and Climate Resilience Strategy, along with its roadmap to ED2. The workshop was split into three main sessions: Workshop One: Our Environmental Strategy, Workshop Two:	EQ Communications	<ol style="list-style-type: none"> 1) Local authorities (31%) 2) Other (17%) 3) Academic institutions (10%) 4) Domestic customers (8%) 5) Parish councils (8%) 	52

				Our Environmental Action Plan, Workshop Three: Our Climate Resilience Strategy. 52 stakeholders participated in the workshop, representing 43 organisations.			
Jan-21	Phase 4 - Business plan refinement	WPD DGOO Forum	E090	Quarterly meeting between WPD & Distributed Generation Owners / Operators to discuss network outages & other subjects that the DGOO would like to see discussed	WPD	1) Distributed generation customers (100%)	27
Apr-21	Phase 4 - Business plan refinement	Local Enterprise Partnership - Energy Steering Group	E091	Steering Group that undertakes and advises on various Energy Related projects on behalf of the Local Enterprise Partnership. A main objective is to encourage more business to the local area through Energy Related initiatives and ultimately devolution.	WPD	1) Local authorities (42%) 2) Energy Consultant (17%) 3) Local Enterprise Partnerships (17%) 4) Other (17%) 5) Charities (8%)	12
Feb-21	Phase 4 - Business plan refinement	Green Recovery Q&A webinars	E092	Green Recovery Q&A webinars held in the South West and South Wales on February 18th, and in the East and West Midlands on February 19th. All those who registered were provided with answers to specific questions asked and pointed towards the green recovery webpage for more information about the scheme.	WPD	1) Other (66%) 2) Local authorities (18%) 3) Distributed generation customers (7%) 4) Major connections customers (3%) 5) Developers (2%)	166
Apr-21	Phase 4 - Business plan refinement	National park engagement form	E093	The meeting took place to establish the national park's understanding of how they and WPD will be able to achieve net zero carbon for the parish towns	WPD	1) Local authorities (100%)	1