Electricity Distribution

RIIO-ED2 Business Plan Commitments Report 2023-2028

Year three – 2025/26
31 October 2026



nationalgrid

Business Plan Commitments Report



In December 2021 National Grid Electricity Distribution (NGED) published a business plan for the five year period from April 2023 to the end of March 2028.

The business plan was submitted in line with the Ofgem framework known as RIIO-ED2; whereby Revenue = Incentives, Innovation and Outputs.

This Business Plan Commitments Report details progress made against the 42 commitments we made within our Business Plan, and a number of new developments and initiatives since its publication.

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Foreword - an overview from our President

National Grid Electricity Distribution (NGED) owns and operates a safe and reliable electricity network that powers the lives of over 20 million consumers. Our network of wires, poles, pylons, cables and substations transports electricity to homes and businesses across the Midlands, South Wales and the South West.

Every day, millions of people across the Midlands, South Wales and the South West rely on our network, often without even thinking about it. They simply expect the lights to come on, businesses to operate, hospitals to function and communities to thrive. Our job is to make that possible.

This report sets out how we have performed during 2025/26, the third year of RIIO-ED2, and the progress we are making against the commitments we made to our customers and stakeholders.

It is a year in which we have continued to invest in our network, support our communities and build the capabilities needed for the energy system of the future. It is also a year that has reinforced the importance of resilience, adaptability and listening carefully to the people we serve. There is much that we can be proud of.

We have maintained excellent network reliability and delivered 99.988% network availability for customers, continuing to connect the technologies and infrastructure needed for a cleaner energy future. We have accelerated the development of flexibility markets, helping unlock capacity on the network and delivering significant benefits for customers and stakeholders. We have continued to improve access to network data, support local authorities with energy planning and help communities play an active role in the transition to net zero.

We are particularly proud of the support we continue to provide to the vulnerable customers who need us most. During RIIO-ED2 we have helped more than 70,000 customers save over £70 million on their energy bills, while around three million customers are now registered on our Priority Services Register. At a time when many households continue to face financial pressures, we remain committed to using our position to make a meaningful difference in the communities we serve.

We have also continued to invest in the long-term resilience and capability of our business. Our people have responded to increasing demand on the network, worked through some of the most challenging weather conditions we have experienced in recent years and continued to deliver for customers. Whether supporting vulnerable households, restoring power after storms, delivering innovation or volunteering in local communities, it is their professionalism, expertise and commitment that underpin everything in this report. At the same time, we are committed to being transparent about where more work is needed. The pace of change facing the electricity sector is significant.



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Foreword - an overview from our President

Demand for connections continues to grow, customer expectations continue to evolve and the impacts of severe weather are becoming more pronounced. Storm Goretti was a powerful reminder of the challenges climate change is creating for infrastructure operators and of the importance of continued investment in network resilience. While our teams responded exceptionally well, events such as these reinforce why we cannot stand still.

We also know that some aspects of our performance have not yet reached the standards we have set ourselves. While customer satisfaction improved during the year and we have made good progress through our customer transformation programme, we know there is more to do to make it easier for customers to interact with us and get the outcomes they need. We are acting on that feedback by simplifying journeys, improving digital services and introducing measures that better reflect the overall customer experience.

There are other areas where we know additional focus is needed. For example, accelerating progress on volunteering participation and tackling complex environmental challenges such as SF_6 emissions and waste. We are not where we want to be in every area, but we have clear plans in place and remain determined to deliver the commitments we made.

What gives me confidence is that the fundamentals are strong.

The majority of our commitments remain on track, we continue to deliver efficiencies for customers, our investment programme is growing and we are creating the capabilities required to support the UK's energy transition. We are delivering for customers today while building the network that future generations will depend upon.

Every day I am struck by the pride, professionalism and sense of purpose that exists throughout this business. Every day, our people are helping customers, maintaining critical infrastructure and preparing the network for the future. Their commitment gives me confidence that we are well placed to meet the challenges ahead.

As we continue in the second half of RIIO-ED2, our focus remains clear. We will deliver a safe and reliable network, provide excellent service for customers, and continue to enable growth across all of the regions we serve. We will also continue to listen, learn and improve.

Thank you to our customers, stakeholders and colleagues for their continued support, challenge and partnership. In particular, I would like to thank the ED2 Monitoring Group for their time, commitment and constructive challenge throughout the year. Their scrutiny has prompted robust debate, strengthened our approach and helped ensure this report is transparent, balanced and robust. Together, we are building an electricity network that can meet the needs of today while preparing for the opportunities and demands of tomorrow.

Roisin Quinn, President,
National Grid Electricity Distribution



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Key performance highlights



Key performance highlights from this year have included:

- Customer satisfaction of **9.01 out of 10**, with our customer experience transformation programme continuing to drive improvements.
- **99.98%** network availability delivered across our network. On target to deliver Network Asset Risk Metrics, replacing poor condition network assets.
- Biodiversity strategy successfully embedded allowing us to support a **10 per cent** net gain in biodiversity for selected sites. Continued reductions in the volume of waste sent to landfill.
- Efficiency programme has delivered savings of **£69m** during RIIO-ED2 so far, with the benefits shared with consumers.
- £1m awarded to grassroots organisations through our Community Matters Fund.
- Facilitating 137,000 additional LCT connections as well as improving access to information for connections customers. Shortened our time to quote across a number of sectors.
- Over **25,000 customers** supported to save nearly £25m in 2025/26 through our fuel poverty programme.
- Continued focus on building a lasting safety culture, with **417%** increase in near-miss and good-catch reporting compared to the previous year.
- Totex expenditure of over **£1.2 billion**, an increase of 9% year on year with a focus on delivering value for our customers.
- Step change in flexibility markets engaged, with over **309,000** flexibility assets registered on our Market Gateway Platform.

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Who we are and what we do

We are the nation's largest Distribution Network Operator (DNO) by geography, powering more than eight million homes and businesses across England and Wales. Our main responsibilities to our customers are:

- Operating our network to ensure we power the lives of all of our customers.
- Maintaining the condition and reliability of our assets.
- Fixing our assets if they get damaged or if they are faulty.
- Upgrading the existing network and expanding it to provide additional electricity supply or capacity to our customers who want to connect.
- Operating a smart, dynamic system by managing two-way power flows and flexibility services.

We are not a supplier. We do not buy and sell electricity, or directly bill customers. We own and operate the network of cables, pylons and substations that transport electricity directly to homes and businesses across our distribution area.

Our work is funded as a proportion of customers' energy bills, and we provide all these services at an average cost to customers of just £104[1] a year. That's less than 30p per day.

The UK electricity system is experiencing its most significant period of transformation in decades, with a national commitment to net zero by 2050 written into law and a new Government with ambitions to see a clean power electricity grid by 2030. The ambition to reach net zero is changing the way that electricity is generated and consumed, with widespread renewable generation at a distribution level, and adoption of low carbon technologies such as heat pumps and electric vehicles across homes and businesses.

Our networks are becoming smarter and more active; to adapt to changing customer needs we established a functionally separate Distribution System Operator (DSO) and independent DSO Panel, in the first year of RIIO-ED2.

The DSO is responsible for:

- Establishing processes to operate the network more flexibly, utilising systems thinking to unlock latent capacity.
- Forecasting supply and demand in more detail.
- Avoiding or deferring, where possible, the need for costly conventional reinforcement of the network by contracting for flexibility services from distributed energy resources.
- Locally managing generation output, load and power flows.
- Facilitating better whole system coordination outcomes.

Our vision is to be at the heart of a clean, fair and affordable energy future.

We continue to look for and make use of innovative techniques and encourage creativity so that we can meet our customer requirements in an effective and efficient manner. This helps to ensure value for money for our customers and stakeholders and a fair return for our shareholders.

[1] Nominal prices



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ED2 Monitoring Group

Our ED2 Monitoring Group continues to review our progress against our business plan commitments, providing scrutiny and challenge where needed, whilst also considering how we can feed progress into our planning for the next price control period.

We recognise the importance of considering the needs of customers and stakeholders in everything we do, including delivery of our business plan. In 2024/25, we launched our ED2 Monitoring Group (ED2MG) to help track progress against our business plan commitments and ensure that stakeholder views continue to influence our decision making.

Led by the independent Chair, Duncan McCombie, the ED2MG consists of five expert stakeholders with long histories of representing stakeholder views in the energy and utilities industry.

As well as monitoring NGED's overall progress, the group holds us to account for delivering what was agreed with stakeholders during the ED2 planning process and helps ensure that we continue to consider the views of customers and stakeholders throughout the price control period.

Their influence continues into our planning for the next regulatory period, with the Chair also sitting on the Independent Stakeholder Group for ED3 planning, ensuring that the committee is informed of ED2 performance and how that might affect future price controls.

This helps ensure that lessons learned from ED2 are considered when shaping future business plans. The role of the ED2MG has continued to grow in 2025/26, with the establishment of a half-yearly review meeting.

This allowed us to update the group on our progress in the first six months of the regulatory year, as well as test improvement plans for commitments that needed additional focus with an external audience. This has led to a number of deep dive sessions into commitments that are of particular interest to the group.

These deep dive sessions act as a two-way discussion, allowing us to get a stakeholder view on our plans whilst also providing the group with more confidence in our delivery.

We have also worked together to test our proposed Customer Effort Score (CES) solution to **output 27** (see page 38), with the group acting as an important sounding board for these changes. We also hold two year-end meetings to discuss the status of each commitment.

The ED2MG held a dedicated session with us to discuss a first draft of this 2025/26 Business Plan Commitment Report, challenging NGED on the process followed to assign performance ratings, the actions we are taking to drive performance, and helping give them the confidence to endorse the report before publication.



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ED2 Monitoring Group

This allowed us to test how we report progress in a way that is easy for stakeholders to understand. NGED welcomes the constructive challenge that the ED2MG provides. We will continue to work with the ED2 Monitoring Group throughout the rest of ED2 and we look forward to seeing how they can help shape the future delivery of our business plan commitments.

A statement from the ED2 MG

We are pleased NGED has made good progress delivering many of its business plan commitments this year. As well as monitoring progress of the plan, we have looked more closely at specific NGED commitments, including improving:

- Network Performance for their worst served customers (**Commitment 34**).
- Customer Service, particularly their call handling performance (**Commitment 27**).
- Visual Amenity in Areas of Outstanding Natural Beauty (**Commitment 14**).

They have produced clearer plans and processes whose impact we expect to see reflected in future reports.

Regarding call answering performance, we have agreed in principle with NGED's proposal to replace targets only on answering speed and abandonment with a broader measure (Customer Effort Score) which assesses how easy it is for customers to achieve a good outcome.

We will closely monitor implementation of this initiative and its impact on customer satisfaction.

Material external risks arising from energy system or policy changes should also be highlighted where they affect RIIO-ED2 delivery.

We continue to challenge and scrutinise NGED's approach for its Red/Amber/Green rating in its BPCRs, as it does not explain clearly here when it uses criteria other than simply "met" or "not met" the business plan target.

We believe transparency and comparability with the performance reports of other distribution companies would help readers.



Duncan McCombie,
Independent Chair of NGED ED2 Monitoring group



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Performance Snapshot for 2025/26

Our performance snapshot provides a set of data, common across all UK DNOs, which allows a high level performance comparison.

	West Midlands	East Midlands	South Wales	South West	NGED total
Number of Customers					
No. of Customers on DNOs network	2,529,603	2,709,181	1,163,640	1,664,748	8,067,172
Network Length					
Overhead lines (km)	22,870	20,308	17,838	27,276	88,293
Underground lines (km)	43,849	56,035	18,657	24,574	143,114
Other (Subsea cables) (km)	0	-	9	84	93
Total DNO Network Length (km)	66.719	76,343	36,504	51,934	231,500
Total Expenditure (TOTEX)[2]					
Total Expenditure (£m)[2]	339	345	203	315	1,202
RIIO-ED2 allowance (£m)[2]	307	337	202	281	1,127
% of Allowed	110%	103%	100%	112%	107%
Unrestricted Domestic Tariff (adjusted for typical consumption)					
Tariff Charge (£)[2]	71	64	89	94	76
Quality of Service (unweighted)					
Customers Interrupted (including exceptional events)	55.3	34.1	44.7	71.0	49.9
Customers Minutes Lost (including exceptional events)	44.7	25.3	28.7	126.0	52.6
Customers Interrupted (including exceptional events)	50.2	34.1	42.2	59.0	45.5
Customers Minutes Lost (including exceptional events)	35.3	25.3	26.7	44.0	32.5
Connections					
Time to quote (LVSSA) (Days)	2	2	1	3	2
Time to connect (LVSSA) (Days)	30	32	18	35	30
No. of completed connections per regulatory year[3]	11,191	10,748	5,748	10,247	37,664
Customer Service					
Overall Broad Measure of Customer Satisfaction score (out of 10)	8.96	8.97	9.28	8.94	9.01

	West Midlands	East Midlands	South Wales	South West	NGED total
Annual Vulnerability Report - qualitative summary					
Our Annual Vulnerability Report 2025/26 highlights how partnership working has helped us support more customers than ever before. We now support around three million customers on our Priority Services Register, reaching 88% of eligible households. This year, our fuel poverty programmes helped 25,860 customers save almost £25 million. We also supported 10,565 customers through Low Carbon Transition services, delivering over £4 million of savings. Alongside this, we strengthened support for vulnerable customers during power cuts and severe weather events.					
Major Connections Annual Report - qualitative summary					
Our Major Connections Annual Report 2026, published in July 2026, highlights how we have continued to improve the customer experience while supporting major industry-wide Connections Reform. We maintained strong customer satisfaction, achieving an overall MCCSS score of 8.56/10, and engaged with more than 10,000 customers and stakeholders to help shape our services. We further enhanced our digital offering through improving self-service tools, network visibility and online guidance.					
Connections					
Aggregate customer satisfaction score (out of 10)	8.55	8.65	8.87	8.40	8.59
A smart and flexible network					
DSO Performance Panel Score (out of 10)					9.02
Stakeholder satisfaction score (out of 10)					9.29
Safety performance - qualitative summary					
Safety remained a key priority in 2025/26, with improved leadership, training and learning processes helping to strengthen the organisation's safety culture. Reporting of Near Misses and Good Catches increased significantly, improving risk identification and prevention, while LTIFR improved compared to the previous year despite remaining above target. NGED also continued to deliver important public safety initiatives, including reducing electrical hazards near schools and providing electrical safety education to more than 91,000 children.					
Community Outreach - qualitative summary					
We have launched our refreshed strategy for Community Energy, engaging with key stakeholders to understand how best we can work in partnership with communities to address the challenges faced. During the year we facilitated three Community Energy in person events - engaging with key stakeholders and sharing knowledge. The insights gathered enable us to amplify the voices of community energy groups. We continue to provide information for stakeholders on available funding.					
Environment Impact - qualitative summary					
NGED has committed to becoming a net zero organisation by 2043 (for scope 1 and 2 emissions) in line with National Grid's validated 1.5°C science-based target (SBT). To monitor our progress we have established annual targets for each year of RIIO-ED2. Whilst targets continue to prove challenging we have achieved a 5.3% reduction in emissions compared to 2024/25, we continue to review emission reduction pathways.					
Innovation - qualitative summary					
Our innovation programme is focused on developing business as usual solutions that will assist us with our pathway towards decarbonisation and net zero.					

[2] Values are quoted in 2020/21 prices, as this is the price base used for setting allowances, within licence conditions and within Ofgem financial models. Cost incurred in 2025/26 have been deflated to be comparable to the allowances.
[3] Sum of metered and unmetered connections.

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NGED's RIIO-ED2 Business Plan

Our Business Plan was created with customers, for customers. Extensive stakeholder engagement was undertaken, with unprecedented levels of scrutiny and collaboration in order to identify the outcomes that our customers wanted us to prioritise as we invest in the network.

We committed to delivering 42 outputs in the following categories:

Category	A summary of our commitments
A Smart and Flexible Network	Deliver a smart, digitalised electricity network to enable net zero for our stakeholders.
Community Energy	Actively support the expansion of green, renewable energy generation and help local communities to decarbonise.
Environment and Sustainability	Reduce NGED's impact on the environment and facilitate the use of low carbon technologies (LCTs)
Innovation	Utilise innovation to deliver efficiencies and make NGED's data available to our customers.
Customers in Vulnerable Situations	Support customers in vulnerable situations by expanding and improving our Priority Services Register, helping customers to access new technologies and targeting fuel poverty.
Social Contract	Deliver enduring, long term support for our communities.
Customer Service	Provide excellent customer service.
Connections	Enable customers to connect to the network quickly and cheaply.
Network Resilience	Maintain a reliable supply of electricity and make the network more resilient to external events.
Safety	Minimise the safety risks associated with operating the network.
Business IT Security and Cyber Resilience	Protect against the risk of disruption to our operations by developing the resilience of our IT systems.
Workforce Resilience	Demonstrate exceptional employment practices and build a workforce that reflects the diversity of the communities that we serve.



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A summary of our output performance for 2025/26

A smart and flexible network

- G 1. Drive net zero
- G 2. Ensure capacity is available for LCTs
- G 3. Drive delivery of LAEPs and local energy surgeries
- G 4. Publish an annual DFES
- G 5. Ensure flexibility first
- G 6. Development of flexibility markets
- G 7. Achieve whole systems outcomes

Community Energy

- G 8. Support community energy groups
- G 9. Signpost information for community energy groups

Environment and Sustainability

- A 10. Achieve science-based targets for net zero
- G 11. Reduce leakage from fluid filled cables
- A 12. Reduce leakage from SF_6 insulated switchgear
- A 13. Waste reduction and minimising waste to landfill
- A 14. Improve visual amenity in AONBs
- G 15. Improve biodiversity

Innovation

- G 16. Deliver a stretch efficiency through ED2
- G 17. Make data available via an interactive API

Customers in Vulnerable Situations

- G 18. Offer bespoke energy plans to PSR customers
- G 19. Fuel poverty savings
- G 20. Expand the reach of our PSR
- G 21. PSR data sharing
- A 22. Improve PSR data quality by regular customer contact

Social Contract

- A 23. Community matters fund and volunteering
- G 24. Publish an annual Social Contract
- G 25. Provide PV funding for schools and community buildings

Customer Service

- A 26. Customer satisfaction
- R 27. Telephone response times and abandoned calls
- A 28. Social media and webchat response times
- G 29. Online planned work viewer
- A 30. Swift complaints resolution

Connections

- G 31. Online self assessment for connections
- G 32. Curtailable and flexible connections

Network Resilience

- A 33. Customer Interruptions and Customer Minutes Lost
- A 34. Worst served customers
- G 35. Network asset risk reduction strategy
- A 36. Reduce flooding at key sites

Safety

- G 37. Increase safety at school sites
- G 38. Electrical safety education

Business IT Security and Cyber Resilience

- G 39. Reduce data risks related to cyber attacks
- G 40. IT network security resilience

Workforce Resilience

- G 41. Exceptional and embedded employment practices
- G 42. Annual improvements in Diversity, Equity & Inclusion



RAG Status key

Key

Green progress against the implementation milestones is on track

Amber progress is delayed but is likely to be achievable before the end of the regulatory period

Red progress not on track

Summary statement

During 2025/26 we have continued to strengthen our capabilities and to deliver transformation across customer service, connections, capital delivery, digital systems and our workforce.

This investment is helping us to deliver our RIIO-ED2 commitments while responding to increasing demand on the electricity network and supporting the transition to net zero. The majority of our 42 commitments remain on track, with strong performance in areas such as support for customers in vulnerable situations, the development of a smart and flexible network and efficiency delivery.

While a small number of outputs require additional focus, improvement plans are in place and we remain committed to delivering positive outcomes for customers and stakeholders. We have reviewed how we measure customer service performance and, from 2026/27, will implement a new, more specific, customer-focused framework.

This reflects our commitment to focus on the quality and effectiveness of customer outcomes.

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A Smart and Flexible Network

Developments in the energy system

The UK electricity system continues to undergo significant transformation as it progresses towards the Government's Clean Power 2030 ambition and longer-term net zero targets. Clean Power 2030, a national infrastructure strategy aimed at decarbonising the electricity grid, will prompt continued changes in how electricity networks are planned and operated. Increasing electrification of transport, heating and industry, together with rapid growth in renewable generation and energy storage will further increase the importance of strategic planning and efficient system operation.

NGED knows that the evolution of the distribution networks will be integral in enabling a transition to a cleaner, more secure energy system. Through our functionally separate Distribution System Operator (DSO) business, we are working with customers, local authorities, flexibility providers and wider stakeholders to ensure the network can support future energy needs while delivering value for consumers.

During 2025/26 we generated £271 million of realised benefits (financial and economic savings) for customers and stakeholders across our licence areas. These savings were delivered through smarter grid management, the use of flexibility markets and enabling connections for low carbon technologies, allowing the avoidance of costly infrastructure upgrades. More detail on our DSO objectives and the outcomes delivered for customers can be found on our website **nationalgrid.co.uk** which includes our DSO Strategic Action Plan and our DSO Performance Panel Report.

Each year, an independent panel of experts reviews our DSO Performance Panel Report and assess how efficiently we develop and operate the network, including our use of flexible alternatives to traditional network reinforcement.

In 2025/26, our strong DSO performance and the benefits delivered for customers were recognised with a score of 9.02 out of 10.

'Based on the evidence presented, the Panel considered NGED to demonstrate a highly mature and ambitious DSO approach'.

Source - the RIIO-ED2 Distribution System Operation Incentive Report 2025/26.

DSO benefits at a glance

9.29 out of 10

DSO stakeholder satisfaction increased

198 GWh

of flexibility procured, ten times more than in 2024/25

£174m

of network reinforcement deferred out of ED2 through a flexibility first approach

133ktCO$_2$e

reduction in carbon emissions through reduced curtailment and flexibility participation

790,000

downloads and API (Application Programming Interface) calls provided via our Data Portal, providing clear insights into network constraints

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A Smart and Flexible Network

The transition to a low carbon energy system depends on widespread public uptake of low carbon technologies (LCTs), including electric vehicles, heat pumps, renewable generation and battery storage. The role of the DSO is to ensure that sufficient network capacity is available to support these technologies while enabling a smarter, more flexible and customer-focused energy system. As part of our RIIO-ED2 Business Plan we committed to the following interrelated outputs.

Output 1 G
Drive the achievement of net zero across our regions sooner than 2050 in line with stakeholder plans by ensuring network capacity is available.

Output 2 G
Ensure customers are able to connect low carbon technologies quickly and easily with the network ready to support at least an additional 1.5 million electric vehicles and 600,000 heat pumps by 2028.

Output 4 G
Deliver a network to meet the evolving needs of our customers by aligning our future energy forecasts with the plans of local regions and the Electricity System Operator, by updating NGED's Distribution Future Energy Scenarios every year.

Long-term planning is fundamental to ensuring the network is developed in step with customer needs and that capacity is available in the right place at the right time. On an annual basis we update and refine our Distribution Future Energy Scenarios (DFES) through engagement with local authorities and stakeholders. The latest DFES was published in March 2026 and provides the basis for forecasting future demand and planning network investment.

We support local authorities with the development of Local Area Energy Plans (LAEPs) and incorporate their ambitions within our forecasting and network planning processes. This helps to ensure that future investment reflects local priorities and supports progress towards net zero.

During 2025/26 we adopted LAEP+, an innovative mapping and modelling platform that provides local authorities with improved visibility of energy use and potential decarbonisation opportunities. We are now incorporating LAEP+ outputs into our planning processes, strengthening the evidence base used to inform network investment decisions.

Our planning approach prioritises making best use of existing network capacity before undertaking conventional reinforcement.

Information on our planning processes, and how we refresh these on an annual basis, can be found on our website at this address **dso.nationalgrid.co.uk/planning-our-future-network**.

We refresh our forecasts annually to reflect changing customer behaviours, government policy and emerging regional ambitions. Our latest forecasts continue to indicate significant growth in low carbon technologies across our regions.

Based on current assumptions we expect approximately 1.45 million additional electric vehicles and 260,000 additional heat pumps to be connected by the end of RIIO-ED2.

To date we estimate that 414,263 electric vehicles and 47,598[4] heat pumps have connected during RIIO-ED2. Our forecasting and investment processes ensure we remain on track to provide the capacity customers require when they need it.

In 2025/26 we saw 62 MVA of capacity required as a result of new LCT connections. We exceeded this requirement through a combination of conventional reinforcement and flexibility solutions. By procuring flexibility services during periods of peak demand we were able to defer the addition of 53 MVA of net transformer capacity across NGED. At the same time we increased our net secondary transformer capacity by a total of 602.1 MVA across our four licence areas.

Of this additional capacity, 156MVA was delivered in areas specifically targeted due to demand growth, helping to ensure network capacity is available where customers are most likely to require it in the future.

We measure the speed of response times when a customer requests an LCT connection and during 2025/26 we enabled over 137,000 LCT connections, with 90.81% of direct enquiries approved on the same day.

[4] Whilst we are notified of a large proportion of LCT installations, we also use external data sources to calculate an assumed total. This includes The Department for Transport, and the Microgeneration Certification Scheme (MCS) database.

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Output 3
Make it easy for customers to adopt low carbon technologies and achieve net zero in their region much sooner than 2050 by driving the delivery of Local Area Energy Plans and proactively engaging all local authorities each year via 90 local energy surgeries.

Stakeholder engagement is a crucial input to our network planning and options assessment, enabling network users to directly shape how network needs are resolved.

We align our assumptions with Local Area Energy Plans (LAEPs), ensuring that local housing, transport and industrial ambitions inform our planning. During 2025/26 we proactively engaged with all 120 local authorities within our regions.

We facilitate Local Energy Surgeries so that NGED representatives can assist local authorities to scope, develop and publish a LAEP. During 2025/26 we facilitated 292 surgeries (specifically with local authorities), significantly exceeding our annual commitment. To date we have supported local authorities in completing 31 LAEPs with a further 43 LAEPs in progress.

We share technical data to assist with the development of LAEPs and provide clear insights that support local decision making.

We provide a range of information for LAEPs on our website at **dso.nationalgrid.co.uk/planning-our-future-network/local-authority-information** and take steps to ensure that our processes are accessible.

We continue to improve the information and support available to local authorities.



During 2025/26 we worked collaboratively with neighbouring DNOs to develop a common data submission template, allowing councils to share local energy planning information in a consistent format across network boundaries.

This reduces duplication, improves planning efficiency and supports more coordinated whole system decision making.

Case Study Leicestershire Collaborate to Accelerate Net Zero (LCAN)

LCAN is funded through Innovate UK's Net Zero Living Programme.

The purpose of the project is to break down non-technical barriers, speed up carbon reduction, and help local groups, businesses and councils progress net zero plans. The programme is delivered in partnership with local authorities, universities, and cross-vector energy organisations.

NGED supported the development of the LAEP by sharing network data, providing feedback on emerging plans and identifying viable projects that could support decarbonisation across the region.

The programme strengthened collaboration between stakeholders across the region to support progress towards net zero. We continue to support the legacy partnership by providing planning insight and reflecting local ambitions in plans for future network development.

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Output 5
Keep bills as low as possible and minimise the need for load related reinforcement by adopting a "flexibility first" approach to maximise utilisation of the existing network.

As demand for electricity continues to increase, driven by the growth of low carbon technologies such as electric vehicles and heat pumps, additional network capacity is required. Traditionally this has been delivered through network reinforcement. However, flexibility services can often provide a lower-cost, time-bound alternative by helping us manage network constraints and make better use of existing infrastructure.

Flexibility services can include agreements with generators to adjust output, or arrangements with demand customers to vary their consumption based on network conditions.

To determine the most economically viable solution, NGED conducts cost-benefit analyses using an industry-standard methodology. Outcomes may include deploying flexibility, conventional reinforcement, or a combination of both.

More information can be found on our website - **nationalgrid.co.uk/dso/distribution-future-energy-scenarios/distribution-network-options-assessment.**

During 2025/26 we continued to expand our use of flexibility services across the network.

We procured 198 GWh of flexibility and dispatched 6.5 GWh across 110,000 dispatch events, representing a significant increase from 2024/25.

Through RIIO-ED2, NGED has adopted a 'Flexibility First' approach, meaning we consider flexibility solutions before committing to conventional reinforcement where this represents the most economic option for customers. Looking ahead to ED3, the role of flexibility is expected to evolve as network investment requirements increase to support long-term demand growth.

We will continue to develop flexibility services alongside network reinforcement to deliver a reliable, efficient and future-ready electricity system.

Output 6
Unlock capacity from the existing grid and therefore avoid the need for reinforcement by stimulating the development of flexibility markets and implementing simple, fair and transparent rules for procuring flexibility services, with a six-month tender and exceptional customer satisfaction for flexibility services.

Flexibility services are an important tool in helping us make best use of the existing electricity network.

By enabling customers and service providers to adjust electricity generation or demand when required, flexibility can help manage network constraints, unlock capacity and reduce the need for traditional reinforcement.

During 2025/26 we continued to expand our flexibility markets and increase participation.

As of 31 March 2026, more than 309,000 assets, representing over 3GW of flexible capacity, were registered through our Market Gateway platform, almost doubling the number of registered assets seen during 2024/25. Participation from Flexibility Service Providers (FSPs) also increased significantly during the year.

We have continued to enhance our flexibility market arrangements, introducing functionality that allows FSPs to register and validate assets at any time, giving participants the freedom to engage on their own schedule.



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During 2025/26 we:

- Enhanced our capabilities by migrating flexibility trading functionality into Market Gateway
- Introduced day-ahead procurement, improving alignment with operational needs while supporting greater market liquidity and participation
- Expanded flexibility market opportunities by launching 1,239 flexibility zones and procured 198 GWh of flexibility services, a tenfold increase compared to 2024/25.
- Introduced FlexUp, a new service designed to reduce renewable curtailment by encouraging additional demand during periods of high renewable generation. We are the first DSO to use flexibility this way.
- Delivered environmental and consumer value through our flexibility markets, achieving an average dispatched carbon intensity of just 0.97gCO_2e/kWh, approximately 35% lower than the previous year.

We continue to improve the availability and accessibility of flexibility market information, helping providers better understand market opportunities and potential revenues. During 2025/26 we introduced:

- **Flexibility Market Insights Dashboard** providing visibility of market activity and procurement outcomes
- **FlexPortal** providing insights into flexibility market performance and tender outcomes.

Further detail on flexibility market development, participation and performance can be found within our annual DSO Performance Panel submission on our website at **dso.nationalgrid.co.uk/about-dso/strategy-and-performance.**

As part of the DSO Incentive Ofgem measure customer satisfaction on an annual basis. For 2025/26 our Customer Satisfaction score for flexibility market development was 9.34 out of 10, improving from 8.88 in 2024/25.

Output 7 G

Deliver solutions that achieve the greatest social benefit to customers by utilising a whole system approach for major reinforcement to improve network efficiency. We will undertake three regional collaboration trial schemes by 2025 involving gas, electricity, water, waste, transport and heating sectors.

Delivering net zero requires coordinated action at national, regional and local levels. We therefore take a whole systems approach to network planning and development, working with partners across the whole energy sector, local authorities and other stakeholders across gas, transport, water and other industry to understand future energy needs.

This enables us to plan network investment where and when it is needed, developing coordinated solutions with the end benefit of minimising costs to consumers.

Over time, since the submission of our Business Plan in 2021, our approach to whole systems has matured. Rather than focusing on standalone regional schemes we have embedded the principles originally envisaged for these trials into a company-wide approach.

Our Strategic Engagement team work proactively with Local Authorities and a range of other stakeholders, contributing to a variety of different regional and local collaboration projects across our licence areas.

We adopt a system-wide, whole system planning approach, integrating distribution, transmission and cross vector considerations within our core processes, including Distribution Future Energy Scenarios (DFES), Network Development Plans and Distribution Network Options Assessment (DNOA). This ensures that network development reflects local priorities while delivering coordinated regional and national outcomes.

The following projects evidence how whole systems thinking is now a business as usual activity.

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Case Study
West of England - Bristol Mission net zero

During 2025/26 we continued to play an active role in the Bristol Mission Net Zero programme, a collaborative initiative designed to support the region's transition to a net zero future.

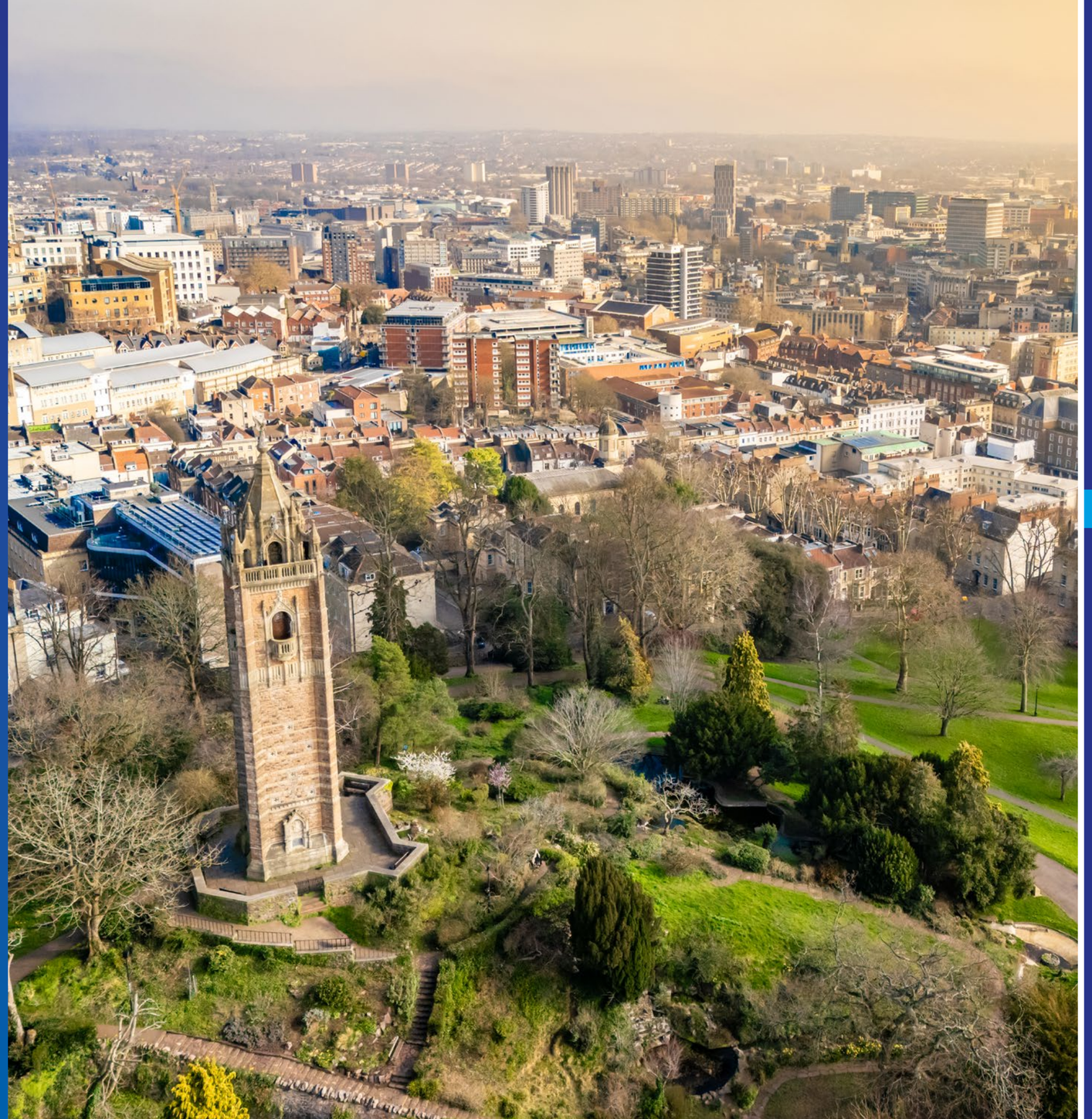
As a project partner, NGED provided electricity network insight and expertise to help inform the development of both the regional Clean Energy Investment Plan and community climate investment planning activities.

Working alongside local authorities, industry partners and other stakeholders, we contributed to the strategic direction of the programme through participation on the project board.

Participation in the programme has helped align our network planning activities with regional decarbonisation priorities and provided valuable insights into the cross-sector interdependencies that will influence how and when net zero can be delivered.

It has also strengthened the collaborative relationships we have established with local authorities across the West of England. The project has now concluded, creating a strong enabling environment ready for investment to be deployed quickly and fairly. Our DSO continues to work closely with Bristol City Council, including supporting the use of the LAEP+ Area Energy Planning tool.

Through this engagement we continue to provide insight that helps support evidence-based planning and investment decisions as the region progresses towards a net zero future.



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Case Study
South Wales Industrial Clean Energy Dialogue

During 2025/26 we worked in partnership with Net Zero Industry Wales, Switch Net Zero Wales and Welsh Government through the South Wales Industrial Clean Energy Dialogue.

The initiative brought together more than 60 representatives from industry, government and energy networks to explore how timely and affordable access to clean electricity can support industrial decarbonisation and economic growth across South Wales.

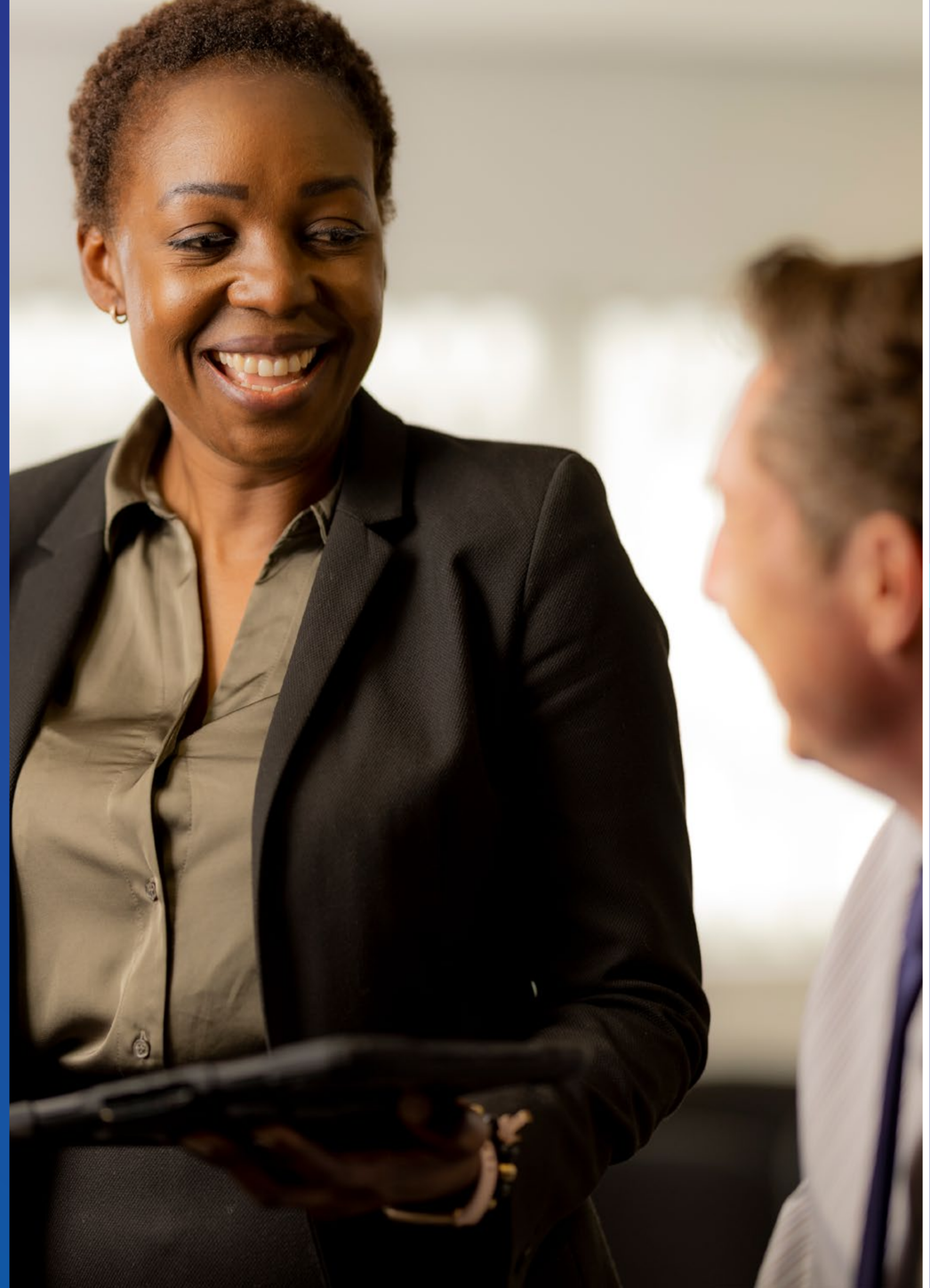
As a partner, NGED provided technical expertise and electricity network insight to help identify practical solutions to challenges associated with electricity costs, network capacity and connection timescales. A key part of this work was the development of alternative concepts designed to help industrial customers make greater use of existing distribution network capacity and better understand the range of options available to them.

The Dialogue also highlighted the importance of earlier engagement between industry and network operators, alongside closer coordination between distribution, transmission and system planning activities.

Through collaboration with partners, participants developed a shared vision for South Wales and identified a series of actions spanning immediate interventions, longer-term growth opportunities and future innovation pathways.

The partnership has helped establish new ways of working, including enhanced engagement between industry and network planners, joint connection surgery arrangements and mechanisms for sharing learning from innovative connection approaches. It has also provided an opportunity to better understand the future requirements of industrial customers and the role that electricity networks can play in supporting regional decarbonisation ambitions.

Insights from the Dialogue have informed future planning activities, including NGED's preparations for RIIO-ED3 and engagement with wider strategic energy planning processes. The partnership continues to demonstrate the value of collaboration between industry, government, academia and network operators in supporting South Wales's transition to a lower-carbon future.



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Whole Systems

The Whole Systems Coordination Register

In May 2026 we published our updated Whole System Coordination Register covering the period 1 April 2025 to 31 March 2026. The register transparently demonstrates the processes and activities National Grid has taken to coordinate with others to advance the efficient and economical operation of our network.

The latest register can be found on our website at **dso.nationalgrid.co.uk/resource-centre/publications-library.** Day to day examples of Whole System coordination we have undertaken are shown below.

Regional Energy Strategic Plans (RESP)

We have worked proactively with the National Energy System Operator (NESO) to support development of the Regional Energy Strategic Energy Plans (RESP).

RESP is designed to enable coordinated development of the energy system and offers opportunities for driving whole system coordination. Through technical working groups and bilateral engagement we have helped to shape RESP methodology and supported NESO to develop an approach that benefits planning for all distribution networks. For our 2025 DFES we created a specific pathway aligned with the transitional RESP, which provides transparency for our stakeholders. Ofgem's full suite of RESPs are expected to be published in 2026/27 following the transitional phase and we will continue to contribute to the process over this time period.

Description of coordination	Collaborating parties	Whole system benefit
Development of Local Area Energy Plans.	Local Authorities, other DNOs, GDNs.	Optimised decarbonisation, coordinated investment, cost savings through synergies, data driven decisions and economic growth.
Stakeholder engagement to inform our Distribution Future Energy Scenarios.	Local Authorities, major energy users including rail, maritime, agriculture and aviation.	Ensuring the network is ready to support local decarbonisation aspirations and that we are offering value to consumers by investing at the right time and place and by touching the network once.
Development of the Local Authority Common Ask Template – a joint initiative to standardise data submission processes for Local Authorities across shared network boundaries.	NGED, SSEN and UKPN	Enhanced whole system decision-making, as all DSOs work from a shared evidence base. A coordinated approach establishes a common standard, enabling effective cross-boundary planning and supporting integrated energy system outcomes.



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Community Energy

Output 8 G

Actively support the expansion of green, renewable energy generation and help local communities to decarbonise and lower their bills, by:

- Creating and publishing information (including case studies and informative guides) in relation to renewable energy generation and the connections process. These documents will be publicised at our Connections: communities events, which are targeted at Community Energy groups and are held as a minimum twice a year.
- Amplifying the voices of Community Energy groups to the relevant stakeholders to ensure that community energy can be unlocked and any learning on community energy can inform ED3 planning and delivery.

Community energy projects are those where local people own, lead or take part in clean energy projects in their area. We recognise our role as an enabler, supporting communities through the energy transition, helping them to reduce energy bills and amplifying the voice of the community energy sector.

Through engagement with stakeholders, we have identified a number of barriers to growth, including access to funding and the challenges faced by volunteer-led groups in navigating a range of complex processes such as planning. In 2025/26, we launched our refreshed programme of community energy forums. We work in partnership with Regen, an independent not-for-profit energy consultancy.

Through the programme we delivered three regional in-person events, providing opportunities to engage with community energy stakeholders and organisations, sharing knowledge and gathering insight on how we can enhance the support we are able to offer.

Key topics discussed during our 2025/26 events included:

- **Energy Local models (see below)**
- **Shared ownership models**
- **Community engagement**
- **Planning**
- **Connections guidance.**

In addition to these events, our enhanced engagement programme included increased support for community energy representative bodies. During 2025/26, we sponsored conferences hosted by Community Energy England and Community Energy Wales.

These events enabled us to engage directly with stakeholders, share knowledge and best practice and better understand the factors that can cause community energy projects to stall. Discussions also explored the legislative and regulatory changes needed to unlock greater participation in the energy transition.

The engagement that we undertake, and the insights gathered, enable us to amplify the voices of community energy groups and to advocate for the changes needed to unlock community energy at scale. During 2025/26, a key focus has been promoting the need for a clear community energy definition, a point which we have consistently raised with Ofgem, DESNZ and Great British Energy as a crucial first step towards enabling the sector.

In October 2025, we presented evidence to the Net Zero Select Committee inquiry, “Unlocking Community Energy at Scale”, at the Houses of Parliament, helping to ensure that the experiences and priorities of community energy organisations are reflected in national policy discussions.



Alongside our work to amplify the voices of community energy groups, we have launched an innovation project to generate further evidence on the benefits that Energy Local models can deliver for both communities and the electricity network.

Energy Local is a model by which a community energy group can offer reduced energy tariffs to those who agree to match their demand when the local generating asset is in operation.

The project aims to assess how these models can help address network constraints whilst creating greater local value, and to provide insights into any future changes that may be required to the customer connections process to support the wider adoption and scaling of the Energy Local model.

The GECCO (Geoprint for Energy Club Connections and Operations) project is due to conclude in February 2027 and will continue to provide insight to guide our activity in this sector.

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Community Energy

Provision of information

During the year we partnered with Regen to develop a planning guide specifically tailored for community energy groups looking to develop local energy projects. The guide provides practical advice, key considerations, and step-by-step information to help groups navigate the planning application process and better understand the requirements for successful project delivery. The guide can be found on our Community Energy webpage. **commercial.nationalgrid.co.uk/our-community/community-energy**.

In addition, with support from Regen and community energy organisations across our regions, we developed a series of case studies showcasing a range of community energy projects and the wider social, economic and environmental benefits they have delivered.

These case studies showcase successful community-led initiatives and demonstrate the positive impact community energy can have on local areas. They also provide valuable insights, lessons learned and practical advice for other community groups seeking to develop and deliver their own projects. The case studies can be found on the Community Energy webpage.

Output 9 G
Support a growth in community energy schemes by facilitating their access to available funding streams.

During 2025/26, through our Community Energy events and participation in wider community energy network forums, we supported community energy groups by raising awareness of available funding opportunities.

We also provided guidance on how groups could access and identify potential funding sources, including through the Community Matters Fund and the Solar for Schools (see page 32 to 35) programme, helping to connect communities with resources to develop and deliver local energy projects.

Our website provides a range of information and resources for community energy stakeholders, including a dedicated webpage that serves as a consistent source of information on community energy funding.

As we progress through the remainder of ED2, we are planning to further enhance our website to provide community energy groups with the information, guidance and practical tools needed to develop local energy projects.



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Environment and Sustainability

Further detail on our environmental strategy, ED2 targets and in-year activity can be found within NGED's Annual Environment Report (AER) which is published annually on 31st October and can be found on the NGED website at **commercial.nationalgrid.co.uk/our-community/environment**.

Output 10 A
Become a net zero organisation by 2043 in line with our validated 1.5ºC science-based target (SBT).

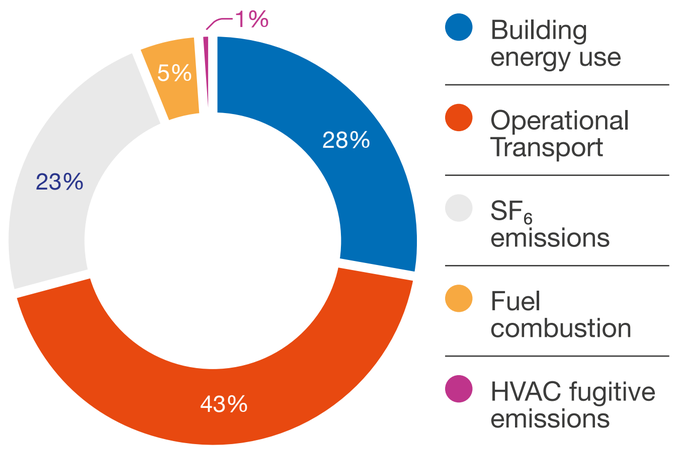
NGED is committed to reducing the impact on the environment of our operational activities, through reducing emissions and protecting and enhancing the natural environment. We have committed to becoming a net zero organisation in advance of the UK governments' 2050 deadline by setting science-based targets (SBTs).

A carbon emissions target is defined as science-based if it is in line with reductions needed to keep the global temperature increase below 2ºC above pre-industrial temperatures. We have engaged with the SBT initiative and had our more ambitious 1.5 ºC SBT officially verified at an NGED level.

Progress towards our SBT is monitored through annual milestones, enabling us to assess progress and target action in RIIO-ED2 and beyond. Our targets relate to scope 1 and 2 carbon emissions:

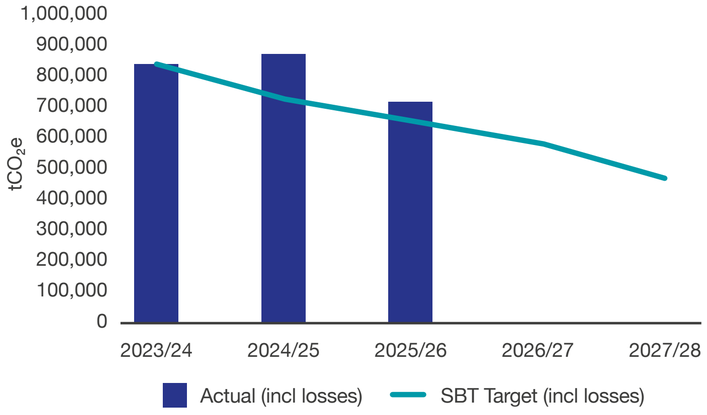
Scope 1 emissions	• SF_6 leaks from network equipment • Fuel use in operational transport • Fuel use in generators and plant • Gas use in buildings • Fugitive emissions from heating, ventilation and air conditioning (HVAC) systems
Scope 2 emissions	• Losses (Line Losses) • Purchased electricity use in buildings

SBT emission types (Excluding Losses)

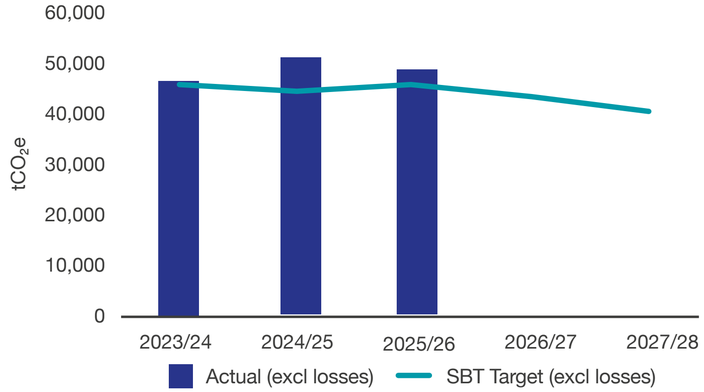


During 2025/26 we have achieved a 5.3% reduction in emissions compared with 2024/25, and we have been undertaking a range of actions to support the decarbonisation of our operations.

BCF performance (including losses)



BCF performance (excluding losses)



Operational transport is the largest contributor to our business carbon footprint (excluding losses). Operational road emissions have reduced by 1%, reflecting continued progress in the transition to lower-emission vehicles and improvements in fleet efficiency against a backdrop of fleet growth.

Our company car fleet is now 100% electric, and to support the transition of our commercial fleet to electric vehicles we have delivered one of the largest privately owned charging networks in the UK.

The network has been designed to support operational requirements by providing easy access to charging across our licence areas, and by the end of 2025/26, charging infrastructure had been installed at 71 depot and substation sites.

Over 80 per cent of our fleet consists of large panel vans, 4x4 vehicles, heavy goods vehicles (HGVs) and specialist vehicles. This continues to present a challenge for electrification, as suitable EV alternatives are not yet widely available for all operational requirements.

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Improving the efficiency of vehicles that are not yet suitable for electrification remains an important part of reducing transport emissions. Fleet renewal continues to replace older, higher-emission vehicles with newer, more efficient alternatives, improving reliability, safety and environmental performance.

Alongside this we have deployed portable Lithium Power Supply (LPS) Units to reduce vehicle idling when working on site. The units provide power for auxiliary lighting, ancillary equipment and charging of power tools without the need to run the vehicle engine. We continue to pursue initiatives that reduce energy consumption across our buildings.

Emissions from building energy use fell by 16% compared to 2024/25. We are continuing to invest in the modernisation of our property portfolio, delivering efficiencies through activities such as HVAC (Heating, Ventilation and Air Conditioning) maintenance and repairs, smaller scale-roofing projects and the rollout of LED lighting upgrades and controls.

In addition, we are in the process of delivering three new, energy-efficient depots within our South West region.

These facilities will replace existing buildings that are no longer fit for purpose, supporting further reductions in energy use and associated emissions.

Our activity in relation to fugitive emissions (SF_6) is detailed below. Further information on other emission areas, including electricity distribution losses can be found within our Annual Environmental report which is published on our website at **commercial.nationalgrid.co.uk/our-community/environment**.

Whilst we have made progress against our annual milestones, they are challenging and our business carbon footprint has remained above target.

Delivering further reductions in emissions, addressing the long-term environmental impacts of legacy assets and responding to the changing demands placed on the electricity system will require continued innovation, investment and collaboration. Our priority is to turn local improvements into consistent progress across all licence areas, whilst accelerating longer-term technology and supply chain solutions that support our 2043 net zero ambition.

SF_6 emissions continue to represent our most significant environmental challenge. We're working closely with supply chain partners to increase the pace of SF_6-free equipment deployment, helping to reduce emissions from our network assets and improve environmental performance over the long term.

Output 11 G

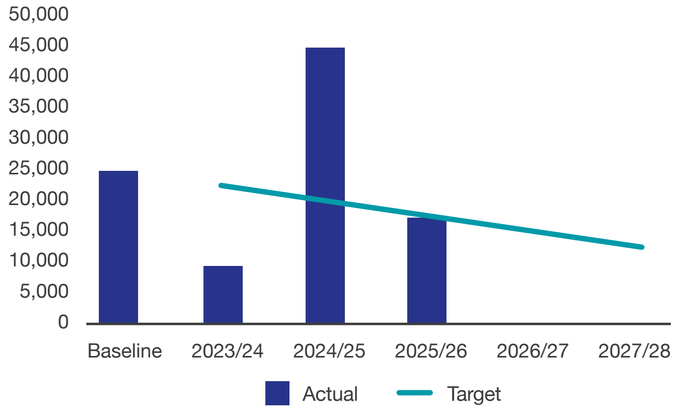
Avoid damage to the environment by reducing the volume of leakage from fluid filled cables by 50 per cent by 2028 and replacing the worst leaking circuits with non-oil alternatives putting NGED on target to remove all oil-filled cables by 2060.

Some older types of higher voltage cables contain oil based fluids to assist in the insulation of the cables. These cables sometimes leak, either as a result of third party damage, age related degradation, or ground movements. New cable designs do not use this technology so the problems associated with these cables will reduce over time as the populations are reduced through replacement. To date during RIIO-ED2 we have removed 44.2km of fluid filled cables, 99% of which were condition related removals.

We are broadly on track with our internal work plan. We have seen a significant improvement in oil leaked in comparison to 2024/25, when significant leaks in the West and East Midlands hampered performance.

Our performance, which has brought us back on track with our scaled targets, is shown below:

FFC oil leakage (litres) All NGED



This demonstrates significant improvement in cable leakage for NGED as a whole compared to 2024/25. However, leakage in the East Midlands region was over target, with a significant proportion of the total leakage due to two leak events in the region - repairs have now been implemented to resolve this issue.

We recognise that leakage can be volatile and we therefore continue to embed a range of activities to ensure continued improvement – including knowledge sharing between regional teams in NGED via a dedicated Fluid Filled Cable working group. To minimise environmental damage, fluid levels in our cables are monitored remotely so that operational teams can respond quickly to a leak event.

Leaks are located quickly by using perfluorocarbon tracer chemical (PFT) which is injected into the cable and can be detected above ground to pinpoint leaks.

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Environment and Sustainability

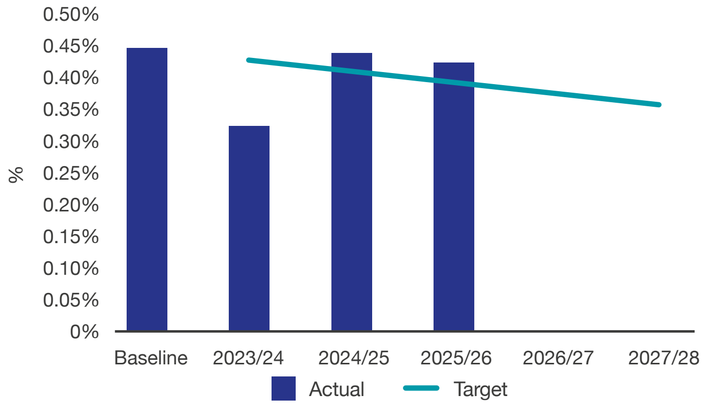
Output 12
Significantly reduce our impact on climate change by delivering a 20 per cent reduction in SF_6 losses and drive industry partners to develop technological alternatives to reduce overall volumes of SF_6 on the system.

A

Sulphur Hexafluoride (SF_6) is a gas commonly used to insulate switchgear. Whilst SF_6 is effective for this purpose, it is a potent greenhouse gas. An international ban on installing new SF_6 switchgear is pending and NGED is working closely with manufacturers in the development of SF_6 alternatives. Whilst these technologies continue to develop, our overall bank of SF_6 assets will increase as the network grows.

The rate of SF_6 emissions from the network has decreased compared to 2024/25, however emissions remain over target. Emissions are made up of top-ups made where SF_6 leaks are identified in live apparatus and measurements of SF_6 recovered during the disposal of assets.

SF_6 Leakage rate (%) NGED Total



Performance has varied across licence areas: East Midlands has met its regional target, whilst the other regions have exceeded their respective targets.

Action to detect and rectify SF_6 leaks at the earliest opportunity is a key part of our strategy. SF_6-containing assets are subject to routine inspection and maintenance activities, with monitoring and low-pressure alarms used to identify potential leaks.

Where low gas pressures are detected, operational teams assess the asset and, where required, undertake gas top-ups to maintain network reliability whilst longer-term repair or replacement solutions are developed. Work is ongoing to review our current performance. This includes analysis of leak prevalence by specific asset groups and a review of our processes for procurement of strategic spares. We are also considering development of in-house repairs resource to overcome supply chain bottlenecks.

Progressing viable alternatives to SF_6

The technical and commercial maturity of SF_6 free apparatus varies by voltage and application. We already use a non-SF_6 solution for 33kV secondary pole mounted circuit breakers and have adopted the use of SF_6-free 132kV live tank circuit breakers as standard. During 2025/26, we commissioned 30 SF_6-free (clean air) 132kV circuit breakers across our network, with two-thirds of those installed in South Wales as part of wider asset replacement programmes. These installations removed approximately 400kg of SF_6 from the network, reducing our reliance on the use of SF_6 whilst maintaining network reliability and performance.

As different apparatus options become available, we will continue to increase the adoption of SF_6-free technologies where they meet operational and technical requirements.



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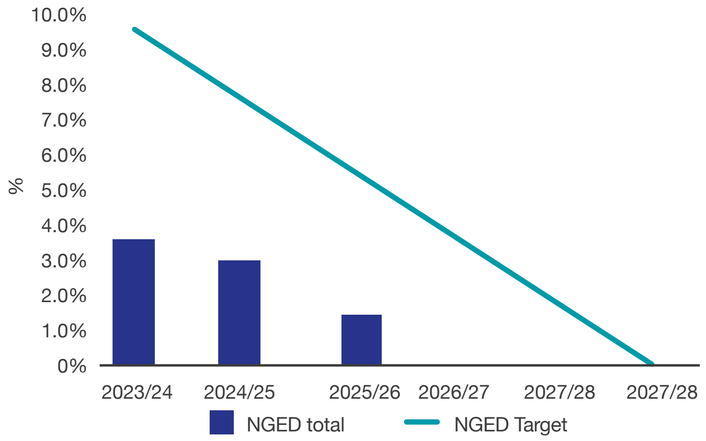
Environment and Sustainability

Output 13
Significantly reduce the environmental impact of our operations by achieving zero waste to landfill by 2028 (excluding hazardous waste) and delivering an overall 30 per cent reduction in tonnage of waste produced.

Our business activities create a number of waste streams and we take steps to ensure that we segregate and recycle waste wherever possible.

We aim to drive down the amount of waste from our operations which is sent to landfill and to reduce the overall amount of waste produced.

Percentage of waste to landfill



During 2025/26 only 1.3% of our total waste ended up in landfill and we are on track to achieve our commitment to send zero waste to landfill by 2028.

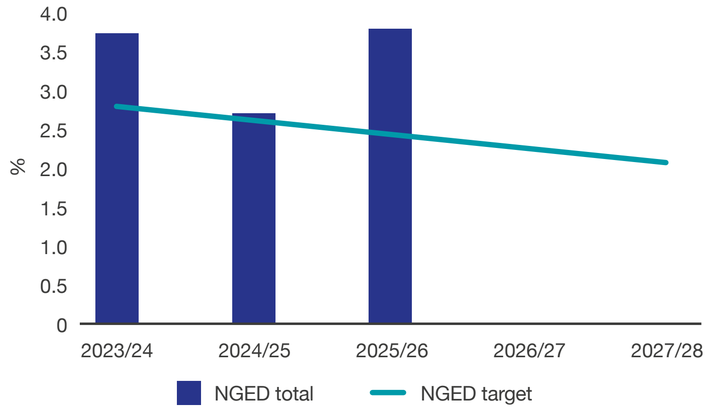
We continue to work closely with the waste contractors in all four of our licence areas to ensure that wherever possible waste streams are diverted from landfill.

Tonnage of waste produced annually will vary depending on work volumes and we therefore assess tonnage of waste as a proportion of annual turnover to compare relative performance across years.

Absolute tonnage of waste produced during 2025/26 has increased compared to 2024/25, largely driven by a significant uplift in pole replacement activity during the year. In 2025/26 our tonnage of waste as a proportion of turnover was 3.75% against a target of 2.42%.

This increase highlights the challenges in reducing our waste and so we are working closely with operational teams and supply chain partners to identify opportunities to reduce waste generation and improve resource efficiency over the remainder of ED2.

Tonnage of waste per £m turnover (%)



We have reviewed a number of waste streams to identify opportunities to further improve onsite recycling. We continue to look at ways of reducing tonnage of waste. One example is a project within the South West where working with our waste contractor, Biffa, we assessed 15 commonly used plastic products to understand their suitability for recycling.

As a result, five items previously disposed of through general waste streams can now be directed to dry mixed recycling, including resin tubs and lids, and electrical tape containers. A further five items were identified as having potential for future recycling as processing and infrastructure options develop.

Alongside this work, the Environment Team continued to support depot teams through waste audits, environmental awareness training and site-specific reviews of waste management arrangements.

We are also exploring ways to improve material handling at source, including options for segregating waste within operational vehicles before it is returned to depots for recycling or disposal.

We will continue to identify additional plastics that can be recycled and expand the number of materials that can be diverted into recycling streams.

In addition we will continue to review depot logistics, waste segregation arrangements and material handling practices to further improve recycling performance and reduce waste sent for landfill disposal.

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Environment and Sustainability

Output 14 A
Improve visual amenity by removing at least 50km of overhead lines in Areas of Outstanding Natural Beauty and National Parks.

Across NGED's geographical footprint, we operate within a number of National Landscapes (formerly Areas of Outstanding Natural Beauty) and National Parks.

While overhead lines are an essential part of the electricity network, we are committed to supporting National Landscapes with the removal of overhead lines where this would improve the visual amenity of these nationally important landscapes.

Potential undergrounding schemes are identified through national steering groups comprising representatives from NGED, National Landscapes and National Parks.

We work closely with these stakeholders by providing technical advice, feasibility assessments and indicative cost information to support the selection and development of projects that deliver the greatest visual and environmental benefits.

To date we have undergrounded 12.5 km of overhead lines within National Parks and National Landscapes.

Delivery of undergrounding schemes during the early part of ED2 has been slower than initially anticipated.

However following a review of our internal processes and future programme we have identified a clear pipeline of projects and remain on track to achieve our ED2 targets by the end of the price control period.

This pipeline is something that our ED2 Monitoring Group has specifically challenged us on and we were able to give them confidence in our delivery plans.

The selection and delivery of individual projects is influenced by the priorities of local steering groups, stakeholder support and the successful agreement of the necessary legal wayleaves.

As a result, delivery timescales can vary between schemes. We continue to work collaboratively with stakeholders and landowners to support timely delivery wherever possible.

Case Study
Hawkers Cove, Cornwall National Landscape

Hawkers Cove is a small coastal hamlet located within the Camel Estuary in Cornwall National Landscape. The area contains a number of historic buildings, including former lifeboat stations, coastguard cottages, a watchtower and a former Second World War air-sea rescue base.

The South West Coast Path passes through the hamlet, making it a popular destination for visitors who enjoy its historic character and coastal scenery.

The existing high-voltage overhead line serving the area was highly visible from the South West Coast Path, the estuary and surrounding headland.

Following discussions with the Cornwall National Landscape team, the route was identified as a strong candidate for undergrounding due to the potential visual improvements that could be achieved.

The project received support from the two principal landowners, enabling NGED to secure the necessary wayleave and lease agreements.

As part of the scheme, a range of poles and associated overhead line were removed and replaced with underground cable.

Although the works were originally planned to coincide with the tenant farmer's fallow period, wet weather affected the programme.

By working closely with the landowner and adapting the work schedule, the project team was able to minimise disruption and enable planting activities to commence as soon as conditions improved.

The main body of work was completed in five weeks and was delivered under budget, resulting in a lasting enhancement to the landscape for residents, visitors and the wider community.

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Environment and Sustainability

Output 15 G
Achieve a 10 per cent net gain in biodiversity (in line with nationally recognised assessment tools) for new major projects and for selected primary and grid substation sites.

NGED is fully committed to protecting the natural environment and aims to address the biodiversity impacts of new construction projects in line with legislation, while also enhancing the biodiversity of land already within our portfolio.

In England, Biodiversity Net Gain (BNG) is a mandatory requirement for new developments that aims to ensure habitats for wildlife are left in a measurably better state than they were prior to the development.

We use the Government's statutory Biodiversity Metric Tool to establish baseline biodiversity conditions for qualifying construction projects in England, understand the impacts and design appropriate enhancement plans with our ecological consultants.

The legislation requires developers to maintain the habitats created or enhanced for a minimum of 30 years in order to achieve the target condition.

In Wales, where Biodiversity Net Gain is not currently a statutory requirement, we adopt a site-specific approach that seeks to avoid, minimise, mitigate and compensate for impacts on biodiversity. We have used the statutory Biodiversity Metric Tool within our ED2 survey programme to create a baseline for selected operational sites, allowing us to develop our approach to biodiversity enhancement across our wider portfolio.

In 2025/26, two new projects in England were eligible for BNG requirements. Using the statutory Biodiversity Metric, both projects were designed to deliver a minimum 10 per cent net gain.

Appropriate habitat management measures have been put in place to support delivery over the required monitoring period. We employ a mixture of onsite and off-site approaches to secure the required biodiversity units, but aim to deliver BNG mitigation on site in the first instance.

Enhancing biodiversity across existing substations

Alongside fulfilling our statutory obligations for BNG, we have an ongoing programme of work focused on enhancing biodiversity across a range of existing substation sites.

Over the course of RIIO-ED2, we have introduced habitat management and monitoring plans at 39 sites to date, as a result of an ongoing programme of baseline biodiversity surveys. Initial surveys consider issues with land ownership, constraints related to electrical assets on site, proximity to sites of conservation interest and mapping imagery to confirm habitat type. These surveys provide the baseline information needed to identify opportunities for biodiversity enhancement and measure future improvements.

During 2025/26, 17 sites were surveyed to assess their suitability for providing biodiversity net gain units.

Site potential varied, reflecting differences in habitat type, condition and enhancement potential. Following these assessments, 12 sites have been identified as the focus of ongoing biodiversity enhancement activity. Habitat management and monitoring plans have been produced for each site, and we have started to integrate these plans into routine maintenance activities.

Plans might include activities such as modifying the frequency and intensity of grass cutting to improve habitat quality for pollinators and other wildlife.

Building on the learning from our first pilot projects, we will continue to test how habitat management measures can be more widely implemented in an operational environment and how changes to site management can be delivered in practice. We will continue to work with our ecological consultants to enable a quantitative assessment of impact using the Statutory BNG metric, currently used for new projects, helping us better understand and measure biodiversity outcomes across existing sites.



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Innovation

Output 16
Keep bills for customers low by delivering a minimum stretch efficiency saving of £95 million through RIIO-ED2 (on top of £723 million of efficiencies already included in the plan) by utilising innovation to improve our processes.

We recognise that increasing costs continue to place pressure on consumers and that driving efficiency and value for money is more important than ever.

Over the course of RIIO-ED2 our Efficiency Delivery change programme has delivered savings of £69million and we are on track to achieve our target of £95m by the end of the price control.

These savings have been achieved through targeted initiatives that improve the efficiency of our operations while maintaining service quality and customer outcomes.

Areas of focus include enhancing our faults processes, improving the planning and delivery of network work programmes, and securing procurement efficiencies by leveraging National Grid Group capabilities and driving greater value through our supply chain. Significant savings have been achieved in the projects detailed below:

- **Faults response:** Optimising fault triage and the deployment of resources to improve operational efficiency and reduce costs.
- **Planned work productivity:** Implementing standardised planning and scheduling processes, with clearer roles and responsibilities to improve productivity and reduce unit costs.
- **Supply chain efficiencies:** Delivering better value through strategic procurement, supply chain optimization and more efficient programme delivery.

We will continue to identify and implement further efficiency opportunities throughout the remainder of RIIO-ED2, ensuring that savings are delivered in a sustainable manner while maintaining service performance and delivering value for customers.

Output 17
Enhance access to data that is tailored to the individual needs of our customers, by making 60 per cent of NGED's network data available via an interactive Application Programming Interface.

NGED is committed to making network data easier to access and use, helping customers, developers, researchers and other stakeholders make better informed decisions.

During 2025/26, we continued to improve the availability of network data and exceeded our RIIO-ED2 commitments by making 72% of our network datasets available through an Application Programming Interface (API), surpassing our target of 60%. An API allows users to access data automatically and integrate it directly into their own systems and applications.

The Connected Data Portal remains the primary route for discovering and accessing NGED's open data. Through the portal, users can access a growing range of datasets covering network performance, asset information, connections and available network capacity. The portal can be found at **connecteddata.nationalgrid.co.uk**.

Customers can also request additional data through NGED's established data request process, with requests assessed and fulfilled where appropriate, taking into account security, privacy and governance considerations. Data requests can be made via our website at the following link **commercial.nationalgrid.co.uk/digitalisation-and-data/data-request-form**.

Over the year, we have expanded both the volume and range of information available. An example this included data provided to support industry-wide initiatives such as the Data Sharing Infrastructure programme, which aims to improve the consistency and accessibility of energy data across Great Britain.

Improved data interoperability means information can be more easily shared and used across different organisations and digital platforms.

The datasets we publish include network loading and demand information from substations and feeders, connection registers, and network capacity information that helps customers understand where spare capacity is available. By making this data more accessible, we enable stakeholders to undertake their own analysis, identify opportunities and plan projects with greater confidence.

Accessible, high-quality data is particularly important in NGED's role as a Distribution System Operator (DSO), where it supports network planning, forecasting and the development of flexibility services.

To ensure stakeholders can rely on this information, we continue to invest in data quality improvements and digital capabilities, including investment in the cloud data platform and digital twin capabilities, which are improving how network and asset data is managed, integrated and made available for use.

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Further detail on our vulnerability targets and performance can be found within NGED's Annual Vulnerability Report (AVR) which was published on 31st July and can be found on the NGED website at nationalgrid.co.uk/psr.

Output 18 G
Ensure customers are not left behind in the smart energy transition by offering at least 600,000 Priority Services Register customers a bespoke smart energy action plan each year.

Our Smart Energy Action Plans provide targeted support for customers on the Priority Services Register (PSR), helping to ensure that vulnerable customers are not left behind as the energy system transitions to smarter and lower carbon technologies. We offer either an introductory plan or a detailed plan dependent on customer preference.

Introductory plans

Provide tailored advice on improving smart energy capabilities as well as providing advice on one or two smart offers such as smart meters of digital display units.

Detailed plans

Include comprehensive preparatory work completed by an expert advisor and a detailed call with the customer – using a questionnaire to determine customer priorities. Suggested outcomes will relate to topics such as smart heating, time of use tariffs, electric vehicles and energy storage.

When a customer accepts an offer of a plan the process is delivered on our behalf by the Centre for Sustainable Energy (CSE). During 2025/26 we offered 950,828 customers a Smart Energy Action Plan through our Contact Centre and partner organisations, exceeding our annual commitment to offer 600,000 plans. We continue to evolve the service to maximise the support available to customers. During 2025/26 we launched a self-service Energy Choices Tool in partnership with the Centre for Sustainable Energy and Northern Powergrid, enabling customers to generate personalised advice at a time and pace that suits them.

Output 19 G
Support at least 113,000 fuel poor customers to save £60 million on their energy bills over RIIO-ED2.

We continue to work with trusted partners through our Power Up! and Affordable Warmth programmes to support customers living in cold homes or struggling to afford their energy bills. Our services provide tailored support, including income maximisation (through tariff switching), energy efficiency advice, access to grants and wider wellbeing interventions.

To date during RIIO-ED2 we have supported over 70,000 customers to save over £70m on their energy bills, exceeding our annual milestones. We are on track to meet our commitments for RIIO-ED2[5].

Our partnership model has continued to develop during the year with the addition of Scope, a major disability equality charity in England and Wales, helping us to improve support for disabled customers and strengthen links between our fuel poverty, vulnerability and low carbon transition programmes.

[5] Ofgem incentivise us on the Net Present Value of this sum. This is calculated using an industry standard rule book and more detail can be found in our Annual Vulnerability Report.



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Output 20 G
Expand the reach of the Priority Services Register to at least 75 per cent of total eligible customers and 80 per cent of customers with critical medical dependencies to ensure those in greatest need receive targeted support services. This will include registering at least 50,000 additional “hard-to-reach” customers each year.

We recognise that certain customers might struggle more than others during a power cut and we are therefore committed to ensuring that we can reach and register as many eligible customers to our Priority Services Register (PSR) as possible.

We use a variety of channels to identify potential PSR customers including our own colleagues, trusted support partners and collaborative industry relationships. We now have around three million customers on the PSR, and 88% of eligible households are registered.

We work with a network of referral partners in order to target and increase reach of under-represented groups and locations.

In 2025/26 our network of partners increased from 223 to 242 organisations. We are also focused on ensuring that all employees have the knowledge required to promote the PSR. In 2025/26 we appointed a dedicated Welfare Lead supported by 26 PSR Champions and 143 trained volunteers across our local depots.

We run online drop-in sessions for local depot staff and these activities have helped us to continue to identify and support customers more vulnerable to power interruptions.

Within our RIIO-ED2 Business Plan, we made a commitment to expand the reach of the PSR to 80% of customers with critical medical dependencies. Our data for this comes from our partner the Centre for Sustainable Energy and unfortunately we have been unable to establish the total number of such customers through recognised, available, datasets.

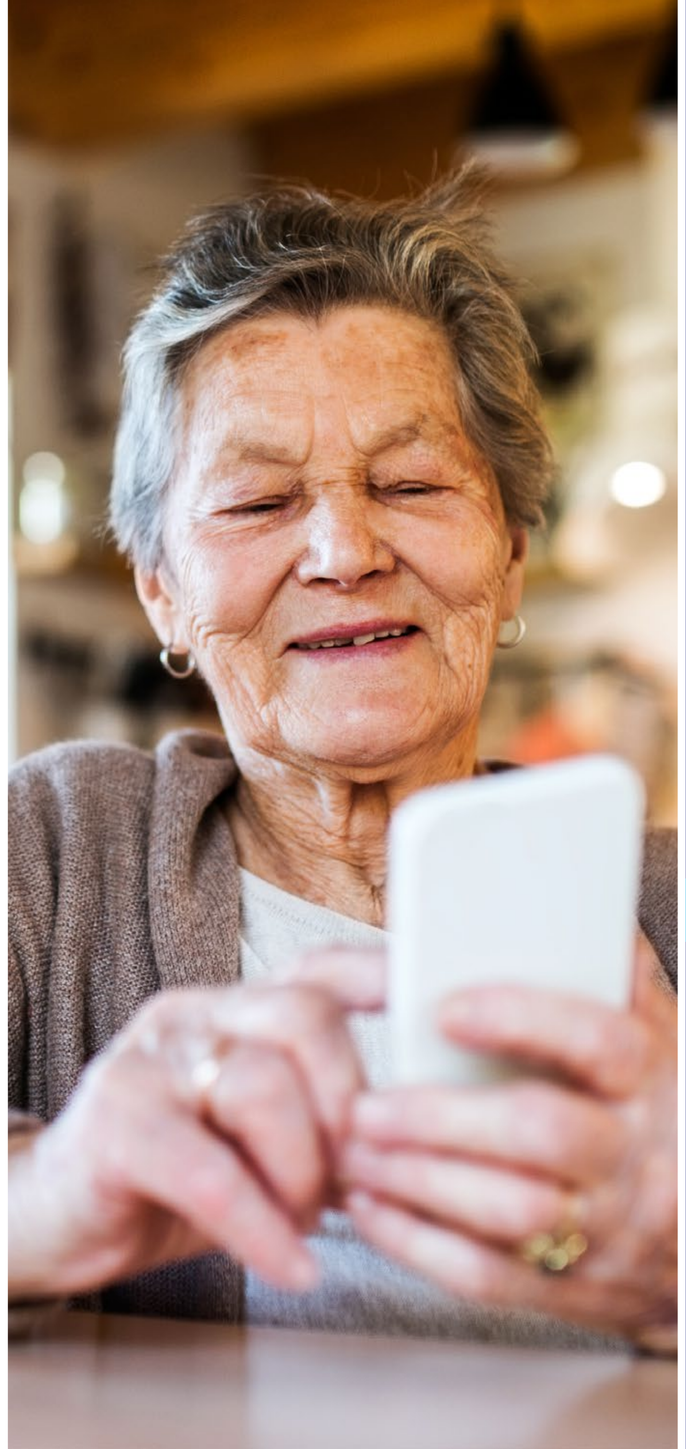
We therefore seek to ensure that we see year-on-year growth in the number of customers with a critical medical dependency registering on the PSR.

We maintain a network of partnerships to help us to reach customers with specific medical needs such as Kidney Care UK. During 2025/26 we have seen a 15% increase in such customers registering.

We enhance colleague awareness through specialist training delivered by organisations such as Sight Life – helping frontline teams better understand the needs of medically dependent customers and identifying opportunities for PSR registration. Our trained volunteers have undertaken activities such as care home visits and community events to identify customers who rely on electricity for health and wellbeing.

This year we worked with our partners to sign up 52,264 hard-to-reach customers to the PSR.

We define hard-to-reach customers as those who we have to proactively make contact with in order to make them aware of our PSR services. This may be via day-to-day discussion with our contact centre teams or via liaison with partner organisations – such as those providing fuel poverty support to individuals within our regions.



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Output 21 G
Achieve a one-stop shop service so customers only have to join the Priority Services Register once to be registered automatically with their energy, water, gas and telecommunications suppliers.

We recognise that for customers in vulnerable circumstances dealing with multiple utility companies can cause confusion and frustration. We are therefore committed to increasing secure data sharing between utility providers to reduce the need for customers to provide the same information multiple times. NGED has established itself as a driving force in supporting the development of automated cross-utility data integration for the PSR. We led the way in developing legal frameworks, transitioning data sharing from individual consent to a Substantial Public Interest (SPI) clause under UK data protection regulations. This unlocked two-way risk-data sharing across the electricity, water and gas sectors.

We share PSR data with energy suppliers in line with licence obligations. Furthermore, we continue to collaborate with utility providers and industry partners to accelerate a more joined-up approach to PSR data sharing. During 2025/26 we received PSR data from Gas Distribution Network operators, maintained two-way data sharing arrangements with participating water companies within our region and supported the development of a standardised, automated industry solution.

We have continued to work with participating water companies to align processes and improve customer journeys, making registration more streamlined for customers. During the year we securely shared more than 337,000 customer records with water companies and received over 150,000 records in return.

This approach helps ensure customers can access support from multiple organisations without needing to repeatedly provide the same information.

Where possible, we aim to extend data sharing activity beyond utility companies and include telecommunication suppliers. Work to support participation by telecoms providers continues through wider industry and regulatory initiatives, including those associated with the transition away from the Public Switched Telephone Network (PSTN). NGED is working through the Energy Networks Association (ENA) and wider industry forums to encourage telecoms providers to participate in cross-sector data sharing.

We fully participate with the multi-sector PSR conversations driven by both Citizens Advice and the UK Regulators Network (UKRN), providing a blueprint for successful data sharing. A cross sector working group brings together, Ofcom (telecoms), Ofgem (energy) and Ofwat (water) and is overseeing a formal roadmap to mandate a Multi-Sector PSR by April 2028. We continue to work with industry partners to identify enhancements to existing data-sharing processes.

NGED has made significant progress towards delivering a one-stop-shop Priority Services Register. We have established and maintained data-sharing arrangements across the electricity, gas and water sectors. Telecoms participation remains subject to ongoing industry and regulatory development.

Customers are already benefiting from cross-utility data sharing reducing the need to register separately with multiple organisations and improving access to additional support. Given the progress achieved to date, the benefits already being delivered to customers and NGED's role in driving the industry towards a fully integrated multi-sector PSR, the evidence demonstrates that a Green rating for this commitment is justified.

Output 22 A
Maintain high quality, accessible data to allow us to deliver bespoke support to customers in vulnerable situations by proactively contacting over two million Priority Services Register customers once every two years to remind them of our services and update their records (with 60 per cent via direct telephone call and digital).

Our PSR now holds details of around three million customers, an increase of approximately 400,000 customers over the year. Maintaining accurate PSR data is essential to ensuring that customers receive appropriate support during planned and unplanned power interruptions. During 2025/26 we have continued our programme of proactively contacting customers to verify their information and offer advice on power cut resilience, fuel poverty support and low carbon transition services.

We successfully attempted to contact all registered PSR customers within the required two-year cycle. We have continued to improve customer experience through enhancements to our digital services, including a redesigned PSR webpage, improved online update processes and the introduction of an AI-powered assistant.

During 2025/26 we contacted 44% by direct telephone call or digital channels. Whilst this is below our target of 60%, performance has doubled from our 2024/25 outcome. We are confident that we will achieve targets within 2026/27 as a result of the system changes implemented during 2025/26. We now automatically extract data from our systems, allowing teams to increase contact by moving away from previous manual processes.

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Output 23 A
Support and add significant value to our local communities via a “Community Matters” social initiative associated with the smart energy transition, vulnerability, environment and sustainability.

This will include a shareholder-funded annual £1 million community support fund and 1,900 volunteer days per year for NGED staff to support local causes.

We established our Community Matters Fund (CMF) in 2020 to deliver far-reaching support in our communities. This annual fund is paid for by shareholders and distributes £1 million a year to local grassroots organisations.

Funding is awarded in phases and administered in partnership with Localgiving, ensuring a range of societal challenges are addressed. Our focus areas change each year, and during 2025/2026, the Community Matters Fund has provided grants aligned to these three key focus areas:

- **Future Skills** - £250k was awarded to 60 organisations delivering targeted programmes that develop practical skills and enhance employability for people facing the greatest barriers to employment.

  The programmes provided activities such as placements and work experience, highlighting accredited pathways into skilled roles, employability support and tailored help for those returning to work.

- **Low carbon communities** - £250k was awarded to 66 organisations delivering energy-efficiency initiatives focused on reducing carbon impact, lowering energy costs and improving efficiency outcomes in disadvantaged communities and for marginalised groups.

  This included upgrades to community buildings, sustainability education and support for sustainable transport.

- **Energy Affordability** - £500k was awarded to 121 organisations addressing fuel poverty and improving energy affordability in disadvantaged communities, with a focus on grassroots organisations serving historically underrepresented and marginalised groups.

  Initiatives included home-energy measures, household outreach, community warm spaces and practical energy-saving advice.





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Case Study
Keeping a Cornish community hub open for the future

For more than 100 years, Lambeage Hall in Coverack, Cornwall, has been at the heart of its local community. Run entirely by volunteers, the hall provides a welcoming space for residents to meet, connect and take part in local activities.

Following a major project to improve accessibility, the hall's finances were stretched, leaving little funding available to tackle its ageing and energy-inefficient facilities. Cold draughts, rising energy costs and outdated equipment were making the building increasingly expensive to run and less comfortable for users.

Through NGED's Winter Community Matters Fund, Lambeage Hall received funding to improve the building's energy efficiency.

The funding enabled the installation of double-glazed windows, LED lighting and more efficient heating systems, helping to reduce energy costs while creating a warmer and more comfortable environment for visitors.

The project also brought the community together. Inspired by the improvements, volunteers contributed their time to redecorate and refresh the hall's interior, helping to create a space that the whole community could be proud of.

When the hall reopened in March 2026, more than 400 people visited during the first week alone.

Today, Lambeage Hall is warmer, more inclusive and more affordable to run, ensuring it can continue to serve the people of Coverack for many years to come.



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Volunteering

We have committed to facilitating 1,900 employee volunteering days each year to support local causes across our operational areas. Since launching our employee volunteering platform in April 2024, we have continued to enhance our approach, making volunteering more accessible and increasing participation and impact across our workforce.

Through these efforts, we aim to grow our contribution to community and charitable initiatives year on year. Our volunteering activities deliver a wide range of social, educational and economic benefits within the communities we serve.

They also bring National Grid's values to life by helping colleagues develop a deeper understanding of local community needs, while strengthening relationships with stakeholders and community organisations. During 2025/26, colleagues completed 1,221 volunteering days. This is below our annual target, and so we have taken several steps to make volunteering easier to access and participate in, to help achieve our targets in future years.

These include:

- **Improving accessibility** by enabling access to the volunteering platform without an internet device - shortcuts to the platform are now available on company iPhones and iPads.
- **Increasing awareness and participation** through graduate programme updates, employee induction sessions and communications campaigns.
- **Hosting a UK-wide Big Volunteering Day**, bringing together colleagues from both our distribution and transmission businesses to celebrate and support volunteering.
- **Encouraging team volunteering**, promoting volunteering opportunities as a means of team building and colleague engagement, supported by managers and leaders across the business.

We have also partnered with Volunteering Matters to identify and develop a broader range of volunteering opportunities across all our regions. Volunteering Matters is a UK-wide charity dedicated to building stronger and more inclusive communities through volunteering, helping us connect colleagues with causes where they can make the greatest impact.

We are increasingly focused on creating opportunities that make the best use of our employees' skills and expertise. Alongside practical volunteering activities, we continue to promote skills-based volunteering, enabling colleagues to deliver additional value to communities.

Examples include providing interview skills coaching for students from disadvantaged backgrounds and supporting STEM engagement activities at schools and community events.

Output 24 G

Deliver enduring long-term support to our communities by publishing an updated Social Contract and performance report every year, and maintain our prime Environmental, Social and Governance rating.

We are committed to doing the right thing and delivering social and environmental value for our colleagues, customers and communities. This commitment is embedded within our purpose, Bring Energy to Life, and is reflected through the values that guide our decision making and daily activities.

On an annual basis we publish a Social Contract setting out how we do business in a way that delivers lasting benefits for the regions and communities we serve.

It outlines our commitment to listening to colleagues and stakeholders, acting with integrity, and working collaboratively to deliver meaningful and locally relevant solutions to the challenges faced by our communities, both now and in the future. Our latest Social Contract can be found on our website **commercial.nationalgrid.co.uk/about-us/our-social-contract**.



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Social Contract

Our Social Contract Strategy is focused on benefitting our communities, colleagues and the environment.



To give customers and stakeholders assurance that we are delivering on our promises, we are assessed annually for our Environmental, Social and Governance (ESG) performance.

We are proud to have been awarded prime status for our outstanding performance in this area every year since our first rating in 2020. The rating is determined by the Institutional Shareholder Services Inc (ISS) and further detail on the assessment process can be found within the Social Contract.

Output 25 G

Build decarbonised communities and local energy schemes by providing £540,000 shareholder-funded support per year to install solar PV on schools and community buildings in areas of high economic deprivation.

We work in collaboration with Solar for Schools to provide grant funding for solar panel installations, supporting schools and community buildings in areas of high economic deprivation. Solar for Schools provide a complete service covering the design, installation and maintenance of solar panels but also offer funding options for schools who may struggle to invest capital upfront. Our grant funding helps to unlock projects for schools that might otherwise not be able to install solar panels. To date 19 schools have completed installations supported by our funding. All of these schools meet key eligibility criteria, one example being that at least 24% of pupils are eligible for Free School Meals (FSM), an indicator widely used within the education sector as an indicator of socioeconomic disadvantage. These projects are expected to reduce carbon emissions by 175 tons each year, while delivering projected savings of over £4million over the lifetime of the solar panels.

Over the first three years of ED2 we have invested over £125,000 and committed a further £266,000 of funding towards future projects. While not all funding has been fully utilised these resources remain fully available for eligible projects during the final two years of ED2, demonstrating continued support for the delivery of programme objectives. On the basis that funding has been secured and remains consistently available to facilitate project delivery we consider a green rating to be appropriate and well evidenced. We continue to promote the scheme via our Electrical Safety education programme (see page 49).

Case Study
Solar for Schools Parliamentary Showcase



As well as installing and maintaining solar panels, Solar for Schools delivers STEM (Science, Technology, Engineering and Mathematics) education programmes that help students understand renewable energy and sustainability.

In November 2025, NGED partnered with Solar for Schools and Chamber UK to host a showcase event at Westminster. The event brought together policymakers, educators, industry representatives and students to demonstrate how schools are contributing to the transition to a low carbon future.

The showcase highlighted the growing impact of renewable energy projects in education, demonstrating how schools can reduce carbon emissions, lower energy costs and provide valuable learning opportunities for young people. It also reinforced the importance of collaboration between business, government and educators in equipping the next generation with the skills needed for a greener future.

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Customer Service

Delivering consistently high-quality customer service remains a core business priority. We know that customer expectations continue to evolve.

Customers increasingly value clear, proactive communication, accessible processes, choice in how they contact us, and confidence that their issue will be resolved effectively. Our updated Customer Strategy places greater emphasis on customer insight, behavioural segmentation, and operational data to understand the different circumstances, preferences and needs of the customers we serve.

Our focus is increasingly on ensuring customers receive the right information at the right time and can resolve their query as easily as possible. Customer journey mapping has helped us to identify areas for improvement, including communication around interruptions, complaints handling, digital customer journeys and access to information. The quality of our ongoing work to improve communication and service experience was recognised in 2026 when we received the Chartered Institute of Public Relations (CIPR) Excellence Award for our communications during Storm Goretti.

This recognition demonstrates the value of clear, coordinated and customer-focused communication when it matters most.

‘NGED’s response to Storm Goretti under extreme operational pressure impressed the judges. Underpinned by excellent crisis planning and preparedness, with a strategic approach informed by research and insight from previous major weather events, NGED’s Corporate Affairs team demonstrated how preparation is critical to effective performance during a crisis’.

CIPR summary of the Excellence Award



Output 26 A

Deliver exceptional service levels by achieving an overall average customer satisfaction of 93 per cent or higher by the end of RIIO-ED2, with separate reporting for emerging technology customers.

Customer service is assessed by Ofgem using the Broad Measure of Customer Satisfaction (BMCS). This includes a customer satisfaction survey covering three types of interaction – customers requesting a connection (minor connections only), customers experiencing a supply interruption, and customers making a general enquiry.

During 2025/26 our licence areas achieved a combined score of 9.01 out of 10, equivalent to 90.1% customer satisfaction. This is a positive improvement on our 2024/25 results, reflecting the impact of the ongoing transformation work being embedded by our teams.

However, we recognise that there is more work to be done in order to achieve our challenging targets and have identified a need to turn pockets of excellent performance into consistently strong outcomes across our regions, through greater centralised insight and governance.

Analytical insight has helped us to identify key customer pain points and develop targeted initiatives to address them. This includes the following:

- Development of a new small demand LV connections playbook covering connections quotations and completed connections, detailing standardised processes and best practice.
- Improvement of the connections quote pack, including standardisation of documents across licence areas and provision of clearer information for customers.
- Delivery of a connections dashboard, providing clear visibility of performance.
- Introduction of proactive communication to all low voltage faults customers, providing up-to-date information and removing the need for customers to make contact. In 2026/27 a similar approach will be taken with high voltage faults customers.

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Transformation Programme

Our transformation programme has identified knowledge management as a critical enabler of improved customer service. We have launched a new knowledge solution for customer service colleagues, providing accurate, up-to-date guidance in a single trusted source.

The solution supports improvements in three key areas:

- **Consistency:** providing standardised guidance so customers receive the same quality of information regardless of the channel.
- **Resolution:** helping colleagues answer queries more confidently and resolve issues at the first point of contact.
- **Capability:** supporting new colleagues to build knowledge quickly and reducing the time needed to become fully effective in role.

Knowledge management provides the foundation for more consistent service delivery, better colleague decision-making and improved resolution across customer journeys.

Looking ahead

We have a number of change initiatives planned for 2026/27. These include better management of the information we provide on Estimated Time of Restoration (ETR) and communications around outages for both unplanned and planned work.

We also plan to introduce a new General Enquiries playbook.

Output 27 R
Ensure a speedy telephone response to customers by answering calls within an average of four seconds and maintain an abandoned call rate of less than one per cent within our UK-based in-region contact centres.

In 2021, when we designed and submitted our Business Plan Outputs to Ofgem, we undertook a range of engagement activity and stakeholders told us that being able to speak to a call taker in person was a high priority.

Our telephone systems are designed to support rapid call answering under normal operating conditions; however, severe weather and other exceptional network events, including periods of extreme heat, can create sudden and sustained increases in customer contact volumes.

These events place significant pressure on our Contact Centre.



The impact of Storm Goretti

90+
mph peak wind speeds

1,300+
network incidents

81,605
calls handled by the Contact Centre

2,754
social media messages received

365,532
proactive PSR contacts

73%
of customers restored within 24 hours

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In response, we mobilise additional capacity by adjusting shift patterns, scheduling planned overtime and drawing on trained colleagues from across the business to support call handling activity.

While this approach helps maintain customer access during periods of heightened demand, severe weather events can still result in unprecedented contact volumes that challenge traditional measures of contact centre performance.

During 2025/26, our network resilience and customer contact channels were significantly impacted by two major named storms: Storm Claudia in November 2025, and Storm Goretti in January 2026.

Both events generated substantial customer contact volumes, with Storm Goretti in particular creating exceptional and sustained demand for restoration updates, safety advice and additional support. In response, we issued regular customer updates, provided safety and restoration advice, promoted the Priority Services Register and mobilised additional customer service resource to support those affected.

During 2025/26, our average telephone response time was 33.72 seconds; however, this reduced to 16.15 seconds when the impact of Storm Goretti is excluded, demonstrating the exceptional and disproportionate level of demand created by that event.

This highlights how performance against a single speed of answer measure can be significantly influenced by major storm events, despite continued focus on supporting customers.

Abandoned call performance

Abandoned calls occur when customers end the call before speaking to a call taker. This is most commonly linked to extended waiting times during periods of high demand, although it can also happen when power is restored while the customer is waiting or when the customer is no longer able to remain on the line. During 2025/26, 5.8% of fault and emergency calls were abandoned. When the impact of Storm Goretti is excluded, the abandoned call rate reduced to approximately 2.1%.

In July 2026, we introduced Call Back Assist through Amazon Connect, providing customers with the option to request a call back rather than remaining on hold during periods of high demand.

This is particularly valuable during severe weather events or other periods of exceptional contact volume. Call Back Assist reduces frustration associated with long wait times, and supports vulnerable customers who may find it difficult to remain on the phone for extended periods.

It enables us to manage demand more effectively by smoothing call-handling activity and reducing abandoned calls.

Moving to a more meaningful customer service measure.

During major network events, the quality of support provided to customers is not determined solely by how quickly a call is answered. Customers value receiving accurate information, having their query resolved efficiently and being able to access support through channels that best meet their needs. While speed of answer remains an important indicator of accessibility, on its own it does not fully reflect the quality of service customers receive or the outcome achieved.

Following a review of our customer service strategy and benchmarking against other DNOs, we have concluded that the original RIIO-ED2 output no longer provides the most complete assessment of customer service performance. As customer expectations and communication channels have evolved, we believe performance should be assessed using a broader set of measures that better reflect the overall customer experience and the ease with which customers can resolve their issue.

We have engaged with the ED2 Monitoring Group on adopting a more outcome focused approach to measuring customer service performance. Specifically, the introduction of a Customer Effort Score (CES), which measures how easy it is for customers to interact with us and achieve the outcome they need.

CES would combine a number of complementary measures, providing a rounded assessment of customer experience. Performance would be assessed against the outcomes customers value most: receiving timely support, resolving issues at the earliest opportunity and minimising the effort required to interact with us. We therefore proposed replacing the current speed of answer and abandoned call rate measure with a balanced metric comprising six elements, providing a more comprehensive assessment of the outcomes that matter most to customers.

This approach places greater emphasis on whether customers receive an effective and efficient resolution.

Customer Effort Score	
First Contact Resolution Percentage of queries resolved on the first contact without callback or transfer	**Repeat Contact Rate** How often customers need to contact us again for the same issue
Transfer Rate Proportion of calls transferred to another team or department before resolution	**Average Handle Time** Total time spent handling a customer interaction from start to finish
Average Speed of Answer Time a customer waits in a queue before reaching a Customer Service Agent	**Abandonment Rate** Percentage of callers who hang up before being connected to an agent

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From November 2025 the introduction of new Contact Centre technology has enabled us to collect data on each of these elements and to understand historical performance. Our ED2 Monitoring Group supported further development of this proposal.

With the required Contact Centre technology now in place, we will continue to monitor performance against these measures and work with the Monitoring Group and wider stakeholders to develop an appropriately challenging target for the remainder of ED2.



Output 28 A

Ensure a speedy social media response to customers by replying to enquiries within an average of five minutes and webchats in an average of less than a minute, 24 hours a day.

We provide customers with a range of contact channels that reflect the differing needs, preferences and circumstances of our broad customer base. Social media and webchat provide customers with accessible digital routes to contact us at a time and in a way that is convenient for them, with NGED advisors available 24 hours a day.

These channels form an important part of our wider customer transformation programme, supporting our ambition to make services easier to access.

During 2025/26, we continued to deliver a strong webchat response for customers, responding to direct webchat queries within an average of 50 seconds.

This demonstrates the role that digital channels can play in providing fast and convenient access to support, particularly for customers who prefer not to call.

Response times to social media enquiries were affected by Storm Goretti in January 2026, with an average response time of 6 minutes and 17 seconds. When storm periods are excluded, this improves to 4 minutes and 47 seconds, demonstrating that performance remained within the spirit of the commitment during normal operating conditions.

During major storm events, social media contact volumes increase significantly as customers seek reassurance, safety information and restoration updates.

In these circumstances, we prioritise inbound telephone calls where customers may have urgent or complex needs, meaning that response times through social media can temporarily increase.

Looking ahead, we expect our approach to digital and social media performance to evolve as our customer transformation programme matures.

The introduction of CES as a modular, combination metric provides a stronger framework for measuring the quality of the overall customer journey, rather than assessing individual channels in isolation.

Over time, we will seek to evolve the CES score to incorporate omnichannel response performance.

This will also enable us to better understand and track changes to the way in which customers choose to interact with us.

Output 29 G

Provide greater insight on our planned work activities and interruptions on our network by creating an online viewer.

Customers value timely and accurate information about power cuts, whether arising from planned work or unplanned outages. We recognise that clear and proactive communication during these events is an important driver of customer satisfaction and trust.



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In 2023/24 we introduced new pages on our website for planned outages – giving customers the ability to search via their postcode to identify any planned outages within their area. In addition to keep customers up to date we:

- Send a letter in advance to affected customers, providing summary information and access to a personalised webpage containing details of the outage, including its expected duration, the reason for the work and the areas affected.
- Offer customers the option to sign up for SMS updates.
- Provide guidance on how to prepare for a planned outage and what to do if a power cut occurs.

SMS updates provide customers with a reminder ahead of the planned outage as well as notification of any changes to or cancellation of the scheduled work. Priority Services Register (PSR) customers receive tailored communications that include relevant support information and contact details for our PSR team.

We have also improved access to the planned work pages, ensuring that these can be found easily from our main power cut pages. We have seen an increase in the volume of clicks on these pages, increasing from 8,829 in 2023/24 to 584,187 in 2025/26.

Output 30 A

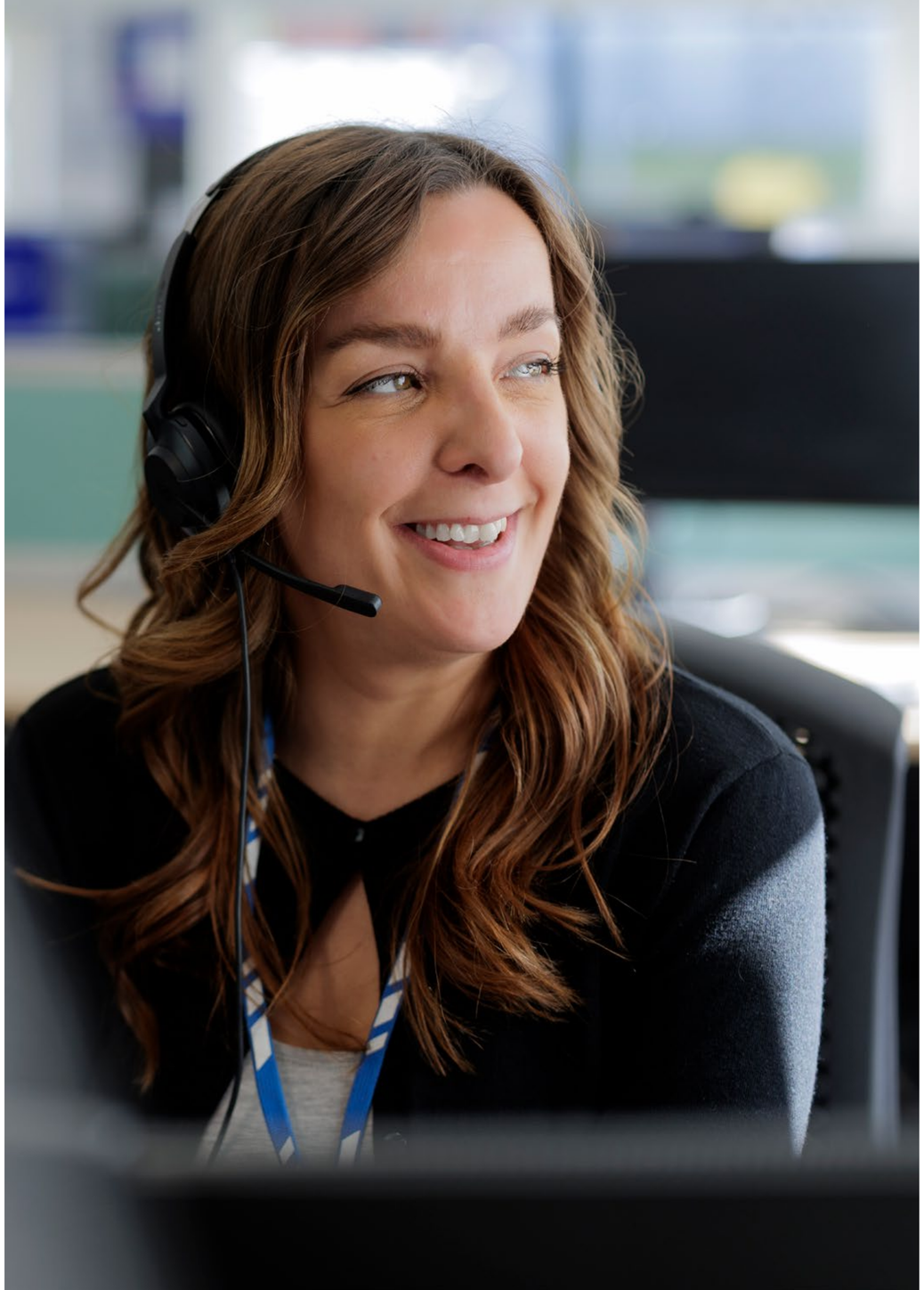
When things go wrong, ensure we put things right very quickly, by resolving at least 90 per cent of complaints within one day and 99 per cent of complaints within 31 days.

While we remain focused on getting things right first time for customers, we recognise that complaints provide valuable insight into where our service, processes and communications fall short of customer expectations.

From September 2025, we established a dedicated central Complaints Team, led by a Complaints Manager, to provide stronger ownership, oversight and governance of complaint handling across the business.

The initial scope of the team is to triage centrally received complaints and ensure they are allocated to the most appropriate operational teams for resolution.

This has improved consistency in how complaints are managed, strengthened visibility of complaint volumes and themes, and provided a clearer evidence base for understanding where improvements are required.



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Over time, we intend to expand the role of the central function so that it moves beyond coordination and reporting, increasing complaint containment and supporting a broader range of resolution activity that improves both speed and quality of response for customers.

During the year, we also increased the visibility of customer complaints across the organisation by introducing weekly performance reporting at Field Operations depot level. This has enabled local management teams to better understand complaint performance, monitor trends, identify areas requiring targeted intervention and share good practice across regions.

By making complaint insight more visible and actionable, we are strengthening the link between frontline customer feedback and operational improvement. Communication, clarity of ownership and quality of customer engagement remain key areas of focus, with complaint insight helping to inform local improvement plans and reinforce a more consistent customer experience.

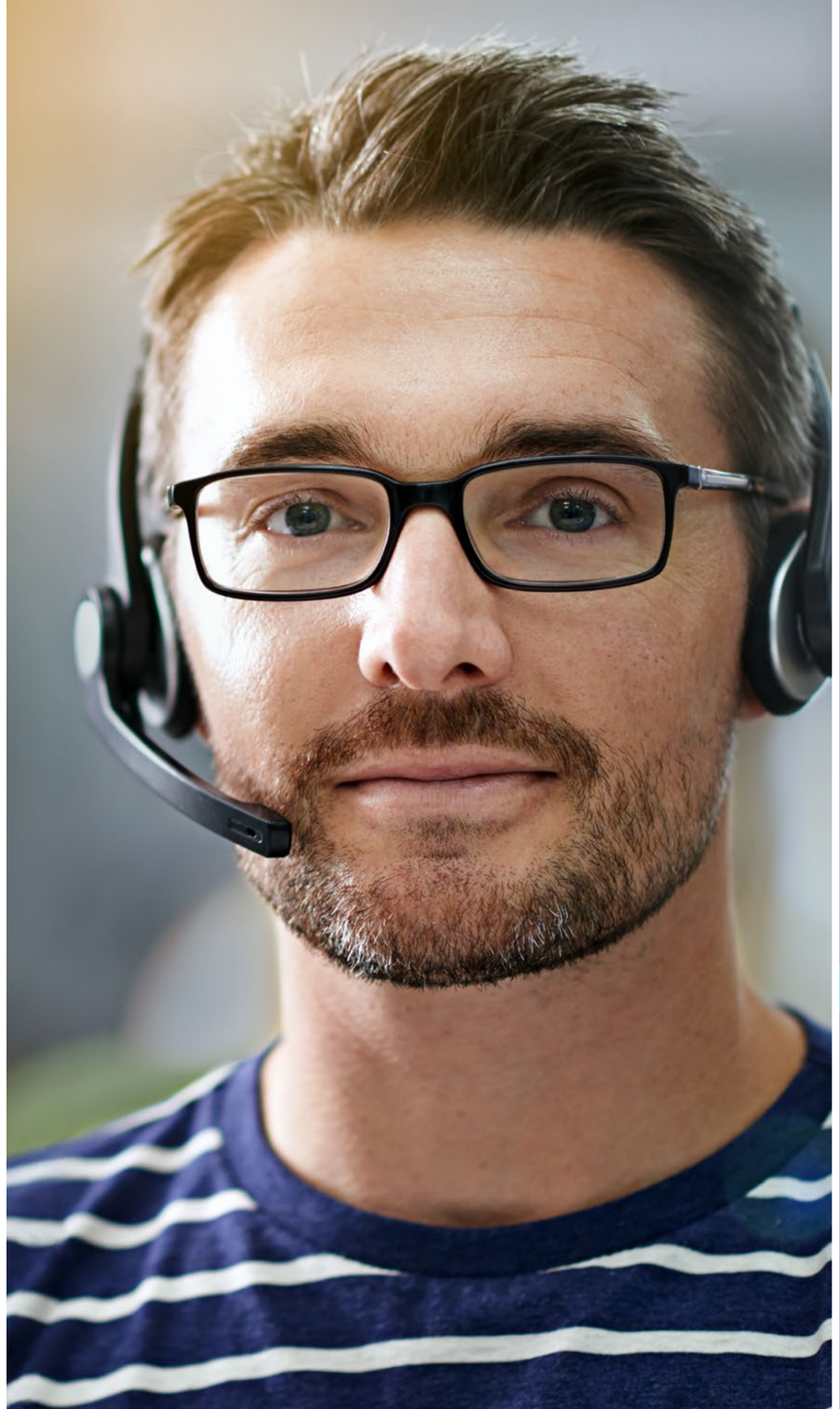
We have continued to develop our understanding of the underlying causes of complaints through a structured programme of Root Cause Analysis (RCA).

This work is helping us move from resolving individual cases in isolation to identifying the process, communication and service design issues that can create repeat dissatisfaction for customers.

As this capability matures, RCA will play an increasingly important role in prioritising improvement activity, preventing avoidable complaints from recurring and ensuring that learning from customer feedback is embedded into future process design, colleague training, digital journeys and operational decision-making. During 2025/26, we achieved a penalty-free year for complaint handling performance, exceeding Ofgem's targets.

While performance against our stretching targets remains an area of continued focus, the introduction of central oversight, improved governance and more regular performance reporting has supported improvement in complaint resolution outcomes. In 2025/26, we resolved 86% of complaints within one day and 98% within 31 days, with performance against both measures improving from 2024/25.

Notwithstanding that our own internal ED2 targets have yet to be met, the improvements set out above demonstrate a robust and deliverable plan to meet these stretching targets within the price control period. It is on this basis, along with the achievement of Ofgem targets, that we have assessed this output as amber.



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Connections

The transition to a low carbon energy system continues to drive unprecedented demand for new and upgraded electricity connections. Customers are connecting a wide range of technologies to our network, including low carbon generation, battery storage, electric vehicle infrastructure, housing developments and new commercial and industrial facilities.

As the scale and complexity of these projects increases, we remain focused on providing a connections service that is transparent, efficient and customer-focused.

During 2025/26 we continued to support economic growth and decarbonisation across the Midlands, South West and South Wales, while helping to implement the most significant reforms to the connections process in a generation. We have enhanced our digital services, improved access to network information and strengthened our engagement with customers and stakeholders to ensure that our services evolve in line with their needs and expectations.

Our Customer Journey programme continues to develop, with a significant focus on discovering how we can improve the customer journey and experience for our Connections customers moving forwards for the remainder of ED2 and beyond. We are specifically looking at enhanced digital tooling to underpin the end-to-end process from pre-application to energisation and tailoring the functionality to reflect the diverse needs of our customer base.

Customer insight remains central to our approach. Through extensive engagement with developers, businesses, local authorities, generation customers and industry partners, we have continued to improve communication, increase transparency and simplify customer journeys. While the wider industry continues to adapt to increasing demand and changes arising from Connections Reform, we remain committed to delivering safe, reliable and timely connections that support the energy transition and create long-term value for customers and consumers.

This section outlines our progress against RIIO-ED2 Connections commitments during 2025/26 and highlights the improvements we are making to enhance customer experience and support future growth.

Output 31 G
Make it as easy as possible for customers to apply to connect individual domestic low carbon technologies by providing a same day connections response via an online self-assessment tool.

We are committed to improving customer access to services and streamlining the customer journey through the digital innovation of our systems and processes. We continue to see increasing volumes of enquiries for low carbon technologies (LCTs) and we are enhancing our systems and services to meet growing demand.

During RIIO-ED2 to date we have introduced online self-assessment tools for electric vehicles, small-scale generation technologies (including solar, wind, battery and energy storage systems) and domestic heat pumps.

During 2025/26, we processed 97,649 LCT connections and reduced the average approval time to 0.66 days. This represents a significant improvement compared to 2024/25, driven by enhancements to our LCT tooling and the Connect Direct platform.

We are also pleased to report that 90.81% of applications were approved on the same day, demonstrating our ability to provide a fast and efficient service to customers installing low carbon technologies.

These changes are part of our wider programme of digital innovation, which is focused on improving customer access to services, increasing transparency and enabling greater use of self-service tools throughout the connections journey.

This includes enhancements to the Network Opportunities Map, the Local Electric Vehicle Infrastructure (LEVI) Fund Portal, our customer enquiry portal and other digital services that provide customers with improved visibility of network capacity, connection opportunities and application progress.

Further information on these initiatives can be found in our Major Connections Annual Report, which can be found on our website at **yourpowerfuture.nationalgrid.co.uk/our-engagement-groups/connection-customer-engagement/major-connections-annual-report-mcar**.

We have also continued to support the implementation of industry-wide digital solutions arising from Connections Reform – including developing and implementing a digital submission form to allow customers to submit their Gate 2 Whole Queue Evidence, evidence assessment and the issuing of Gate 1 and Gate 2 offers to our customers.

Our customers can choose to utilise the online tools detailed above on our website. In addition, the Energy Networks Association (ENA) operates ENA Connect Direct, a digital platform that provides installers and customers with a streamlined route to obtain approval for domestic low carbon technology connections.

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Output 32
Provide quicker and cheaper connections options for customers by introducing a wider range of curtailable and flexible connections.

Standard connections agreements allow customers to utilise that connection to the full rated capacity of the agreement at all times of normal network operation. These agreements require the network to have the stated capacity available, even if it is not being used.

A significant challenge within the connections environment is keeping up with demand and ensuring capacity is available on the network. Against the backdrop of an increasing connections queue, a digital waiting list for every project waiting to be connected to the network, we continue to develop smarter ways to connect customers. Curtailable, or flexible, connections include some form of limit placed on the customer but allow for the deferment of costly and time-consuming network reinforcement.

We are in the process of extending our flexible connections to support timed connections for demand as well as generation. Where the customers demand requirements align with system capability, e.g. overnight demand or demand that can be controlled, we will look to enable a timed profile connection.

This extension ensures we are able to offer a range of connection solutions to provide connections on an already constrained network.

We continue to apply the ‘Access and Forward-Looking Charges SCR’, also known as the Access SCR, which governs the way that we charge for connecting to our network. The Access SCR applies to connections in areas of the network that would otherwise be subject to constraints and provides a standardised approach to providing curtailable connections and enabling both the costs and timescales of connections to be reduced.



Case Study
Active Network Management

We continue to support faster and more cost-effective customer connections through the use of Active Network Management (ANM). By using real-time network monitoring and control, ANM enables new generation and demand customers to connect to the network without waiting for, or in some cases avoiding the need for, traditional reinforcement.

This helps maximise the use of existing network capacity while reducing connection costs and timescales. ANM is currently deployed across our 11kV, 33kV, 66kV and 132kV networks. The system actively manages customer import and export levels to ensure network constraints are maintained within safe operating limits.

This includes managing constraints on both the distribution network, at Super Grid Transformers (the interface between the distribution and transmission systems) and the upstream transmission system, using a technical limit at the network boundary. A technical limit is where the DNO limits power flow across the Grid Supply Point to an agreed limit.



The use of ANM has enabled significant additional capacity to connect ahead of reinforcement programmes, providing customers with earlier access to capacity and reducing costs. Our long-term ambition is to make ANM available across our entire primary network.

To date, we have issued connection offers to more than 540 customers through ANM arrangements, representing approximately 15.4GW of flexible capacity in the connections pipeline.

More than half of our Grid Supply Points are ready to connect customers using ANM.

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General process improvements to enable quicker connections

We seek to ensure that we enable customers to identify the quickest connection route possible. A G99 fast track process, standard to all DNOs, is a streamlined application process used to connect larger renewable energy systems, such as solar panels and battery storage.

In some specific circumstances, the process allows connection to the grid without the customer waiting for a full, lengthy grid review. During 2025/26 we have undertaken refresher training with all planners to ensure that they are fully aware of the options surrounding such processes and are therefore able to recommend an approach for customers that optimises a quick connection.

In line with Ofgem requirements, we have updated the information required at the application stage for demand connection projects of 5MVA and above.

We have also introduced a requirement for a Letter of Authority for certain connection applications below 5MVA. These changes help reduce speculative applications, which can unnecessarily increase the connections queue. By ensuring that applicants can demonstrate the necessary landowner consent at an early stage, we can make better-informed assessments and ensure that available network capacity is prioritised for projects that are more likely to proceed.

Connections reform

The National Energy System Operator (NESO) is leading a process designed to modernise the electricity transmission grid connection process.

NGED continue to play a key role in the implementation, working with NESO, the ENA and Ofgem to operationalise key changes designed to reduce the time it takes to connect to the network.

We are in a crucial phase of Connections Reform with Gate 2 offers being issued to customers across 2026 and into the first quarter of 2027. Gate 2 offers are the specific point where eligible projects are formally granted a confirmed connection date, network connection point and fixed queue position.

The Connections Reform Joint Industry Plan (JIP) defines milestones for DNOs to issue Gate 2 offers to customers and we continue to fulfil offers in advance of the required timeframes. NGED were the first DNO to issue all of our Protected phase offers to customers, these offers apply to highly advanced, near-term energy projects that were protected from having their existing grid agreements disrupted or delayed by connections reform.

We have a 99% acceptance rate of these offers, reflecting the quality of the offer issued and the speed with which we were able to resolve any queries. We are now progressing these schemes through to energisation.

We are now focused on issuing Phase 1 (pre 2030) offers, working collaboratively with NESO and NGET to provide the best outcome for customers.

As part of these offers, we continue to look at options for acceleration under initiatives like Technical Limits and curtailable connections to provide quicker connections and reduced connection costs.

Further information on our involvement with the Connections Reform process can be found on our website at **connections.nationalgrid.co.uk/connections-reform**



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Output 33 A
Maintain network reliability where on average power cuts are better than one interruption every two years lasting less than 24 minutes whilst utilising vulnerable customer data to prioritise network improvement schemes.

During 2025/26 we provided customers with overall network availability of 99.988%. This reflects our ongoing focus on maintaining a safe, resilient and dependable network while supporting increasing demand and the transition to a low carbon energy system.

During the year, customers continued to experience fewer than one interruption every two years, demonstrating strong network reliability performance.

The average length of interruption during 2025/26 was 32.5 minutes. Performance against our targets continues to be challenging, with increasing operational pressures, including more frequent severe weather events and changing patterns of network use.

However we recognise the inconvenience that interruptions can cause for customers and continue to focus on reducing restoration times and minimising the impact of network faults. We maintain a range of operational and investment activities aimed at reducing both the frequency and duration of interruptions. Severe weather continued to impact network performance during the year.

Storm Goretti, brought wind speeds exceeding 90mph, resulting in over 1,300 incidents and affecting approximately 270,600 customers. It was also one of the most significant storms to affect the South West in more than two decades, bringing a rare red danger-to-life weather warning.

Events such as Goretti underline the growing importance of network resilience and operational preparedness.

We have seen an 82% increase in the average number of named storms per year in ED2 so far, compared to the four-year ED1 assessment period used to set ED2 targets. Whilst not all of these meet the criteria of an exceptional event, as Storm Goretti did, they are all large enough to cause significant disruption to our network.

To reduce the number of faults across the network we undertake a range of preventative activities including:

- Inspection and maintenance of network assets
- Asset replacement programmes
- Routine vegetation management, including tree clearance

We seek to identify best practice from local teams that can be rolled out across NGED.

Some key initiatives delivered in 2025/26 are as follows:

The introduction of a centralised Vegetation Management Process to strengthen the management of vegetation-related risks, a key contributor to weather-related faults.

The enhanced approach provides greater oversight, stronger governance and risk-based prioritisation of work programmes. Through a rolling four-year maintenance cycle covering approximately 25% of the network each year, we are taking a more proactive approach to improving reliability and resilience.

Continued delivery of initiatives funded through the Storm Arwen re-opener programme, including undergrounding overhead lines in vulnerable wooded areas, deploying pre-fix technology and increasing network automation.

During 2025/26, 15 pre-fix devices were installed, helping identify potential faults before failure and supporting faster restoration through automation and remote switching capabilities.

Increased deployment of digital and data-led solutions, including network monitoring, low-voltage visibility tools and remote diagnostics.

These capabilities improve network visibility, support earlier identification of emerging issues and enable faults to be located and resolved more efficiently.

Intensified focus on reducing restoration times. We have worked closely with delivery partners and contractors to improve mobilisation and dispatch arrangements with the objective of reducing average contractor response times and supporting faster restoration following fault events.

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While CML performance remains adverse to target in several licence areas, overall network reliability remains high. We are implementing targeted operational and investment measures to improve performance and reduce customer impact. These actions are expected to support further improvements in reliability and customer outcomes throughout the remainder of RIIO-ED2. During 2025/26 we spent £5.8m (nominal prices) on Quality of Supply improvements, recognising that we can identify schemes that will directly benefit customers and help to improve network reliability performance.

During 2024/25 we ensured that we were able to overlay vulnerable customer data onto existing systems. This continues to permit us to identify and tailor our response to those customers most vulnerable in the event of fault.

In addition, as part of our Asset Management transformation, we are introducing a centralised, end to end, investment value framework that will draw on greater information allowing us to tailor our interventions by understanding different customer consequences whilst maintaining fair and consistent reliability standards for all customers.

Output 34 A
Improve the service for at least 8,260 Worst Served Customers by undertaking 70 schemes.

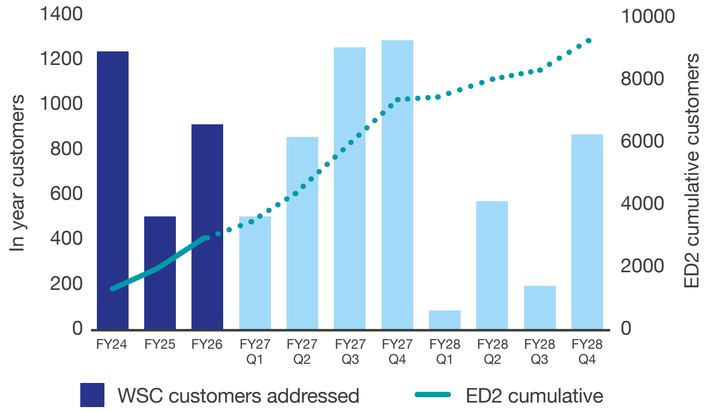
Worst served customers are defined by Ofgem as customers experiencing 12 or more higher voltage interruptions over a three-year period (with a minimum of two interruptions per year). Improvements for worst served customers aim to reduce the number of interruptions for customers who experience an unusually poor level of service.

The types of work carried out might include the installation of additional automated switching so that fewer customers are interrupted, or replacing equipment which is prone to damage in exposed areas with high winds.

In the first two years of ED2, we completed 11 ED1 carry over projects and launched two new ED2 specific schemes. These 13 projects benefited 1,928 customers. At the start of 2025/26, we reviewed our Worst Served Customer plans for the remainder of ED2. As part of this review, we identified the need to refocus our delivery programme to maximise the number of customers benefiting from improvements, rather than the number of schemes delivered. This view was supported by our ED2 Monitoring Group.

The first phase of this plan was to deliver previously planned projects during 2025/26. We launched nine such projects in the year, benefiting a further 1,912 customers. We established a list of all worst served feeders and set up regional tracking of all feeders to give more visibility of issues and to track closer to real time impact on customers.

Worst served customer addressed



This has allowed us to prioritise circuits that have the greatest ongoing impact on customers, rather than relying solely on historic worst served data

As part of this work, we identified a further 25 projects for delivery in the last two years of ED2. These are expected to benefit a further 4,438 customers and complete our commitment target. Our team will now also assess the feasibility of projects at additional worst served feeders for 2027/28, with a goal of further exceeding our commitment target.

Output 35 A
Counteract deterioration of network assets by delivering a 20 per cent change in risk to keep network risk at similar levels to the start of the price control period.

Network assets deteriorate over time due to age, usage and environmental factors. To manage this deterioration, NGED delivers an ongoing programme of asset replacement and refurbishment. This investment helps maintain a safe and reliable network for customers and supports the long-term resilience of the electricity system.

We assess the impact of asset replacement and refurbishment using the Network Asset Risk Metrics (NARMs) methodology.

We apply a risk assessment process which considers the likelihood of an asset failing (asset health) and the consequences of the failure (criticality).

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Replacing or refurbishing assets in poorer condition reduces network risk and helps offset the ongoing effects of asset deterioration. Assets in good condition have a lower risk than assets in poor condition, so the act of replacing a poor condition asset with a new asset reduces risk levels. All DNOs use the agreed NARMs methodology.

The following table shows the risk point reductions required to deliver our RIIO-ED2 commitment of maintaining overall network risk at levels broadly consistent with the start of the price control period.

When we submitted our Business Plan, the target reduction of 1.9 billion risk points represented a 20% reduction in forecast network risk compared with the projected end of ED2 position without intervention.

Across NGED, we have delivered just over 60% of the total risk reduction programme required over the price control period, in line with our planned delivery profile.

This has been achieved through ongoing asset replacement and refurbishment activities targeted at areas of highest risk.

NARM Performance

	West Midlands	East Midlands	South Wales	South West	NGED Total
RIIO-ED2 total target	-519,787,560	-404,654,338	-362,711,582	-627,171,211	-1,914,324,691
RIIO-ED2 delivered (5 years)	-306,859,687	-260,451,969	-247,620,398	-343,009,063	-1,157,941,116
RIIO-ED2 to date percentage	59%	64%	68%	55%	60%

Output 36 A

Reduce flooding risk of our key sites and engage with stakeholders to reduce the need for new assets in flood risk areas.

Flooding includes both fluvial where it relates to river or coastal sites, and pluvial flooding related to intense rainfall and surface water flooding.

We maintain a risk-based approach to flood resilience. Flood risk data provided by the Environment Agency is integrated into our Geographic Information System (GIS) mapping platform, enabling us to identify locations where flooding may affect network assets and operational infrastructure.

This information, alongside site-specific assessments, informs our ongoing flood mitigation programme and investment decisions.

During RIIO-ED2 we have undertaken 82 hydrological surveys at sites identified as having potential flood risk. These surveys enable us to prioritise mitigation activities, ensure that flood risk is considered within operational and strategic decision making and to update our dynamic flood mitigation programme.

During RIIO-ED2 we have installed 28 new flood defences. These interventions form part of our ongoing programme to improve network resilience and reduce the potential impact of flooding on customers and electricity supplies.

Our flood resilience programme remains largely on track. During 2025/26 updated Environment Agency data prompted a refresh of our schedule for hydrological surveys to ensure that our assessment of flood risk reflects the latest information available.

As a result 48 additional surveys have been completed within quarter 2 of 2026/27. Out of the 48 sites surveyed, 33 sites require no further work and 15 sites have been identified as requiring further flood mitigation. We have rated this output as amber while the findings from these surveys are assessed and works are incorporated into the delivery programme for the remaining years of RIIO-ED2.

The additional surveys reflect our proactive approach to maintaining an up-to-date understanding of flood risk. We anticipate that the likely work programme from these surveys will be manageable and remain confident that flood risk has been appropriately managed during the price control period.

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Safety

Output 37 G
Increase the safety of children by delivering schemes to underground, insulate or divert overhead lines that cross school playing areas.

We are committed to increasing the safety of children by delivering schemes to underground, insulate or divert overhead lines that cross school playing areas.

As part of our RIIO-ED2 planning activities, we reviewed overhead lines that cross or run adjacent to school playing areas and identified just over 700 assets requiring further assessment.

Each asset was risk assessed and assigned a rating from 0 (very low risk) to 5 (high risk), helping us identify where action is needed and prioritise work accordingly. Information on each asset is recorded within our asset management systems, enabling us to monitor progress and track the delivery of schemes designed to reduce risks at school sites.

To date we have addressed 367 potential overhead hazards by surveying, undergrounding, insulating or diverting overhead lines.

The remaining schemes are being delivered through a controlled, risk-based programme, with higher-risk sites prioritised for early intervention.

Delivery is progressing in line with our planned trajectory, and we remain on track to address all identified risks within the RIIO-ED2 period.

Case Study
Removing risks from school playing areas

Our South Lincolnshire team have identified 21 assets within their area that require action as part of our RIIO-ED2 programme to improve safety at school sites. Each location has been assessed to understand the level of risk and the work required.

In August 2026, the team completed a scheme at a primary school within their area. The work involved replacing five spans of open wire conductors with Aerial Bundled Conductor (ABC), a system that combines multiple insulated conductors into a single cable.

The use of insulated conductors helps reduce the risks associated with overhead lines in areas used by children. The scheme required a road closure and access to school grounds.

To minimise disruption to pupils, staff and the local community, the work was completed during the school summer holidays. During project planning, engineers identified additional defects on the local network and took the opportunity to address these during the same outage.

This included the replacement of low voltage bitumen-filled cable boxes, which cannot be operated under live conditions, and the replacement of a low voltage pillar. Completing this additional work during the same shutdown helped minimise disruption, improved network operation and avoided the need for future planned outages in the area.

The South Lincolnshire team will continue to deliver further schemes throughout RIIO-ED2 as part of our ongoing programme to improve safety at school sites by undergrounding, insulating or diverting overhead lines where appropriate.



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Safety

Output 38 G
Keep our children safe by sending electrical safety education packs to every primary school in NGED's region and educate at least 80,000 children per year via direct learning.

We recognise that we have a responsibility to raise awareness of the dangers of the electricity network, and through our electrical safety programme, we provide practical information about potential hazards and how they can be avoided, helping customers stay safe around our electrical assets. Our education outreach programme engages children and young people through a range of learning opportunities focused on electrical safety awareness.

For RIIO-ED2 we developed an educational resource pack and distributed this to all primary schools in 2023/24. We will refresh the pack as required over the course of RIIO-ED2. The resource includes access to an interactive lesson designed in collaboration with teachers. Our education outreach programme uses a range of activities to teach children about the importance of electrical safety and includes:

- Individual school visits
- Crucial Crew and Junior Life Skills events delivered in conjunction with emergency services and aligned with the national curriculum
- Resources, games and videos for students and teachers on our Power Discovery Zone website
- Electrical safety resources at permanent safety centres across our region.

Whilst we have a specific team focused on education and outreach, colleagues from across the business also support this work by sharing their knowledge and experience within local communities.

Through this network of colleagues across our regions, we have been able to engage with over 91,000 children on the topic of electrical safety.



Summer engagement events

Throughout the summer, we engage thousands of people through electrical safety education and STEM outreach activities at agricultural shows and science festivals across our regions. This year we attended six events:

- The Royal Bath and West Show
- The Royal Cornwall Show
- The Royal Welsh Show
- The Lincolnshire Show
- Cheltenham Science Festival
- The National Eisteddfod.

A total of 161 colleagues volunteered more than 1,600 hours to support these events.

Activities included an educational puppet show, a VR helicopter experience and electricity-generating bicycles, providing interactive opportunities for visitors to learn about electrical safety and STEM subjects.

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Business IT Security and Cyber Resilience

Output 39 G
Reduce the risk of data loss or network interruption from a cyber attack by continually assessing emerging threats in order to enhance our cyber security systems

Cyber security threats continue to evolve, with organised criminal groups and state-sponsored actors demonstrating increasingly sophisticated capabilities. Protecting our systems and data remains a critical part of maintaining the safe and reliable operation of our network.

NGED's ED2 Cyber Security Business Plan sets out the security capabilities we require and the strategic investments needed to strengthen our cyber resilience throughout RIIO-ED2. This includes activity across cyber security risk management, identity and access management, platform and network security, vulnerability management, third-party supply chain risk, data protection, and training and awareness for colleagues. We continually assess our exposure to emerging cyber security threats and our capability to respond to them through a comprehensive programme of:

- Vulnerability scanning and penetration testing, including exercises designed to simulate real-world cyber attacks
- Cyber security awareness and training programmes for colleagues
- Third-party supply chain risk management
- Threat intelligence and security monitoring tools used to enhance our ability to identify, assess and respond to potential cyber security incidents
- Independent audits and assurance activities to review the effectiveness of our cyber security arrangements.

These activities help us identify potential vulnerabilities, strengthen our cyber security controls and maintain the resilience of the systems that support our operations and customers.

We continue to assess and improve our cyber resilience against recognised industry frameworks and regulatory requirements, including the Security of Network and Information Systems Regulations (NIS).

We also engage regularly with Ofgem, industry groups and cyber security specialists to understand emerging risks, share best practice and identify opportunities for continuous improvement.

Output 40 G
Reduce the risk of disruption to our operations and enhance the resilience of our IT network security as we deliver greater digitalisation by increasing levels of threat monitoring, prevention and alerting systems and upgrading our disaster recovery capability to ensure continuity of our operations.

As our networks become increasingly digitalised, the interaction between Information Technology (IT) and Operational Technology (OT) systems continues to grow.

Increased connectivity, data sharing and the deployment of new technologies provide opportunities to improve services and operational efficiency, whilst reinforcing the importance of maintaining strong cyber security controls.

We apply industry best practice across both our IT and OT environments through a programme of:

- Vulnerability scanning and penetration testing
- Cyber security awareness and training programmes
- Third-party supply chain risk management
- Cyber security incident response, business continuity and disaster recovery exercises designed to test our preparedness and response capabilities
- Independent audits and assurance activities to validate our cyber security arrangements and identify further opportunities to strengthen resilience.

These activities help ensure that we are prepared to respond effectively to cyber security incidents and minimise potential disruption to our operations.

We continue to review emerging threats, technologies and industry best practice to identify opportunities to further strengthen the resilience of our systems and support the secure operation of our network.

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Workforce Resilience

Output 41 G
Demonstrate exceptional and embedded employment practices by the end of RIIO-ED2.

We remain committed to being an employer of choice, attracting new talent into the sector and developing the workforce NGED needs to deliver now and in the future. During 2025/26, we continued to strengthen workforce resilience by growing capability, investing in future talent, improving leadership capability and embedding a safe, inclusive and engaging workplace culture. We enhanced recruitment practices by improving the efficiency of sourcing, screening and onboarding activity.

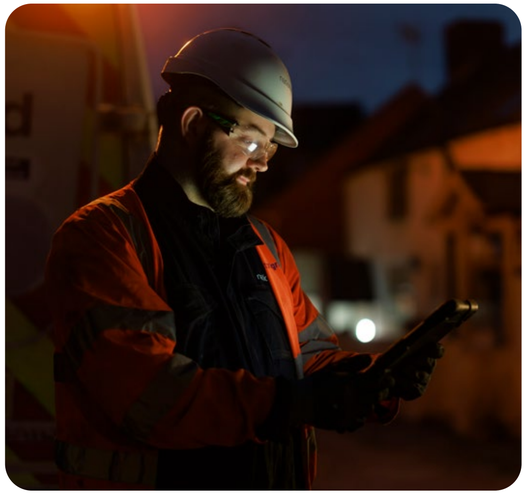
In 2025/26, our core workforce reached 6,909 full-time equivalent (FTE) employees, representing 13% growth since the start of RIIO-ED2. This growth has strengthened resilience and delivery capacity across key operational, technical and support areas.

Our Strategic Workforce Planning approach continues to inform the workforce, skills and capability requirements needed to support future business needs.

Safe to Say - Embedding our safety culture

We operate a company-wide “Safe to Say” principle which underpins our safety culture. Safe to Say means having meaningful and regular safety discussions, openly discussing safety performance and creating an environment where colleagues feel able to raise concerns, report near misses and share learning.

During 2025/26, our Safe to Say Index, which measures colleagues’ confidence to speak up and raise concerns, increased to 62%, reflecting improved psychological safety. This has been supported by continued safety leadership activity, regular team conversations and a sustained focus on creating an environment where concerns, near misses and learning can be raised openly.





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Workforce Resilience

Investing in our Leaders

We continue to invest in leadership capability at all levels, recognising the critical role leaders play in safety, engagement and performance.

This includes development programmes for existing leaders, first-line managers and colleagues with leadership potential.

The following activities supported leadership development during 2025/26:

- Bitesize virtual leader sessions, Leadership Labs, practical toolkits and LinkedIn Learning resources, giving leaders tools to effectively lead their teams.
- The Lencioni Model of Team Effectiveness supported healthier, more productive teams. Over 230 leaders were involved in sessions fostering cohesion and positive collaboration.
- MindGym virtual sessions were delivered, giving leaders tools to effectively lead their teams.
- Coaching programmes, incorporating 360-degree feedback, enabling leaders to think through the challenges being faced now and in the future.
- Appropriate leadership development programmes, based on the development needs of the leader as outlined above.

Our approach to leadership development remains aligned to future ED3 requirements, recognising the need to lead larger, more complex programmes, embed productivity improvements and support workforce transformation.

Our Leadership Index, which measures colleague feedback on our leadership capability, increased from 74% in 2023 to 80% in 2026.

Supporting social mobility

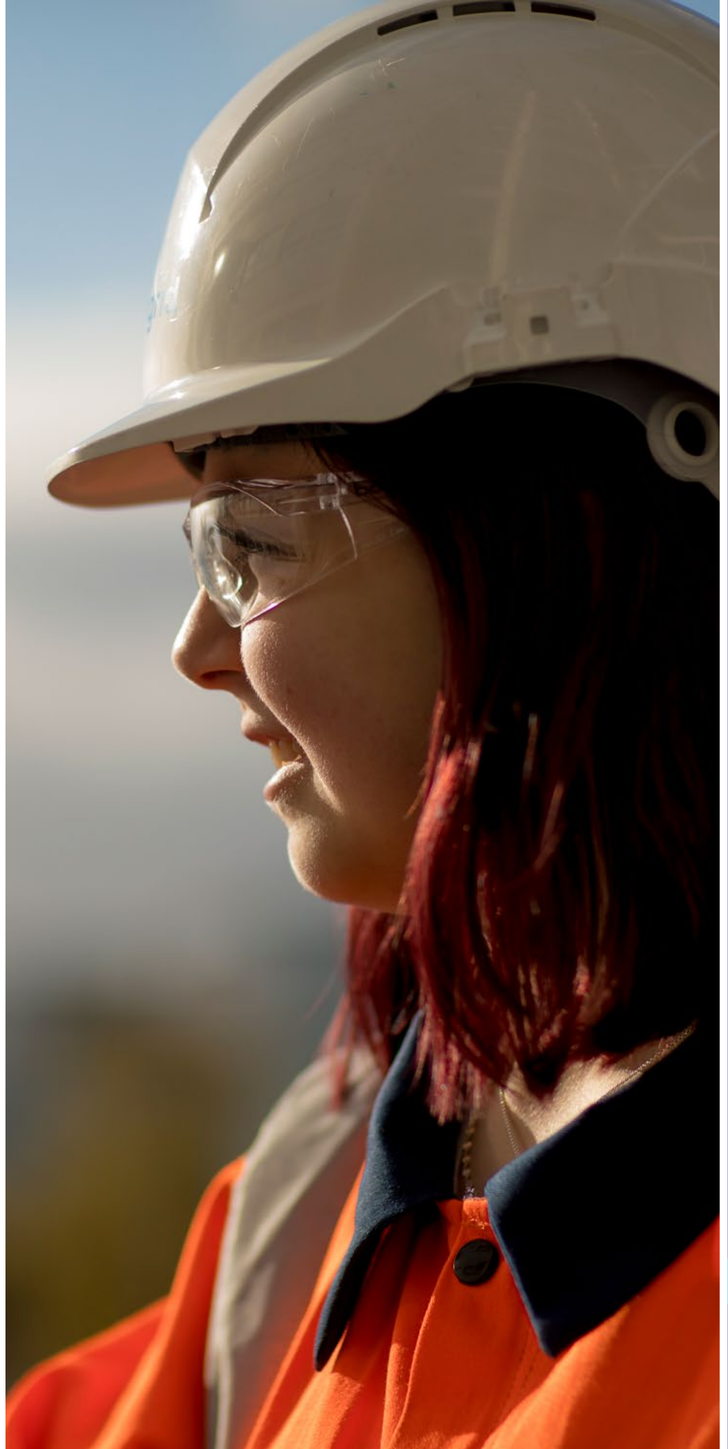
During 2025/26 we continued to develop social mobility pathways that widen access to careers in the energy sector. Building on the Power Network Craft Assistant (PCNA) scheme, our ED3 planning has helped shape Pathways to Progress, connecting outreach, employability support and entry routes into craft and technical careers.

The PCNA scheme runs for 12 to 18 months, combining classroom learning with on-the-job training. Trainees receive mentoring, an individual learning plan and opportunities to progress into a range of career opportunities, including Power Networks Craft Apprenticeships.

Supporting colleagues to thrive at work

We provide a range of support mechanisms to help colleagues develop and thrive, including:

- Employee Resource Groups (ERGs), promoting inclusion and diversity.
- Our Employee Assistance Programme, offering confidential wellbeing support.
- A mentoring programme supporting career development.
- The Thrive Mental Wellbeing app providing 24/7 access to wellbeing support.



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Providing early career opportunities

Developing future skills remains a key priority. During RIIO-ED2, 639 trainees have joined NGED through apprenticeships, graduate programmes and other development routes.

We currently have over 500 apprentices and graduates enrolled, with a further 150 planned for recruitment in September 2026. This is complemented by our safety education programme and engagement with 20,059 young people through education and STEM programmes.

We continue to develop internal progression pathways that help colleagues progress into critical operational and technical roles. Our Technician Development Scheme combines depot-based experience, exposure to other business areas and formal training.

We also continue to offer internal apprenticeship pathways across operational and specialist functions. This investment supports succession planning, retention and development of future skills.

All employees can access LINKED IN Learning, providing access to over 8,000 learning resources covering a wide range of topics. LinkedIn Learning is a flexible solution, allowing individuals to access learning at a time convenient to them.

All employees have access to our Career and Development pages via the NGED intranet, which provides tools and guidance to help employees develop in their role or progress in their careers.

Employee engagement

We recognise the benefits of an engaged workforce and ask for employee views through Grid:voice, our annual colleague survey. In 2025/26, we received a 76% response rate, a 4 % increase on the previous year.

Key indicators included:

- 89% seeing leadership recognition of positive safety behaviours
- 88% of colleagues feeling treated with respect
- 86% of colleagues having clarity of role expectations

Following each survey, leaders use local feedback to create targeted action plans. This has helped strengthen communication, improve colleague confidence in leadership and ensure local teams can focus on the issues that matter most to their people.

Code of Ethics

Our Code of Ethics outlines how we behave and is shaped by our three values: Do the Right Thing, Find a Better Way and Make it Happen.

The key themes of the Code of Ethics are highlighted through a regular communications programme.

Leaders provide updates through team meetings, and our independent Ethics Team carries out in-person visits across our depots to raise awareness of their role.

Colleagues can raise concerns through multiple routes, including directly with our independent Ethics Team.



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Workforce resilience

Output 42 G
Achieve year-on-year improvement in diversity levels and publish an annually updated Diversity, Equity and Inclusion Action Plan.

At NGED we value colleagues from all backgrounds and celebrate the diversity this brings to our business and culture. During 2025/26, we continued to publish and progress our Diversity, Equity and Inclusion Action Plan, maintain an inclusive workplace culture and support leaders to embed respect, inclusion and accountability across their teams.

We measure the gender and ethnic diversity of our workforce annually and have achieved year-on-year improvement since the start of ED2, with gender diversity increasing from 15.7% to 18.3% and ethnic diversity increasing from 3.9% to 5.6% in 2025/26.

Our approach combines four objectives:

- Attract, develop and retain a high-performing, diverse and inclusive workforce.
- Maintain an inclusive workplace culture.
- Foster partnerships that support the growth and vitality of the communities and customers we serve.
- Develop and sustain relationships with a diverse range of suppliers, vendors and service providers.

All employees complete a corporate induction that introduces ethics and our approach to inclusion and diversity.

In 2025/26, we delivered 28 in-person inclusion sessions, reaching more than 400 colleagues. These sessions focused on inclusion, preventing harassment and tackling inappropriate behaviour.

Our Inclusion Network continues to support colleagues across the business, providing opportunities to share experiences, promote awareness and contribute to inclusion initiatives.

The network has grown to more than 50 members and is supported by senior leadership sponsorship.

During 2025/26 we worked with licence area leadership teams to develop local inclusion action plans that reflect regional priorities and colleague feedback.

These plans form a key part of local people governance arrangements, helping drive accountability and progress against inclusion outcomes.

Case Study
Inclusion in action

We wanted to create more opportunities for employees to get involved in respect and inclusion initiatives beyond our Employee Resource Groups (ERGs). To achieve this, we launched the Inclusion Network, bringing together inclusion advocates from across the business to support delivery of NGED's Inclusion Action Plan.

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We have established a strong employee-led governance structure with a dedicated Steering Committee. Working with our Inclusion Team, a dedicated strategy was developed focused on four pillars:

Engagement: Promoting inclusion activity across the business
Learning: Providing resources and opportunities to build understanding
Insight: Gathering feedback and perspectives from colleagues
Communication: Increasing visibility and presence of the network.

Since launching in January 2026, membership has grown, demonstrating increasing interest and participation. A virtual business-wide launch event formed part of Global Inclusion Week. This included sessions led by the network's Executive Sponsor, real life stories from colleagues and a Fireside Chat with the Executive Sponsor of the Race & Ethnicity ERG. The network has introduced quarterly focus areas, including Neurodiversity, Veterans and Social Mobility, driving targeted awareness activities throughout the year.

A dedicated SharePoint page makes it easy for everyone to get involved. Since launch, communications promoting the network have generated 3,376 impressions, helping establish it as a key channel for employee involvement in inclusion across NGED.

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Expenditure

Over the course of RIIO-ED2, we have been set allowances by Ofgem that currently total around £5.7 billion (in 2020/21 prices) over the 5 years.

We are committed to keeping costs low for customers and achieving efficiency savings through a range of initiatives (as detailed within **output 16**). The savings that we deliver are shared 50:50 between us and our customers.

Allowances are subject to variation throughout the price control period, in order to keep pace with changing industry requirements as we progress towards net zero. Ofgem have introduced 'uncertainty mechanisms' that allow network companies to apply for additional funding and for Ofgem to adjust our allowances in response to developments in the way we deliver work.

Around a quarter of our allowances are subject to these mechanisms. The allowances identified below are those forecast and submitted to Ofgem in our annual regulatory reporting, submitted in July 2026.

Expenditure in 2025/26 saw a 9% increase from 2024/25, and we are forecasting that investment levels will continue to grow over the remaining years of RIIO-ED2. 2025/26 has been a period of continued progress for NGED and we have continued our capability build as our programme of work continues to grow in line with Government policy intent. By focusing on building network capacity and driving efficiency, we are developing the capabilities to ensure the successful pathway to achieving net zero targets by 2050. We remain focused on driving strong performance through the remainder of ED2, whilst laying the foundations for success in ED3. Strong progress is evidenced through the delivery of our NARM programme using risk-based prioritisation and targeted investment, deepening our understanding of customer journeys and laying the foundations for a more insight led approach to customer service in ED3. This is whilst continuing to rapidly respond to the extreme weather events that repeatedly struck our region, including Storm Goretti.

Although NGED expenditure in the first 3 years of RIIO-ED2 is 2% lower than allowances, we are on track to deliver performance which is broadly in line with our ED2 allowances at Totex level (total costs), and deliver the outputs that we've committed to for our customers and stakeholders through RIIO-ED2.

Total costs (Totex) for ED2 to date (based on 20/21 prices) £ million

Licence area	West Midlands	East Midlands	South Wales	South West	NGED Total
Totex actual costs	922	965	553	861	3,300
Totex allowance	940	1,030	580	821	3,372
% difference	2%	6%	5%	-5%	2%

Our Totex expenditure covers all aspects of running a distribution network including the following:

- Providing extra capacity on the network
- Capital investment in the network, including the replacement and refurbishment of assets which are in poor condition
- Network operating costs – includes inspections, repair and maintenance, faults and tree cutting
- Non-operational investment such as buying new IT systems, property, vehicles and small equipment
- Closely associated indirect costs – the costs of staff and systems that allow us to carry out work on the network, such as network design activities
- Business support – central functional teams such as Human Resources and Finance.



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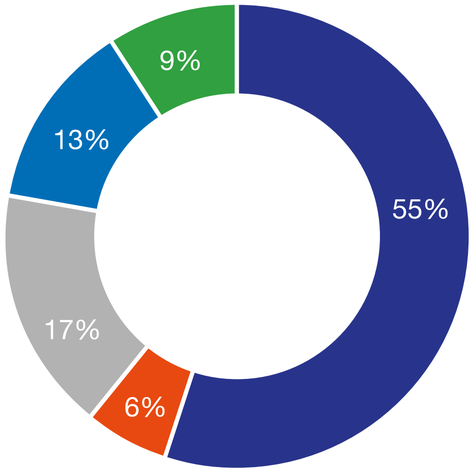
Expenditure

What does this mean for our customers?

Around 6%[6] of the bill that customers pay to their supplier comes to us, the remainder goes to other costs including the cost of the energy in the first place, government environmental and social schemes, and the costs of other networks like the transmission and gas networks.

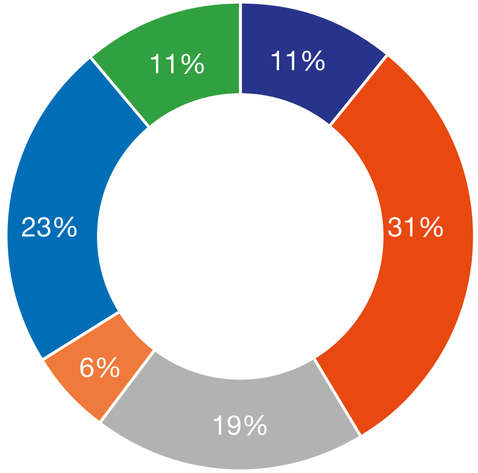
Our proportion of this bill is on average £76[7] for the typical dual fuel domestic customers.

How is the customer bill split?



- Wholesale & Supply
- NGED
- Other networks
- Policy
- VAT, Government schemes & other

Where do we spend your money?



- Providing extra capacity on the network
- Capital Investment
- Operating the network
- Non-operational investment
- Indirect costs
- Business support teams

[6] Based on MPAN usage of 2900 kwh over 365 days
[7] Values are quoted in 2020/21 prices, as this is the price base used for setting allowances



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