WESTERN POWER DISTRIBUTION
Serving the Midlands, South West and Wales

Business Plan
2023 - 2028
SA-03 Supplementary Annex
Giving customers a stronger voice:
Enhanced engagement

July 2021

westernpower.co.uk

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1. Introduction

1.1. The next regulatory price control review period, known as RIIO-ED2 is a five year period and is the second for electricity distribution to be determined using Ofgem's Revenue = Incentives, Innovation and Outputs framework. This price control period runs from 1st April 2023 to 31st March 2028.

1.2. WPD is required to submit a 200 page Business Plan document, supplementary annexes, detailed cost tables, financial information and a range of other documents which form our submission under RIIO-ED2 to Ofgem, which will be used to determine allowed revenues for the price control period.

1.3. Our RIIO-ED2 Business Plan has been produced and compiled in line with the following key principles:

- Co-created with our stakeholders and supported by them.
- Our Plan – 'prepared with our stakeholders for delivery by us'.
- Aligned with WPD's purpose and values.
- Affordable for all of our customers.
- Sustainable and will enable net zero before 2050.

1.4. The diagram below (figure SA-03.0) shows the structure of the full Business Plan submission with the red box showing where this document fits into the overall suite of documents.
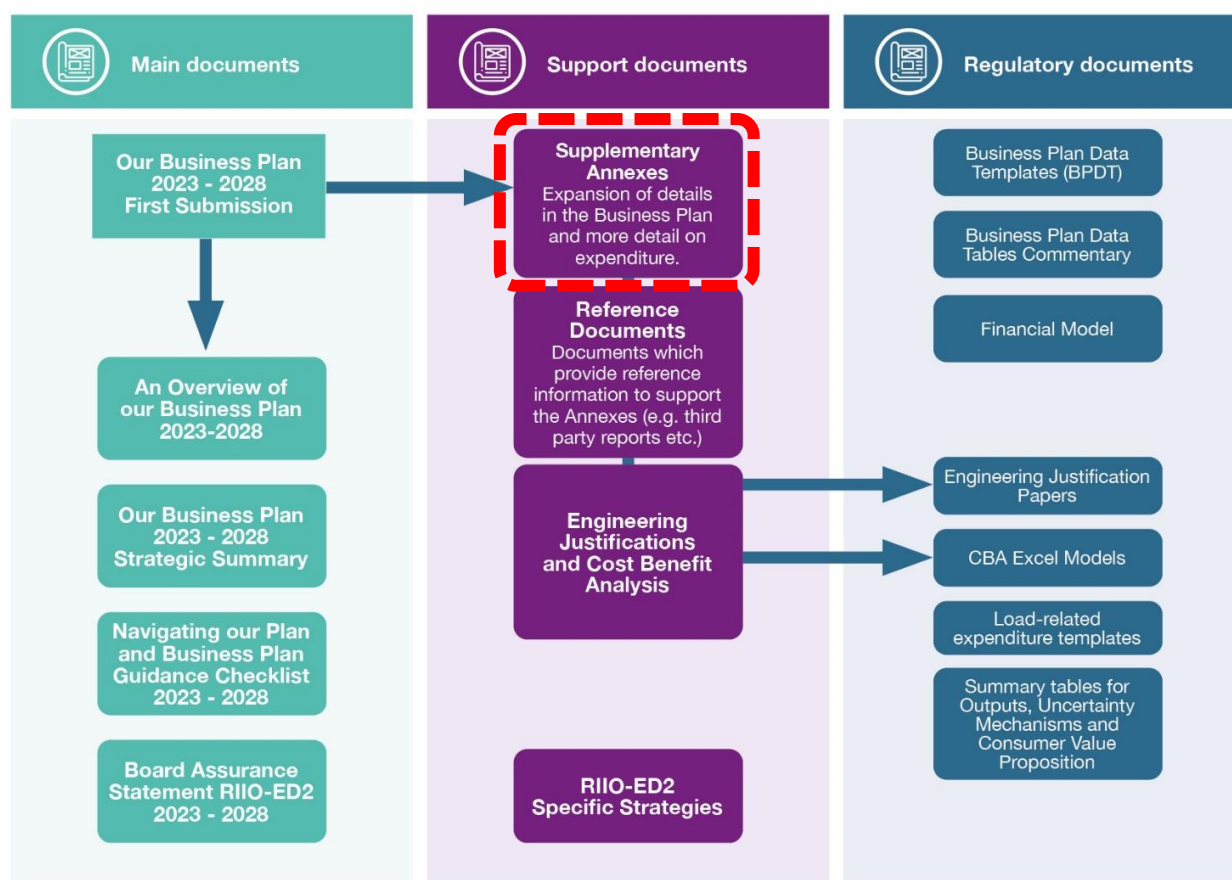
Figure SA-03.0 Business Plan submission structure

1.5. Section 3 of the RIIO-ED2 Business Plan details our enhanced stakeholder engagement approach and the programme of co-creation with stakeholders that has led to the fully justified Business Plan for the period from 2023 to 2028. It covers our activities spanning the four WPD distribution licences of West Midlands, East Midlands, South Wales and South West. Our core and wider commitments have been developed following extensive consultation with more than 19,000 stakeholders over a two year period.

1.6. This document is a Supplementary Annex to Section 3: Giving Customers a Stronger Voice, of WPD's RIIO-ED2 Business Plan document and sets out our approach that has delivered a programme of enhance engagement.

1.7. We appreciate that the readers of the WPD RIIO-ED2 Business Plan suite of documents will range from regulatory experts and well informed stakeholders through to new customers who may have had little previous knowledge of WPD.

1.8. This document is aimed at readers who require a more detailed understanding of the commitments that will be delivered. A less detailed description of the outputs can be found in the Our Business Plan 2023 -2028 First Submission or An Overview of Our Business Plan 2023 – 2028 documents.

1.9. This document is subdivided into the following sections:

Section	Title	Content
2	Executive Summary	An overview of how WPD developed and delivered its RIIO-ED2 stakeholder engagement programme, and arrived at the proposed commitments detailed within the Business Plan
3	Our Business Plan engagement approach	A detailed explanation of how our engagement approach for RIIO-ED2 was established, including; what we set out to achieve and why, and how we worked with stakeholders from the very beginning to agree the process
4	Our engagement delivery	A detailed explanation of how our RIIO-ED2 engagement programme was delivered, including; the mechanisms used, our timetable of activity and how the needs of differing stakeholder groups were considered and accommodated
5	Insights: How stakeholders co-created our Business Plan	A comprehensive overview of how the feedback received from stakeholders was used and managed by WPD and how these insights can be traced throughout the development of the Business Plan
6	Overall Business Plan acceptability	An overview of the research methods used to determine whether customers found the Business Plan acceptable and the associated bill impacts affordable
7	Measuring customer value	A comprehensive overview of how we have ensured that the services WPD deliver are valued by our customers, including the steps we have taken to robustly measure this
8	Customer Engagement Group	A detailed explanation of how and why this independent, challenge group were formed, and the impact they had on the development our Business Plan
9	Ongoing stakeholder engagement strategy for RIIO-ED2	An outline of the enduring stakeholder engagement strategy that has underpinned our approach to engagement when building our RIIO-ED2 Business Plan and the key deliverables it will achieve for our stakeholders
10	Consumer vulnerability strategy for RIIO-ED2	An outline of our bespoke vulnerability strategy, detailing how we will support customers in vulnerable situations throughout RIIO-ED2 and the unique initiatives that will be delivered to do this
11	WPD's social contract	A standalone document, but a core component of our RIIO-ED2 Business Plan, WPD's social contract outlines how we are committed to operate as a responsible corporate citizen and support the communities we serve
12	Appendices	A list of important supporting documents referenced throughout this annex with links to where they can be accessed and viewed

2. Executive summary

2.1. In this annex, we outline how we have successfully delivered our most comprehensive and inclusive stakeholder engagement programme ever to arrive at the proposed commitments we will deliver for stakeholders in RIIO-ED2.

2.2. **We have engaged more than 19,000 stakeholders (6,400 of these were direct, in person engagements) at more than 250 engagement events***. This engagement has included our broadest ever range of stakeholders, including extensive and representative perspectives from bill paying customers and future customers. As explained in section 3.9 in greater detail, WPD considers the widest possible definition of 'stakeholder', striving to engage with anyone who has an interest in, or is impacted by, our operations. This is therefore inclusive of bill paying customers – a key group whose voices we represented robustly throughout our engagement programme – but also stretches beyond this to any individuals, organisations, representative bodies or businesses that are affected by WPD, or can influence/affect our operations and/or performance.

2.3. Every commitment in WPD's Business Plan is in response to an area of focus identified as a priority by stakeholders, to ensure that it meets the different, wide ranging needs and expectations of the customers and communities we serve. We have collaborated with a broad range of stakeholders at every stage to co-create the specific commitments and targets we will deliver, hosting annual workshops to set our strategy and priorities, as well as research, surveys, conferences, webinars, consultations, Business Plan walk-through events and bilateral meetings. This enabled us to identify new and emerging priorities and respond to current and anticipated shifts in wider society and resulting stakeholder expectations. Key highlights of our programme are contained in figure SA-03.1:

Over 19,000 stakeholders engaged at over 250 events	**87% - 97%** stakeholder acceptability of WPD's core commitments	**82%** end user customer acceptability of the overall plan (only 3% "unacceptable") (92% for future customers)	**1st DNO** to establish a Customer Engagement Group **125** meetings and 31 challenges
2 drafts of our Business Plan published and widely consulted on prior to first Ofgem submission	**Over 1,000** initial actions co-created with our stakeholders	**Every commitment** well justified via up to five rounds of engagement and refinement	**259** future customers and **over 7,000** domestic and business customers engaged

Figure SA-03.1: Key headlines of our engagement with stakeholders

Aspiring to deliver the best engagement programme

2.4. In 2013, WPD's RIIO-ED1 Business Plan was fast-tracked by Ofgem, based on the wide range of engagement that helped define and shape our plans. For RIIO-ED2, we were determined to deliver a similarly industry leading engagement programme, enhanced further by evolving our approach in line with the challenges of today, going significantly beyond the standards we set for ourselves in RIIO-ED1. Doing so has been a very important driver for WPD because it will ensure:

- **The most robust and reliable engagement and research findings** amongst all DNOs

- **The broadest range of stakeholder perspectives have been considered** in the co-creation of our Business Plan

- **We are constantly challenging our assumptions and seeking brand new initiatives, services and policies that challenge the status quo,** by tapping into the widest possible pool of stakeholder knowledge and expertise and always asking "what's missing" at every stage of engagement and at every stakeholder event.

2.5. This has led to a significant increase in the breadth of influence from customers and stakeholders on our Business Plan. With engagement covering all aspects of our plan, from detailed negotiation on our core commitments to large customer engagements identifying where bill payers want us to be more ambitious, our programme has gone further than ever before to gather a range of insights and deliver a process of co-creation with stakeholders (see section 5).

2.6. While broadening the scope of our engagement, we have also amplified the voice of end user customers (domestic and business) and future customers – bringing them to the fore (see relevant sub sections of Section 4 and Section 5). This additional effort, supplementing our traditional market research and engagement with well informed stakeholders and established consultee groups, has added valuable perspectives to our planning not seen in this scale in regulatory Business Planning to date.

2.7. We began our programme early, starting in 2019, meaning that we were able to fully complete our preliminary engagement phase and begin our commitment co-creation work with stakeholders in person before the coronavirus pandemic hit. Indeed, even after we switched to online engagement methods, we worked closely with partners to ensure that Covid-19 limitations did not materially impact the stakeholders we engaged or the depth of the collected feedback. In many cases, it has actually led to greater attendance and participation levels, thanks to the quality and range of our virtual engagement opportunities for stakeholders.

An iterative, three year process

2.8. Our aspirations for an industry leading engagement programme led us to start early (see figure SA-03.2). We have delivered an unbroken programme of engagement since 2008, with ongoing engagement throughout RIIO-ED1. Our specific programme for RIIO-ED2 began as early as 2019. As we commenced our preliminary engagement phase in January 2019, we also became the first DNO to establish a Customer Engagement Group (CEG). This was very important and a purposeful decision as we wanted to ensure that the CEG could provide scrutiny and challenge at every stage of our stakeholder engagement programme. Before our first engagement activities of the Business Planning process began, we had already shared our planned strategic approach with the CEG and made immediate refinements as a result of their scrutiny, to ensure the most robust and reliable approach from the outset, avoiding the need to potentially re-run activities later in the process. For example, one of the first things that the CEG led us to do was to benchmark both engagement methods and frameworks from other industries. By reviewing water, gas, transmission and rail Business Planning efforts, we designed an industry leading engagement approach (see section 3.16 onwards).

| January 2019 | CEG formed and meetings underway | Stakeholder strategy agreed |

Stage 1: Preliminary engagement:

| **3,341** stakeholders | **16** engagement methods | **14** priorities
325 focus areas |

| November 2019 | **Stage 2: High level social value research**
Stage 3: Business Plan development |

| **8,061** stakeholders | **18** engagement methods | **+1,000** suggested actions |

| October 2020 | **Stage 4: Business Plan refinement** |

| **3,846** stakeholders | **13** engagement methods | **67** initial core commitments
100+ wider commitments |

| January 2021 | **First draft Business Plan published** |

| March 2021 | **Second draft Business Plan published** |

| April 2021 | **Stage 5: Business Plan acceptability** |

| **3,779** stakeholders | **82%** overall acceptance | **45** final commitments |

| July 2021 | **First submission to Ofgem Challenge Group** |

Figure SA-03.2: Summary of WPD's engagement process and the refinement towards WPD's final Plan and commitments

2.9. Guidance from our consumer expert groups led us to start the consultation process with a 'blank piece of paper', ensuring the most collaborative process possible. Our early in person events allowed attendees to scope out the high level outcomes customers wanted us to deliver and the priorities we should investigate further. This set the foundation from which we built increasingly more specific and targeted engagement (see Section 4).

2.10. As our programme continued, we co-created commitments with stakeholders in workshops in early 2020 (see figure SA-03.3) before moving towards the Business Plan development phase. To determine the appropriate level of ambition for our customers and stakeholders, we introduced optioneering early on in the process. In January 2021, WPD was the first Distribution Network Operator to publish a first draft Business Plan with options, costings, and an accompanying consultation. Across all stages, we undertook specific efforts to check that we had not missed anything in earlier phases by playing back feedback received from previous phases and asking different stakeholder groups to

Figure SA-03.3: Stakeholders co-creating commitments at a WPD engagement event

review the insights delivered by others, with the aim of building consensus and increasingly targeted and specific commitment targets (see Section 5.35 onwards).

2.11.   Our preliminary engagement stage was purposefully designed to enable stakeholders to consider the widest range of options for the future, by starting their considerations from a blank sheet of paper. This was not because WPD was not able to anticipate likely areas of significant focus, but as a deliberate method to ensure we were never assuming these outcomes and that we never gave stakeholders narrow, pre-existing options that were bound to our existing way of operating. In a number of areas, stakeholders may want us to build on our track record of delivery and achieve incremental improvement, but in others they may want to propose entirely new ways of operating. That is why it is vital that we ask open, non-leading questions to understand stakeholder requirements.

2.12.   We asked stakeholders to start with a 'blank sheet of paper' to tell us the high level outcomes they wanted WPD to achieve for customers in our next Business Plan. The decision to do so was an intentional strategy to:

- Update our understanding of stakeholder priorities

- Identify significant changes in expectations

- Invite suggestions for ways to improve, change or evolve our operations.

2.13.   As the planning process developed, the Business Plan development stage returned over 1,000 suggested actions and focus areas in stakeholders' own words. Inevitably, as we then entered the refinement stage, we began to narrow down the options based on the areas of strongest consensus. As we did so however, we always gave stakeholders the option to suggest something completely different if they felt something was missing or had been misinterpreted. This was vital to ensure we delivered non-leading, objective engagement. While less than 5% of customers on average chose to suggest an alternative in our first draft Business Plan consultation, this was a testament to the thoroughness of our process to build up to these precise commitments based on extensive, iterative engagement, rather than customers feeling they did not have an opportunity to 'break the mould' and suggest alternatives. In fact, there is evidence that, where customers felt strongly that the plan could be improved, they took this option to suggest alternatives.

> **As a result of our extensive co-creation process, when this culminated in our first draft Business Plan consultation, less than 5% of stakeholders requested alternative commitments**

2.14.   There was only one area in which stakeholders felt WPD had made a notable omission this stage. A high proportion of stakeholders wanted to see us make an explicit commitment to drive ongoing efficiency in our operations and keep bills low. In our second draft plan, we sought to address this with an initial efficiency commitment. Although this was broadly welcomed by stakeholders, a notable proportion of 38% took the opportunity to request a further change to this commitment, citing a lack of specificity in our target. This has culminated in the very specific commitment to now deliver £55 million in efficiency savings in RIIO-ED2 (see core commitment 42 in Chapter 5 of Our Business Plan 2023 -2028 First Submission).

2.15.   By defining our draft commitments, options, likely expenditure and bill impacts early on in the process, we have been able to gather specific feedback on our commitments and deliver a Business Plan that has greater refinement than any other DNO. At final submission in December 2021, WPD's customers and stakeholders will have reviewed and given feedback on three versions of our plan.

2.16.   Building from the initial workshops and through two consultations has allowed customers and stakeholders to negotiate the development of the final set of commitments. This work has been tracked, with summary tables showing how support has developed from high level discussions

(e.g. positive of activity in the area) through to specific actions reviewed and agreed with stakeholders (see Section 5.36 onwards).

2.17. It is important to highlight that the results of the engagement programme – synthesised findings from over 250 engagement events with more than 19,000 attendees and triangulated insight that has delivered 45 fully and specifically supported core commitments and over 100 wider, contributory commitments – did not happen overnight (see figure SA-03.4). WPD committed significant resource in 2019 to build a robust research framework for RIIO-ED2 – setting out clear requirements of what was needed from each phase of the programme

	Commitment	Phase 1 Preliminary engagement	Phase 2 Social value	Phase 3 Business Plan development	Phase 4 Business Plan refinement	Phase 5 Business Plan acceptance
6	Proactively contact over two million Priority Services Register customers once every two years (with 60% via direct telephone call) to remind them of the services we provide and update their records.				∩	
7	Achieve a 'one-stop-shop' service so that customers only have to join the Priority Services Register once to be registered automatically with their energy supplier, water company, gas distributor and telecommunications companies.				∩	
8	Increase the number of customers registered on the Priority Services Register to 40% of total eligible customers including 50,000 hard-to-reach customers each year.				∩	
9	Support 113,000 fuel poor customers to save £60 million on their energy bills over RIIO-ED2.				∩	
10	600,000 Priority Services Register customers to be offered a bespoke smart energy action plan each year.				∩	
Wider commitment	Take a leading role in a coordinated approach with a range of industry participants (including funding for collaborations with community energy stakeholders) to share best practice and co-deliver schemes to ensure vulnerable customers are not left behind by the smart energy transition.				∩	

Figure SA-03.4: Example summary table showing the build in stakeholder support for WPD's core commitments over time

before it commenced, what we expected to learn, and how engagement and findings would be organised and managed. The CEG was given the opportunity to review and challenge this before delivery began, as well as during and post event. This framework has acted as the foundation for iterative planning, with multiple synthesis reports delivered to business leads and the CEG from early 2020 – nearly two years ahead of final Business Plan submission (see Section 5).

Expert input and challenges

2.18. The successful delivery of our Business Plan owes a great deal to the expert input and challenges to both the engagement programme and the plan itself through the various stages of development. Our Customer Engagement Group (see figure SA-03.5), recruited early in the process and containing high-calibre members with extensive and overlapping expertise to ensure they challenged one another's thinking, was consulted before, during, and after each engagement phase. The group's input on the planning of engagement, the execution and delivery of events, and the links between the voice of customers and stakeholders and the actions

Figure SA-03.5: The Customer Engagement Group

we've taken has been invaluable. This impact is a direct result of the collective expertise the group brings to the table, their comprehensive understanding and first-hand experience of practices in the wider utilities sector, and the structures put in place to provide members with everything needed to independently scrutinise the plan (see Section 8).

2.19. To ensure a leading engagement programme, and accurate, unfiltered feedback, WPD also enlisted the support of consultancy support from leaders in each required field. Ranging from market research agencies, event facilitators, and an independent secretariat for the CEG, and third-party management for our synthesis process, ensuring confidence in our findings through independence was a top priority (see pages 34, 37, 67, and 152).

2.20. To encourage and benefit from challenges, WPD relied on transparency across all aspects of the planning process. By publishing a range of documents; starting with the Business Plan consultations but also supplementary content such as synthesis reports and the Customer Engagement Group's challenge log, an attitude of full transparency ensures that we are driven by stakeholder feedback, and held to account if we are not (see Section 8.32 onwards).

Conclusion

2.21. Overall, RIIO-ED2 presents exciting challenges to our business, particularly with the transition to a smart, low carbon, flexible energy system. These challenges can only be solved by continuing to engage customers and stakeholders early and extensively. We do not seek informative engagement with stakeholders to comment on and amend pre-determined proposals – by contrast, we have involved stakeholders in the creation of every commitment and have sought to share decision making power as part of a comprehensive, collaborative process. As a result, we have co-created and negotiated a highly ambitious Business Plan that will improve our industry leading performance further, stretch us to innovate and deliver our most extensive range ever of positive outcomes for customers, meeting the needs of our entire network today and keeping pace with these into the future. Our aspiration to deliver a leading engagement programme, relying on iterative development and expert challenge, has led us to our most ambitious Business Plan yet. We look forward to continuing our engagement towards the final submission in December.

3. Our Business Plan engagement approach

Our objectives

3.1.   Frequent, challenging and high quality engagement with stakeholders is crucial to the success of any organisation and is the core foundation on which our Business Plan for RIIO-ED2 is built.

3.2.   Our overarching goal for engagement when building our Business Plan was to deliver the most extensive and impactful programme possible. We sought to deliver the highest quality engagement, identify our broadest stakeholder audience ever (including new and emerging groups) and engage using a range of techniques specifically tailored to our stakeholders' diverse and bespoke needs.

3.3.   Our objectives were to deliver:

1	**Highly robust insights**	Capture a robust view of what is expected by the broad range of stakeholders across our area
2	**Furthest reaching engagement programme ever**	Deliver the best, most wide-ranging stakeholder engagement programme, in terms of: • Size and breadth of programme • Widest scope of influence ever for stakeholders • Engagement led by the experts and those responsible for delivery within WPD (to ensure discussions are as productive and meaningful as possible)Ensuring a range of accessible channels to meet the customer's preference for engagement – including in person sessions, online forums, social media, webinars and surveys.
3	**Every key decision well justified**	Ensure every decision in the Business Plan is well justified and plans are co-created with stakeholders wherever possible
4	**Evidence of influence at every stage**	Demonstrate that engagement has extensively influenced our decisions at every stage of the preparation, development and refinement of the Business Plan
5	**Unrivalled transparency and accountability**	Set new standards of transparency and accountability by simplifying and sharing the Business Plan with customers and stakeholders wherever possible
6	**High ambition**	Deliver a highly ambitious and efficient Business Plan – shaped entirely by stakeholder needs and priorities (today and future) – that will act as a vehicle to achieve highest possible levels of service and performance for customers.

Working with stakeholders to agree our approach

3.4. Before commencing our engagement programme for RIIO-ED2, in 2018 we began by asking stakeholders themselves to help shape and define what an 'enhanced engagement' process should look like for WPD.

3.5. The aim of this activity was to explore ways to stretch stakeholders' scope of influence by identifying the maximum range of Business Plan components they felt they could shape, and the level of support they would need to do so. We also sought their insights to determine the most effective engagement mechanisms for Business Planning and the amount of decision making power stakeholders should be given.

3.6. In an innovative step, we invited Citizens Advice to present at a series of six stakeholder workshops (see figure SA-03.6) held across our region to discuss ways in which all DNOs could give customers a stronger voice in future Business Planning. In response, stakeholders were clear that they wanted WPD to allow them to have a much broader influence than ever before. We also asked which stakeholder segments were best placed to review the following Business Plan component areas and to rate their importance (see figure SA-03.7).

Figure SA-03.6: Citizens Advice's Senior Policy Researcher presenting at a WPD stakeholder event

	Overall importance (out of 10)	End users	Informed stakeholders	Expert stakeholders	Special interest groups	Industry parties	Consumer bodies	Ofgem
Outputs	7.4	✔	✔	✔	✔	✔	✔	✔
Incentives	6.7	✔	✔	✔	✔	✔	✔	✔
Innovation	7.9	✔	✔	✔	✔	✔	✔	✔
Expenditure	5.2		✔	✔	✔	✔	✔	✔
Financing	3.8					✔	✔	✔
Uncertainty mechanisms	5.0		✔	✔	✔	✔	✔	✔
Efficiency	4.8						✔	✔
Data assurance	3.5						✔	✔

✔ = input in RIIO-ED1   ✔ = desired input in RIIO-ED2

Figure SA-03.7: Areas of our Business Plan stakeholders indicated they would like to influence

3.7. At subsequent stakeholder events in 2018 and early 2019 (see appendix A01), we worked with stakeholders to agree WPD's engagement approach and timetable.

3.8. We set ourselves a number of challenges, which involved seeking stakeholder views to help answer the following questions:

Maximum inclusivity:	*Are we speaking to the full spectrum of people impacted by our operations now and in the future?*
Maximum maturity of approach – targeting co-creation and negotiation:	*Are we always avoiding asking leading questions - handing the decision making power to stakeholders themselves and allowing them to start with a blank sheet of paper?*
Maximum impact:	*Most importantly, are we turning these conversations into meaningful and measurable actions to improve the lives of the people who rely on us every day, and to allow stakeholders to track the results of their feedback?*

Maximum inclusivity

3.9.   We adopt the widest possible definition of the term 'stakeholder', with the ambition of engaging anyone who has an interest in, or is impacted by, our operations. This can present its own challenges as each group brings a unique perspective and set of priorities, meaning WPD has to work hard and create the right conditions to achieve compromises and build consensus (see figure SA-03.8). The key to overcoming this has been to work closely with our stakeholders, balancing the various considerations and reaching a consensus that works for everyone wherever possible. After all, their views reflect the diversity of our 8 million customers, who pay for the work we do and therefore have a right to influence our service.

3.10.   The term 'stakeholder' is therefore inclusive of, but broader than, our bill paying customers. Therefore, when referring to our customers, WPD does not distinguish between connected, bill paying customers (currently 8 million) and wider consumers (anyone in the region who uses electricity from the network, including young people and future customers). When we speak of a customer we are inclusive of both, as we do not differentiate how we deliver our day-to-day services and customer access channels based on this distinction. Customers and consumers – all are treated equally.

Figure SA-03.8: The scale of WPD's engagement workshops, held in roundtable formats with stakeholders from different perspectives on each table to ensure issues are debated and priorities placed into their broader context

3.11. As such, we work to the broad definitions shown in figure SA-03.9:

Stakeholders → Individuals, organisations, representative bodies or businesses that are affected by WPD, or can influence/affect our operations and/or performance (including those with a legal, financial or operational responsibility to do so)

Customers / Connected bill payers → Anyone in our area who uses electricity from our network:
- This is inclusive of, but not limited to WPD's 8 million connected bill payers

Figure SA-03.9: WPD's definition of 'stakeholder'

3.12. We have a good track record of working closely with customers – with a comprehensive stakeholder engagement strategy which has been in place since 2007. The overarching strategy is enduring, extensive and consistent - ensuring that a clear focus and continuity of our core objectives is maintained. Key components of this strategy can be found in Section 9 below, along with details of how our ongoing stakeholder engagement strategy will be delivered during RIIO-ED2. We know that adaptability will be crucial. While the core principles remain consistent, the strategy is highly adaptive to changes in stakeholder expectations and the environment in which we operate.

3.13. A critical first stage in WPD's engagement strategy is to continually refresh our stakeholder database, in order to identify new and emerging stakeholders, as well as evolutions within existing stakeholder groups. For example, within existing stakeholder segments, such as local authorities, we have seen the emergence of new specialisms including those with responsibilities for net zero planning, low carbon technologies and smart city projects. We have also seen entirely new stakeholders emerge, including electric vehicle charge point operators and flexibility providers.

3.14. As a result of this ongoing work, we have seen our central database increase from 5,000 core contacts in 2016, to more 8,000 today, segmented by interest area. In addition, ahead of each round of engagement events, we task an independent research consultant to source new, specialist contacts to match the topics covered.

> **A 60% increase in our stakeholder database, from 5,000 in 2016, to more than 8,000 today**

3.15. As figure SA-03.10 outlines below, the types of stakeholders that have participated in our engagement in order to build our RIIO-ED2 Business Plan includes:
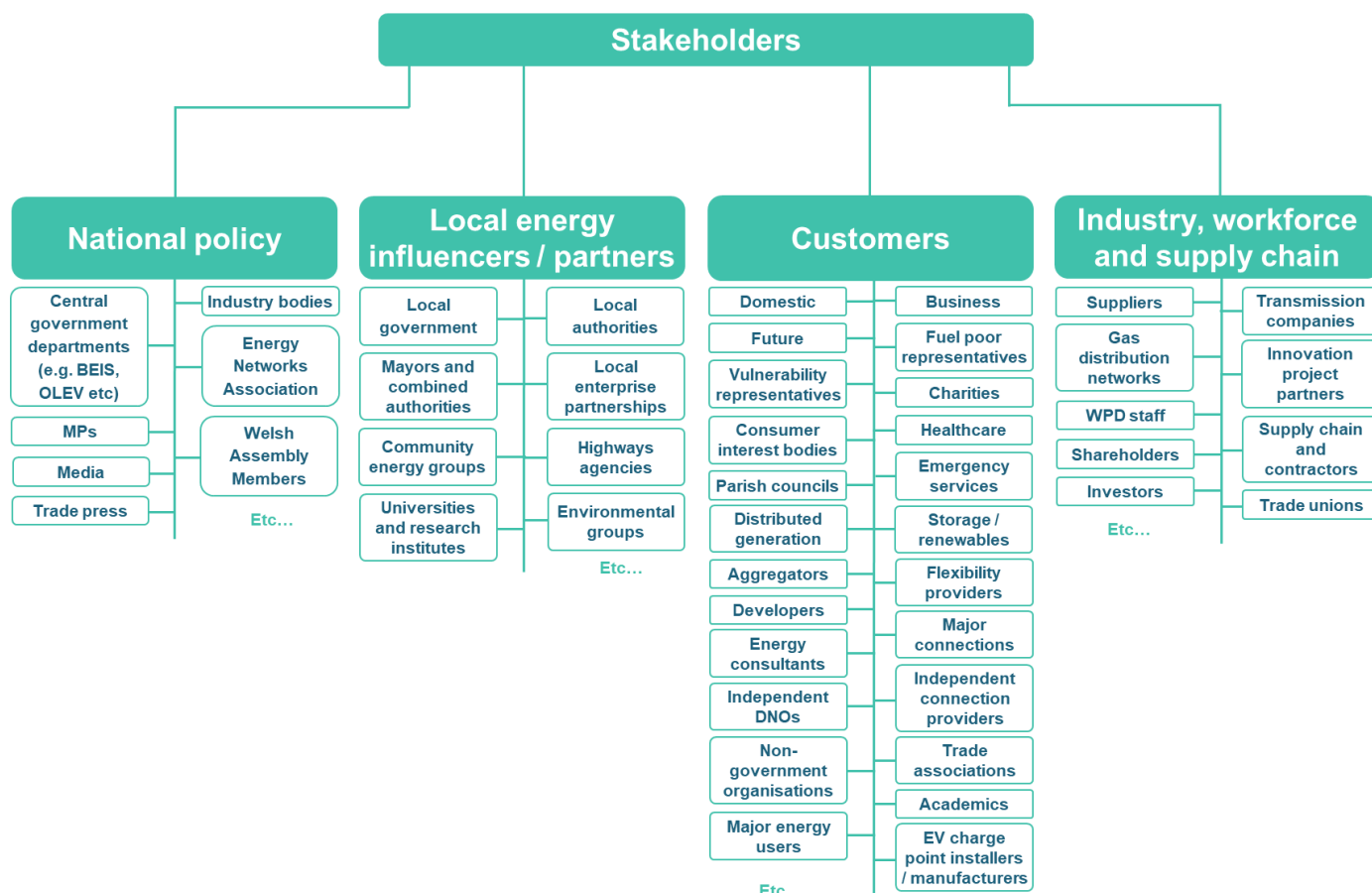
Figure SA-03.10: Types of stakeholders

Maximum maturity of approach – targeting co-creation and negotiation:

3.16.   The aim of our engagement has always been to give customers a very strong voice in our planning process. To do this, we have organised bespoke co-creation engagement events to enable stakeholders to influence and shape our decisions in the most pervasive, 'bottom-up' way possible.

3.17.   We challenged ourselves to go significantly further than our programme for RIIO-ED1 (which received a very high rating for stakeholder engagement and was 'fast-tracked' by Ofgem), asking stakeholders not only to influence, change and refine our plans - but to take part in co-creating our plans from the outset, starting from a blank page (see figure SA-03.11).

WPD

Inform	Consult	Involve	Co-create	Negotiate
Opportunities to make comments on pre-written commitments	Open to influence and addressing concerns	Priorities directly reflected in actions developed	Commitments co-created with stakeholders from scratch	Precise commitment levels negotiated

Maturity of programme & stakeholder input in decision-making

For example:

| Inviting stakeholders to get involved online and to give their views on the business plan by taking part in an online survey which asks for feedback on specific ideas. | Hosted events for deliberately selected stakeholders with presentations, sharing plans for the future and asking for feedback on priorities previously identified. | Deliberative workshops aimed at understanding what customers priorities are now and what they think they could/should be in the future. | Customer Collaboration Panel – Independently led roundtable discussions with participation from CEO / Director level that includes policy/action plan drafting. | Co-created commitments refined with stakeholders. Precise targets negotiated to balance stakeholder priorities and requests with pragmatic delivery considerations. |

Figure SA-03.11: Levels of engagement maturity and the extent to which stakeholders have influence over decision making

3.18. To ensure we delivered the most effective engagement programme possible to address the needs of a broad cross-section of stakeholders, we commissioned an independent review of best practice approaches to engagement. The review covered a wide variety of sectors including water, gas and rail and revealed a broad range of engagement activities by these companies.

3.19. This report (see Appendix A02), alongside feedback received from direct engagement with Citizens Advice, helped us to identify a five-stage scale for the maturity of stakeholder engagement programmes across a range of UK industries. It revealed that the majority of utility companies across water, gas and transmission sectors have traditionally delivered 'informative' and 'consultative' engagement, where stakeholders were asked to consider a range of pre-written commitments and options, but rarely had the opportunity to develop these with the companies 'from scratch'. On the occasions where they did so, these were within pre-set parameters often shaped by the existing activities historically delivered by these companies.

Figure SA-03.12: Stakeholders starting from a blank page to begin to specify their priorities and the actions they would like WPD to take to address them

3.20. We challenged ourselves to deliver a programme that moved significantly beyond these standards. After all, we recognised that RIIO-ED2 was always going to look very different for our customers as the UK moves rapidly towards a zero carbon future. Electricity demand is likely to rise; there will be a further acceleration in renewable, decentralised energy generation, a huge growth in electric vehicles and substantial changes in the way we heat our homes. It is essential that WPD's Business Plan drives that change, seizing on the opportunity to achieve decarbonisation at pace. Therefore it was essential to

enable stakeholders to start from a 'blank sheet of paper' and to set their own desired outcomes for what WPD should deliver for customers in this new and exciting low carbon energy future (see figure SA-03.12).

3.21. We targeted maximum stakeholder input in our decision making based on this scale and, where, possible stretched beyond this model to achieve new standards for achieving negotiated, collaborative Business Plan settlements with our stakeholders. We have sought to deliver co-creation with stakeholders at every stage of our RIIO-ED2 Business Plan engagement process. Moreover, once initial proposals were developed with stakeholders, we then sought to progress to work in partnership with them to agree the precise commitment levels (including considering multiple options for varying levels of ambition) and targets they wanted to see WPD deliver.

3.22. During the process of planning for RIIO-ED2, there were key environmental and regulatory obligations and government policy decisions that we must deliver (e.g. the government's target for net zero carbon emissions by 2050). There were a number of key focus areas we therefore anticipated being included in our Business Plan. For example, the shift to build and operate a smarter, more flexible energy network, and work to facilitate the connection of increasing volumes of electric vehicles and other low carbon technologies were highly likely to feature. Our expertise in running the electricity network for many generations, together with our longstanding stakeholder engagement track record, also means we have built a considerable knowledge to *anticipate* some customer needs. However, we are always mindful never to *assume*.

3.23. In a number of areas, stakeholders want us to build on our already impressive track record of delivery and achieve incremental improvement, but in others they may want to propose entirely new ways of operating outside of the perceived 'status quo'. Therefore, it was vital that we asked open, non-leading questions to understand stakeholder requirements of WPD. For this reason, we sought to provide only essential context and information on our current baseline performance.

3.24. While in many cases the priorities and actions suggested by stakeholders have not come as a surprise, starting from a blank sheet of paper was intended to:

1	**2**	**3**
Refine, challenge and update our understanding of stakeholder priorities	**Identify significant changes in expectations**	**Invite suggestions for how we can improve, change or evolve our operations**

Maximum impact:

3.25. We are driven at all times by the mantra that 'engagement leads to action'. After every major workshop, we published an independently-produced findings report so that stakeholders have full transparency of the feedback we have received. To ensure we structured all opinions and methods, we put appropriate architecture in place (summarised in figure SA-03.13) to effectively collect, organise and visualise:

- The sources of information (engagement, research etc.),

- The stakeholders we interacted with

- The feedback collected.

Figure SA-03.13: Summary of WPD's approach to collect, organise and visualise stakeholder feedback received
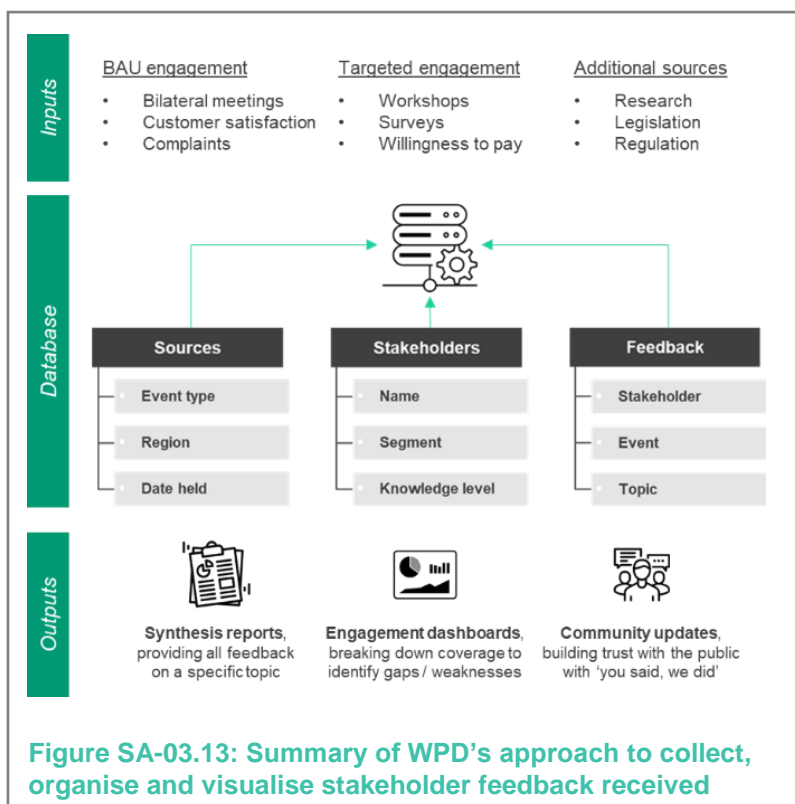
3.26. As outlined in Section 5, after each phase of our stakeholder engagement programme, we produced a synthesis report summarising all of the key feedback received. This helps to provide the physical thread between the engagement conducted, the feedback collected, and the decisions made in response. It enables us to demonstrate at the end of each stage of engagement, whose feedback has shaped our plans and proposals at that point, and in addition, gives our stakeholders assurance that key items of feedback have not been overlooked.

3.27. To clearly demonstrate the impact of feedback on our Business Plan, in 2018 we agreed with stakeholders that we would publish four versions of our plan for them to scrutinise (see figure SA-03.14). This meant that we published two draft versions of our Business Plan ahead of the first submission to Ofgem in July 2021 and will be consulting again ahead of our final submission to Ofgem in December 2021. This will maximise the opportunity for stakeholders to understand how we have arrived at our proposals and to provide additional input.

Figure SA-03.14: WPD's process to publish four versions of our Plan

A seven stage engagement process

3.28. Our engagement approach during the RIIO-ED1 process involved consulting with stakeholders heavily in our decision making and followed a three stage engagement approach, with a further two stages to be completed after the plan's submission to Ofgem. This approach was awarded a 'green' (positive) rating by Ofgem and cited as a key contributory factor in the decision to fast track our Business Plan. It encompassed:

Plan development:	1) Preliminary engagement; 2) Willingness to pay research; 3) Business Plan development and consultation.
Post submission:	4) Business Plan outcomes; 5) Business Plan delivery/performance review

3.29. Before RIIO-ED2, we learned from best practice and identified opportunities to go even further than our counterparts in other industries, delivering an industry leading stakeholder engagement programme. As outlined above we also hosted 'pre-ED2 workshops' to ask stakeholders how they would prefer to be engaged and to outline their desired levels of involvement. Acting on this feedback, we built an engagement programme to deliver co-creation, improve on our leading approach to engagement in RIIO-ED1 and ensure the Business Plan is built in a staged, phased way with multiple points of stakeholder refinement and endorsement up to the final submission of the plan.

3.30. For RIIO-ED2, we agreed with stakeholders to deliver a seven stage engagement process, factoring in time for essential additional stages of 'Business Plan refinement' (including detailed social value research) and 'Business Plan acceptance testing', which our research indicated only the best stakeholder engagement programmes undertook in water, gas and transmission sectors.

3.31. The process (figure SA-03.15) followed by WPD to build our Business Plan with stakeholders in stages is as follows:

Stage	Objective	Deliverable(s)	Timing
Stage 1: Preliminary engagement	Identify the high level outcomes WPD should commit to deliver. Identify initial stakeholder priorities (areas where outputs and performance improvements are expected); to ensure all stakeholder interest areas have been recognised. Identify suitable representatives for future engagement.	• **High level outcomes** • **Stakeholder priorities (grouped under outcomes)** • **High level view of stakeholders to engage**	Jan – Nov 2019
Stage 2: High level social value research	Identify specific improvement levels within each priority area and their value to customers	• **Evidence of value placed on each high level priority area** • **Evidence of preference/expectation for service improvement levels**	Nov 2019 – June 2020
Stage 3: Business Plan development	Co-create early commitments with stakeholders Develop initial costing for each commitment	• **1st draft of commitments (grouped under outcomes/priorities)** • **Initial costing for commitment (and therefore Business Plan as a whole)**	Feb – Oct 2020
Stage 4: Business Plan refinement (detailed social value research)	Negotiate output levels and refine our commitments	• **2nd draft of commitments** • **Updated costing for each commitment based on changes**	Oct – Mar 2021
Stage 5: Business Plan acceptance testing	Present the final plan to stakeholders for review (and voting) before submission to Ofgem	• **Stakeholder approval of the final plan**	Mar 2021 onwards
***Stage 6 (post submission):* Business Plan monitoring**	*Identify the key performance measures stakeholders would like us to use to monitor progress against our promises*		*2022*
***Stage 7 (post submission):* Business Plan performance review**	*Provide an update on our progress in delivering the Business Plan, our performance against key output measures and identify areas of emerging stakeholder interest or concern*		*2023*

Figure SA-03.15: Stages of our stakeholder engagement process for RIIO-ED2

Overarching strategic principles

3.32. Using this process, we have shared our proposed actions at an early stage, addressed any feedback and continually refined and added detail to our commitments. This has resulted in the most scrutinised, well justified, stakeholder-endorsed plan we have ever produced.

3.33. We focus on building long-term relationships with stakeholders, who frequently return to engage with us because they recognise the value we place on their feedback. To continue this success, we must challenge ourselves to develop our approach further, learn from best practice, and seek to deliver our most pervasive and stakeholder-led engagement programme ever.

3.34. Our enduring strategy for ongoing engagement is set out in Section 9 and many of the principles that have proved so successful during the Business Planning process will therefore continue. In summary, our approach has been guided by seven key principles, to be:

I. **Inclusive**: Our plans take into account all stakeholders, including the hard-to-reach and seldom heard voices. We have explicitly targeted and represented these within the testing sample of the various 'end user' surveys, research sessions and workshops we have undertaken. We have identified new, emerging and increasingly local stakeholder groups (e.g. energy storage operators, flexibility service providers, aggregators and electric vehicle charge point operators) as well as significant shifts in the requirements, responsibilities and interests of existing stakeholders (e.g. local authorities, community energy groups, fuel poverty charities and vulnerable customer support services because of the move to a low carbon future and the pursuit of net zero carbon emissions.) Using a targeted engagement approach, we have developed insight that is representative of our communities and worked with them to co-create a Business Plan to reflect this diversity.

II. **Tailored:** For this Business Plan, we have engaged with our largest number and most diverse range of stakeholders ever. Their respective knowledge, interest and direct experience of WPD and/or the wider energy sector varies significantly. In response we have broadened the range of engagement techniques and mechanisms, tailoring these to best suit the audience and utilising best practice to avoid a 'one-size-fits-all' approach. The methods we select must suit the type of stakeholder we are engaging, not what is convenient for us. When tailoring our programme in this way, we considered stakeholders in relation to the following matrix (figure SA-03.16):
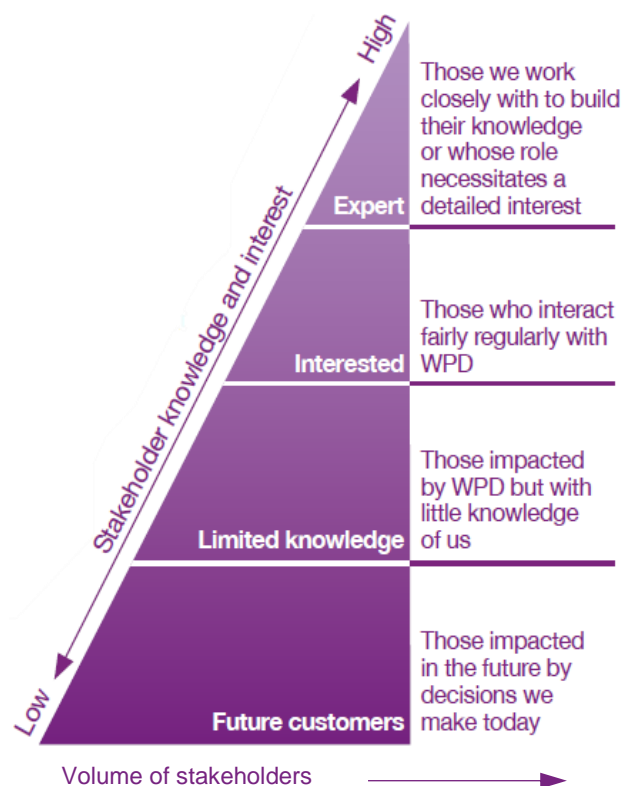

Figure SA-03.16: Knowledge and interest levels of our stakeholders

In doing so, we aim to include stakeholders from all levels in our Business Planning processes, and to avoid giving disproportionate attention to those who are 'louder' or better resourced to engage than others. This includes reaching out to hard-to-reach consumers who may not have participated in engagements before.

III. **Consensus building:** A unique selling point for WPD is that we ensure a rich diversity of viewpoints at every major engagement event. As a result of our efforts to update our stakeholder database frequently, we are able to ensure the following stakeholder segments are regularly featured alongside one another at events:

Local authorities	Consumer bodies
Energy consultants	Government representatives
Domestic customers	Environmental groups
Parish / community councils	Industrial customers / major energy users
Community energy groups	Major connections customers
Business customers	Storage and renewables provider / installers
Developers	Trade associations
Utilities	Vulnerable customer representatives
Charities	Other
Independent Distribution Network Operators / Independent Connections Providers	

While these groups inevitably have differing opinions on some topics, by hosting mixed, roundtable format discussions, it helps to place their requirements in the broader context of the full range of factors WPD must consider within its Business Plan. It also helps to enhance the knowledge and understanding of our stakeholders. By ensuring stakeholders do not operate in an echo-chamber with only with likeminded participants, this helps us to build consensus and understanding of the full range of actions WPD is required to take, and that customers are asked to fund. By doing this, we find that stakeholders are largely very understanding and open to the views of others, and that consensus can be reached.

IV. **Transparent:** This means publishing all feedback we have received and the actions that have resulted from it. We have not only shared findings from each individual engagement activity, but have also produced a standalone synthesis report after each key engagement stage. These were produced by an independent, third party to combine the feedback received objectively and to present the key, overarching findings in a single, comprehensive report – making it quick and easy for stakeholders to digest what was said, and what was done.

V. **Proactive:** We identify and reach out to stakeholders proactively, we welcome all views and do not exclude any group. We're trusted – our engagements always include the full spectrum of stakeholders and have demonstrated an enduring commitment to act on their feedback. We act in a fair, socially responsible way at all times, engaging early on key issues and ensuring a proactive response to challenging issues.

VI. **Purposeful:** We refuse to host talking shops and always ensure sessions have clear objectives that we share with participants from the outset. Engagement must lead to action. Our focus is on meaningful, two-way engagement that hands decision making power to stakeholders, not short survey responses or unstructured discussion.

VII. **Expert-led:** Our engagement is always led by people with appropriate expertise, experience and responsibility for acting on insight, with a large number of operational managers in attendance at every event. Stakeholders tell us it's important that the WPD staff responsible for acting on their feedback are also the ones who participate in the delivery of the engagement.

Commitment at senior level

3.35. With 6,500 employees serving 8 million customers, the efforts of every single person at WPD play a fundamental role in achieving our goals.

3.36. WPD's culture empowers staff to take personal responsibility to deliver the best possible outcomes for customers. Each employee understands the essential part they play to engage our

stakeholders and how this feedback is used to adapt, improve and drive positive impact for our customers.

3.37. This ethos stems from strong leadership and commitment to engagement at a senior level. Seventy senior managers have facilitated stakeholder workshops as part of this Business Planning process, and WPD's CEO and Directors have personally met with hundreds of stakeholders too (see figure SA-03.17). They have facilitated roundtable discussions at our overarching stakeholder workshops, participated in topic-specific surgeries, attended WPD's Customer Panel (CP), Connections Steering Group and RIIO-ED2 Customer Engagement Group (CEG). In addition, they have held bilateral engagements with Members of Parliament, the Department for Business, Energy and Industrial Strategy (BEIS) and Ofgem, particularly on key aspects of our delivery to support the UK's achievement of net zero, the green recovery from Covid-19, and our industry leading support programme for vulnerable customers which are integral components of our Business Plan.

More than 70 senior managers have facilitated stakeholder workshops including WPD's CEO and Directors

Figure SA-03.17: WPD's CEO, Phil Swift, facilitating discussions at a stakeholder workshop.

The environment we expect to operate in

3.38. WPD's Business Plan sets out an ambitious programme of work to drive transformation in the energy market, including the decarbonisation of transport, the widespread adoption of energy flexibility services and support for the ambitious, bespoke energy plans in the local communities we serve.

3.39. Key changes in our operating landscape for RIIO-ED2 include:

I. Our vital role delivering net zero:
- Low carbon technologies are already changing energy flows across the distribution network, in particular on the low voltage network. On top of this, demand for electricity is expected to rise significantly. These huge increases are largely a result of increased local generation, and the growing use of electricity for transport and heating.

- As a Distribution Network Operator with a Distribution System Operations function, we have a fundamental responsibility to help deliver – and not just facilitate - the government's 2050 net zero target. Stakeholders do not want us to be passive. Instead, they believe we should be a key driver and innovator of the changes needed. That means we must actively encourage the connection of 'clean' local generation, proactively enable electric vehicle uptake and develop new ways of utilising existing capacity through extensive flexibility services, avoiding the need to build bigger networks.

II. Localism and supporting the bespoke energy plans of individual communities:
- Net zero is a national target but will be delivered regionally. In WPD's area, almost 80% of the local authorities have declared climate emergencies, setting targets well in advance of 2050. It will take a co-working approach between WPD and a wide range of stakeholders to achieve an effective, decentralised energy system to deliver these ambitious targets.

Change is happening at different pace across sectors and regions. For example, Lincolnshire (which has significant coastline with offshore wind) is planning to connect high volumes of distributed generation to our system, while urban areas like Nottingham and Bristol, which have set ambitious decarbonisation goals of 2028 and 2030 respectively, are pursuing huge increases in electric vehicles to decarbonise transport, alongside other key measures.

- This is why our engagement strategy could never follow a 'one-size-fits-all' approach. Instead, we must adapt our strategy to meet the differing requirements of our stakeholders and to tackle the very individual and complex issues facing each region. This calls for increasingly localised engagement. We must engage with local stakeholders to understand their existing energy plans, which can then be fed into our future energy scenarios. Equally, we will provide stakeholders with details of our modelling to help inform the creation and updating of their local energy plans.

III.   Delivering an 'open data' future:

- To deliver net zero, we not only need to change the way energy is used and delivered; we also need to ensure that the data that underpins this change is effectively utilised. Stakeholders are already asking for access to more and better quality data to help plan their own energy initiatives.

- Data will be vital to show how and when electricity is being used and to avoid disruption to the network, as changing electricity habits make demand much less predictable in the future. Factors including 'clustering', where several electric vehicles are charging in the same street, and contrasting behaviour, for example where one consumer charges while another discharges, will drive significantly different flows on low voltage (LV) networks. Where the LV network becomes stressed and complicated, more detailed analysis is required – and that is where access to data is vital. Without data, the increased usage of electricity and changes in customer behaviour could cause massive disruption to the distribution network system.

- Data will be required to inform key network management decisions on investment or the development of Distribution System Operator services, including demand side response, flexible additional generation or flexible demand/access arrangements. Stakeholders expect us to adopt an open data policy, sharing all data unless restricted by privacy, security or commercial confidentiality reasons. We will then work alongside partner agencies to unlock value from this data and use it to trigger new, innovative services.

4. Our engagement delivery

Summary of our key engagement mechanisms

4.1. To date, we have engaged more than 19,000 external stakeholders on our plans for RIIO-ED2. We have used a variety of techniques to allow stakeholders to engage in the way that best suits them. Some key examples we used during the co-creation and negotiated refinement of our plan are outlined in the tables below. This includes the volumes of stakeholders engaged during each of the five stages of our programme carried out to date.

4.2. It also indicates how our engagement methods have been tailored to encompass the full range of stakeholder knowledge and interest levels, as per our matrix listed in Section 3.34 above, and based on the following key:

Key – Stakeholder knowledge/interest level:

❶ Expert

❷ Interested

❸ Limited knowledge

❹ Future customer

4.3. Engagement with stakeholders from specific sectors was never viewed in isolation. We shared the feedback collected with stakeholders from the other segments and via our overarching workshops, in order to build consensus and used the consolidated feedback gained to inform the content of our future engagement, and ultimately our final Business Plan proposals.

WPD's approach to segmentation

4.4. We purposefully segmented stakeholders within our engagement activities and research by knowledge/interest type rather than by attitude/behaviour. While the creation of customer 'personas' is popular within research (e.g. 'first-mover/early adopter' etc), it was concluded that this is not appropriate for this type of regulatory Business Planning. Ultimately, the way that the charging methodologies operate and the socialisation of core distribution costs means that any segmentation we undertake in our research must be actionable, with the ability to form commitments and future services and policies that meet the needs of the stakeholder segments used.

4.5. Segmenting stakeholders by the 48 stakeholder types outlined in Section 3.15 (see figure SA-03.18 for an example) allows us to tailor our engagement to the varying knowledge levels, for example, adjusting the level of technical language we use or how much detail we share on particular subjects. Our ultimate aim is to then deliver adaptability within our core services to cater for the different behaviours and attitudes of those different customers, but acknowledging that all customers pay and therefore receive the same core service level as standard. For example, while all customer receive a high standard of customer service overall during power cuts – with various access channels for information and a major focus on providing proactive updates - we offer an additional, enhanced
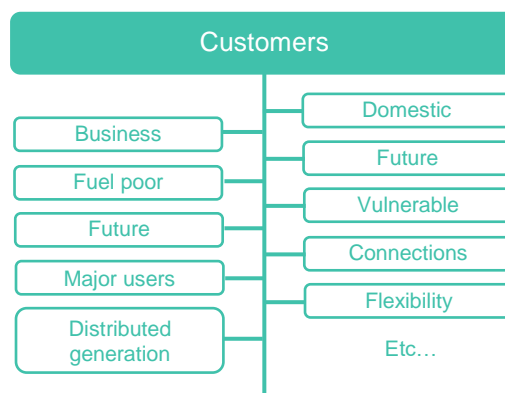
Figure SA-03.18: An example of segmentation by stakeholder/type within one category

service for key groups such as customers in vulnerable situations or fuel poverty. We do so with the full support of wider stakeholders who, as part of our segmentation approach, have understood the needs of these different stakeholder types and agreed that WPD should offer tailoring within our service delivery for these key groups. The same is true within the area of new connections, for example, where customers expect a high standard of core service overall, but with bespoke, additional enhanced offerings for key groups such as community energy schemes which need a little more hand-holding through the process.

4.6. Within each stakeholder type however, we always sought to account for the behavioural differences amongst stakeholders by ensuring a full balance of perspectives were achieved within each research sample, in respect to gender, geography (urban vs rural), age, socioeconomic background and ethnicity.

4.7. Our customers pay for everything we do so, in addition to the extensive input of expert and well-informed stakeholders, we have included greater input from end user bill payers and future customers than ever before (see Section 4.25 onwards for a full overview). For example, domestic customers and/or stakeholders representing them have been involved in 19 of the 26 stakeholder engagement forums outlined below, with over 7,000 views received.

Figure SA-03.19: WPD's core stakeholder engagement methods

Ref	Engagement method	Description	Stakeholder groups involved / targeting	Stakeholder Expertise Level	Total engaged				
					Stage 1: preliminary engagement	Stage 2: willingness to pay	Stage 3: BP development	Stage 4: BP refinement	Stage 5: Acceptance testing
1	Customer Collaboration Panel	Workshops with WPD's permanent panel of 38 expert stakeholders, with representatives spanning all WPD's key stakeholder segments Example of output: Appendix A03	Domestic, business, connections, emergency resilience, healthcare, government, utilities, academic institutions, fuel poor and vulnerable	❶	38	-	30	29	-
2	Topic-specific bilaterals and expert workshops	Events with expert stakeholders to explore topics in greater depth and practical considerations and implications to be addressed. e.g. Vulnerability stakeholders; EV stakeholders (e.g. motorway service operators). Example forums include: Community energy workshops, connections surgeries and future networks events Example of output: Appendix A04	Connections, vulnerable customers, electric vehicles, environment, future energy scenarios, community energy etc	❶	1187	-	1349	11	-
3	Connections Customer Steering Group and Distributed Generation Owner Operator Forum	Workshops with WPD's permanent panel of 40 expert connections stakeholders and 58 distributed generation owner/operators, with a broad representation of connection stakeholders Example of output: Appendix A05	Customers, developers, distributed generation, community energy, Independent Connection Providers, Independent Distribution Network Operators, consultants and utilities	❶	128	-	122	98	-

Ref	Engagement method	Description	Stakeholder groups involved / targeting	Stakeholder Expertise Level	Total engaged				
					Stage 1: preliminary engagement	Stage 2: willingness to pay	Stage 3: BP development	Stage 4: BP refinement	Stage 5: Acceptance testing
4	**Local authority local energy plan bilaterals**	**Bilateral meetings with every local authority and Local Enterprise Partnership in our region to have in-depth discussions on local energy strategy, scenarios and projected low carbon technology and generation uptake volumes** **Engagement summary and recommendations: Appendix A06**	Local authorities and Local Enterprise Partnerships	❶	-	-	133	-	-
5	**Co-creation stakeholder workshops**	**Qualitative workshops in a roundtable format, with stakeholders with reasonable levels of knowledge and interest in WPD's operations. Designed to identify priorities from scratch and co-create draft commitments to address these** **Published summary reports: Appendices A01, A07, A08**	Domestic, small businesses, major energy users, parish councils, local authorities, consumer interest bodies, charities, connections providers, community energy groups, developers, trade associations, utilities, universities, environmental groups, storage providers, energy aggregators	❶ ❷	330	-	393	222	-
6	**Consultation 'sprint' workshops**	**Innovative approach where all stakeholders are sent WPD's plan document in advance. WPD then delivers a series of 2-3 minute quick-fire presentations on every key priority area, followed by quantitative voting on every WPD proposed commitment (levels of ambition, overall acceptability and stakeholder requirements for alternatives). Then a series of breakout discussions for stakeholders to suggest alternatives** **First draft Business Plan consultation report: Appendix A09**	Domestic, small businesses, major energy users, parish councils, local authorities, consumer interest bodies, charities, connections providers, community energy groups, developers, trade associations, utilities, universities, environmental groups, storage providers, energy aggregators	❶ ❷	-	-	-	88	59

Ref	Engagement method	Description	Stakeholder groups involved / targeting	Stakeholder Expertise Level	Total engaged				
					Stage 1: preliminary engagement	Stage 2: willingness to pay	Stage 3: BP development	Stage 4: BP refinement	Stage 5: Acceptance testing
7	**Webinars**	**Sessions to provide stakeholders with an overview of WPD's Business Plan, how to respond and to invite questions and clarifications on the content** **First draft Business Plan webinar presentation: Appendix A37**	Domestic, small businesses, major energy users, parish councils, local authorities, consumer interest bodies, charities, connections providers, community energy groups, developers, trade associations, utilities, universities, environmental groups, storage providers, energy aggregators	①②	-	-	-	86	56
8	**Local network investment and net zero workshops**	**Sessions hosted at local depots for key stakeholders with a regional planning focus** **Published summary reports: Appendices A10, A11**	Local authorities, vulnerable customer representatives, community groups, emergency services, non-profit organisations and charities.	①②	229	-	206	-	-
9	**ICP/IDNOs conferences**	**Workshop will be aimed at a connections customer audience, to discuss in particular RIIO-ED2 priorities, electric vehicles and local infrastructure plans** **Published summary reports: Appendices A12, A13**	Independent Connection Providers (ICPs), Independent Distribution Network Operators (IDNOs), local authorities, Local Enterprises Partnerships, distributed generation customers, developers and major users.	①②	63	-	53	-	-
10	**Social obligations conferences**	**Conferences held in different locations aimed at vulnerable customer representatives to discuss WPD's social obligations strategy and programme delivery** **Published summary reports: Appendices A14, A5**	Charities, local authorities, parish councils, non-Government organisations	①②	53	-	57	-	-
11	**EV conferences and workshops**	**Conferences and workshops aimed at local authorities and the staff responsible for planning and implementing their electric vehicle plans - to discuss and support planning for current and future EV charging infrastructure projects** **Published summary report: Appendix A16**	Local authorities	①②	-	-	550	-	-

Ref	Engagement method	Description	Stakeholder groups involved / targeting	Stakeholder Expertise Level	Total engaged				
					Stage 1: preliminary engagement	Stage 2: willingness to pay	Stage 3: BP development	Stage 4: BP refinement	Stage 5: Acceptance testing
12	**Strategy development workshops**	**Qualitative workshops in a roundtable format, with stakeholders with reasonable levels of knowledge and interest in WPD's operations. Designed to co-create WPD strategies and specific commitments/action plans for RIIO-ED2 in particular relation to:** **DSO; Innovation; Environment; Connections; Vulnerability; Digitalisation** **Published summary reports: Appendices A17, A18, A19, A20, A21**	Domestic, small businesses, major energy users, parish councils, local authorities, consumer interest bodies, charities, connections providers, community energy groups, developers, trade associations, utilities, universities, environmental groups, storage providers, energy aggregators	❶ ❷	-	-	-	258	-
13	**Written consultations**	**Seeking views on WPD's draft Business Plans via set questions and voting. Options for stakeholders to submit responses online, via email or post.** **First draft Business Plan consultation document: Appendix A36**	Domestic, small businesses, major energy users, parish councils, local authorities, consumer interest bodies, charities, connections providers, community energy groups, developers, trade associations, utilities, universities, environmental groups, storage providers, energy aggregators	❶ ❷ ❸	-	-	-	141	51
14	**Online engagement portal**	**Replicated WPD's face-to-face co-creation workshops online, with the presentations filmed, followed by a range of multiple choice and free-format questions. Promoted using Twitter, LinkedIn and invitations sent to all registered stakeholders.** **Published summary reports: Appendices A22, A23, A09**	Domestic, small businesses, major energy users, parish councils, local authorities, consumer interest bodies, charities, connections providers, community energy groups, developers, trade associations, utilities, universities, environmental groups, storage providers, energy aggregators	❷ ❸	29	-	82	40	-

Ref	Engagement method	Description	Stakeholder groups involved / targeting	Stakeholder Expertise Level	Total engaged				
					Stage 1: preliminary engagement	Stage 2: willingness to pay	Stage 3: BP development	Stage 4: BP refinement	Stage 5: Acceptance testing
15	Online Panel	**Permanent online community with representatives spanning a range of customer demographics, age, gender and location. Particular focus on current and future end user customers and small businesses. Promoted prominently to all customers on WPD's homepage.** **Example consultation/questionnaire: Appendix A38**	Anybody who has registered an interest in the business via our website with targeted outreach to specific demographics as required. The overall objective is to have a fair and balanced representation across geography, age and gender	②③	82	-	142	-	-
16	**Quantitative research surveys - *Customers in vulnerable situations***	**Telephone surveys with randomly selected customers as part of well-established satisfaction surveys following a day-to-day contact with WPD regarding the Priority Services Register. Questions independently designed with Accent to ensure they are neutral and non-leading.** **Customer 'spontaneous priorities' quantitative research report: Appendix A24**	Customers in vulnerable situations	③	100	-	1628	-	-
17	**Quantitative research surveys - *Major connections customers***	**Telephone surveys with randomly selected customers as part of well-established satisfaction surveys following a day-to-day contact with WPD regarding the major connections applications (+4 homes and above). Questions independently designed with Accent to ensure they are neutral and non-leading.** **Customer 'spontaneous priorities' quantitative research report: Appendix A24**	Major connections customers	③	273	-	1,574	-	-
18	**Quantitative research surveys – *Distributed generation customers***	**Telephone surveys with randomly selected customers as part of well-established satisfaction surveys following day-to-day contact with WPD regarding the distributed generation connections. Questions independently designed with Accent to ensure they are neutral and non-leading.** **Customer 'spontaneous priorities' quantitative research report: Appendix A24**	Distributed generation customers	③	64	-	384	-	-

Ref	Engagement method	Description	Stakeholder groups involved / targeting	Stakeholder Expertise Level	Total engaged				
					Stage 1: preliminary engagement	Stage 2: willingness to pay	Stage 3: BP development	Stage 4: BP refinement	Stage 5: Acceptance testing
19	Power cut follow-up surveys	Text message sent to every WPD customer as part of the power cut follow-up service, containing an invitation and link to participate in a series of survey questions on WPD's website	All WPD customers affected by loss of supply	❸	131	-	-	-	-
20	Social value / willingness to pay qualitative workshops	Six discussion groups with end user, bill paying customers and customers of the future. Enabled participants to spontaneously name their priorities for WPD and identify underlying initiatives in five key service areas. Test the understanding of key actions ahead of quantitative survey testing with a wider pool of customers, ensuring the measurability and outcomes/benefits of potential WPD actions are clear **Findings report: Appendix A25**	End user bill paying domestic customers and future users – ensuring balanced representation in terms of gender, region, urban/rural, age and socioeconomic background. Businesses – small, medium and large	❸ ❹	-	48	-	10	-
21	Social value / willingness to pay quantitative surveys	Quantitative, stated preference research to obtain customer willingness-to-pay (WTP) values for potential service improvements and initiatives. Majority via online surveys, but 100 in-home interviews conducted to ensure robust representation from customers who are typically harder to reach and underrepresented on commercial panels (i.e.: those in the lowest socioeconomic grouping (E), those at the extremes of the age spectrum (over 75s and under 25s) and those who are digitally excluded. **Findings report: Appendix A26**	985 - End user bill paying domestic customers and future users – ensuring balanced representation in terms of gender, region, urban/rural, age and socioeconomic background. 203 - Businesses – small, medium and large	❸ ❹	-	1188	-	1,280	-

Ref	Engagement method	Description	Stakeholder groups involved / targeting	Stakeholder Expertise Level	Total engaged				
					Stage 1: preliminary engagement	Stage 2: willingness to pay	Stage 3: BP development	Stage 4: BP refinement	Stage 5: Acceptance testing
22	**Multi-phase deliberative, qualitative focus groups – *end users***	**Identify short and long-term customer requirements, from a wide cross-section of representative end users, including future. It will scope out customers' current priorities (uninformed and, thus, uninfluenced by any specific WPD plans) as well as checking these against previously established priorities. It featured a comprehension session, extended priorities sessions, app-based tasks, and deliberative tasks. Co-creation sessions were then held to begin drafting commitments in customers' own words.** **Findings reports: Appendices A27, A28**	Household, non-household, vulnerable (including representative sample of over 75s, struggling, in debt, low income, BAME communities) Future customers	③ ④	50	-	68	96	-
23	**Citizen Panels**	**Panels of representative end user customers that will undertake deliberative exercises on a wide range of topics throughout the entire Business Planning process.** **Findings report: Appendix A29**	Representative sample of customer base that meets a number of demographic and behavioural qualifiers including; age, gender, race, variance in needs and habits, customer in vulnerable situations, PSR customers, a mix of socioeconomic circumstances, a mix of future and existing customers Future customers	③ ④	75	-	-	-	-
24	**Social media surveys**	**A series of surveys and consultation questions posed via Twitter, Facebook and LinkedIn, also containing an invitation and link to participate in a series of survey questions on WPD's website.** **Example of output: Appendix A09**	All WPD customers. The overall objective is to have a fair and balanced representation across geography, age and gender	③ ④	509	-	-	1487	892

Ref	Engagement method	Description	Stakeholder groups involved / targeting	Stakeholder Expertise Level	Total engaged				
					Stage 1: preliminary engagement	Stage 2: willingness to pay	Stage 3: BP development	Stage 4: BP refinement	Stage 5: Acceptance testing
25	Multi-phase deliberative, qualitative focus groups – *future customers*	Scope out customers' current priorities (uninformed and, thus, uninfluenced by any specific WPD plans) as well as checking these against previously established priorities. It featured a comprehension session, extended priorities sessions, app-based tasks, and deliberative tasks. Co-creation sessions were then held to begin drafting commitments in customers' own words. **Findings report: Appendix A30**	Higher education students (those in Sixth Form or higher education colleges and living at home), further education students (living in halls, house shares or at home), first jobbers (living at home or flat/house shares)	④	-	-	54	-	-
26	Acceptability testing	Research to test the acceptability of the Business Plan overall and each specific core commitment proposed, and tested the affordability of the Plan. **Findings report: Appendix A40**	Domestic and business customers	③④	-	-	-	-	2,721
				TOTAL	3,341	1,236	6,825	3,846	3,779

Learning from best practice

4.8. In 2019, at the start of our engagement programme for RIIO-ED2, we commissioned a benchmarking exercise via an independent, research expert (Accent) to 'horizon scan' the best practice approaches adopted by a range of companies within the wider utilities industry and beyond. This included:

- Five water companies
- Three gas distribution networks
- A rail organisation.

4.9. As well as providing details of the various approaches followed by the different organisations, the independent report concluded there were four discernible levels of engagement. This aligned with the maturity and ambition scale for stakeholder participation in Business Planning as outlined in Section 2; ranging from 'informative' one-way engagement through to 'negotiated' engagement through partnership with stakeholders and granting them decision making power. Accent identified the four levels as follows:

Level	Overall
1	Undertaken research which consults with stakeholders and interested parties
2	Undertaken research which consults with customers and wider interested groups adopting 'blank sheet of paper'
3	Consulting with spectrum of customer types (future, vulnerable, HH, NHH) using interactive pre-tasks/reflective tasks to stretch the research process and innovative techniques to expand thinking
4	Insight embedded throughout the organisation and methodologies have moved beyond customer consultation to customer participation

4.10. Within these levels, Accent identified 44 best practice engagement methods. To ensure WPD's programme was as effective as possible, the 26 engagement methods we have delivered were selected in order to achieve levels 3-4 on Accent's scale.

4.11. To give an idea of the scale of impact of this best practice review on WPD's approach, our 'preliminary engagement' phase for RIIO-ED1 (to identify stakeholders' high level priorities and overarching desired outcomes) feature three core mechanisms: Customer Collaboration Panel, stakeholder workshops and a written consultation. As a result of this review, WPD delivered a significantly larger, more robust and wide ranging programme of engagement at this initial stage of our ED2 programme, encompassing 15 core activities. In some cases, we were able to re-purpose well-established engagement mechanisms (e.g. local network investment sessions), helping us to gather feedback quickly and in a cost-efficient way. In other areas, the best practice review led us to develop entirely new engagement methods including online panels, multi-phase deliberative focus groups and Citizen Panels.

4.12. The table below (figure SA-03.20) summarises the best practice research methods identified by Accent and how aspects of these approaches have been incorporated within WPD's 26 engagement mechanisms. It was important at all times that WPD delivered a programme of engagement that was tailored to the specific needs and knowledge of our audiences; we have therefore not replicated all of the methods as a carbon copy but we drew on these techniques, using aspects of their delivery to influence our approach within the 26 core techniques we have delivered:

Level of engagement achieved:			Research method:	WPD approach / engagement method ref:																								
				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Level 1: *Undertaken research which consults with stakeholders and interested parties*	Level 2: *Undertaken research which consults with customers and wider interested groups adopting 'blank sheet of paper'*	Level 3: *Consulting with spectrum of customer types (future, vulnerable, HH, NHH) using interactive pre-tasks/reflective tasks to stretch the research process and innovative techniques to expand thinking*	Building on ongoing customer satisfaction																✓	✓	✓	✓				✓			
			Mock-up deprivation exercises																						✓	✓		✓	
			Comprehension workshops							✓													✓			✓		✓	
			Co-creation event	✓	✓		✓	✓	✓		✓		✓		✓	✓							✓		✓	✓	✓	✓	
			Behavioural change pilot exercises																						✓			✓	
			Community workshops		✓		✓				✓			✓	✓			✓					✓	✓					
			Community hub		✓		✓				✓			✓	✓			✓					✓	✓					
			Horizon scanning	Exercise completed by Accent																									
			Visits to vulnerable customers										✓										✓	✓					
			Topic specific deliberative groups	✓	✓	✓			✓			✓		✓					✓	✓	✓	✓	✓						
			Innovative pre-tasks																						✓	✓		✓	✓
			Futurologist pre tasks																							✓		✓	✓
			Segmentation research																						✓	✓	✓	✓	✓
			Online customer panel / community															✓											
			Triangulating insight	Exercise completed after every Business Plan development engagement phase – to inform the next and including all engagement events / methods. See Section 4.																									
	Level 4: *Insight embedded throughout the organisation and methodologies have moved beyond customer consultation to customer participation*		'Virtual' video tours													✓									✓	✓		✓	
			Immersive experiences																						✓	✓		✓	
			Trials and experiments									✓		✓															
			Design sprints						✓																✓			✓	
			Analysis of social media																								✓		
			Analysis of calls																✓	✓	✓	✓							
			Roadshows					✓							✓														
			Community ambassadors		✓															✓			✓	✓	✓			✓	
			Ethnographic depths																						✓	✓			
			Festivals															✓									✓		
			Innovation shop window									✓		✓															
			Interactive digital platform						✓									✓						✓		✓			
			Review of strategic approach to customer engagement	Exercise completed by Accent																									
			Ongoing customer engagement	✓		✓	✓	✓					✓	✓	✓			✓								✓			
			Using behavioural economics																				✓	✓					✓

Figure SA-03.20: The best practice engagement methods identified from other sectors and how these have been drawn upon as part of WPD's 26 core engagement methods

Specific examples of our engagement

Level 1 – Expert stakeholders: *Strategy development workshops*

4.13.   Our strategy development workshops are specifically designed to allow for in-depth conversations and exploration of designated topics. Attendees are subject-matter experts and provide us with feedback, challenges, scrutiny and recommendations in relation to our current actions and future plans. Thanks to the expertise of these stakeholders, we are able to play back the overarching views received from more generalist stakeholder workshops, and ask this audience to use their detailed knowledge to co-create specific plans to address these priorities and challenges.
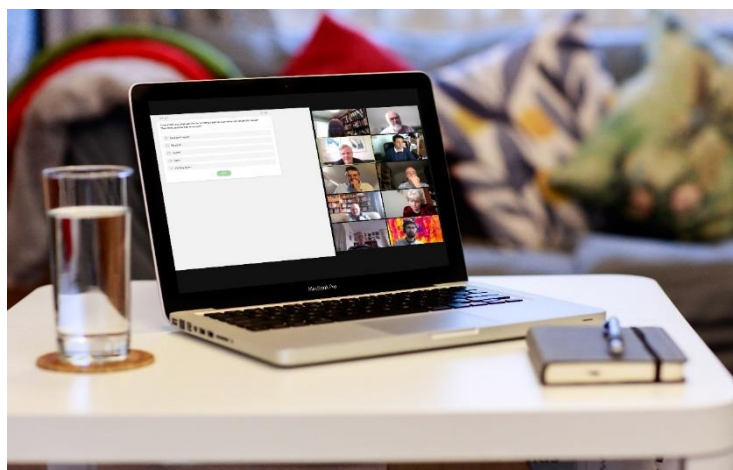

Figure SA-03.21: A breakout discussion session with stakeholders at one of WPD's strategy development workshops

4.14.   The workshops consisted of short presentations given by WPD senior managers responsible for the specific topics being discussed (and for delivery of the resulting strategies, commitments and action plans agreed), each followed by roundtable discussions (see figure SA-03.21). Stakeholders were also asked to indicate their views on a range of proposals for the Business Plan using Slido, an electronic voting system, which provided us with quantitative as well as qualitative feedback.

4.15.   EQ Communications, an independent stakeholder engagement consultancy, facilitated the workshops and recorded conversations. In order to encourage candour and open debate, comments have not been ascribed to individuals. Instead, notes have been made of the type of organisation each stakeholder represents.

4.16.   A specific example of one of these sessions:

Strategy development workshop – Digitalisation: February 2021
- A total of 54 stakeholders participated in the workshop, representing 45 organisations.

Anglian Water	ESC UK	Rutland County Council
Auriga Services	EUTC	South Holland District Council
Bacchus Hotel Ltd	Freedom	Smart Grid Consultancy Ltd
Brunel University London	Fundamentals Ltd	SMS Energy Services Ltd
Cadent	Hitachi Europe Ltd	Somerset County Council
Capgemini	INFRAMAN	SSE plc
Carmarthenshire County Council	IVHM Centre	Stratford District Council
Centre for Sustainable Energy	JRC	Swansea Council
Coventry City Council	Kier Utilities and Rail	The Schumacher Institute
Customer Engagement Group	Lincolnshire County Council	Torridge District Council
EA Technology	Loughborough University	University of Warwick
ElectraLink	Malvern Hills District Council	University of Manchester
Engie	Manchester Metropolitan University	Wattify Limited
E.ON UK Ltd	National Grid	Westbury-on-Severn Parish Council
ESB Networks	Newent Town Council	Wiltshire Council

- *Session one – WPD's Digitalisation Strategy:* The first session began with a presentation from WPD's DSO Digitalisation and Data Manager, explaining to stakeholders the three core principles of WPD's current Digitalisation Strategy and how this had been co-created with stakeholders throughout 2019 and 2020: 1) improved data management; 2) increased network oversight, and; 3) presumed open data.

  - He elaborated on what these core principles aim to deliver, focusing on areas such as providing open data to market participants, turning data into information that benefits customers and developing new connections and service propositions.

  - He went on to outline the five key steps to support the transition to a modern, digitalised energy system from the Energy System Catapult's Energy Data Taskforce Report (EDTF), explaining that WPD was focusing on delivering against the recommendations of that report and seeking feedback from stakeholders as to whether this was the correct approach and whether the company could expand on these steps even further.

  - Stakeholders were asked to consider:

    Are the three core principles of WPD's strategy appropriate – is anything missing or is there anything you would change?

    What are your views on WPD's planned approach and are we right to focus on delivering against the EDTF recommendations?

- *Session two – WPD's Roadmap/Action Plan for RIIO-ED2:* This session focused specifically on stakeholders helping WPD to co-develop our digitalisation proposals for WPD's RIIO-ED2 Business Plan. The presentation explained the company aims to: deliver data in real-time, provide solutions to support self-serve design and connection functionality, and increase its capacity and capability to automate processes and activity.

  - WPD's DSO Digitalisation and Data Manager outlined the work that WPD has already done to identify the types of stakeholder that would seek to use the company's data, ranging from academics and innovators to consumers, highlighting the differing data needs of the different groups.

  - He presented how the learnings from this has led to the development of three levels of data access proposed by WPD, on which we are now seeking stakeholder views: high level visual; raw data for download and interrogation; and API, which enables the automated pulling of data to inform wider decisions.

  - Stakeholders were asked to consider:

    In relation to our overall plans for RIO-ED2 in this area, is anything missing and what more can we do to support you and your requirements?

    In relation to identifying current and future data users, what types of stakeholder will use our data, and are any groups missing from our initial identifications?

    In relation to the presentation of data, do you want WPD to provide raw data or focus on digitalised solutions to interpret data into information for external users?

    How can we enable data to drive value? Should we focus more on providing external users with examples of how to use our data?

- **Findings report - see Appendix A21 for further details:** Examples of the key points raised in the findings report were:
  - There was broad consensus that the three core principles of the Digitalisation Strategy were correct, although there were recommendations to improve scalability and the expansion of data.

- Stakeholders pointed to the importance of access to the most recent data, with a key point being "data goes out of date quite quickly".
- Stakeholders were pleased with the focus on self-serve design but felt that focusing on a "common language of data" and consistency in the data published across the whole industry would enable more customers to make better decisions with their data.
- To make data more accessible and usable, delegates advised WPD to use examples of how to use its data, identify overlaps in different stakeholder needs and prioritise tailoring data to serve those demands.

4.17. Further examples of events held with expert stakeholders, covering a wide range of specialist topics and following a similar format to the workshop outline above, have included:

Event name	Date	Stakeholders	Findings report
Strategy development workshop – DSO and connections	February 2021	63	Appendix A17
Strategy development workshop – Vulnerability and WPD's Social Contract	February 2021	37	Appendix A20
Strategy development workshop – Environment	February 2021	52	Appendix A19
Strategy development workshop – Innovation	February 2021	52	Appendix A18
Topic specific conference – Connections	December 2020	53	Appendix A13
Four expert surgery workshops – Safety; Workforce Resilience; Digitalisation; Connections	November 2020	59	Appendix A08
Topic specific conference – Vulnerability and fuel poverty	September 2020	57	Appendix A15
Four expert surgery workshops – Data and smart technology; Safety; Workforce Resilience; Connections	February 2020	53	Appendix A07
Topic specific conference – Connections	November 2019	63	Appendix A12
Topic specific conference – Vulnerability and fuel poverty	September 2019	53	Appendix A14
Four expert surgery workshops – Electric Vehicles and Wider Innovation; Connections; Consumer Vulnerability; Network Charging	February 2019	35	Appendix A01

Level 2 – Interested stakeholders: *Consultation 'sprint' events and regional stakeholder workshops*

4.18. Our annual workshops for interested stakeholders with a significant existing knowledge and understanding of our operations are an enduring component at the heart of our core engagement programme. They provide key opportunities for us to hear from a broad range of stakeholders on a variety of topics of interest to them. The insight generated shapes the direction of our business, by allowing stakeholders to set our priorities now, and for the future.

Figure SA-03.22: Stakeholders review the commitments suggestions made by stakeholders from a different table as part of WPD's co-creation workshops and live triangulation exercise

4.19. Over 60 WPD staff members from across a range of business functions typically attended each round of events to directly lead discussions with stakeholders and offer perspectives on the actions we can take to deliver against stakeholder requirements as part of a co-creation process.

4.20. Prior to the Covid-19 pandemic, we held each round of workshops in six locations across our network areas, to ensure a mix of rural and urban perspectives, helping us to understand areas of commonality and divergence (see figure SA-03.22). Post March 2020, we adapted our approach to host interactive sessions via Zoom with larger audiences covering balanced representations from all our geographic regions.

4.21. We always take action on this valuable insight. As a result, we have built long-term relationships with stakeholders who return to engage with us over many years, which in turn enables us to build their knowledge to consider an expanding range of topics and enable them to scrutinise each of these in increasing levels of detail. At each round of our stakeholder workshops, a minimum of half of the attendees at each event had previously attended another WPD event.

4.22. The workshops follow a roundtable format with a purposefully diverse mix of stakeholders at each table to ensure breakout conversations cover a wide range of topics and help stakeholders to place their priorities into a broader context. This helps to build consensus among on the most and least important overall priorities for WPD to address.

4.23. A specific example of one of these sessions:

First draft Business Plan – consultation 'sprint' event: March 2021
- WPD consulted on the first draft of its RIIO-ED2 Business Plan over a five-month period between November 2020 and March 2021. The draft Business Plan (BP1) contained 67 commitments that had been co-created with stakeholders. We adopted a range of different methods to engage with our stakeholders and split these across three phases:

  1. Pre-consultation (final refinement of the commitments for BP1)
  2. Formal consultation (reviewing the commitments to ensure they deliver the right outcomes and represent the right level of ambition)
  3. Post-consultation (further refinement).

- In order to maximise the opportunities for interested stakeholders to provide feedback as easily as possible, we hosted an innovative, fast-paced 'sprint' event to offer stakeholders a live walk-through of the consultation, provide essential context and then allow them to deliver their responses to the questions live.

- The workshop focused on short two minute presentations followed by immediate quick-fire polling where stakeholders voted using survey software to identify their preferred option for each of the 67 commitments. The voting was followed by smaller facilitated breakout sessions, where stakeholders were given an opportunity to suggest any alternative commitments they felt were missing from WPD's draft plan.

- 88 stakeholders participated in the online workshop, representing a diverse range of 71 organisations:

Anglian Water	EON Energy	North East Derbyshire District Council
Babcock Networks Limited	Friends of Pembrokeshire Coast National Park	North Northamptonshire Joint Planning & Delivery Unit
Bassetlaw Council	Gridserve Sustainable Energy	North Somerset Council
Bath & North East Somerset Council	Herefordshire Council	North West Leicestershire District Council
Bath & West Community Energy	Hitachi Powergrids	Nottingham City Council
Birmingham City Council	Hopton and Coton Parish Council	Open University
Brecon Beacons Park Society	IBM	Passiv Systems
Brush Switchgear	Jacobs Group	Power Electrics
BUUK Infrastructure	Kelvatek	Powys County Council
Caerphilly County Borough Council	Kier	PS Renewables
Campaign to Protect Rural England	Land Compensation Agent Group	Rhondda Cynon Taf County Borough Council
Caplor Energy	Larkfleet	Roadnight Taylor
Cardiff Council	Leighton and Eaton Constantine Parish	Severn Trent Water
Centre for Sustainable Energy	Lickey & Blackwell Parish Council	Smart Grid Consultancy Ltd
Citizens Advice	Lincolnshire County Council	Solihull Metropolitan Borough Council
Climate Change Group associated with Woburn Sands Town Council	Lucy Electric	Somerset County Council
Cornwall Council	Major Energy User Council	South Gloucestershire Council
Coventry City Council	Marches Energy Action (MEA)	South Holland District Council
Devon County Council	Mendip District Council	South West Water
Dorstone Parish Council	Midlands Energy Hub - Nottingham City Council	SP Energy Networks
Dudley Metropolitan Borough Council	Morrison Utility Services	Sustainable Direction Ltd
EA Technology	Mozes	Thames Water Utilities Limited
Electric Corby	National Grid	The Exmoor Society
Electricity North West	National Police Estate Group	The Green Valleys CIC
Element Energy	Network Plus	UK Power Networks
Energy Systems Catapult	Nokia	

4.24. Further examples of events held with interested stakeholders, covering a wide range of topics and following a similar format to the workshop outline above, have included:

Event name/focus	Date	Stakeholders	Findings report
Second draft Business Plan consultation 'sprint' workshop	April 2021	59	Appendix A39
Four online stakeholder workshops *Focus:* • *Round off the co-creation stage of RIIO-ED2 Business Plan engagement.* • *Play back the feedback received to date and demonstrate how this has led to the initial commitments proposed. Stakeholders were asked to comment on whether WPD had interpreted feedback correctly and to give feedback on the draft outputs proposed as a result.*	November 2020	222	Appendix A08

They were asked to comment on whether they thought WPD's priorities had changed as a result of the Covid-19 pandemic			
Six regional stakeholder workshops – Cornwall, Bristol, Newport, Birmingham, Nottingham, Milton Keynes *Focus:* • *Stakeholders were asked to review the 14 headline priority topics that had been suggested by stakeholders in previous years, removing or adding to them where necessary.* • *They were then asked to suggest commitments for WPD to deliver under these priorities.* • *In a spirit of co-creation, the topics for each workshop were split into two sets, with half of the tables discussing the first set and the other half discussing the second set in tandem.* • *Halfway through the workshop, stakeholders were asked to review, amend and add to the priorities and commitments suggested by a neighbouring table in order to truly co-create these with the wider group.*	February 2020	393	Appendix A07
Six regional stakeholder workshops – Newport, Bristol, Bodmin, Birmingham, Nottingham and Lincoln *Focus:* • *WPD's RIIO-ED2 engagement plan* • *The RIIO-ED2 framework and stakeholder expectations of the company* • *Stakeholder priorities for RIIO-ED2* • *Being a responsible business and building a 'social contract'* • *WPD's role in a smart energy future and the transition to Distribution System Operator (DSO).*	February 2019	330	Appendix A01

Understanding the needs of different groups (including end users, future customers and the hard-to-reach)

4.25. We designed an engagement programme to maximise the opportunities to hear from stakeholders who are large in volume but who, due to a lack of knowledge about or awareness of WPD, may not historically have participated prominently in our Business Planning processes. In particular, we have sought to include a large number of end user customers, including:

- Domestic customers, from a representative range of demographics, considering gender, age, location/geography and social-economic status

- Small and medium sized businesses

- Industrial customers and major energy users

4.26. We have also sought the specific views of those who are likely to become our customers within the next price control period, including students, 'millennials' and/or non-bill payers aged 18-24)

4.27. In relation to future customers, we have sought robust engagement with them for two key reasons: firstly, because they are likely to become bill payers during the RIO-ED2 period and therefore have a right to influence the plans that they will fund in the near-future; and secondly, and perhaps most importantly, they have vital insights that WPD and well-established stakeholders do not have. Future customers bring unique views on the future (in particular, the urgency of the achievement of net zero) and can therefore provide us with early warning of key issues and likely priorities, and entirely brand new expertise based on them generally being a highly technology-savvy audience (particularly in areas where our plans and understanding are relatively new, such as in relation to digitalisation). WPD's strategic intention throughout our Business Planning process has been to draw in as many views as possible about the future of energy. Future customer perspectives are therefore vital not just to act as a sounding board to test and refine our proposals, but to provide a rich source of information to help enhance our understanding.

4.28. **259 future customers have been engaged to date** across six unique events (see appendices A26, A27, A30, A35, A40)

4.29. **More than 7,000 domestic and business end user customer views** have been received (as well as representatives of these groups at our wider stakeholder events, including the likes of parish councillors, charities and trade associations), with customer input present in 19 of WPD's 26 engagement methods.

> **259 future customers and more than 7,000 end user customers engaged to date**

4.30. The views of end user bill payers and future customers have made significant contributions at every stage of the engagement process. Given the sheer volume of stakeholders WPD has engaged, it is vital that the views of bill payers have not been swamped and lost within this, and are therefore reviewed separately to understand any distinctions in their feedback compared to that delivered by stakeholders at large.

4.31. While the feedback received from these stakeholders has been synthesised with the feedback received from our wider stakeholders and is embedded in the summary tables outlined in Section 5, it is important to distinguish their views from others'– in terms of both transparency and conflict management. In that section, you will therefore find a summary of the specific insights gained from these customers for each Business Plan commitments category.

4.32. In the vast majority of cases, customer feedback has largely been in line with wider stakeholder views. Initial stage willingness to pay research concluded that "on the whole, the results were very consistent regardless of geography, age and socioeconomic background", and the 'Youth - Measures of Success' research project with future customers concluded that their spontaneously delivered priorities were consistent and "fit with previous research pieces" (see appendices A27, A28). On rare occasions, differences of opinion have been evident, for example, initial willingness to pay research identified that "participants aged 18-29 are the only group who ranked 'Careers' above place 20 and reducing the carbon emissions from WPD's fleet above place 10". Where this occurs, no opinion is excluded or overlooked and conflicts are managed via our triangulation process (see Section 5.19 onwards).

4.33. Within all of our engagement activities, we have also worked with independent research specialists to ensure that the design our engagement activities and our processes for the recruitment of participants are as inclusive as possible and achieve representation from hard-to-reach customers – those who would be less likely than the average stakeholder to participate for a range of reasons, including lack of digital confidence, ill health, or not having English as a first language etc. For customers in these situations, we have tailored our research methods, for example by using one-on-one in-depth interviews, in order to enable their direct participation.

We have also sought out representative bodies, consumer groups and trusted intermediaries to represent the views of especially seldom heard voices.

4.34.   Specific examples of some of our tailored engagement mechanisms for these stakeholder groups are outlined below.

Level 3 – Limited knowledge stakeholders (end user domestic and business customers): *Deliberative focus groups*

4.35.   Engagement with our end customers who have limited knowledge of WPD's operations is often challenging. We have adopted a new approach to seek valuable customer insights by developing their expertise over two months of weekly research exercises and deliberative discussions see figure SA-03.23). This ensured they had sufficient understanding and confidence to scrutinise our plans.

4.36.   An enduring group of 96 customers, who began with little prior knowledge of WPD, has provided vital, detailed insights to inform the development of Business Plan at every stage of our engagement process to date. The group included domestic customers (across a range of ages and socioeconomic groups), businesses and future bill-payers.

Figure SA-03.23: Customers participating in a breakout discussion

4.37.   Retaining the same group has provided insights into the long-term impacts of our commitments in RIIO-ED2 and consistent feedback over the course of plan development. As we continue to engage with this group over the coming years, we will enrich their capacity to make knowledgeable judgement on our strategies, while tracking how customers' views are evolving over time.

4.38.   An example of this forum in action:

'Measures of success' – two month deliberative research exercise with domestic customers: Commenced June 2020
- WPD sought to generate well informed insights from end user, bill paying customers to help to shape WPD's core Business Plan commitments and key improvement targets.

- Due to restrictions on face-to-face engagement in light of Covid-19, we ran a series of digital group research sessions, complimented by detailed, in-depth 'homework' and interactive app based tasks set via an online 'Liveminds' platform. This provided participants with essential context and background knowledge in order to generate a broader range of spontaneous insights and expand the variety of topics on which customers felt able to hold discussions and express opinions.

- This approach allowed our participants the time to review materials in their own homes and gave them the opportunity to discuss them with other household/family members, before being brought together in small groups, After this, the group sessions allowed our participants to share learnings and engage with other customers, hear their views and explore issues with consumers from other households.

- We used a best practice, deliberative research approach known as "BUILD" which includes five core elements:

Build	Introduce participants to WPD's role and responsibilities
Understand	Check comprehension through the first LiveMinds tasks that include research questions about WPD
Immerse	Share potential "Measures" with participants and task them to talk about them with family
Listen	Zoom sessions to hear thoughts on various different, potential measures
Debate	Final Customer/Citizen Assembly where we consider all measures together before completing a final online questionnaire to refine these

- In order to achieve a considered, informed response from customers, our programme ran for seven weeks as follows:

Week	Purpose	Task
One	Build/Understand	Task 1: Find out what you can about WPD
	Build/Understand	Task 2: Read through our "Introduction to WPD"
	Immerse	Task 3: We share 5 sets of measures
	Immerse	Task 4: Measures 1 and 2 given to groups 1-6, Measures 3 and 4 given to groups 7-12, Measures 13-18 given to groups 13-18
Two	Listen	15 online groups of 75 minutes to explore views on the first set of measures. Each group will consist of six participants grouped together by common characteristics (for household customers this will be by age and SEG/non household customers will be interviewed separately)
Three	Immerse	Task 5: As Task 4 but rotated
Four	Listen	15 online groups of 75 minutes to explore views on the second set of measures
Five	Review	Accent to collate and analyse all group feedback. Interview debrief to WPD
Six	Debate	Seven Consumer Zoom Assemblies - bringing groups together. While it's not possible to bring all of our participants together in a single Assembly to review the feedback from all of the sessions, we can mix groups so that we can have a broader discussion. Our suggestion here is to mix customers of different ages or socio economic groups so that they can explore any differences in views this might bring. For the NHH element, we'd bring together the three groups of NHH customers from the three different regions.
Seven	Post fieldwork task	A menu online survey that would be completed by all 90 participants a week or so after the final Assembly session. This will allow us to receive a robust individual assessment of customer views and preferences. The menu driven survey design could then be utilised with a larger, newly recruited sample of customers across the WPD supply areas if a quantitative assessment was required of customer views (note – this larger roll out is not included in our costs)

- Through this innovative approach, we took customers on a research journey, building from a 'blank sheet of paper' and asking customers to reveal their own spontaneous priorities, through to enhancing customers' knowledge to the point where they could complete a thorough exploration of the draft Business Plan outputs. This led to a wide array of topics being explored in detail, with customers themselves selecting the highest priority areas to hone in on specific performance targets as part of the latter stages of the research exercise:

Initial stage	Mid stage	Latter stage
- 5 day 'deep-dive' into WPD:	*- Discussion of priority actions for WPD to take in relation to the following focus areas:*	*- Agree specific measures and targets customers want to see in relation to:*
1. 'Tell us about you' video selfie 2. 'Who are we' video and challenges 3. 'Shift to DSO' video and challenges 4. Think about Service Measures	1. Network Reliability 2. Network Resilience 3. Cyber Resilience 4. Net zero 5. Innovation & New Services 6. Environment 7. Electric Vehicles 8. Vulnerability 9. Fuel Poverty 10. Safety 11. Connections 12. Workforce resilience 13. Customer service 14. Affordability	1. Customer Service 2. Vulnerable Customers 3. Network Reliability & Resilience 4. Environment & Sustainability 5. Net zero & Community

4.39. A further example of an event held with 'limited knowledge' stakeholders and end user bill payers, have included:

Event name/focus	Date	Stakeholders	Findings report
Citizens Panels *Focus:* • *Panel of end user customers with a mix of key demographics (age, gender and ethnicity) including customers in vulnerable situations, a mix of socioeconomic circumstance and future and existing customers.* • *Deliberative exercises were undertaken on a wide range of topics with sessions providing both qualitative and quantitative information to enable customers to provide unprompted areas of priority to help shape the Business Plan.* • *The events included pre-event research and short discovery sessions to help build knowledge and establish these unprompted priorities, which were subsequently discussed in-depth at later group sessions.* • *Locations for face-to-face sessions were carefully selected to be easily accessible for / inclusive of both urban and rural customers.*	December 2019	75	Appendix A29

Level 4 – Future customers: *Deliberative focus groups*

4.40. As RIIO-ED2 covers a period to 2028, it is important we consider the views of future customers who are likely to become bill payers within the five year period 2023-2028 and will therefore be impacted by the commitments we make and the priorities we focus on within our Business Plan (see figure SA-03.24).

4.41. Youth audiences who are not yet customers and have little/no knowledge of the energy supply change and specifically the role of WPD therefore present a challenge. We first need to engage with them and then to gather their insights. In order to generate meaningful insights, we have therefore adopted a similar innovative approach to our wider end user research as part of 'level 3' above, where customers are taken on a two month research journey to build their knowledge over time to enable them to influence, scrutinise and eventually co-create WPD's Business Plans in increasing detail.

Figure SA-03.24: A Nottingham University student participating in a WPD focus group.

4.42. A review of best practice revealed a wide range of approaches to include youth voices in Business Planning processes. Poor practice often conducted one-off events or isolated surveys that could not demonstrably be said to deliver actionable insights. To avoid this and the risk of simply delivering 'talking shops', we made every effort to ensure our research delivered robust, meaningful insights. We therefore adopted the following principles from the outset of our future customers engagement:

1	**Valuable**	We recognise the essential contribution of young people and listen to what they say, taking their insights on board.
2	**Opinions**	We respect their opinions, attitude and behaviours and give prominence and weighting to them within our synthesised feedback.
3	**Informed**	We respect their opinions, attitude and behaviours and give prominence and weighting to them within our synthesised feedback.
4	**Creative**	We seek to engage them, spark interest and unleash the innovators and creators of tomorrow by echoing their language and keeping them interested through appropriate engagement techniques and group work, led by them.
5	**Environment**	We create research environments that are engaging, safe and familiar in order to build the confidence and knowledge required to discuss a range of WPD actions and success measures.
6	**Share**	We share findings with other groups and play back the insights gained to wide stakeholders to ensure they are considered alongside the insights generated by other forums and audiences.

4.43. An enduring group of 54 future customers, who began with no prior knowledge of WPD, provided vital, detailed insights to inform the development of the Business Plan at every stage of our engagement process to date. The group included Sixth Form and university students, recent graduates, apprentices and first jobbers.

4.44. An example of this forum in action:

'Youth Community - Measures of success' – two month deliberative research exercise with domestic customers: Commenced October 2020

- Deliberative exercises over a seven week period developed the knowledge of participants from their initial unprompted, 'spontaneous' priorities through to full consideration of WPD's draft Business Plan outputs.

Initial stage	Identifying spontaneous priorities starting from a 'blank sheet' of paper
Mid stage	This prompted discussions around the 14 core priorities identified by wider stakeholders as part of the preliminary engagement phase (see list show in the end user customer 'measures of success' sessions listed above)
Later stage	Exploring specific improvements and performance targets, and responding to specific draft Business Plan commitments

- The overall structure and approach mirrored that used in the 'level 3' engagement outlined above with 'Measures of Success' deliberative focus groups with end user customers. It followed the same 'BUILD' model and featured a series of digital group research sessions, complimented by detailed, in-depth 'homework' and interactive app based tasks set via an online 'Liveminds' platform.

- To ensure a balanced geographic split, WPD ran nine groups in total (three in the South West, three in South Wales, three in the Midlands).

- Given the much lower starting knowledge of this audience compared to our wider customer sessions, we therefore tailored our approach to deliver smaller groups to encourage participants to have greater confidence to express their views. Each of the nine groups contained six participants (making 54 future customers in total) covering:

  – x2 Sixth formers
  – x2 university students
  – x2 graduates/first jobbers

- The list of spontaneous priorities generated in the early stages of this research were broadly consistent with those raised by core customers. However, as time passed, nuances emerged as the future customer audience showed a strong commitment to the planet, local communities and the need for innovation.

- These groups of future customers welcomed WPD's proposed commitments around vulnerability/affordability, environment and sustainability and wanted to see strong measures that demonstrate future focus and innovation, using new technology. Future customers expressed a sense of urgency around the environmental commitments – for example, they urged WPD to set specific timeframes around reducing waste to landfill, harmful oil and SF6 gas leaks from equipment and lowering WPD's business carbon footprint – pushing for the toughest, most ambitious measures possible.

4.45. Further examples of events held with future customers, covering a wide range of topics and following a similar format to the workshop outline above, have included:

Event name/focus	Date	Stakeholders	Findings report
Citizens Panels • *A specific focus was given to future customers in this event with 30% of customers participating being aged 29 or under. Four of these were between 16 and 19 years of age.*	December 2019	75	Appendix A29
Spontaneous Priorities - Qualitative Research • *Future customers accounted for 8% of customers participating.*	October 2019	50	Appendix A27
Social Contract Development Research - Qualitative Insights • *Future customers accounted for 37% of customers participating*	October 2019	96	Appendix A35

Our engagement timetable

4.46. The delivery of continual, iterative engagement was essential - ensuring the findings from each distinct method were quickly fed into other forums for consideration and comment. This was key to achieving our stated strategic aim of building consensus and arriving at a final plan where the widest possible range of stakeholders had been given the opportunity to comment on every key proposal, regardless of whether or not each particular stakeholder group had been the first to suggest them. We also sought to build long-term relationships with stakeholders, building their knowledge over time in order to enable broader and deeper feedback on issues than the engagement achieved by our peers. Figure SA-03.25 outlines our timetable:

	Months (Jan-19 – Dec-21)
Engagement process:	
Phase 1: Preliminary engagement	Jan-19 – Nov-19
Phase 2: High level social value research	Dec-19 – Jun-20
Phase 3: Business Plan development	Mar-20 – Oct-20
Phase 4: Business Plan refinement (detailed social value research)	Sep-20 – Apr-21
Phase 5: Business Plan acceptance testing	Mar-21 – Dec-21
Publication milestones:	
BP1: First draft Business Plan and consultation	Jan-21 – Feb-21
BP2: Second draft Business Plan and consultation	Mar-21 – Apr-21
BP3: First submission to Ofgem Challenge Group	Jul-21
BP4: Final submission to Ofgem	Dec-21
Engagement Method:	
1 Customer Panel	
2 Topic specific bilateral / expert workshop	
3 Connections Customer Steering Group / Distributed Generation Owner Operator Forum	
4 Local authority local energy plan bilaterals	
5 Co-creation workshops	
6 Sprint workshops	
7 Webinars	
8 Local network investment and net zero workshops	
9 ICP/IDNOs conference	
10 Social obligations conferences	
11 EV conferences and workshops	
12 Strategy development workshop	
13 Written consultations	
14 Online engagement portal	
15 Online panel	
16 Quantitative research surveys - Customers in vulnerable situations	
17 Quantitative research surveys - Major connections customers	
18 Quantitative research surveys – Distributed generation customers	
19 Power cut follow-up surveys	
20 Social value / willingness to pay - qualitative workshops	
21 Social value / willingness to pay - quantitative surveys	
22 Multi-phase deliberative, qualitative focus groups – end users	
23 Citizens panels	
24 Social media surveys	
25 Multi-phase deliberative, qualitative focus groups – future customers	
26 Acceptability testing	
- Customer Engagement Group	

Figure SA-03.25: WPD's stakeholder engagement timetable

Pre stage one (learning from enduring engagement)

4.47. WPD has engaged consistently with stakeholders annually for the last 15 years. Over this time, our engagement has grown dramatically in scope and depth, requiring an adaptive approach to the way we interact with an increasing number of stakeholders. However it has meant that, as we embarked upon our stakeholder engagement programme specifically for RIIO-ED2, we already had a strong appreciation of the issues facing customers.

4.48. Findings reports from our annual stakeholder events dating back to prior to RIIO-ED1 are published at: https://yourpowerfuture.westernpower.co.uk/our-future-business-plan/our-riioed1-business-plan/supporting-stakeholder-engagement-information. Insight from the previous year is always played back to stakeholders to guide and contextualise their discussions, but they are always provided with the scope to amend and add to these priorities via 'blank piece of paper' workshop discussions.

4.49. While certain topics have remained consistent, we have seen the prominent emergence of new areas of interest like the DSO transition, low carbon technologies such as electric vehicles and heat pumps, and the risk posed by cyber-attacks (see figure SA-03.26). Conversely, some previously prominent issues in the lead-up to RIIO-ED1, such as the impact of metal thefts disrupting customer supplies, have fallen away and are no longer key priorities, thanks to our actions to protect the network.

2011/12	2017/18	2018/19
Highest	**Highest**	**Highest**
'Future proofed' equipment replacement	Keeping the lights on (incl. emergency resilience)	Network reliability
Low carbon innovation	Smart networks	Build a smart network
Power cuts	*New* Cyber security	Network resilience
Severe weather/emergencies		
High	Environment and sustainability	Cyber resilience
Guaranteed standards for power cuts	*New* Electric vehicles	*New* Innovation and new services (e.g. flexibility)
Flooding	*New* Transition to DSO	Vulnerable customers
Oil and gas leaks	Workforce renewal skills & training	*New* Whole systems approach
Worst served customers	Vulnerability (to power cuts)	Connections
Undergrounding overhead lines in Areas of Outstanding Natural Beauty	*New* Changes to flood risk planning	Customer service
Medium	*New* Alternative connections offers	Electric vehicles
Customer communication methods	Government legislation & policy	Environment
New connections service	Affordability	**Medium**
New connections	**Medium**	Affordability
Definition of a 'worst served' customer	Connections	Workforce resilience
Habitats and species	Safety education	Fuel poverty
Metal theft	Fuel poverty	
	Customer information & data	
	Customer awareness	

Figure SA-03.26: List of stakeholders' top priorities reviewed annually since 2011

4.50. As we have embarked on our specific Business Plan engagement processes, our stakeholders have been able to quickly delve into considerable detail on many of the issues raised due to years of understanding and discussion with WPD. At the same time, we have been able to put into context the scale of ambition and urgency stakeholders place on certain key topics for the future (e.g. the achievement of net zero) by understanding if these have been a gradual development over time, or are so critical to stakeholders that they have emerged suddenly and at pace.

4.51. For example, in the regulatory year before we began our programme of engagement for RIIO-ED2, we already had a significant body of granular insights and therefore areas of likely focus for stakeholders.

	2018/19 stakeholder priorities	Importance out of 10	Top issues contained within each category (not exhaustive)
Highest	Network reliability	8.46	*Rural vs urban; p/cut frequency & duration; network upgrades; security of supply*
	Build a smart network	7.94	*Ease of low carbon connections; accommodate demand growth; customer education; community energy facilitation; customer education*
	Network resilience	7.87	*Flood defences; tree trimming; climate change effects; maintenance; contingency planning*
High	Cyber resilience	7.41	*Data theft; disruption to services*
	New Innovation and new services (e.g. flexibility)	7.26	*Innovation trials; energy storage; EV charging; network flexibility services; collaboration with wider industry & academic institutions*
	Vulnerable customers	6.83	*PSR maintenance; protection in a smart future; widen reach/identification; communication/support*
	New Whole systems approach	6.82	*Increased collaboration; whole system planning; scenarios development; reduce consumption*
	Connections	6.77	*Speed of quote; speed to connect; capacity issues, simplified process; joined-up planning (LAs); flexible services/offers*
	Customer service	6.70	*Quality of contacts; proactive communication; maintain "best in class" levels*
	Electric vehicles	6.66	*Infrastructure readiness; charging point availability; collaboration with developers; coordination of EV rollout if possible; consumer education*
	Environment	6.65	*Address climate change emergency; undergrounding; SF6 elimination*
Medium	Affordability	6.23	*Transparency on pricing; bill impact of DSO/EVs*
	Workforce resilience	6.21	*Apprenticeships; STEM education links; schools partnerships*
	Fuel poverty	5.79	*Identify hard-to-reach; partnerships with other agencies; urban vs rural*

4.52. In 2019, we deliberately broke our cycle of playing back the previous year's insights to stakeholders, to ensure we provided them with the opportunity to make suggestions that differ from WPD's existing roles and responsibilities and to start from a 'blank sheet' of paper. Based on our considerable experience and track record of engagement, we could therefore anticipate priorities that would emerge, but were careful not to assume.

4.53. By adopting this approach, we knew that, when certain key priorities did re-emerge, we could have confidence that these insights were robust and meaningful, by being able to contrast them with the rich body of insights we have gathered over the previous 15 years of engagement.

Stages one, two and three: Co-creation

4.54. WPD's co-creation of the Business Plan saw us build our plan with stakeholders in distinct stages. This culminated in the publication of a first draft Business Plan for stakeholders in January 2021 – 10 months ahead of its final submission to Ofgem. Subsequent phases of engagement focused on refining this Business Plan are contained in the 'Phases four and five' section later in this document.

Figure SA-03.27: Stakeholders on this table (green text) review and add to the suggested commitments and actions made by a different table (black text) as part of WPD's co-creation workshops and live triangulation exercise

Stage one – preliminary engagement

4.55. Using the wide range of engagement mechanisms outlined in Section 4.7 above, at this early stage of engagement, we asked stakeholders to tell us the high level outcomes they wanted us to achieve for customers in our next Business Plan. While the specific service expectations differed among stakeholder groups, they all agreed on eight core priorities that must underpin WPD's Business Plan, and 14 specific key priorities we should seek to address:

8 high level desired outcomes				
	KEEP THE LIGHTS ON	SMART, FLEXIBLE NETWORK	ALL VULNERABLE CUSTOMERS SUPPORTED	INNOVATIVE NEW SERVICES AND INVESTMENTS
	SAFE AND SECURE NETWORK	EASILY ACCESSIBLE INFORMATION	EFFICIENT, VALUE FOR MONEY SERVICE	DELIVER A SUSTAINABLE, LOW CARBON FUTURE

14 priorities: Network reliability · Network resilience · Cyber resilience · Whole systems approach to Net Zero · Innovation 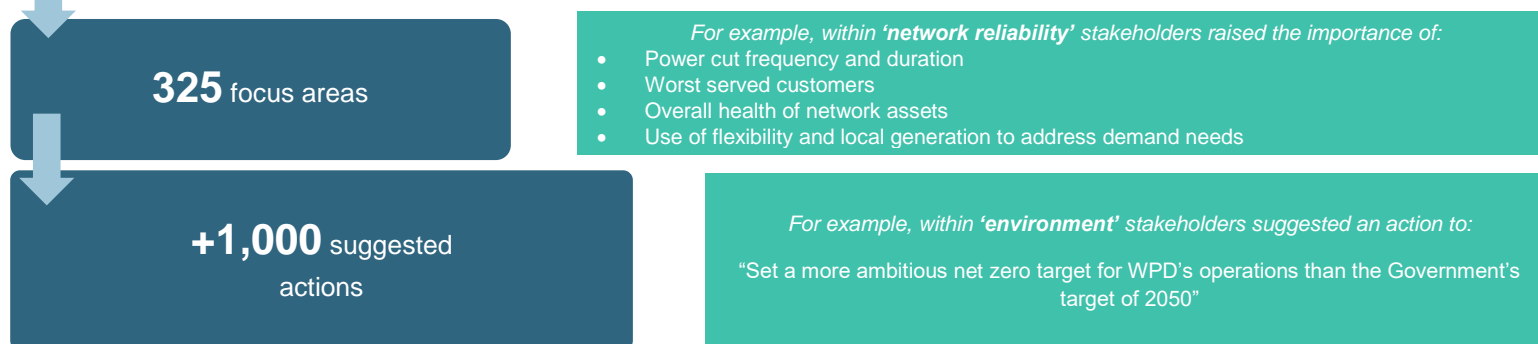& new services · Environment · Electric vehicles · Vulnerability · Fuel poverty · Safety & health · Connections · Workforce resilience · Customer service · Affordability

Stage two and stage three – Business Plan development

4.56. In February and March 2020, we kicked off our Business Plan development phase by holding specially designed, Business Plan commitment co-creation events at six locations (rural and urban) across all four of WPD's licence areas. This was our largest series of events ever with 393 stakeholders attending in person. Sessions like these help us to define issues, develop proposals, resolve areas of conflicting feedback and identify preferred solutions.

325 focus areas

For example, within '**network reliability**' stakeholders raised the importance of:
- Power cut frequency and duration
- Worst served customers
- Overall health of network assets
- Use of flexibility and local generation to address demand needs

+1,000 suggested actions

For example, within '**environment**' stakeholders suggested an action to:

"Set a more ambitious net zero target for WPD's operations than the Government's target of 2050"

4.57. The objective of WPD's co-creation events was to allow stakeholders to identify our Business Plan commitments from scratch. In doing this, we sought to deliver industry leading practice that went beyond simply consulting on pre-proposed plans; instead, we shared the decision making power with stakeholders by asking them to propose actions within the 14 key focus areas identified via our preliminary engagement phase.

4.58. Stakeholders were briefed on some of the factors to be considered and any relevant existing performance information by WPD managers responsible for each topic area, before taking part in roundtable 'co-creation surgeries'. Stakeholders were asked to:

- Identify the high level topics they wanted us to address, then;

- Identify specific focus areas within each topic, then;

- Begin to draft the commitments for each focus area – and what they would like us to deliver to achieve these.

4.59. Each table began with a different topic. Facilitators then swapped topics, enabling stakeholders to review, amend and add to the suggestions of others. This helped to refine the proposals as part of the creation process, as well as ensuring weighted feedback so the views of individuals were not allowed to feature too heavily. Each session closed with electronic voting to gain a quantitative view on the importance of the topics discussed. These findings were updated live on the day to incorporate the priorities and commitments co-created by stakeholders during the roundtable discussions.

In total, across 14 key topics, stakeholders identified over 325 focus areas and over 1,000 initial suggestions – all in the stakeholders' own words

4.60. Many of the items raised by stakeholders as part of this process have ultimately been included in our Business Plan commitments. Where suggestions were not carried forward in the exact terms requested, this was due to the following:

- We were already fulfilling the commitment. It is therefore considered to be part of our business as usual activities and will continue.

- The suggestion was based on a misinterpretation of our role and responsibilities.

- There was lack of awareness of our regulatory context

- Suggestions were not supported sufficiently by wider stakeholders when tested and triangulated as part of our ongoing engagement process.

4.61. To demonstrate the scale and value of our co-creation process, the table below (figure SA-03.28) gives an example in each topic category of the types of issues raised by stakeholders for us to address:

Topic	Focus areas	Suggested actions
1. Network reliability	**37 aspects** to consider. e.g.	**161** e.g.
	• Overall health of network assets • Use flexibility and local generation to address demand needs	*"Create accurate forecasting models and ensure that assets can respond to future (higher) demand"*
2. Network resilience	**30 aspects** to consider. e.g.	**80** e.g.
	• Scenario planning / data analysis • Flood protection	*"Use long-term climate scenarios (1:100 years is no longer fit for purpose) and work with a range of stakeholders to mitigate flood risk"*
3. Cyber resilience	**15 aspects** to consider. e.g.	**60** e.g.
	• Network security – risk of power cuts due to a cyber-attack • Systems security – risk of data loss / access	*"Commit to external security testing and seek accreditations from third parties"*
4. Whole systems approach to net zero	**41 aspects** to consider. e.g.	**144** e.g.
	• Help local communities to achieve their net zero carbon emissions targets • Facilitate / incentivise local low carbon generation and storage	*"Engage with local authorities to support them to deliver on their net zero targets, sharing knowledge and information"*
5. Innovation and new services	**43 aspects** to consider. e.g.	**114** e.g.
	• Support community energy projects to connect to the network • Collaborate within the industry to offer tariffs to encourage flexibility	*"Educate and inform communities about the benefits of community energy, using workshops and forums"*
6. Environment	**37 aspects** to consider. e.g.	**121** e.g.
	• Reduce harmful leaks from our equipment • WPD to be net zero before 2050	*Having a more ambitious net zero target than the government's target of 2050"*
7. Electric vehicles	**34 aspects** to consider. e.g.	**158** e.g.
	• Facilitate electric vehicles on a mass scale • Lobby for national EV strategy ensuring standardisation	*"Work with the government and Ofgem to deliver a clear, coordinated EV strategy"*
8. Vulnerability	**23 aspects** to consider. e.g.	**120** e.g.
	• Protect the interests of vulnerable customers in the switch to a smarter network • Communication / collaboration with others to raise the profile of WPD's services	*"Work cross-agency to publicise and deliver vulnerability services"*
9. Fuel poverty	**14 aspects** to consider. e.g.	**50** e.g.
	• Partnerships and outreach services • Identifying fuel poverty	*"Work closely with key stakeholders and partners to provide education and support for customers in fuel poverty"*
10. Safety and health	**13 aspects** to consider. e.g.	**22 e.**g.
	• Maintaining a safe, healthy and motivated workforce • The potential post-Brexit legislative changes to health and safety law	*"Ensure the mental health needs of the workforce are being met and supported by promoting a healthy work-life balance"*
11. Connections	**30 aspects** to consider. e.g.	**60** e.g.
	• Low carbon technologies (including EVs) • Investment in local development plans	*"Invest ahead of need and undertake forecasting for EV connections to ensure sufficient capacity, e.g. new apartment blocks"*
12. Workforce resilience	**8 aspects** to consider. e.g.	**59** e.g.
	• Retention and upskilling of a specialised, highly skilled workforce • Improving the diversity of our workforce	*"Develop a diversity strategy that is long-term and reflects wider demographic changes"*
13. Customer service	This topic was considered by stakeholders to be a 'golden thread' that must run through all our Business Plan commitments. It was therefore tested as an explicit aspect of each of the topics listed above, rather than as a standalone topic. In addition key standout considerations emerged as: • Customer satisfaction • Quality of communication/information	
14. Affordability	Stakeholders asked that the plan must be affordable and represent value for money. This therefore led to standalone social value testing and quantitative testing.	

Figure SA-03.28: Examples of recommended actions co-created by stakeholders

4.62. Through a thorough process of synthesis and triangulation (see Section 5), these suggestions were grouped and consolidated in order to arrive at WPD's first draft Business Plan for stakeholder consultation.

4.63. This process was scrutinised by the CEG as part of a formal challenge to demonstrate that:

- **Every Business Plan commitment had originated from a stakeholder suggestion** (with the exception of a small number of legislative/regulatory requirements, where WPD's own expertise and knowledge had led to suggested commitments for the initial list to then enable stakeholders to consider and feedback on).

- **WPD had not discounted or overlooked areas of significant stakeholder priority or concern**

4.64. As a result, we arrived at an initial list of 67 core, overarching commitments that addresses the areas of greatest stakeholder priority, with more than 100 'wider commitments' contained within the Business Plan, shaped by these stakeholder suggestions.

Stages four and five: Refinement and acceptance

Stage four – Business Plan refinement

4.65. In January 2021, WPD became the first DNO to publish its Business Plan with an accompanying stakeholder consultation (see figure SA-03.29), 10 months ahead of its final submission to Ofgem. We did this to provide full transparency to stakeholders and maximise their opportunity to have an input into our planning process. We invited stakeholders to help negotiate and refine our precise commitments, levels of ambition and performance targets for RIIO-ED2.

4.66. We set out 13 specific questions covering WPD's core commitments, proposed expenditure, the presentation and accessibility of the plan, its overall acceptability, and actions to deliver a low carbon future.

4.67. Our goal was to understand the priorities of a wide range of stakeholders (including major representation from end user, bill paying customers) and ensure our proposed commitments deliver the core outcomes and appropriate scale of ambition that stakeholders want to see from WPD. The document therefore presented:

Figure SA-03.29: Our first draft Business Plan consultation

- Options for investment and the costs

- The service improvement to be delivered by each investment option

- The impact on the average domestic electricity bill.

4.68. To explain our core commitments, we gave an overview of the stakeholder views which helped us to arrive at our initial 'current view' proposals, as well as a summary of WPD's current performance and key information. We asked stakeholders to indicate areas where they would like us to go further than our initially proposed baseline, as well as to suggest entirely new commitments.

4.69. It was essential to maximise the opportunities for stakeholders to participate in, and respond to, the consultation. We published the first draft Business Plan (BP1) and accompanying consultation on our website, along with four introductory, contextual videos from WPD senior managers with responsibility for key aspects of the Business Plan. We also created an online
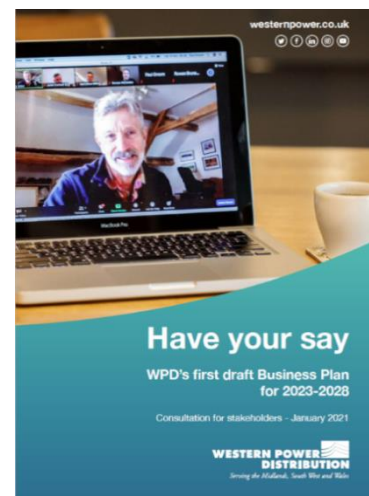
response hub for stakeholders to submit their views directly, as well as an option to download a response form to submit via email or post.

4.70.   We sent the draft Business Plan and consultation to nearly 9,000 stakeholders and invited them to participate in a follow-up webinar and stakeholders' workshops (see figure SA-03.30). The audiences with whom we shared the consultation included:

Audience / engagement mechanism	Information provided	Total stakeholders
Website	First draft Business Plan (BP1); consultation; online response form; downloadable form; explanatory videos	**4,561 page hits**
Ofgem, BEIS and Challenge Group	Sent BP1, consultation and the offer of a bilateral meeting, from WPD's CEO	**10**
Members of Parliaments and Welsh Assembly Members	Sent BP1, consultation and an offer of a bilateral meeting, from WPD's CEO	**181**
Local Authorities and LEPs	Sent BP1, consultation and an offer of a bilateral meeting	**130**
Key stakeholders (e.g. Citizens Advice, ENA, trade associations)	Sent BP1, consultation and a webinar/workshop invitation	**460**
Wider stakeholders	Sent BP1, consultation and a webinar/workshop invitation	**8,000**
Customer Engagement Group, Customer Collaboration Panel & Connections Steering Group	Sent BP1, consultation and a webinar/workshop invitation	**94**
Press release and print media Social media	National and local media; Phil Swift Utility Week interview. Monthly campaign and end-customer surveys	**305,497 views; 3,222 engagements**
Trade Unions, Pension Trustees, Investor community and contractors	Sent BP1 and consultation from Directors	**50**
WPD staff	Bespoke intranet page; surveys and response form; news and CEO bulletins	**6,500**

Figure SA-03.30: Stakeholders invited to participate in our BP1 consultation

4.71.   As well as achieving an impressive rate of direct responses, we ran a series of stakeholder workshops to walk stakeholders through our proposals, provide essential context and allow them to provide extensive qualitative feedback. This included five workshops to specifically discuss WPD's delivery strategies and commitments in the following areas: customer vulnerability, environment, innovation, digitalisation, and DSO and connections. We also hosted an innovative consultation 'sprint' event featuring quick-fire presentations on every key focus area of the plan and live quantitative voting on every core commitment, followed by breakout discussion sessions to flag new commitments or areas of significant change that stakeholders would like to see.

4.72.   In total, WPD received 2,331 responses, including 803 via direct, in person sessions (see figure SA-03.31). We proactively encouraged participation from end user, bill paying customers whose less detailed knowledge of WPD and our operations can sometimes lead to a lack of representation. In total, 1,487 end-customers delivered feedback on their preferred levels of ambition relating to WPD's core commitments. The overall responses received can be broken down as follows:

Engagement method	Number of stakeholders	Stakeholder types represented	
Four stakeholder workshops *(commitment creation and playback)*	**222**	*Typical full spectrum of stakeholders: local authorities, utilities, parish councils, charities, environmental groups, connections customers, developers, businesses, community energy groups etc.*	
Online engagement portal *(above workshops replicated online)*	**41**		
Webinar	**86**		
Direct consultation responses – online & written *(Commitment options – questions 4 &5)*	**78**		
Direct consultation responses – online & written *(narrative questions 1-13)*	**63**	*Including:* • *Utilities (e.g. E.ON UK)* • *Local authorities (e.g. South Hams District Council; Torfaen County Borough Council; Herefordshire Council; Powys County Council)* • *LEPs*	• *Expert stakeholder groups and major customers (e.g. Centre for Sustainable Energy; Mozes; JRC)* • *Domestic customers* • *Environmental groups* • *Parish councillors*
Bilateral expert sessions	**11**	• *Citizens Advice* • *Welsh Assembly Government*	
Consultation 'sprint' stakeholder workshop *(Commitment options)*	**86**	*Typical full spectrum of stakeholders: local authorities, utilities, parish councils, charities, environmental groups, connections customers, developers, businesses, community energy groups etc.*	
Five strategy workshops *(including reviews of associated BP1 commitments)*	**257**		
Bill payer/consumer surveys *(Commitment options)*	**1,487**	*End user consumers*	

In addition, feedback from: **110 WPD staff**

Figure SA-03.31: Respondents to our first draft Business Plan consultation

4.73. Stakeholder feedback led to significant changes in the core commitments proposed in this second draft Business Plan, which was published for consultation in March 2021. We have:

58 streamlined core commitments
- reduced from 67, with previous actions categorised within our 100+ wider commitments

4 new core commitments introduced

Increased the ambition of 35 core commitments
(60% of total)

Clarified 11 core commitments
- to ensure they deliver clearer benefits and outcomes

4.74. As part of this consultation, we sought views on our first draft core commitments, along with a range of options for stakeholders to consider in relation to the scale of ambition for each area. We therefore presented:

- Options for investment and the costs.

- The service improvement each investment option would deliver.

- The impact on the average domestic electricity bill.

4.75. We sought stakeholder views on where they wanted us to go further, as well as asking them to suggest entirely new commitments. Figure SA-03.32 provides examples of this optioneering:

Core commitment	Current RIIO-ED1 performance	Option 1: Incremental improvement	Option 2: Current best view	Option 3: Further ambition	Option 4: Considerably greater ambition	Positive impact for customers	Option 5: Your suggestion for alternatives
Proactively contact over two million Priority Services Register customers once every two years to remind them of the services we provide and update their records	30% via direct telephone call; 70% by letter/email	30% via direct telephone call	**40% via direct telephone call**	60% via direct telephone call	80% via direct telephone call	Regular contact to keep vital data on the needs of our most vulnerable customers accurate and up to date. Ensure WPD's PSR is representative of the needs of vulnerable customers with appropriate representation from high deprivation areas. More 'in person' contact enables bespoke advice to be delivered to meet that individual's needs	?
	Bill impact:	-1p	-	+2p	+4p		
Identify and engage hard-to-reach vulnerable customers each year to join the Priority Services Register within RIIO-ED2	20,000 a year	20,000 customers	**30,000 customers**	40,000 customers	50,000 customers	Customers with the most serious vulnerabilities are proactively identified and offered support	?
	Bill impact:	-0.5p	-	+0.5p	+1p		
Support fuel poor customers to make savings on energy bills over RIIO-ED2.	70,000 customers saved £27m in the last 5 years	56,000 customers to save £30m	**75,000 customers to save £40m**	94,000 customers to save £50m	113,000 customers to save £60m	Customers living in cold homes and/or struggling to afford their energy bills received tailored support to make long term changes to improve their ability to afford to heat their home	?
	Bill impact:	-1.5p	-	+1.5p	+3p		
Continue to install further flood defences to reflect updated data from the Environment Agency.	Flood defences at 72 substations	80 Schemes	95 Schemes to be done in ED2	110 Schemes	125 Schemes	Improve the resilience of the network to severe flood, therefore reducing the risk of power cuts and disruption to customers	?
	Bill impact:	-1.5p	-	+1.5p	+3p		
Reduce internal Business Carbon Footprint to be net zero by following a verified Science Base Target to limit the climate impact of our activities.	New	Net zero 2050	**Net zero 2043**	Net zero 2035	Net zero 2028	Accelerate a reduction in carbon emissions to minimise our impact on climate change	?
	Bill impact:	-1p	-	+1p	+1.5p		

Figure SA-03.32: Examples of the options stakeholders were asked to feedback on in relation to each of WPD's proposed core commitments in the first draft Business Plan consultation

4.76. An explanation of how these options and the scale of ambitions they cover were arrived at can be found in Supplementary Annex 04: Our Core Commitments. In the vast majority of cases the preliminary engagement stage gave us an indication of the scale of improvement stakeholders were looking for WPD to deliver in each area. We then factored in specific commitment suggestions from stakeholders, as well as applying our knowledge and expertise of what the highest scale of ambition that can be reasonably delivered in the timeframe whilst keeping costs as low as possible for customers. In all cases, at every stage of our engagement process stakeholders were given the option to indicate if they wanted something completely different, in case they were not in agreement with the parameters set in the initial options WPD had posed as an initial proposal to stimulate feedback and discussion.

4.77. In addition to this consultation exercise, as part of our 'Phase four – Business Plan refinement', we conducted a second round of detailed willingness to pay research to understand the social value placed by domestic and business customers on a range of potential outcomes arising from our RIIO-ED2 Business Plan commitments. Alongside the consultation findings, these insights were used to inform and refine our plan. Details of this research can be found in Section 7 below.

Stage five – Business Plan acceptance

4.79. In March 2021, WPD published a second draft Business Plan with an accompanying stakeholder consultation, before any other DNOs had published a full plan for the first time (see figure SA-03.33).

4.80. Having made substantial changes as a result of our first consultation, including consolidating 67 initial core commitments to 58, and adding four entirely new commitments, we wanted to provide stakeholders with full transparency and further opportunity to comment on these proposals, as we aimed to move towards a plan with high levels of overall acceptability.

4.81. While the focus of the first consultation had been largely on the core commitments and options for various levels of ambition, the second consultation asked stakeholders to comment on our overall plan, and therefore contained a 'summary in under 10 pages' of our overall plan.

4.82. We set out 14 specific questions covering:

- Overall acceptability of the plan
- Potential bill impact
- WPD's Best View of future energy needs
- Our proposed expenditure for RIIO-ED2
- The presentation and accessibility of the overall Business Plan
- WPD's 58 core commitments
- The four additional commitments (since our first draft Business Plan)

Figure SA-03.33: Our second draft Business Plan consultation

4.83. Mirroring the successful methods used to share and promote WPD's first draft Business Plan and consultation (see Section 4.72 above), we again sent the second draft Business Plan to the same audience of around 9,000 stakeholders and invited them to participate in a follow-up webinar and stakeholder workshops. In addition, an enhancement from our process for the first draft plan saw us run a targeted local media campaign including extensive coverage in regional newspapers and radio interviews with WPD's RIIO-ED2 Business Plan Manager. We also wrote to all 8 million WPD customers inviting them to review our Business Plan online and to give us their views either via social media surveys or by responding to our consultation either via our online engagement hub or via email/post.

4.84. As a result, we significantly expanded the volume of stakeholders viewing and interacting with our Business Plan. In addition, a key objective of the Business Plan acceptability stage was to provide as many opportunities as possible for wider customers including end user bill payers and future customers to have their say. In addition to the traditional stakeholder engagement mechanisms of webinars and workshops, we achieved:

3,132 web hits on our second draft Business Plan	**41 regional media articles** with a readership of more than **500,000** people	**672,000 people reached** via content on 36 local radio stations	**2,841 direct engagements** generated following social media reaching **360,000** people

4.85. To accompany the consultation, we ran a webinar and interactive Business Plan 'sprint' workshop to offer a live walk-through of the consultation via quick-fire presentations and stakeholder feedback sessions and captured their responses to the 14 questions live and in person.

4.86. As a result of these efforts, 64% of respondents to the full written consultation identified themselves as domestic customers - a significant increase from <20% achieved in our first consultation.

4.87. In total, WPD received 1,004 responses, broken down in figure SA-03.34 below:

Engagement method	Number of stakeholders	Stakeholder types represented
Webinar	**56**	*Typical full spectrum of stakeholders: domestic customers, local authorities, utilities, parish councils, charities, environmental groups, connections customers, developers, businesses, community energy groups etc.*
Direct consultation responses – online & written	**53**	
Consultation 'sprint' stakeholder workshop *(Commitment options)*	**59**	
Bill payer/consumer surveys	**892**	*End user consumers*

Figure SA-03.34: Respondents to our second draft Business Plan consultation

4.88. The key headlines of the feedback received include:

- **Support for WPD's overall Business Plan was very high** (see figure SA-03.35)**:**

The acceptability of:	*Percentage of customers who did not express a desire for changes or alternatives to WPD's core commitments:*
Business Plan overall content	**84%**
WPD's overall expenditure proposals	**80%**
Layout and structure of the Plan	**86%**
Accessibility and ease of understanding	**90%**

Figure SA-03.35: Results from our second draft Business Plan consultation – overall Business Plan

- **Support for WPD's four new core commitments was high** (see figure SA-03.36)**:**
  – 82% supported the statement: "I think WPD's new core commitments are appropriate and ambitious enough", while feedback specifically on each commitment could be broken down as follows:

Core commitment:	*Percentage of customers who did not express a desire for great ambition or an alternative commitment:*
1. "Provide a same day connections' response for customers by introducing online self-assessment tools for individual low carbon technology applications."	**78%**
2. "Ensure capacity availability to enable net zero to be achieved across our regions sooner than 2050 (some areas as soon as 2030), in line with the ambitions of stakeholders in each region."	**72%**

3. "We will deliver service improvements to drive business innovative efficiencies to assist our customers to reduce overall energy costs."	**74%**
4. "Facilitate access to funding streams by providing support to community energy groups when making submissions to our calls for ideas."	**73%**

Figure SA-03.36: Results from our second draft Business Plan consultation – new commitments proposed since our first draft Business Plan

- **While support for a commitment on efficiency (# 3 above) was high, stakeholders felt that the current commitment should be more specific about the scale and materiality of the efficiencies that will be delivered.**

  – **In response, WPD has revised the commitment in order to address this feedback and include a specific, quantifiable target.** The commitment now states: *"We will make an efficiency saving of £55m through RIIO-ED2 by improving the effectiveness of assets, operations and customer service by encompassing innovations into standard business practice that show a positive cost benefit and show a positive carbon impact."*

- **While stakeholders strongly supported all of the commitments proposed, they felt that the number of core commitments should be further streamlined.**

  – **In response, we have reduced our core commitments to 45 (from 58),** with previous actions re-categorised within our 100+ wider commitments.

- **Overall acceptability amongst responding stakeholders of WPD's package of core commitments increased.** Most notably, commitments in relation to 'environment and sustainability' increased from 77% to 92%.

  – **However, in relation to 'customers in vulnerable situations', satisfaction fell slightly,** despite WPD raising the ambition of all five commitments in this category between the first and second draft Business Plan, following responses to the first consultation. The reasons given were that stakeholders would welcome even greater ambition, particularly in light of the ongoing impact of the Covid-19 pandemic on the most vulnerable in society, and an expectation that these impacts will be enduring throughout at least the early years of the RIIO-ED2 period.

  – **In response, in addition to the five core commitments, WPD's customer vulnerability strategy for RIIO-ED2 contains 39 additional commitments with a large number that will significantly exceed the baseline standards set by Ofgem for RIIO-ED2.**

4.89. In addition to this consultation exercise, we have conducted formal Business Plan acceptability research with a broad, representative range of end user bill payers to test the acceptability of the overall Business Plan and test affordability of the proposed bill impact (see Section 6).

Gathering regional and devolved stakeholder insights

4.90. WPD serves a highly diverse region, ranging from large urban centres (including the UK's second city) to rural and coastal regions. It spans two nations (England and Wales) with the latter requiring consideration of the bespoke needs of devolved Welsh energy policy. All WPD's stakeholder engagement activities have therefore ensured fair and balanced representation of all the regions we serve. For example, at our overarching stakeholder engagement co-creation workshops, we always target a variety of locations, including bespoke events for South Wales and key regions such as Cornwall - where the strong identity of the region (frequently highlighted by stakeholders) calls for specific consideration of their requirements.

4.91. Figure SA-03.37 below provides an example of the regional stakeholder input sought includes:

Figure SA-03.37: An example of the regional insights gained via a round of WPD co-creation workshops

4.92. While WPD's Business Plan is a singular document, it contains significant consideration of the highly diverse local requirements of our various regions, which have been formed as a result of a targeted engagement programme. For all research and engagement, we ensure balanced representation from our four licence areas. Following each series of WPD events, while we produce overall summaries and seek to build consensus amongst stakeholders (by playing back the findings from specific geographic regions to others in order to test if insights align), we also produce region-specific findings reports. For example, when considering the total stakeholders engaged across our five engagement phases to date, we carried our regionally segmented engagement in 20 of our 26 core methods. Some specific examples of some of this regional breakdown are shown in figure SA-03.38:

Engagement method	Total engaged (across all engagement phases since 2019)				
	South Wales	South West	East Midlands	West Midlands	Total
Local authority local energy plan bilaterals	17	23	58	35	133
Co-creation workshops	161	314	264	206	945
Local network investment and net zero workshops	81	130	124	100	435
Social value / willingness to pay - quantitative surveys	372	536	700	660	1,398
Multi-phase deliberative, qualitative focus groups – end users	71	71	36	36	214
Acceptability testing with customers (final qualitative surveys)	373	495	866	870	2,604

Figure SA-03.38: The volumes of regional insights achieved via examples of WPD's engagement methods

4.93. In the same way that the views from different stakeholder groups and forums have been synthesised and triangulated (see Section 5), this process extends to the treatment of region-specific insights - ensuring these voices are heard, evaluated and reflected in the decisions we make.

4.94. The ultimate measure of success is the extent to which WPD's Business Plan has been deemed acceptable to all customers. As set out in Section 9, WPD's acceptability testing has featured balanced representation from customers across all of our geographic regions.

Working closely with Welsh Government

4.95. Following the declaration of a climate emergency by the Welsh Assembly Government (WAG) in 2019 and with plans to eliminate 95% of carbon emissions by 2050, WPD proactively offered support and input into Welsh government plans to help meet its environmental goals. At the same time, we sought reciprocal input from the Welsh government to help shape our RIIO-ED2 Business Plan. When carrying out government-level engagement (including bilateral meetings with BEIS and MPs and an engagement event in Westminster), we ensured this covered both UK and Welsh government.

4.96. In 2019, we held an event at the Welsh Senedd for Welsh Assembly Members (see figure SA-03.39) to hear first-hand how we are leading the affordable decarbonisation of the Welsh energy system and to seek their input on our associated Business Plan commitments. Eighty attendees met with WPD staff directly responsible for various aspects of the Business Plan, as we sought feedback on our actions and future net zero plans, steps to promote the rapid uptake of electric vehicles, the rollout of widespread flexibility services, efficient network investment to keep costs down for customers and actions to protect vulnerable customers in the smart energy transition.

Figure SA-03.39: Mike Hedges AM (Lab, Swansea East), Climate Change, Environment and Rural Affairs Committee Chair addresses stakeholders at WPD's Welsh Assembly Government engagement event

4.97. WPD has also held a number of 'teach-in' sessions for the Welsh Assembly Government (WAG), including Head of the Welsh Government Renewable Energy Team, Jennifer Pride. At an event at WPD's Cardiff depot (2019), members discussed WPD's plans specifically in relation to two

key themes of WAG energy policy - low carbon and fuel poverty - with WPD teams responsible for delivering these activities present to share learnings and identify challenges to be addressed in our RIIO-ED2 Business Plan commitments. In February 2021, we met with Jennifer Pride again along with nine other WAG members to receive first-hand feedback to our first draft Business Plan consultation. In addition, we have met with the Director of Welsh Energy Policy Division, John Howells, to brief him on WPD's steps to transition to a smart, low carbon network and to discuss the importance of vulnerable customer safeguards within future WAG energy policy and the steps we are proposing in our RIIO-ED2 Business Plan to drive this forward.

Local engagement drives our commitments in relation to collaborative local energy planning

4.98.   Net zero is a national target, but it will be delivered regionally. In the region served by WPD, nearly 80% of the local authorities have declared climate emergencies, setting targets well in advance of 2050. It will take a collaborative approach between WPD and a wide range of stakeholders to achieve an effective, decentralised energy system to deliver these ambitious targets. WPD is taking a leading role by engaging local stakeholders extensively to understand their priorities and bake these into our Business Plan commitments. We have engaged every local authority in our region on our plans for RIIO-ED2, while providing key forecast information, as well as trusted advice and support to co-create their bespoke local energy plans, and ensuring they align with and inform WPD's Distribution Future Energy Scenarios (DFES).

4.99.   In these discussions, we also sought feedback on these DFES projections, our proposed investment and low carbon technology (LCT) forecasts. As a result, we processed over 10,000 LA new development records as part of our DFES for 2020/21, achieving unprecedented granularity and accuracy in our forecasts - all of which helped shaped the accuracy of our planning for RIIO-ED2.

4.100.   To further support local authorities with their energy plans and offer tailored engagement, WPD launched net zero surgeries, enabling stakeholders to request meetings with local multi-disciplinary teams (see figure SA-03.40). The surgeries help provide an understanding of process, timescales, technical considerations, legal requirements and possible constraints involved with either making a single connection to the network or a more strategic approach across a region. In 2020, due to the Covid-19 pandemic our annual local investment workshops moved online, with 206 stakeholders attending 11 regional workshops hosted by local managers.

East Midlands	
Lincolnshire	15 September 2020
Derby, Nottingham and Chesterfield	17 September 2020
Northampton, Coventry and Leicester	17 September 2020
South Wales	
Cardiff and East Wales	10 September 2020
Swansea and West Wales	23 September 2020
West Midlands	
Telford and Stoke	9 September 2020
Birmingham and Tipton	15 September 2020
Hereford, Gloucester and Worcester	16 September 2020
South West	
Devon and Plymouth	8 September 2020
Somerset, Mendip and Bristol	9 September 2020
West Cornwall and Bodmin	22 September 2020

Figure SA-03.40: WPD's 2020 local network investment workshops schedule

4.101. This workshop series (see figure SA-03.41) allowed stakeholders to meet with their WPD Distribution Manager and local teams, find out about WPD, its challenges and planned local investment in RIIO-ED2, and discuss network constraints and capacity issues. It helped us to further our understanding of local growth agendas (including Local Energy Plans), consult on our Future Energy Scenarios, and play back insights gained from other regions (so we could triangulate these views). As a direct result, a number of actions were identified from the workshops which included shaping our Business Plan core commitments to deliver ongoing, annual local authority engagement throughout RIIO-ED2 and to deliver tailored support for SMEs to achieve net zero, while consulting on a 'green recovery' network investment plan to be delivered in advance of RIIO-ED2.

Figure SA-03.41: WPD's Distribution Manager for Bristol presents to stakeholders at our Local Network Investment Workshop, covering Somerset, Mendip and Bristol in 2019

How Covid-19 has impacted our engagement

4.102. As for all DNOs, since March 2020, Covid-19 has impacted the way in which our planned engagement programme needed to be delivered. The pandemic largely removed our ability to meet with our customers and stakeholders in face-to-face situations and necessitated the delivery of a principally digital programme (see figure SA-03.42).

4.103. Because of our forward planning and early engagement, our preliminary engagement phase remained unaffected and was

Figure SA-03.42: Stakeholders discussing WPD's first draft Business Plan at WPD's Consultation Sprint event, held on Zoom in February 2021

completed before the Covid-19 pandemic emerged. We had also begun our Business Plan development phase, hosting face-to-face commitment co-creation events with stakeholders before switching to online methods for subsequent events.

4.104. We worked closely with partners to ensure that, through specific method selection and additional outreach, Covid-19 did not materially impact the stakeholders we engaged, or the depth of the feedback collected. We were able to adapt very quickly to a virtual engagement programme, ensuring that the quality and range of engagement required to deliver robust, details insights were never compromised.

4.105. For example, WPD successfully engaged all 130 local authorities in our region in summer 2020 through digital sessions to share our Distributions Future Energy scenarios, offer support with the development of their local energy plans and seek views on our associated Business Plan commitments.

4.106. We were able to replicate the successful roundtable format of stakeholder workshops despite sessions taking place via Zoom. What's more, thanks to the long-term relationships we have forged with our stakeholders, many of whom were heavily involved from the outset of our programme in 2019, we have not seen any tail-off in participation numbers. For example, co-creation stakeholder events in February 2019, a year before the Covid-19 pandemic, achieved 330 attendees across six events (an average of 55 per event). In November 2020, our first set of overarching stakeholder co-creation events since lockdowns had been imposed achieved engagement with 222 stakeholders across four events (also an average of 55 attendees per event). This comparable size and range of stakeholders in attendance enabled us to maintain mixed roundtable discussions with a range of different views in each group.

4.107. Indeed, virtual sessions opened up opportunities for more people from even more diverse groups to take part in the process. Where previously some stakeholders would have been unable to attend all face-to-face events, because of travel times, they were instead able to participate in all sessions.

4.108. Using the capabilities of platforms such as Zoom, attendees were assigned to facilitated break-out rooms, participated in electronic voting and were able to raise questions and receive answers live. We also ensured that a WPD operational manager was on hand in every session to assist and facilitate technical discussions. The main change from how we would ordinarily run these sessions (in the face-to-face format) was that presentations delivered were shorter and sharper - no more than 10 minutes each. This was to maintain interest and stakeholder attention. We also took steps to maintain the regional representation and focus in our events. In some cases, we ran Zoom sessions for stakeholders from specific geographical regions (for example in November 2020, we hosted bespoke events for South Wales, South West, West Midlands and East Midlands). In other cases, events were topic specific (e.g. six strategy development sessions in February 2021). A mix of diverse stakeholder types was always sought in each room, and stakeholders could always be identified by geography to ensure regional variations in their priorities and feedback could be captured.

4.109. Finally, WPD's research has continued, using the trusted formats of both telephone and web-based surveys. Typically, we always conduct qualitative focus groups in advance of the full research delivery, to test comprehension and to refine the contextual information required to maximise participation. These sessions were successfully maintained, but via video conferencing rather than in person events. Similarly, we have maintained our permanent cohorts of end user bill payers and future customers as part of our deliberative focus groups. These stakeholders participated in remote research discussions over a two month period, and we saw very little drop-out during this time, in part due to the ease of logging-on to participate rather than travelling to a location.

4.110. However, with such a strong focus on online mechanisms, we have had to make special provisions to ensure we are not excluding anyone without the ability to digitally participate. For this reason, the methodology used for our research sampling selection has been designed to ensure that telephony surveys took place with targeted representation from groups with typically high rates of digital exclusion. In addition, we gave stakeholders the option to provide responses to our consultations in writing, at workshops or via telephone surveys. As outlined above, typically we have not seen a change in the types of stakeholders participating in our workshop events (there was still high representation from parish councillors, for example). While many did not find video conferencing a barrier to participation, a very small number did find it difficult to access aspects like our live voting (via a separate internet browser window, or device such as a tablet or mobile phone) while the events were ongoing. In these cases, we carried out follow-up telephone discussions with every stakeholder to enable them to deliver their votes verbally to ensure their views were not missed.

4.111. For our ongoing approach to stakeholder engagement throughout the RIIO-ED2 period, we will ensure that the positive improvements made to our engagement delivery as a result of the

pandemic are carried forward. In particular, this will include an ongoing blend of virtual and in person delivery to encourage more people to participate based on their preference; shorter, punchier presentations and fast-paced interactive sessions to allow stakeholders to digest more complex information in shorter, digestible chunks; and offering live virtual walk-throughs of key consultations to check understanding before views are sought.

5. Insights: How stakeholders co-created our Business Plan

Synthesis and triangulation approach

5.1. As part of the RIIO-ED2 Business Planning process, WPD must demonstrate a clear line of sight between the engagements conducted, the feedback collected, and the proposals put forward in each aspect of the Business Plan.

5.2. Due to the huge scale of WPD's engagement programme, the approach to collecting, organising, and examining feedback is critical for success. Strong foundations, in the form of a process to synthesise feedback, are required to ensure that this scale is a benefit and that WPD's proposals are informed by the total body of customer and stakeholder opinion.

5.3. As engagement becomes more specific, conflicting feedback is more common as stakeholder groups have different views on what networks should deliver. To manage these conflicts and progress towards final proposals, clear triangulation principles based on best practice are necessary to review feedback holistically, to find consensus.

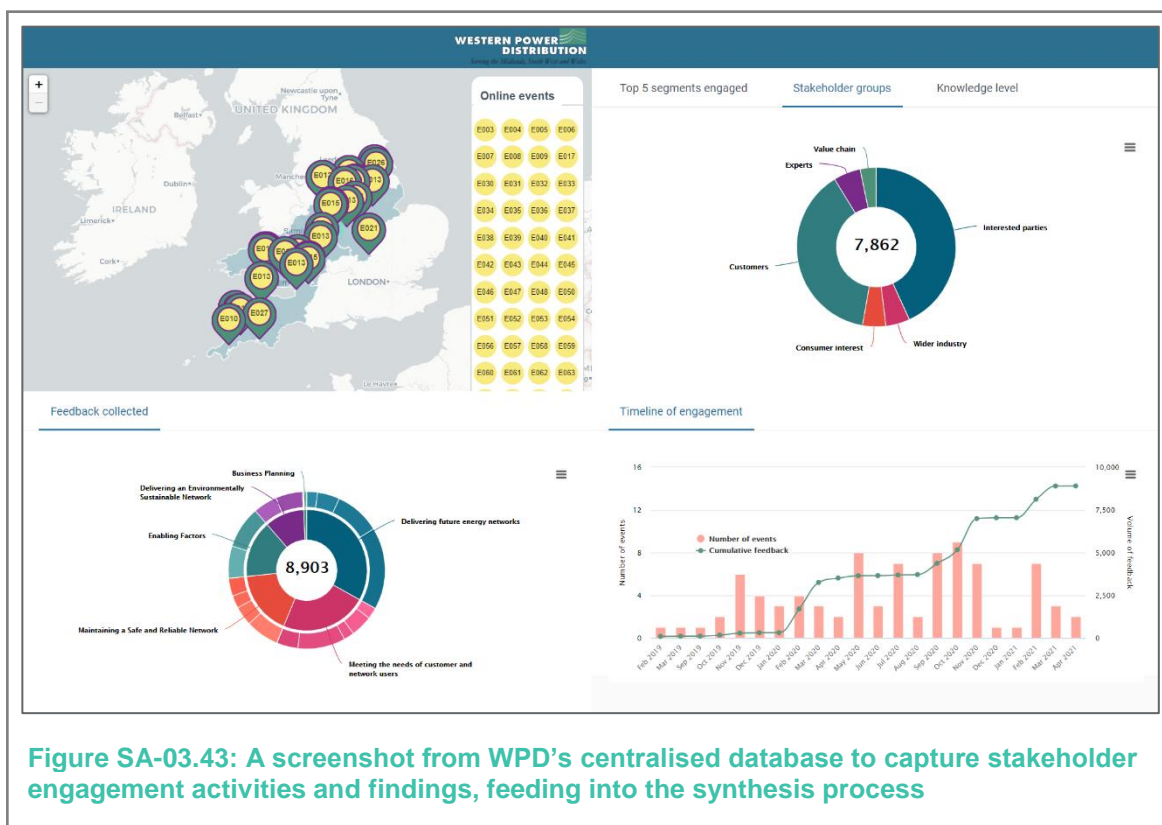5.4. The following sections lay out WPD's approach to both synthesis and triangulation.

Identifying research objectives

5.5. We started our programme nearly three years ahead of final submission to Ofgem in December 2021 - to ensure adequate time for a multi-phased effort, and to allow stakeholders to co-create and latterly, refine, our Business Plan. The programme was designed to be iterative, gathering progressively more detailed findings from each subsequent phase to build from a blank piece of paper to a finished Business Plan.

5.6. To ensure a comprehensive approach to synthesis and triangulation, we set out clear research objectives for each phase, including how feedback should be broken down and categorised. In a practical sense, this delivered 17 'buckets' of feedback that have developed over time. Critically, this was done at the start of the process, building a plan to identify customer priorities and potential outputs before refining options and ambition levels in a logical order.

5.7. Establishing this structured and phased approach allowed us to review findings at each stage, ensuring everything we had heard and learned informed not only our next phase of engagement, but ultimately, the final Business Plan.

Synthesis

5.8. A rigorous process helped us to manage the huge volume of feedback generated by our extensive programme, including a centralised database that acts as the 'single source of truth' for the programme. The database was managed by an external party which ensured its completeness and the quality of the data. This also guaranteed independent collation and interpretation of feedback so that stakeholders had an assurance that all feedback had been included.

5.9. The strength of WPD's approach comes from the level of detail recorded. The database (see figure SA-03.43) consists of 41 indicators spread across six tables, providing a wealth of insight covering:

- **The engagements conducted** (including which of the 29 distribution areas were involved and which method was used to engage)

- **The stakeholders engaged** (including which of WPD's 48 stakeholder segments attended and their associated level of knowledge)

- **The feedback collected** (including which of the 17 topics the finding relates to and whether it informs a specific output).

Figure SA-03.43: A screenshot from WPD's centralised database to capture stakeholder engagement activities and findings, feeding into the synthesis process

5.10. In addition to the dashboard that sits above the database, this level of granularity allowed us to filter the findings collected by any number of variables – whether this was the viewpoint of specific segments or of a particular region on a specific topic.

5.11. Using these foundations as a base, WPD has produced synthesis reports detailing the feedback collected through each stage of the engagement programme. These reports, covering upwards of 200 pages and thousands of findings, provide complete transparency by detailing all of the feedback collected topic by topic.

5.12. These reports, independently compiled by Sia Partners, were then passed to the CEG to be scrutinised, clarified and challenged. The reports demonstrated:

- **The chronological stage at which customers and stakeholders influenced the development of the Business Plan** and in what way (e.g. brain storming high level priorities or signing off specific service levels)

- **How viewpoints compared across different segments** and how the feedback collected was used by WPD to come to a final proposal.

5.13. By phasing their production, i.e. producing a report at each stage of the plan's development (see figure SA-03.44), it is clear how the view of the stakeholder has developed through progressively more specific engagement.
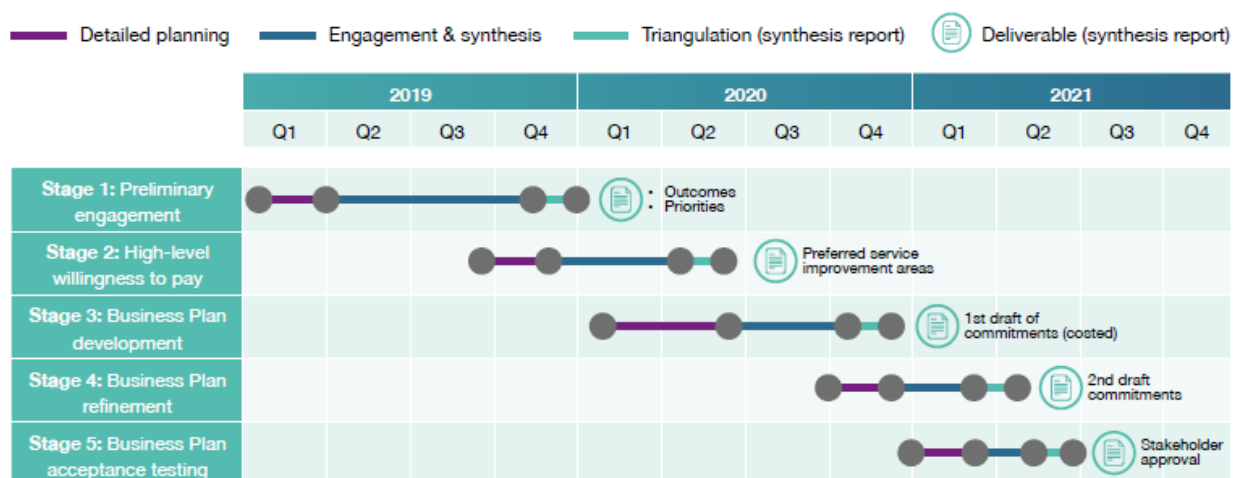
Figure SA-03.44: WPD's stakeholder engagement process and the timing of synthesis reports after each completed stage

5.14. The reports enabled WPD and our stakeholders to review the consolidated feedback at a single source, making it possible to track our transparent co-creation process from the engagement conducted, to the feedback collected, and finally to the decisions made in response. This included areas of conflicting stakeholder feedback which required further engagement to arrive at a compromise view.

Triangulation

5.15. The concept of 'triangulation' involves bringing multiple sources of evidence into effect when driving towards a final, agreed position. WPD's approach is built on the following principles, rooted in recognised best practice.
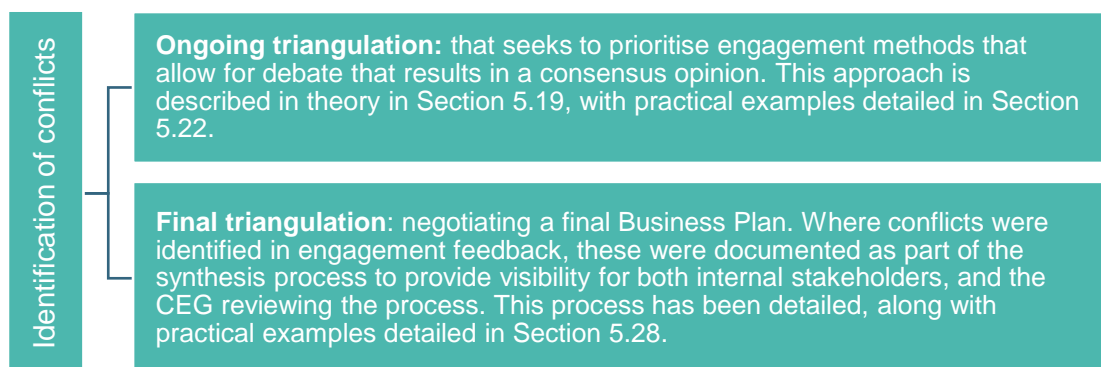
I. Triangulation takes place in stages:

- In line with the way in which WPD's research objectives were defined, and feedback was collected, our approach to triangulation has also been iterative. After the feedback stage, we reviewed evidence to establish the findings, identify any conflicts, and consider how the finding results compared to the initial questions and hypotheses.

- Critically, triangulation does not occur solely within the confines of the engagement itself. While WPD's process provides a clear stakeholder viewpoint, based on all of the findings collected and reviewed, there are other significant inputs into the triangulation process that will all be reviewed as part of the process to agree WPD's final Business Plan, including:
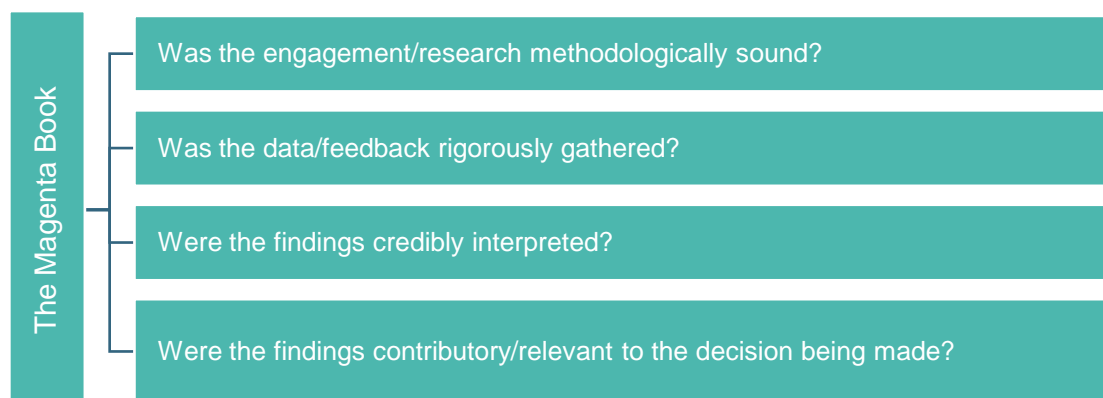
II. Triangulation should focus on identifying conflicts and facilitating compromise:

- Where information is gathered to identify entirely new research areas or where feedback is in agreement, the need for triangulation is limited.

- However, when discussing complex issues, conflicts are normal. An engagement programme should aim to highlight conflict through triangulation and ensure that a measured compromise is achieved based on responses from all relevant parties.

- WPD approached the identification of conflicts in two complimentary ways:

Identification of conflicts	**Ongoing triangulation:** that seeks to prioritise engagement methods that allow for debate that results in a consensus opinion. This approach is described in theory in Section 5.19, with practical examples detailed in Section 5.22.
	Final triangulation: negotiating a final Business Plan. Where conflicts were identified in engagement feedback, these were documented as part of the synthesis process to provide visibility for both internal stakeholders, and the CEG reviewing the process. This process has been detailed, along with practical examples detailed in Section 5.28.

III. Triangulation should be informed by a defined weighting framework.

- Included within the central database, WPD has applied a weighting that evaluates the 'robustness' of each source of evidence. Again built in line with industry best practice, this weighting framework uses the following indicators from the UK government's guidance on qualitative evaluation – The Magenta Book:

The Magenta Book	Was the engagement/research methodologically sound?
	Was the data/feedback rigorously gathered?
	Were the findings credibly interpreted?
	Were the findings contributory/relevant to the decision being made?

Transparency and validation

5.16. As discussed in previous sections, WPD's programme's iterative nature has purposefully allowed for several rounds of testing and re-testing with stakeholders – to ensure our plans are as well justified and refined as possible, delivering the highest possible acceptability.

5.17. Initially, gathering findings and re-testing them in subsequent stages provided multiple opportunities to:

1	2
Ensure that we had interpreted stakeholder priorities and requirements correctly, and were driving in their preferred direction	**Offer stakeholders the chance to add points that they feel may have been missed the first time**

5.18. The synthesis reports are a culmination of the synthesis and triangulation process. By publishing these reports to internal decision-makers, the CEG, and ultimately as part of our Business Plan appendices, WPD aims to provide full transparency over the evidence base that informed the Business Plan.

Report	Appendix
Synthesis report 1 (Stage 1: Preliminary engagement)	Appendix A31
Synthesis reports 2-3 (Stage 2-3: Business Plan development)	Appendices A32, A33
Synthesis report 4 (Stage 4: Business Plan refinement)	Appendix A34

Managing conflicting stakeholder feedback

5.19. WPD's process of engagement has been built to achieve ongoing triangulation as part of the actual delivery of each engagement event. For example, within our overarching co-creation stakeholder workshops, we sought to invite the widest cross-section of stakeholders possible, to ensure a full spectrum of views. We then adopted roundtable formats, on average containing six-eight representatives from entirely different stakeholder segments in each group. This required stakeholders to raise their own priorities but to consider these in the wider context of the priorities of others. Through discussions and negotiations, we then sought to build consensus around key priorities that gained support from stakeholder segments other than those originally proposing them. This helps to enhance the justification and acceptability of the commitments put forward by WPD to address these points.

5.20. Differences of opinion are inevitable when engaging the breadth of stakeholders and volumes of individuals involved in WPD's enhanced engagement process for our RIIO-ED2 Business Plan. Importantly, our processes have been created to ensure we capture these differences. Wherever possible, our engagement mechanisms are then designed to facilitate the development of compromise positions, live and at the time of the engagement event itself and to find common ground and balanced perspectives. This is preferable to discovering stark differences post event that later call for additional consultation.

5.21. In addition to overarching co-creation events, we have conducted a large number of deep-dives into specific topics with expert stakeholders (see figure SA-03.45) for example, customer vulnerability conferences and connections surgeries. Inevitably, new feedback and priorities have emerged from these forums, as a result of the expertise and in-depth knowledge of the stakeholders involved that were not raised in more generalist stakeholder forums.

Figure SA-03.45: A topic specific event focusing on Distribution System Operator and flexibility services

5.22. Where this occurs, WPD has adopted an approach of immediately playing back feedback from these forums to other forums at the earliest opportunity. This encourages stakeholders to consider a wider range of issues than just those being discussed as the priorities for that group. For example, in our deliberative focus groups with end user customers, their unprompted priorities for WPD included a focus on protecting the environment and minimising the environmental impact of our operations, but did not consider our specific role in helping the UK to deliver net zero carbon emissions. However, we knew from engagement forums with well informed and expert stakeholders that there was a strong expectation for WPD to set ambitious targets to achieve net zero in our own operations, as well as to take steps to help local authorities to achieve net zero much sooner than 2050. WPD therefore put the issue of net zero onto the agenda for the deliberative focus groups with customers, playing back the feedback we had heard from other forums on this topic as a justification for why it was being raised for their consideration.

5.23. In order to manage this potential conflict appropriately, we then asked the customers as part of a deliberative exercise to go away and research, before reporting their views and whether they disagreed with the feedback wider stakeholders had provided.

5.24. We have followed this back-and-forth playback process for all topics throughout our engagement process. This has ensured that, where stakeholders were asked to consider topics raised by others that were not among their own spontaneous priorities, the context for this was explained to them. Wider stakeholder views were then proactively sought on these topics in order to gain a broad range of perspectives and arrive at proposals that have the broadest possible support and acceptability.

5.25. Through this approach, we have not encountered widespread, stark conflicts in the requirements of different stakeholder groups. In general, stakeholders understand that WPD serves a broad population of customers and therefore must address a wide range of priorities. Typically, where expert stakeholders have raised priorities, we have found that an overall consensus of support has developed around these topics, when these have been explained and justified to other stakeholders. The synthesis reports process has been key to balance and merge the overarching findings emerging from this ongoing playback process between our various engagement activities.

5.26. Two significant conflicts have been managed using this approach:

I. Addressing fuel poverty

Within specialist stakeholder discussions, such as WPD's consumer vulnerability conferences and surgery workshops, WPD was urged to play a central role in addressing fuel poverty in RIIO-ED2. Doing this is seen as a natural extension of our activities to support customers in vulnerable situations in relation to power cuts, with a considerable interconnection between the two issues, whereby customers living in cold homes are often more vulnerable in the event of a power cut. Stakeholders acknowledged that in RIIO-ED1 WPD currently delivers an extensive programme of fuel poverty support that has been assessed as industry leading by measures such as Ofgem's Stakeholder Engagement and Consumer Vulnerability Incentive.

When reviewing these commitments at our broader co-creation sessions, the majority of wider stakeholders echoed this sentiment, but business customers, developers and commercial industry delivered conflicting feedback (see figure SA-03.46). They suggested that fuel poverty should not be WPD's responsibility and should instead be addressed by energy suppliers, charities and local government. They felt that their distribution charges should not be used to fund these activities and the investment would be better served in tackling priorities such as network reliability, connections and environmental performance.
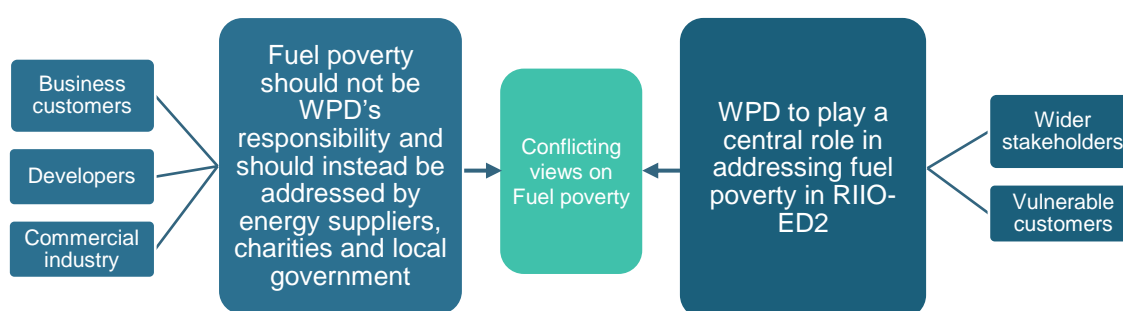

Figure SA-03.46: A summary of the conflicting views received regarding WPD's role to address fuel poverty

Firstly, we presented the views of consumer vulnerability representatives to this broader audience to explain their justifications for seeking action from WPD in this area. We also provided broader regulatory context including the fact that fuel poverty is a baseline expectation within the Business Plan guidance for addressing consumer vulnerability, to explain why this was being put on the agenda for consideration. At no point did WPD seek to persuade stakeholder opposed to action in this area – we strictly focused on objectively playing back the viewpoints of these stakeholders.

In light of this feedback and clear regulatory drivers, we then sought views from wider stakeholders on how they would scope and refine a focus on fuel poverty in a way that they were more comfortable with, if we decided to retain it. Through a series of iterative engagements, we devised increasingly granular actions and specific commitments that reached a growing consensus of support amongst stakeholders at large. Businesses, developers and commercial industry representatives began to report that they could see value in WPD's action in this area and that there should therefore be some role for WPD in relation to this issue. However, they emphasised that we must continue to be mindful not to go 'too far' and duplicate services that others are better placed to deliver or provide services simply because others are not fulfilling their responsibilities.

As such, the compromise position ultimately agreed was for WPD to commit to establish a broad network of existing outreach organisations with which we will work in partnership to deliver fuel poverty support to customers, rather than seeking to deliver these services directly ourselves. Key to this is that WPD can leverage other sources of funding and facilitates customer access to these support services. Through WPD's direct support to these partnership agencies, including financing, we are helping to sustain these charities, enabling their vital work to continue and in many cases to further expand (to a broader audience and with a wider range of expert interventions) including utilising WPD's free-to-use, open-soured social indicator mapping data to

identify areas of greatest deprivation and need. In doing so, we can keep costs lower for customers overall by facilitating access to support, while still unlocking considerable value for customers by helping them to take actions to lift them out of fuel poverty, in a way they would not have done without WPD's intervention.

> Delivering a continual process of playback between stakeholders with differing perspectives on this topic throughout our five stages of engagement has culminated in high acceptability amongst all stakeholders of our Business Plan core commitments in relation to fuel poverty. We achieved **87% support** in April 2021 from a wide cross-section of stakeholders including those representing businesses, developers and commercial industries.

II. Achieving net zero in WPD's own business carbon footprint

As part of our engagement phases one and two, we heard from knowledgeable stakeholders that they were passionate about WPD reducing carbon emissions, and wanted us to show leadership by setting ambitious targets. They wanted WPD to play a key role in driving the UK's achievement of net zero (not just facilitating it) and to therefore lead by example by achieving this in our own operations much sooner than the government target of 2050.

While initially there was no consensus on the precise timing, some expressed that this should happen as early as 2030 and, as a minimum, should align with the common aims of local authorities in our region. As part of our playback process to test this feedback more widely, we therefore sought to canvass the views of wider bill payers and future customers as part of our preliminary stage, high level, social value research.

We found that end user bill payers were less supportive of dramatic accelerations in targets and did not express a high willingness to pay to achieve net zero earlier than 2050. Of the 24 service improvements tested (ranging from actions to address fuel poverty, protect the network from cyber-attacks, to supporting communities to install low carbon technologies), the action to 'make WPD's offices and local depots carbon neutral by at least 2050' received the second lowest value.

Of the initiatives tested specifically relating to sustainability, customers placed significantly greater value on WPD reducing the impact of the network on the environment over actions relating to minimising the impact from our operations. Therefore, actions to reduce SF_6 and oil leaks were valued more than two and a half times higher than achieving net zero in our operations. The conclusions of this research with end customers was that, in contrast to informed stakeholders, they did not strongly value WPD being highly ambitious in relation to achieving net zero, particularly if it comes at a high cost. As a result, if we are considering a range of dates, we should consider proposing a more conservative target as our consultation starting point.

In order to manage this conflict, firstly we chose to keep this ambition within our list of proposed core commitments (we applied greater weighting to feedback from wider stakeholders initially as the drive to net zero is a clear government priority that WPD must deliver). In addition, key elected representatives within combined and local authorities were indicating on behalf of their communities/constituents that net zero must be achieved sooner than 2050. Furthermore, our follow-up qualitative research with end customers revealed that a possible factor in their initial lack of support for net zero was a lack of detailed understanding of what net zero means for them and the benefits it would achieve.

To address this lack of understanding and to test whether this was a factor in returning the low social value research scores, secondly we sought to test the topic of net zero in greater depth with customers via our deliberative focus groups as part of phase 3 of our engagement programme ('Business Plan development'). The legislative drivers for action in this area were outlined to customers, along with an explanation that it had been identified as a very high priority by stakeholders at WPD co-creation events, including representatives of customers (domestic and business) whose feedback was played back to this different audience. As part of this

exercise, customers were asked to research topics related to carbon reduction and to take part in a series of iterative workshops to express their views and build the depth of their knowledge over a seven week period. We observed a marked increase in the prioritisation of net zero within these customers' priorities as a result. In particular, future customers urged extremely high ambition, welcoming a 2028 target as highly progressive in contrast to 2050. On the other hand, this is still a decade away.

As we entered the next phase of our engagement as part of our first draft Business Plan consultation, WPD sought to further manage this initial conflict by offering stakeholders and end user bill payers a series of options in relation to how quickly net zero should be achieved in WPD's operations. We proposed a compromise initial position of achieving net zero by 2043 – honouring the request of wider stakeholders to achieve this sooner than 2050, but also remaining cognisant of the fact that wider customers valued this poorly. We then offered two options of greater ambition (2035 or 2028), and one for lower ambition (2050 - in line with the minimum requirements of government policy).

In addition, stakeholders delivered conflicting views on the role carbon offsetting should play in the achievement of net zero in WPD's operations. While some urged a highly ambitious timescale, by as early as 2028, some did not want any such target to include offsetting, rendering such an ambitious target technologically unachievable at this stage. Without offsetting, 2043 is the earliest date to achieve net zero based on current, ambitious projections. This is likely to be an area where there will continue to be conflicting stakeholder views throughout RIIO-ED2 and therefore it is vital that we will continue to engagement regularly and extensively on the topic.

The response from stakeholders to our initial proposal of 2043 in our first draft Business Plan consultation was resounding however - they were highly critical, urging the company to pledge a more ambitious date and to lead by example in the industry. To ensure these views of informed stakeholders were not unintentionally drowning out the views of wider consumers, we therefore ran a series of social media polls to test if views amongst wider customers differed to this feedback. In response, we found that their views were echoed by others, with the significant majority stating they wanted far greater ambition, and 61% supporting the maximum level of net zero by 2028 (see summary in figure SA-03.47).
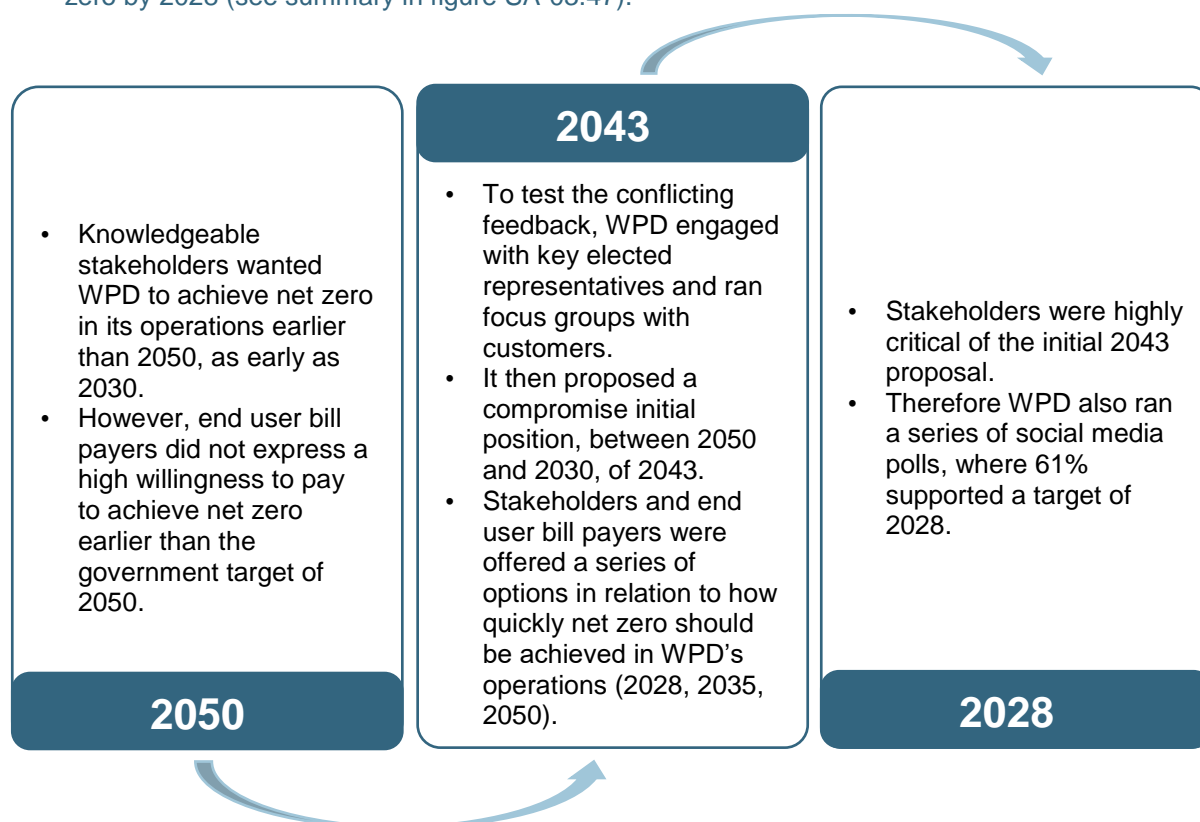

2050
- Knowledgeable stakeholders wanted WPD to achieve net zero in its operations earlier than 2050, as early as 2030.
- However, end user bill payers did not express a high willingness to pay to achieve net zero earlier than the government target of 2050.

2043
- To test the conflicting feedback, WPD engaged with key elected representatives and ran focus groups with customers.
- It then proposed a compromise initial position, between 2050 and 2030, of 2043.
- Stakeholders and end user bill payers were offered a series of options in relation to how quickly net zero should be achieved in WPD's operations (2028, 2035, 2050).

2028
- Stakeholders were highly critical of the initial 2043 proposal.
- Therefore WPD also ran a series of social media polls, where 61% supported a target of 2028.

Figure SA-03.47: A summary of the conflicting views received regarding WPD achieving net zero in its operations

Through this cycle of playing back between different stakeholder audiences, we have refined our commitments to a point where overall acceptance of WPD's actions in this area have returned 92% support from wider stakeholders, and 80% acceptability amongst end user bill payers. In addition, the delivery of net zero was further tested with consumers as part of our in-depth social value research in 2020. We found that, in line with an increase in customer knowledge of this topic over that period, the corresponding value rose form 54p per customer (and 23rd out of 24 tested priorities) to £1.60 per customer (and 6th out of 20 tested priorities.)

Figure SA-03.48: Stakeholders at a WPD Community Energy event discuss the role of renewables in the achievement of net zero

5.27. Beyond these more significant examples, a series of minor conflicts have been raised as part of our synthesis process. Our latest report flagged 35 examples where there had not been universal agreement in relation to our proposed core commitments. In the majority of cases, it has been possible to resolve these conflicts to the satisfaction of both viewpoints, by ensuring both preferences are delivered as part of the delivery actions we will take to achieve the overall commitment.

5.28. Examples of minor conflicts and the decisions WPD has arrived at in response are set out in figure SA-03.49 below:

Topic	Example conflict	Resolution
Customer service	1. When discussing the commitment to 'Answer calls within an average of four seconds and maintain an abandoned call rate of less than 1%', while the majority of stakeholders supported this, some felt a better measure would be the time taken to resolve the issue.	Our commitment is based on a strong majority of stakeholder consensus and indications from WPD's customer value research that customers strongly value quick response times or proactive contact. The time taken to resolve customer issues and enquiries will be measured as part of the separate core commitment to achieve 90% or high customer satisfaction.
Social contract	2. Regarding the commitment to 'Provide staff with paid leave for 1000 volunteer days per year to support local community initiatives associated with vulnerability and environmental initiatives', while the majority of stakeholders supported this, some felt that WPD should set a more ambitious target, and that in addition, talks in schools and encouraging careers in engineering could be more impactful.	WPD's chosen commitment level has very strong majority support from stakeholders, who deem it an appropriate starting point for a brand new initiative. In addition, we have used social value research to target our efforts where we can add most value, and this research has shown that a higher number of volunteering days has diminishing value in the eyes of customers. WPD's Business Plan includes wider commitments to deliver sessions in schools to encourage careers in engineering, while the promotion of STEM and associated education initiatives will be one of the key focus areas of WPD's £1m annual Community Matters scheme (commitment #17).

Social contract	3. Regarding the commitment to 'Publish annually our updated Diversity & Inclusion Action Plan & Performance', some stakeholders felt that other companies are instead publishing diversity targets, rather than a report, and suggested WPD do both	Our commitment now reflects their feedback and we have committed to identify clear metrics for this area and achieve year-on-year improvements in performance throughout RIIO-ED2.
Environment	4. In relation to WPD's target to achieve net zero in our own business carbon footprint by 2028, some stakeholders debated whether WPD should use offsetting to reduce its carbon footprint. They argued that offsetting is just kicking the can down the road and should only be used as a last resort. But the majority of stakeholders supported the initiative and acknowledged that, due to technological limitations, offsetting will be required and is preferred to a less ambitious timeframe to achieve net zero without it.	Our objective to achieve net zero is very challenging in these timescales – 22 years ahead of the government target. We have established a plan to reduce everything in our business carbon footprint to enable us to achieve net zero in these timescales, based on the technologies available. Offsetting will be a last resort and only for items where there are unlikely to be practical, non-carbon options by 2028 (e.g. electric alternatives for WPD's larger vehicles). Stakeholders have also overwhelmingly urged WPD to set an ambitious target (of 2028) in order to demonstrate leadership and help to drive up the ambitions of others.

WPD will be able to reduce over two thirds of its carbon footprint to zero by 2028. In the meantime, as we await the technologies to address the remaining third, offsetting will achieve excellent additional benefits for our local region in the meantime – demonstrably lowering carbon in the atmosphere. It will see us invest in the localised area via tree planting and the creation of new carbon sinks (via peat bogs etc) as well installing solar PV to allow others to reduce their emissions. We will not purchase carbon credits but invest in measures to benefit our local communities, via accredited schemes.

Our commitment is focused on the outcome of reducing our net impact on carbon emissions to zero. The alternative would be to set a target for net zero in our operations alone by c.2043 without the added benefit of offsetting action. But we are instead proposing to drive additional environmental benefits in the meantime, at a cost of less than 1p on the average domestic customer bill. |
| **Environment** | 5. Regarding the commitment to 'Deliver a 20% reduction in SF_6 losses from RIIO-ED1', while the majority of stakeholders supported this and the delivery of a targeted replacement plan, some felt we should be pushing for total removal of SF_6 from the network. However, in | We believe that our core commitment strikes an appropriate balance and delivers a scale of improvement (20%) that has very strong support from wider stakeholders. Customer value research demonstrates that customers support action at this level. However, in seeking to address wider concerns about the need for SF_6 on the network, we have expanded our core commitment to include an action to 'collaborate with industry |

	response to that view, other stakeholders expressed concern about the cost of replacement ahead of equipment reaching the end of its operational life and whether resources would be wasted and costs incurred by customers.	partners to develop technological alternatives to reduce overall volumes of SF6 on the system.'
Smart and flexible network	6. Stakeholders debated WPD's proposed levels of expenditure to provide sufficient capacity to meet future demand and facilitate the wider achievement of net zero and the electrification of transport and heating. While the majority supported our ambition levels (ready to connect up to 1.5 million EVs and 600,000 heat pumps), some stakeholders felt that the level of expenditure proposed was not enough to meet the country's net zero ambitions and wanted to see greater investment ahead of need. Stakeholders were very passionate about this topic, and some felt that the risk of not achieving net zero as quickly as possible (and WPD inadvertently stifling the pace of change) would be more costly in the long run than advanced, anticipatory investment in RIIO-ED2.	Our Business Plan is based on the WPD best view of the future, containing extensive forecasting for RIIO-ED2. We have tested these in granular detail with local authorities, and as a result we have put forward a plan to resource, accommodate and finance the capacity required to facilitate the volumes of low carbon technologies these expert stakeholders anticipate. In addition, we have a duty to wider customers to keep bills as low as possible, especially for customers impacted by fuel poverty. We have therefore formed a realistic view, benchmarked and supported by stakeholders, of what we think is required to drive a significant move towards a smarter, more flexible future – at a fair level of bill. As a result, we have included mechanisms to allow us to flex our delivery up or down if demand differs from our forecasts, in order to meet the needs of our customers without causing delays while removing the risk of unnecessary network investment. This feeds into commitment #36 to 'Ensure capacity availability to enable net zero to be achieved across our regions sooner than 2050 (some areas as soon as 2030), in line with the ambitions of stakeholders in each region.'
Smart and flexible network	7. Regarding the commitment to make '60% of WPD's network data available via an interactive Application Programming Interface', while this gained majority support, many stakeholders opted for having a wide variety of data formats available, including raw and high level visual data, as different stakeholder types have different data needs.	Our commitment is now balanced to include both the availability of data via an API, but also to 'improve the accessibility and usefulness of data, tailored to individual customer needs and in the format of their choosing'.

Figure SA-03.49: Examples of conflicts in stakeholder feedback that WPD has managed

5.29. It is not always possible to satisfy every viewpoint and we have therefore made decisions in line with the majority support. Where we have done this, we always offer full transparency of the reasons we have arrived at a decision, present this to stakeholders and invite them to challenge this if they feel the justifications are incorrect. The ultimate measure of success for WPD in how well we have managed conflicts in stakeholder feedback has been the arrival at a Business Plan with extremely high overall acceptability based on testing with a broad and varied cross-section of customers and stakeholders.

Refining our core commitments with stakeholders – how 67 became 45

5.30. When we published our first draft Business Plan in January 2021, it contained 67 initial proposals for stakeholders to consider. For many commitments, we sought views on up to four different options for enhanced scales of ambition, as well as a fifth option for stakeholders to suggest an entirely different commitment.

5.31. Stakeholder responses to the consultation and at our accompanying engagement workshops, as well as feedback and challenge from the CEG, emphasised the need for WPD's commitments to deliver very clear benefits for customers. In particular, we should therefore ensure final core commitments are not input-related actions, but are clear, measurable and focus on the positive outcome that will be delivered for customers.

5.32. In addition, core commitments should therefore wherever possible deliver very specific improvement parameters, and therefore actions of a broader, more qualitative measure should be considered wider commitments. Where commitments are contributory actions to overarching outcomes, these should also be included in the Business Plan as a wider commitment, rather than a core. For example:

- The action to 'achieve full compliance with the Customer Service Excellence Standard and British Standard for Inclusive Service' is one of the methods WPD will use to achieve the overall outcome to 'Maintain a 90% customer satisfaction score across all key services areas with separate reporting for emerging technology customers'.

- The action to 'restore 87% of HV supplies within one hour' is one of the methods WPD will use to achieve the overall outcome to 'Deliver improved overall network reliability where on average power cuts are better than one interruption every two years lasting 24 minutes.'

5.33. Acting on this feedback, WPD presented a refined list of 58 core commitments in our second draft Business Plan consultation in March 2021. In response, stakeholder insights revealed that, given the enormous scope and scale of the Business Plan, with many different voices, perspectives, and priorities triangulated from stakeholders as part of its creation, they felt there were too many core commitments as a result. They stated that, although these were all well intentioned and informed by extensive engagement, a more streamlined set of commitments was preferred.

5.34. Listening to this feedback, we made further changes to our commitments, to improve their clarity and measurability. As a result, our Business Plan now contains 45 core commitments that achieve the ambitious, fundamental outcomes stakeholders strongly support. Of the 67 original commitments, none of these have been removed from the plan; instead, they have been maintained as wider commitments that are critical to the achievement of the overarching 45 core commitments.

January 2021	March 2021	July 2021
67 core commitments	**58** core commitments	**45** core commitments

5.35. The evolution of WPD's core commitments is shown in figure SA-03.50:

Figure SA-03.50: How WPD's core commitments were refined over time

		First draft (67 commitments)		Second draft (58 commitments)		Final draft Business Plan (45 commitments)
MEETING THE NEEDS OF CONSUMERS AND NETWORK USERS	**Customer service**	1	Maintain a high standard customer satisfaction score of 9 out of 10 or higher across all key services areas	1	Maintain a 90% customer satisfaction score across all key services areas with separate reporting for emerging technology customers.	**1** Achieve an average customer satisfaction of 90% or higher across all key services areas with separate reporting for emerging technology customers.
		2	Achieve full compliance with the Customer Service Excellence Standard every year	2	Achieve full compliance with the Customer Service Excellence and Standard British Standard for Inclusive Service.	*Wider commitment. Contributory to #1 above.*
		3	Answer calls within an average of four seconds and maintain an abandoned call rate of less than 1%, within our UK-based, in-region Contact Centres.	3	Answer calls within an average of four seconds and maintain an abandoned call rate of less than 1%, within our UK-based, in-region Contact Centres.	**2** Answer calls within an average of four seconds and maintain an abandoned call rate of less than 1%, within our UK-based, in-region Contact Centres.
		4	Respond to social media enquiries and online power cut reports quickly.	4	Respond to social media enquires within five minutes and Webchat enquiries in less than a minute.	**3** Respond to social media enquiries within an average of five minutes and Webchat enquiries in an average of less than a minute, 24 hours a day.
		5	Provide greater insight on the planned work activity and interruptions on the network by creating an online viewer for our customers and stakeholders.	5	Create an online viewer to provide greater insight on the planned work activity and interruptions on our network.	**4** Provide greater insight on the planned work activity and interruptions on our network by creating an online viewer.
		6	Achieve full compliance with the British Standard for Inclusive Service Provision every year.		*Consolidated with #2 above*	
		7	Resolve at least 90% of complaints within one day and resolve 99% of complaints within 31 days.	6	Resolve at least 90% of complaints within one day and resolve 99% of complaints within 25 days.	**5** Resolve at least 90% of complaints within one day and resolve 99% of complaints within 25 days.
	Customers in vulnerable situations	8	Proactively contact over 2 million Priority Services Register customers once every two years (40% via direct telephone call) to remind them of the services we provide and update their records.	7	Proactively contact over two million Priority Services Register customers once every two years (with 60% via direct telephone call) to remind them of the services we provide and update their records.	**6** Proactively contact over two million Priority Services Register customers once every two years (with 60% via direct telephone call) to remind them of the services we provide and update their records.
		9	Achieve a 'one-stop-shop' service for vulnerable customers joining the Priority Services Register so they only have to register with WPD once to be registered automatically with their energy supplier, water company and gas distributor.	8	Achieve a 'one-stop-shop' service so that customers only have to join the Priority Services Register once to be registered automatically with their energy supplier, water company and gas distributor. We will engage to extend this to telecommunication companies where possible.	**7** Achieve a 'one-stop-shop' service so that customers only have to join the Priority Services Register once to be registered automatically with their energy supplier, water company, gas distributor and telecommunications companies.
		10	Identify and engage with over 30,000 'hard-to-reach' vulnerable customers each year to join the Priority Services Register within RIIO-ED2.	9	Ensure a minimum of 40% of total customers eligible for the Priority Services Register (PSR) are registered (by identifying 50,000 hard-to-reach customers each year to join the PSR).	**8** Increase the number of customers registered on the Priority Services Register to 40% of total eligible customers including 50,000 hard-to-reach customers each year.
		11	Work with expert stakeholders, including our Customer Collaboration Panel and referral partners, to annually refresh our understanding of 'vulnerability' and co-create an ambitious annual action plan		*Wider commitment. Contributory to #9, 10, 12, 13, 14 above*	
		12	Support over 75,000 fuel poor customers to directly save over £40m in RIIO-ED2.	10	Support 113,000 fuel poor customers to save £60 million on their energy bills over RIIO-ED2.	**9** Support 113,000 fuel poor customers to save £60 million on their energy bills over RIIO-ED2.
		13	Develop a model to identify the capabilities of vulnerable customers to participate in a smart, low carbon future. Use this to maximise participation, remove barriers to entry and encourage collaboration with the wider industry.	11	Develop a model to identify the capabilities of vulnerable customers to participate in a smart, low carbon future and offer 60% of PSR customers specific support and education.	**10** 600,000 Priority Services Register customers to be offered a bespoke smart energy action plan each year.
		14	Provide vulnerable and fuel poor customers with specific support and education in relation to the smart energy transition.		*Consolidated with #11 above*	
		15	Take a leading role in initiating collaboration with a range of industry participants to share best practice and co-deliver schemes to ensure vulnerable customers are not left behind by the smart energy transition.	12	Take a leading role in a coordinated approach with a range of industry participants (including funding for collaborations with community energy stakeholders) to share best practice and co-deliver schemes to ensure vulnerable customers are not left behind by the smart energy transition.	*Wider commitment. Qualitative and contributory to #10 above*
	Connections	16	Develop our connections process and improve availability of information so that customers wishing to connect can easily understand the process and follow a simple set of rules to apply for a connection.	13	Improve availability of information so that customers wishing to connect can easily comprehend the process and achieve customer satisfaction of 90% or higher with the 'ease of process'.	*Wider commitment. Contributory to #11 below*
		17	Maintain a high standard average customer satisfaction score of 90% or higher for connections.	14	Achieve an average customer satisfaction of 90% or higher for all connection types (including major connections and low carbon technology connections).	**11** Achieve an average customer satisfaction of 90% or higher for all connection types (including major connections and low carbon technology connections).
		18	Improve our performance against Time to Quote and Time to Connect for LCTs by 1% from RIIO-ED1 Level.	15	Improve our performance against Time To Quote and Time To Connect for LCTs by 1% from RIIO-ED1 level (small schemes) and deliver 90% satisfaction with the timeliness of connections for larger schemes.	**12** Improve our performance against Time to Quote and Time to Connect for LCTs by 1% from RIIO-ED1 level (small schemes) and deliver 90% satisfaction with the timeliness of connections for larger schemes.
				16	*New* Provide a same day connections response for customers by introducing online self-assessment tools for individual domestic low carbon technology applications.	**13** Provide a same day connections response for customers by introducing online self-assessment tools for individual domestic low carbon technology applications.
		19	Hold 30 local energy surgeries per year for local authorities, supporting them to develop their local energy plans.	17	Hold 90 Local Energy Surgeries per year (three in each WPD operating region) for local authorities, supporting them to develop their local area energy plans.	**14** Hold 90 local energy surgeries per year for local authorities, supporting them to deliver their Local Area Energy Plans.

First draft	Second draft	Final draft Business Plan
20 — Improve cross boundary working practices between WPD, Independent Distribution Network Operators, National Grid Transmission and the Energy System Operator. Also promote Competition in Connections.	18 — Improve cross border working practices between WPD, Independent Distribution Network Operators, National Grid Transmission and the Energy System Operator to ensure our customers obtain the most cost effective connection option.	*Wider commitment. Contributory to #11 above*
	19 — Offer connection customers greater choice in the type of connection they receive by increasing the range of flexible connection offers to three.	*Wider commitment. Contributory to #15 below*
	20 — Maximise the efficiency of the existing network and keep costs to customers low by lowering the threshold for connection offers with a reinforcement requirement to receive options of flexible alternatives (schemes with reinforcement costs >£75k per MW and works that will take more than 12 months to complete).	**15 — Increase the number of flexible connection offers made by lowering the reinforcement cost threshold to >£75k per MW and works that will take more than 12 months to complete.**
21 — Publish annual reports in a simple, easy to understand format, setting out WPD's total expenditure, the impact on customer bills and regulatory returns.	21 — Deliver transparency and enable stakeholders to scrutinise our performance by publishing annual reports in a simple, easy to understand format, (including WPD's total expenditure, the impact on customer bills and regulatory returns).	*Wider commitment. Contributory to #16 below*

Social contract

First draft	Second draft	Final draft Business Plan
22 — We will, as a minimum, maintain our prime Environmental, Social and Governance (ESG) rating from a recognised agency.	22 — Annually publish an updated WPD Social Contract, reporting the positive outcomes delivered for customers and as a minimum, maintain our prime Environmental, Social and Governance (ESG) rating.	**16 — Annually publish an updated WPD Social Contract, reporting the positive outcomes delivered for customers and as a minimum, maintain our prime Environmental, Social and Governance (ESG) rating.**
23 — Support local people in our communities via a £1m annual 'Community Matters' fund.	23 — Support local people in our communities via an annual £1m 'Community Matters' fund, funded entirely by shareholders at no cost to customers.	**17 — Support local people in our communities via an annual £1m 'Community Matters' fund, funded entirely by shareholders at no cost to customers.**
24 — Provide staff with paid leave for 1000 volunteer days per year to support local community initiatives associated with vulnerability and environmental initiatives.	24 — Deliver 1,000 volunteer days per year for WPD staff to support local community initiatives associated with vulnerability and environmental initiatives, with annual reporting in WPD's Social Contract of the positive impacts achieved.	**18 — Deliver 1,000 volunteer days per year for WPD staff to support local community initiatives associated with vulnerability and environmental initiatives, with annual reporting in WPD's Social Contract of the positive impacts achieved.**

First draft (67 commitments)	Second draft (58 commitments)	Final draft Business Plan (45 commitments)

MAINTAINING A SAFE AND RESILIENT NETWORK

Network reliability

First draft	Second draft	Final draft Business Plan
25 — On average fewer and shorter power cuts in RIIO-ED2 than RIIO-ED1	25 — Deliver improved network reliability where on average power cuts are better than one interruption every two years lasting 24 minutes.	**19 — Deliver improved network reliability where on average power cuts are better than one interruption every two years lasting 24 minutes.**
26 — Reduction of tree related faults on HV and EHV overhead network due to use of LiDAR in RIIO-ED2, thus reducing the impact on the customer.	*Wider commitment. Contributory to #25*	
27 — Continue to focus on restoring HV supplies quickly and aim to restore more than 86% of customers (that are not automatically restored) within one hour.	26 — Restore 87% of HV supplies within one hour.	*Wider commitment. Contributory to #19 above*
28 — We will aim to restore customer supplies in RIIO-ED2 within 12 hours under normal weather conditions.	*Wider commitment. Contributory to #25*	
29 — Carry out 50 schemes to improve network reliability for 5,900 of our Worst Served Customers (those experiencing 12 or more higher-voltage power cuts over a three year period).	27 — Improve service for 8,260 worst served customers by undertaking 70 schemes (removing all 6,870 customers defined as worst served by the RIIO-ED1 definition) and carry out further improvements.	**20 — Improve service for at least 8,260 worst served customers by undertaking 70 schemes.**
30 — Invest £190m per year to improve the overall health of the network and develop a measure of overall asset health. Report annually to stakeholders on the impact of our investments.	28 — Invest £190 million per annum to improve the overall health of the network and report annually to stakeholders on the impact of our investments.	**21 — Improve the overall health of the network by 22% with an investment of £210 million per annum.**
31 — We will continue to install further flood defences at 95 sites to reflect updated data from the Environment Agency.	29 — We will undertake 110 flood defence schemes to mitigate the risk that our sites become inoperable due to flooding and engage key stakeholders to reduce the need for new assets in flood risk areas.	**22 — Reduce the flooding risk at key sites by undertaking 102 flood defence schemes and engage stakeholders to reduce the need for new assets in flood risk areas.**

Cyber security

First draft	Second draft	Final draft Business Plan
32 — Continually assess emerging threats to enhance cyber security systems to ensure no loss of data or network interruption from a cyber-attack.	30 — 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.	**23 — 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.**
33 — Enhance the resilience of our IT network security by upgrading our disaster recovery capability to ensure continuity of our operations.	31 — Enhance the resilience of our IT network security through increased levels of threat monitoring, prevention, detection and alerting systems, including upgrading our disaster recovery capability to ensure continuity of our operations.	**24 — Enhance the resilience of our IT network security through increased levels of threat monitoring, prevention, detection and alerting systems, including upgrading our disaster recovery capability to ensure continuity of our operations.**

Safety

First draft	Second draft	Final draft Business Plan
34 — Undertake an additional staff Safety Climate Survey during RIIO-ED2.	32 — Deliver safety action plans informed by two Safety Climate Surveys with all our staff and contractors during RIIO-ED2.	*Wider commitment*
35 — Distribute 200,000 pieces of safety advice information per year to stakeholders.	*Wider commitment*	

	First draft	Second draft	Final draft Business Plan
		33: Send electrical safety education packs to every primary school in WPD's region in RIIO-ED2 and educate at least 80,000 children per year via direct learning to keep them safe.	**25: Send electrical safety education packs to every primary school in WPD's region in RIIO-ED2 and educate at least 80,000 children per year via direct learning to keep them safe.**
	36: Educate a minimum of 60,000 children per year about avoiding danger from electricity.		
	37: Underground, insulate or divert 780 overhead lines that cross school playing areas.	34: Reduce the risk of injury or harm to children by delivering 780 schemes (43% of total locations) to underground, insulate or divert overhead lines that cross school playing areas, targeting the highest risk sites first.	**26: Increase the safety of around 200,000 children by delivering 780 schemes to underground, insulate or divert overhead lines that cross school playing areas.**
Workforce resilience	38: Demonstrate exceptional embedded employment practices by achieving a minimum of silver accreditation with Investors in People by the end of RIIO-ED2.	35: Demonstrate exceptional and embedded employment practices by achieving gold accreditation with Investors in People by the end of RIIO-ED2.	**27: Demonstrate exceptional and embedded employment practices, achieving gold accreditation with Investors in People by the end of RIIO-ED2.**
	39: Publish annually our updated Diversity and Inclusion Action Plan and performance.	36: Achieve year-on-year improvements to the levels of diversity within the business and publish an annually updated Diversity and Inclusion Action Plan.	**28: Achieve year-on-year improvements to the levels of diversity within the business and publish an annually updated Diversity, Equity and Inclusion Action Plan.**

	First draft *(67 commitments)*	**Second draft** *(58 commitments)*	**Final draft Business Plan** *(45 commitments)*
DELIVERING AN ENVIRONMENTALLY SUSTAINABLE NETWORK — **Environment and sustainability**	40: Reduce internal Business Carbon Footprint to be net zero by 2043 by following a verified Science Based Target to limit the climate impact of our activities.	37: Achieve net zero in our internal business carbon footprint by 2028, following a verified science based target to limit the climate impact to of our activities (excluding network losses).	**29: Achieve net zero in our internal business carbon footprint by 2028 (excluding network losses) and follow a verified science based target of 1.5°C to limit the climate impact to of our activities.**
	41: Replace 79% of our transport fleet by 2028 with non-carbon technology where practical.	38: 89% of commercial van fleet to be non-carbon vehicles by 2028, lowering annual transport emissions by 10,050 tCO2e (tonnes of carbon dioxide equivalent).	*Wider commitment. Contributory to #29 above*
	42: Install renewable local generation at all suitable offices and depots.	39: Install renewable local generation at all suitable offices and depots with a capability to save 3000 MWh per year.	*Wider commitment. Contributory to #29 above*
	43: 30% reduction network leaks by fluid filled cables from RIIO-ED1.	40: Reduce leaks from fluid filled cables by 50% by 2028 and replace 90km of the worst leaking circuits with non-oil alternatives, putting WPD on target to remove all oil-filled cables by 2060.	**30: Reduce the volume of oil leaked from fluid filled cables by 50% by 2028 and replace 90km of the worst leaking circuits with non-oil alternatives, putting WPD on target to remove all oil-filled cables by 2060.**
	44: Replace over 70km of the poorest performing Extra High Voltage fluid filled cables (FFC) on our network.	*Consolidated with commitment #40 above*	
	45: 10% reduction in SF_6 losses from that in RIIO-ED1.	41: Deliver a 20% reduction in SF6 losses from RIIO-ED1 and collaborate with industry partners to develop technological alternatives to reduce overall volumes of SF6 on the system.	**31: Deliver a 20% reduction in SF_6 losses from RIIO-ED1 and drive industry partners to develop technological alternatives to reduce overall volumes of SF_6 on the system.**
	46: All PCB contaminated equipment will be removed from the WPD network by 2025.	*Wider commitment*	
	47: 20% reduction in tonnage of waste per £ total annual expenditure.	*Consolidated with commitment #42 below*	
	48: Reduce waste to landfill to 10% (excluding hazard waste).	42: Achieve zero waste to landfill by 2028 (excluding hazardous waste) and deliver an overall 30% reduction in tonnage waste produced (per £ total business expenditure).	**32: Achieve zero waste to landfill by 2028 (excluding hazardous waste) and deliver an overall 30% reduction in tonnage waste produced.**
	49: Target removal of 40km of overhead lines in Areas of Outstanding Natural Beauty.	43: Remove up to 50km of overhead lines in Areas of Outstanding Natural Beauty.	**33: Remove up to 50km of overhead lines in Areas of Outstanding Natural Beauty.**
	50: Where a low voltage mains cable is required it will be a minimum size of a 300mm2 cable and for the smallest pole mounted transformer size will be 50kVA single phase to reduce technical losses.	*Wider commitment*	
A smart and flexible network	51: Create and implement simple, fair and transparent rules and processes for procuring flexibility services and introduce a customer satisfaction monitor to measure the effectiveness of our actions.	44: Create and implement simple, fair and transparent rules and processes for procuring flexibility services and introduce a customer satisfaction monitor to measure the effectiveness of our actions.	**34: Encourage the development of flexibility markets by implementing simple, fair and transparent rules for procuring flexibility services, undertaking a flexibility tender every six months and introducing a customer satisfaction monitor for flexibility services.**
	52: Produce forecasts of potential flexibility requirements in order to undertake a flexibility tender every six months.	45: Encourage the development of flexibility markets by producing and sharing forecasts of flexibility requirements in order to undertake a flexibility tender every six months.	*Consolidated with commitment #34 above*
	53: Develop a standard to be measured against (using external scrutiny) to demonstrate that we act as a neutral market facilitator to enable accessibility to multiple markets.	*Wider commitment. Contributory to #45 above*	
	54: 100% load related reinforcement (primary) decisions include an assessment of flexibility alternatives.	46: Maximise the efficiency of the existing network and keep costs to customers low by adopting a 'flexibility first' policy for all load related reinforcement decisions, with conventional reinforcement used only where flexibility is not viable.	**35: Maximise the utilisation of the network and keep costs to customers low by adopting a 'flexibility first' approach for assessing all load related reinforcement decisions.**

#	Commitment	#	Commitment	#	Commitment
		47	*New* Ensure capacity availability to enable net zero to be achieved across our regions sooner than 2050 (some areas as soon as 2030), in line with the ambitions of stakeholders in each region.	36	**Ensure capacity availability to enable net zero to be achieved across our regions sooner than 2050 (some areas as soon as 2030), in line with the ambitions of stakeholders in each region.**
55	Ensure that connection offers with a reinforcement requirement are given an Active Network Management (ANM) option.		*Moved to 'connection' section. See commitment #20 above*		
56	Increase to three types of options for flexible connections.		*Moved to 'connection' section. See commitment #19 above*		
57	Make it as easy as possible for our customers to connect LCTs, such that WPD connects more than the national average of LCT connection volumes in the UK (prorated by our number of customers).	48	Ensure WPD is able to connect up to 1.5 million electric vehicles and 600,000 heat pumps. Make it as easy as possible for customers to connect LCTs, such that WPD connects 6% more than the national average in the UK (prorated by number of customers).	37	**Make it easy for customers to connect LCTs ensuring WPD is able to connect up to 1.5 million electric vehicles and 600,000 heat pumps.**
58	Improve the volume of data available by 60% via an interactive, API (Application Programming Interface) relative to all data made available (e.g. via spreadsheets and fixed format reports).	49	Improve the accessibility and usefulness of data, enabling it to be tailored to individual customer needs and in the format of their choosing by making 60% of WPD's network data available via an interactive API (Application Programming Interface).	38	**Improve the accessibility and usefulness of data, tailored to individual customer needs and in the format of their choosing by making 60% of WPD's network data available via an interactive Application Programming Interface.**
59	Introduce a customer satisfaction monitor to measure data availability, ease of access and usefulness, improving from the baseline throughout RIIO-ED2.		*Wider commitment. Contributory to #49 above*		
60	Using data from updated Distribution Future Energy Scenarios and stakeholder insight to publish a Long Term Development Statement and a Network Development Plan annually.	50	Annually update the Long Term Development Statement and a Network Development Plan to ensure future investments are identified to facilitate decarbonisation across local areas.		*Wider commitment. Contributory to #39 below*
61	Engage with stakeholders and the Electricity System Operator every two years to update WPD's Distribution Future Energy Scenarios for all four licence areas.	51	Deliver low carbon planning that aligns closely with the energy plans of local regions by engaging with stakeholders and the Electricity System Operator to update WPD's Distribution Future Energy Scenarios for all four licence areas every 12 months.	39	**Align our low carbon technology forecasts with the energy plans of local regions and the Electricity System Operator, by updating WPD's Distribution Future Energy Scenarios every 12 months.**
62	Engage with 130 local authorities and Local Enterprise Partnerships every three years to understand their requirements for strategic investment in terms of changes in demand or network use.	52	Engage with 130 local authorities and Local Enterprise Partnerships every year to understand their requirements for strategic investment resulting in more accurate WPD forecasts, and assist them to develop their own local area energy plans.	40	**Drive the development of Local Area Energy Plans by proactively engaging with all 130 local authorities each year, resulting in more accurate WPD forecasts.**
63	Undertake two whole system collaboration schemes with other DNOs and the ESO by 2028.	53	Undertake three whole system collaboration schemes with other DNOs and the ESO to enable our customers to benefit from lower electricity network and system costs by ensuring transmission and distribution solutions are considered, assessed and selected for implementation based on total electricity system costs regardless of where the solution sits.	41	**Identify opportunities for a minimum of three whole system collaboration schemes with other DNOs and the ESO to enable our customers to benefit from lower electricity network and system costs.**
Innovation					
64	For each innovation project we will undertake a cost benefit assessment and implement into business practice to improve efficiency and effectiveness of assets, operations and customer service.	54	For each innovation project, we will undertake a cost benefit analysis and carbon assessment. We will ensure roll out into business practice to improve efficiency and effectiveness of assets, operations and customer service.	42	**We will make an efficiency saving of £53m through RIIO-ED2 by improving the effectiveness of assets, operations and customer service by encompassing innovations into standard business practice and show a positive carbon impact.**
65	Develop an interactive 'innovation ideas portal' aimed at stakeholders submitting ideas for new innovation projects.		*Wider commitment. Contributory to commitment #64 above*		
		55	*New* We will deliver service improvements to drive business innovative efficiencies to assist our customers reduce overall energy costs.	43	**Create a low carbon technology energy advisory service for customers, providing a support service for people looking to switch to electric vehicles, heat pumps or solar PV.**
Community energy					
66	Hold 30 Community Energy Surgeries per year for local Community Energy groups.	56	Hold 60 Community Energy Surgeries for local community energy groups per year and provide a dedicated contact from WPD that stakeholders can work with to develop schemes and provide support through the connections process.	44	**Support local community energy groups by holding 60 community energy surgeries per year and providing a dedicated WPD community energy representative who will assist with connection and flexibility offers.**
67	Establish dedicated innovation projects for Community Energy schemes.	57	Our local Community Energy Representatives will work collaboratively with community and local energy stakeholders to develop tailored connection and flexibility offers.		*Consolidated with commitment #44 above*
		58	*New* Facilitate access to funding streams by providing support to community energy groups when making submissions to our calls for ideas.	45	**Facilitate access to available funding streams for community energy groups.**

Insights informing WPD's final Business Plan

5.36. The following section outlines in detail the stakeholder insights that have driven each of WPD's final Business Plan commitments. Every commitment has been extensively tested with stakeholders and is fully justified.

5.37. The insights derived from each stage of engagement can be found in the synthesis reports listed above, and beyond these the extensive range of source findings reports from WPD's various engagement mechanisms. The table below provides a summary of the findings that have driven our decision making. In addition, we have provided a summary indicator of the extent of stakeholder support at each stage to show the journey towards the specific, fully tested output that is found in WPD's Business Plan.

	No stakeholder support at that stage
	Regulatory or legislative drivers *(including suggested actions from WPD based on our expertise, but not yet tested with stakeholders)*
	High level stakeholder support *(e.g. indicating this overall area of activity is a priority, but not yet indicating specific actions)*
	Action specifically requested by stakeholders
	Specific action reviewed and agreed with stakeholders

5.38. It also includes examples of actions suggested by stakeholders as part of the co-creation process that have not been taken forward as core commitments, with an explanation as to why. This should provide assurance that we have considered a wide range of views when arriving at our final Business Plan.

5.39. Within the stakeholder insights outlined below (Phase 4 column), where percentages are referred to, these are based on the responses to WPD's consultations and also quantitative voting delivered at WPD's accompanying stakeholder workshops. It therefore gives an indication and quantifiable summary of the views heard in these broader qualitative discussions. For the majority of commitments, stakeholders were asked to consider up to five options with varying scales of ambition. Therefore, if there was no agreement, we would have expected to see support of around 20% for each of these options. Where percentages of stakeholder support for the most preferred option was higher than 40% therefore, this was considered to be an indication of strong support out of the options tested.

5.40. The figures quoted in the 'Phase 5: Business Plan Acceptance Testing' column in the tables represent the percentage of customers who expressed support / strong support for WPD's core commitments. The numbers were derived from the Business Plan acceptability research WPD commissioned with external market research experts, Accent. The baseline number of customers surveyed was 2,715. Section 6 provides further details (including the methodology) of the research exercise completed.

CATEGORY 1: MEETING THE NEEDS OF OUR CONSUMERS AND NETWORK USERS

Category 1.1: Customer service

Summary

	Commitment	Phase 1 Preliminary engagement	Phase 2 Social value	Phase 3 Business Plan development	Phase 4 Business Plan refinement	Phase 5 Business Plan acceptance
1	Achieve an average customer satisfaction of 90% or higher across all key services areas with separate reporting for emerging technology customers.				⬤	
Wider commitment	Achieve full compliance with the Customer Service Excellence and Standard British Standard for Inclusive Service.					
2	Answer calls within an average of four seconds and maintain an abandoned call rate of less than 1%, within our UK-based, in-region Contact Centres.					
3	Respond to social media enquiries within an average of five minutes and Webchat enquiries in an average of less than a minute, 24 hours a day.				⬤	
4	Provide greater insight on the planned work activity and interruptions on our network by creating an online viewer.					
5	Resolve at least 90% of complaints within one day and resolve 99% of complaints within 25 days.				⬤	

Key:

🟥	No stakeholder support at that stage	🟩	Action specifically requested by stakeholders
🟧	Regulatory or legislative drivers *(including suggested actions from WPD based on our expertise, but not yet tested with stakeholders)*	🟩	Specific action reviewed and agreed with stakeholders
🟨	High level stakeholder support *(e.g. indicating this overall area of activity is a priority, but not yet indicating specific actions)*	⬤	Increased ambition following feedback

Enduring feedback (before engagement for RIIO-ED2 commenced):

5.41. The vast majority of WPD's commitments have been co-created with stakeholders. However, in a small number of cases, WPD has proactively suggested commitments that we believe our customers will value, based on our years of expertise. For example, in relation to this area of our plan, our enduring engagement tells us:

Maintaining current service standards is seen as a given by stakeholders who believe WPD already provides excellent customer service and do not want to see any deterioration on existing service levels. Feedback supporting this is consistently received from a variety of engagement methods, such as annual stakeholder workshops, customer satisfaction surveys, annual willingness to pay exercises and bespoke annual research surveys (DG, major connections, and fuel poor / vulnerable customers.) For example:

Annual stakeholder workshops 2018 & 2019:
Customer service rated as a medium-low priority on the basis that it is very important to customers, but they rate WPD's existing service levels as very high and they expect to see a maintenance of service levels rather than radical improvement. 2019 report states: *"Customer service was seen as one of the lowest priorities when stakeholders were asked to vote. Whilst it was acknowledged that customer service is important, it was thought that the company already performs very highly in this area."*

Willingness to Pay (WTP) - joint DNO exercise 2019:
Highest WTP of any tested attribute of £3.20 for "provide easy, quick access to information in a range of formats and access channels"

In detail

Core commitment *(WC = wider commitment)*	Phase 1: Preliminary Engagement *(Jan-Nov 2019 - Synthesis Report 1)*	Phase 2: High Level Social Value Research (plus regional workshops) *(Nov 2019 to Feb 2020 - Synthesis Report 2)*		Phase 3: Business Plan Development *(Feb to Nov 2020 - Synthesis Report 3)*	Phase 4: Business Plan Refinement *(Dec 2020 to March 2021 - Synthesis Report 4)*	Phase 5: Business Plan Acceptance Testing
		Broad feedback	Specific commitment suggestions			
1 — Achieve an average customer satisfaction of 90% or higher across all key services areas with separate reporting for emerging technology customers.	Customer service was a key element from the feedback with the majority of stakeholders reflecting positively on their interaction with WPD. Clarity and good communication were highlighted in multiple events where it was suggested that several different channels should be used to communicate effectively with everyone as well as being proactive in updating customers on developments.

Customers highlighted that speedy, proactive reassurance of anticipated length of outage, the severity of disruption and advice on what to do were all important to providing good customer service. | Stakeholders placed significance on providing customer service during power cuts and faults, especially to customers in vulnerable situations, worst-served customers, and those in rural areas, who are more often affected. Belief we should respond quickly when things go wrong and keep complaints to a minimum.

Communication of power and faults was desired to be across a number of channels, such as WPD's website, social media, webchats, apps, texts, but also traditional mediums like home phone lines. Stakeholders wanted WPD to also spread awareness about the different information options, particularly the power cut app, and the 105 number, while proactive messages were favoured over reactive communication.

Lastly, stakeholders wanted better communication outside of unplanned power cuts as well, with a focus on educating customers on new technologies, resilience, future network changes, and helping organisations to plan ahead. | • Adopt smarter options, such as web chats, apps and localised social media feeds
• Improve the amount of communications before and during a power cut
• Collaborate cross-utilities and communities to ensure effective backup power systems
• Maintain frequent communications with rural and at-risk customers
• Improve communications with stakeholders involved in supporting outages
• Send automated text messages to customers based on their geographic location
• Ensure WPD website is up to date and has accurate information
• More frequent, multi-channel communications, promote the 105 number | Stakeholders agreed that WPD should continue to strive to maintain WPD's high levels of customer service (currently 89%) but targets must be carefully balanced against the cost of improvement. Stakeholders commonly wanted the output to include improving the ability of customers to identify and speak to the relevant WPD representative. It was felt that increased electrification may lead to a surge in demand and therefore increase the need to achieve these high standards of customer service. The same applies to the effects of the Covid-19 pandemic and the reliance on a good network and service. Industrial customers emphasised the importance of providing excellent communication, including separate contact means, such as key account managers. As a measure, it was seen as acceptable, while customers in the measures of success research workshop suggested it was important to show how WPD performs against other providers, and ensure surveys cover the range of service experience. | 66% of stakeholders support this ambition level. 75% of surveyed end user customers agreed. New technologies such as EVs were flagged as important to include and monitor. | **86%** |
WC — Achieve full compliance with the Customer Service Excellence and Standard British Standard for Inclusive Service.				Most stakeholders were not aware of these specific standards, but agreed that a range of communication channels and tools should be adopted, to ensure service is tailored to customer types. WPD must ensure inclusivity in its services, e.g. not seek to make social media our primary engagement channel as many still prefer the telephone, especially the most vulnerable. The youth audience in the Youth Community Measures of Success Research revealed that inclusive service provision is important, as it shows that WPD is serious about accessibility, and ensures that no one gets left behind with emerging channels. Complying with a standard is not enough; we need to set an ambitious target to achieve 'compliance plus'.	98% support for this commitment. No notable alternatives requested.	
2 — Answer calls within an average of four seconds and maintain an abandoned call rate of less than 1%, within our UK-based, in-region Contact Centres.				It was noted the ambition of answering calls in four seconds was less than current performance of two seconds for customer fault and emergency calls, but it was noted that such speed was slightly unnecessary, particularly compared to other companies whose response rate is far slower. There was concern that a more ambitious target would cost too much money.	95% support for this commitment. No notable alternatives requested.	**81%**
3 — Respond to social media enquiries within an average of five minutes and Webchat enquiries in an average of less than a minute, 24 hours a day.				Stakeholders noted that, unlike responding to telephone calls, responding to customers on social media had a far wider reach and therefore a greater impact. Some questioned whether social media would be the chosen method of contact during a power cut or for the vulnerable or digitally illiterate, concluding it was less important than the response rate for phone calls as a consequence. As a measure, it was seen as acceptable but it should be applied across all platforms. The youth audience also touched upon people who face social anxiety, making the webchat their preferred means of communication at least as the first point of contact.	74% of stakeholders support this ambition level. 74% of surveyed end user customers agreed. Stakeholders flagged the importance of online communications for some customers and the need for an ambitious target for Webchat.	**72%**
4 — Provide greater insight on the planned work activity and interruptions on our network by creating an online viewer.				Stakeholders felt the current customer service on planned works could be better – with one stakeholder highlighting how important this is for businesses. An online viewer was supported, but it was also noted this needs to be accompanied by proactive communication by WPD. Stakeholders were in favour of push texts/notification. As a measure, it was seen as acceptable but once launched sharper targets should be introduced such as % of people updated, and in what timescale, to ensure it is an effective tool	96% support for this commitment. No notable alternatives requested.	**82%**
5 — Resolve at least 90% of complaints within one day and resolve 99% of complaints within 25 days.				Some felt one day is too ambitious and would cost too much to achieve. Others felt 31 days was too long. One stakeholder did point out that WPD may want to consider different targets for different types of customers, for example, large connections customers would not expect their complaints to be dealt with so quickly. Another stakeholder urged WPD to improve the compensation process for landowners. It was also noted that WPD should account for the increase of complaints that may come with the increase in the amount of connections due to electrification. As a measure, it was seen as acceptable, allowing customers to annually review performance, as well as track the overall number of complaints.	94% support for this commitment. Stakeholders requested a stretch target for 99% of complaints to be achieved around one working week earlier than the Ofgem target of 31 days.	**88%**

Examples of feedback that have not resulted in a core commitment in this area

Stakeholder feedback	WPD response
It was stated that WPD should aim to keep the cost to customers as low as possible. It was noted, though, that WPD would have to work with the suppliers to ensure this as they would ultimately be the ones setting the price. It was mentioned that costs and services should be made clearer to customers, and that network charging costs should vary based on whether the customer owns an EV or not.	WPD has adopted an overriding principle to keep bills broadly flat in RIIO-ED2 despite delivering a wide range of improvements and new commitments. The 'Significant Code Review' will separately consider the charging arrangements for customers, but at present regulatory rules would not allow customers to be charged differently based on whether they own an EV or not.
Some stakeholders had limited or no knowledge of WPD and their role, which implied that WPD should raise awareness of WPD projects and network improvements and educate its customers on the services it provides. The future expectations of awareness included a combination of improved brand awareness, using multiple communication channels for informing about power cuts, improve understanding of the 105 number service and clear communication on project progress as well as prioritising communication with PSR members. One DNO noted the importance of educating local authorities on the role of DNOs because the lack of understanding can create a challenge.	WPD has made a wider commitment in its Business Plan to customer awareness campaigns to address this issue. We have also made commitments to work closely with local authorities to support the development of local energy plans.
Stakeholders highlighted the need for raising awareness and education on various topics, such as WPD's projects and initiatives, new technologies implemented, the DSO transition and the smart future. Stakeholders also stressed the need for education to be directed at local residents and the general public, who were felt to have the least knowledge and expertise. Education on existing and future projects was thought to be a means of accelerating innovation and allowing opportunity sharing, while it was felt that the most appropriate way to address education is through the outputs suggested.	WPD has proposed an action within its Customer Vulnerability strategy to create a low carbon technology energy advisory service for consumers to provide a first stop support service for people looking to switch to electric vehicles, heat pumps or solar PV.
It was requested that WPD provide targeted education to customers about energy use, and provide information for customers to make energy related decisions	This is an explicit intervention delivered by WPD's fuel poverty outreach schemes (see commitment #9). Therefore, no additional commitment proposed.
It was noted that WPD should publicise information on how power cuts affect customers and customers' rights during power cuts	This is a business as usual action. We publish extensive information online and via WPD's annual customer awareness campaign. It is a regulatory requirement to publish an annual Business Plan commitments report which includes information on the impact of power cuts. Customer rights and minimum standards are covered by the Guaranteed Standards. Therefore, no additional commitment proposed.

Category 1.2: Customers in vulnerable situations

Summary

	Commitment	Phase 1 Preliminary engagement	Phase 2 Social value	Phase 3 Business Plan development	Phase 4 Business Plan refinement	Phase 5 Business Plan acceptance
6	Proactively contact over two million Priority Services Register customers once every two years (with 60% via direct telephone call) to remind them of the services we provide and update their records.				🎧	
7	Achieve a 'one-stop-shop' service so that customers only have to join the Priority Services Register once to be registered automatically with their energy supplier, water company, gas distributor and telecommunications companies.				🎧	
8	Increase the number of customers registered on the Priority Services Register to 40% of total eligible customers including 50,000 hard-to-reach customers each year.				🎧	
9	Support 113,000 fuel poor customers to save £60 million on their energy bills over RIIO-ED2.				🎧	
10	600,000 Priority Services Register customers to be offered a bespoke smart energy action plan each year.				🎧	
Wider commitment	Take a leading role in a coordinated approach with a range of industry participants (including funding for collaborations with community energy stakeholders) to share best practice and co-deliver schemes to ensure vulnerable customers are not left behind by the smart energy transition.				🎧	

Key:

🟥	No stakeholder support at that stage	🟩	Action specifically requested by stakeholders
🟧	Regulatory or legislative drivers *(including suggested actions from WPD based on our expertise, but not yet tested with stakeholders)*	🟩	Specific action reviewed and agreed with stakeholders
🟨	High level stakeholder support *(e.g. indicating this overall area of activity is a priority, but not yet indicating specific actions)*	🎧	Increased ambition following feedback

Enduring feedback (before engagement for RIIO-ED2 commenced):

5.42. The vast majority of WPD's commitments have been co-created with stakeholders. However, in a small number of cases, WPD has proactively suggested commitments that we believe our customers will value, based on our years of expertise. For example, in relation to this area of our plan, our enduring engagement tells us:

Extensive engagement with stakeholders around consumer vulnerability has been completed for many years. This includes bespoke events such as annual social obligations conferences and surveys of customers supported by WPD's consumer vulnerability projects, as well as broader scoped events such as the CCP, WTP research and annual workshops. Feedback has consistently stated that protecting and supporting vulnerable customers in the event of a power cut should be a fundamental priority for WPD and that additional, tailored support should be provided to reduce the impact. Improvements in the areas of understanding vulnerability, accuracy of PSR data, services offered and addressing fuel poverty have been suggested. For example:

Social Obligations workshop 2019 report:
WPD should continue to promote collaboration with other DNOs, utilities and service providers to reduce the number of contacts that vulnerable people receive; do more to support energy efficiency measures in homes that are harder to heat, for example housing in rural areas; work with other service providers to ensure that data can be shared wherever possible.

WTP (joint DNO exercise) 2019:
Highest social value of any tested attribute in the area of 'vulnerability' was the action to "Identify customers likely to be vulnerable during a power cut and sign them up to the PSR" (£2.35)

In detail

Core commitment (WC = wider commitment)	Phase 1: Preliminary Engagement (Jan-Nov 2019 - Synthesis Report 1)	Phase 2: High Level Social Value Research (plus regional workshops) (Nov 2019 to Feb 2020 - Synthesis Report 2)		Phase 3: Business Plan Development (Feb to Nov 2020 - Synthesis Report 3)	Phase 4: Business Plan Refinement (Dec 2020 to March 2021 - Synthesis Report 4)	Phase 5: Business Plan Acceptance Testing
		Broad feedback	Specific commitment suggestions			
6 Proactively contact over two million Priority Services Register customers once every two years (with 60% via direct telephone call) to remind them of the services we provide and update their records.	Fuel poverty: Stakeholders felt WPD had limited power to help overall as we are <20% of the bill, but were pleased to see action in this area. Suggestions included: educating fuel poor customers about the services available to them, staff training, and expanding current schemes such as WPD's Affordable Warmth projects. Overall, customers reported they were pleased with WPD's work in this area and would like to see it continue.	WPD was urged to identify fuel poor customers, and better serve their needs in future smart grid planning. They want WPD to take steps to reduce fuel poverty, educate customers to increase awareness of our available support and support communities to address a lack of energy choice, help access to flexibility and low carbon technologies.	• Make sure no one is left behind in the transition to a smart network • Understand the barriers to participation and address these through engagement with clear advice and messaging • Investigate the opportunities for peer-to-peer support to reduce system charges for fuel poor households	On the whole, stakeholders felt the ambition was correct. However, stakeholders did suggest considering a tiered approach to frequency of contact depending on the customer's level of vulnerability or whether the customer lives in a rural or urban area. WPD was also urged to carefully consider the type of vulnerability prior to contacting a customer to ensure that the contact is made sensitively. WPD should widen the scope of contact to include the provision of wider support at the same time.	Whilst 41% of stakeholders favoured achieving '40% via direct telephone calls', the majority of stakeholders voted for WPD to go further. There was no consensus on the precise level so WPD picked the mid-point option of contacting 60% of customers as delivering the maximum level did not have majority support.	**75%**
7 Achieve a 'one-stop-shop' service so that customers only have to join the Priority Services Register once to be registered automatically with their energy supplier, water company, gas distributor and telecommunications companies.	Vulnerability: This was one of the highest priorities, especially protecting customers during power cuts and the transition to a smarter network. A number of key initiatives were mentioned such as educating vulnerable customers (about the PSR, WPD's support and the transition to a DSO), training staff to communicate effectively with vulnerable customers, increasing PSR sign-ups and appropriate deployment of new technologies. Data sharing between other services providers was very important.	Stakeholders wanted WPD to build community resilience for vulnerable customers in power cuts. Suggestions included WPD investing in community facilities or community groups, acting as an intermediary and integrating innovative solutions, such as EVs and vehicle-to-grid.	• Work closely with key stakeholders and partners to provide education and support for fuel poor customers	There was support for a one-stop-shop, as stakeholders felt that cross-industry collaboration and sharing best practice is important. Vulnerable customer organisations wanted to be able to access this database. There was support for making this collaborative and involving the whole of the industry, as well as working towards a nationwide database. WPD must ensure the data is stored securely by all of the companies involved. WPD's partnership programmes such as 'Power Up' was viewed as very useful to identify vulnerable people in communities. It also plays a vital role in pinpointing wider trends and specific personal characteristics among people in fuel poverty.	97% support for this commitment. Additional suggestions that WPD should attempt to extend data sharing agreements to include telecommunications providers.	**74%**
8 Increase the number of customers registered on the Priority Services Register to 40% of total eligible customers including 50,000 hard-to-reach customers each year.		WPD must maintain an accurate and up to date PSR by liaising with the people on it, collaborate with partners to share PSR data and make it universal. WPD was urged to act as a gateway to vulnerable customers by utilising referral networks and partnering with organisations to provide outreach.	• Include community energy groups in our partnerships • Focus on providing outreach services in mental health • Facilitate better data sharing and work towards creating a centralised PSR	Stakeholders discussed the difficulties in identifying and engaging the vulnerable, especially as a result of communication going digital due to the pandemic, and because it is a private matter and sometimes people do not feel comfortable or become defensive. Stakeholders therefore want to see WPD set up a referral process with partner organisations. The pandemic has also revealed different types of vulnerability that need to be understood and accounted for. Therefore stakeholders favoured a target greater than 30,000 customers a year.	The majority of stakeholders felt WPD should go further. Of the five options, the stand out highest support (by 38%) was for WPD to identify 50,000 new customers a year. An even higher proportion of end user customers (57%) supported this level. Covid-19 was seen as a factor in increasing the number of people likely to need support. In addition, stakeholders wanted WPD to be clearer on the impact this would have on the total number of people requiring support but not currently registered.	**81%**
9 Support 113,000 fuel poor customers to save £60 million on their energy bills over RIIO-ED2.		Joined-up thinking is needed between DNOs and other utilities, as well as collaborations with other organisations to cover all types of vulnerability. They were conscious of not leaving vulnerable customers behind in the smart energy transition and the roll out of low carbon technology.	• Educate customers and raise awareness of the PSR, using a range of methods, to increase the number of people signed up	There was disagreement about whether WPD's initial proposals (75,000 and £40m) were ambitious enough. Stakeholders were strongly in favour of helping the fuel poor, especially as Covid-19 has exacerbated their situations. They wanted WPD to take a holistic approach to support by including grants and financial benefits for those with energy inefficient homes. They mentioned insulation, improving home energy efficiency and helping customers access the benefits of flexibility. They wanted to see WPD to work more with landlords and suppliers who have direct relationships with fuel poor people.	Of the five options presented, a strong majority of 42% of stakeholders supported this higher ambition level. 75% of surveyed end user customers agreed.	**82%**
10 600,000 Priority Services Register customers to be offered a bespoke smart energy action plan each year.				There was some concern that a lack of capital is a barrier to vulnerable customers participating in a smart future and they need protection, including suggestions that the investment required to deliver net zero should come from those customers who will benefit most. The initial measure (to develop a capability model only) was seen as acceptable but needs specific measures, such as how many customers are benefitting. Charities/NGOs indicated that partnerships are key to provide vulnerable and fuel poor customers with specific support and education. Future customers raised the importance of giving customers information and step by step guides.	97% of stakeholders supported the development of a model, and of the five options presented a strong majority of 47% supported the highest option to support 60% of PSR customers.	**75%**
WC Take a leading role in a coordinated approach with a range of industry participants (including				Stakeholders urged WPD to protect vulnerable customers in the transition to a smart network by collaborating with industry partners and educating customers to ensure that they are not left behind. They generally supported this commitment proposal and said they would expand it to involve more collaboration across industries and intermediaries, it would be advantageous to be able to tap into funding together as part of partnerships. This should	99% support for this commitment. No notable alternatives requested. In addition, community energy stakeholders strongly	

Examples of feedback that have not resulted in a core commitment in this area

Stakeholder feedback	WPD response
Charities and NGOs put forward vulnerabilities to be considered, such as loneliness and digital exclusion, given the current impacts of Covid-19 on loneliness, mental health issues and families becoming more isolated and unable to access support. Many councils have digital information outlets, which can disseminate information to large audiences, so WPD should engage with them to utilise this. We should also engage district councillors as they are aware of people in their ward who are disadvantaged.	While not captured in the overall core commitment, loneliness and befriending services are now a permanent intervention offered by WPD's network of fuel poverty outreach schemes (commitment #10) and this will continue throughout RIIO-ED2 and be annually reported.
Emergency services/healthcare and charities/NGOs called for WPD to lobby hard to get providers supplying pay-as-you-go meters to reduce their tariffs. The pre-payment meters provide the worst value for money for the most vulnerable people and are responsible for the worst instances of fuel poverty.	This is outside of WPD's control and it would compromise WPD's independent role and create issues regarding being anti-competitive, if we sought to influence tariffs and energy charges. Instead, we have sought to take account of the importance of supporting customers on pre-payment meters by significantly expanding our programme of fuel poverty support (commitment #10) and ensuring this includes specialist partners to aid those struggling to afford their energy costs specifically in relation to pre-payment meters.
With regard to the challenge of net zero, the suggestion was made that WPD should look at projects that consider alternative pricing systems for customers in vulnerable situations.	Regulatory rules restrict the ability to alter distribution charges for different domestic customers. Instead, we will seek to address the concerns raised by this stakeholder suggestion by working with expert partners to understand the capabilities and barriers facing vulnerable customers in relation to a smart energy future and offer up to 1.2 million customers a smart energy action plan every years (commitment #12)
It was noted that businesses can be vulnerable too and should be provided with resilience support	Engagement with Small and Medium Enterprises (SMEs) has revealed the compounding impacts of Covid-19 and the net zero transition are causing them major challenges. SMEs have limited time, knowledge and capacity to adapt, balancing green ambitions with the need to 'get on with business'. At the same time, they emphasise that the available information about net zero is confusing and support is fragmented. Stakeholders have therefore challenged us to champion better protections for small businesses in a smart energy market, as well as deliver energy resilience advice in relation to dealing with power cuts. They suggested our definition of vulnerability should be extended to include SMEs. Within WPD's wider commitments and explicitly in our Vulnerability Strategy, WPD has therefore committed to deliver a collaborative scheme with the Federation of Small Businesses and other DNOs to create a collaborative platform bringing together tools, advice and support for SMEs and proactively engage businesses across our region every year.

Category 1.3: Connections

Summary

	Commitment	Phase 1 Preliminary engagement	Phase 2 Social value	Phase 3 Business Plan development	Phase 4 Business Plan refinement	Phase 5 Business Plan acceptance
Wider commitment	**Improve availability of information so that customers wishing to connect can easily comprehend the process and achieve customer satisfaction of 90% or higher with the 'ease of process'.**				⬤	
11	**Achieve an average customer satisfaction of 90% or higher for all connection types (including major connections and low carbon technology connections).**				⬤	
12	**Improve our performance against Time to Quote and Time to Connect for LCTs by 1% from RIIO-ED1 level (small schemes) and deliver 90% satisfaction with the timeliness of connections for larger schemes.**				⬤	
13	**Provide a same day connections response for customers by introducing online self-assessment tools for individual domestic low carbon technology applications.**				*New*	
14	**Hold 90 local energy surgeries per year for local authorities, supporting them to deliver their Local Area Energy Plans.**				⬤	
Wider commitment	**Improve cross border working practices between WPD, Independent Distribution Network Operators, National Grid Transmission and the Energy System Operator to ensure our customers obtain the most cost effective connection option.**					
Wider commitment	**Offer connection customers greater choice in the type of connection they receive by increasing the range of flexible connection offers to three.**				⬤	
15	**Increase the number of flexible connection offers made by lowering the reinforcement cost threshold to >£75k per MW and works that will take more than 12 months to complete.**				⬤	

Key:

🟥	**No stakeholder support at that stage**	🟩	**Action specifically requested by stakeholders**
🟧	**Regulatory or legislative drivers** *(including suggested actions from WPD based on our expertise, but not yet tested with stakeholders)*	🟩	**Specific action reviewed and agreed with stakeholders**
🟨	**High level stakeholder support** *(e.g. indicating this overall area of activity is a priority, but not yet indicating specific actions)*	⬤	**Increased ambition following feedback**

Enduring feedback (before engagement for RIIO-ED2 commenced):

5.43. The vast majority of WPD's commitments have been co-created with stakeholders. However, in a small number of cases, WPD has proactively suggested commitments that we believe our customers will value, based on our years of expertise. For example, in relation to this area of our plan, our enduring engagement tells us:

As part of our extensive BAU engagement programme with connections customers and interested parties, we conduct a wider variety of events including: annual connections workshops, annual local network investment workshops, quarterly Customer Connections Steering Group meetings (with a permanent panel of expert stakeholders), one-on-one surgeries, bespoke research surveys (e.g. major connections customers), distributed generation owners and operators forum and a Competition in Connections working group . Feedback has indicated that issues such as network investment, capacity constraints, WPD's approach to working with local stakeholders and the growth agenda should be areas of priority for WPD. For example, engagement via these forums to co-develop our annual action plan for Ofgem's Incentive on Connection Engagement (ICE) revealed that stakeholders want us to act quickly and deliver connections services they can participate in. There should be increasing importance placed on strategic investment and forecasting in relation to availability of network and we should prioritise non-network solutions through the use of flexibility. The existing RIIO-ED1 package of incentive mechanisms has driven improvements in the connections service and has therefore influenced our ongoing commitments. These include the Broad Measure of Customer Satisfaction (BMCS), Time to Connect incentive, ICE and Guaranteed Standards of Performance (GSOPs).

In detail

Core commitment (WC = wider commitment)	Phase 1: Preliminary Engagement (Jan-Nov 2019 - Synthesis Report 1)	Phase 2: High Level Social Value Research (plus regional workshops) (Nov 2019 to Feb 2020 - Synthesis Report 2)		Phase 3: Business Plan Development (Feb to Nov 2020 - Synthesis Report 3)	Phase 4: Business Plan Refinement (Dec 2020 to March 2021 - Synthesis Report 4)	Phase 5: Business Plan Acceptance Testing
		Broad feedback	Specific commitment suggestions			
WC Improve availability of information so that customers wishing to connect can easily comprehend the process and achieve customer satisfaction of 90% or higher with the 'ease of process'.	Connections customers mostly noted a positive experience of WPD, stating that they were open and easy to work with. The best experiences resulted from early engagement and communication regarding the application process, while the negative experiences resulted from a lack of transparency regarding costs and clarity of process. Stakeholders felt WPD should focus on improving communication with prospective connections customers. Suggestions such as digitalisation, providing a single point of contact and simplification of the process were made. The lack of clarity with changes in the charging methodology was a key issue. Some stakeholders recommended that WPD could be a facilitator for conversations between stakeholders such as local authorities, other utilities, house builders, EV charge point manufacturers, suppliers and local authorities to provide a more strategic approach to connections.	Stakeholder feedback on connections were split into three areas: between the application process, the connection options, and the allocation of capacity. **Application process:** Stakeholders want a speedier application process, with basic connections being fast-tracked, and a simplified process specifically for generation connections. Stakeholders wanted greater availability of information, such as mapping of capacity below 11kV, transparency on the feasibility of projects, and support with interpreting information. **Connection options:** WPD should offer a wider range of connections options, including smart/flexible offers. Three-phase connections are important, with the cost and lack of understanding being the main barriers to uptake. **Allocation of capacity:** There was substantial discussion around improving processes to allocate capacity, reduce/explain costs, promote competition and the need for clearer prioritisation of projects. **Low carbon technology connections:** This topic received a lot of feedback, especially around the cost of these connections, the need to incentivise developers to have these connections, as well as the potentially massive demand for EV charging point connections in the future and the need to engage key stakeholders (e.g. local authorities) to coordinate planning.	• Provide more accurate connections offer (with improved satisfaction) • Consider onsite visits to ensure the accuracy of connection offers • Ensure better collaboration between DNO and DSO • Facilitate an ongoing negotiation with connections applicants rather than a binary yes / no decision on applications • Work with the industry and Ofgem to simplify the connections process for generation • Facilitate low carbon power generation • Consider batteries as a generation asset • Provide more information at the preliminary stage on what is viable at an EV charge point location	Stakeholders highlighted the importance of early engagement with WPD and the need for detailed pre-application information, including on costs and capacity for new connections, while stakeholders called for WPD to improve the presentation and readability of network capacity maps, including costs. However, some noted that WPD's capacity data is already more robust than some other DNOs. They also expressed that including additional information in pre-application documents for growth projects aimed particularly at local authorities would be advantageous. Stakeholders agreed that WPD could provide more technical support, data, and assistance to communities to help them gain more knowledge and experience, as there seems to be an issue with understanding how the systems work, and it can be hard to motivate communities to get involved. This was particularly felt by community energy groups, who perhaps had less experience of the process and / or were only applying for a single connection. Stakeholders suggested that the information has to not just deal with how to apply for a connection, but the entire connections process, i.e. the engineering, programming, and legal aspects. WPD's Energy Data Hub information could be useful as part of this process, including information about the curtailment amount throughout the year and peak months for it. They also suggested we create guides tailored to specific audiences (e.g. large businesses domestic customers for EV chargers and heat pumps).	96% support for this commitment. No notable alternatives requested. Stakeholders wanted more specific measurability of the impact of this commitment (on customer satisfaction)	
11 Achieve an average customer satisfaction of 90% or higher for all connection types (including major connections and low carbon technology connections).				While overall satisfaction is currently good, WPD want to see this maintained and further improved. For example, stakeholders addressed cost issues, saying that these are very high and if local authorities are to invest in zero carbon projects they need subsidies. Several attendees felt that by improving its communication, WPD could help to address the lack of capacity for renewable connections. For example, the company was advised to compile information on connection applications that were unsuccessful owing to lack of capacity and share its findings, in addition to holding more open-ended conversations around flexibility services during the application process. One suggestion was to have a clear mechanism to collect and share customer feedback throughout the process, not just at the end, so that when someone comes across a challenge or solution, they can give feedback as it arises.	Of the five options presented, a very high majority of 78% of stakeholders supported this ambition level. The importance of making it as easy as possible for low carbon technologies to connect to the network was made throughout the consultation, leading to its explicit inclusion in this commitment measure.	82%
12 Improve our performance against Time to Quote and Time to Connect for LCTs by 1% from RIIO-ED1 level (small schemes) and deliver 90% satisfaction with the timeliness of connections for larger schemes.				There was overall satisfaction with existing time to quote and connect for smaller schemes. For larger schemes, stakeholders focused on the need to develop more innovative connections offers that make better use of capacity, for example by extending renewable connections offers that recognise they only require capacity some of the time or consider the use of batteries. This will enable quicker connections to the grid by avoiding the need for conventional reinforcement. Another suggestion was a hybrid connection where two generators could combine to share a grid connection. Developers said they would want some kind of guarantee of timescales about when a connection quote would be provided and if people want to take longer, they need to have a guaranteed quotation date.	The greatest proportion (58%) supported this ambition level. Several stakeholders felt this measure only focused on smaller customers and wanted it extended to larger customers, for whom timeliness, rather than the speed of the connection, is key.	87%
13 Provide a same day connections' response for customers by introducing online self-assessment tools for individual domestic low carbon technology applications.				There were comments about the timeliness of the connections process from different stakeholders. A developer commented that low carbon technology connections could happen a bit quicker and gave the example of UKPN offering a five-day promise on connection applications that WPD could look to emulate.	Stakeholders felt that, to meet net zero volumes of low carbon technology, connections will need to increase dramatically. Rather than just improve timings incrementally, for these high-volume applications, WPD should develop new services to provide information in a matter of minutes.	74%
14 Hold 90 local energy surgeries per year for local authorities, supporting them to deliver their Local Area Energy Plans.				There was widespread support for WPD's aim to engage with local authorities, particularly given their community links. WPD was seen as having a key role in supporting local growth plans. WPD must be mindful that not everyone interested in grid connections and local area planning is an engineer so having someone to handhold stakeholders through the more formal processes would be beneficial. There was widespread interest in closer collaboration with the company, with 89% of survey respondents indicating that they would be willing to engage more with WPD. It was felt that WPD should engage with a wide range of stakeholders, including those involved in the net zero agenda, with the aim of capturing varied and representative views. To this end, stakeholders suggested that WPD should extend these engagements to city authorities, the general public, community energy groups, landowners, planning committees, housing associations, schools and national parks	65% of stakeholders wanted to see greater ambition, and of the options presented a sizeable proportion of 49% supported this commitment level (90 surgeries per year).	79%
WC Improve cross border working practices between				Stakeholders wanted greater collaboration in the industry including facilitating the most efficient delivery option and promoting competition in connections. Stakeholders commented that sometimes customers struggle to understand the whole network ownership, especially	96% support for this commitment. No notable alternatives requested.	

	Commitment						Stakeholder feedback		Ambition	
	WPD, Independent Distribution Network Operators, National Grid Transmission and the Energy System Operator to ensure our customers obtain the most cost effective connection option.						the IDNO interface. They understand they can go to a Connections provider but not necessarily understand the IDNO possibilities of the network and what that means to them.			
W C	Offer connection customers greater choice in the type of connection they receive by increasing the range of flexible connection offers to three.						Stakeholders wanted WPD to look more into alternative connections, as it could be a game-changer in terms of making connections more viable, where some had previously not gone ahead due to very high reinforcement charges. This could help future energy projects to take off. Some specified they wanted to have access to more flexibility and connections with a community energy focus, given that there are rural and urban aspects to be considered. Others noted that WPD is generally always looking for alternative opportunities to diversify its offers if there is opportunity and grid capacity available.		Of the five options presented, a very significant proportion of stakeholders favoured this ambition level (48%).	
15	**Increase the number of flexible connection offers made by lowering the reinforcement cost threshold to >£75k per MW for works that will take more than 12 months to complete.**						There is however a need to continually develop more innovative connections offers that make better use of capacity and extend the availability of these to as many customers as possible. This will enable quicker connections to the grid by avoiding the need for conventional reinforcement. Another suggestion was a hybrid connection where two generators could combine to share a grid connection.		A high proportion (61%) of stakeholders favoured much greater ambition, with the greatest proportion (49%) favouring this new proposed commitment. Of those requesting alternatives (9%), most stated that the purpose of action should be made clearer.	**83%**

Examples of feedback that have not resulted in a core commitment in this area

Stakeholder feedback	WPD response
There was some agreement that three-phase connections significantly impact the ease and affordability of connecting low carbon technologies and enabling vehicle-to-grid technology. It was therefore thought by many stakeholders that upgrading to three-phase connections will be very important in facilitating the transition to net zero, and that it would ease the load strain experienced already in domestic installations.	It is now WPD's standard policy to install three phase connections and is included within our wider commitments.
It was suggested that we lobby the government for financial assistance to help connect community energy schemes	Regulatory rules do not allow for subsidised connections. However we have sought to address the premise of this suggestion by supporting community energy stakeholders to facilitate access to various funding streams (see commitment #58).
We were asked to assess whether basic connections can be fast-tracked if they do not require reinforcement	We have made a commitment (#16) to provide a same day response to enquiries for these high volume connection types, while overall satisfaction with the timeliness of our service will be monitored and maintained at very high levels as per commitments #14 and #15.
It was requested that we reserve capacity in rural areas suitable for generation and establish a methodology to prioritise certain connections applications, for example for new housing or renewables	Regulatory rules preclude us from discriminating between classes of customer. However we have sought to address the overall premise of these suggestions by ensuring that flexible connections offers are extended to as many customers as possible (commitment #20) and to target very high customer satisfaction for all connections types (commitment #13).
It was suggested that we work with the industry and Ofgem to simplify the connections process for generation	Work to address this is already underway in RIIO-ED1 (e.g. via the ENA's Open Networks project), including processes to improve queue management processes for the reservation of capacity.

Category 1.4: Social contract

Summary

5	Commitment	Phase 1 Preliminary engagement	Phase 2 Social value	Phase 3 Business Plan development	Phase 4 Business Plan refinement	Phase 5 Business Plan acceptance
Wider commitment	Deliver transparency and enable stakeholders to scrutinise our performance by publishing annual reports in a simple, easy to understand format, (including WPD's total expenditure, the impact on customer bills and regulatory returns).					
16	Annually publish an updated WPD Social Contract, reporting the positive outcomes delivered for customers and, as a minimum, maintain our prime Environmental, Social and Governance (ESG) rating.					
17	Support local people in our communities via an annual £1m 'Community Matters' fund, funded entirely by shareholders at no cost to customers.				⬤	
18	Deliver 1,000 volunteer days per year for WPD staff to support local community initiatives associated with vulnerability and environmental initiatives, with annual reporting in WPD's Social Contract of the positive impacts achieved.					

Key:

🟥	No stakeholder support at that stage	🟩	Action specifically requested by stakeholders
🟧	Regulatory or legislative drivers *(including suggested actions from WPD based on our expertise, but not yet tested with stakeholders)*	🟩	Specific action reviewed and agreed with stakeholders
🟨	High level stakeholder support *(e.g. indicating this overall area of activity is a priority, but not yet indicating specific actions)*	⬤	Increased ambition following feedback

Enduring feedback (before engagement for RIIO-ED2 commenced):

5.44. The vast majority of WPD's commitments have been co-created with stakeholders. However, in a small number of cases, WPD has proactively suggested commitments that we believe our customers will value, based on our years of expertise For example, in relation to this area of our plan, our enduring engagement tells us:

The establishment and delivery of a social contract is a relatively new topic for WPD and its stakeholders with specific engagement on the issue beginning early in 2019. Stakeholders indicated that WPD is a highly trusted organisation, with only NHS and local authorities polling more highly. Stakeholders were asked to consider which commitments should be included within a social contract in addition to the ideas presented.

- Many focused on local investment and employees giving their time to community initiatives.
- It was suggested a number of times that the social contract should include commitments to transparency over finances and to workforce welfare, diversity and equal pay.
- It was commented that any social contract should be publicised in clear, concise language to make customers aware of it.
- Many stakeholders were keen for an independent third party to provide scrutiny on behalf of wider consumers, with annual reporting.

Additional previously related stakeholder feedback includes discussions with WPD's Customer Panel, which revealed that acting as a 'good corporate citizen' is essential. When reporting on Business Plan commitments, information should be as accessible as possible for an end user, domestic customer with little prior knowledge of WPD, but with links to more information for those who wanted it. Final versions need an external 'readability check' to ensure ease of use for customers and stakeholders.

In detail

Core commitment (WC = wider commitment)		Phase 1: Preliminary Engagement (Jan-Nov 2019 - Synthesis Report 1)	Phase 2: High Level Social Value Research (plus regional workshops) (Nov 2019 to Feb 2020 - Synthesis Report 2) Broad feedback	Phase 3: Business Plan Development (Feb to Nov 2020 - Synthesis Report 3)	Phase 4: Business Plan Refinement (Dec 2020 to March 2021 - Synthesis Report 4)	Phase 5: Business Plan Acceptance Testing
WC	Deliver transparency and enable stakeholders to scrutinise our performance by publishing annual reports in a simple, easy to understand format, (including WPD's total expenditure, the impact on customer bills and regulatory returns).	While over 75% of stakeholders in one event agreed that a social contract was an important requirement of the Business Plan, stakeholders in different events disagreed on whether it should take the form of a separate section in the Business Plan or be integrated throughout. Workforce efforts, diversity and pay were all seen as initiatives that should be included as part of the contract. Stakeholders also stated that increasing the transparency of WPD's finances and social partners would improve customer trust in the company, which currently sits at 7.7/10. Feedback suggests that annual audits of progress on each commitment could be completed as a means of tracking delivery. Example feedback: The social contract should 'focus on local investment and employees giving their time to community initiatives, primarily because of WPD's status as a regional monopoly' (2019 annual workshop summery report)	It is vital WPD connects with its local communities, building trust in our services and the way we operate. Utilities should provide assurances about profits, corporate governance and their licence to operate. WPD must demonstrate its legitimacy and show it is not all about profits. We must be clear on what customers get for their money and show we take account of social and environmental wellbeing as well as economic value.

The contract should include:
• Transparent reporting (with clarity on returns and profits)
• Demonstrate WPD is a diverse, responsible employer
• Evidence the legitimacy of our operations for the future
• Play an active role regionally.

They raised the importance of measurable targets wherever possible and saw external reviews and transparent reporting as vital methods of demonstrating delivery.

Stakeholders wanted WPD to consider the wider societal impact of their choice of pension fund, specifically that they should not be funding unsustainable companies such as fossil fuel producers.

Stakeholders in Swansea also discussed the importance of aligning WPD's social contract and targets to the Welsh Government's Well-being Act and noted that several lessons could be learned from this when constructing WPD's social contract. | WPD should provide annual reporting in a clear and easily understandable way. As a measure, this was seen as acceptable and expected. Stakeholders want WPD to set ambitious targets and ensure people don't forget about them and hold us to account for delivery. Some actions will be immediate and time sensitive so, while annual reporting is the minimum, WPD shouldn't necessarily wait a full year to report something that needs to be conveyed straight away. | 97% support for this commitment. Some suggestions for additional social commitments – these will be included in WPD's separate annually published social contract. | |
16	Annually publish an updated WPD social contract, reporting the positive outcomes delivered for customers and, as a minimum, maintain our prime Environmental, Social and Governance (ESG) rating.			Stakeholders broadly agreed with the concept of WPD producing a social contract and that this should be a standalone document alongside the Business Plan, although some commitments will inevitably feature within the plan itself. Stakeholders also expect a strong commitment to social purpose should run throughout the main plan. It was commented that large companies have a responsibility to go beyond what is considered CSR to an approach based on ESG. It was noted that many of the outputs discussed at the workshops are based on efficiencies, saving time and money, whereas many customers increasingly expect companies to justify why they are doing things rather than just detailing what they intend to do. The ESG rating was seen as a way to achieve this; it was expected but not necessarily viewed as an ambitious target in itself. The contract therefore needs to contain this ambition, with an independent third party to provide scrutiny on behalf of wider consumers.	95% support for this commitment. Some felt that the purpose of the assessment could be clearer about what it measures.	82%
17	Support local people in our communities via an annual £1m 'Community Matters' fund, funded entirely by shareholders at no cost to customers.			There was particular discussion around the importance of maintaining WPD's 'Community Matters' fund (created initially in 2020 in response to the Covid-19 pandemic) and how it could be extended to include support for low carbon initiatives and community groups, and be linked to crowd funding to leverage additional support. Stakeholders wanted more clarity on how the fund is being advertised and how communications about it can be improved.	Of the five options presented, the greatest proportion (44%) supported this ambition level. 46% of surveyed end user customers agreed. Some stakeholders expressed reservations about whether it was appropriate that customers' money should be given to activities of this nature and it should therefore be shareholder funded only.	84%
18	Deliver 1,000 volunteer days per year for WPD staff to support local community initiatives associated with vulnerability and environmental initiatives, with annual reporting in WPD's social contract of the positive impacts achieved.			Stakeholders were especially focused on WPD's environmental impact and what the company can do to support the drive towards net zero, but were keen for staff to be encouraged to volunteer for initiatives that enable them to share their skills, such as pro bono support to community groups or outreach at universities and colleges. However, the point was made that it's important that WPD staff choose to do so voluntarily rather than feeling pressured. Other suggestions included WPD's role in getting young people interested in the built environment, energy in general and engineering; WPD staff could therefore have a big impact going into schools.	A very high proportion (63%) of stakeholders supported this ambition level (versus 32% wanting WPD to go further).	70%

Examples of feedback that have not resulted in a core commitment in this area

Stakeholder feedback	WPD response
WPD should include a rate of return on every pound invested, sources of investment capital and benefits received by shareholders (i.e. dividends)	This is covered by WPD's standalone social contract.
WPD must move beyond a charity model and ensure we are proactive in community change. Reporting must therefore provide evidence of the positive impacts achieved, not just the activities delivered.	This is covered WPD's standalone social contract and WPD's annual reporting will include a wide range of metrics to record on the positive impacts and benefits for customers. Staff volunteering (commitment #24) and the 'Community Matters' fund (commitment #23) will have tightly defined focus areas and eligibility criteria to ensure our efforts go beyond traditional corporate social responsibility and sponsorship/charitable giving, but partnering with local communities to achieve positive change in respect of: • **Supporting customers in vulnerable situations** • **Decarbonisation and protecting the environment** • **Education and encouraging children into STEM (science, technology, engineering and mathematics) subjects**
Some stakeholders felt that the social contract should contain financial penalties to ensure the commitments are adhered to by WPD	WPD has made a commitment (#23) to make a shareholder funded contribution of £1 million every year in RIIO-ED2 irrespective of performance across other commitments. We will provide transparent annual reporting, including expert scrutiny from the retained Customer Engagement Group and annual ESG rating assessments will hold 'our feet to the fire' to ensure commitments are met consistently.

Category 1 overall: The views specifically of end user bill payers and future customers

As you will have seen from the tables above, the views of end user bill payers and future customers have been included throughout our overall considerations of stakeholder feedback and have featured prominently in our decision making (see figure SA-03.51). However, as Section 4.25 onwards outlines, given the sheer volume of stakeholders WPD has engaged, it is vital that we ensure the views of bill payers have not been swamped and are reviewed separately to understand any distinctions in their feedback compared to that delivered by stakeholders at large. In order to therefore provide assurances that there is an alignment between the views of informed stakeholders and WPD's wider customers (bill payers and future customers), we have separately reported the key views of the latter below:

5.45. Feedback has been consistent in this area and provides full support for the views summarised in the tables above. Supporting customers in vulnerable situations was repeatedly cited spontaneously as a key priority for customers in all forums, as was good customer service and communication.

Figure SA-03.51: Discussions at one of WPD's 'Youth Measures of Success' deliberative focus group with future customers

5.46. A number of initiatives were suggested in the preliminary stage research events such as the need for good, varied communication during power cuts, using multiple communication channels, prioritising contact with PSR customers, regular reviews, data checks and updates of the PSR to ensure accuracy, and completing connections effectively – both in terms of cost and service delivery. In line with wider stakeholder feedback, future and end user bill payers were generally unaware of the many services WPD already offers and were highly impressed when they became aware, wanting current service standards to be maintained and deeming only incremental improvement necessary. However, they therefore indicated that we can do more to raise awareness of who we are and the role we play in the energy system.

5.47. In the Business Plan development stage, digital communications and data transparency were also discussed by these customers, with the proposed core commitments widely agreed to be thorough and acceptable e.g. 'The 'one-stop-shop PSR registration service' feels like it will make life easier and will reduce anxiety of contacting different service providers', 'answering calls quickly is very important as it gives people a sense of calm in a crisis' and 'complaints need to be resolved as quickly as possible, and this target covers both easy and complex cases' (see appendix A28).

5.48. Bespoke future / end user bill payer research was commissioned with regards to the establishment of WPD's social contract. As with all the other commitments in this area, no conflicts were found and the idea of a clear social purpose was strongly welcomed - especially at the current time when there are environmental, social and personal crises. However, feedback expressed that it needs to be tangible, transparent and go 'over and above' the core purpose e.g. to be a 'Best in Class' service provider, WPD needs to give something back (in terms of environment/communities/staff volunteering commitments), go the extra mile and demonstrate the human face of WPD that cares for, and plays an active role in, the communities it serves.

CATEGORY 2: MAINTAINING A SAFE AND RESILIENT NETWORK

Category 2.1: Network resilience

Summary

	Commitment	Phase 1 Preliminary engagement	Phase 2 Social value	Phase 3 Business Plan development	Phase 4 Business Plan refinement	Phase 5 Business Plan acceptance
19	Deliver improved network reliability where on average power cuts are better than one interruption every two years lasting 24 minutes.					
Wider commitment	Restore 87% of HV supplies within one hour.				⬤	
20	Improve service for at least 8,260 worst served customers by undertaking 70 schemes.				⬤	
21	Improve the overall health of the network by 22% with an Investment of £210 million per annum.					
22	Reduce the flooding risk at key sites by undertaking 102 flood defence schemes and engage stakeholders to reduce the need for new assets in flood risk areas.				⬤	

Key:

🟥	No stakeholder support at that stage	🟩	Action specifically requested by stakeholders
🟧	Regulatory or legislative drivers *(including suggested actions from WPD based on our expertise, but not yet tested with stakeholders)*	🟩	Specific action reviewed and agreed with stakeholders
🟨	High level stakeholder support *(e.g. indicating this overall area of activity is a priority, but not yet indicating specific actions)*	⬤	Increased ambition following feedback

Enduring feedback (before engagement for RIIO-ED2 commenced):

5.49. The vast majority of WPD's commitments have been co-created with stakeholders. However, in a small number of cases WPD has proactively suggested commitments that we believe our customers will value, based on our years of expertise. For example, in relation to this area of our plan, our enduring engagement tells us:

Local investment workshops 2018:
Stakeholders want WPD to be less reactive and more proactive in terms of network reinforcement; stakeholders wanted more to be done to reinforce non-primary flood defences.

Local investment workshops 2019:
When stakeholders were asked to rank WPD's existing priorities, 'network reliability' scored the highest across the four regions, with 8.46 out of a possible 10.

Stakeholder workshops 2017/18:
When discussing long-term priorities, stakeholders revealed: 32.8% of stakeholders voted to increase the stated target for emergency resilience of 20% for communities and businesses to 30%. Suggestions for key priority focus areas included: maintenance of the network, maintained network reliability, reducing demand and increasing network capacity. Support for communities and businesses to improve resilience should be increased. Continuing to focus on reducing power cuts and maintaining excellent network performance remains stakeholders' number one priority despite network performance being perceived to be very good. Stakeholders want WPD to communicate clearly the age and need for upkeep of assets, so that consumers understand the reasons behind interruptions. It was felt that if customers understand why they've been interrupted they tend to feel less aggrieved. They also felt it was important to make sure all relevant staff are well briefed on the 'why' and/or introduce a web function that monitors the causes of outages in susceptible areas.

In detail

	Commitment	Phase 1: Preliminary Engagement *(Jan-Nov 2019 - Synthesis Report 1)*	Phase 2: High Level Social Value Research (plus regional workshops) *(Nov 2019 to Feb 2020 - Synthesis Report 2)*		Phase 3: Business Plan Development *(Feb to Nov 2020 - Synthesis Report 3)*	Phase 4: Business Plan Refinement *(Dec 2020 to March 2021 - Synthesis Report 4)*	Phase 5: Business Plan Acceptance Testing
			Broad feedback	Specific commitment suggestions			
19	Deliver improved network reliability where on average power cuts are better than one interruption every two years lasting 24 minutes.	Reinforcement was widely noted as the most important priority for a wide range of stakeholder segments across several events. This was viewed as the fundamental role of WPD which was reflected in the very high priority scoring.

Infrastructure upgrades, implementation of new technologies, as well as the ability to respond quickly to unforeseen events were key factors raised to maintain good network reliability. The ability to predict the network's demands during extreme weather and flooding was viewed as increasingly important. The consensus was that being proactive was better, and potentially cheaper, than being reactive, especially considering the increasing demands in certain areas of the network with local development plans. Contingency plans and enhanced network monitoring were mentioned alongside scenario planning around flooding and heatwaves as potential actions for WPD in this area. | Stakeholders would like the frequency and duration of power cuts to continue to decrease, especially in light of Covid-19 and the greater reliance on energy. Stakeholders were keen to see a high quality supply to protect equipment, such as healthcare systems, and in light of the increasing demand from EVs. WPD was urged to replace old assets to avoid an ageing network.

WPD should reinforce the network for rural communities and seek to reduce the number of worst served customers from circa 6,300 to zero.

Furthermore, the overall health of the network was very important for stakeholders, who felt that a network improvement plan is needed with a focus on long-term futureproofing of new assets.

Flooding was one of the most frequently discussed topics with stakeholders very keen to see WPD move assets from floodplains and improve network resilience in high flood risk areas. Tree cutting was another area of high importance. | • Create accurate forecasting models and ensure that sufficient infrastructure is in place to respond to future (higher) demand
• Continue maintenance and replacement programme for ageing assets
• Be transparent about the health of assets, providing better and clearer information
• Share statistics on power cut frequency with stakeholders
• Review the frequency of power cuts customers consider acceptable
• Invest ahead of need to future proof the network
• Create a clear plan with targets to reduce worst-served customers, including clarity on what constitutes minimum standards | In terms of the impact of Covid-19 on WPD's approach to network reliability, it was assumed by some stakeholders that, due to social distancing and other pandemic restrictions, WPD's network maintenance programme may have slowed and now needs to resume. Increasing time at home due to Covid-19, including more home working, means reliance on electricity for work and leisure is even more important, so WPD must continue to reduce the frequency and duration of power cuts. In general, stakeholders were very vocal about having as few and as short power cuts as possible, while several noted the existing regional disparity in the reliability of the network, especially between rural and urban areas, urging WPD to focus on those worst served areas. Some stakeholders felt that 25 minutes average duration is very positive. However, it was also voiced that 'average' figures can be misleading and stakeholders prefer to see this broken down. Some suggested providing baselines and benchmarks against other DNOS, so that comparisons can be made. | 92% support for this commitment. Stakeholders challenged WPD to better quantify the improvements that will be offered. (This was therefore subject to further specific consultation in WPD's second draft Business Plan consultation) | 86% |
WC	Restore 87% of HV supplies within one hour.				Stakeholders agreed with the ambition of this target considering it measurable and clear. They noted it will become increasingly difficult to meet due to extreme weather events increasing in frequency and severity, and that there should be some regional specificity. Others recommended a tiered approach, such as having another tier with a target of 95% within two or three hours. Communication was seen as very important and WPD was urged to work to get the information out quickly so that those affected feel more reassured.	The greatest proportion (52%) supported a less ambitious target of 86%. However, a sizeable proportion (42%) wanted to see improvement, and a majority of 55% of surveyed end user customers agreed wanted more ambition, hence the compromise of a raised target of 87%.	
20	Improve service for at least 8,260 worst served customers by undertaking 70 schemes.				Stakeholders were very passionate about helping and prioritising worst-served customers. Feedback was that four power cuts every year feels high (not so bad, if short) and would be inconvenient, but 6,000+ properties out of 1.4m is not too bad. Some expressed concern that a lot of the most vulnerable live in isolated and rural communities who wouldn't come top of our list for improvement if decisions are based solely on the total number of customers benefitting from each scheme. A stakeholder suggested that WPD should look at the potential points of failure and try to plan for the unexpected, as based on their experience with a lightning strike which cuts supplies to the local hospital. In some cases, the power feed may come from a different network area, meaning analysis isn't available to identify vulnerabilities.	Very high proportion (67%) requested greater levels of ambition with a large proportion (57%) favouring this new commitment level. An even higher volume of end user customers (64%) agreed. Stakeholders felt the impact on overall worst served customer levels could be made clearer.	80%
21	Improve the overall health of the network by 22% with an investment of £210 million per annum.				WPD was asked to focus on long-term collaborative planning and provide network reinforcement where necessary to meet increased demand, thereby avoiding future network reliability issues. In particular, WPD should upgrade the network to provide the capacity needed for future uptake of low carbon technologies. Suggestions to use new technology included predictive maintenance projects to detect faults on underground cables before they happen. One stakeholder said that WPD has the challenge of seeing how energy consumption has moved to homes rather than offices, especially over winter with heating and lighting. There was agreement that tree related faults should be reduced, particularly given overall increasing reliance on electricity. The use of LIDAR and its benefits were widely discussed, while stakeholders supported the use of undergrounding to minimise the impact on existing trees and wanted to see WPD commit to replacement planting and even a policy of biodiversity net gain to offset the impact of their tree management operations. Future customers thought that a proactive tree clearance programme was clever while it is important to also have tree planting programme to counter it. They raised the need for a rolling maintenance programme so there is rarely faulty or out of date equipment.	Of the five options presented, the greatest proportion (52%) supported this ambition level. The importance of reporting on the outcomes was emphasised, once a measure for overall asset health has been agreed with Ofgem.	87%
22	Reduce the flooding risk at key sites by undertaking 102 flood defence schemes and engage stakeholders to reduce the need for new assets in flood risk areas.				Resilience to floods was a particular concern, with stakeholders advocating better planning, a clear logistical approach to restoring the network after flooding and more input from experts. A stakeholder said WPD had been excellent at handling their issues with floods, when a number of buildings were completely submerged. Stakeholders thought that planning adequate flood defences was an incredible challenge as flood areas change and one in 100 year incidents are becoming more frequent. They suggested adding an output about improved modelling to help anticipate severe weather events which might cause flooding. Coordination and collaboration with the Environment Agency is important but should be wider – e.g. local agencies will know exactly where drains become overwhelmed, rather than environmental agencies that will have more general data. Stakeholders wanted the wording to be more ambitious and to focus on the outcome rather than the input, i.e. protecting substations. One stakeholder stated that this is an opportunity to work with other utilities, such as Severn Trent Water, and another would like to see more sharing of data between companies, local authorities and agencies-not just historic data, but the real-time level of floods so WPD can be more targeted and timely in its responses.	Whilst 43% of stakeholders favoured undertaking '95 schemes', a higher proportion of stakeholders (47%) voted for WPD to go further. However, there was no consensus on the precise level. WPD picked the mid-point option, as more customers wanted to see a lesser commitment than those supporting the maximum level.	86%

Examples of feedback that have not resulted in a core commitment in this area

Stakeholder feedback	WPD response
Some end user bill payers in the 'Measures of Success' research workshop had concerns over tree cutting due to the negative impact on wildlife, impact on local landscapes and need for replanting schemes.	WPD's Business Plan contains wider commitments to complete tree clearance programmes to reduce the likelihood of branches and windborne debris affecting our overhead lines, rather than felling/removing trees entirely. As part of this, we are adopting highly accurate, innovative measurement techniques to identify the need for tree clearance more effectively. 'LIDAR' will improve the knowledge that WPD has about trees near lines, enable better control of the work programmes and more effective tree clearance. This will enable us to specify the precise amount of clearance that is required. Separately in the Business Plan, we will also be funding tree planting schemes.
It was suggested that we work in partnerships with manufacturers to install backup battery systems	WPD is not allowed to own generation and battery storage is treated as generation. WPD will therefore need to continue to focus on the overall reliability of the network (see actions listed below).
We were asked to reconfigure the network to minimise the number of shutdowns and improve the overall interconnectivity of the network to improve reliability	As well as a range of activities that will look to limit the number of faults, WPD will continue with an extensive programme of automation that reduces the number of customers affected when a fault occurs. WPD's focus in ED2 will be to reduce the number of customers not automatically restored down to a maximum of 1,000 on each circuit. Providing more interconnectivity for quality of supply is a higher cost activity and will only be carried out sparingly during ED2. No costs have been included for such activity. Additional interconnectivity may be required to deal with load growth, this will be factored into load related forecasts.
We were asked to share statistics on power cut frequency with stakeholders	WPD has recently made significant enhancements to our online power cut information. As well as viewing real-time incidents, customers are now able to view power cut history for a period of 12 months.
It was suggested that we regularly monitor systems and weather events	WPD obtains daily weather forecasts, which are updated more frequently when severe weather is imminent.
It was noted that we should plan proactively for the impacts of climate change on the overall health of network assets	WPD's asset replacement programme is aimed at replacing poor condition assets, irrespective of what they supply. The drivers are safety and reliability. However, WPD will consider installing larger sized assets in areas of load growth when replacing assets; this will avoid the need to come back to install larger assets in the near future.
We were asked to work with local authorities to find and use spare capacity	Local authorities do not have the knowledge about capacity on WPD's network. We are however working with local authorities to understand how demands will change in the future in response to local ambitions for net zero.
It was noted that we should focus on the future network and consider the impact that new sources of demand such as EVs will have on reliability	WPD uses Distribution Future Energy Scenarios (DFES) to assess what parts of the network require reinforcement as a result of growth in demand. The reinforcement will prevent circuits and assets being overloaded and failing. The DFES scenarios align with national energy scenarios and consider a range of outcomes to determine future reinforcement requirements. The forecasts are regularly updated to incorporate updated data and therefore make them as accurate as possible.

Category 2.2: Business IT security and cyber resilience

Summary

	Commitment	Phase 1 Preliminary engagement	Phase 2 Social value	Phase 3 Business Plan development	Phase 4 Business Plan refinement	Phase 5 Business Plan acceptance
23	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.					
24	Enhance the resilience of our IT network security through increased levels of threat monitoring, prevention, detection and alerting systems, including upgrading our disaster recovery capability to ensure continuity of our operations.					

Key:

	No stakeholder support at that stage		Action specifically requested by stakeholders
	Regulatory or legislative drivers *(including suggested actions from WPD based on our expertise, but not yet tested with stakeholders)*		Specific action reviewed and agreed with stakeholders
	High level stakeholder support *(e.g. indicating this overall area of activity is a priority, but not yet indicating specific actions)*	🎧	Increased ambition following feedback

Enduring feedback (before engagement for RIIO-ED2 commenced):

5.50. The vast majority of WPD's commitments have been co-created with stakeholders. However, in a small number of cases, WPD has proactively suggested commitments that we believe our customers will value, based on our years of expertise. For example, in relation to this area of our plan, our enduring engagement tells us:

2018 Annual workshops
Stakeholders discussed 'key changes' that had occurred since the current Business Plan was produced, agreeing that Cyber Security was one of them. Of the 6 key changes identified, stakeholders were asked to vote on how important they were for WPD to address (out of a possible 10) and Cyber Security attained the top score of 8.2. Stakeholders stated WPD should be more visible about our work to safeguard against cyber-attacks. As well as seeking to prevent issues occurring, if there were to be successful attacks stakeholders wanted to swift 'Recovery Time' as a key consideration in relation to WPD's overall approach to Cyber Security.

In detail

Commitment	Phase 1: Preliminary Engagement *(Jan-Nov 2019 - Synthesis Report 1)*	Phase 2: High Level Social Value Research (plus regional workshops) *(Nov 2019 to Feb 2020 - Synthesis Report 2)*		Phase 3: Business Plan Development *(Feb to Nov 2020 - Synthesis Report 3)*	Phase 4: Business Plan Refinement *(Dec 2020 to March 2021 - Synthesis Report 4)*	Phase 5: Business Plan Acceptance Testing
		Broad feedback	Specific commitment suggestions			
23 **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.**	Stakeholders were conscious of the potential implications of a cyber-attack on the network and therefore viewed building resilience towards this threat a priority, ranking it on average as the 4th highest overall priority (out of 14), across all sub-topics. Considering that the threat in this area may grow in the future, stakeholders expect WPD to collaborate with government bodies and identify best practice from other industries to improve in this area. Customers felt that investment in technology would benefit WPD in the long-term - finding smarter protection against cyber threats.	There was a strong focus on collaboration between companies to prevent and respond to cyber threats, since these are a national threat. Stakeholders expected WPD to be 100% resistant and to also be transparent about any failures, and suggested measures such as separating the network and business enterprise communications, isolating sections of the network, or having central control rooms. It was deemed that the outdated areas of the network will be more exposed to any attacks, urging WPD to protect computer-based systems. The theft or harm of physical assets is a key risk, such as terrorism on the grid, with potential solutions being additional physical protection and reduced physical access. The safety of customer data is a priority, with customers wanting WPD to store as little data as possible and be clear on protection measures in place (e.g. for any data from smart meters). Apart from protecting the system, stakeholders addressed contingency planning and wanted to see that WPD had a timeframe and targets for recovery from incidents. Identifying critical infrastructure is a necessity, due to the increasing array of automated systems that may potentially be vulnerable.	• Work to the highest possible security standards to ensure that there are no attacks • Ensure all systems, procedures and processes are up to date • Keep up to date with emerging threats and hacking techniques • Commit to maintaining the utmost security of customers' data • Split data into levels, such as separating personal information from bank details • Ensure that plans and procedures are well tested, peer-reviewed and consistent • Adopt guidance and best practice from other organisations • Implement excellent discovery and response plans • Adopt preventative measures for high risk areas of the network	There was strong recognition of the high and rapidly increasing importance of ensuring the network is resilient to cyber-attacks and that WPD needs to be 100% resilient in this area. One stakeholder argued that WPD should inform customers about how they can protect themselves from cyber threats, and that there should be transparency when events do take place. It was noted that data security is particularly important with the PSR, as it contains information about vulnerable people. Also, it was acknowledged that this is an incredibly fast moving area, so collaboration between companies should be encouraged, as should learning from other sectors. Apart from anti-virus software, it was commented that the main weakness in all systems is the human element, so it is important for WPD to give training and guidance on cyber awareness to all its staff and partners that connect to its network, because that is the weak point that attackers could exploit.	96% support for this commitment. No notable alternatives requested.	**87%**
24 **Enhance the resilience of our IT network security through increased levels of threat monitoring, prevention, detection and alerting systems, including upgrading our disaster recovery capability to ensure continuity of our operations.**				Stakeholders also agreed with the previous feedback that disaster recovery is very important, particularly in light of the large-scale National Grid outage experienced in 2019. Stakeholders felt the Covid-19 pandemic had demonstrated the critical importance of contingency planning to address the unexpected, and therefore reinforced the importance of this priority area. One stakeholder expressed concern about the level of security currently in place, for example that aspects of the network currently remain unencrypted. Another stakeholder noted that any disaster recovery plans would need to include a contingency for critical staff who fall ill or have to self-isolate as a result of the pandemic. A stakeholder noted that during ED2, the wider uses of DNO/DSO data by local projects will be much more extensive, so they expected to see a focus on enabling this and avoiding data misuses becoming a barrier. We need to unlock and apply much more network and real-time operations data to many more actors and parties to enable us to solve net zero challenges together	96% support for this commitment. No notable alternatives requested.	**82%**

Examples of feedback that have not resulted in a core commitment in this area

Stakeholder feedback	WPD response
We were asked to raise customer awareness of WPD's cyber resilience steps	For security reasons, we are unable to reveal any specific details about WPD's cyber resilience methods/tools; however, our Business Plan contains a wider commitment to meet the Network and Information Systems Regulations recommended standards for cyber resilience (derived from European law) within the Business Plan.
We were asked to create, maintain, and test our incident recovery plans	This is a Business Plan wider commitment. WPD has extensive recovery plans in place in relation to cyber-attacks and these are tested annually.
We were asked to establish hubs to help share resources and ideas on cyber security	WPD is not planning to create hubs for cyber security sharing with its partners in ED2 as these already exist via the Energy networks Association and Ofgem. WPD is represented in relation to both forums and will continue to play an active role in these industry collaborations.
It was suggested that we carry out a major audit of our assets and ensure that we have an emergency stock in place in case of incidents	WPD does not stock pile IT assets as this would not be cost effective or best practise, it instead builds resilience into its systems to be able to quickly recover from any failure or disruption.
We were asked to consider the increased risks associated with smart meters and networks	Smart meters are owned by energy suppliers, not WPD. WPD does not connect directly to SMART meters. Security risks are always considered but we have no plans in ED2 specifically in relation to physical smart meters, although we do have extensive measures in place to protect the data we will receive from them.
It was mooted that we compensate customers for loss of service	WPD has no plans to compensate customers in relation to cyber events causing a loss of service; any fines/compensation will dealt with by Ofgem. WPD's focus in our Business Plan is to invest significantly in cyber security measures to prevent service loss. WPD complies with GDPR and will also be looking to add further layers of encryption to data in its IT systems during RIO-ED2.

Category 2.3: Safety

Summary

	Commitment	Phase 1 Preliminary engagement	Phase 2 Social value	Phase 3 Business Plan development	Phase 4 Business Plan refinement	Phase 5 Business Plan acceptance
Wider commitment	**Deliver safety action plans informed by two Safety Climate Surveys with all our staff and contractors during RIIO-ED2.**	🟧	🟨	🟩	🎧	🟩
25	**Send electrical safety education packs to every primary school in WPD's region in RIIO-ED2 and educate at least 80,000 children per year via direct learning to keep them safe.**	🟨	🟨	🟩	🎧	🟩
26	**Increase the safety of around 200,000 children by delivering 780 schemes to underground, insulate or divert overhead lines that cross school playing areas.**	🟧	🟧	🟩	🟩	🟩

Key:

🟥	No stakeholder support at that stage	🟩	Action specifically requested by stakeholders
🟧	Regulatory or legislative drivers *(including suggested actions from WPD based on our expertise, but not yet tested with stakeholders)*	🟩	Specific action reviewed and agreed with stakeholders
🟨	High level stakeholder support *(e.g. indicating this overall area of activity is a priority, but not yet indicating specific actions)*	🎧	Increased ambition following feedback

Enduring feedback (before engagement for RIIO-ED2 commenced):

5.51. The vast majority of WPD's commitments have been co-created with stakeholders. However, in a small number of cases, WPD has proactively suggested commitments that we believe our customers will value, based on our years of expertise. For example, in relation to this area of our plan, our enduring engagement tells us:

Safety is an issue that is raised by stakeholders frequently, including at our annual stakeholder workshops. Throughout RIIO-ED1 to date, focused safety campaigns designed to align with recognised public safety issues have proven to be effective and positively received by targeted audiences. Stakeholders have told us that safety should continue to be a priority for WPD (with 'Raising awareness of the dangers of electricity to members of the public' being voted the 3rd most important priority for stakeholders in this area at our February 2020 workshops) and stakeholders have suggested that we should commit to 'Reach out to schools to inform children about the health and safety hazards that surround WPD assets'.

Health and safety is also a high priority for WPD staff as indicated in our previous staff Safety Climate survey (2018 - where WPD actively engaged with staff on safety issues understand the views of employees and identify improvements), safety forums and trade union bilateral meetings.

Real life events have also influenced focus areas - following an incident that occurred in Gloucester where a tree brought down a line across a school playing field, an assessment was carried out of all lines that cross school playing fields to assess their risks. Fortunately, this particular incident happened out of hours rather than when children were playing.

Stakeholder workshops 2017 – long-term objectives:
Many stakeholders suggested that safety education could be expanded to include informing young people; 39.6% of people voted to increase safety education to reach 70,000 school children, with an expanded scope.

In detail

Core commitment (WC = wider commitment)		Phase 1: Preliminary Engagement (Jan-Nov 2019 - Synthesis Report 1)	Phase 2: High Level Social Value Research (plus regional workshops) (Nov 2019 to Feb 2020 - Synthesis Report 2)		Phase 3: Business Plan Development (Feb to Nov 2020 - Synthesis Report 3)	Phase 4: Business Plan Refinement (Dec 2020 to March 2021 - Synthesis Report 4)	Phase 5: Business Plan Acceptance Testing
			Broad feedback	Specific commitment suggestions			
WC	Deliver safety action plans informed by two Safety Climate Surveys with all our staff and contractors during RIIO-ED2.		WPD must ensure equipment is safe and that assets do not produce a hazard to those that come into close proximity. In particular, WPD must consider the business-critical infrastructure of landowners i.e. farms, providing advice and guidance for these customers. Safety must also be a key consideration as new technology develops – e.g. provide public safety advice for electric vehicle charge points.		Stakeholders urged WPD to be more ambitious when it came to reducing the staff accident frequency rate. They commented that the format of safety surveys is an important consideration because this can alter perceptions of safety in the workplace and the phrasing of questions may be interpreted differently by staff. In terms of accident reporting, it is important to adopt language around 'culture' and make it clear people aren't going to be punished for making mistakes, only for actual malice/negligence, and that workers need to know that they can stop and prioritise their own safety at all times.	94% support for this commitment. But several stakeholders asked for greater ambition than one survey every five years.	
25	Send electrical safety education packs to every primary school in WPD's region in RIIO-ED2 and educate at least 80,000 children per year via direct learning to keep them safe.	Safety is seen as critical, not only for WPD employees but also for the general public. In the multi-phase deliberative focus group event, six core priorities were raised during the 'blank sheet' session, one being safety. Maintaining current safety levels and key initiatives that have contributed to these successes was seen as important.	Maintaining the safety of our staff is of paramount importance (and meeting all legal obligations and compliances), including providing debriefs after incidents, equipping staff with excellent PPE in dangerous environments (E021, E019) as well as ensuring up-to-date health and safety training is provided. WPD must ensure contactors comply with similar health and safety standards to WPD and it was suggested that contractors should be assessed and commercially scored on their health and safety record.	• Reach out to schools to inform children about the health and safety hazards that surround WPD assets • Ensure contactors comply with similar health and safety standards to WPD • Maintain regular staff training for staff on driving new vehicles, and when logging key information on site visits • Ensure staff preparedness for extreme weather events	Stakeholders expressed particular support for the need to start to educate children on electrical safety from an early age. Stakeholders wanted to see WPD going further than in RIIO-ED1 (50,000 a year). Future customers via the Youth Community Measures of Success Research revealed a very strong appetite to see initiatives for education in schools. Several additional suggestions around this output centred on broadening our education offering, with calls for WPD to educate the general public and developers.	58% of stakeholders wanted to see further ambition, with a very high proportion of 49% supporting the maximum level of ambition (80,000 children a year). Many stated that this number needed to be placed in context and that WPD should be offering to support all primary age children.	80%
26	Increase the safety of around 200,000 children by delivering 780 schemes to underground, insulate or divert overhead lines that cross school playing areas.		Communication across the industry was cited as a big priority in terms of health and safety. It was noted that WPD should work collaboratively with stakeholders and legislators to share the best health and safety practices. WPD should undertake periodic meetings to share best practice.		There were calls for WPD to increase cable undergrounding with a view to increasing resilience and fostering sustainability. It would be beneficial to liaise with local planning authorities more effectively to ensure that play areas are not created under power lines. Some wanted an understanding about the cost of undergrounding, while another said that is not the only area where this could be a problem; areas such as football fields may also be affected. It's important to identify other risk areas and assets with the greatest public risk, such as any civic play area or recreational ground. Future customers at the Youth Community Measures of Success Research thought that power lines can be very dangerous for children of school age, especially if they do not understand the dangers. Working with schools to assess risks and educate children would improve the company's abilities to continue to run lines safely through play areas.	Of the five options, a significant proportion (57%) supported this ambition level. This was lower amongst end user customers at 42%. Stakeholders wanted to see this commitment placed in context of the total sites to be addressed, with assurance that the highest risk schemes will be addressed first.	77%

Examples of feedback that have not resulted in a core commitment in this area

Stakeholder feedback	WPD response
There is a need for engagement with farmers on the dangers of overhead lines	This is addressed in a Business Plan wider commitment. We believe that, by providing information and education about the hazards associated with electrical apparatus, we can reduce the number of incidents and the number of people who suffer injury from electricity. Throughout RIIO-ED2, we will continue to provide leaflets and information to members of the public and landowners. We plan to deliver safety related information to over one million customers (around 200,000 per year) by distributing safety literature and making greater use of social media to reach an even wider audience.
We were asked to provide electricity checks for homes, for example checking the safety of wiring in households	This request is beyond the scope of the WPD network and specifically the training and accreditation of energy networks staff. As per the item above, we will instead focus on providing extensive advice to customers, and in the event of unsafe wiring will advise customers accordingly on how to arrange urgent checks from a qualified electrician.
We were asked to work collaboratively with stakeholders and legislators to share H&S best practice. This should include undertaking bi-annual or annual meetings with stakeholders to share best practice and ensure contactors comply with similar health and safety standards to WPD	This is a wider Business Plan commitment. During RIIO-ED2, we will continue to collaborate at a national level to remind people in other industries and businesses of the dangers of working close to electrical networks. Safety information will be provided in the form of videos, social media messaging, posters and media campaigns as well as in safety leaflets. We will also issue advice to groups or organisations whose members may be at greater risk as a result of carrying out activities close to our equipment.
It was suggested that we should continue to meet our legal obligations in relation to health and safety	This is a wider Business Plan commitment. We will install, inspect and maintain our assets in line with best practice and to ensure they comply with all health and safety regulations, continue to operate safely and do not expose anybody to avoidable danger.

Category 2.4: Workforce resilience

Summary

	Commitment	Phase 1 Preliminary engagement	Phase 2 Social value	Phase 3 Business Plan development	Phase 4 Business Plan refinement	Phase 5 Business Plan acceptance
27	Demonstrate exceptional and embedded employment practices, achieving gold accreditation with Investors in People by the end of RIIO-ED2.				🎧	
28	Achieve year-on-year improvements to the levels of diversity within the business and publish an annually updated Diversity, Equity and Inclusion Action Plan.				🎧	

Key:

No stakeholder support at that stage	**Action specifically requested by stakeholders**
Regulatory or legislative drivers *(including suggested actions from WPD based on our expertise, but not yet tested with stakeholders)*	**Specific action reviewed and agreed with stakeholders**
High level stakeholder support *(e.g. indicating this overall area of activity is a priority, but not yet indicating specific actions)*	🎧 **Increased ambition following feedback**

Enduring feedback (before engagement for RIIO-ED2 commenced):

5.52. The vast majority of WPD's commitments have been co-created with stakeholders. However, in a small number of cases, WPD has proactively suggested commitments that we believe our customers will value, based on our years of expertise. For example, in relation to this area of our plan, our enduring engagement tells us:

Stakeholders have previously recognised that there needs to be a conscious effort to reach a demographic outside the traditional white British male population, to diversify and increase the talent pool. For example:

Annual stakeholder workshops report - 2017:
Stakeholders noted that there is a lack of young people, especially women, interested in pursuing careers in electrical engineering and this should be addressed looking forward.

The need for a more diverse talent pool, addressing an overall ageing workforce and ensuring WPD develops the wide range of skills needed have emerged as key considerations when engaging stakeholders since 2017 specifically on the development of smarter networks and the shift to DSO.

In detail

Core commitment (WC = wider commitment)	Phase 1: Preliminary Engagement (Jan-Nov 2019 - Synthesis Report 1)	Phase 2: High Level Social Value Research (plus regional workshops) (Nov 2019 to Feb 2020 - Synthesis Report 2)		Phase 3: Business Plan Development (Feb to Nov 2020 - Synthesis Report 3)	Phase 4: Business Plan Refinement (Dec 2020 to March 2021 - Synthesis Report 4)	Phase 5: Business Plan Acceptance Testing
		Broad feedback	Specific commitment suggestions			
27 Demonstrate exceptional and embedded employment practices, achieving gold accreditation with Investors in People by the end of RIIO-ED2.	At this preliminary stage, stakeholders simply highlighted that they viewed workforce welfare, diversity and equal pay as priorities to be addressed in WPD's RIIO-ED2 Business Plan. It was added that this would help to build trust in the company. Despite limited, targeted preliminary engagement beyond this on workforce planning, surveys with domestic customers ranked it as the second-highest priority for the future with a score of 8.87 out of 10.	Stakeholders stated that retaining current staff and ensuring a happy and motivated workforce is a key priority. An increased focus on staff physical and mental wellbeing was highly encouraged. They also noted the importance of good workforce planning for a number of reasons including: • Ensuring WPD has adequate skills and staff members internally to continue to operate effectively. • Able to recruit and replace an ageing workforce • Able to upskill the workforce in an increasingly technological environment especially to deliver the DSO transition, • Expand the workforce to deal with the increasing electricity demand from the electrification of heat and transport • Ensuring current staff are happy and have equal opportunities.	• Aim to achieve an accreditation for a national diversity and inclusion standard • Provide stronger middle management training to help bridge staff with senior management • Deliver workshop style events for internal staff • Educate workforce on the adoption of new working methods, to ensure continuity from process-driven to data-driven working • Champion senior management from minority backgrounds • Provide clear, whole-career, personalised development pathways for staff to enable progression within WPD • Build geographical diversity in WPD's workforce through the apprenticeship programme • Create meaningful schemes to improve racial diversity	Stakeholders agreed that a happy, healthy and motivated workforce is a high priority. They also felt it was important WPD stays ahead of the game in terms of upskilling the workforce as the industry moves towards a smart future. In order to ensure that WPD is the employer of choice and attracts the top talent for advertised roles, stakeholders suggested targeted and frequent exposure within the education system to promote awareness and perception of the industry and utilising the latest technologies. In relation to the retention and upskilling of a specialised, highly skilled workforce, stakeholders were interested to see what the upskilling consists of, with suggestions including three-phase connections, flexibility services, digitalisation/data management and low carbon technologies (e.g. EV and heat pump connections and requirements). Improving workforce diversity will take time but the proper structures can help. Some stakeholders mentioned that an accreditation to a national diversity and inclusion standard would be a good goal for WPD in this area.	The largest proportion (48%) agreed with WPD's initial proposal (silver accreditation). However, a significant proportion wanted WPD to be more ambitious (44%) and an even greater number of end user customers agreed (60%).	**73%**
28 Achieve year-on-year improvements to the levels of diversity within the business and publish an annually updated Diversity, Equity and Inclusion Action Plan.				Stakeholders agreed with previous feedback that WPD needs to reach a demographic outside of the traditional, white British male population. WPD should seek to build a more diverse workforce in terms of gender, age and race – ensuring our workforce better reflects the diversity of the communities we serve. This should include reviewing best practice across a range of industries and committing to annual improvement actions and metrics to measure success. WPD should champion more senior figures in the company representing minority groups (LGBT community, BAME community etc) as a demonstration of an inclusive work environment and to provide motivation for the entire workforce. The lack of senior females needs to be corrected. Diversity should be sought at all levels of recruitment, from the apprenticeship scheme to senior management.	97% supported this commitment, but stakeholders wanted to see that it translated to year-on-year improvements in WPD's diversity metrics.	**76%**

Examples of feedback that have not resulted in a core commitment in this area

Stakeholder feedback	WPD response
The range of skills required for different roles was discussed extensively, with stakeholders keen for WPD to plan training for the whole spectrum of skills required in a smart future (including more technological and IT-based skills to deal with the DSO transition and EV charging infrastructure projects).	Within WPD's wider commitments, we have published a Workforce Resilience Plan for RIIO-ED2. As part of this, we forecast that our staff numbers will increase by between 150 to 200 to enable us to respond to the increased uptake of low carbon technologies, which will call for increased network reinforcement and a growing emphasis on data to meet the expectations of our stakeholders. In particular, we will need to further embrace the 'digital culture' in RIIO-ED2 by recruiting a range of positions to support our data architecture. We will also need trained staff to engage directly with local authorities on their net zero carbon ambitions and community energy initiatives. As well as additional staff, we recognise our existing crafts people will need to be upskilled or reskilled to complete many of these new tasks.
Barriers to education may be limiting candidate opportunities during the application process, which is something that must be considered. WPD should replicate improvements in the nursing sector and focus on upskilling trainees to improve staff retention, and potentially establish a fast stream for strong internal candidates.	Stakeholders told us that 'Earn and Learn' roles, such as graduate schemes and apprenticeship programmes, are key mechanisms to drive better outcomes for communities, enabling people to gain qualifications and skills while earning an income. As part of a commitment to improve social mobility, we are exploring opportunities to introduce routes to work at WPD for people with good hand skills who lack the academic qualifications traditionally required to undertake an apprenticeship. Subject to consultation with our Trade Unions, in 2021 we will launch a new apprenticeship requiring no formal application to apply, helping to stimulate applications from socially deprived areas and those who found education challenging, but have valuable skills we can build on. Trainees will undertake skills scans, assistance with writing, mentor reviews, individualised learning plans and safeguarding training. They will also receive wider life skills training, such as how to manage money. By enrolling 30-40 employees each year, WPD will contribute to levelling-up vulnerable communities within our region, providing employment and skills to those who need it most. This will continue throughout RIIO-ED2.
Flexible work packages should be available, with the option of working from home, extended maternity leave, the ability to buy back holiday etc suggested. The difficulty of balancing a range of staff ages was discussed at length at multiple events, especially as WPD has to balance the two vastly different ways of working.	This is a business-as-usual activity for WPD and forms part of our overall Workforce Resilience Plan. For example, WPD has recently implemented a new work from home policy in light of changes to work patterns that will be enduring post Covid-19. The efficacy and appropriateness of steps like this will be assessed as part of Business Plan commitment #35. In addition, our Business Plan contains wider commitments to: review working arrangements to allow for more flexible and agile working, which will attract a more diverse workforce; and, continue to provide competitive employment packages, benefits and career opportunities that attract candidates from diverse communities, using salary and benefits benchmarking within the sector.
There was some discussion that WPD should help encourage STEM subjects in school, whether this may be through sponsoring academic training, increasing the awareness of the electricity network in schools, or providing work experience to teachers who could share their experience with a number of classes back in the school.	WPD already takes a number of steps as part of our business-as-usual operations to promote STEM, including enrolling several staff as STEM Ambassadors to work closely with local schools. This will also be a key component of WPD's ongoing schools education programme (commitment #33), a key criteria for the initiatives supported as part of our 'Community Matters' fund (commitment #23) and staff volunteering (commitment #24). In RIIO-ED1, while Women in Science and Engineering (WISE) indicates that the percentage of women in the Science, Technology, Engineering and Mathematics (STEM) workforce has dropped nationally, WPD has bucked this trend by recording a steady increase, which we intend to maintain and improve further in RIIO-ED2.

Category 2 overall: The views specifically of end user bill payers and future customers

As you will have seen from the tables above, the views of end user bill payers and future customers have been included throughout our overall considerations of stakeholder feedback and have featured prominently in our decision making. However, as Section 4.25 onwards outlines, given the sheer volume of stakeholders WPD has engaged, it is vital that we ensure the views of bill payers have not been swamped and are reviewed separately to understand any distinctions in their feedback compared to that delivered by stakeholders at large. In order to therefore provide assurances that there is an alignment between the views of informed stakeholders and WPD's wider customers (bill payers and future customers), we have separately reported the key views of the latter below:

5.53. As with the previous category, future and end user customers expressed feedback consistent with wider stakeholder groups for the commitments detailed within 'Category 2: Maintaining a safe and resilient network'. The only exception to this was within the initial stage, willingness to pay research where 18-29-year-olds ranked two of the tested attributes pointedly higher or lower than other participating age groups. 'Protecting WPD's electricity network against cyber-attacks' was ranked 14th out of 24 (30-59-year-olds ranked this attribute 10th and over 60s ranked it 6th) and 'Encourage people into a career in engineering and increase the diversity of WPD's workforce' was ranked 17th, compared to 23rd and 24th for the older groups.

5.54. In both the deliberative, qualitative focus groups (end users) and Citizens Panel research, activities completed as part of our preliminary engagement phase programme, the spontaneous priorities suggested by these stakeholder groups correlated with the views heard at other events. Reliability of supply was repeatedly cited as a priority, with an almost universal view that achieving very few power cuts should be a core focus of our plan. In order to deliver this commitment, unprompted suggestions from stakeholders at these forums included regular maintenance of the network, upgrading infrastructure and enhanced preparedness to enable a swift response to unforeseen issues on the network. Outside of reliability of supply, other unprompted areas of focus included safety (of both WPD staff and customers), smart protection against cyber threats, education within primary schools and careers / job-focused education for secondary schools.

5.55. In the Business Plan development stage of our engagement programme (stage 3), bespoke research was completed with future customers, aimed at establishing what mattered most to this group, ensuring their voices were heard and an uninfluenced opportunity to contribute was afforded. Again, independent findings concluded that there was no disparity in opinion or feedback from this group. Similar areas of focus were suggested by this group compared to wider stakeholders, although distinct characteristics for this group were noted: they displayed a stronger sense of altruism when compared to mainstream bill payers and revealed a greater appetite for initiatives that promoted staff wellbeing, education in schools and improvements in supply for 'worst served areas'. Unsurprisingly, cyber resilience also featured prominently as these were predominantly digital citizens with technology forming an intrinsic part of their day-to-day lives.

5.56. Measures in this category were deemed to be comprehensive and it was commented that flood defences in rural and coastal places were critical due to the increased risk posed by global warming. It was also remarked that any safety risk involving children is highly emotive and therefore an initiative to underground cables was unanimously welcomed.

5.57. As part of the social contract research in stage 4 (Business Plan refinement), future and end user customers suggested that, in order to realise our vision of being a stand out, responsible employer, internal and external validation was expected and accreditation with a national diversity and inclusion standard should be achieved. Measurement in this regard was also welcomed as it elevates credibility and a pledge to promote diversity and inclusion should also feature somewhere.

CATEGORY 3: DELIVERING AN ENVIRONMENTALLY SUSTAINABLE NETWORK

Category 3.1: Environment and sustainability

Summary

	Commitment	Phase 1 Preliminary engagement	Phase 2 Social value	Phase 3 Business Plan development	Phase 4 Business Plan refinement	Phase 5 Business Plan acceptance
29	Achieve net zero in our internal business carbon footprint by 2028 (excluding network losses) and follow a verified science based target of 1.5°C to limit the climate impact to of our activities.				☝	
Wider commitment	89% of commercial van fleet to be non-carbon vehicles by 2028, lowering annual transport emissions by 10,050 tCO2e (tonnes of carbon dioxide equivalent).				☝	
Wider commitment	Install renewable local generation at all suitable offices and depots with a capability to save 3000 MWh per year.					
30	Reduce the volume of oil leaked from fluid filled cables by 50% by 2028 and replace 90km of the worst leaking circuits with non-oil alternatives; putting WPD on target to remove all oil-filled cables by 2060.				☝	
31	Deliver a 20% reduction in SF_6 losses from RIIO-ED1 and drive industry partners to develop technological alternatives to reduce overall volumes of SF_6 on the system.				☝	
32	Achieve zero waste to landfill by 2028 (excluding hazardous waste) and deliver an overall 30% reduction in tonnage waste produced.				☝	
33	Remove up to 50km of overhead lines in Areas of Outstanding Natural Beauty.				☝	

Key:

	No stakeholder support at that stage		Action specifically requested by stakeholders
	Regulatory or legislative drivers *(including suggested actions from WPD based on our expertise, but not yet tested with stakeholders)*		Specific action reviewed and agreed with stakeholders
	High level stakeholder support *(e.g. indicating this overall area of activity is a priority, but not yet indicating specific actions)*	☝	Increased ambition following feedback

Enduring feedback (before engagement for RIIO-ED2 commenced):

5.58.   The vast majority of WPD's commitments have been co-created with stakeholders. However, in a small number of cases, WPD has proactively suggested commitments that we believe our customers will value, based on our years of expertise. For example, in relation to this area of our plan, our enduring engagement tells us:

2017 annual stakeholder workshops
Stakeholders agreed that future actions to address energy usage in WPD buildings, vehicle emissions and SF_6 should be prioritised - with stakeholders suggesting investment into longer-term research towards SF_6 alternative solutions is particularly important.

2018 annual stakeholder workshops
Stakeholders discussed the outcomes they wanted to see achieved in RIIO-ED2. Across the workshops, a sizeable majority focused on environmental issues such as the decarbonisation of energy and sustainability.

WTP (joint DNO exercise) 2019:
Highest social value of any tested attribute in the area of 'sustainability' was the action to 'Develop initiatives to reduce the environmental impact of network company activities' (£1.60).

In detail

Core commitment (WC = wider commitment)	Phase 1: Preliminary Engagement (Jan-Nov 2019 - Synthesis Report 1)	Phase 2: High Level Social Value Research (plus regional workshops) (Nov 2019 to Feb 2020 - Synthesis Report 2)		Phase 3: Business Plan Development (Feb to Nov 2020 - Synthesis Report 3)	Phase 4: Business Plan Refinement (Dec 2020 to March 2021 - Synthesis Report 4)	Phase 5: Business Plan Acceptance Testing
		Broad feedback	Specific commitment suggestions			
29 Achieve net zero in our internal business carbon footprint by 2028 (excluding network losses) and follow a verified science based target of 1.5°C to limit the climate impact to of our activities.	Stakeholders wanted WPD to be more responsive on environmental issues, particularly focusing on reducing emissions nationwide. Feedback focused on a few main topics including reducing WPD's business carbon footprint.	Stakeholders were passionate about WPD reducing carbon emissions, and showing leadership in the industry and society by setting ambitious targets. WPD should achieve net zero sooner than government targets, perhaps as early as 2030, and align with local authority aims.	• Set an example to our supply chain with conversion of all WPD vehicles to EV and share best practice	Stakeholders were critical of WPD's initial net zero target of 2043, urging the company to pledge to a more ambitious date, to lead by example in the industry. Stakeholders wanted WPD to at least match local targets. Some suggested a tiered target, and some were concerned about whether any target set stretches to WPD's supply chain and contracts. Future customers urged high ambition, welcoming a 2028 target as highly progressive in contrast to 2050, but on the other hand it is still a decade away. In terms of the proposed environmental and sustainability measures, the commitment to reduce WPD's internal business carbon footprint to net zero by 2028 was seen as acceptable and ambitious.	A very high proportion (80%) wanted to see further ambition, with 52% supporting the maximum level of ambition (net zero by 2028). 61% of surveyed end user customers agreed.	**80%**
WC 89% of commercial van fleet to be non-carbon vehicles by 2028, lowering annual transport emissions by 10,050 tCO2e (tonnes of carbon dioxide equivalent).	For internal emission reductions, stakeholders suggested converting company vehicles to electric vehicles, increasing low carbon electricity in buildings as well as making all company buildings carbon neutral before the governmental targets.	A major focus was lowering vehicle emissions and electrifying WPD's fleet, as WPD should lead the way. Stakeholders were also keen to see energy efficiency improvements in buildings, with retrofitted solar panels and insulation. New buildings must have high environmental specification. Carbon offsetting was mentioned as necessary, but only after all possible steps to reduce emissions have been taken.	• Focus on innovation to replace harmful materials such as SF6 • Increase replacement of leaking assets • Use science based targets to improve biodiversity, aiming for a net gain	With the exception of larger specialist vehicles, all vehicles should be transitioned to electric. For larger types, stakeholders felt that WPD should consider alternative technologies – particularly green gas like biomethane or hydrogen. It was pointed out the target would need to be reviewed in light of the government's white paper. Stakeholders were also interested to know whether supply chain vehicles could be incorporated into the output; ensuring WPD has a green recycling initiative for old vehicles; and whether this output could extend to include plant machinery. It was felt that WPD could lead the way in this area by sourcing the energy for EV charging from renewable sources.	While 40% favoured the lower ambition (replace 79% of the fleet) 55% wanted to see greater. However, there was no consensus on the precise level. WPD picked the mid-point option of '89%', as of the two higher ambition options, more customers wanted to see the lower option. Achieving 100% will also require new technological developments for larger vehicles for which there are currently no zero carbon alternatives.	
WC Install renewable local generation at all suitable offices and depots with a capability to save 3000 MWh per year.	For broader environmental impacts, protecting the countryside, reducing waste and pollution, and ensuring there is no damage to biodiversity were all raised. Stakeholders explicitly mentioned that WPD's environmental priority should include commitments such as "Reduce company carbon footprint' and 'Achieving zero-carbon'	The natural environment was important to many. WPD must reduce oil and SF6 leaks. Extensive asset monitoring is needed, and innovation to find alternatives to SF6. Stakeholders were also concerned about the effect of operations on biodiversity and wildlife with discussions around the planting of trees, rewilding and sustainable land-use practices. Improving WPD's natural capital could also help reach carbon neutrality and the net zero target.	• Achieve the target of net zero emissions from our buildings by 2030 • Identify measures and set clear targets to monitor our progress in this area	Stakeholders were very positive about WPD installing renewable generation on existing and new buildings. Some stakeholders indicated that PV on roofs would be a quick win, although they were keen to see a cost/benefit analysis to assess its effectiveness. Stakeholders also said that WPD should use its knowledge and experience to help other partners move in the same direction, such as other organisations and local authorities. As a measure, it was seen as appropriate but required more targets, e.g. work out WPD's total energy use and then put in the equivalent amount of generation, including heat.	95% supported this commitment, with no notable suggestions for alternatives. However they requested the impact of these installations to be better quantified to ensure this is a meaningful action and not 'greenwash'.	
30 Reduce the volume of oil leaked from fluid filled cables by 50% by 2028 and replace 90km of the worst leaking circuits with non-oil alternatives, putting WPD on target to remove all oil-filled cables by 2060.		Waste was another theme discussed, in particular the reduction of waste to landfill and the reduction of plastic use and waste. Stakeholders were keen to see zero waste by 2030, a higher recycling content and tackling single-use plastic, among others.	• Implement home working to reduce emissions from WPD buildings • Reduce the use of gas in buildings and aim to stop altogether • Incentivise staff to reduce their use of skips • Use recyclable materials wherever possible	Stakeholders very much supported the reduction of fluid filled cables and leaks from them. The aspiration to remove all PCB contaminated equipment from the WPD network by 2025 was commended but could be brought forward further. One stakeholder also made the point that they would like to see more linking of the operational impact to WPD's innovation strategy, including working with higher education, colleges and universities and more research into mitigating its carbon footprint. Some stakeholders required more context and information on the existing performance to judge if targets are appropriate. The youth audience thought that using safe materials is important to a customer, and it would be good to know that the correct things are being used. There was real appetite for faster change. Some end user customers were alarmed, as they were not aware of leakages, and feel it is a critical area to address and without further context the numbers feel high. The commitment to reduce network leaks by 50% could be increased i.e. by reduce leaks by a greater percentage or even eradicating them altogether.	Of the five options, a large majority of 43% supported a 50% reduction. Similarly, 46% supported greater ambition to replace 90km of the poorest performing cables. Stakeholders commended the focus on leakage reduction, but some cited the need to work towards removing oil from the system entirely.	**75%**
31 Deliver a 20% reduction in SF6 losses from RIIO-ED1 and drive industry partners to develop technological alternatives to reduce overall volumes of SF6 on the system.				Stakeholders felt WPD should aim to reduce harmful leaks from equipment in order to minimise its operational impact. While there was acknowledgement from some that it may be hard to find an alternative to SF6, it was noted that this is an extremely potent greenhouse gas so improvements should be made against current levels. Some wanted WPD to get rid of SF6 completely in the plan period, while some noted this could be unachievable, but they certainly welcomed more ambition. The youth audience also made note that SF6 is dangerous for workers, because high concentrations of SF6 could lead to harmful medical problems. For domestic customers, reducing SF6 losses by 20% was seen as needing to be more ambitious.	The majority of stakeholders wanted to see greater ambition, and of the five options considered, 44% supported the maximum level (20% reduction). 10% wanted to suggest an alternative commitment – which was relatively high compared to other commitments. When probed, most just sought greater clarity to understand the scale of the problem. WPD was encouraged to work with industry partners to develop	**84%**

#	Commitment					Stakeholder feedback		Response	
								ways to eliminate the need for SF6 in the future.	
32	Achieve zero waste to landfill by 2028 (excluding hazardous waste) and deliver an overall 30% reduction in tonnage waste produced.					Stakeholders unanimously supported WPD reducing the amount of waste to landfill, with many commenting WPD should not wait for RIIO-ED2. There was, however, discussion about the appropriateness of the target. Some wanted zero to be achieved immediately, whereas others felt zero was a huge challenge and slightly missing the target may open WPD up to criticism later. However the general consensus was that a 20% reduction in tonnage (initial target) was not radical enough. Greater recycling and reducing single-use plastic is an important factor. For domestic customers, a 20% reduction in tonnage of waste per £ of annual turnover was seen as needing to be more ambitious.		62% of stakeholders wanted to see greater ambition in relation to waste reduction, and of the 5 options presented, 49% favouring a 30% reduction in overall waste. In a separate question, 69% favoured zero waste to landfill. 52% of surveyed end user customers agreed.	82%
33	Remove up to 50km of overhead lines in Areas of Outstanding Natural Beauty.					In response to what measures are missing in relation to 'Environment', stakeholders, and domestic customers in particular, flagged underground cable to improve visual amenity. Stakeholders required more detail to put the figure of 34km (initial target) into perspective, and more detail on which areas will be prioritised, e.g. AONBs, and how these lines will be replaced. It was heavily argued that underground lines will also result in disruption to the environment in those areas, which can be as harmful as, or more harmful than, using overhead cables, so a balance must be struck. It was also added that reliability should be a considered factor, balancing the cost of undergrounding versus the cost of dealing with a power cut).		Stakeholders were not in agreement on this topic. 39% favoured targeting 40km of undergrounding, yet 33% wanted the maximum level of ambition. Of the 8% suggesting alternatives, whilst the suggestions were non-specific they all emphasised the importance of doing more. Amongst end user customers there was clearer consensus, with 70% wanting to see maximum ambition. We therefore proposed an increase in the scope of this commitment.	82%

Examples of feedback that have not resulted in a core commitment in this area

Stakeholder feedback	WPD response
Local authorities expressed strong support for further increasing the smallest size of low voltage mains cables and pole mounted transformer size to reduce technical losses, and therefore WPD's carbon footprint.	We have made a wider commitment within the Business Plan that, where a low voltage mains cable is required, it will be a minimum size of a 300mm2 cable and, for the smallest pole mounted transformer, size will be 50kVA single phase to reduce technical losses.
Stakeholders expressed great concern about the environmental and ecological impact of tree trimming and urged WPD to engage with residents and stakeholders.	We have made a wider commitment to an extensive resilience tree trimming programme to improve network reliability throughout RIIO-ED2. This will focus on targeted trimming, not tree felling, and the rollout of LIDAR technology will help to better target our activities on the network spans at greatest need of action. As we plan these activities, our local staff interact with landowners and local authorities to ensure that trimming work is mindful of ecology, avoids nesting seasons wherever possible and to replace bat boxes.
As an overarching point, one stakeholder noted that there was nothing relating to WPD's stewardship of the land it owns or leases, particularly in terms of biodiversity.	WPD's commitments #17 and #18 for community support will include a key focus on environmental initiatives. In addition, WPD is proposing a Customer Value Proposition to utilise unused WPD land (purchased for future substations not yet needed, thanks to the rollout of flexibility services) for local communities to build electric vehicle charging sites and community energy schemes. This will also include WPD's use of agricultural land which, with a suitable management regime, could provide benefits to local communities as a carbon sink, improved visual amenity and / or other environmental improvements (e.g. the establishment of broad leaf woodland or other tree planting, bog restoration or floodwater management (by retention in uplands).

Category 3.2: A smart and flexible network

Summary

	Commitment	Phase 1 Preliminary engagement	Phase 2 Social value	Phase 3 Business Plan development	Phase 4 Business Plan refinement	Phase 5 Business Plan acceptance
34	Encourage the development of flexibility markets by implementing simple, fair and transparent rules for procuring flexibility services, undertaking a flexibility tender every six months and introducing a customer satisfaction monitor for flexibility services.					
35	Maximise the utilisation of the network and keep costs to customers low by adopting a 'flexibility first' approach for assessing all load related reinforcement decisions.					
36	Ensure capacity availability to enable net zero to be achieved across our regions sooner than 2050 (some areas as soon as 2030), in line with the ambitions of stakeholders in each region.				*New*	
37	Make it easy for customers to connect LCTs ensuring WPD is able to connect up to 1.5 million electric vehicles and 600,000 heat pumps.				⬆	
38	Improve the accessibility and usefulness of data, tailored to individual customer needs and in the format of their choosing by making 60% of WPD's network data available via an interactive Application Programming Interface.					
Wider commitment	Annually update the Long Term Development Statement and a Network Development Plan to ensure future investments are identified to facilitate decarbonisation across local areas.					
39	Align our low carbon technology forecasts with the energy plans of local regions and the Electricity System Operator, by updating WPD's Distribution Future Energy Scenarios every 12 months.				⬆	
40	Drive the development of Local Area Energy Plans by proactively engaging with all 130 local authorities each year, resulting in more accurate WPD forecasts.				⬆	
41	Identify opportunities for a minimum of three whole system collaboration schemes with other DNOs and the ESO to enable our customers to benefit from lower electricity network and system costs.				⬆	

Key:

🟥	No stakeholder support at that stage	🟩	Action specifically requested by stakeholders
🟧	Regulatory or legislative drivers *(including suggested actions from WPD based on our expertise, but not yet tested with stakeholders)*	🟩	Specific action reviewed and agreed with stakeholders
🟨	High level stakeholder support *(e.g. indicating this overall area of activity is a priority, but not yet indicating specific actions)*	⬆	Increased ambition following feedback

Enduring feedback (before engagement for RIIO-ED2 commenced):

5.59. The vast majority of WPD's commitments have been co-created with stakeholders. However, in a small number of cases, WPD has proactively suggested commitments that we believe our customers will value, based on our years of expertise. For example, in relation to this area of our plan, our enduring engagement tells us:

We have been engaging with the local authorities via bilateral meetings to explain our Distribution Future Energy Scenarios (DFES) data, and liaising with government departments including BEIS (department for Business, Energy and Industrial Strategy), OLEV (Office for Low Emission Vehicles) and the DfT (Department for Transport) via their Electric Vehicle and Electric Heat teams. We have completed cross vector heat pump trials via the Freedom innovation project, delivered in conjunction with Wales and West Utilities. Our transport work has seen us lead on national discussions with motorway service operators to develop their plans

for strategic road charge points. We are also working with DfT on their Project Rapid infrastructure work. We also engage with vehicle manufacturers such as Daimler Benz as we turn our attention to commercial and HGV electric vehicles. Understanding EV charge habits from our Electric Nation project, increasing the base sizes of cables and transformers and proactively reinforcing known LCT hotspots has been key.

Connections workshop 2019:
Stakeholders indicated that there needs to be more dialogue between local government officers and WPD, particularly at the start of the process in order to link everyone together and set clear expectations, with the overarching key goal to ensure that network infrastructure is future proofed. WPD also has a key role to support housing development plans to ensure sufficient network infrastructure is in place.

Stakeholder feedback from 'Presumed Open Data' Network Innovation Allowance project:
Participants with expertise working with data were keen to have access to as much data as possible, regardless of whether or not it has been cleaned, as they have the capability to clean data. However, other users with different requirements and capabilities to handle data would find this data inaccessible. WPD must therefore cater for all types of data capabilities amongst potential users. The ways in which users' access data can also vary significantly depending on the stakeholder group in question, the type of dataset, and the way it will be used.

In detail

Core commitment (WC = wider commitment)	Phase 1: Preliminary Engagement (Jan-Nov 2019 - Synthesis Report 1)	Phase 2: High Level Social Value Research (plus regional workshops) (Nov 2019 to Feb 2020 - Synthesis Report 2)		Phase 3: Business Plan Development (Feb to Nov 2020 - Synthesis Report 3)	Phase 4: Business Plan Refinement (Dec 2020 to March 2021 - Synthesis Report 4)	Phase 5: Business Plan Acceptance Testing
		Broad feedback	Specific commitment suggestions			
34 Encourage the development of flexibility markets by implementing simple, fair and transparent rules for procuring flexibility services, undertaking a flexibility tender every six months and introducing a customer satisfaction monitor for flexibility services.	Flexibility services were seen as crucial and it was noted that a smarter, more flexible network would reduce the need for traditional reinforcement. Customers felt that investment in technology would benefit WPD in the long-term and educating consumers about ways to reduce their emissions was important. The increasing penetration of variable renewable generators leads to a network with more variable demand and generation curves. Stakeholders highlighted the need to accurately predict these fluctuations as WPD transitions to a DSO. Future network capacity was mentioned in multiple events as a concern in light of new renewable generation as well as new housing developments. For community energy groups, enabling electric vehicle uptake and issues relating to the environment were their top two priorities.	Handling increasing volumes of renewable generation and transitioning to a DSO requires WPD to substantially increase the amount of flexibility on its network. We must cater for the needs of domestic and commercial customers, with both requiring clear, simple steps to allow them to participate. WPD should provide clarity and long-term certainty of its flexibility requirements and offer well-established propositions to encourage participation. Collaboration and a whole system approach are essential for future energy plans, national policy on decarbonisation, local resilience and storage. WPD should lead collaboration with other utilities and local bodies regarding new housing developments, network planning and reinforcement, demand reduction, localised generation, planning policy, and renewables installations. WPD should play a prominent role in actively encouraging uptake of EVs on a mass scale, including pre-emptively reinforcing the network to ensure sufficient capacity. EVs should be a key consideration when	• Invest ahead of need to ensure enough capacity • Work with other DNOs to provide a UK-wide, consistent EV charging network service • Lobby government to influence building regulations to ensure that charge points are provided in new builds • Provide a central advice service to educate customers on the processes and cost of installing charge points. • Collaborate with EV manufacturers and technology companies and endeavour to innovate in this area • Upgrade the network to enable rapid charging • Ensure the capacity and infrastructure is in place to expand on-street charge points • Forecast where capacity will be needed as demand increases • Take a leadership role in terms of education and communication	Most stakeholders felt this output had the right level of ambition and as a measure it was seen as acceptable and expected, while for businesses it was seen as important to know they can change their plans but know that the supply will always be there for them. Stakeholders mentioned that a lot of the DNOs are using online auction-type platforms to procure flexibility services, but there needs to be a more joined-up approach to the flexibility market. More can be done to open up flexibility services for domestic consumers, with a role for WPD in the societal education process needed. It was suggested that WPD should start looking at giving dates for when flexibility is rolled out across WPD's areas, providing longer-term certainty over our requirements, which is important for the local authorities and communities trying to achieve net zero.	93% support for this commitment. Of the 7% suggesting an alternative, most requested the outcome/benefit to be made clearer, with no notable specific alternatives raised.	79%
35 Maximise the utilisation of the network and keep costs to customers low by adopting a 'flexibility first' approach for assessing all load related reinforcement decisions.				Efficiency is important and WPD must ensure that the existing network is being used to its full potential before new assets are built. However, some new reinforcement is inevitable. It was felt that the strain placed on the network during the Covid-19 lockdown highlighted the need for upgrades to facilitate future changes to the network and aid the green recovery.	95% support for this commitment. Of the 5% suggesting an alternative, most requested the outcome/benefit to be made clearer, with no notable specific alternatives raised.	69%
36 Ensure capacity availability to enable net zero to be achieved across our regions sooner than 2050 (some areas as soon as 2030), in line with the ambitions of stakeholders in each region.				Capacity was a big issue discussed by stakeholder across multiple events and recurred when discussing different topics. It was deemed crucial in the road to net zero to enable the uptake of low carbon technologies and flexibility. It was also noted that increased capacity would help to bolster the area's economy by providing charging points for tourists visiting certain rural areas. A number of local authorities planned to use low carbon technologies in new developments as part of their net zero ambitions and wanted support and assurances from WPD to help them achieve net zero well in advance of 2050. Many local authorities were keen to discuss the impact of grid constraints on their plans and explore how future capacity needs could be met. Stakeholders once again raised the need for increased capacity to host community energy projects, ensuring that a lack of grid capacity is not a barrier. It was commented that WPD must allocate grid capacity fairly, but there must be some social value calculation involved, not just financial.	NEW Stakeholders requested a separation between WPD's own achievement of net zero (based on our business carbon footprint) and the actions we will take to enable local regions to achieve net zero overall, by dates much sooner than the government target of 2050. There was acknowledgement that local authorities are going at different paces and not all will be ready by 2030, but WPD needs to be able to provide sufficient capacity for those that are. Almost all stakeholders felt that 2050 was much too late and WPD had a key role to drive earlier achievement.	79%
37 Make it easy for customers to connect LCTs ensuring WPD is able to connect up to 1.5 million electric				Stakeholders were keen to see WPD facilitate LCT uptake, and make this as easy as possible, particularly by removing capacity issues. They stated that the more distributed power, the better. Stakeholders felt that that WPD's projected LCT uptakes are likely and that associated industries are capable of delivering. Developers commented on the need for WPD ensure it can to handle a lot of connections of the same type at the same time. There	A very high proportion of stakeholders (72%) wanted to see greater ambition, with 62% favouring WPD connecting '6% higher than	80%

#	Commitment				Stakeholder Feedback		Ambition
	vehicles and 600,000 heat pumps.	There was also a substantial amount of feedback on WPD's key role in providing EV charging infrastructure particularly in terms of ensuring sufficient network capacity and determining locations of charging hubs. Local authorities stated their aspiration to become 'carbon-free' and would appreciate support from WPD to achieve this.	upgrading or building new infrastructure, to provide easy access to chargers, especially in rural areas. Stakeholders want more investment now, to reduce the cost of net zero significantly in the future. However, this has to be balanced with affordability for customers, especially not disadvantaging the vulnerable or fuel poor. WPD must therefore strike a balance and invest wisely to match likely uptake, using accurate forecasting, modelling the effect of different uptake scenarios. WPD's Future Energy Scenarios (FES) are therefore crucial. Stakeholders discussed the importance of facilitating other organisations' net zero targets, particularly local community groups and local authorities and aligning local and national energy plans. WPD must collaborate with planning authorities and developers so new developments are built with net zero compliance in mind.		should be some sort of data hub across the DNOs and the ESO and other relevant parties so that customers can find out where they can put their LCT assets in an easy way that is consistent across the whole system.	the national average'. Stakeholders felt that high volumes of LCTs are essential in RIIO-ED2 if he UK is to successfully transition to Net Zero as early as possible. A quality, simple service is therefore essential to encourage adoption of LCTs.	
38	**Improve the accessibility and usefulness of data, tailored to individual customer needs and in the format of their choosing by making 60% of WPD's network data available via an interactive Application Programming Interface.**				Stakeholders felt that access to clear data was vital and that WPD should make as much available as possible, as long as it doesn't present a security risk. Support was expressed for existing data including the online capacity maps and the new data hub, and requests were made for other forms of data, including WPD's switching status. In terms of how stakeholders want the self-serve data presented to them, it is clear that WPD must cater for a range of data needs, capabilities and preferences amongst customers. Stakeholders voted most highly, with a score of 7.80 / 10, for the option of API, pulling data to inform wider decisions, while second, with a score of 7.48 / 10, was the option of high level visual presentation. A number of customers would also like the option to download raw data.	Of the five option presented, 43% of stakeholders supported this level of ambition.	**83%**
W C	**Annually update the Long Term Development Statement and a Network Development Plan to ensure future investments are identified to facilitate decarbonisation across local areas.**				Local authorities emphasised the importance of using data from their Local Plans to inform WPD's network planning, but cautioned that WPD will need to remain flexible, as often the local plan timeframe extends beyond the end of RIIO-ED2. It is also valuable for WPD's data to inform these local plans; for example, local authorities need to know ahead of time if the system is going to be adding large numbers of electric vehicles or heat pumps so they can plan ahead for that. They don't want to initiate new environmental investments if WPD will say that the network cannot accommodate them, so there needs to be joined-up thinking. Projections for technology take up to give a longer-term view of the needs of each region is very important.	95% support for this commitment. No notable alternatives requested.	
39	**Align our low carbon technology forecasts with the energy plans of local regions and the Electricity System Operator, by updating WPD's Distribution Future Energy Scenarios every 12 months.**				See feedback in relation to the associated commitment above. In addition: Stakeholders welcomed proactive, frequent and open discussions about WPD's DFES and the importance of local forecasts. They called on WPD to engage local authorities at an early stage in the planning process. Future customers want WPD to work with developers to ensure properties have sustainable design. As a measure, it was seen as acceptable and the more frequent the DFES can be updated the better, but WPD should report on the benefits of doing so for customers.	Of the five options presented, 52% of stakeholders supported this level of ambition.	**77%**
40	**Drive the development of Local Area Energy Plans by proactively engaging with all 130 local authorities each year, resulting in more accurate WPD forecasts.**				Overall there was wide agreement that more engagement is needed and that local authorities and enterprise partnerships need to work more closely with WPD to deliver aligned energy plans and streamline the sharing of information. Stakeholders specifically raised the need to increase engagement to assess if there are gaps in EV charging infrastructure and mentioned having a local contact so they can see whether local authority plans match those of WPD. They thought that the Local Development Plan should be the avenue for local network planning, but they require more upfront information on capacity available and what costs are involved.	A high proportion (74%) of stakeholders favoured much greater ambition, with the greatest proportion (53%) favouring annual contact with local authorities.	**79%**
41	**Identify opportunities for a minimum of three whole system collaboration schemes with other DNOs and the ESO to enable our customers to benefit from lower electricity network and system costs.**				Stakeholders stressed the importance of joint planning between gas and electricity and highlighted the need for communication and collaboration across industries. WPD was advised to collaborate with other agencies such as water companies which are delivering positive programmes in areas like biodiversity, and the Environment Agency around flood defences, and with other DNOs to enhance system reliability and address capacity constraints. A number of stakeholders and large connection customers stressed that certain aspects of their growth plans hinged on identifying and accessing network capacity, and it was felt that, with a whole systems approach, the scorecard system could be an effective way of enhancing transparency of connections.	While the most supported individual option was to deliver two collaboration schemes (39%), the majority of respondents wanted greater ambition (51%). However, there was no consensus on the precise level. WPD has picked the mid-point option of 'three schemes', as of the two higher ambition options, more customers wanted to see a lower commitment.	**76%**

Examples of feedback that have not resulted in a core commitment in this area

Stakeholder feedback	WPD response
Stakeholders stressed the importance of taking a holistic approach where Active Network Management (ANM) and new connections are considered in the round, and that ANM should be rolled out to domestic as well as business customers	In addition to commitment #15 to significantly lower the thresholds for connections schemes that will receive a flexible offer, WPD is currently trialling schemes to extend flexibility services to domestic customers. This forms part of wider commitments within WPD's Business Plan in relation to our DSO strategy. The role of community energy schemes in opening up access to flexibility for domestic customers is also a key priority for RIIO-ED2.
Referring to WPD acting as a neutral market facilitator to enable accessibility to multiple markets, business customers noted that WPD has no choice because WPD has to provide non-discriminatory access so it has to choose the cheapest flexibility option, so to choose low carbon over anything else would require a change in legislation	These insights have informed our innovation commitments to ensure that a carbon impact assessment is conducted for every innovation programme, not just a traditional cost benefit analysis. We also have a range of commitments that will focus on encouraging and actively enabling the uptake of low carbon technologies, and the availability of these to enable participation in flexibility services.
In terms of specific next stage priorities to be addressed in terms of electric vehicles, 53% of stakeholder votes wanted WPD to focus on on-street charging, 17% on supermarket charging, and 13% on office car parks for employees and tourists hubs. When asked to rank WPD's priorities to facilitate heat pumps, 46% of stakeholder votes were in favour of new housing developments, 39% were for off-gas grid properties, and 11% supported retrofitting existing properties with gas boilers.	While not present in our overall core commitments, WPD publishes and regularly consults on and updates an Electric Vehicle Strategy. This contains extensive actions that address the areas of stakeholder priority raised here, including the various requirements for charging away from home – including on-street, at supermarkets, motorway service areas etc. Similarly, WPD has a standalone Renewable Heat Strategy that address the key areas of concern raised by stakeholders, and ongoing feedback is continually sought to update the action plan contained within it.
We were asked to work with customers to reduce demand - including working with manufacturers for innovation, educating end-customers and collaborating with others to find best practices for energy reduction	While energy efficiency will reduce the demand of individual electrical items – and is something WPD will actively encourage as part of conversations with customers in relation to flexibility services (commitment #34), fuel poverty mitigation (#9), low carbon technology advice (#43) and community energy programmes (#44) – all forecasts indicate that overall customer electricity usage will increase in the future as they transition to electric cars and heat pumps. Increases in the use of electrical energy from low carbon generation sources are a key part of the UK government net zero target and therefore WPD's commitments are driven to accommodate these changes.
It was suggested that WPD should launch tariffs to incentivise renewable energy and flexibility	Clearly energy tariffs are the responsibility of energy suppliers. However, in relation to flexibility procurement arrangements, Ofgem/BEIS require these to be consistent across all network companies, with coordination delivered via the Energy Network Association's Open Networks Project. WPD's tariffs are charged in line with our agreed charging methodology, approved by Ofgem. We provide a level playing field and equal access to the network, so our charges are reflective of that. As part of this, once the Significant Code Review and flexibility implementation path is agreed with Ofgem, we can consider what information needs to be available to customers to assist them to participate. We do procure flexibility to help avoid or defer reinforcement. This provides a revenue for flexibility that is helping reduce network constraints. This is procured through www.flexiblepower.co.uk and we signpost to where flexibility might be required through our network flexibility map: www.westernpower.co.uk/network-flexibility-map

Category 3.3: Innovation

Summary

	Commitment	Phase 1 Preliminary engagement	Phase 2 Social value	Phase 3 Business Plan development	Phase 4 Business Plan refinement	Phase 5 Business Plan acceptance
42	**We will make an efficiency saving of £53m through RIIO-ED2 by improving the effectiveness of assets, operations and customer service by encompassing innovations into standard business practice and show a positive carbon impact.**				🎧	
43	**Create a low carbon technology energy advisory service for customers, providing a support service for people looking to switch to electric vehicles, heat pumps or solar PV.**				*New*	

Key:

🟥	No stakeholder support at that stage		🟩	Action specifically requested by stakeholders
🟧	Regulatory or legislative drivers *(including suggested actions from WPD based on our expertise, but not yet tested with stakeholders)*		🟩	Specific action reviewed and agreed with stakeholders
🟨	High level stakeholder support *(e.g. indicating this overall area of activity is a priority, but not yet indicating specific actions)*		🎧	Increased ambition following feedback

Enduring feedback (before engagement for RIIO-ED2 commenced):

5.60. The vast majority of WPD's commitments have been co-created with stakeholders. However, in a small number of cases, WPD has proactively suggested commitments that we believe our customers will value, based on our years of expertise. For example, in relation to this area of our plan, our enduring engagement tells us:

Our BAU innovation programme constantly reviews the work of other electricity companies (we have a named individual for each network company) and beyond the networks sector we carry out engagement and research with other players in the energy industry, such as suppliers, charge point operators, generators and aggregators. Many of our innovation projects look for transfer of knowledge and concepts from other sectors (e.g. space, defence, aerospace, food).

Core commitment (WC = wider commitment)	Phase 1: Preliminary Engagement (Jan-Nov 2019 - Synthesis Report 1)	Phase 2: High Level Social Value Research (plus regional workshops) (Nov 2019 to Feb 2020 - Synthesis Report 2)		Phase 3: Business Plan Development (Feb to Nov 2020 - Synthesis Report 3)	Phase 4: Business Plan Refinement (Dec 2020 to March 2021 - Synthesis Report 4)	Phase 5: Business Plan Acceptance Testing
		Broad feedback	Specific commitment suggestions			
42 **We will make an efficiency saving of £53m through RIIO-ED2 by improving the effectiveness of assets, operations and customer service by encompassing innovations into standard business practice and show a positive carbon impact.**	Stakeholders were keen to see WPD integrate both technical and non-technical innovation into their services in order to improve efficiency. Several good examples were mentioned from other industries and stakeholders were keen for WPD to learn from best practice at other companies, regardless of the sector. Innovation to ensure that vulnerable customers do not find themselves excluded from a particular project or development based on digitisation, knowledge or cost was of particular significance for stakeholders.	Innovation was discussed in relation to supporting community energy projects, new technology, buildings, EVs, new services and showing leadership and lobbying. New technology deployment was also a well covered topic with discussions in numerous workshops on WPD's role in the roll out of smart meters, heat pumps, battery storage, inductive EV charging, and three-phase connections, and above all, ensuring successful innovation schemes were rapidly rolled out to enhance business-as-usual services and drive efficiency. Feedback noted that WPD should be proactive and lead the way with innovation in the sector through establishing a national innovation strategy, an innovation fund, as well as helping partner organisations to establish innovation strategies. Stakeholders wanted WPD to provide a central advice service to educate customers on the processes for things such as the installation of charge points and the cost of adopting low carbon technologies. Consider including a 'dummies guide' for a variety of new technologies.	• Provide training/ advice for communities and include case studies • Create a one-stop-shop where customers can learn about smart meters, flexibility services, reducing consumption and advice on all things energy related. • Work closely with third parties such as schools and LEPs to increase the spread of accessible, digestible information and education • Lead on coordination and advice for businesses on how to take up low carbon technologies and new services • Continue to fund innovation projects and share case studies of best examples • Work on innovation projects to make greater use of automation and make better use of smart data to improve the efficiency of the network • Support the development of technology so EVs can act as batteries to store energy	Several stakeholders praised WPD for being the best DNO for innovation and flagged that trying to speed up the process of innovation trials into business as usual is really important as there is often fatigue at the end of projects and it's essential that key successes are rolled out widely across WPD's operations to achieve maximum benefit. Stakeholders thought this was very important, as some projects are initiated but can drift and not achieve enduring impacts, which can damage stakeholder confidence. Effective communication within WPD is key. There needs to be a nominated senior project sponsor for every project to ensure that successful findings and new ways of operating can be integrated across the business within operations. Some stakeholders noted that, while continually seeking to innovate is important, it is equally essential to take stock of what has already been delivered and ensure the maximum positive impacts have been achieved and rolled out. The ability to share innovation with other DNOs, including those abroad (subject to intellectual property), is an important point. It's about consistently implementing what has been learned to drive efficiency and improvements in existing assets and operations. Stakeholders felt that the company's new ideas portal could help to establish a cohesive approach to energy planning, facilitate communication between public and private bodies and promote shared learning. Stakeholders want WPD's innovation programme to facilitate collaboration between stakeholders, IDNOs and DNOs, in terms of idea generation, maximising participation and co-delivery, but importantly to disseminate learnings and encourage widespread roll out of improvements.	95% supported the commitment to ensure a positive carbon impact for every innovation scheme. Stakeholders stated that decisions regarding innovation projects should not be based solely on cost benefits, but also the consideration of the environmental and carbon reductions they could achieve. Stakeholders accepted that in general there may be a need for costs to increase in order to deliver on the UK's net zero aspirations. However, across several commitments stakeholders sought clarity on how the actions we take will improve the efficiency of our operations. They therefore wanted assurances that our first priority will always be to pursue efficiencies and innovative approaches to achieve more for less cost, and therefore any increases in customer bills would only be necessary as a last resort.	**85%**
43 **Create a low carbon technology energy advisory service for customers, providing a support service for people looking to switch to electric vehicles, heat pumps or solar PV.**				There was support for WPD leading the way in terms of innovation and it was seen as a given that the company should collaborate with stakeholders to do this. It is important to support the low carbon aspirations of customers and make it as easy as possible for them to adopt new technologies and participate in new services (such as flexibility). It was felt that the benefits of innovation in terms of cost savings for customers should be demonstrated and encouraged.	Stakeholders placed significant importance on WPD taking steps to help customers to decarbonise their lives and reduce household total energy costs. However, they felt that the way in which WPD can assist customers to reduce overall energy costs, needed more clarity.	**74%**

Examples of feedback that have not resulted in a core commitment in this area

Stakeholder feedback	WPD response
A group of stakeholders suggested that we invest in storage to increase flexibility on the network	Regulatory rules do not allow DNOs to own or operate storage. However, WPD's commitments in relation to encouraging the development of flexibility markets (#34) and supporting the establishment and development of community energy schemes (#44) are clear ways in which we will seek to encourage the third party installation and operation of storage to provide flexibility services to the network wherever possible.
We were asked to collaborate with industry to roll out smart meters and make use of the data this provides to encourage flexibility	While WPD is not responsible for the roll out of smart meters, our DSO Strategy and Digitalisation Strategy outline the ways in which we seek to utilise smart meter data to improve the real-time operation of the network and enhance our planning for the needs of customers that this data reveals.
The company was advised to clearly communicate the scope of the annual call for innovation project ideas and potentially broaden project eligibility. Several stakeholders made the point that the call for innovation projects needs to include projects that address properties, particularly those owned by landlords in the private rented sector. In that regard, they called for collaboration with councils and social housing providers. Stakeholders wanted new innovation projects with priorities informed by stakeholder engagement.	WPD has made a wider Business Plan commitment to develop an interactive 'innovation ideas portal' aimed at stakeholders submitting ideas for new innovation projects. We recognise that we do not have all of the answers, and are therefore committed to working with a wide range of third parties to develop and deliver innovation projects. We also recognise that others outside WPD may have innovative ideas of their own which is why we will issue a far-reaching 'call for ideas' for future innovation projects. These calls will be run at different times of the year and invite individuals or organisations to submit proposals for specific topics. During RIIO-ED2, we will develop a new interactive ideas portal aimed at staff, third parties, communities and other stakeholders to encourage these groups to make suggestions for new projects. Where appropriate, we will make small grants to individuals or groups to help progress an idea through feasibility assessment and the creation of a high level project scope.

Category 3.4: Community energy

Summary

	Commitment	Phase 1 Preliminary engagement	Phase 2 Social value	Phase 3 Business Plan development	Phase 4 Business Plan refinement	Phase 5 Business Plan acceptance
44	Support local community energy groups by holding 60 community energy surgeries per year and providing a dedicated WPD community energy representative who will assist with connection and flexibility offers.				🎧	
45	Facilitate access to available funding streams for community energy groups.				*New*	

Key:

🟥	No stakeholder support at that stage	🟩	Action specifically requested by stakeholders
🟧	Regulatory or legislative drivers *(including suggested actions from WPD based on our expertise, but not yet tested with stakeholders)*	🟩	Specific action reviewed and agreed with stakeholders
🟨	High level stakeholder support *(e.g. indicating this overall area of activity is a priority, but not yet indicating specific actions)*	🎧	Increased ambition following feedback

Enduring feedback (before engagement for RIIO-ED2 commenced):

5.61. The vast majority of WPD's commitments have been co-created with stakeholders. However, in a small number of cases, WPD has proactively suggested commitments that we believe our customers will value, based on our years of expertise. For example, in relation to this area of our plan, our enduring engagement tells us:

We have engaged with community energy organisations since 2014 with feedback informing our approach in this area. Key feedback has centred on the need for more local engagement, sharing learning from case studies, improving the accessibility of information and encouraging/enabling participation in market flexibility, innovation and decarbonisation. For example:

Communities Consultation 2018:
Stakeholders said that WPD must engage with community energy schemes early on to share our expertise and knowledge with face-to-face interactions and support communities in understanding the business model for flexibility.

Community energy surgeries 2019:
Stakeholders told us that trusted community energy groups are uniquely placed to engage people at scale on the decarbonisation of the energy system, while ensuring no one is left behind by supporting the vulnerable and fuel poor in their areas. The community energy sector has matured and changed rapidly in the last three years. A number of well-established groups have developed ambitious energy capabilities. At the same time, as local authorities develop climate emergency plans, many identify community energy groups as a vital component, which will lead the sector to develop further.

In response, in 2019 WPD hosted eight events to help community energy groups understand flexibility markets. In July, the first four 'Local Energy, A Flexible Future' workshops were a beginners' guide for new groups, including best practice presentations from advanced community schemes. Four 'Communities and the Smart Revolution' events later in 2019 built more detailed knowledge, discussing WPD's specific flexibility products, latest innovation projects and WPD's open-sourced network data.

In detail

Core commitment (WC = wider commitment)		Phase 1: Preliminary Engagement (Jan-Nov 2019 - Synthesis Report 1)	Phase 2: High Level Social Value Research (plus regional workshops) (Nov 2019 to Feb 2020 - Synthesis Report 2)		Phase 3: Business Plan Development (Feb to Nov 2020 - Synthesis Report 3)	Phase 4: Business Plan Refinement (Dec 2020 to March 2021 - Synthesis Report 4)	Phase 5: Business Plan Acceptance Testing
			Broad feedback	Specific commitment suggestions			
44	**Support local community energy groups by holding 60 community energy surgeries per year and providing a dedicated WPD community energy representative who will assist with connection and flexibility offers.**	Stakeholders wanted to see WPD engage more with community energy groups, especially through face-to-face workshops. It was felt that clearer information should be provided to these groups and all applicants to make it easier for them to progress with their projects. In addition, it was suggested that liaison officers should be appointed in order to ensure that information is consistent across the network. It was also felt that more real-time information, for example, more detailed map overlays, would help connections customers to plan.	Stakeholders believed that supporting community energy projects was the highest priority for driving innovation and new services. Education was noted as a key barrier to community project success; however, it was also discussed as one of the potential major benefits from focusing innovation here.

In particular WPD should provide practical support to help community, with many interested in discussing how community energy could be harnessed to benefit the environment.

Many were interested in how the process to connect community energy schemes to the electricity network could be made easier, more affordable and more practical for them.

. | • Provide a dedicated point of contact for community energy groups
• Educate and inform communities about the benefits of community energy, using workshops and forums
• Help to fund and incentivise community energy projects
• Provide training for communities, including case studies and support to develop their business cases and delivery models
• Extend flexibility/ demand side response to community energy projects rather than just commercial sources of demand
• Simplify the process of connecting community energy projects
• Use local community aggregators to encourage domestic customer participation in flexibility services
• Lobby government for community energy subsidies, such as new feed in tariff
• Consider community energy projects as part of our social contract | Stakeholders felt that WPD should do more in RIIO-ED2 to support community energy, including prioritising local groups, engaging with and educating those involved in community energy projects and lobbying for policy change to tackle high connection costs. Greater support from WPD is also important because community energy groups have the potential to play a key, expanding role in the smart energy transition. For example, they could be involved in innovation trials to improve services for customers in vulnerable situations, utilising the positive impacts of new technologies such as smart networks and low carbon technologies.

It was agreed that community energy groups would benefit from the guidance and expertise of a community engineer. Stakeholders especially welcomed the idea of a community engineer who will advise and support people is well liked e.g. after installation of smart meters/charging points, helping people make greener or/and more energy efficient choices.

Stakeholders felt that community groups were held back by factors such as variable costs and limited understanding of complex issues, such as constraints. With this in mind, it was felt that WPD could primarily support community energy groups by improving its communication, from demonstrating the potential of community projects to providing technical support and regulatory assistance further down the line. Some stakeholders, including charities find it hard to keep track of the different WPD innovation projects and welcomed WPD hosting regular workshops so that people can hear about projects that are in the pipeline or put calls out when testing something or developing a project saying that the company is looking for partners. Future customers at the Youth Community Measures of Success Research thought that community energy projects have a significant role to play in a low carbon future, to facilitate community generation.

Stakeholders therefore welcomed the commitment in the draft Business Plan to hold energy surgeries for local authorities to support the development of local energy plans. They feel that an integrated local approach to capacity, social and economic planning would add value to communities. | While the most supported individual option was to deliver 30 events per year (41%), a greater proportion of respondents wanted greater ambition (55%). There was no consensus on the precise level, so WPD has picked the mid-point option of '60 events a year', as of the two higher ambition options, more customers wanted to see a lower commitment.

97% support for introducing local WPD community energy representatives. Feedback specifically from community energy groups and their representatives highlighted they can face reinforcement costs that make their projects unviable, because of the additional time and lack of ability to move projects to where there is available capacity. They therefore suggested that WPD should commit to working collaboratively with community and local energy stakeholders to develop tailored connection and flexibility offers that recognise the business case of the generation asset. | **78%** |
| 45 | **Facilitate access to available funding streams for community energy groups.** | | | | Community energy groups felt very much in need of WPD's support, help, and guidance. Community energy stakeholders have requested that WPD provides proactive support to community and local energy stakeholders to help to facilitate access to a variety of funding streams. This will enable community stakeholders to work collaboratively with both WPD and local authorities to offer tailored support to vulnerable and hard-to-reach customers.

Stakeholders proposed more communication and collaboration with energy community groups overall and supporting them to access WPD's own innovation funding. All those spoken to believe the development of local energy plans must involve a range of local stakeholders, including community energy groups. They called on WPD to make a commitment in its Business Plan to lend additional resources and expertise to facilitate collaborative conversations. Some community and local energy stakeholders indicated that they currently have limited capacity to engage and highlighted that help unlocking access to funding streams is key to proactively support coherent engagement and more effective joined-up working. | Community energy stakeholders requested that WPD offer seed funding to newly emerging community energy organisations to help them set up and help engage the hardest to reach customers, as this would accelerate a just energy transition. While regulatory rules preclude this and dictate that WPD must act as a neutral market facilitator, we can seek to act on this feedback by proactively supporting community energy stakeholders to access funding streams. | **81%** |

Examples of feedback that have not resulted in a core commitment in this area

Stakeholder feedback	WPD response
With the likely increase in demand from heat and transport decarbonisation, it is important that WPD considers encouraging the deployment of new renewable generation so that the system can be kept in balance. Stakeholders wanted WPD to help make small scale generation as easy as possible and incentivise local communities to generate their own electricity. Many mentioned the need for financial incentives to cause behaviour changes and encourage self-generation to reduce the strain on the network which can empower people to join the 'green revolution'.	DNOs must be technology agnostic - this is a licence condition - and therefore we cannot provide direct financial incentives to encourage specific renewable generation. However, our plan contains an array of commitments that seek to make it as easy as possible for such technologies to connect and also provide financial payments to provide flexibility services. For example, WPD's commitments to facilitate flexibility markets (#34 and #35) are key actions to encourage the rollout of renewable generation on the system – enabling these connections to occur more quickly and cheaply than if conventional reinforcement was required. We are rolling out smart solutions that our network planners use when designing new connection schemes in order to deliver the least cost scheme. Regular innovation calls for ideas will continue throughout RIIO-ED2 including a specific focus to feature requirements for community group participation in wider schemes. In addition, we plan to deliver an annual funded innovation call specifically to develop community energy innovations.
Understanding of net zero and the electricity network was mentioned as a key barrier that WPD should address with communities, especially as some stakeholders felt the 'green agenda' was being forced on them without understanding why	This was a key consideration in driving the development of commitments to host regular community energy surgeries (commitment #44) and the development of a low carbon technology energy advisory service for customers (#43). In addition, our DSO, digitalisation, electric vehicle and renewable heat strategies will all be subject to extensive stakeholder engagement each year to update our associated action plans. As part of the rollout of successful innovation, a key action will be to educate the general public and communicate the benefits and opportunities for participation. This will include wider Business Plan commitments to extend flexibility to domestic customers and trial vehicle-to-grid technologies all of which will seek to demonstrate the benefits of participating in a green energy future. This stakeholder feedback was also a considered factor in the development of commitment #10 to specifically support customers in vulnerable situations to develop smart energy action plans. Associated with this, WPD's Business Plan contains a wider commitment to take a leading role in delivering a coordinated approach with a range of industry participants to share best practice and co-deliver schemes to ensure vulnerable customers are not left behind by the smart energy transition.
WPD should look to partner with local authorities and organisations that can help deploy storage at a local level. Stakeholders were optimistic that storage technologies other than lithium-ion batteries could be deployed in the near future – such as compressed air, power-to-gas and small scale hydro. A major energy user questioned whether the potential 5,000 electric vehicles parked at their distribution yard could be classed as a large grid battery, or if this is unrealistic.	We are already working with the wider industry to ensure that batteries can feed back into the electricity grid and, in RIIO-ED2 WPD's innovative future energy projects, will continue to involve (non funded) battery systems. Similarly, we will continue to develop vehicle-to-grid technology so that electric vehicles can act as batteries to store energy and potentially provide flexibility services to the network during times of peak demand.

Category 3 overall: The views specifically of end user bill payers and future customers

As you will have seen from the tables above, the views of end user bill payers and future customers have been included throughout our overall considerations of stakeholder feedback and have featured prominently in our decision making. However, as Section 4.25 onwards outlines, given the sheer volume of stakeholders WPD has engaged, it is vital that we ensure the views of bill payers have not been swamped and are reviewed separately to understand any distinctions in their feedback compared to that delivered by stakeholders at large. In order to therefore provide assurances that there is an alignment between the views of informed stakeholders and WPD's wider customers (bill payers and future customers), we have separately reported the key views of the latter below:

5.62.   In the vast majority of cases, feedback from future and end user customers has been in line with wider stakeholder views, although more variation in the value placed on certain initiatives was evident in this category. The topics of sustainability and the environment were found to be of specific importance for our younger customers – and as such significant differences in the perceived status of attributes in these areas could be seen in two particular events – the initial stage willingness pay research (June – October 2020) and the Citizens Panel events (November 2019).

5.63.   In the initial stage willingness to pay research, participants aged 18-29 were the only group who ranked reducing the carbon emissions from WPD's fleet in the top 10 (7th, compared to 19th and 17th from the other, older two age groups). They were also the only group to rank 'working with local communities to achieve net zero carbon emissions targets' in the top half of the attributes tested (11th versus 19th for the over 60s group). In the Citizens Panel research, potential actions to support renewable energy was found to be significantly more popular with 16-29-year-olds (who made up 18 of the 27 points it received in the voting) – and was the only example of a priority scoring very differently within any demographic.

5.64.   What we have therefore observed over time is that this very strong sentiment expressed from the outset by younger consumers has been echoed eventually, but over a longer timeframe, by wider stakeholders. We have seen stakeholders come to a similar view overall, as public consciousness of environmental issues and topics such as net zero have risen in priority. As such, despite initial noted inconsistencies, the spontaneous priorities and measures identified by stakeholders in these groups were eventually wholly consistent with broader stakeholder feedback (outlined in the tables above).

5.65.   In the 'Youth – Measures of Success' deliberative focus group research (specifically targeting future customers), expectations were high for WPD to deliver measures to support the battle against climate change, for fairer prices to be offered and for technological solutions to become second nature. There was a strong positive reaction to 'science based' targets being used and a particular welcome for measures that focused on reducing WPD's carbon footprint and for ambitious targets for landfill and waste. As a group, they were well informed and educated on environmental issues and were eager to push WPD to deliver the toughest measures possible. Overall there was a positive response to the range of measures being proposed although a greater sense of urgency for WPD to address harmful pollutants was expressed.

5.66.   Initiatives that embrace innovation and focus on the future resonated with these audience groups and stakeholder engagement on future energy scenarios was endorsed to ensure planning is long-term. Across all the earlier engagement stages, unprompted focus areas included; further improving the accessibility of WPD's services, maximising our involvement (and support for) local communities, providing education (particularly around support for the smart energy transition), transitioning WPD's fleet to electric vehicles, protecting the countryside, keeping costs down and collaborative working / sharing best practice. As such, this feedback has therefore further supported and endorsed WPD's core commitments outlined in the tables above to take actions in these areas.

5.67. There was a strong message from participants in the social contract forums (see Appendix A35) that companies (especially large employers) should give something back to the community, environment and their people and that, in order for a business to go 'over and above ', it must drive environmental change. Suggested pledges to achieve this included; repairing any damage caused by our activities, reducing pollutants/leaks, investing in electric vehicles, achieving net zero in our own operations well in advance of the government's 2050 target, keeping communities powered, listening / understanding / involving / representing local issues and helping communities to thrive.

5.68. Removing barriers for customers to access low carbon technologies and ensuring communities are well-informed and supported to access the benefits of low carbon technologies and renewable energy were also specifically cited as desired areas of focus.

6. Overall BP acceptability

Headline results

6.1.   Following robust acceptability research with **2,721 current and future end user customers:**

| **82%** end user customer acceptability of the overall plan (92% for future customers) | **only 3%** of customers find the plan unacceptable | **84%** stakeholder acceptability of the overall plan | **87%-97%** stakeholder acceptability of WPD's core commitments |

6.2.   As part of the culmination of our engagement and research on our Business Plan, we undertook specific acceptability research with the overarching objective to provide necessary insight on the acceptability to wider bill-paying customers of our plans and commitments, and to test affordability (covered in more detail in section 7) of the proposed bill impacts.

6.3.   This testing has revealed the informed acceptability of our plan is high and benchmarks well with both water and energy sectors, in summary (see figure SA-03.52):

- **A minimum of 82% of customers find the plan acceptable (and as high as 92% with future customers)**, when informed of the detail and context of the plan.

- **The environment was the top priority for 71% of future customers** (compared to 45% of the total).

- **Managing supply and demand was the top priority for household and non-household (business) customers** (46% and 49% respectively). This suggests elements of the plan in these areas are a key factor in the overall acceptability of the plan.

6.4.   This is a conservative view of acceptability based on best practice recommendations to only consider those customers expressing explicit support rather than those providing a neutral view. Our review of water and gas company approaches has revealed that when calculating their overall acceptability scores, they often only discount explicit expressions of unacceptability and therefore include neutral responses as affirmative. Were WPD to do so, the findings reveal:

- **Only 3% of informed customers find the plan unacceptable,** with a further 5% feeling they were unable to comment.

- **Therefore 92% of customers did not express any dissatisfaction with the acceptability of the plan.**

Figure SA-03.52: Breakdown scores of the acceptability of the overall Business Plan from informed customers

6.5. In addition to this formal research with current and future end user bill payers, WPD has conducted extensive engagement and research with stakeholders as part of our first and second draft Business Plan consultations. The resounding verdict was that our first proposals accurately reflected their priorities and provided an excellent starting point for negotiating exact levels of ambition. This is a testament to the wide ranging co-creation processes used to develop the plan.

6.6. As part of these consultations, we sought early views on the acceptability of our proposals, which in turn helped to inform the refinement process and provide insights of areas of the plan that required change. As we continued to listen to stakeholders and make changes to our proposals in light of their feedback, we saw the levels of acceptability increase, especially in areas where the levels of ambition within our commitments were raised between draft one and draft two. Where our initial first draft proposals gained positive feedback from the outset and therefore fewer changes were requested, we saw the already high acceptability levels maintained.

6.7. At workshops to consult on our first draft Business Plan, 56 stakeholders voted on the overall acceptability of the proposals. A further 112 stakeholders were surveyed on our second draft Business Plan. The results revealed that:

- **84% of stakeholders responding to WPD's second draft Business Plan consultation find the overall plan acceptable**

6.8. In addition, the acceptability specifically of WPD's core commitments is even higher. It revealed:

- **87%-97% acceptability of WPD's core commitments within the twelve service delivery areas.** This breaks down as follows (figure SA-03.53):

		Percentage of customers who did not express a desire for changes or alternatives to WPD's core commitments:	
		First Draft Business Plan (Jan 2021)	**Second Draft Business Plan** (Mar 2021)
Meet the needs of consumers and network users	Customer service	**90%**	**95%**
	Customers in vulnerable situations	**96%**	**87%***
	Connections	**87%**	**97%**
	Social contract	**93%**	**92%**
Maintaining a safe and resilient network	Network resilience	**88%**	**94%**
	Business IT security and cyber resilience	**91%**	**91%**
	Safety	**87%**	**91%**
	Workforce resilience	**94%**	**97%**
Delivering an environmentally sustainable network	Environment and sustainability	**77%**	**92%**
	A smart, flexible network	**87%**	**97%**
	Innovation	**90%**	**94%**
	Community energy	**86%**	**97%**

Figure SA-03.53: Percentage of customers who did not request changes or alternatives to the core commitments

WPD's approach to assessing acceptability

6.9. We commissioned Accent to undertake an initial benchmarking exercise to understand best practice approaches in the utility sector to acceptability testing and then to design and deliver a comprehensive acceptability research activity. The objectives underpinning this acceptability research were to:

- Test uninformed and informed acceptability and affordability
- Identify any gaps and understand what factors are driving acceptability up/down
- Explore customer perceptions of the levels of ambition in the Business Plan

6.10. The methodology designed by Accent for this research took a three phased approach: utilising WPD's enduring deliberative customer research panel (see *Section 4.35*) to provide informed customer research and in parallel, deliberative research with uniformed customers to provide qualitative insight before undertaking quantitative research with a full range of uniformed customer participants.

Phase 1: WPD's enduring customer focus group (informed customers) Business Plan testing

6.11. Engaging with the focus group of customers who have helped shaped and refine the Business Plan, enabled us to effectively stress test the plan and understand whether it matches up to the expectations of this informed group. Through the journey these customers have undertaken with us over the past twelve months, exploring the full range of Business Plan topics and learning about WPD and the role we play, these customers were able to provide an informed customer response to the plan. In addition they were able to identify any gaps or improve articulation of the plan.

6.12. Given the group's detailed knowledge of WPD and the development of the Business Plan, they were ideally placed to be able to test the ambition of the overall plan and the individual Business Plan commitments.

6.13. In all, 80 members of the group participated in a two stage process, with an initial eight day digital community pre-task where the participants were tasked with reviewing Business Plan commitments and commenting on whether the proposed commitments fell below, in line or exceeds their expectation of the level of ambition WPD should be planning. They were also tasked with selecting the 15 commitments which they thought were of lower importance to the others and should be moved to wider commitments.

6.14. The second stage was for members to participate in ninety-minute online discussion groups. The objective was to understand the reasons why members had chosen their 15 commitments to move, how they would articulate the ambition of the remaining commitments and understand their overarching acceptability of the plan and what is driving or suppressing this.

Phase 2: uninformed customer sprint events

6.15. Running in parallel with phase one, this qualitative research used strategic engagement to test uniformed customers' response to the Business Plan and provided key outputs to ensure that the

subsequent quantitative research materials were able to effectively articulate the plan to provide robust acceptability testing.

6.16.   A cohort of 36 previously uninformed customers, representing all key groups were recruited to participate in this research phase. This included both existing and future customers and spanned a range of households and non-households (businesses). In all cases we ensured an appropriate range of ages, genders and socioeconomic groups were represented.

6.17.   A sprint deliberative methodology was employed by Accent with the 36 customer participants who were divided into six groups. An initial discussion session to introduce the Business Plan to the groups included an extensive question and answer session. This was followed by a two-day 'homework' exercise to ensure that discussion about the Business Plan was better informed and considered in a final group discussion session.

6.18.   The final 60 minute discussion session allowed customers to provide their considered feedback on the plan. This qualitative research enabled Accent to understand how the customers expressed their responses and utilise this to develop the quantitative materials using language rooted in customers' lives and worlds.

Phase 3: quantitative research (uninformed customers)

6.19.   The third phase of the research involved interviews of 2,605 customers, both online and face-to-face to deliver a robust quantitative assessment of acceptability of WPD's Business Plan.

6.20.   An inclusive approach was taken to ensure all customer voices were heard by recruiting a representative sample of WPD's customers designed to address the key factors shown in figure SA-03.54 below:

Customer type	• Include current bill payers (household and non-household customers) • Future customers
Intergenerational fairness	• Include a cohort of future customers next generation who are not currently paying bills but will do so in the future e.g. higher and further education students and first jobbers
Affordability	• Include representative range of socio economic group (SEG) to ensure we cover the range of attitudes and experience • Face to face interviews include those who are struggling to pay
Region	• Include representation of all four regions (West Midlands , East Midlands , South West & South Wales) to explore differences in expectations and response in the different WPD regions
Vulnerability and digital exclusion	• Use a mixed method to ensure representation of hard-to-reach groups such as the digitally excluded, fuel poor and customers in vulnerable circumstances. Focus on areas with larger areas of

Figure SA-03.54: Factors considered to ensure a representative sample of customers was surveyed

6.21.   The total sample was weighted to reflect WPD's customer base and provide robust findings both overall and for sub-segments such as by social grade, geography, age, ethnicity and gender.

6.22.   Drawing on their extensive experience and the review of best practice, Accent designed the questionnaire for the quantitative interview stage in order to ensure it met the following requirements:

- Measuring 'uninformed' as well as 'informed' customer acceptability

- Measuring customer acceptability using a scaled response from 'completely unacceptable' to 'very acceptable'

- Making clear for customers the probable inflationary effects on customer bills

- Making it clear that bill impacts are exclusive to the electricity distribution part of the bill

- Making it clear that customers need to consider other household expenditure when making their choices – which may have a negative or positive impact on their overall household purse

- Ask customers about elements of the plan individually and then the plan as a whole, in order to provide the informed acceptability score

- Ask customers about affordability once the customers have received sufficient detail around the plan

- Use a range of tools including graphics, diagrams, images and written descriptions to communicate the plan – to ensure customers are able to easily engage with the content

6.23. This three phase approach has enabled results to be triangulated between informed 'expert' customers in our focus group, and the qualitative and quantitative responses of uniformed customers. The scope of the research and range of customer groups in the samples has provided a detailed and nuanced understanding of the acceptability and affordability at both the overall plan level and of the specific areas of the plan and commitments.
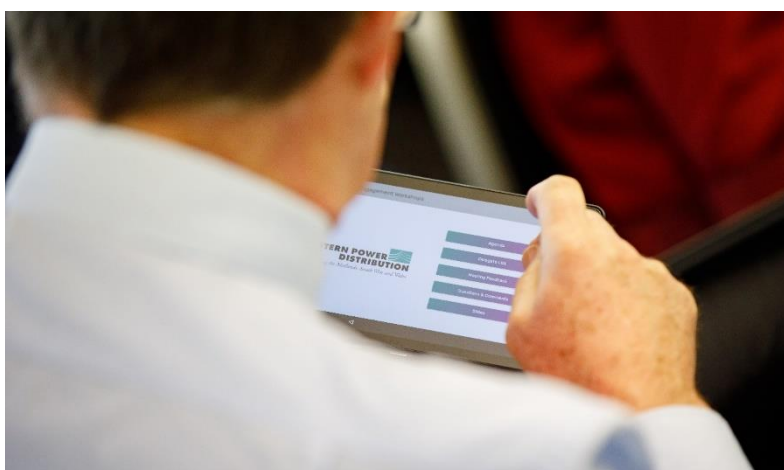
Review of industry best practice and benchmarking

6.24. Before commencing our acceptability testing research we commissioned Accent to undertake a review of best practice within the utilities industry. The intention was to identify and learn from the approaches taken to testing acceptability and the outcomes within the recent price control processes in the water and energy industries; this would then ensure WPD's approach could incorporate and build on the revealed best practice.

6.25. Acceptability testing has been well developed in the water sector and therefore provides both a source of good practice and a useful comparison for the results of WPD's acceptability research. Reviewing the plans and feedback for the latest Price Control Review, PR19, specifically of those water companies receiving an 'A' or 'B' rating from Ofwat on customer engagement, revealed a number of different approaches with a range of different question styles and content used. This made making direct, robust comparisons of results difficult. For example, in some cases customers were simply given the choice to vote 'highly acceptable', 'acceptable' or 'don't know' and therefore the very high resulting acceptability must be treated cautiously as customers were not presented with explicit options for unacceptability.

6.26. However feedback provided by Ofwat revealed the aspects of the approaches taken by the water companies which were deemed good, and by contrast the areas that were highlighted for improvement.

6.27. The aspects receiving positive feedback focused predominantly on the presentation of bill impacts, including where the research was able to clearly show how bills would change over time and were

linked to the service levels proposed. The importance of providing clear information to customers to help them form views on bills was also highlighted.

6.28.   Areas flagged for improvement focused on not providing customers with sufficient information or context to support the research (e.g. explanation of costs and having sufficient stimulation material). There were also issues flagged around using leading questions and using neutral customer responses as affirmative responses; where accepted good practice is to exclude these to avoid overestimating the level of customer support.

6.29.   WPD's acceptability testing approach therefore incorporated the aspects of good practice and ensured that the methods used addressed the aspects flagged for improvement in the water sector. For example, by undertaking the qualitative stage with uniformed customers, the deliberative engagement with customers provided the insights for the design of the quantitative interviews and ensured customers had the appropriate level of information in a way that was clearly understandable for them to be able provide views of their level of support for the plan.

6.30.   The results of the acceptability testing of water companies' plans in PR19, set out in the figure SA-03.55 below, gives a useful yard-stick by which to contextualise WPD's acceptability scores. From this we can see that WPD's current Business Plan, five months ahead of final submission in December 2021 already compares very favourably with the acceptability levels achieved for final business Plans in the water sector.

6.31.   However, this should be treated only as a useful indicator. Due to the wide difference in the approaches taken across the sector, direct like-for-like comparison across the board could be imbalanced, due to varying degrees to the depth and robustness with which the research was undertaken. For example, in one example the use of 'emoji' symbols for customers to state their level of support by one company, that were subsequently assigned a numerical proxy value, is far less nuanced than WPD's best practice use of scaled response (from 'completely unacceptable' to 'very acceptable') and robust supporting information we provided to respondents.

Water company	Acceptability of Business Plan (including the proposed bill)
Affinity	79% (water only) / 75% (dual)
Anglian	71%
Bristol	93% (real terms); 83% (nominal)
Hafren Dyfrdwy	73% (real terms); 56% (nominal)
Northumbrian	91%
Portsmouth	84% (real terms); 80% (nominal)
SES	76%
Severn Trent	85%
SEW	82% (real terms); 50% (nominal)
South Staffs	74%
South West	88%
Southern	79%
Thames	87% (real terms); 82% (nominal)
UU	76%
Welsh	93%
Wessex	96%
Yorkshire	67%
Average	82.9% (real terms); 76.9% (nominal)

Figure SA-03.55: Reported acceptability levels of water company Business Plans in PR19

6.32.   In the gas distribution and electricity transmission companies' RIIO-2 plans, a review of their acceptability testing provided similar findings. There was again a very wide variety in approaches, styles and content used.

6.33. Therefore as with the water sector, WPD's acceptability scores already compare favourably with those of the companies in the figure SA-03.56 below. However again, due to the differences in robustness of approach, direct comparisons may not provide a balanced view of the acceptability scores.

Water company	Acceptability of Business Plan (including the proposed bill)
Cadent	83%
NGET	87%
NGGT	88% (domestic); 82% (non-domestic)
NGN	92%
SGN	92% (Scotland); 86% (Southern)
Scottish Power Transmission	82%
WWU	65%
Average	84%

Figure SA-03.56: Reported acceptability levels of gas and transmission company Business Plans in RIIO-2

Detailed results

6.34. The results of the quantitative acceptability research, as set out above, found that of the 2,605 participants, a minimum of 82% of customers find the plan acceptable once presented with greater detail on the plan. With only 3% finding the plan unacceptable. The full report including all results can be found in Appendix A40.

6.35. Figure SA-03.57 below sets out the informed acceptability of the plan broken down into the detail of customer type, WPD region, age, gender, and socio economic group (SEG). The methodology also included questions to differentiate and identify customers who may be digitally excluded, were registered on the Priority Services Register (PSR) and may have experienced a power cut in the past 12 months.

Customer segments		Acceptable/Very acceptable
Total		**82%**
Type	Householders	**81%**
	Future	**94%**
	Non-householders (businesses)	**85%**
Region	East Midlands	**81%**
	West Midlands	**80%**
	South Wales	**86%**
	South West	**86%**
Digitally Excluded	Yes	**88%**
	No	**81%**
PSR	Yes	**86%**
	No	**84%**
	Don't know/prefer not to say	**78%**
Age	16 to 29	**83%**

	30 to 44	77%
	45 to 64	82%
	65+	85%
Gender	Male	83%
	Female	81%
SEG	AB	87%
	C1	83%
	C2	79%
	DE	80%
Power cut	Yes	83%
	No	85%
	Don't know	67%

Figure SA-03.57: Acceptability levels of WPD's Business Plan split by different customer segments

6.36.   Significant differences between the groups include future customers (94%), the digitally excluded (88%), those in more well-off socioeconomic group AB (87%) and the over 65s (85%) having the highest acceptance of the plan within their respective groups.

6.37.   The research provided participants with detail on each of the WPD Business Plan commitments enabling us to understand the level of support customers had for each commitment. Customers were presented with information on each commitment and were asked about their understanding of the commitment and their support for what WPD proposed. Figure SA-03.58 sets out the scores provided by customers who understood the commitment for each of the final 45 Business Plan Commitments:

	Final draft Business Plan (45 commitments)	Support /strongly support
1	Achieve an average customer satisfaction of 90% or higher across all key services areas with separate reporting for emerging technology customers.	86%
2	Answer calls within an average of four seconds and maintain an abandoned call rate of less than 1%, within our UK-based, in-region Contact Centres.	81%
3	Respond to social media enquiries within an average of five minutes and Webchat enquiries in an average of less than a minute, 24 hours a day.	72%
4	Provide greater insight on the planned work activity and interruptions on our network by creating an online viewer.	82%
5	Resolve at least 90% of complaints within one day and resolve 99% of complaints within 25 days.	88%
6	Proactively contact over two million Priority Services Register customers once every two years (with 60% via direct telephone call) to remind them of the services we provide and update their records.	75%
7	Achieve a 'one-stop-shop' service so that customers only have to join the Priority Services Register once to be registered automatically with their energy supplier, water company, gas distributor and telecommunications companies.	74%
8	Increase the number of customers registered on the Priority Services Register to 40% of total eligible customers including 50,000 hard-to-reach customers each year.	81%
9	Support 113,000 fuel poor customers to save £60 million on their energy bills over RIIO-ED2.	82%
10	600,000 Priority Services Register customers to be offered a bespoke smart energy action plan each year.	75%
11	Achieve an average customer satisfaction of 90% or higher for all connection types (including major connections and low carbon technology connections).	82%
12	Improve our performance against Time to Quote and Time to Connect for LCTs by 1% from RIIO-ED1 level (small schemes) and deliver 90% satisfaction with the timeliness of connections for larger schemes.	87%
13	Provide a same day connections response for customers by introducing online self-assessment tools for individual domestic low carbon technology applications.	74%
14	Hold 90 local energy surgeries per year for local authorities, supporting them to deliver their local area energy plans.	79%
15	Increase the number of flexible connection offers made by lowering the reinforcement cost threshold to >£75k per MW and works that will take more than 12 months to complete.	83%
16	Annually publish an updated WPD Social Contract, reporting the positive outcomes delivered for customers and as a minimum, maintain our prime Environmental, Social and Governance (ESG) rating.	82%
17	Support local people in our communities via an annual £1m 'Community Matters' fund, funded entirely by shareholders at no cost to customers.	84%
18	Deliver 1,000 volunteer days per year for WPD staff to support local community initiatives associated with vulnerability and environmental initiatives, with annual reporting in WPD's Social Contract of the positive impacts achieved.	70%
19	Deliver improved network reliability where on average power cuts are better than one interruption every two years lasting 24 minutes.	86%
20	Improve service for at least 8,260 worst served customers by undertaking 70 schemes.	80%
21	Improve the overall health of the network by 20% with an investment of £210 million per annum.	87%
22	Reduce the flooding risk at key sites by undertaking 102 flood defence schemes and engage stakeholders to reduce the need for new assets in flood risk areas.	86%
23	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.	87%
24	Enhance the resilience of our IT network security through increased levels of threat monitoring, prevention, detection and alerting systems, including upgrading our disaster recovery capability to ensure continuity of our operations.	82%
25	Send electrical safety education packs to every primary school in WPD's region in RIIO-ED2 and educate at least 80,000 children per year via direct learning to keep them safe.	80%
26	Increase the safety of around 200,000 children by delivering 780 schemes to underground, insulate or divert overhead lines that cross school playing areas.	77%
27	Demonstrate exceptional and embedded employment practices, achieving gold accreditation with Investors in People by the end of RIIO-ED2.	73%
28	Achieve year-on-year improvements to the levels of diversity within the business and publish an annually updated Diversity and Inclusion Action Plan.	76%
29	Achieve net zero in our internal business carbon footprint by 2028 (excluding network losses) and follow a verified science based target of 1.5°C to limit the climate impact to of our activities.	80%
30	Reduce the volume of oil leaked from fluid filled cables by 50% by 2028 and replace 90km of the worst leaking circuits with non-oil alternatives, putting WPD on target to remove all oil-filled cables by 2060.	75%
31	Deliver a 20% reduction in SF_6 losses from RIIO-ED1 and drive industry partners to develop technological alternatives to reduce overall volumes of SF_6 on the system.	84%
32	Achieve zero waste to landfill by 2028 (excluding hazardous waste) and deliver an overall 30% reduction in tonnage waste produced.	82%
33	Remove up to 50km of overhead lines in Areas of Outstanding Natural Beauty.	82%
34	Encourage the development of flexibility markets by implementing simple, fair and transparent rules for procuring flexibility services, undertaking a flexibility tender every six months and introducing a customer satisfaction monitor for flexibility services.	79%
35	Maximise the utilisation of the network and keep costs to customers low by adopting a 'flexibility first' approach for assessing all load related reinforcement decisions.	69%
36	Ensure capacity availability to enable net zero to be achieved across our regions sooner than 2050 (some areas as soon as 2030), in line with the ambitions of stakeholders in each region.	79%
37	Make it as easy as possible for customers to connect LCTs ensuring WPD is able to connect up to 1.5 million electric vehicles and 600,000 heat pumps.	80%
38	Improve the accessibility and usefulness of data, tailored to individual customer needs and in the format of their choosing by making 60% of WPD's network data available via an interactive Application Programming Interface.	83%
39	Align our low carbon technology forecasts with the energy plans of local regions and the Electricity System Operator, by updating WPD's Distribution Future Energy Scenarios every 12 months.	77%
40	Drive the development of local area energy plans by proactively engaging with all 130 local authorities each year, resulting in more accurate WPD forecasts.	79%
41	Identify opportunities for a minimum of three whole system collaboration schemes with other DNOs and the ESO to enable our customers to benefit from lower electricity network and system costs.	76%
42	We will make an efficiency saving of £53m through RIIO-ED2 by improving the effectiveness of assets, operations and customer service by encompassing innovations into standard business practice and show a positive carbon impact.	85%
43	Create a low carbon technology energy advisory service for customers, providing a support service for people looking to switch to electric vehicles, heat pumps or solar PV.	74%
44	Support local community energy groups by holding 60 community energy surgeries per year and providing a dedicated WPD community energy representative who will assist with connection and flexibility offers.	78%
45	Facilitate access to available funding streams for community energy groups.	81%

Figure SA-03.58: Acceptability of each of WPD's Business Plan core commitments

6.38. Overall understanding of the commitments by customers was high (79-96%) and those commitments relating to the day-to-day of an average customer and the service they receive ranked highly. For example 'Restore 87% of high voltage supplies within one hour' received 89% support and 'Resolve at least 90% of complaints within one day and resolve 99% of complaints within 25 days' received 88%.

6.39. Of the 2,605 customers surveyed, only 3% did not find WPD's plan to be acceptable. The reasons driving unacceptability were explored with customers at the uninformed stage (see figure 3.58). A follow-up question was asked of these 65 participants asking them to provide a reason for their response. The majority related to the cost of energy in general – i.e.: the bill is already too high, struggling to pay the bill already, or similar. The proportion of the these themes is set out in figure SA-03.59:

Why do you find this unacceptable?

Reason	%
Too expensive	30
Bill is high currently	25
Company should cover costs - from profits etc	14
On low/limited income - can't afford energy bill	13
Cost of living is too high	12
Unhappy with service (power…	12
Pay enough/don't want to pay any more	8
No increase/decrease in income	7
Not dissatisfied with service	5
Should cost less	3
Need further information/consultation	3
Other	3
Disapprove of green initiatives	1

% participants (base:65)

Figure SA-03.59: Breakdown of the reasons why uninformed customers found the plan unacceptable

6.40. Customers in the age group 30 to 64, and those in lower social-economic groups (C2, DE) were found to be slightly less likely to find the plan acceptable (unacceptable or neutral).

6.41. For those at this stage who had a neutral response to acceptability, their main reason was the need to understand more about the plan. With only 5% of customers of the customers giving a neutral response, 23% said that they needed more information to determine whether they accepted the plan and a further 10% did not know the reason.

6.42. Household and non-household customers were significantly more likely to have chosen a neutral response (Neither unacceptable nor acceptable) when compared to the future customer group (15% vs 4%). This indicates that the future customer group are more likely to have strong opinions and tend to have a less divided perception of acceptability levels.

6.43. When informed about the plan only 16% of customers gave a neutral or 'don't know' response. This indicates that the qualitative research sufficient information to enable 84% of customers to feel that that could provide an informed opinion on their acceptability of WPDs plans.

Affordability of WPD's Business Plan

6.44. WPD's acceptability research, described above, also tested the affordability of the proposed bill level in our RIIO-ED2 plans. As part of the same quantitative research, the 2,605 customers we're asked whether they found the plan affordable.

6.45. This testing revealed that affordability of our plan is high (see figure SA-03.60):

- **Only 5% of customers found the plan to be unaffordable**, with a further 6% feeling unable to comment and 17% providing a neutral view

- **Therefore 87% of customers did not express any dissatisfaction with the affordability of the plan**

- **Taking the most conservative view, a minimum of 70% of customers find the plan to be affordable**

Figure SA-03.60: Breakdown scores of overall plan affordability of informed customers
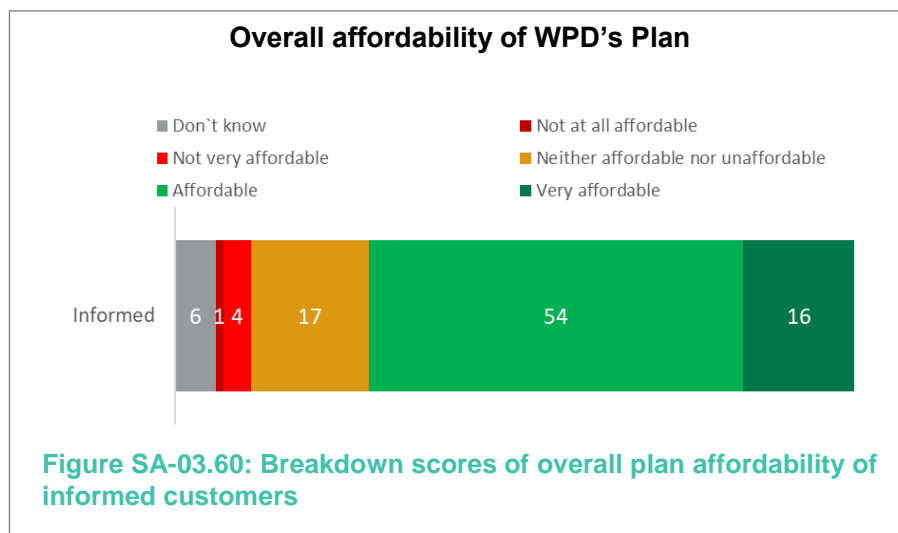
6.46. The finding revealed that customers on the PSR, those over 65 or those in the better-off social-economic group AB, were consistently more likely to find the plan affordable.

6.47. When customers were provided with more detailed information about the plan and commitments as well as an explanation of the costs, this had a positive impact on their perception of the affordability of the plan. The reasons for this change were explored with customers and with customers stating, after seeing the selections of commitments, they realised that there's a lot of work that goes into servicing them and their community. Positive changes to protect the environment were also mentioned as a reason for changing affordability perceptions.

6.48. When testing the individual commitments with customers, those relating to customer service and the network were highly supported by customers, indicating support for the commitments relating to the day-to-day experience of an average customer. An example of this being 'Maintain a 90% customer satisfaction score across all key services areas with separate reporting for emerging technology customers' at 83% support.

6.49. The commitments which received lower levels of support for the associated bill impact, whilst still relatively high, tended to be those further removed from the day-to-day of an average customer such as 'Reduce the volume of oil leaked from fluid filled cables by 50% by 2028 and replace 90km of the worst leaking circuits with non-oil alternatives; putting WPD on target to remove all oil-filled cables by 2060' at 62% support.

7. Measuring customer value

WPD's approach to social value research

7.1. Social responsibility is at the heart of everything we do, and it's essential we deliver services that are valued by our customers. But central to achieving this is devising a robust way of measuring value. We commissioned PwC to conduct research into existing methods of measuring social value across a range of sectors, and in 2020, we joined forces with the other DNOs to develop a system of measuring value that can be applied by all networks and arrive at consistent measures of the value delivered to customers as a result of our actions, combining social value proxies, social return on investment studies and bespoke social value research.

7.2. Where social proxy values do not currently exist, are out of date or do not reflect the specific outcomes WPD intended to deliver as a result of our own bespoke commitments and activities, WPD has commissioned additional 'willingness to pay' research to provide a view on social value. We do this for two reasons:

   I. To establish a customer's priority: Where a social value is already known via the agreed methodology developed by DNOs (e.g. the value of contacting a vulnerable customer to provide advice), this will give a value for a single unit of activity. For example, the value of one customer being added to the Priority Services Register (PSR) (i.e. £1 for one customer, or £30,000 for 30,000 customers). What this does not give is a view of the number of these activities that customers would like to see delivered. WPD's additional 'willingness to pay' research can therefore test options for the volume of 'units' we could deliver (e.g. how much do you value us identifying 50,000 customers for the PSR?). By doing this, we can help to establish a preference for the level and scale of activities we deliver, which can then be applied to the already known social value in order to determine an overall benefit to customers as a result of our specific action.

   II. To establish a value: This research can help to derive a social value where one doesn't currently exist, or where more specific or up-to-date values are required. Establishing values has allowed us to estimate the 'gross benefit' of our commitments – providing another valuable source of insight for determining how and where to increase our ambition levels. For WPD's consumer value propositions (CVPs) these values have been used to identify the specific value generated over ED2 and ED3, netted against the costs involved in delivering the proposal.

7.3. In the case of the latter, WPD's own 'willingness to pay' research indicates social value by asking customers to make a series of trade-offs between different service options and to indirectly assign values to the preferred outcomes they would like us to deliver. They do this using techniques that are broadly recognised as best practice in this research field (utilised across the regulated energy and water sectors) and delivered by an independent research expert, Accent. This includes 'MaxDiff modelling' and 'contingent valuation' questions, where respondents are asked what they would be prepared to spend to achieve a range of different outcomes. In reality, we are not asking customers to pay more to fund these activities, but we are using their responses to the hypothetical question of how much they would be willing to pay to gauge the value they place on the range of potential actions we can deliver.

7.4. Importantly, we do not use the results in isolation, nor as a blanket justification to include commitments within our Business Plan. Instead, this measure helps us calibrate the scale of our Business Plan commitments in light of the value customers place on certain activities. It helps us to consider the relative priorities between action areas within the plan and to refine final ambitions that deliver the most effective social value for our customers relative to the cost of delivery. It enabled us to compare and contrast actions within different output categories and then to calibrate the scale of ambition and expenditure in line with customer feedback. For example, where there are a range of options under consideration which all respond to stakeholders' qualitative feedback, a factor including very high social value may influence the scale of action we propose.

7.5. While all potential Business Plan outcomes may have value to customers, the focus must be to reveal priorities in order that we can rank potential activities and commitments. We have used this insight to inform our commitment levels, balancing expenditure and time constraints with stakeholder feedback.

Findings: High level social value research

7.6. Working with market research company Accent, in December 2019 we commenced the delivery of focus groups, followed by in-depth surveys with 1,188 customers, including domestic (885) and businesses of varying sizes (303). This was a statistical exercise in which customers made choices relating to priority areas.

7.7. The objective was to understand the priority given by customers to different areas of the Business Plan. These were taken from the synthesised feedback from WPD's 'Stage one: Preliminary engagement'. This process was scrutinised by the Customer Engagement Group to ensure appropriate attributes were selected and no key areas of stakeholder priorities were overlooked. In all cases, stakeholders were given current performance levels as context against which they could compare these potential improvement actions.

> **First willingness to pay research:**
>
> - **1,188 domestic and business customers surveyed**
> - **Attributes informed by preliminary engagement**
> - **Findings used to prioritise commitment development**

7.8. In total, 24 attributes (potential actions) were tested (see figure SA-03.61).

7.9. The subject areas were tested first by qualitative focus groups, to make the language and context easier for respondents to understand. We then conducted quantitative surveys, asking a broad cross-section of customers to state their preferences.

7.10. The results revealed the most highly valued focus areas and helped us to decide on our first proposed actions and expenditure in each area. For example, qualitative co-creation workshops highlighted 'reducing the number of SF_6 leaks from equipment' as a key environmental priority. To address this, we had several options, from seeking to remove SF_6 from the system altogether to enhanced monitoring and risk registers. However, the costs and scale of these activities could differ widely.

Attribute Description	Mean social value (expressed as a proportion of their average annual domestic electricity bill)
Protect people who can't afford to adequately heat their homes from being disadvantaged in the future	£2.00
Identify and help people who can't afford to adequately heat their homes	£1.92
Protect customers' data from potential cyber attacks	£1.50
Provide proactive support and information to vulnerable customers during power cuts	£1.41
Provide support and information to vulnerable customers to help them be more resilient to potential power cuts	£1.38
Improve the identification of customers potentially vulnerable during a power cut	£1.38
Reduce the number of environmentally harmful leaks of greenhouse gases/oils from WPD's equipment	£1.26
Support communities to install low carbon technologies such as community solar panels or community wind turbines	£1.19
Ensure vulnerable customers only have to register once for all utility companies	£1.15
Protect WPD's electricity network against cyber attacks	£1.13
Pay customers to use less electricity at peak times	£1.10
Reduce the number of unplanned power cuts	£0.99
Future proof the network by ensuring any work done doesn't need replacing before 2050	£0.92
Proactively provide affected customers with relevant updates during power cuts	£0.90
Working with local communities to achieve net zero carbon emissions targets	£0.88
Reduce the number of customers who have 12 or more power cuts over 3 years	£0.85
Reduce the average length of time of power cuts	£0.81
Reduce the carbon emissions from WPD's transport fleet	£0.79
Improve the quality of supply by reducing flickers and dips	£0.71
Provide more charging points and greater network capacity to ensure all customers can switch to electric vehicles when they are ready to do so	£0.67
Communicate the benefits/costs of low carbon technologies to help customers switch	£0.64
Help local authorities and communities switch to electric vehicles on a mass scale	£0.53
Make WPD's offices and local depots carbon neutral by 2050	£0.53
Encourage people into a career in engineering and increase the diversity of WPD's workforce	£0.48

Figure SA-03.61: Summary table of results – high level social value findings (September 2020)

To help arrive at an appropriate level for our first draft commitment proposals (for stakeholders to then consider, debate and refine), we used the social value attributed by our customers to identify the scale of our initial proposals and the associated costs in our first draft Business Plan.

7.11.   In general, the attributes tested received notable positive social value. Consumer vulnerability, cyber and environmental initiatives broadly gained the most support and valuation from customers. Vulnerability was the single stand out area most valued by domestic customers with five out of six top valued attributes.

7.12.   Indications of customers' priorities have been taken into account throughout the Business Plan process. For example, 'addressing fuel poverty' (valued at £2.00) was nearly twice as important an action as 'ensuring PSR customers only have to register once to join the PSR of all utility companies' (valued at £1.15) – so the scale of our first draft outputs were recalibrated to reflect this. In the case of fuel poverty support, despite WPD already operating a programme that delivers significantly greater outcomes than other DNOs (based on regulatory submissions in RIIO-ED1, over the first 5 years the average savings amongst DNOs for fuel poor customers was £1.6 million; in this same period, WPD's baseline was £27 million) as a result of the significantly high social value revealed to be attributed to our actions by customers, in our first draft Business Plan we offered options to increase our ambitions further, up to a more than doubling to support 113,000 customers to save over £60 million in RIIO-ED2.

Findings: Detailed social value research

7.13.   As part of WPD's Business Plan refinement process, in February 2021 we commenced a second stage of social value research with customers to test our draft core commitments. This sought to measure the value to customers of delivering the intended positive outcomes of each action, including the value of options to do more than the initial level proposed. This exercise helped us to arrive at more specific commitments and performance targets, prioritising those with the highest intrinsic value to customers.

7.14.   There were two strands to our research: 1) willingness to pay (WTP), stated preference research to test commitment targets specific to WPD; and, 2) social return on investment (SROI) research for commitments where there are industry-agreed social value proxies for the outcomes that will be delivered.

7.15.   WPD tested all major commitments where there would be significant expenditure to fund these activities. Lower cost initiatives (e.g. WPD's achievement against external accreditation schemes) and initiatives that were contributory to overarching performance commitments (e.g. the role of resilience tree trimming being a significant contributor towards WPD's overall power cut reduction commitments) were not tested individually. This was in order to ensure that the cost to test these commitments was proportionate to the cost of delivery in RIIO-ED2 and the likely value they will deliver. It was also important that we researched commitments where the outcome/benefit of our actions can be valued in a sufficiently robust way.

Willingness to pay (WTP)

7.16. Working with Accent and PJM Economics, we surveyed 1,280 participants (including 1,079 household customers and 201 non-household customers), with quotas set by age, gender, socioeconomic grade, urban/rural and WPD network region.

7.17. For the purpose of this research, we tested 20 Business Plan commitments. The initiatives were chosen based on a combination of factors, including: highest bill impact, stakeholder priority in previous engagement, SROI proxy availability, previous WTP findings (availability of an existing WTP value), and the possibility of merging multiple commitments with similar impacts.

> **Second willingness to pay research:**
>
> - **1,280 domestic and business customers surveyed**
>
> - **20 draft core commitments tested**
>
> - **Findings used to inform ambition level decisions**

7.18. We conducted the survey in two stages. First, participants completed a MaxDiff (best-worst) exercise. The participants answered 10 questions, each asking them to choose between four improvement commitments, which they would most and least like to see implemented. The questions covered all 20 commitments, outlining the basic and enhanced service levels associated with each, to understand where participants valued the highest level of improvement and therefore the level of ambition that should be sought.

7.19. In the second stage, a contingent valuation (CV) exercise, participants were asked to answer two questions, choosing between a package containing all improvement commitments, with an accompanying bill increase, and a package of basic service levels in all areas with no accompanying change to the bill.

7.20. The values for each commitment are then calculated by dividing the amount participants would be willing to pay for the entire package of improvement commitments (determined by the CV exercise) in proportion to the relative value placed on each commitment (determined by the MaxDiff exercise).

7.21. The values presented have informed the proposed service levels entering WPD's investment plan (see figure SA-03.62). Mean WTP figures can be used to calculate a total benefit estimate for an individual service enhancement by summing over total households/non-households. Under the traditional CBA rule, an improvement is then economically justified if the total benefit exceeds the costs of delivering the improvement. There are however, a range of confidences within such research. Therefore if WPD were to take a more conservative view of the social value our actions may deliver, the 75th percentile or 85th percentile values could be used if we wished to only include improvements that would command the support of 75% or 85% of their customer base respectively. In all cases, even if WPD therefore applies the minimum cost benefit value support for the greatest number of customers (85%) we can see the value to customers greatly outweighs the cost of delivery.

7.22. WPD is aware that all stated preference research of this nature has limitations and, while we have followed best practice at all times, we have therefore been careful not to overstretch the use of this research and not use it to set precise delivery levels justifying any and all actions where the cost of delivery is simply less than the value revealed. Instead, we have used the research to show us the relativity between various priorities under consideration and to decide between options in the scale of ambition we could deliver in our commitments. The insights have therefore validated our decisions on which level of ambition to select in relation to our core commitments, considered in the round alongside the broader qualitative feedback received via our consultations, making decisions where both sets of feedback align.

Initiative	Basic	Enhanced	Household WTP (£ / year)				Non-household WTP (as % of electricity bill)			
			Mean	50th	75th	85th	Mean	50th	75th	85th
Support fuel poor customers	56,000 customers to save £30m between 2023 and 2028	113,000 customers to save £60m between 2023 and 2028	£3.67	£2.83	£1.41	£0.94	0.33%	0.27%	0.16%	0.05%
New flood defence schemes	960,000 customers' electricity supplies protected	1.5 million customers' electricity supplies protected	£2.01	£1.55	£0.78	£0.52	0.23%	0.18%	0.11%	0.04%
Engage vulnerable customers	20,000 customers	50,000 customers	£1.91	£1.47	£0.74	£0.49	0.28%	0.22%	0.13%	0.04%
Reduce leakage from cables	20% reduction in leakage	50% reduction in leakage	£1.71	£1.32	£0.66	£0.44	0.21%	0.17%	0.10%	0.03%
Raise % supplies restored < 1 hour	85% of supplies restored within 1 hour	88% of supplies restored within 1 hour	£1.68	£1.30	£0.65	£0.43	0.26%	0.21%	0.12%	0.04%
Bring WPD net zero target forward	Net zero 2050	Net zero 2028	£1.60	£1.23	£0.62	£0.41	0.20%	0.16%	0.10%	0.03%
Remove overhead lines from beauty spots	35km of overhead lines removed	50km of overhead lines removed	£1.44	£1.11	£0.56	£0.37	0.17%	0.14%	0.08%	0.03%
Schemes for school areas	390 schemes by 2028 (All high risk and some medium risk school sites)	3,120 schemes by 2028 (All school sites and playgrounds)	£1.39	£1.07	£0.54	£0.36	0.20%	0.16%	0.09%	0.03%
Support PSR customers in relation to LCT smart meters	15% of registered customers supported each year	40% of registered customers supported each year	£1.39	£1.07	£0.53	£0.36	0.18%	0.15%	0.09%	0.03%
Enable LCT connections	In line with national average	6% higher than national average	£1.24	£0.96	£0.48	£0.32	0.15%	0.12%	0.07%	0.02%
Raise customer satisfaction	90% satisfied	92% satisfied	£1.01	£0.78	£0.39	£0.26	0.12%	0.10%	0.06%	0.02%
Expand low carbon fleet	79% of WPD's vehicles	100% of WPD's vehicles	£1.01	£0.78	£0.39	£0.26	0.10%	0.08%	0.05%	0.02%
Improve asset health	Maintain current asset health levels	10% improvement in asset health levels	£0.99	£0.76	£0.38	£0.25	0.12%	0.09%	0.06%	0.02%
'Community Matters' fund	£0.5 million	£2 million	£0.96	£0.74	£0.37	£0.25	0.11%	0.09%	0.05%	0.02%
Raise satisfaction for connections	90% satisfied	92% satisfied	£0.94	£0.72	£0.36	£0.24	0.12%	0.10%	0.06%	0.02%
Contact PSR customers by phone	30% via direct telephone call	80% via direct telephone call	£0.87	£0.67	£0.34	£0.22	0.10%	0.08%	0.05%	0.02%
Engage local authorities	Once every five years	Once every year	£0.69	£0.53	£0.27	£0.18	0.06%	0.05%	0.03%	0.01%
Hold community surgeries	10 per year	90 per year – covering all WPD operating regions (e.g. per county) three times	£0.66	£0.51	£0.25	£0.17	0.06%	0.05%	0.03%	0.01%
Improve 'Investors In People' level	Standard (top 33% of UK companies)	Platinum (top 2% of UK companies)	£0.55	£0.42	£0.21	£0.14	0.06%	0.05%	0.03%	0.01%
Staff volunteering	None	3,000 volunteer days per year	£0.53	£0.41	£0.20	£0.14	0.05%	0.04%	0.02%	0.01%
Total			**£26.25**	**£20.21**	**£10.11**	**£6.74**	**3.11%**	**2.50%**	**1.50%**	**0.50%**

Figure SA-03.62: Willingness to pay for individual service enhancements

7.23. The research concluded that valuations were broadly in line with those derived in phase one of WPD's WTP research for RIIO-ED2, estimates from a joint WTP survey of the customers of six GB DNOs and PR19 WTP estimates for packages of water service improvements. This provides confidence that the results provided are robust, and can be used to base decisions on Business Plan priorities and ambition levels. For example:

- In the joint DNO research, the full package of SECV activities was valued at 3.8% of an annual household electricity bill. This is nearly identical to the estimate of 3.9% for the full package of initiatives included in WTP 2.

- In addition to similarities in value placed on the overall package, there was noticeable consistency between the individual initiative results – with correlation seen both in absolute value and priority placement.

- Lastly, when placing our findings in the context of results from PR19, annual WTP for a package of improvements (for dual service companies) ranged from 3.2% to 23.2% (with a median of 7.5%). The lower end of this scale is aligned with the 3.9% we identified earlier – with monetary values (£26 vs £30) being relatively similar as well.

7.24. The same commitments were chosen as the top six priority areas for both households and non-households. Customer vulnerability and identifying customers for the PSR, reliability of electricity supply, leaks from fluid filled cables and WPD's net zero target ranked as the highest priorities for participants. Among the top six, households gave higher priority to improving flood defences, while non-households gave higher priority to quickly restoring power supplies. The least valued commitments, for both households and non-households, were frequency of engagement with local authorities, community energy surgeries, staff volunteering and 'Investors in People' accreditation level.

7.25. These findings have been taken into account when determining the specific performance levels associated with each commitment within our Business Plan. For example, 'supporting fuel poor customers' (valued at £3.67) was considered over three times more important than 'raising satisfaction for connections' (valued at £1.01). As a result, we have revised the ambition of our commitments to reflect this, opting for the enhanced service level in our commitment to support fuel poor customers, and a less ambitious service level for raising the satisfaction of connections.

Social Return on Investment (SROI)

7.26. During industry working groups in early 2020, all six DNOs, alongside Ofgem and key consumer groups discussed the (quantitative) measurement of social value with the objective of arriving at a common framework that can bring consistency in calculations across the industry.

7.27. Under RIIO-GD2, the four GDNs used different methodologies, values and reporting structures which led to results that were hard to compare. Learning from this, DNOs decided to develop a common approach to measuring social value via a consistent mechanism that would allow for straightforward assessment and comparison.

7.28. To meet the DNOs and Ofgem's requirements, the common approach needed to:

- Provide robust, consistent measurement of all social benefits DNOs deliver through their services.

- Deliver a framework for DNOs to measure their Customer Value Proposition (CVP) values in 2021.

- Act as an ongoing solution – a framework applicable for the full RIIO-ED2 period

- Drive innovation and ambition in the social value space

7.29. To deliver against this need, the joint social value framework was created. In line with the Spackman approach, the Treasury's Green Book, the framework provides a structure through

which the DNOs will deliver values that are consistent, comparable, and conservative. The framework includes:

- Standard values (from a DNO-specific proxy bank)
- Data quality guidelines
- A set calculation template
- Common figures that should be reported

7.30. This framework was tested throughout its development, and agreed with consumer bodies and Ofgem in December 2020 – with the framework referenced in Ofgem's Business Plan guidance.

7.31. WPD has had the framework independently applied to 16 commitments, ensuring that appropriate values and assumptions are applied (see figure SA-03.63). This provides confidence that the values presented in this document are a conservative estimate of the value generated.

7.32. Of the 16 commitments measured:

- Some were also measured through WTP, providing an additional check of both the customer and broader societal value of the commitment – ensuring we were considering all relevant value.
- Some were not measured by WTP, allowing SROI to provide evidence where it was not appropriate or proportionate to conduct WTP research.

Commitment	Description	10-year Gross Present Value - Total	10-year Gross Present Value - Per customer	Benefits Modelled
23	Support local people in our communities via **an annual £1m 'Community Matters' investment**, funded entirely by shareholders at no cost to customers	**£73.5m**	£9.30	- Average benefit per £ spent modelled based on previous grant support in areas such as meal provision, tree planting, online support and mental health
10	Support **113,000 fuel poor customers** to save £60 million on their energy bills over RIIO-ED2	**£60m** (non-discounted) + additional **£6.8m** of (discounted social benefit	£7.59 (financial) + £0.86 (social)	- Financial benefits to customers based on previous fuel poverty programmes - Reduction in negative impact of cold weather on customers' health (QALY)
25	Deliver improved network reliability where on average power cuts are better than one interruption every two years lasting 24 minutes	**£49.9m**	£6.31	- Societal savings for customers related CI and CML costs from fewer and shorter interruptions
43	We will remove up **to 50km of overhead lines** in Areas of Outstanding Natural Beauty.	**£38.9m**	£4.92	- Visual amenity benefits (Willingness to pay)
11	Develop a model to identify the capabilities of vulnerable customers to participate in a smart, low carbon future **and offer 60% of PSR customers specific support and education**. Targeted advice and support for vulnerable customers in relation to low carbon technologies, smart meters, and flexible energy services for example - resulting in direct cost savings for fuel poor customers	**£38m**	£4.80	- Financial benefits for customers based on Power Up trial and smart meter benefits - Carbon emissions saved from reduction in consumption
8	Achieve a 'one-stop-shop' service for vulnerable customers joining the Priority Services Register so that they only have to register with WPD once to be registered automatically with their energy supplier, water company and gas distributor	**£25.8m**	£3.26	- Increased convenience (Willingness to pay)

				Carbon emissions saved from:
37	Reduce internal Business Carbon Footprint to be **net zero by 2028** following a verified Science Base Target to limit the climate impact to of our activities to 1.5degrees.	**£11.5m** (Commitments 37, 38, & 39 modelled together)	£1.46	- Renewable generations at offices and depots - Convert 89% of operational fleet to EV - Include only non-carbon technology cars in company car scheme by 2025 - Reduced diesel use in generators - Offsetting of emissions
38	**89% of commercial van fleet to be non-carbon vehicles by 2028**, lowering annual transport emissions by 10,050 tCO2e (tonnes of carbon dioxide equivalent)			- Saved carbon emissions
39	Install renewable local generation at all suitable offices and depots with a capability **to save 3000 MWh per year**			- Saved carbon emissions
42	Achieve **zero waste to landfill by 2028** (excluding hazardous waste) and deliver an overall **30% reduction in tonnage waste** produced (per £ total business expenditure)	**£1.6m**	£0.21	- Avoided waste disposal costs - Carbon savings from reduction in waste and net zero landfill
24	Deliver **1,000 volunteer days per year** for WPD staff to support local community initiatives associated with vulnerability and environmental initiatives, with annual reporting in WPD's social contract of the positive impacts achieved	**£558k**	£0.07	- Value of volunteering days to society
40	**Reduce leaks from fluid filled cables by 50% by 2028** and replace 90km of the worst leaking circuits with non-oil alternatives; putting WPD on target to remove all oil-filled cables by 2060.	**£441k**	£0.06	- Avoided remediation and compensation costs as a result of leaks
33	Send electrical safety education packs to every primary school in WPD's region in RIIO-ED2 and **educate at least 80,000 children per year** via direct learning to keep them safe.	**£90k**	£0.01	- Avoided fatality and injuries from electricity incidents
41	Deliver a **20% reduction in SF6 losses** from RIIO-ED1 and collaborate with industry partners to develop technological alternatives to reduce overall volumes of SF6 on the system	**£79k**	£0.01	- Reduced carbon emissions
34	Reduce the risk of injury or harm to children by **delivering 780 schemes (43% of total locations)** to underground, insulate or divert overhead lines that cross school or playing areas, targeting the highest risk sites first.	**£78k**	£0.01	- Avoided fatality and injuries from electricity incidents

Figure SA-03.63: Social return on investment results for individual service enhancements

7.33. **In line with our WTP findings, the SROI research undertaken identified significant benefits – approx. £300m of gross present value – from our commitments**. This will be delivered through:

- Financial savings for vulnerable and fuel poor customers

- Health benefits related to warmer and safer homes

- The societal impact of volunteering

- Carbon emissions reductions

- Low carbon generation for our own use

- Avoided remediation costs

- Avoided value of lost load by customers

Social Return on Investment research:

- **DNO-standard, consistent methodology**

- **Environmental, Health and wider Economic social value proxies tested**

- **16 core commitments tested**

- **Findings used to inform ambition level decisions**

7.34. The findings provided further support to increase the ambition of certain commitments, with fuel poverty and vulnerability initiatives receiving high valuations across both WTP and SROI methodologies – indicative of both the high intrinsic value of the activity as well as the high weighting that customers place on them.

7.35. SROI also provided a different view of certain commitments – for example the community matters fund is shown to provide a significant social benefit due to the high-risk communities it works with. Given the hands-on level of support across food poverty, befriending and mental health, the intrinsic value of this commitment came out as significantly higher than the value placed on it by customers (perhaps with lower understanding of the need/benefits involved).

7.36. Lastly, SROI also identified lower values for some initiatives than expected – especially safety related commitments (safety packs and school safety schemes). When examining the results, this limitation drills down into how SROI measures value – focusing on the avoided costs linked to accidents. Given WPD's exemplary record on safety, there are few accidents to avoid, and therefore limited 'opportunity' for social value. This finding contrasts with what we heard both qualitatively and quantitatively from customers and stakeholders – that their focus was on the avoidance of risk, rather than accidents. What was heard was that the risk to schoolchildren was significant enough to support work on undergrounding schemes in these areas.

7.37. The combination of WTP, SROI, and qualitative feedback has ensured that WPD has a complete picture of the social value generated by Business Plans commitments. Rather than relying on one single decision making tool, our holistic approach has provided a broad base of research to rely on.

How this research influenced our decisions

7.38. Our social value research has been used for three key objectives:

- I. **Present a robust valuation of the benefits that will be delivered by WPD's CVPs**

- II. **Ensure that WPD's core commitments deliver significant value overall** that exceeds the cost of delivery

- III. **Inform the appropriate ambition level of these core commitments** – selecting the maximum ambition option valued, where the social value and strength of qualitative stakeholder feedback aligns
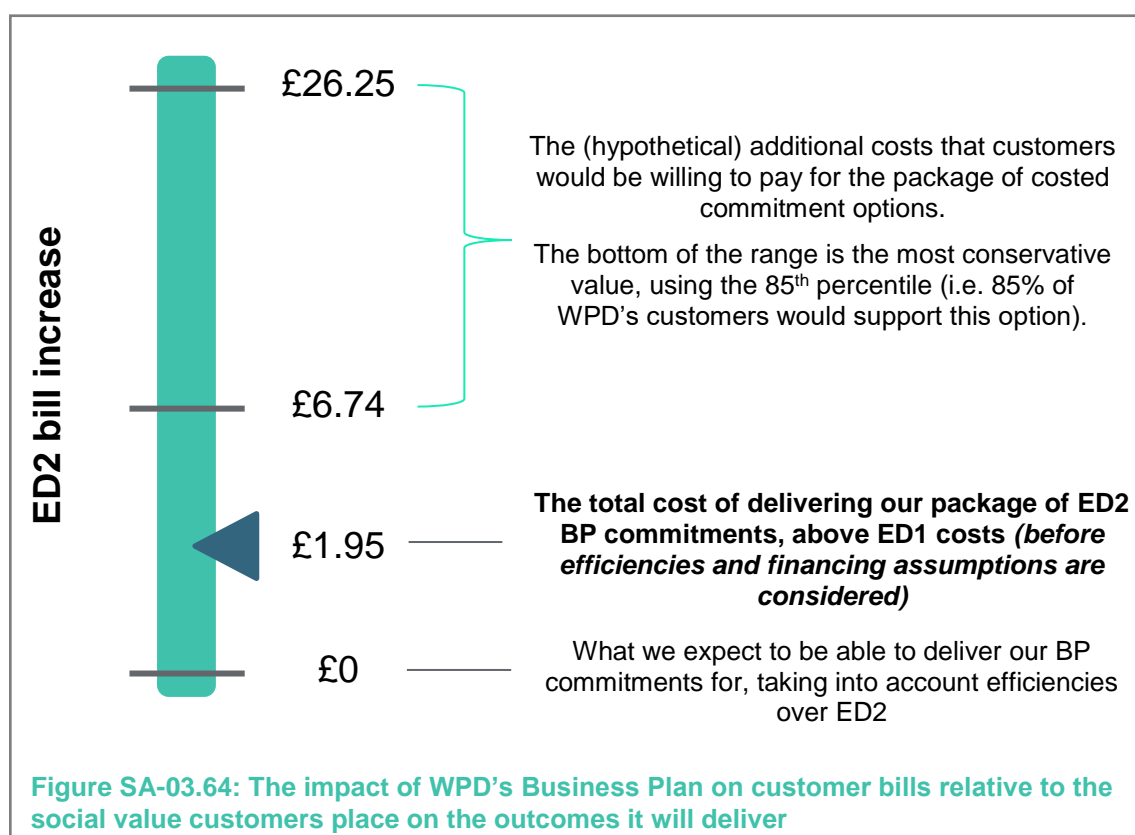
7.39. Taking each of these in turn:

Customer Value Propositions (CVPs)

7.40. WPD's individual CVP submissions will contain a robust quantification of the benefits of each proposal, including direct financial savings and for qualitative benefits, a thorough analysis of social return on investment in order to arrive at an overall net present value for each initiative (the total value generated by the proposal, net of all costs, discounted to present values.)

Cost benefit of overall core commitments

7.41. When reviewing WPD's detailed willingness to pay research alone, we can see that in order to fund the package of core commitments proposed for RIIO-ED2, customers indicated a total value of up to £26.25 that they would hypothetically be prepared to pay on top of current annual bills. If we were to take the most conservative level (using the 85th percentile) there was a willingness to pay up to £6.74 extra.

7.42. Based on this range of £26.25 to £6.74, we can see that the value to consumers of WPD's Business Plan deliverables significantly exceeds the cost of delivery. In our first and second draft Business Plan publications and accompanying consultations, we costed all of the commitment options to enable stakeholders to understand the impact on bills. We explained that the impact on customer bills is driven by a number of factors including the overall expenditure we are proposing, the efficiency measures we implement, the allowed finance package and inflation rates. Based on the core commitments proposed, our calculations estimated that the impact of the associated increased expenditure to fund them in RIIO-ED2 from that in RIIO-ED1, would result in an approximate £1.95 increase on the average domestic bill (see figure SA-03.64).

7.43. However, we predict that any potential bill increases will in fact be offset by our efficiencies, changes to the financing parameters and other aspects of the RIIO-ED2 framework. At present, the combination of these changes means that we intend to keep our portion of bills broadly flat across the five year period 2023-2028, with no anticipated increase.

Figure SA-03.64: The impact of WPD's Business Plan on customer bills relative to the social value customers place on the outcomes it will deliver

7.44. If we consider a number of specific commitments, including those where qualitative feedback from stakeholders implored us to increase our ambitions to the maximum option offered, we can see that the social value findings have supported and reinforced that decision and in all cases the value to customers significantly outstrips the cost of delivery. For example (see figure SA-03.65):

Core commitment	Option 1: Incremental improvement	Option 2: WPD initial best view	Option 3: Further ambition	Option 4: Considerably greater ambition	Qualitative stakeholder feedback	Customer social value of the maximum ambition level (based on average domestic customer bill)	Net value benefit
Identify and engage hard-to-reach vulnerable customers each year to join the Priority Services Register within RIIO-ED2	20,000 customers	30,000 customers	40,000 customers	**50,000 customers**	The majority of stakeholders favoured the maximum ambition level. This was reinforced by surveys with end user customers, who of the options presented, 57% supported this maximum level.	Very high priority (3rd highest of those tested): £1.91-£0.49	£1.90 - £0.48 per customer
Bill impact:	-0.5p	-	+0.5p	+1p			
Reduce leaks from fluid filled cables	20% reduction	30% reduction	40% reduction	50% reduction	Of the options, a large majority of 43% supported a 50% reduction. Similarly, 46% supported greater ambition to replace 90km of the poorest performing cables.	Very high priority (4rd highest of those tested): £1.71-£0.44	£1.61 - £0.34 per customer
Bill impact:	-6p	-	+8p	+10p			

Figure SA-03.65: Examples of alignment between qualitative stakeholder feedback seeking maximum ambition in our commitments, and the high corresponding customer value revealed by this research

Inform the ambition level of WPD's core commitments

7.45. The social value research is a key part of our decision making tools when agreeing the appropriate commitments and ambition levels with our stakeholders and customer. We use the values revealed to qualify the amalgamated and synthesised engagement we have received up to that point as a key component of our triangulation process. We do so in two key ways:

I.   **To confirm and reinforce other feedback received:** In the majority of cases, thanks to robustness of our engagement and the extensive range of stakeholders involved in our qualitative discussions, the commitments we have arrived at have seen correspondingly high customer value for the ambition level selected – reinforcing the decision we have arrived at. As part of this, social value tests the validity of our overall engagement findings and if there are any major discrepancies this signals areas that may need a rethink or further, more detailed exploration with stakeholders before a decision is taken.

II. **To arrive at a final decision where there was previously uncertainty:** In some cases, where the qualitative feedback has been inconclusive and stakeholders are torn between levels of ambition, the social value research provides valuable additional insights to help us arrive at a decision on the basis of an outcome with the greatest social value relative to the cost and resource required to deliver it.

7.46. Some key examples of how this influenced our decision making in areas of the plan where the was a significant increase in the ambition level of WPD's core commitments between the first draft and second draft Business Plan, can be seen in figure SA-03.66 below:

	Initial commitment (at first draft Business Plan)	Synthesised stakeholder feedback *(see Section 5 for details)*	Customer social value research	*Decision making*	*Final commitment*
1	Maintain a high standard of **90%** customer satisfaction across all key services areas	Very strong support for option two: 90%	Notable (mid-level) value to customers of delivering further ambition up to 92%. Valued at: £1.01-£0.26	**Broad consensus in the feedback received.** Qualitatively stakeholders indicated they are very happy with WPD's existing performance and therefore only want incremental improvement – hence favouring a minimum target of 90% (relative to existing performance of 89%). Value research reveals a medium-level value to consumers of going beyond this level. Commitment therefore revised to show ambition to achieve beyond 90% throughout the RIIO-ED2 period on a glide path up to 92% as this has notable value to consumers which significantly exceeds the cost of delivery	Achieve an average customer satisfaction of **90% or higher** across all key services areas with separate reporting for emerging technology customers.
6	Proactively contact over 2 million Priority Service Register customers once every two years (with **40%** via direct telephone call) to remind them of the services we provide and update their records	Very strong support for further ambition but lack of consensus between option three (60%) and option four (80%)	Value to customers of delivering further ambition, but relative to other commitments low level value for the maximum level of ambition (80%). Valued at: £0.87-£0.22	**Broad consensus in the feedback received.** Both sets of feedback confirmed stakeholders wanted to see greater ambition than the originally proposed level of 40%, but support for the maximum level of 80% was not strong in both cases. Decision was therefore taken to select the mid-point ambition option.	Proactively contact over two million Priority Services Register customers once every two years (with **60%** via direct telephone call) to remind them of the services we provide and update their records.
8	Identify and engage **30,000** hard-to-reach vulnerable customers each year to join the Priority Services Register within RIIO-ED2	Very strong support for maximum ambition level (option four: 50,000)	Very high value to customers of delivering the maximum level of ambition. Valued at: £1.91-£0.49	**Broad consensus in the feedback received.**	Increase the number of customers registered on the Priority Services Register to **40% of total eligible customers including 50,000** hard-to-reach customers each year.
9	Support **75,000** fuel poor customers to make **£40million** savings on energy bills over RIIO-ED2	Very strong support for maximum ambition level (option four: 113,000 customers to save £60million)	**WTP** Very high value to customers of delivering the maximum level of ambition. Valued at: £3.67-£0.94 **SROI** Significant social value generated through financial savings (£60m) and improved quality of life years (£7m) – supports highest ambition.	**Broad consensus in the feedback received.**	Support **113,000** fuel poor customers to save **£60 million** on their energy bills over RIIO-ED2.
19	On average fewer and shorter power cuts in RIIO-ED2 than RIIO-ED1 Including: Continue to have focus on restoring HV supplies quickly (that are not automatically restored) such that **86%** are restored within one hour	Strong support for raising ambitions	**WTP** High value to customers of delivering increased level of ambition. Valued at: £1.68-£0.43 **SROI** Significant social value generated (~£50m) through reduced customer nuisance (measured using CI & CML values as proxies)	**Broad consensus in the feedback received**	Deliver improved network reliability where on average power cuts are better than one interruption **every two years** lasting **24 minutes**. Including a wider commitment to continue to focus on restoring supplies quickly and to restore more than 85% (up to **87%**) of customers within one hour.
21	Invest **£109million** per year to improve the overall health of the network and develop a measure of overall asset health. Report annually to stakeholders the impact of our investments	Very strong support for maximum ambition level (option four: £210 million) but with a clearer measure of the improvement to overall asset health that will be delivered once a measure has been agreed with Ofgem	Notable (mid-level) value to customers of delivering further ambition up to a 10% improvement in overall asset health. Valued at: £0.99-£0.25	**Broad consensus in the feedback received.** Based on further calculations WPD believes that for the maximum level of investment tested (and strongly supported via qualitative stakeholder discussions) and therefore associated bill impact, we can deliver a 20% improvement in overall asset health, which therefore exceeds the target tested and receiving notable value in the social value research, but without increasing costs to customers further.	Improve the overall health of the network by **20%** with an Investment of **£210million** per annum.
22	We will continue to install further flood defences at **95** sites to reflect updated data from the Environment Agency	Strong support for further ambition but lack of consensus on which level	High value to consumers of delivering greater ambition. Valued at: £2.01-£0.52	**Value research used to refine and triangulate final commitment.** Based on latest Environment Agency data we have refreshed the scenario since our first draft Business Plan (option three altered from 110 to 102 schemes). Based on the high value attributed as part of the customer value research Whilst very high value placed by customers, we had to balance this with the qualitative feedback that was less definitive on wanting the maximum level and slightly favoured the mid-point of option three. In the selection of the 102 schemes we have been influenced by the valuation research (which tested the volume of benefitting customers) and are therefore proposing to address the schemes with the greatest number of benefitting customers first. In doing so we believe that despite a lower number of schemes than originally tested, we believe the 102 schemes will benefit very high numbers of customers in line with	Reduce the flooding risk at key sites by undertaking **102** flood defence schemes and engage stakeholders to reduce the need for new assets in flood risk areas.

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			the levels that received very high value in the customer value research.		
29	Reduce internal Business Carbon Footprint to be net zero by 2043 by following a verified Science Base Target to limit the climate impact of our activities.	Very strong support for maximum ambition level (option four: net zero by 2028)	**WTP** High value to customers of delivering the maximum level of ambition. Valued at: £1.60-£0.41 **SROI** Notable social value generated (£11.7m) across the various initiatives that will deliver the earlier target date.	**Broad consensus in the feedback received**	Achieve net zero in our internal business carbon footprint by **2028** (excluding network losses) and follow a verified science based target of 1.5°C to limit the climate impact to of our activities.
30	Reduce leaks from fluid filled cables by **30%**	Strong support for maximum ambition level (option four: 50%)	**WTP** High value to customers of delivering the maximum level of ambition. Valued at: £1.71-£0.44 **SROI** Average SROI value identified (£440k), measured through compensation payments required. Stakeholder support was for the avoidance of risk, justifying increasing the ambition here.	**Broad consensus in the feedback received**	Reduce the volume of oil leaked from fluid filled cables by **50%** by 2028 and replace 9**0km** of the worst leaking circuits with non-oil alternatives putting WPD on target to remove all oil-filled cables by 2060.

Figure SA-03.66: Examples of how social value research findings were used alongside wider stakeholder feedback to arrive at WPD's final core commitments

8. Customer Engagement Group

8.1.   As part of the RIIO-2 Business Planning process, we were required by Ofgem to establish an independent, challenge body.

8.2.   The Customer Engagement Group (CEG) group independently scrutinised and challenged WPD's Business Plan and the quality of engagement undertaken to inform it.

8.3.   We followed a robust, independent and transparent process to appoint the CEG Chair and all members. As part of this, we sought ratification and approval to proceed from Ofgem (Head of RIIO2 Policy on Engagement, Head of RIIO2 Policy and Deputy Director of ED and Cross Sector Policy) on five occasions, including direct oversight of, and input into, the Chair interview shortlisting process.

8.4.   The CEG reflects the interests of existing and future consumers and promotes good value customer outcomes, with a focus on affordability, the protection of vulnerable consumers, the environment, sustainability and the transition to a low carbon energy system.

8.5.   The CEG provides assurance to Ofgem that our Business Plan understands and addresses the requirements of customers. The CEG accomplished this by reviewing and challenging the stakeholder engagement that we undertook to develop our plan.

8.6.   WPD has undertaken extensive efforts during the recent Business Planning process to meet these regulatory requirements by creating and supporting WPD's CEG in line with, or aiming to exceed, best practice wherever possible. Highlights of these efforts, including addressing every best practice recommendation made by Citizens Advice in their January 2021 paper *'RIIO-2 price control Enhanced Engagement Process: Recommendations to Ofgem and energy network Customer Engagement Groups and User Groups',[1]* are discussed below.

Recruiting the Chair and members

8.7.   WPD was the first DNO to form a CEG, with the first meeting taking place in March 2019. Recognising the value of this independent oversight and challenge, we were eager to commence this process earlier than other DNOs in order to build the knowledge of members to enable them to scrutinise our approach in unrivalled detail and depth.

8.8.   WPD began formation of the CEG in late 2018[2] with a focus on shaping the CEG's structure, membership, and ways of working in ways to enable total independence from the business. We ensured that independence of the group is clearly visible through complete transparency of the processes involved.

Chair recruitment

8.9.   The ambition, independence, and transparency of the group begins with the Chair. As such, we established a clear process, in close coordination with Ofgem, to recruit a best-in-class CEG Chair (figure SA-03.67).[3]

**Figure SA-03.67: CEG Chair Duncan McCombie at a CEG meeting**

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[1]

https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Citizens%20Advice's%20review%20of%20the%20Enhanced%20Engagement%20process%20for%20RIIO-2%20(3).pdf
[2] Western Power Distribution, PowerPoint: "RII02 Customer Engagement Group – Process to build the group", December 2018, pg. 7.
[3] Western Power Distribution, PowerPoint: "RII02 Customer Engagement Group – Process to appoint a Chair", August 2018

8.10. We introduced this rigorous process to support the appointment of independent chair by the end of 2018.[4] We appointed an external recruitment agency with expertise in CEO and Non-Executive Director recruitment, resulting in a list of 46 Chair candidates. We then engaged an independent expert with first-hand experience of holding an equivalent role in the water sector (Chair of Welsh Water's Customer Challenge Group for PR19) to conduct a stand-alone, parallel evaluation of candidates, alongside our own assessment. All candidates were formally assessed against role criteria and a weighted skills matrix that was agreed in advance with Ofgem.

8.11. The process ran as follows (figure SA-03.68):

Figure SA-03.68: Process followed to recruit the CEG Chair
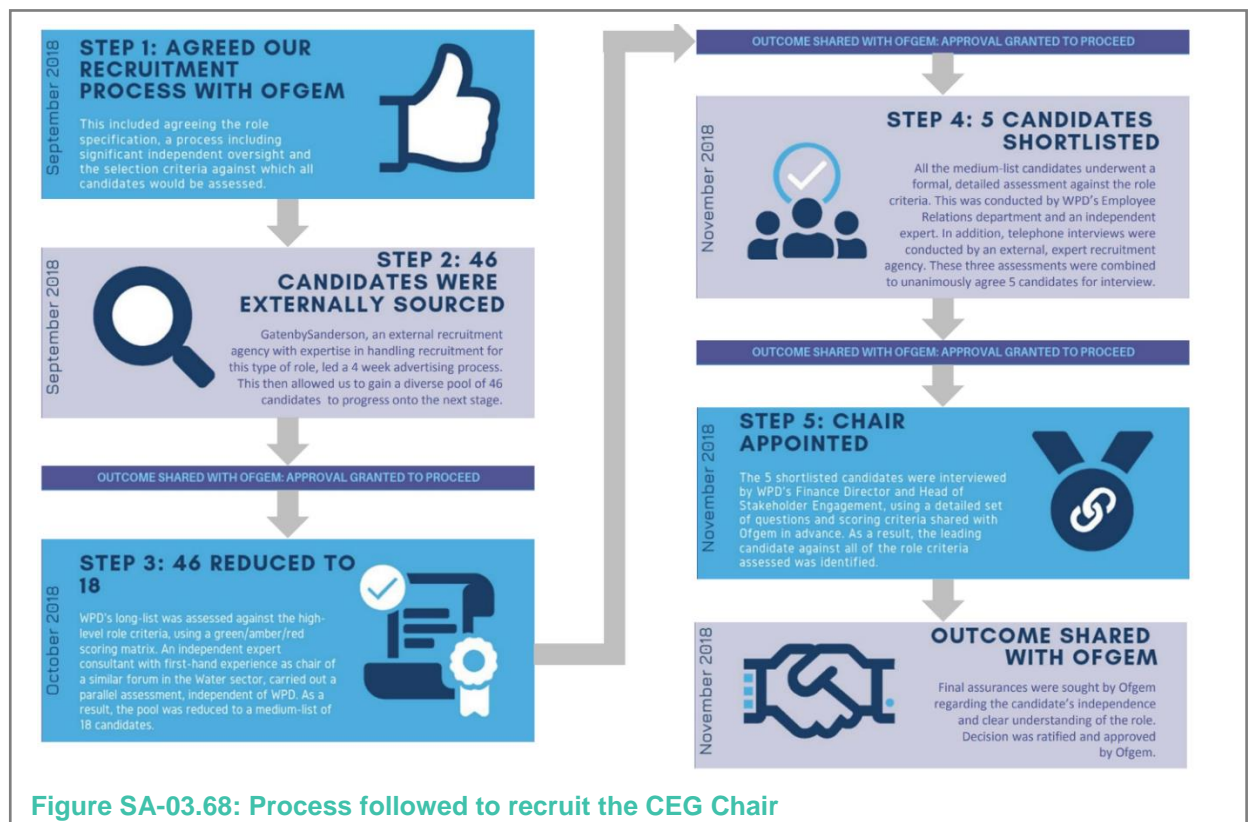
8.12. To ensure thorough assurance, in the final step of the process, we consulted with Ofgem regarding our preferred candidate's independence and our clear understanding of the role. The decision to hire WPD's CEG chair – Duncan McCombie, CEO of YES Energy Solutions (a fuel poverty company) – was then approved by Ofgem.

8.13. Importantly, we limited the tenure of the CEG Chair to four years.[5] This is in keeping with best practice to limit chair terms to less than two planning cycles, such that we maximise the independence and continued excellence of the Chair and mitigate any chance of 'capture'.

Member recruitment

8.14. We applied a similarly rigorous process to recruit membership for the group.

8.15. Before commencing this process, we consulted our wider stakeholders to build a group that could provide maximum scrutiny and effective challenge, helping to increase quality and robustness of our Business Plan.

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[4] Western Power Distribution, PowerPoint: "RII02 Customer Engagement Group – Process to build the group", December 2018, pg. 4.
[5] Western Power Distribution "Customer Engagement Group at WPD Terms of Reference, v0.6," 03/01/2019, pg. 6.

8.16. Our wider stakeholders wanted CEG members to represent many areas of expertise. In 2018, we ran consultation workshops that identified 24 areas of expertise to be covered by the group. We assessed all candidates using a detailed matrix-based approach that required each candidate to have expert knowledge in multiple areas.

8.17. Working with the Chair, we developed a thorough 'terms of reference' document for the group to help with member recruitment. This communicated to candidates that the CEG was more than a consumer interest group and required a diverse range of knowledge areas. The CEG includes experts in low carbon technologies, future energy scenarios and energy system transition, major users, vulnerable customers, and local/regional interests.

8.18. It was also vital to identify senior, high-calibre individuals, who could relate to the needs of the consumers they were there to represent - as well as having a firm understanding of Ofgem's requirements and the RIIO price control process as a whole.

8.19. An initial list of 46 member candidates was drawn up, following an advertising and external recruitment campaign, led by an independent recruitment agency, as well as help from the Chair's network of contacts. The Chair then interviewed a shortlist of 23 candidates.

8.20. The process ran as follows (figure SA-03.69):

Figure SA-03.69: Process followed to recruit the CEG members
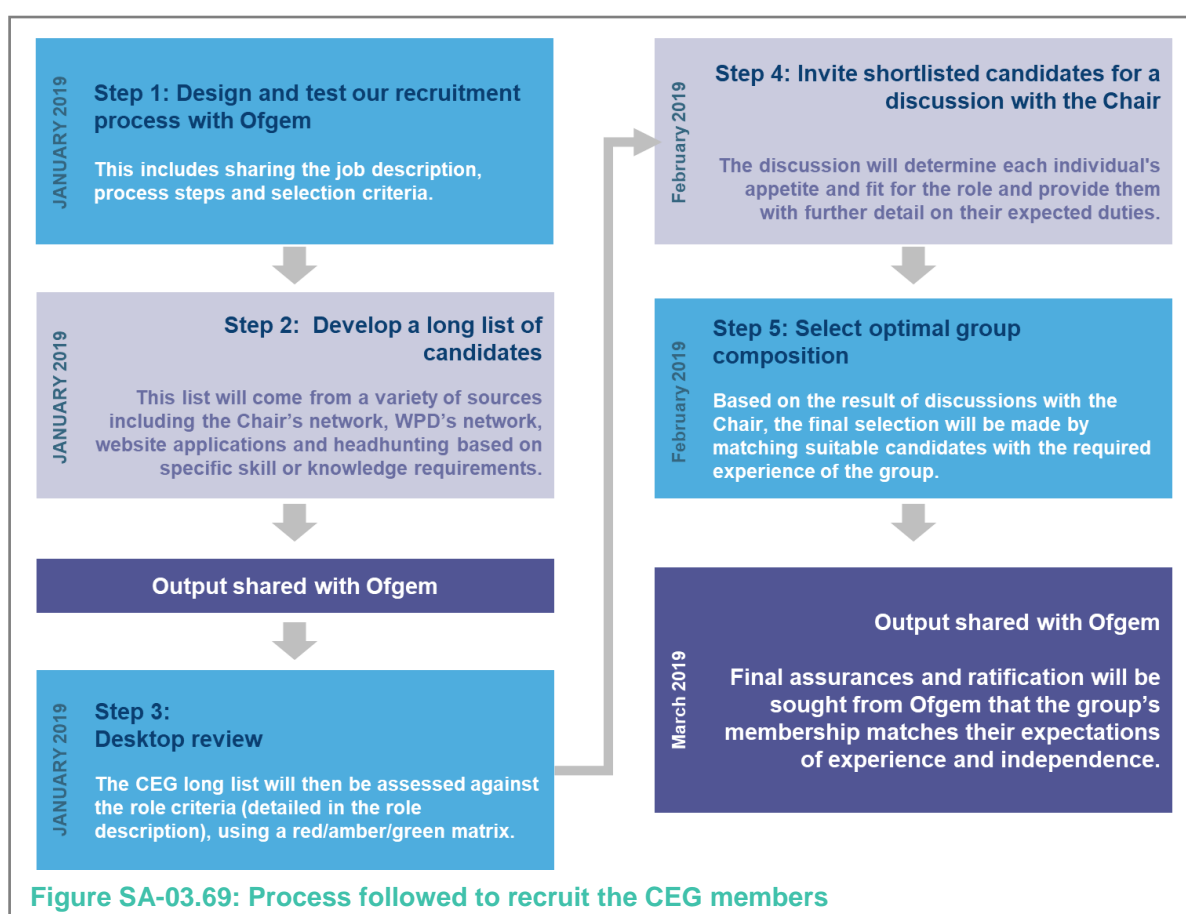
8.21. WPD's rigorous recruitment process enabled us to establish a CEG with the diverse experience and expertise needed to represent the interests of our customers. This process included:[6]

8.22. As outlined above, a key objective was to build a CEG with knowledgeable members who each represent more than one key expertise area. This would afford a diversity of thought within the panel and ensure all views were represented.

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[6] Western Power Distribution "WPD – Member Recruitment Process."

8.23. These efforts resulted in the creation of a highly diverse CEG. The expertise brought by the final 16 CEG members (including the Chair and Secretariat) is shown in figure SA-03.70.

CEG knowledge & expertise matrix		Number of individuals with expertise in these areas
Customers	Customer research / representation	7
	Stakeholder engagement	10
	Major users	3
	Needs of current and future customers	4
	Vulnerable customers	5
	Fuel poverty	4
	Regional outlook / local issues	6
	Local government or LEPs	3
Future energy systems	Energy system transition (DSO)	8
	Innovation	7
	Future energy scenarios	7
	Low carbon technologies e.g. EVs	6
	Distributed generation	8
	Energy storage	5
	Community Energy and non-traditional business models	6
	Sustainability	7
Traditional energy systems	Energy supply	3
	Wider utilities sector (gas / water)	8
	Electricity transmission	4
	Electricity distribution (technical understanding)	6
	Environment (incl. decarbonisation)	6
	Resilience	5
	Regulatory framework / price control planning	10
	Outputs and expenditure	6

WPD was the first DNO to establish a CEG, appointing its Chair, Duncan McCombie (CEO of YES Energy Solutions CIC, a fuel poverty company) in October 2018, followed by an independent secretariat and 14 members in February 2019.

Figure SA-03.70: CEG members' knowledge and expertise

Figure SA-03.71: Our Customer Engagement Group

8.24. Specific consideration was given to gender balance when recruiting the group. Today, there is a current spilt of eight (53%) male and seven (47%) female, including of the Secretariat role. Additionally, there is a mix of paid and unpaid roles, with members of the CEG serving in non-remunerated positions where appropriate due to associations with broader advocacy groups.

8.25. To guard against bias across the group, we established a robust policy on disclosure of conflicts of interest as part of membership recruitment and CEG set-up processes. This policy is discussed further under 'Transparency and Accountability'.

8.26. A key driver in the formation of the CEG was to recruit members not only with a diverse range of subject-matter expertise, but with a broad and in-depth industry understanding of the performance, services and processes of other DNOs and utilities, based on first-hand experience working with them. This has enabled members to place WPD's activities, accomplishments and overall standards of delivery in a broader context, therefore helping to calibrate the scrutiny and challenge they deliver and expectations they set for WPD. As a result, this has led to deeper challenge and scrutiny, with members pushing WPD to go further than has been achieved in the sector before and urging WPD to look beyond the energy industry, thanks to members with expertise in diverse but comparable sectors such as water and telecoms.

8.27. As figure SA-03.72 shows, the Customer Engagement Group therefore comprises of the following members:

Figure SA-03.72: Our Customer Engagement Group members

Duncan McCombie (Chair)
- CEO YES Energy Solutions CIC

Duncan has spent his thirty year career in a variety of executive, customer-facing roles. He is an established Chair having led the Existing Homes Network for Wales. As an experienced independent consumer expert he was a member of Welsh Water's Customer Challenge Group for PR19, the Climate Change Commission for Wales, and the Welsh Transport Minister's Low Carbon Steering Group. Duncan brings extensive utility and energy efficiency sector experience, with previous corporate roles including Director of Operations at the Energy Savings Trust, senior adviser to the Chair of CCWater Board and Head of Customer Policy at Thames Water.

Core expertise: Network resilience; Environment; Vulnerable customers; Fuel poverty; Outputs and expenditure

Martin Crouch (Member)

Martin is the Managing Director of 4D Economics which consults independently on the future of the energy sector and more broadly; regulation, innovation and infrastructure. Martin is particularly interested in enabling digital and business model innovation and in aligning the interests of infrastructure investors with those of customers. A former senior partner at Ofgem, Martin was responsible for improving regulation, overseeing Ofgem's horizon scanning and sustainability work, its Chief Economist's office and innovation link and enforcement function. He is an external member of Ofwat's price review programme board, non-executive Director of Heat Customer Protection Limited – which operates the Heat Trust scheme – and Principal Research Associate for energy markets at University College London.

Core expertise: Energy system transition (DSO), Ability to review outputs and associated expenditure, Price control/Business Planning process experience

Jocelyn McConnachie (Vice-Chair)

Jocelyn is a highly experienced customer experience transformation leader and board level Commercial Director. She has successfully delivered customer-centric strategic change and led commercial operations and corporate affairs in private companies, publicly funded organisations and multi-nationals including E.ON and National Grid. As Customer Experience Director at National Grid, she established and developed the customer experience transformation (organisation, strategy, process, culture) fundamental to their strategic goals. Jocelyn has a proven record in effectively challenging on behalf of energy customers and strives to ensure customer and stakeholder voices are always represented.

Core expertise: Resilience; Vulnerable customers, Regional outlook/local issues; Local government; Combined Authorities or LEPs; Electricity transmission; Customer service/consumer representation

Caroline Farquhar (Member)

Caroline works at Citizens Advice in the Energy Networks and Systems team as the lead liaison with the six monopoly Electricity Distribution Network Operators (DNOs). She has a wide range of expertise including consumer vulnerability, strategy, finance and risk management and has a particular interest in the transition of DNOs to Distribution System Operators (DSOs). She started work at Citizens Advice in North & West Kent (CANWK) in 2006 as a volunteer adviser and later became a staff member in a number of roles including benefits and debt adviser, trainer, and Development Manager. Prior to her Citizens Advice career, Caroline worked for a decade as a Credit Manager in the investment banking industry.

Core expertise: Ability to review outputs and associated expenditure, Price control/Business Planning process experience, customer service/consumer representation.

Lucy James (Secretariat)

Lucy co-founded EQ Communications, a community relations and stakeholder engagement consultancy, in 2017. She specialises in the development, transport, infrastructure and energy sectors and has planned and implemented programmes of stakeholder engagement on behalf of numerous companies involved in the regulated water, gas and electricity sectors - supporting the development of their Business Plans. She was a former partner at Westbourne Communications, a Westminster-based public affairs company, running consultation programmes for FTSE-100 companies. Prior to this she coordinated all media and public affairs activity for the pro-HS2 campaign, including running the secretariat for an All Party Parliamentary Group (APPG). Over the course of her career she has supported PR campaigns and programmes of stakeholder engagement for some of the UK's leading brands and worked closely with government, including No.10 and the Home Office.

Ian Graves (Member)

Ian is a dynamic and successful executive with over 25 years' experience in the energy and utility industry. He has a strong track record of transforming corporate strategies and driving business performance and cultural change. He has experience of working with national governments, global industry, local governments, non-governmental organisations and the general public. Ian has expert knowledge of power generation, transmission, distribution and renewables and is a significant contributor to future energy scenarios. Ian sits on the Advisory Board of the Energy and Utility Forum and is an elected member of the Executive Council for Parliamentary Group for Energy Studies.

Core expertise: Community energy and non-traditional business models, Future energy scenarios, Major users, Wider utilities sector (e.g. gas/water)

**James Heappey
(Member: 2019-2020)**

James is the Member of Parliament (MP) for the Wells Constituency in Somerset and has held this position since May 2015. He was elected as chairman of the Parliamentary Renewable and Sustainable Energy Group (PRASEG) – a cross-party group for MPs, businesses, think tanks and NGOs who are keen to promote and discuss sustainable energy issues in Parliament – in 2018, following his extensive work on clean energy in Westminster where he is now regarded as one of the leading contributors to future energy policy.
He is also the Chair of the All Party Parliamentary Group (APPG) for the UK Events Industry and has served on the House of Commons' Energy and Climate Change Select Committee.

Core expertise: Government affairs, Energy policy, Innovation, Energy system transition (DSO), Low carbon technologies, Distributed generation

**David Mitchell
(Member)**

Building on 25 plus years' experience in energy markets and regulation, David now provides independent advice, insight and knowledge into global and domestic energy markets and energy change policies. As the Senior Energy and Climate Change Executive at the Chemical Industries Association, David seeks to ensure a fair and internationally competitive energy market with proactive regulatory policy that meets decarbonisation and clean air targets for future generations .David has wide-ranging experience of customer and stakeholder engagement including expertise in energy and climate change policy, regulatory network funding and licensing arrangements, power generation, transmission and distribution arrangements and asset health investment strategies.

Core expertise: Resilience, Major users, Electricity transmission

**Merlin Hyman OBE
(Member)**

Merlin is the Chief Executive of Regen where the mission is to transform the world's energy systems for a zero carbon future. Merlin is a passionate advocate of a smart, decentralised, low carbon energy system based on renewable energy. He is an influential figure shaping public policy, sitting on leading forums such as the BEIS (Department for Business, Energy and Industrial Strategy) and Ofgem Smart Systems Forum. Merlin was previously director of the Environmental Industries Commission, where he worked in Whitehall and Westminster to ensure government support for British companies, enabling them to succeed in the rapidly growing worldwide market for low carbon products and services.

Core expertise: Innovation, Distributed generation, Community energy and non-traditional business models, Sustainability

**Lesley Queripel
(Member)**

Lesley is a strong customer advocate and has proven experience of influencing decisions and outcomes for customers. A senior regulatory leader and former Head of Commercial Regulation at E.ON, she has helped shape government and regulatory policy and has implemented complex regulatory change across the energy market in both Great Britain and the EU. Lesley has over 20 years' experience in the energy sector and throughout her career has built a strong reputation for fairness and integrity. Her areas of expertise include regulatory policy, change and governance, stakeholder management, customer advocacy, due diligence and business integration.

Core expertise: Energy supply, Price control/Business Planning process experience, Technical understanding of energy distribution and the regulatory framework

**Felicity Jones
(Member)**

Felicity is a Partner at Everoze, where she set up the energy storage service line, providing strategy, technical due diligence and procurement support to the stationary battery sector. She takes particular interest in new energy business models and revenue-stacking for distributed asset portfolios. Felicity was previously Strategy Manager for international engineering consultancy DNV GL, and has served as chair of the World Energy Council storage knowledge network. She is a Trustee of the Centre for Sustainable Energy (CSE) and an Advisory Group member for the University of Exeter's iGov2 programme on energy system change.

Core expertise: Energy system transition (DSO), Community energy and non-traditional business models, Energy storage, Low carbon technologies e.g. electric vehicles

**Matthew Rhodes
(Member)**

Matthew is an independent consultant and Chair of Energy Capital West Midlands. Energy Capital is a public-private partnership responsible to the Mayor of the West Midlands for delivering the West Midlands Regional Energy Strategy. Matthew's career spans energy, manufacturing and management consultancy. From 2003 to 2017, he founded and led an engineering and building physics consultancy specialising in low carbon innovation, developing and delivering collaborative projects at the leading edge of the energy system transition, particularly in housing and community contexts. He's a Board member of the Greater Birmingham and Solihull Local Enterprise Partnership and the Sustainable Housing Action Partnership. Matthew trained in engineering, economics and management at Oxford University. He's a Fellow of the Institution of Engineering and Technology and an Honorary Research Fellow in Energy Policy at Exeter University.

Core expertise: Energy system transition (DSO), Innovation, Sustainability, Regional outlook/local issues, Local government, Combined authorities or LEPs

**Miranda Mayes
(Member)**

Miranda is a highly experienced project manager, Director and market research practitioner with a wide range of industry expertise, including water, energy, environmental, transport, finance and construction. During her 30 year career in research she has managed and directed over 600 projects, with her main focus being utilities sector research. Since leaving to become an Independent Consultant in 2016, she has continued to focus on research in the utilities sector, but has also broadened her portfolio to include finance and construction, as well as increasing her knowledge of the range of new technologies and approaches to undertaking research. Her extensive research skills - in particular willingness to pay, prioritisation, new product development, attitudinal and satisfaction research – encompass the full range of research methodologies. She is a member of the Market Research Society.

Core expertise: *Stakeholder engagement, Research (incl. digital inclusion), Needs of current and future generations*

**Simon Roberts OBE
(Member)**

Simon is the Chief Executive of the national charity the Centre for Sustainable Energy (CSE). He has been helping people, organisations and policy-makers develop effective responses to the threat of climate change and the misery of cold homes for more than 30 years. He is a specialist adviser to government, academic and industry bodies - including Ofgem and the Department of Business, Energy and Industrial Strategy (BEIS). Simon's expertise includes policy design, the social impacts of energy policy, smart meters and smart energy systems, community and public engagement with energy issues, fuel poverty policy and practice, social initiatives in the energy industry, low carbon network regulatory policy, financing of sustainable energy and local authority energy strategy and practice. Simon is the chair of the board of renewable energy company Thrive Renewables Plc and a Non-executive Director of Bristol Green Capital Partnership CIC.

Core expertise: *Environment (including decarbonisation), Vulnerable customers, Fuel poverty, Stakeholder engagement*

**Lewis Shand Smith
(Member: 2019-2021)**

Lewis is leading a number of projects designed to raise standards and provide access to justice through alternative dispute resolution in several key areas. An expert in regulation and ombudsman schemes, he is also a qualified mediator. From 2009 until 2018, he was Chief Executive and Chief Ombudsman of Ombudsman Services (OS). He was founding President of NEON, the European National Energy Ombudsman Network, and is a past Chair of the Ombudsman Association. He was Deputy Ombudsman and a member of the Executive Board at the Scottish Public Services Ombudsman (SPSO) 2002-2007 and has served as a non-executive Director or trustee with a number of companies and charities. He is a former Vice President of the Convention of Scottish Local Authorities, was a member of the Executive of the Scottish Constitutional Convention, and represented the UK on the European Committee of the Regions.

Core expertise: *Customer engagement, Research, Stakeholder engagement, Communication and Regulation*

**Pamela Taylor
(Member)**

Pamela is a Non-Executive Director and Executive Coach with 15 years' experience in the energy sector. A former Director at FTI Consulting and Ofgem, she understands the context and challenges facing leaders, organisations and regulated sectors and helps transform thinking and ways of working to deliver results for individuals and organisations. Pamela works with leaders and boards to develop business strategies, manage risk / compliance, influence policy / regulation and promote organisations externally. She runs an executive coaching practice to support leaders in the next step of their careers. She chairs the Energy Switch Guarantee and Green Gas Certification Scheme's Compliance Committee. As such, Pamela is widely recognised for her knowledge and experience in the energy sector and brings significant experience in challenging proposals to the group.

Core expertise: *Energy system transition (DSO), Innovation, Distributed generation, Regulatory framework/price control planning, Electricity distribution (technical understanding)*

**Tony Smith
(Member)**

Tony recently retired as Chief Executive of the water consumer watchdog, the Consumer Council for Water. In this role, he successfully led the transformation of regulation and price setting for customers, prompting water companies and regulators to focus on customers and value for money, producing a 70% reduction in customer complaints to water companies. His career spans 30 years in the energy and water sectors, leading change for customers and preparing for competition as both a company Director and a regulator (at Ofwat). He has vast experience of communicating with customers, the national media and Parliamentary committees, as well as on conference platforms in the UK and overseas. His early career was in strategy and marketing, implementing business turnarounds in oil, aerospace, automotive and fast moving consumer goods businesses.

Core expertise: *Customer engagement, Research, Stakeholder engagement, Communication and Regulation*

Maintaining independence

8.28. The independence of the CEG is central to its role in scrutinising and challenging WPD's Business Plan. As such, we have established mechanisms to facilitate and maintain the CEG's independence from the business. Some of these, like the consultative processes used to recruit the Chair and members and the limit on the Chair's term, were part of the CEG's formation. Subsequently published guidance, like the CEG's Conflict of Interest policy and the CEG's Terms of Reference, helped ensure continued independence in operations.

8.29. We have defined clear guidelines for members of the process to challenge elements of the Business Plan, and the evidence required, to ensure CEG members remain focused on representing the views of our customers and stakeholders – and so that the process is fair and measurable. In RIIO-ED2, Citizens Advice staff will sit as independent members of the WPD CEG, to help improve its ways of working and ensuring independence from the business.

8.30. The Secretariat also plays an important role in ensuring the independence of the CEG. WPD has established clear guidelines for the role in the policy 'Secretariat Role Description'. Among other critical responsibilities, the CEG Secretariat is responsible for:[7]

1	Ensuring all proceedings and feedback are captured in minutes
2	Maintaining a risk register
3	Maintaining the conflict of interest register
4	Maintaining the Challenge log and the identifying the areas of the business that each challenge relates to
5	Producing summaries of each meeting to post on the WPD CEG website

8.31. We estimated that this role requires two days every two weeks, including support for four - six formal meetings of the CEG annually. In addition to facilitation, the Secretariat helps to prepare for sessions, managing logistics, creating reports, and providing expertise to assist in evaluation of the CEG's activities. In doing so, the Secretariat helps to act as an arbiter of independence from the business.

Ensuring transparency and accountability

8.32. The principle of transparency is essential in the success of the CEG and to ensure accountability to the communities we serve. As such, we have worked to ensure that the productivity and the impact of the CEG is clearly communicated to stakeholders.

8.33. To help achieve this, we established a website for the CEG, providing information on key topics like membership, agendas, and meeting minutes for all discussions. This includes downloadable artefacts from all discussions. Agendas (and presentations) are provided for each session.

8.34. We also established a robust policy to ensure that conflicts of interest for CEG membership are handled in a consistent way. We defined a conflict of interest as involving 'a conflict between the public duty and private interests of a member, in which the member has private-capacity interests which could improperly influence the performance of their official duties and responsibilities.'[8] CEG members are required to disclose, determine, and manage all conflicts of interest according to this definition. Conflicts are then recorded in a central register. We require regular reporting on conflicts of interest and have assigned responsibility to the CEG secretariat for recording and ensuring proper management.

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[7] Western Power Distribution, "Customer Engagement Group at WPD Secretariat Role Description", January 2019, pg. 3.
[8] Western Power Distribution "Conflicts of Interest Policy," 04/02/2019, pg. 3.

Figure SA-03.73: CEG Deputy Chair, Jocelyn McConnachie participating in discussions

8.35.   Lastly, we have developed a clear set of Terms of Reference (TOR) of the CEG.[9] The TOR overviews core principles and guidance including the group's scope and objectives, membership, outputs, meeting procedures, secretariat support, mechanisms to promote the independence and transparency of the CEG, and governance and review processes. A full overview of the CEG's membership and the various roles and responsibilities can additionally be found in TOR. Lastly, the TOR provides guidance on the appropriate use of social media with details on the appropriateness of posting and sensitive information.[10]

The core role of the CEG

8.36.   WPD has clarified the objective of the CEG as being 'to ensure WPD delivers a thoroughly scrutinised Business Plan that ultimately meets the wants and needs of customers, at the lowest possible cost.'[11] To achieve this objective, the CEG is responsible for:

- Providing wholly independent scrutiny of, and challenge to, the company's Business Plan for RIIO-ED2 from the perspective of existing and future consumers and stakeholders, with a focus on affordability and the protection of consumers in vulnerable circumstances, and on sustainability across all activity and the transition to a low carbon energy system;

- Participating in the public hearings and meetings arranged and run by Ofgem;

- In the delivery of its objectives, scrutinising WPD's Business Plan, and clearly set out areas of agreement and disagreement, stating the reasons in the report prepared for Ofgem.

8.37.   At the heart of the CEG's mandate is the requirement to scrutinise engagement, challenge the interpretation of feedback, assess linkages between engagement and proposals, and to ensure consideration of diverse stakeholders are manifest. In the TOR, we have instructed the CEG to challenge the business in the following areas:[12]

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[9] Western Power Distribution "Customer Engagement Group at WPD Terms of Reference, v0.6," 03/01/2019.
[10] Western Power Distribution "Customer Engagement Group at WPD Terms of Reference, v0.6," 03/01/2019, pg. 14
[11] Western Power Distribution "Customer Engagement Group at WPD Terms of Reference, v0.6," 03/01/2019, pg. 4.
[12] Western Power Distribution "Customer Engagement Group at WPD Terms of Reference, v0.6," 03/01/2019, pg. 5.

1	**Overall company priorities and approach**
2	**Approach to sustainability, resilience and energy system transition (to Distribution System Operator - DSO)**
3	**Proposed outcomes and impacts with associated expenditure, compared to historical performance and industry comparators**
4	**Stakeholder and consumer engagement process and research**
5	**Support for vulnerable customers**
6	**Company approach to innovation across assets, services and the roll-out of learning**
7	**Future energy scenarios**
8	**Alternative/flexible investment options**
9	**Regionally and locally unique issues**

8.38.   The CEG's forthcoming report will detail how the CEG has delivered against these responsibilities.

Ways of working

8.39.   Operation of the CEG requires continual effort from the Chair, the membership, and WPD employees. WPD initially outlined the time commitment for CEG members of 12-15 days a year (covering four-six meetings with preparation time). Over the course of 2019 and 2020, the CEG's working time has increased by approximately 50% to ensure members have sufficient time to challenge as the Business Plan development nears completion.

8.40.   The CEG meets as a full group at least every two months. So far in 2021, meetings have been held monthly.

> **So far in total over 125 individual meetings have been held and 31 challenges have been raised.**

8.41.   Agendas for each CEG meeting are set by the Chair. The Chair also organises and directs the CEG deliberations and requests access to necessary data and subject matter experts from WPD and Ofgem.

8.42.   Data used to inform CEG decisions include, but are not restricted to, information on past performance, Totex forecasts, out-turn performance (and reasons for the variation), and comparative data from other network companies and other background data.

8.43.   To maintain the highest quality standards, the Chair monitors the outputs of the group to ensure that the group covers all appropriate topics in the required level of detail. In line with this objective, WPD's CEG has seen a regular review of membership. This has resulted in members leaving and an additional member being recruited to maintain the group's expertise.

8.44.   WPD's CEG has established seven sub-groups with an aim of reviewing the Business Plan in specific areas and providing rigour and challenge to the WPD staff directly responsible for generating content (see figure SA-03.74). Each subgroup's membership was selected by the CEG Chair based on experience and capability. Additionally, each subgroup is headed by a Subgroup Chair who reports to the overall CEG Chair. Every subgroup has an identified touch-point within WPD to enable clear communications and collaboration on specialised materials.

8.45. The CEG's subgroups cover:

Subgroup	Business Area		Size and membership
Business Plan Development	• Business Plan governance • Business Plan development • WPD's vision & BP success criteria	• Incentives/uncertainty mechanisms • Competition • Business carbon footprint / Environment	**Duncan McCombie (Chair)** Lesley Queripel Martin Crouch
Innovation and Competition	• Digitalisation strategy • Modernising energy data • Electric vehicles/Heat pumps	• DSO • Innovation	**Felicity Jones (Chair)** Pamela Taylor Matthew Rhodes
Regional Drivers / Net Zero	• Future energy scenarios • Community energy	• Innovation • Decarbonisation & losses	**Matthew Rhodes (Chair)** Simon Roberts Merlin Hyman David Mitchell
Research	• Stakeholder engagement	• Willingness to pay	**Miranda Mayes (Chair)** Duncan McCombie
Consumers	• Willingness to pay • Customer vulnerability strategy	• Social contract • Customer value proposition	**Tony Smith (Chair)** Jocelyn McConnachie Simon Roberts
Asset Management	• Cyber resilience & business IT security • Asset management	• Cost efficiency • Safety & network resilience	**Martin Crouch (Chair)** Ian Graves David Mitchell
Workforce Resilience	• Workforce resilience • Diversity	• Operational training	**Jocelyn McConnachie (Chair)** Pamela Taylor Ian Graves

Figure SA-03.73: CEG subgroups

8.46. Collaborative communications between the subgroups and the overall CEG are important for efficient operations. High level minutes taken at each subgroup discussion are shared to a central project management board to ensure visibility for all members of the group. Challenges resulting from subgroup discussions are provided to the Secretariat and CEG Chair for their proper management and tracking.

8.47. The costs to WPD of operating the CEG are tracked and will be made available on the CEG webpages.

Supporting the CEG

8.48. The CEG and the company established collaborative ways of working early in the process to maximise the effectiveness of the group. For example, WPD provided a detailed onboarding process to ensure that CEG members are well equipped for their role and the Chair and other members are introduced to WPD staff during site visits.[13]

8.49. A robust onboarding process helped to ensure that members understood WPD as a company, the planning process, and the CEG's role and member expectations.

8.50. WPD shared its engagement strategy, plans, and programme structure with the CEG at the outset of the process. The CEG and the business discussed potential improvements and we conducted a

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[13] Western Power Distribution "CEG Onboarding v0.4."

range of benchmarking to deliver a significantly expanded research programme. Our resulting approach involved engagement being brought to the CEG in several stages (e.g. during planning, draft planning/results, and final synthesised results). To ensure effective working, we:

- Expressed our intent to seek the views of the CEG and independent research experts (where appropriate) as early as possible to understand if our plans were appropriate, cost effective, and able to achieve desired outcomes.

- Provided source materials and results for all events to the CEG, using their feedback to directly impact our approach in subsequent stages.

- Tested plans for larger 'flagship' events with the CEG early, using their feedback to shape our methodologies (e.g. WTP, stakeholder workshops, BP Consultations).

- Provided the CEG research subgroup with early sight of planned engagement activity and all materials.

Figure SA-03.74: CEG member, Lesley Queripel, who has led the writing of the CEG reports on WPD's Business Plan

8.51. To facilitate information sharing the CEG, we created a timeline showing the expected interaction between WPD business owners and the CEG. Levels of interaction with the main CEG and the subgroups were tailored to the needs of each business stream. This methodology ensured that business areas interacted with the CEG at the appropriate time to maximise CEG input. This timeline was dynamic and updated on a regular basis to ensure that the CEG and the subgroups' time was used productively. Additional discussions were accommodated when requested by the CEG.

8.52. A variety of staff have been engaged by the CEG over the course of this process. The group visited key infrastructure such as our Customer Contact Centre, Control rooms, and a primary substation where they met with numerous members of the operational team on site. In addition to operational staff and leads for specific Business Plan areas, the CEG has been provided with opportunities to meet with Executive and Non-executive Directors and numerous third parties that assist WPD in a variety of roles, such as Sustainability First, Citizens Advice, and Accent and Sia Partners.

8.53. The company additionally ensured that members of the WPD Board are made available to the CEG when necessary. For example, the CEG's governance processes direct that the CEG Chair liaises with the WPD Board when setting objectives and to ensure that they are delivered in a robust and timely manner. The CEG terms of reference further specify that the CEG is ultimately responsible to the WPD Board, through the CEG Chair.

Monitoring and reporting impact

8.54. The CEG plays a fundamental role in monitoring and reporting on WPD's Business Planning processes. The group does so primarily by identifying challenges in the areas outlined.

8.55. Stringent processes ensure challenges are provided in a structured and traceable way. Logs of challenges are the primary means by which the work and progress of the WPD CEG is recorded. To promote fullness of understanding on the points discussed, we both record the challenges issued by CEG members and capture additional details in the minutes of the sessions.

8.56. The CEG secretariat ensures all challenges are recorded in the Challenge Log on an ongoing basis.[14] These materials will be made available to the public after submission of the Business Plan. Items which may not rise to the level of full challenges, are logged in an Action Log. These logs are maintained and updated over time, recording the full journey of challenges during the planning process.

8.57. To assist in focusing the input of the CEG, and laying out how best WPD should respond, WPD and the CEG developed and agreed guidance that would support the challenge process. This guidance includes a set list of topics on which to focus challenges, such as:[15]

1	**WPD's stakeholder engagement**
2	**WPD's knowledge base:** future scenarios, regional factors, contextual information, alternative proposals
3	**WPD's planning approach and priorities:** Outcomes like quality service, sustainable environment, and a safe and resilient network as well as support for innovation and vulnerable customers
4	**WPD's commitments and outputs:** Service levels and efficiency measures
5	**WPD's resulting Business Plan**

8.58. Ofgem's guidance is that CEG members should 'not provide direct advice or information' but challenge as much as possible, based on consumer, customer, and stakeholder feedback rather than opinion or affiliation to an organisation or employer.[16] Accordingly, the CEG must strike the balance of not challenging the specific content of WPD's Business Plan but rather the method and the rationale used to form the plan. To assist CEG members in this task, our guidance recommended that the CEG utilise specific questions as part of the challenge to focus their requests and ensure that WPD could quickly respond with the right information. These questions are:

- What sources have the proposals been based on?
- Why are these the right sources?
- How did we reach a conclusion?
- How has the conclusion been tested?

8.59. Challenges investigate topics relevant to the CEG's stated objective. Figure SA-03.75 below helps CEG members identify areas in which to issue challenges to the plan or its proposals.
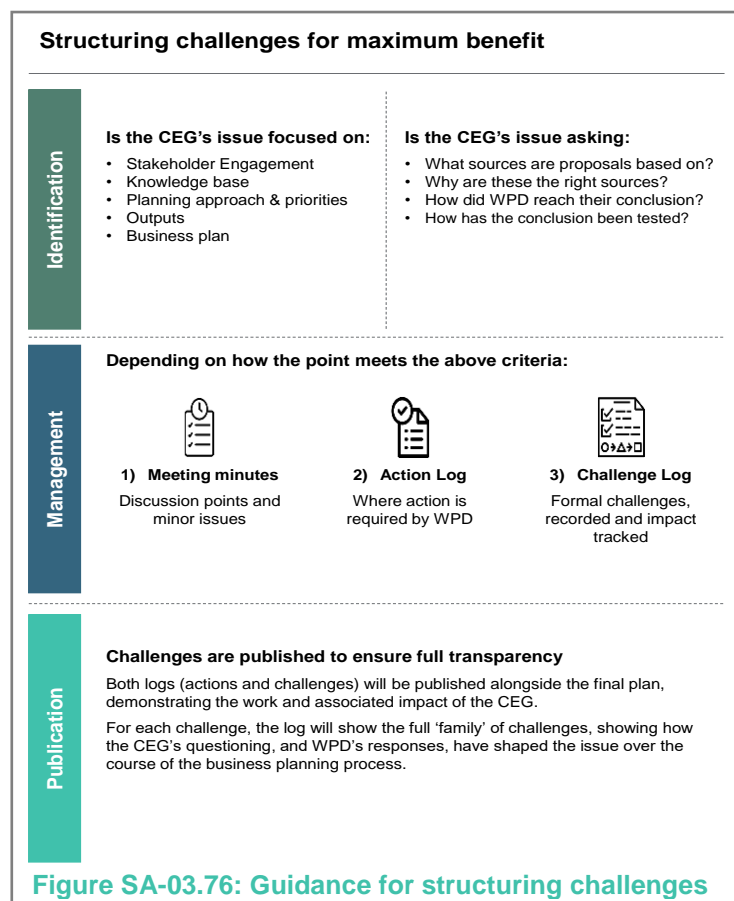
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[14] Western Power Distribution, "Customer Engagement Group at WPD, Secretariat Role Description," January 2019, pg. 3.
[15] Western Power Distribution, "Customer Engagement Group at WPD, Challenge Definition," April 2019, pg. 4.
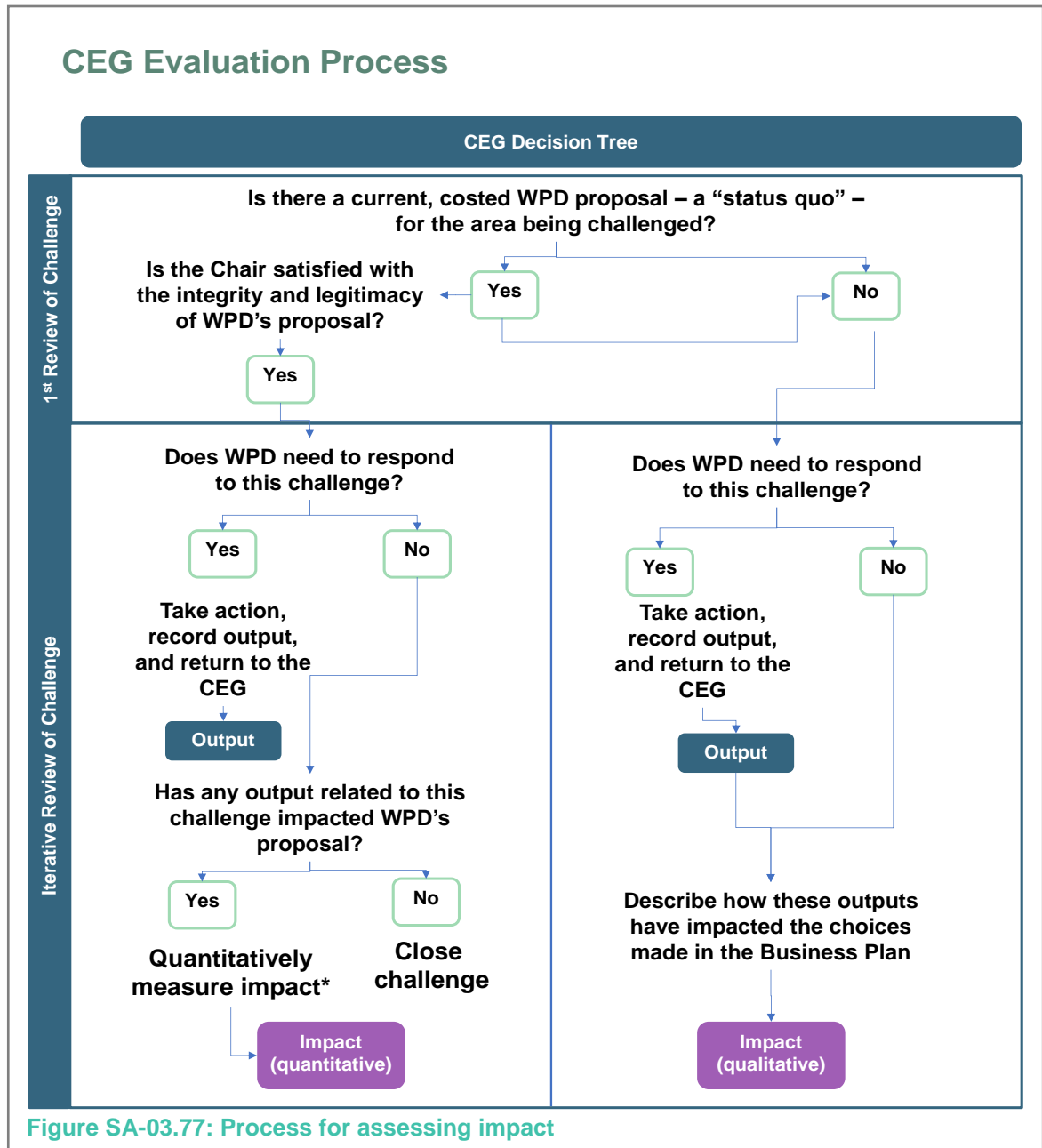[16] Citizens Advice, "RIIO-2 Price control Enhanced Engagement process", pg. 13.

Figure SA-03.75: Exemplary topics for challenge
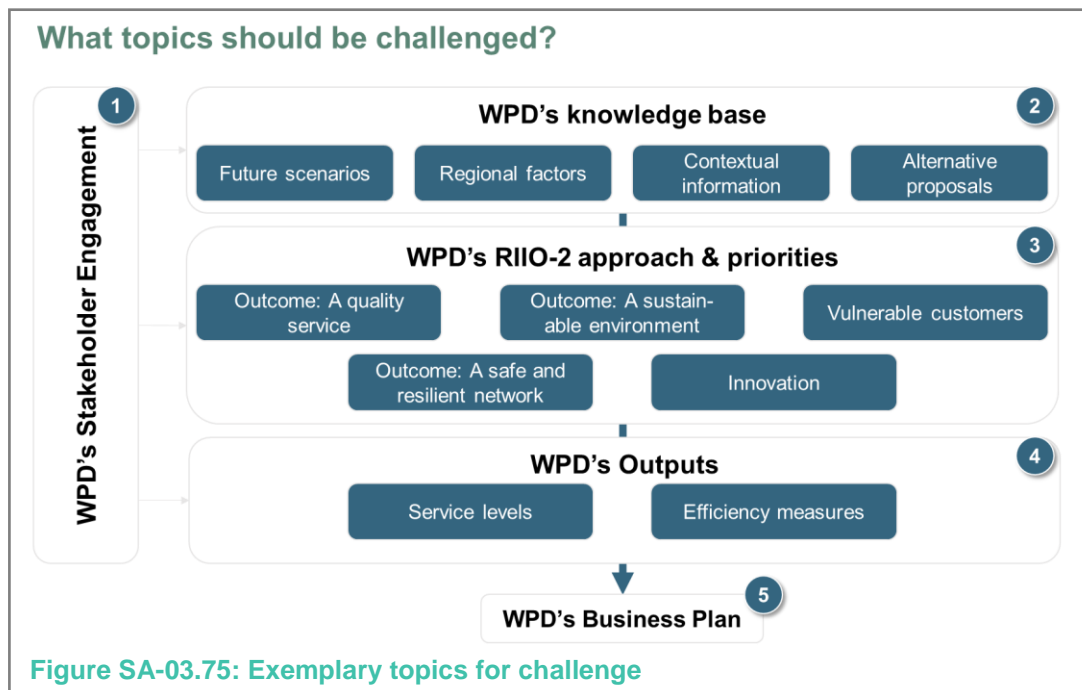
8.60. Strong challenges are structured in a manner that aligns the relevant topics with specific areas in the Business Plan (see figure SA-03.76). The diagram below provides guidance on how WPD and the CEG ensure that the right issues are identified, that they are managed effectively and transparently.

Figure SA-03.76: Guidance for structuring challenges

8.61. Finally, we have established a process to assess the impact of the CEG's efforts in a repeatable manner (see figure SA-03.77). We have introduced the methodology below, which draws on the Challenge and Action logs to drive both qualitative and quantitative measures of the CEG's impact. [17]

CEG Evaluation Process

CEG Decision Tree

1st Review of Challenge

Is there a current, costed WPD proposal – a "status quo" – for the area being challenged?

Yes → **Is the Chair satisfied with the integrity and legitimacy of WPD's proposal?** → Yes

No

Iterative Review of Challenge

Does WPD need to respond to this challenge?

Yes → **Take action, record output, and return to the CEG** → Output

No

Has any output related to this challenge impacted WPD's proposal?

Yes → **Quantitatively measure impact*** → **Impact (quantitative)**

No → **Close challenge**

Does WPD need to respond to this challenge?

Yes → **Take action, record output, and return to the CEG** → Output

No

Describe how these outputs have impacted the choices made in the Business Plan → **Impact (qualitative)**

Figure SA-03.77: Process for assessing impact

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[17] Western Power Distribution, PowerPoint: "Customer Engagement Group at WPD, Evaluation Methodology", 09/04/2019, pg. 4.

Examples of CEG scrutiny and challenges in action

Scrutinising and informing WPD's engagement approach

8.62.   The CEG, and specifically the research subgroup, has provided expert challenge to our engagement process. From the outset, the group reviewed WPD's overall engagement strategy and proposed approach for engagement during RIIO-ED2. Its feedback and scrutiny directly influenced and improved our programme in a number of ways, as shown in figure SA-03.78 below:

CEG scrutiny	WPD response
What factors will inform WPD's approach to consulting with stakeholders at the 'preliminary stage' of the Business Plan process? How will WPD ensure adequate representation of end users (with little prior knowledge of WPD) and future customers within its planning?	• Listed seven 'considered factors' WPD took into account before planning stage one of its preliminary/foundation engagement. • Commissioned an independent review of best practice consultative approaches for preliminary / foundation stage engagement. This review covered a wide range of sectors including water, gas and rail. • As a result, WPD significantly expanded the scope of its proposed preliminary engagement activities, from four initially planned methods to 16 core activities, spanning the full range of stakeholder knowledge levels from future customers through to expert stakeholders.
How will WPD ensure stakeholders are able to influence WPD Business Plan from scratch and not have their ambitions constrained to current roles, responsibilities and services?	• Set out proposals to ensure events always delivered opportunities for 'co-creation' wherever possible, including the use of non-leading language and providing sufficient context to enable stakeholders to have an informed debate and understand the landscape in which we expect to operate, without limiting ambitions to the current status quo.
How will WPD ensure attendees are mindful of the spectrum of customers WPD serves, including those financially challenged (but not technically 'vulnerable') when assessing the costs and services?	• Used multiple engagement mechanisms, tailored to each audience, to ensure we could access the broadest group of hard-to-reach customers as possible, including bespoke events for vulnerable and fuel poor consumers. • That every major research and focus group event included a balanced representative sample of our communities, including considering a range of geographies, ages, demographics and socioeconomic levels.
How will WPD ensure that social value research (SVR) is robust and ensures participants can comprehend the content to enhance the accuracy of the feedback they are able to provide?	• The SVR exercise was expanded to include a broader range of participant attributes to enable results to be broken down by different segments e.g. geographic, socioeconomic, age and both household and non-household (business) customers. • Refinements and testing at design, pilot and fieldwork stages ensured that actions were tested and the survey script were redrafted and adjusted to make it easier for participants to understand, by providing clearer questions and supporting information using less jargon and technical language. • Inclusion of additional explanatory information, helped to further improve the understanding of all participants, enhancing the accuracy of the findings • Information specifically tailored to business customers, ensured they understood why they were seeing initiatives which would impact households to ensure robust feedback and accurate data
How will WPD demonstrate that a 'golden thread' has been maintained throughout the Business Plan engagement, demonstrating clear correlation of stakeholder feedback to the content of the WPD Business Plan as well as ensuring consistency and a robust decision process for elements included, excluded or enhanced?	• A 'golden thread' mapping exercise ensured a clear line of sight was maintained throughout the entire plan, demonstrating that all outputs have been co-created with stakeholders with direct correlation to their feedback. In rare instances where this isn't the case, WPD will clearly set out if it is a compulsory regulatory requirement. • The CEG audited the 'golden thread' for the entire WPD Business Plan providing wider stakeholders and Ofgem with the assurance that WPD had accounted for all major stakeholder engagement feedback, has not overlooked any key items of feedback even if challenging to address and that all WPD's outputs have a clear stakeholder or regulatory driver (i.e. none are a WPD self-creation).

CEG scrutiny	WPD response
How will WPD ensure that it seeks and includes insight from future customers into their plans?	• A specific deliberative research exercise targeting future customers established a cohort of future customers able to provide feedback on WPD Business Planning priorities and commitments on an ongoing basis. • Tailored information and approach ensured these customers were able to self-educate and build knowledge across a number of weeks to ensure that feedback provided was informed and accurate.
How will WPD ensure that there is robust engagement so that the WPD Business Plan is fully reflective of local energy requirements and across RIIO-ED2?	• An exercise was undertaken to engage every local authority within WPD's regions on their individual planning requirements and to share information on WPD's Future Energy Scenarios (DFES). This established an ongoing engagement process to shape and inform WPD's plans • WPD's local Distribution Managers were trained to ensure consistency and quality of engagement and information shared and gathered • WPD's strategic investment planning and DFES process now include this activity into the annual cycle of updates improving the accuracy and robustness of local energy forecasting.

Figure SA-03.78: Examples of CEG scrutinising and informing our engagement approach

8.63. Throughout the RIIO-ED2 process, CEG members were given insight into our engagement activities. Collaboration with the CEG included workshops and market research events and pre-engagement reviews of research materials and scripts. It was imperative we demonstrated that WPD was delivering open, honest, transparent and non-leading engagement.

8.64. In addition, this has enabled CEG members to interrogate the synthesis reports that WPD produced after each engagement stage and assess whether WPD has accurately captured and interpreted stakeholders' views and sentiments.

8.65. Finally, it has allowed the CEG to scrutinise WPD's processes for 'playing back' findings to stakeholders and explaining how these have influenced the Business Plan.

Providing independent challenge across WPD's Business Planning process

8.66. The CEG has considered and robustly challenged us in many areas, reviewing our proposals, draft plans and the processes by which these have been arrived at. The CEG has raised formal challenges and clarification requests for further information. We have responded promptly to every intervention. As a result, WPD's Business Plan is significantly more robust and is set to deliver more wide-ranging benefits for a wider variety of customers.

8.67. In total, the CEG has issued 31 challenges and 23 clarifications (to date). Examples of these, along with WPD's response and improvements, are set out in figure SA-03.79 below:

Subgroup	CEG challenge/clarification	WPD response
Business Plan development	• We challenge WPD to set out the criteria through which it will internally assess and judge the quality of its Business Plan in advance of the final determination by the regulator	• A paper from our RIIO-ED2 Business Plan Manager (with approval from the Executive) highlighting the underlying principles to be followed in the preparation of WPD's RIIO-ED2 Business Plan – clearly defining how they will be used to measure the success of the plan. These principles will be visible within the final plan.
Innovation and Competition	• The CEG challenges WPD to test whether its DSO-focused approach to digitalisation delivers best value for customers compared to alternatives, including an	• WPD's Digitalisation Strategy and Action Plan was been released for consultation, asking for customers' input on whether their expectations and priorities are being delivered as part of the current approach.

	organisation-wide approach to data and digital that includes corporate functions.	
Regional Drivers / Net Zero	• We challenge WPD to clarify how it will effectively engage with national (Welsh), regional, and local energy strategies (including LEPs) to: firstly ensure it considers the impact of these strategies on its plans for network investment and services (e.g. flexibility services); and secondly to account for the variance in knowledge and engagement of these bodies.	• WPD produced a summary document on its approach to consultation in this area, in addition to an action plan, progress report and final report. We invited all 130 local authority stakeholders covered by the WPD area to participate in bilateral meetings and offer feedback enabling them to build a joined-up energy plan and work towards delivering net zero carbon emissions targets. A set of recommendations was established to be implemented going forwards and factored into the development of the Business Plan.
Research and Customer	• What factors informed WPD's approach to consulting with stakeholders at the 'preliminary stage' of the Business Plan process?	• A paper outlining WPD's stakeholder engagement programme for the RIIO-ED1 Business Planning process (stage one: preliminary) was produced. The challenge raised resulted in WPD taking a broader approach to research than initially planned. An external benchmark exercise across a wide spectrum of sectors was commissioned, core engagement activities were expanded from four to 15 and a stakeholder database was developed to capture all engagement activity across business (RIIO-ED2 and BAU). Synthesis and triangulation exercises were also introduced and completed following each Business Plan stage of engagement.
Asset Management	• We challenge WPD to set out the strategic position and overall health condition of the network, to understand the starting point ahead of the RIIO-ED2 process.	• Information relating to commercialisation of assets, asset health by area, future proofing, competition and cost breakdowns was compiled by WPD and shared with the group to establish and make clear, our RIIO-ED2 'starting point'.
Workforce Resilience	• The CEG challenges WPD to set ambitious goals and measurable targets which will enable the culture and workforce resilience needed to deliver RIIO-ED2 goals and beyond.	• WPD's Business Plan has been updated to incorporate areas of concern, but work is ongoing to ensure work is progressed in the areas still outstanding.

Figure SA-03.79: Examples of CEG challenges and clarifications across the whole Business Planning process

9. Ongoing stakeholder engagement strategy for RIIO-ED2

9.1. Our industry is undergoing a seismic shift. Our ability to adapt swiftly and continue to achieve positive outcomes for customers requires ambitious, high quality stakeholder engagement throughout the price control period. Our ongoing approach to stakeholder engagement in RIIO-ED2 will be vital in helping us continue delivering on our promises. We will seek to set WPD apart from other distribution network operators via: 1) The quality and scale of the positive outcomes our stakeholder engagement leads to for customers; and, 2) the extent to which we will continue to entrust stakeholders with decision making power, by actively partnering with them in a process of co-creation for major decisions.

9.2. Stakeholder engagement underpins the decision making processes across every strand of our business and firmly rooted within our culture. But we don't engage with stakeholders simply in the build up to Business Planning cycles. Instead, we maintain and develop these relationships, seeking ongoing feedback to drive improvements in our service delivery. This means stakeholder engagement and customer research programme will continue to be crucial throughout RIIO-ED2.

9.3. Our core stakeholder engagement strategy has been in place since 2007, but with vital updates made annually in collaboration with stakeholders. The key strategic principles that have underpinned our approach to engagement when building our RIIO-ED2 Business Plan are therefore consistent with this forward-looking strategy and will be maintained throughout the price control period. This section should therefore be read in conjunction with section 2 above.
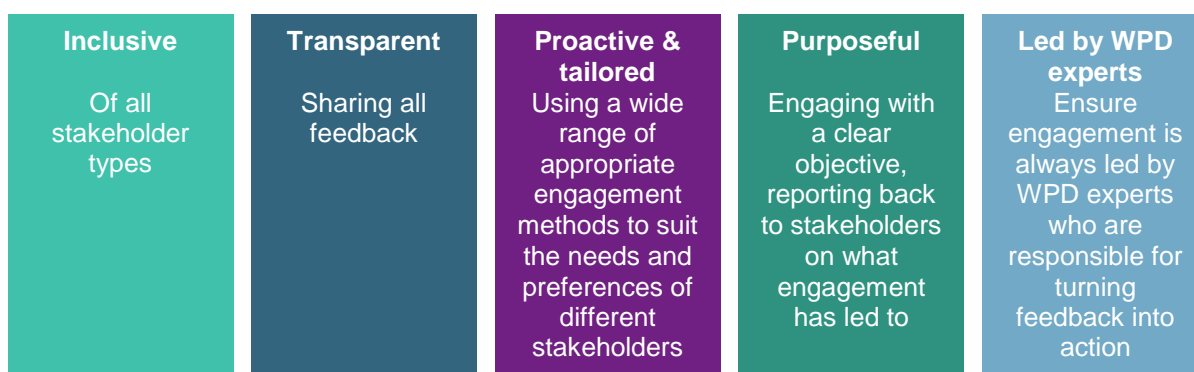
Overarching strategic principles and why we engage

9.4. Frequent, challenging, high quality engagement with stakeholders is crucial to our success – and will help achieve our ambition to become the best DNO in the UK. Extensive and effective engagement throughout RIIO-ED2 will drive improvement, identify new and emerging stakeholder priorities and ensure our commitments remain well justified. As part of this, it will help us to ensure our delivery strategies and action plans adapt to the landscape in which we operate.

9.5. There are five key reasons we will engage extensively with stakeholders in RIIO-ED2:

1	**It's the right thing to do**	Customers pay for everything we do, so they have a right to influence every aspect of our delivery. It also enables us to identify new and emerging priorities, reflecting shifts in wider society and stakeholder expectations.
2	**To influence our long-term decisions**	Informing stakeholders about our performance in a transparent and detailed way enables greater understanding and the opportunity to meaningfully review delivery against our Business Plan commitments.
3	**To hold us to account for our performance**	Planning for the future can be uncertain, so engagement will ensure our plans are adaptive, well justified and that we invest in the right areas.
4	**To identify and drive service improvements**	Engagement ensures we will quickly respond to new priorities/concerns and changes in the ways customers use the energy network.
5	**Adapt effectively to a rapidly changing landscape and deal swiftly with 'unknown unknowns'**	As part of our RIIO-ED2 Business Planning process, stakeholder engagement has been integral to establishing a framework from which to begin exploring 'known unknowns; such as future government energy policy. While the precise details are not yet revealed, we have engagement methodologies in place to respond quickly and decisively as new actions and priorities become clearer, as a consequence of the likes of climate change adaptation, national and regional routes to net zero and digitalisation. Inevitably, as we look ahead to the RIIO-ED2 period, other requirements will emerge that cannot yet be predicted

('unknown unknowns'). Having a robust, ongoing and iterative approach to engagement will be essential to enable WPD to respond appropriately when these come to light and achieve ongoing adaptability in our services.

9.6. WPD has always favoured face-to-face engagement wherever possible, as it offers benefits not provided by other forms of communication, such as a chance to explore complex issues in greater depth and opportunities to discuss compromise solutions when presented with conflicting stakeholder views. However, we understand that stakeholders have a range of preferences for the way they like to be engaged. As you will see below, WPD will utilise a full spectrum of engagement techniques and forums but, when it is not possible to engage in person, these will still seek to allow for two-way dialogue and the building of stakeholder knowledge over time, in order to achieve the highest quality of outcomes possible for wider customers.

9.7. Our underlying, embedded principles will be the same as those set out in section 2 above. In summary, we will continue to be:

Inclusive	Transparent	Proactive & tailored	Purposeful	Led by WPD experts
Of all stakeholder types	Sharing all feedback	Using a wide range of appropriate engagement methods to suit the needs and preferences of different stakeholders	Engaging with a clear objective, reporting back to stakeholders on what engagement has led to	Ensure engagement is always led by WPD experts who are responsible for turning feedback into action

Core engagement strategy for RIIO-ED2

9.8. Over time, stakeholder views and priorities can change, so we will follow a cyclical process, starting always with the identification of all relevant stakeholders (see figure SA-03.80).

9.9. Our strategy is consistent and understood by all WPD managers, ensuring it drives meaningful, positive outcomes for the diverse spectrum of stakeholders we serve. We have a long track record of engaging with stakeholders, who return to engage with us because they recognise the value we place on their feedback and because we always demonstrate the actions we take as a result. Consistency and durability should not be confused with inflexibility however. Our strategy enables us to be adaptive to change, with speed and agility if necessary. The past 12months have been testament to this, as we responded decisively and effectively to the Covid-19
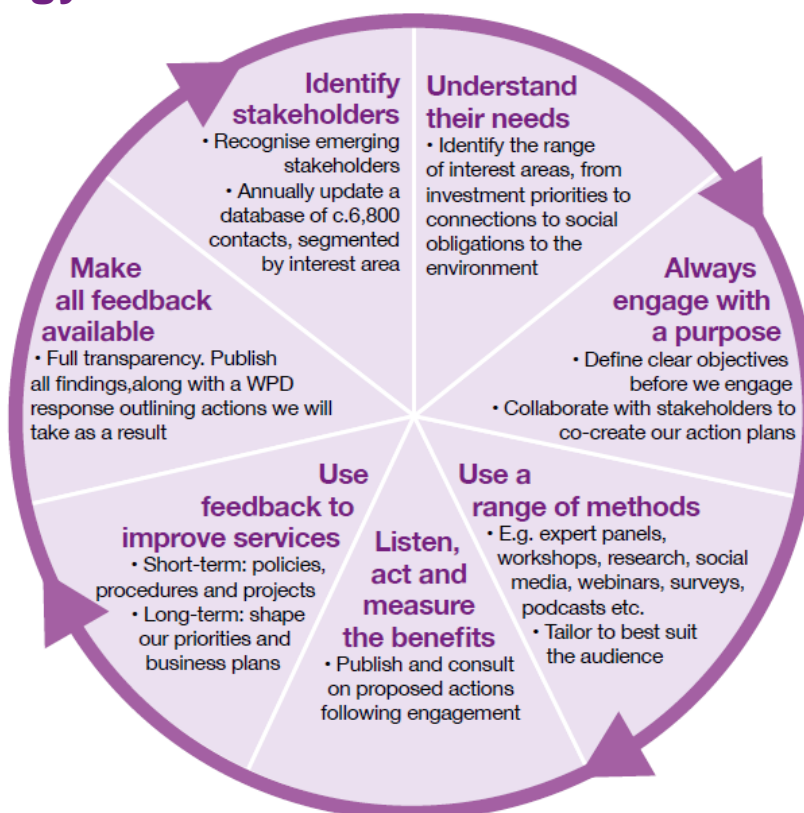

Figure SA-03.80: WPD's stakeholder engagement process

pandemic while maintaining focus on our long-term objectives.

9.10.   It is essential that engagement must lead to action. In 2020/21, we delivered 356 key outputs and positive outcomes for customers, as a result of our engagement programme.

9.11.   **ONGOING STAKEHOLDER STRATEGY – KEY DELIVERABLE:** In RIIO-ED2, we will continue to deliver in excess of 300 positive outcomes from our engagement each year and we will report on this annually for our stakeholders (www.westernpower.co.uk/outputs). We will seek external assessment of these outputs via our retained Customer Engagement Group, Customer Collaboration Panel and also Customer Service Excellence accreditations, to provide independent assurance that these outcomes have been delivered.

> **In RIIO-ED2, we will continue to deliver in excess of 300 positive outcomes from our engagement each year**

9.12.   As outlined on page 16 above, on the scale of stakeholder engagement maturity we will continue to target the highest level and ensure stakeholders are involved directly in our decision making via an ongoing process of co-creation. As part of this, we will maximise the level of power we entrust to stakeholders and the depth of collaboration we seek when agreeing decisions and plans for the future.

9.13.   This level of stakeholder input is only possible as a result of a long-term, mature and embedded engagement programme. We have demonstrated a track record throughout RIIO-ED1 of continuing to forge enduring relationships with stakeholders after the plan was agreed. This will continue in RIIO-ED2; we will build the knowledge and capabilities of stakeholders over time, to enable them to probe and influence our plans in unprecedented detail. More than half of our workshop delegates are return attendees (58% in 2020), allowing them to provide more informed insights than ever before on WPD's operations. At the same time, as our services evolve and diversify, the portfolio of stakeholders we engage with will also expand.

9.14.   For example, the transition to net zero and the delivery of a decarbonised, smart energy future will require radical changes to our network, with a decentralised system that will transform the way our customers generate, store and use energy. Stakeholders must be at the heart of this shift, requiring WPD to maintain an up-to-date view of who our stakeholders are and constantly refresh our understanding of their needs.

Inclusive of all stakeholders

9.15.   We will continue to engage effectively with tens of thousands of stakeholders every year, triangulating and synthesising their feedback to ensure that engagement always results in measurable action. As we do so, new and emerging stakeholders will be identified. As outlined on page 14 onwards, we adopt the widest possible definition of the term 'stakeholder', (anyone with an interest in, or impacted by, our operations) and therefore interest, comprehension and direct experience of WPD and/or the energy sector varies.

9.16.   **ONGOING STAKEHOLDER STRATEGY – KEY DELIVERABLE: As a minimum, we will continue to engage annually with the 48 stakeholder groups that have been identified as WPD's current full spectrum of stakeholders and which have provided input into the process for building the Business Plan, as outlined on page 15.** This will include maintaining a key overview of their needs and refreshing this understanding with each stakeholder group at least annually.

> **As a minimum we will engage annually with 47 different stakeholder types**

9.17.   WPD will continue to undergo regular external scrutiny of our stakeholder engagement process and strategy via Customer Service Excellence Standard assessments and audits via the British

Standards Institute. To date, this has confirmed that we have not omitted any key stakeholder groups from our engagement programme and that we have robust processes in place to ensure we quickly identify and engage new stakeholder groups as and when they emerge.

9.18. **ONGOING STAKEHOLDER STRATEGY – KEY DELIVERABLES:** In addition, we will:

Update our stakeholder contacts database annually	Via a formal refresh process ahead of our annual workshops, typically held in February each year.
Update specific segments of our database ahead of bespoke, targeted engagement events on an ongoing basis each year	E.g. ahead of our connections workshops. We will seek to expand and expand our contacts database.
Work with expert stakeholders to identify new and emerging stakeholder types	This will include any changes or expansions within existing stakeholder segments. This will include members of our Customer Collaboration Panel, Connections Customer Steering Group and a retained Customer Engagement Group.
Survey stakeholders at our engagement events to identify any participants they feel are missing	Use this to ensure they are included in our future engagements.
Review best practice from companies across the energy and wider utilities sectors	To identify relevant stakeholders on an ongoing basis.

9.19. We will continue to broaden the range of techniques and mechanisms we use, undertaking best practice peer reviews. Our methods best suit each type of stakeholder, not what is convenient for WPD. To tailor our programme in this way, and as outlined in greater detail in Section 3 above, we consider the knowledge and interests of stakeholders in relation to the matrix in figure SA-03.81.

9.20. As we do so, we will also tailor our engagement to ensure we gain a balanced range of perspectives. We will evaluate the type of stakeholder we engage with – for example, ensuring there is a balanced representation of domestic and business customers and, in the case of the latter, further disaggregating this to ensure participation from sole traders, to small and medium-sized enterprises through to large industrial and commercial users. In addition, we will ensure representative samples of customers are engaged, particularly in research activities, with considered factors including gender, age, socioeconomic background and ethnicity.
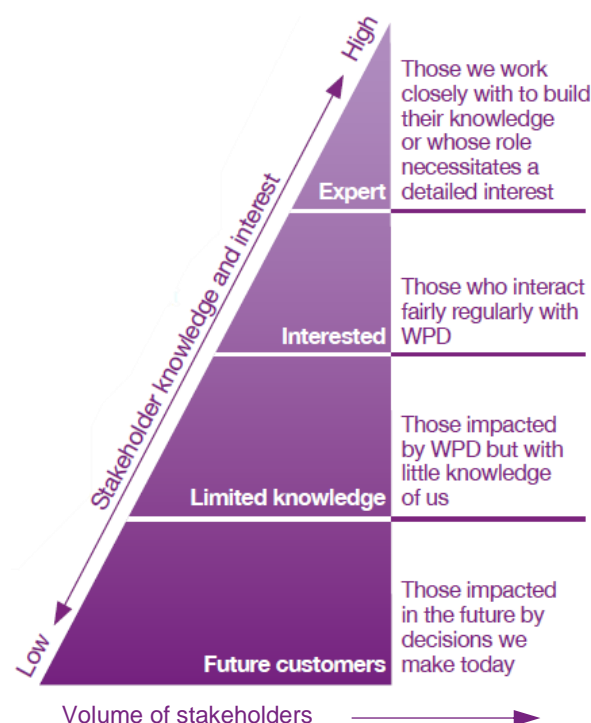

Figure SA-03.81: Knowledge and interest levels of our stakeholders.

Shaping both WPD's long-term strategy and day-to-day operations

9.21. **ONGOING STAKEHOLDER STRATEGY – KEY DELIVERABLES:** WPD will host annual stakeholder events in order to set and review the overall strategic direction for key aspects of WPD's delivery. This will enable stakeholders to scrutinise our performance against our RIIO-ED2 Business Plan commitments, as well as to raise new or changing priorities they would like us to address. In addition, specific events will take place to test and update each of WPD's core strategies, including DSO, consumer vulnerability, digitalisation, environment and connections.

> **We will host annual stakeholder events in order to set and review the overall strategic direction for key aspects of WPD's delivery**

9.22. While these events will maintain a focus on shaping our overall strategic approach, each session will feature in-depth discussions about current performance, policies, procedures and operational challenges and will seek feedback from stakeholders to deliver immediate service improvements. We will therefore also use these events to co-create tactical action plans.

9.23. We will continue to hold events in a variety of locations to ensure we maintain a thorough understanding of the particular circumstances and priorities of our various geographic regions, both in terms of rural/urban split and also national variations between England and Wales.

9.24. Our core strategy has proved to be robust and effective in the face of unexpected changes in our operating environment. To achieve this adaptability, we review and update our strategy annually to ensure it remains up-to-date and inclusive, and this will continue to be our approach throughout RIIO-ED2. We work in collaboration with stakeholders to set this strategy as well as to develop an annual action plan to deliver immediate priorities.

9.25. Listening to our stakeholders to date, we have identified five initial key drivers that will shape our engagement approach in the opening year of RIIO-ED2, as well as five long-term focus areas.

Immediate tactical objectives:

Address the consequences of a mature engagement programme, delivered across 6,500 staff resulting in high volume feedback and localised delivery

– *Stakeholders wish to discuss a wider range of topics than ever before. The scale and range of feedback means we must ensure that nothing is missed and it is easily available for WPD staff responsible for acting on it.*

Continue to deliver 'co-creation' with stakeholders, shaping plans from the ground up by actively partnering with them and sharing decision making power

– *We must continue to give stakeholders extensive involvement in decision making and challenge ourselves to deliver co-created action plans from scratch in all key areas, granting stakeholders free rein to go beyond the parameters of WPD's current service delivery.*

Support localism and the bespoke energy plans of individual communities, which are changing stakeholders' expectations and the services they require

– *We must engage with local stakeholders, including community energy groups, to understand their existing energy plans and feed this into WPD's future energy scenarios and vice versa, driving local ambition by actively partnering to co-create energy plans with local communities.*

Play a leading role in the achievement of net zero and the green recovery (from Covid-19)

– *The differing knowledge and capability of local stakeholders to deliver on their energy aspirations brings a range of opportunities (e.g. to stimulate the development of local net zero plans, identify*

> *case studies, and facilitate networking opportunities between stakeholders to proactively drive decarbonisation in our communities).*

Adapt quickly to operate in an open data environment

– *WPD's enabling role for local energy plans requires us to provide access to a wider range of data than ever before.*

Long-term objectives:

Deliver 'best in sector' performance, exceeding customer expectations

Engage on service standards, improvement options and willingness to pay, to drive continuous improvement and measure value for money

Involve stakeholders in the ongoing reporting of Business Plan performance (holding us to account for delivery), identify ongoing improvements and emerging priorities

Strengthen our links to, and build trust with, the communities we serve

Act decisively to deliver a smart energy future, enabling all customers to benefit

Senior level commitment and participation

9.26.   Engagement is the responsibility of everybody at WPD and we therefore empower staff to take personal responsibility to deliver the best possible outcomes for customers. Through regular training and briefings, each employee understands the essential part they play to engage our stakeholders. Our strategic approach hinges on the belief that we are better placed as a business to adapt and improve if we act on the feedback we hear first-hand, using this to drive decisions with the biggest positive impact for customers.

9.27.   Our company-wide commitment to extensive engagement stems from strong leadership and commitment at a senior level. As seen in figure SA-03.82, WPD's Senior Management Team leads by example. As a minimum, in RIIO-ED2, WPD's Executive will continue to engage stakeholders first-hand via WPD's:

- Customer Collaboration Panel
- Customer Connections Steering Group
- Customer Engagement Group
- Annual stakeholder workshops
- Investor roadshows
- Government engagement events and bilateral meetings with MPs
- Bilateral meetings with Ofgem, BEIS and the Health and Safety Executive.

Figure SA-03.82: WPD's CEO, Phil Swift, addresses delegates at a WPD stakeholder event

Engagement mechanisms we will deliver in RIIO-ED2

9.28. WPD has been the top rated company across electricity and gas distribution and transmission in Ofgem's Stakeholder Engagement and Consumer Vulnerability incentive for eight consecutive years. We will incorporate these successes and build on this track record in RIIO-ED2. In addition, we will continue to adopt best practice methods learned from across a range of industries.

9.29. **ONGOING STAKEHOLDER STRATEGY – KEY DELIVERABLE: We will establish an independent RIIO-ED2 Plan Delivery Challenge Group (PDCG), which will retain some members of the current Customer Engagement Group (CEG),** to hold us to account on behalf of our customers, provide ongoing scrutiny of our performance and independent assurance of our reporting. They will also be responsible for challenging WPD to ensure we respond quickly and effectively to new stakeholder priorities and significant changes in our operating environment, including the impact of regulatory, legislative or environmental policies.

> **We will establish an independent RIIO-ED2 Plan Delivery Challenge Group (PDCG), which will retain some members of the current Customer Engagement Group (CEG)**

9.30. As Section 4 outlines above, WPD's Business Plan has been developed as a result of extensive co-creation engagement with stakeholders. Every commitment has extensive stakeholder input, refinement and agreement. This has resulted in 45 clearly defined core commitments for performance that are appropriate, well-evidenced and stretching, with clearly specified targets, success criteria and intended positive outcomes for customers.

9.31. Alongside annual, transparent performance reporting and specific stakeholder engagement events to discuss the delivery of WPD's Business Plan commitments and specific associated strategies, the PDCG will provide scrutiny on behalf of wider stakeholders to independently track progress against our commitments. In the unlikely event of non-delivery, WPD will report this to Ofgem in a timely fashion and the PDCG will provide independent assurance to Ofgem that this process is followed and improvements are identified.

9.32. Wider stakeholders have also entrusted the PDCG with the responsibility of annually reviewing WPD's progress against our social contract. If any targets are missed, WPD will report these alongside actions to address them, and the PDCG will oversee this to ensure it results in shareholder funded payback initiatives that will support local communities.

9.33. Another key success of our approach to engagement when developing our RIIO-ED2 Business Plan, has been the extent to which we have given end user bill payers (including domestic and business customers) and future customers a stronger voice than ever before in our engagement and decision making processes (see Section 4.25 onwards). As a result:

9.34. **ONGOING STAKEHOLDER STRATEGY – KEY DELIVERABLE: We will maintain deliberative engagement panels with domestic and future customers throughout RIIO-ED2,** replicating engagements conducted with wider stakeholders at our workshops with these audiences through a series of annual research events.

> **We will maintain deliberative engagement panels with domestic and future customers**

9.35. We will continue to use an extensive number of mechanisms to reach an increasingly broad range of stakeholders, delivering measurable benefits for our customers as a result. Evidencing our commitment to ensure that RIIO-ED1 engagement initiatives will be embedded as business as usual in RIIO-ED2, as a minimum we will deliver the following engagements in RIIO-ED2 (see figure SA-03.83):

Customer Collaboration Panel	**Connections Customer Steering Group**	**Customer Engagement Group**	**Co-creation stakeholder workshops**
Long-term representative panel of c.38 experts to act as arbiters for customers and help co-create new initiatives and service improvements	*Permanent panel of 40 expert connections stakeholders and 58 distributed generation owner/operators, with a broad representation of connections stakeholders*	*Challenge panel of c.10 members to provide ongoing scrutiny of WPD's Business Plan delivery*	*Review WPD performance and Business Plan commitments delivery. Identify priorities from scratch and co-create draft action plans*
1	**1**	**1**	**1** **2**

Topic-specific bilaterals and workshops	**Webinars and podcasts**	**Social obligations conferences**	**Electric Vehicle workshops**
e.g. Vulnerability; connections; EVs; DSO; Digitalisation; Innovation etc	*Specific in-depth overviews of specialist topics and strategies, inviting questions on content and how to provide wider feedback*	*Vulnerable customer representatives to review WPD's strategy and delivery*	*Local authorities and those responsible for planning/implementing EV plans*
1 **2**	**1** **2** **3**	**1** **2**	**1** **2**

ICP/IDNOs conferences	**Strategy development workshops**	**Local authority - energy plan bilaterals**	**Local investment / Net zero workshops**
Connections customers, focus on service improvements and priorities, electric vehicles and wider low carbon technologies, and local infrastructure plans	*DSO; Innovation; Environment; Connections; Vulnerability; Digitalisation*	*Local energy strategy, scenarios and projected low carbon technology uptake*	*Sessions at local depots. Regional planning focus*
1 **2**	**1** **2**	**2**	**2**

Online engagement portal	**Quantitative surveys – Vulnerability**	**Quantitative surveys - Major connections**	**Quantitative surveys – Distributed generation**
Replicated WPD's various face-to-face workshops online for a broader audience	*Randomly selected customers following day-to-day PSR contact*	*Randomly selected customers following major connections applications (+4 homes)*	*Randomly selected customers following distributed generation connections applications*
2 **3**	**3**	**3**	**3**

Social value / willingness to pay research	**Citizen Panels and deliberative focus groups – end users**	**Social media surveys and customer awareness campaigns**	**Deliberative focus groups – future customers**
Discussion groups with end user, bill payers and future customers. Followed by quantitative, stated preference research to social values for potential service improvements and initiatives.	*Multiphase engagement 'journey' to build knowledge to enable input on a wide range of service delivery areas*	*Surveys and consultation questions posed via Twitter, Facebook and LinkedIn. Newsletter sent directly to all 8 million WPD customers inviting them to participate in our engagement and online consultations*	*Multiphase engagement 'journey' to build knowledge to enable input on a wide range of service delivery areas*
3 **4**	**3** **4**	**3** **4**	**4**

Figure SA-03.83: The core engagement mechanisms WPD will deliver in RIIO-ED2

9.36. A key driver when building our RIIO-ED2 Business Plan has been to arrive at core commitments that network users and customers value at a price they are willing to pay (see Sections 6 and 7 above).

9.37. **ONGOING STAKEHOLDER STRATEGY – KEY DELIVERABLE: We will continue to conduct regular social value research with customers throughout RIIO-ED2,** to inform our specific action plans and enable us to shape, prioritise and target our initiatives and expenditure to deliver the outcomes our stakeholders most highly value.

9.38. In 2020 WPD, alongside SPEN, instigated a joint approach to social value for the UK's DNOs. Throughout this initiative, the working group engaged key stakeholders such as Ofgem, Citizen's Advice and Sustainability First to ensure consistent, comparable and conservative values. Since finalising the framework, it has been instrumental in forecasting the benefits of our RIIO-ED2 ED2 Business Plan core commitments. WPD's vulnerability strategy in particular will require a social value exercise to be undertaken each year to evidence the impact of our actions and to drive investment decisions to ensure we are delivering maximum positive value wherever possible. As part of this all DNOs will work together to commission regular updates of the common social value proxies identified, which will drive consistency in the social value calculations we provide. This will also include independent oversight to ensure the methodologies are being applied by DNOs in a consistent way.

9.39. Where social value proxies do not exist, WPD will continue to commission bespoke research to provide a view on the social value of initiatives specific to WPD. This helps us to understand customer priorities by indicating the intrinsic social value to customers of our proposed actions. The value revealed will be used to help calibrate the scope and scale of WPD's initiatives – for example, revealing certain areas where customers place a much higher value on going further.. As such, this will also drive decisions on the appropriate resource commitments to support WPD's stakeholder engagement.

9.40. Furthermore, if we are to continue to achieve our aspiration to be the leading network company in the UK, and in so doing, target the delivery of world-class service across all key aspects of our business, a key driver for WPD's ongoing engagement must be to ensure a thorough understanding of what customers and stakeholders think of WPD relative to other providers.

9.41. **ONGOING STAKEHOLDER STRATEGY – KEY DELIVERABLE:** Therefore, in order to ensure we objectively know where we rate in the broader UK consumer landscape and to identify best practice and innovations to stretch our performance standards higher, we will undertake external benchmarking assessments such as the Customer Service Excellence Standard. We will also commission bespoke satisfaction research to provide additional insights over and above Ofgem's Broad Measure of Customer Satisfaction, compare our performance to other key sectors and identify key learning points.

> **We will undertake external benchmarking assessments via the likes of the Customer Service Excellence Standard**

Measuring progress

9.42. Ofgem has indicated the expectation that stakeholder engagement activities should be embedded in business practices and considered business as usual in RIIO-ED2. As such, the delivery of a robust and stretching stakeholder engagement programme will be fundamental to the successful delivery of our Business Plan core commitments and key associated strategies. There are specified metrics that sit behind these. For example, the success of WPD's stakeholder engagement in support of our programme to support customers in vulnerable situations will be measured by the number of the seven core commitments that have been delivered on target, to budget and against metrics such as very high Priority Services Register customer satisfaction

9.43. **ONGOING STAKEHOLDER STRATEGY – KEY DELIVERABLE:** In addition, we will further measure the impact of our actions by:

Publishing an annual Business Plan Commitments report	This will outline our delivery against the core commitment targets
Delivering a minimum of 300 positive outcomes as a result of our engagement each year	We will report on this annually for our stakeholders (www.westernpower.co.uk/outputs)
Establishing a RIIO-ED2 Plan Delivery Challenge Group	To scrutinise our performance and assure our reporting

It is particularly important that we will seek customer views on our service relative to other industries and sectors. We will do so by:

Undergoing rigorous external assessment of our stakeholder engagement programme and customer service delivery	We will achieve full compliance with the Customer Service Excellence Standard and British Standard for Inclusive Service Provision. This will include a review and comparison of WPD against peers and best practice across multiple industries.
Achieving average stakeholder satisfaction of 90% or higher	This will apply across all of our major engagement events
As well as the BMCS survey, WPD will introduce an in-house survey of customers who have recently used our services	This survey will ask how we performed when the customer contacted us, but it will also ask how we compare to other companies outside of the utility sector, to gauge opinion on how we are performing in terms of customer service, and what our customers think of us. We will use this feedback to learn and improve to ensure we remain a top performing, customer service-driven company

Dealing with uncertainty (DSO and net zero)

9.44. Our engagement approach is continually evolving to meet the changing needs of our customers. We have robust mechanisms to identify new, emerging and evolving stakeholder types (and a proven track record of doing this) and we have a strategy for delivering tailored engagement for these audiences.

9.45. This core strategy will be valuable in ensuring we continually update our insights from stakeholders, particularly in relation to net zero. For example, we will engage every local authority in our region annually to understand their existing local energy plans, as well as to provide support for those that need help to develop these plans for the first time. We will host a series of local network investment surgeries in each of our regions, as well as specialist connections surgeries each year – both of which will deliver insights specifically on the investment requirements resulting from customers seeking to connect low carbon technologies to the electricity grid. These will be hosted at WPD distribution area level (30 areas in total), enabling us to build a strong understanding of regional and local variation in investment need.

9.46. The annual publication of WPD's Distribution Future Energy Scenarios (DFES), with subsequent consultations, will provide further opportunity for stakeholders to engage with us on a range of factors key to the delivery of net zero. The DFES will provide stakeholders with an annual view of the impact of LCT uptake should this begin to move at a pace greater than first predicted (which could result in the application of a net zero reopener). Finally, WPD will continue to host annual flagship workshops for wider stakeholders.

9.47. In addition, as part of our Business Plan, we have published a standalone strategy for DSO (incorporating our approaches to investment, scenario planning and flexibility for example). This will require specific engagement actions to create and update this strategy annually. This will maintain a line of sight to the evolving requirements of stakeholders which will inform any potential decisions associated with the need for a net zero reopener.

10. Customer vulnerability strategy for RIIO-ED2

10.1. A key area in which we have given customers a stronger voice and ensured their needs are reflected in our ambitious plans is in relation to our services for customers in vulnerable situations. A major driver for our stakeholder engagement programme has been to seek views from stakeholders specifically for this area. This has resulted in an extensive customer vulnerability strategy that is a standalone document within WPD's Business Plan document submissions and can be accessed at: **www.westernpower.co.uk/RIIO-ED2BusinessPlan**.

11. WPD's social contract

11.1. Similarly, as part of our engagement programme stakeholders have made it clear that they expect WPD to operate as a responsible corporate citizen and to support the communities we serve. A major driver for our stakeholder engagement programme has been to seek views from stakeholders specifically for this area. This has resulted in a separate social contract – the first to be produced by a DNO - that is published as a standalone document within WPD's Business Plan document submissions and can be accessed at: **www.westernpower.co.uk/RIIO-ED2BusinessPlan**.

12. Appendices

Appendix A01 - Co-creation workshops 2019 summary report

12.1.   In February 2019, Western Power Distribution (WPD) hosted a series of six workshops in locations across its network. Each aimed to gather feedback from stakeholders on: WPD's RIIO-ED2 engagement plan; the RIIO-ED2 framework and stakeholder expectations of the company; stakeholder priorities for RIIO-ED2; being a responsible business and building a 'social contract'; and smart future and the transition to Distribution System Operator (DSO).

12.2.   This report details the outcomes from all six events, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40533**

Appendix A02 - A Strategic Review: Customer Engagement Options to Help Inform Methodological Approach for WPD Foundation Research (Accent)

12.3.   WPD commissioned Accent (independent market research experts) to carry out desktop research on publicly available documents to review the range of stakeholder and customer engagement undertaken by organisations in other sectors operating within a regulatory framework.

12.4.   The objective of this review was to inform a Foundation Research methodology which could be justifiably argued as being the most appropriate to establish both spontaneous and considered priorities for a range of different end consumers.

12.5.   As well as providing details of the various approaches followed by the different organisations, the report provided a summary of four discernible levels of engagement identified, along with the differentiation in terms of likely costs involved, potential outcomes, benefits and disadvantages.

12.6.   This report can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40536**

Appendix A03 – Customer Panel

12.7.   The Customer Panel comprises a group of permanent, expert members who meet four times a year. It has been in place for 13 years. Their main objectives include: providing expert advice, feedback, analysis and opinion on WPD's initiatives; acting as an advocate for consumers; acting as a "sounding board" to allow WPD to test innovation and ideas for initiatives, and highlighting key issues of current or emerging consumer concern to help scope and shape WPD's plans and approach.

12.8.   An example of the minutes taken from one of these meetings (December 2020) can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40539**

Appendix A04 – Communities and the Smart Energy Revolution workshops 2020

12.9. In March 2020 a series of events were held by WPD aimed at helping communities and local energy stakeholders engage in flexibility markets and the smart grid.

12.10. These events were interactive forums for community energy groups, local authorities and local energy stakeholders aimed at enabling collaboration, developing local energy projects and disseminating shared learning to ensure the network is used more efficiently to enable more renewable energy to connect.

12.11. An example of the feedback received and outcomes from these events can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40659**

Appendix A05 – Connection Customer Steering Group (CCSG)

12.12. The CCSG is a permanent panel of connection stakeholders who meet three times each year. It has been held since 2013 and aims to inform and guide WPD strategy and decisions. It is chaired by a WPD Director and attended by connection stakeholders representing a cross-section of sectors. Each panel member represents their own views and those of their colleagues within their respective market segment(s).

12.13. An example of the minutes taken from one of these meetings (October 2020) can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40542**

Appendix A06 – Local Authority LAEP Engagement: Spring/Summer 2020

12.14. WPD invited all 130 Local Authority (LA) stakeholders covered by the WPD area to participate in a meeting. The aim was to share feedback and provide support and information that works towards building a joined-up energy plan and delivering Net Zero Carbon emissions targets.

12.15. This summary report details the feedback received from all bilaterals conducted, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40545**

Appendix A07 – Co-creation workshops 2020 (Feb): Summary Report

12.16. In the last week of February and the first week of March 2020, WPD hosted a series of six stakeholder workshops aimed at gathering feedback with a view to co-creating its Business Plan for the RIIO-ED2 price control period. The main workshops and discussions focused on establishing the priorities and commitments for a range of different topic areas pertaining to the Business Plan.

12.17. This report details the outcomes from all six events, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40548**

Appendix A08 – Co-creation workshops 2020 (Nov): Summary Report

12.18. In November 2020, WPD hosted a series of four online stakeholder workshops aimed at stakeholders in the company's South West, South Wales, West Midlands, and East Midlands licence areas. The purpose of these workshops was to round off the co-creation stage of our programme of engagement in support of the RIIO-ED2 Business Plan. Stakeholders were asked to comment on feedback that had been given in the previous round of workshops and to give their feedback on the draft outputs WPD produced as a result. In addition, they were asked to comment on whether they thought WPD's priorities had changed as a result of the Covid-19 pandemic.

12.19. **This** report details the outcomes and feedback from all four events, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40551**

Appendix A09 – Business Plan 1 Consultation Report

12.20. WPD consulted on the first draft of its RIIO-ED2 Business Plan over a five-month period between November 2020 and March 2021. The draft Business Plan (BP1) contained 67 commitments that had been produced following feedback from stakeholders. The consultation was split into a series of different phases: pre-consultation (final refinement of the commitments for BP1); formal consultation (reviewing the commitments to ensure they deliver the right outcomes and represent the right level of ambition); and post-consultation (further refinement, including the development of a series of Delivery Strategies).

12.21. This report covers the feedback received during the formal consultation period that took place between 27 January and 2 March 2021, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40641**

Appendix A10 – Local network investment and net zero workshops (2019): Summary Report

12.22. In September and October 2019, WPD's Distribution Managers hosted 11 stakeholder workshops at depots across the WPD network area for key stakeholders with a regional planning focus. Stakeholders in attendance included councillors, council officers, developers and others involved in the growth agenda.

12.23. The feedback from all 11 workshops was collated and summarised in a report, which can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40554**

Appendix A11 – Local network investment and net zero workshops (2020): Summary Report

12.24. In September 2020, WPD's distribution managers hosted a series of 11 virtual workshops across the company's network area to gather feedback from its stakeholders on a number of topics including: RIIO-ED2 Business Plan development; planned local investment; network constraints; capacity issues and Local Energy Plans. Attendees included representatives from local authorities, developers, universities and community energy groups.

12.25. The feedback from all 11 workshops was collated and summarised in a report, which can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40557**

Appendix A12 – ICP/IDNOs conference (2019): Summary Report

12.26. On 6 November 2019, WPD hosted a connections stakeholder workshop to seek feedback from stakeholders on the following topics: the connections process; WPD's Business Plan priorities (2023–2028); facilitating electric vehicles and other low-carbon technologies; how the electricity network can support the growth in housing, infrastructure and commercial developments; and how different sectors can work better together.

12.27. This summary report details the feedback received from this event, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40560**

Appendix A13 – ICP/IDNOs conference (2020): Summary Report

12.28. On 25 November 2020, WPD hosted a connections stakeholder workshop to seek feedback from stakeholders on the following topics: WPD's Connections Strategy; Digitalisation & data; Supporting the transition to Net Zero; and Strategic investment during RIIO-ED2.

12.29. This summary report details the feedback received from this event, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40563**

Appendix A14 – Social obligations conference (2019): Summary Report

12.30. In October 2019, WPD held two workshops to discuss its social obligations programme with stakeholders (including local authorities, consumer bodies, charities and non-governmental organisations). This included work done to support both customers in vulnerable situations, as well as those in fuel poverty.

12.31. This summary report details the feedback received from both events, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40566**

Appendix A15 – Social obligations conference (2020): Summary Report

12.32. On 29 September 2020, WPD held an online workshop to discuss its social obligations programme with stakeholders. The purpose of the workshop was to inform stakeholders about the company's activities in relation to the support provided to customers in vulnerable situations and in fuel poverty.

12.33. This summary report details the feedback received, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40569**

Appendix A16 – EV charging & flexibility services stakeholder workshop: Summary Report

12.34. On 10 April 2019, WPD and EA Technology jointly hosted a stakeholder workshop on EV charging and flexibility services. The workshop comprised presentations on the following topics: the findings of the Electric Nation trial; WPD's EV strategy; Time of Use (ToU) and EV tariffs; Flexible Power and Active Network Management; and WPD's EV Charging Hierarchy.

12.35. This summary report details the feedback received, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40638**

Appendix A17 – DSO Strategy and Connections Strategy Workshop – Feedback Report

12.36. As part of its Business Plan requirements, Ofgem requested all DNOs develop a set of individual strategies and action plans for key topics – known as 'delivery strategies' – to ensure they deliver on stakeholders' expectations and demonstrate that they will meet the baseline requirements set by the regulator. This workshop focused on two of these delivery strategies; DSO and Connections, and sought feedback from stakeholders on these topics. The workshop was held virtually on 12 February 2021.

12.37. **This** summary report details the feedback received, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40572**

Appendix A18 – Innovation Strategy Workshop – Feedback Report

12.38. As part of its Business Plan requirements, Ofgem requested all DNOs develop a set of individual strategies and action plans for key topics – known as 'delivery strategies' – to ensure they deliver on stakeholders' expectations and demonstrate that they will meet the baseline requirements set by the regulator. This workshop focused on one of these delivery strategies; Innovation, and sought feedback from stakeholders on the topic. The workshop was held virtually on 25 February 2021.

12.39. This summary report details the feedback received, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40575**

Appendix A19 – Environment and Climate Resilience Strategy Workshop: Feedback Report

12.40. As part of its Business Plan requirements, Ofgem requested all DNOs develop a set of individual strategies and action plans for key topics – known as 'delivery strategies' – to ensure they deliver on stakeholders' expectations and demonstrate that they will meet the baseline requirements set by the regulator. This workshop focused on two of these delivery strategies; Environment and Climate Resilience, and sought feedback from stakeholders on these topics. The workshop was held virtually on 26 February 2021.

12.41. This summary report details the feedback received, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40578**

Appendix A20 – Consumer Vulnerability and Social Contract Strategy Workshop: Feedback Report

12.42. As part of its Business Plan requirements, Ofgem requested all DNOs develop a set of individual strategies and action plans for key topics – known as 'delivery strategies' – to ensure they deliver on stakeholders' expectations and demonstrate that they will meet the baseline requirements set by the regulator. This workshop focused on two of these delivery strategies; Consumer Vulnerability and Social Contract, and sought feedback from stakeholders on these topics. The workshop was held virtually on 23 February 2021.

12.43. This summary report details the feedback received, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40581**

Appendix A21 – Digitalisation Strategy Workshop: Feedback Report

12.44. As part of its Business Plan requirements, Ofgem requested all DNOs develop a set of individual strategies and action plans for key topics – known as 'delivery strategies' – to ensure they deliver on stakeholders' expectations and demonstrate that they will meet the baseline requirements set by the regulator. This workshop focused on one of these delivery strategies; Digitalisation, and sought feedback from stakeholders on the topic. The workshop was held virtually on 11 February 2021.

12.45. This summary report details the feedback received, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40584**

Appendix A22 – Online engagement portal (2019): Summary report

12.46. On 12 March 2019, WPD invited stakeholders to participate in an online workshop, hosted on WPD's website, so that stakeholders who were unable to attend February's face to face workshops had an opportunity to provide their feedback.

12.47. This summary report details the feedback received, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40587**

Appendix A23 – Online engagement portal (2020): Summary report

12.48. In June / July 2020 WPD invited stakeholders to participate in an online workshop, hosted on WPD's website, so that stakeholders who were unable to attend February/March's face to face workshops had an opportunity to provide their feedback.

12.49. This summary report details the feedback received, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40590**

Appendix A24 – Understanding Customers Spontaneous Priorities: Quantitative Findings Report (Accent)

12.50. WPD commissioned Accent (independent market research experts) to carry out research with end user customers to elicit unprompted views of what they wanted WPD to do for them and better understand their priorities for RIIO-ED2.

12.51. Views from specific customers were sought by asking additional questions in three (existing) customer satisfaction tracking studies: Major Connections business customers, Distributed Generation business customers and vulnerable customers.

12.52. The research was undertaken in line with the requirements of the market, opinion and social research International Standard ISO20252.

12.53. The results from this research piece are summarised within this report and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40644**

Appendix A25 – Willingness to Pay: Qualitative Headlines Report (Accent)

12.54. WPD commissioned Accent (independent market research experts) to carry out six qualitative research workshops with end user customers to specifically precede and shape the subsequent quantitative 'Willingness to Pay' research surveys. The sessions were designed to elicit unprompted views of what WPD's priorities should be for RIIO-ED2, identify underlying initiatives and provide a forum for customer led creation of the quantitative survey materials to ensure they are meaningful and engaging.

12.55. The results from this research piece are summarised within this report and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40593**

Appendix A26 – Willingness to Pay: Quantitative Headlines Report (Accent)

12.56. WPD commissioned Accent (independent market research experts) to design and implement a programme of research focused on obtaining customer willingness-to-pay (WTP) values for potential service improvements/initiatives. These estimates were used to inform the content of WPD's ED2 Business Plan.

12.57. This report describes the research design and presents headline findings based on analysis of the responses given by the full main sample of 1,188 participants and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40605**

Appendix A27 – Understanding Customers Spontaneous Priorities: Qualitative Findings Report (Accent)

12.58. WPD commissioned Accent (independent market research experts) to carry out research with end user customers that focuses on both short and long term customer requirements - scoping out customers' current priorities (uninformed and, thus, uninfluenced by any specific WPD plans) as well as checking these against previously established priorities.

12.59. It featured a comprehension session, extended priorities sessions, app-based tasks, and deliberative tasks. Co-creation sessions were then held to begin drafting commitments in customers' own words.

12.60. The results from this research piece are summarised within this report and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40608**

Appendix A28 – Measures of Success Research: Qualitative Insights (Accent)

12.61. WPD commissioned Accent (independent market research experts) to carry out a two month deliberative research exercise with domestic customers that commenced in June 2020. The aim was to generate well-informed insights from end user, bill paying customers to help to shape WPD's core Business Plan commitments and key improvement targets.

12.62. The results from this research piece are summarised within this report and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40611**

Appendix A29 – Citizens Panel Summary Report (Traverse)

12.63. Research, engagement and consultation specialists Traverse were appointed by WPD to run a programme of deliberative engagement events with end customers with a mix of key demographics including; customers in vulnerable situations, a mix of socioeconomic circumstance and future and existing customers. The aim was to enable customers to provide unprompted areas of priority to help shape the Business Plan.

12.64. The results from this research piece are summarised within this report and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40614**

Appendix A30 – Youth Community Measures of Success Research: Qualitative Insights (Accent)

12.65. WPD commissioned Accent (independent market research experts) to carry out a two month deliberative research exercise specifically with future WPD customers that commenced in October 2020. Deliberative exercises were conducted over a 7 week period designed to develop the knowledge of participants from their initial un-prompted, 'spontaneous' priorities through to full consideration of WPD's draft Business Plan outputs.

12.66. The results from this research piece are summarised within this report and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40617**

Appendix A31 – Synthesis Report 1: Phase 1 Preliminary Engagement

12.67. WPD produces 'synthesis reports' at the close of each Business Plan engagement stage to summarise the stakeholder views received, demonstrate priorities have been sense-checked and remain the correct ones, and to provide an indication of how synthesised feedback from previously completed stages should shape the next stage of engagement being moved on to.

12.68. This report is the result of the initial synthesis work completed which collated and analysed all the stakeholder feedback collected, breaking it down into appropriate high level topics. Each topic is discussed separately and includes a breakdown of the number of stakeholders who contributed to WPD's understanding, the number of feedback pieces collected, as well as details on the events and stakeholder segments involved.

12.69. The report and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40620**

Appendix A32 – Synthesis Report 2: Phase 2 Business Plan Development

12.70. WPD produces 'synthesis reports' at the close of each Business Plan engagement stage to summarise the stakeholder views received, demonstrate priorities have been sense-checked and remain the correct ones, and to provide an indication of how synthesised feedback from previously completed stages should shape the next stage of engagement being moved on to.

12.71. This report builds on the previous 'preliminary engagement' work completed by exploring the detailed stakeholder opinions around each priority, including proposed commitments.

12.72. The report and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40623**

Appendix A33 – Synthesis Report 3: Phase 3 Defining Outputs

12.73. WPD produces 'synthesis reports' at the close of each Business Plan engagement stage to summarise the stakeholder views received, demonstrate priorities have been sense-checked and remain the correct ones, and to provide an indication of how synthesised feedback from previously completed stages should shape the next stage of engagement being moved on to.

12.74. This stage builds on the previous "Business Plan Development" work by exploring detailed stakeholder opinions around draft outputs and measures.

12.75. The report and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40626**

Appendix A34 – Synthesis Report 4: Phase 4 Business Plan Refinement

12.76. WPD produces 'synthesis reports' at the close of each Business Plan engagement stage to summarise the stakeholder views received, demonstrate priorities have been sense-checked and remain the correct ones, and to provide an indication of how synthesised feedback from previously completed stages should shape the next stage of engagement being moved on to.

12.77. This stage builds on the previous "Defining Outputs" work by testing stakeholder opinions around draft commitments and their ambition.

12.78. The report and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40629**

Appendix A35 – Social Contract Development Research: Qualitative Insights (Accent)

12.79. WPD commissioned Accent (independent market research experts) to carry out a research project that would provide insight into the development of a Social Contract - learning from 'Best in Class' service providers. It was designed to: explore what customers felt should be covered in a Social Contract; understand how customers felt this should be measured, and identify how customers expected this to be communicated.

12.80. The results from this research piece are summarised within this report and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40632**

Appendix A36 – First draft Business Plan Consultation Document

12.81. In January 2021 WPD published its first draft Business Plan for RIIO-ED2. An accompanying consultation document was published alongside it, seeking stakeholder views in a number of key areas.

12.82. The consultation document summarises the core commitments created following extensive engagement with our stakeholders since 2019, and provides essential context and current performance to enable stakeholders to respond, and understand our core proposals.

12.83. The document can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40647**

Appendix A37 – First draft Business Plan Webinar Presentation

12.84. A webinar was hosted by WPD that afforded stakeholders the opportunity to learn more about the draft Business Plan to enable them to respond to the online consultation.

12.85. The presentation from this webinar can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40650**

Appendix A38 – Online Panel

12.86. The Online Panel is a permanent online community for customers and stakeholders who have an interest in our business and operations. Representatives span a range of customer demographics including; age, gender and location with the aim to provide a balanced and fair representation across these.

12.87. Projects are posted to coincide with engagement events across the business, particularly with respect to the RIIO-ED2 engagement programme and 'hot topics' where additional insight and feedback is wanted and sought from members.

12.88. An example of the sorts of projects posted can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40653**

Appendix A39 – Second draft Business Plan Consultation Report

12.89. WPD consulted on the second draft of its RIIO-ED2 Business Plan in March and April 2021. The second draft Business Plan (BP2) contained 58 core commitments that had been produced further to feedback from customers and stakeholders as part of its consultation on the first draft of its Business Plan (BP1) earlier in the year.

12.90. The purpose of the consultation was to give WPD's stakeholders and customers an opportunity to comment on the revised set of core commitments in the second draft of the Business Plan. In addition, WPD sought to gather feedback on some specific topics and themes relating to the Business Plan including: the overall approach and changes made since BP1; expenditure and bill impact; WPD's 'best view' of future energy needs (including electric vehicles and heat pumps); layout and structure of the Business Plan; and Business Plan Commitments (including new commitments in BP2).

12.91. This report covers the feedback received from this consultation, and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40656**

Appendix A40 – Business Plan Acceptability Testing Report (Accent)

12.92. Accent were commissioned by WPD to design and implement a programme of research to support WPD's aim to ensure that its business plan is in line with customer priorities and expectations and provide evidence that this is the case.

12.93. The main aims from this research were to test the acceptability of the draft business plan and affordability of the proposed bill level. In addition, the research aimed to provide insight on the elements of the plan which receive highest and lowest levels of support from customers.

12.94. The results from this research piece are summarised within this report and can be found on our website at: **https://yourpowerfuture.westernpower.co.uk/downloads-view/40635**

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