



An Overview of our Business Plan 2023 - 2028

July 2021



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WPD Chief Executive Phil Swift: “Our commitment to customers for RIIO-ED2”

I am proud to introduce WPD’s highly ambitious Business Plan for 2023-2028. It has been co-created with more than 19,000 stakeholders and has received significant levels of support and acceptability from our wider customers.

The energy sector is undergoing a significant and exciting period of change as the UK works towards achieving a net zero carbon future. This Business Plan will place WPD at the heart of that shift. We aim to lead the industry and rise to the challenge of driving crucial changes in energy use and customer behaviour. We will be ready for up to 1.5 million electric vehicles and we will set the benchmark by achieving net zero in our own operations, by 2028. At the same time we will play a crucial role supporting our local communities, while continuing to deliver the highest standards of safety, reliability and customer service that our customers have come to expect from us.

At WPD we keep our promises. We have an impressive track record of delivery and offer the best performance in the UK in terms of network reliability, customer service, vulnerable customer support, stakeholder engagement, innovation and new flexible energy services. So the 8 million customers that rely on us every day, can have confidence that the ambitious, stretching targets contained in this plan will be delivered. We never rest on our laurels; we want to deliver continual improvement and the very best outcomes possible for our customers. Our largest ever stakeholder consultation process has held our feet to the fire, delivered unprecedented levels of scrutiny and collaboration and has driven us to create a well-justified, efficient and pioneering set of proposals for our customers today, as well as future generations.

We have built a deep understanding of the environment in which we are operating and we know that times are tough for many, especially as we emerge from the Covid-19 pandemic. We created our ‘In This Together - Community Matters’ fund within two weeks of the first national lockdown in March 2020 and have already awarded £1 million to support over half a million vulnerable customers who have been worst affected by the pandemic. We have also committed to invest up to £59 million to support the green recovery.

Our plans from 2023 are hugely ambitious. We expect up to 1.5 million electric vehicle (EV) charging points and 600,000 heat pumps to be connecting to our network between 2023 and 2028 and we have the capability to adapt quickly if volumes exceed these levels. Our domestic customers will be able to use a simple tool to determine whether they can install EV charging points, making it simpler for everyone to connect to our network. We will also work with partner organisations to ensure no-one is left behind in the take-up of low carbon technology and that 113,000 fuel poor customers are supported to save more than £60 million on their bills.

We will always use flexible services first before we build new infrastructure to maximise the utilisation of the existing network. By doing so we will ensure that energy capacity

is available to assist local authorities and industry to realise their net zero ambitions. We will also lead the efforts to respond to environmental challenges by reducing our own business carbon emissions to be net zero by 2028 (excluding network losses) and enhancing network resilience to combat increasing cyber threats.



Customers pay for everything we do, so it is essential that we deliver value for money. We recognise our responsibility to respond to the challenges of climate change and post-pandemic recovery, but to do so in a way that is as affordable as possible. We will therefore deliver significant uplifts in investment and performance, whilst keeping our portion of the average domestic customer bill broadly flat, around the average current level of £98 per year.

I am extremely proud that our Business Plan is co-created with stakeholders. We have gone further than ever, consulting a broad and varied range of representatives via a robust engagement process that ensures we understand and meet their needs and expectations. We do not just consult on pre-determined proposals, we enabled stakeholders to start from a blank sheet of paper and have shared decision-making power with them. Of the 19,000 stakeholders engaged during the RIIO-ED2 business planning process, 6,400 of these were direct, in-person engagements, and we have held over 250 engagement events to date. We will continue to seek views and feedback over the coming months prior to final submission to Ofgem in December. In addition, an independent challenge body, the Customer Engagement Group, has provided robust challenge and scrutiny at every stage of the process via more than 140 meetings.

We are publishing this first submission Business Plan, having already consulted on two draft versions with our stakeholders. It is therefore the product of extensive stakeholder influence. I know that it will deliver a wide range of positive outcomes that our customers value highly.

Thank you for your support,

Phil Swift
WPD Chief Executive



About Western Power Distribution

WPD is the largest electricity distribution company in the UK serving 8 million homes and businesses across the Midlands, South West England and South Wales.

We do this through a network of more than 188,000 substations, over 225,000 kilometres of underground cables and overhead lines and nearly 1.4 million poles and towers, spanning 55,000 square kilometres.

Our network covers densely populated residential areas and widely dispersed rural communities. We operate from the Lincolnshire coast in the East Midlands, through to Gloucestershire in the West Midlands, to Cardiff and Swansea in South Wales, and down into the South West to the counties of Somerset, Devon and Cornwall.

We are responsible for performing five core tasks. These are to:



Keep the lights on

by operating our network assets effectively



Maintain equipment

so that the network remains reliable



Fix the network

if equipment gets damaged or is faulty



Connect customers

by upgrading existing networks or building new ones



Operate a smart system

by managing two-way power flows and flexibility services

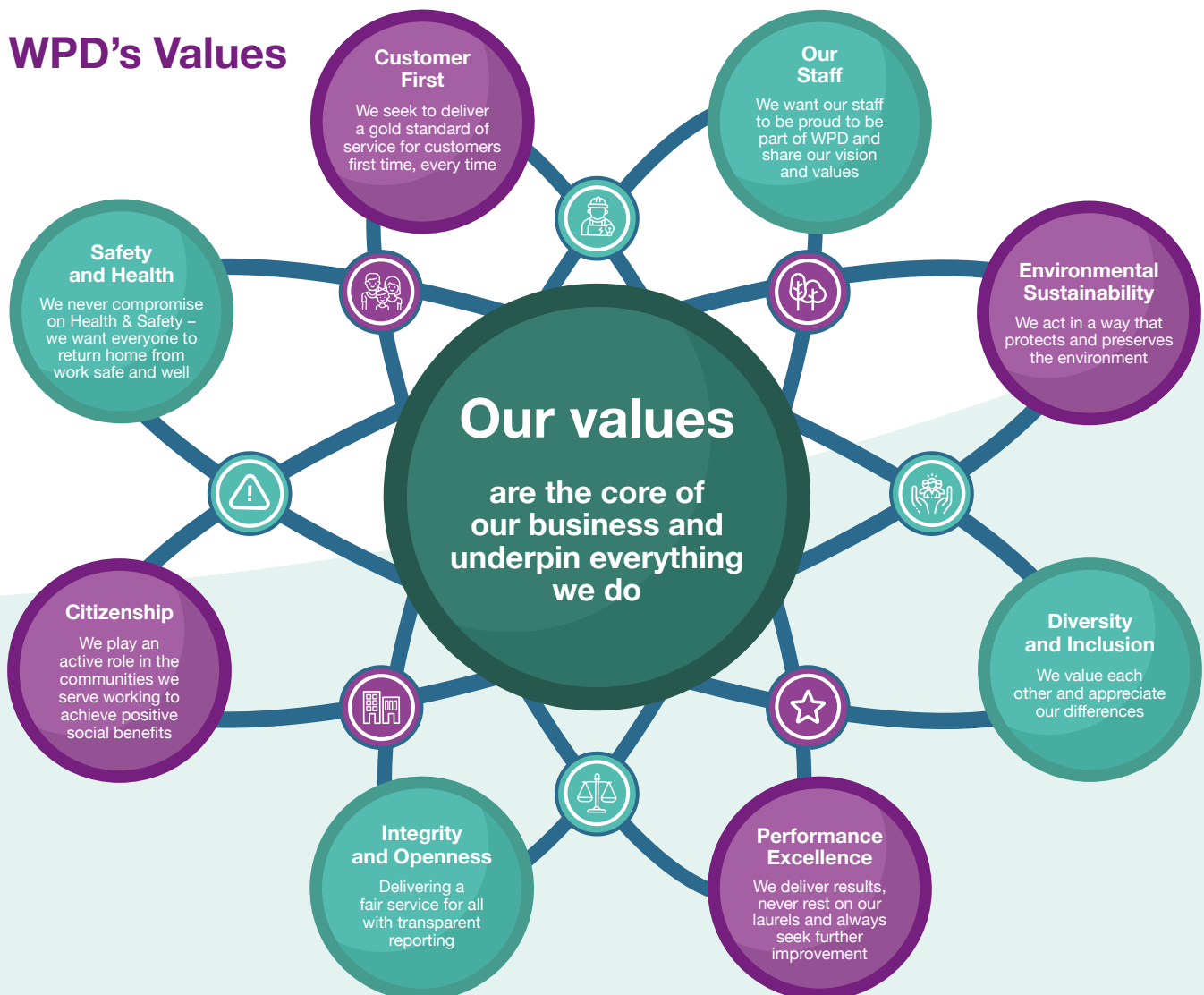


WPD's Purpose

Our purpose is to deliver exceptional service and support environmental and social well being for the communities we serve through our commitment to deliver: 'Power for life, Power for future generations'.

We will deliver a safe and reliable electricity supply at an affordable cost for all our customers, using local staff to deliver a local service. We will achieve this by following our values which are at the core of our business and underpin everything we do.

WPD's Values



Power for life,
Power for future generations



Customers' bills

WPD's Business Plan is based on extensive and ongoing engagement with stakeholders.

As a result of stakeholder feedback we propose to invest £6.2 billion in the network during the period 2023-2028 to efficiently deliver our customers' priorities. This is an increase in overall expenditure of £939 million from current levels. This will deliver significant benefits to customers and lead the way to net zero.



Our customers currently pay around £98 a year for the WPD portion of an average domestic electricity bill. We expect this to remain broadly at the same level in RIIO-ED2.

Customers do not pay their bills directly to WPD; instead they pay their chosen supplier. A portion of that bill then comes to us which, for an average domestic customer, is currently 17% (around £98 per year). Ofgem regulates WPD's allowances through the price control process. We use these to fund our operations and to undertake required additional investment.

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.

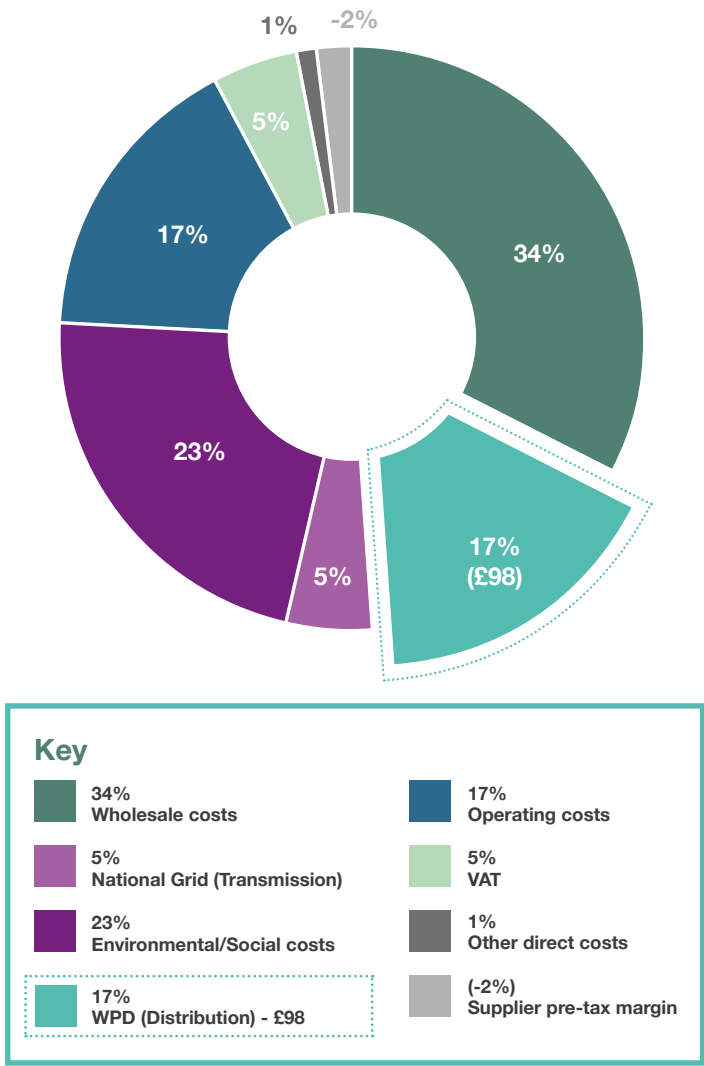
Our current calculations estimate that the impact of the increased expenditure in RIIO-ED2, from that in RIIO-ED1, would result in an approximate £1.52 increase on the average domestic bill.

However, we intend to offset this 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.

Were expenditure levels not to increase as proposed, and they remained at the levels they are today (£1.05 billion per year), based on the financing assumptions, RIIO-ED2 bills could be reduced.

However, we are proposing to spend more money each year than in RIIO-ED1 in order to deliver the commitments contained in this document, as well as to deliver against key government policy such as the transition to a net zero carbon future.

Average annual domestic electricity bill





Our Business Plan

We will be investing around £6.2 billion in our network to continue delivering the excellent service our customers have come to expect – but also to play a vital role in driving the UK's net zero aspirations.

The shift to a net zero, low carbon economy adds an exciting dimension to all our futures. At WPD, it means we will still be striving for improved network performance, safety and resilience, while keeping customer bills affordable.

But we will also be working hard to drive key changes, including the decarbonisation of transport and heat, enabling the widespread adoption of energy flexibility and supporting the development of forward thinking, bespoke energy plans in the local communities we serve.

Our Business Plan outlines 45 core commitments that show how we will meet this challenge. These commitments have been developed in partnership with our stakeholders, during a rigorous, two year co-creation process. This has included extensive conversations with local authorities, charities, utilities, developers, suppliers, businesses and domestic bill paying customers.



Created by you, delivered by us

We have engaged with more than 19,000 stakeholders to make sure our plan reflects the priorities and expectations of people living in the homes and working in the businesses we serve across our region.

From the outset, we have shared their ambitious targets for a network that is:



Able to meet the needs of all our consumers and energy users

Ensuring excellent customer satisfaction, being a good corporate citizen supporting the most vulnerable in our communities and facilitating an easy and affordable switch to low carbon technologies (LCTs).



Safe and resilient

Leading to fewer power cuts, effective cyber protection and the creation of a smarter, more flexible energy system.



Affordable

Driving efficiency and providing value for money.



Environmentally sustainable

Tackling our own business carbon footprint and taking the lead to enable net zero carbon emissions by supporting stakeholders to meet their net zero ambitions.



Innovative

Digitalising the energy system, supporting the use of accessible data and forging change in all key delivery areas, from safety to customer service solutions.

**We understand and share these ambitions.
We know we can deliver them.**



Our strong track record means we are ready to deliver an exciting energy future.

A changing world means new priorities for stakeholders.

Customers have made it clear that they want WPD to continue to deliver exceptional and essential levels of service in RIIO-ED2 - but to also go significantly further. They want us to respond to a changing energy landscape and the need to support existing and future stakeholders to achieve net zero carbon emissions by 2050.

We expect to face many new challenges during RIIO-ED2 and we will take into account key environmental and regulatory obligations and government policy decisions. These include the need to ensure capacity is available for charging electric vehicles, powering heat pumps and allowing the connection of increased levels of distributed generation and energy storage.

We must embrace new ways of working and build on our established use of flexibility in the way we operate the system, as well as tackling the environmental challenge of reducing our own business carbon emissions and enhancing network resilience to combat increasing cyber threats.

In our Business Plan, we recognise our responsibility to respond to these challenges and to do so in the most cost effective way possible.

Our Business Plan has been co-created alongside our stakeholders with these challenges in mind and sets out a clear pathway to enable us to meet our targets.

In some areas, stakeholders want us to maintain our focus and build on our successful track record, by making ongoing improvements. In others, they want us to embrace entirely new ways of operating and to develop new services that deliver a rapidly evolving energy system that drives a lower carbon future for us all.

In short, our Business Plan sets out how we will continue to improve on our existing high standards of safety, reliability and customer service, while adapting to and influencing the changing needs of our customers and the environment in which we operate.

You said, we did...

We have a strong track record of delivering on our promises. This will not change in RIIO-ED2. We are determined and excited to deliver the ambitious commitments our stakeholders have helped us to create.

When we submitted our Business Plan for the previous price control period (RIIO-ED1), we were the only Distribution Network Operator (DNO) to be fast tracked by the regulator for meeting all the criteria required. We were recognised as the leading company for customer service, operational efficiency and reducing costs.

As our role evolves to accommodate huge changes in energy generation and use, including the growth of distributed generation and the popularity of electric vehicles, our core responsibilities to our customers remain the same.

We have delivered:

Summary of our RIIO-ED1 performance areas



9.01 out of 10

overall customer satisfaction in RIIO-ED1



8 years

highest rated company in Ofgem's Stakeholder and Consumer Vulnerability incentive



40%

reduction in power cuts and 50% reduction in power cut durations



20%

reduction in business carbon footprint in RIIO-ED1



As a result of our outstanding performance in all these areas during RIIO-ED1, we were rated first for customer satisfaction across the period to date. In addition, at the 2020 international Engage Awards we were proud to pick up four awards - three golds and one bronze - in recognition of our efficient and innovative approach to customer engagement.



A community-focussed Business Plan co-created with over 19,000 stakeholders

In the current price control period, RIIO-ED1, we have delivered significantly over and above our original commitments by becoming the first DNO to set up a Distribution System Operator capability, speeding up the move to local generation and flexible services.

We have also demonstrated our credentials as a good corporate citizen by supporting thousands of local organisations through our £1 million 'Community Matters' fund - a lifeline for many during the coronavirus pandemic. Following the success of this initiative, we will continue to donate £1 million a year during the life of our next Business Plan to causes in our communities which benefit the environment and customers in vulnerable situations.

On top of this, we have committed £59 million to the UK's green recovery, as part of our pledge to unlock green jobs and green growth across our region.

As we share our next Business Plan with you, we are confident we can once again build on our successes to fulfil and exceed our commitments. We will provide an efficient, safe and forward looking energy system that leaves no one behind.

A stake in the future

Ambitious and industry leading – that is the standard of Business Plan our stakeholders wanted to see and have helped us to develop.

We have co-created this plan in partnership with our customers to make sure our commitments accurately reflect the priorities and expectations of millions of people across our region. Crucially, we have also listened to what they have said they are willing to pay to see these delivered.

We have followed an enhanced and expanded approach to stakeholder engagement to create our Business Plan, starting with a blank sheet of paper and giving a voice to as many customers as possible. The process involved not only more engagement activities than ever before but more opportunities for stakeholders to review and collaborate on the draft plans.

During this extensive engagement programme, we held regular scrutiny meetings with the Customer Engagement Group (CEG) – which includes representatives from a wide range of backgrounds and interest groups.

Customers have said they want us to support net zero initiatives across our region but also to look at our own business carbon footprint. Showing ambitious leadership, we are committed to being a net zero company by 2028 – 22 years ahead of the government's own net zero target. This is just one of the many ways in which we aim not only to meet the challenges of a rapidly changing energy landscape but to go even further.

We are excited to be responsible for energy distribution at a time of such seismic changes to the way our customers use and generate energy. Most low carbon technologies adopted in the future will connect to our network, including up to 1.5 million charging points for electric vehicles and 600,000 heat pumps by 2028. We will also have a central role to play in influencing consumer behaviour as we operate our network more flexibly, harnessing new and innovative technologies.

Our Business Plan sets out how our £6.2 billion network investment will be used to power these improvements and to make sure no customer is left behind in the smart energy transition, particularly those who are most vulnerable. It is a plan that everyone at WPD is very proud of. We are confident that our far reaching yet affordable commitments will enable us to meet the challenges of a fast changing energy future while meeting the needs and aspirations of the people who matter most – you.



Over 19,000
stakeholders engaged
at over 250 events



2 drafts
of our Business Plan
published and widely
consulted on prior to the
first submission to Ofgem



82%
end-user customer
acceptability of the
overall plan (only 3%
“unacceptable”)



87% - 97%
stakeholder acceptability
of WPD's core
commitments



The key headlines of our Business Plan

A deep understanding of the key priorities and commitments that matter most to our stakeholders has driven the creation of our plans for 2023-2028, including:



Above 90%
on average
for customer
satisfaction



1.2 million
customers in vulnerable
situations offered a smart
energy advice plan
every two years



113,000
fuel poor
customers
supported to save
£60 million



**Lowest ever
power cut levels**

improve the current average
customer experience of one
power cut lasting 24 minutes,
every two years



70 schemes
benefitting
8,260
Worst Served
Customers



**200,000 school
children safer**
by undergrounding, insulating
or diverting overhead
lines crossing school
play areas at 780 sites



**Ready for
up to 1.5 million
electric vehicles**

affordable Low Carbon
Technology connections
when required by our
customers



**Net zero
by 2028**

for WPD's own business
carbon footprint, and ready
to enable local authorities
to achieve net zero by as
early as 2030



**Community
energy surgeries**

to be held for local
energy groups

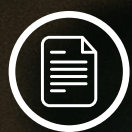
Delivering great value

You want us to have big ambitions – but as we deliver these, we expect the cost to our customers to remain largely unchanged.

We have a proven track record of operating a network that is capable of meeting energy requirements now and in the future, as well as delivering industry leading customer service - all while operating in a way that guarantees efficiency and delivers value for money.

In the current price control period, we delivered on all our investment promises, as well as making service enhancements that went beyond our original commitments. We were able to offset this additional work with savings made during the period.

In our latest Business Plan, we have set ourselves similarly stretching but achievable efficiency targets, and remain committed to delivering value for money without compromising the high standards our customers have come to expect.



Our Business Plan in greater detail - our commitments

Meeting the Needs of Consumers and Network Users

Creating a network for everyone is at the heart of all our ambitions.

Stakeholders want us to do more than provide a reliable supply of electricity. They want to see us demonstrate our role as a good corporate citizen, considering the social, economic and environmental responsibility involved in the decisions and actions we take at every level of our company. This is known as our Social Contract and underpins every aspect of our Business Plan.

So, while we will be honouring our existing operational commitments, such as maintaining our high customer satisfaction scores, resolving complaints quickly and simplifying the connections process, we will be going beyond the basic regulatory and legal requirements to demonstrate our social responsibility. We will be doing more to support customers in fuel poverty, helping 113,000 customers to make savings of £60 million.

To avoid short term fixes, our stakeholders have asked us to secure lasting improvements, for instance, by working with partners on solutions to alleviate fuel poverty in their communities.

We will also be harnessing innovation to find ways of using new technologies and services to unlock positive outcomes for these customers in greatest need.

We will continue our vital work to build relationships with the customers who are most vulnerable in the event of a power cut, to ensure our understanding of their needs is accurate and to deliver targeted and tailored support. We will also reach out proactively to customers in known areas of high deprivation and vulnerability to offer support, including membership of our Priority Services Register.

We will also be widening the scope of our work with vulnerable customers to ensure they can access the benefits of a low carbon future. As part of this, we will identify and remove any barriers they may face, as well as giving additional support and education on the smart energy transition, including information on electric vehicles and other low carbon technologies (LCTs).

We will be working with other network operators, sharing best practice on actively enabling vulnerable customers' participation in a low carbon future. Alongside this, we are committed to establishing an annual £1 million Community Matters fund to support the most vulnerable in our communities. This will be fully funded by shareholders at no cost to our customers. Staff will also be offered paid volunteer leave to take part in community initiatives that aid vulnerable customers and the environment.

Communication

Exceptional levels of customer satisfaction are a must for our stakeholders – and we fully support this expectation. While our customer satisfaction rates are already high, we are committed to continual improvement, including the use of a wide range of communication channels that keep pace with new developments and changing customer preferences.

We also pledge to give clear and timely information in a format that customers are happy with and to provide a swift resolution when issues arise. In response to customer feedback, we will also be enhancing our communication by setting up an online viewer to give customers easy access to

information on planned work and interruptions. We have also pledged to publish our annual reports in an easier to understand format, and do more to make our connections' process user friendly.

Stakeholders want information for connections' customers to be more readily accessible and easy to understand. So we will be working to make the connections' process simpler and more transparent which, in turn, will make it easier for customers to connect electric vehicles, heat pumps and other emerging LCTs.

We will be doing all this and more, while keeping bills at affordable levels.

A Safe and Resilient Network

Network reliability remains a top priority for stakeholders – and for us. In particular, they want us to keep the lights on and to ensure the speedy restoration of supplies in the event of a power cut.

We have already reduced the number and length of power cuts experienced by our customers to just one power cut on average every two years, lasting for 24 minutes.

But, like our stakeholders, we believe in striving for ongoing improvement – even in areas where we are leading the way. That is why we are committed to going even further to reduce the risk of disruption and inconvenience caused by power cuts.

We will be continuing our programme of effective tree management and flood defence mitigation to reduce the impact on the network, as well as ensuring that our network investments are targeted in the most effective way.

Cyber resilience

The risk of disruption from hackers and the need for robust cyber protection is a growing concern among stakeholders, particularly as our network becomes more heavily digitalised.

That is why we are committed to building maximum resilience to cyber-attacks and collaborating with other organisations, including the government, to share best practice and stay ahead of hacking technology. We will continue to refresh our understanding of cyber risks and replace and upgrade our systems to ensure our protection keeps pace with the evolving threats we face.

Staying safe

We will be applying the same strict controls to our safety commitments, too. We are always looking for new ways to ensure the safety of our customers and colleagues, which is why we are promising to carry out more staff safety climate surveys and distribute even more safety information to our stakeholders to raise awareness of the dangers of electricity.

This commitment is highlighted by our education programme which has reached 386,672 school children to date during RIIO-ED1 through 16,111 educational sessions. When it comes to network safety, we carry out an extensive programme of inspections and maintenance to ensure equipment is safe and poses no hazard to customers.

Workforce

Stakeholders tell us that a happy, healthy and motivated workforce is a top priority. That is why we aim to build an inclusive, respectful and diverse workplace that rewards performance and encourages employee engagement. Many employees have been involved in the consultation process for this Business Plan.

In short, we will ensure we have an appropriately skilled and high functioning workforce to deliver the commitments of our Business Plan.

Our current draft of successful measures to ensure the safety and resilience of the service we deliver will be bolstered by a range of new customer driven initiatives.

Our commitments to improve safety and resilience include:



Using technology to obtain quick and accurate information about tree growth to reduce tree related faults on the network



Undergrounding, insulating or diverting overhead lines that cross school playgrounds



Continuously assessing emerging threats to enhance cyber security systems to ensure no network interruption or loss of data from a cyber attack



Achieving Gold Standard Investors in People accreditation by 2028



Publishing an annual Diversity, Equity and Inclusion Plan



Our Business Plan in greater detail (continued)

An Environmentally Sustainable Network

When it comes to net zero, we plan to lead by example, using ambitious science based targets (SBTs) that go beyond those set by the government. WPD aims to be a ground breaker in environmental sustainability, setting a precedent for the industry and driving decarbonisation across the UK.

We are already taking great strides in our support for the UK's net zero targets and the government's Ten Point Plan and are making it easier for customers to adopt low carbon technologies (LCTs). During the course of RIIO-ED2, we plan to help connect up to a further 1.5 million electric vehicles and 600,000 heat pumps. All of this requires careful planning which is why we are building a bottom-up forecast of future electricity use, by working closely with local authorities and other stakeholders to make sure our forecasts reflect their regional low carbon plans. These plans are incorporated into our Distribution Future Energy Scenarios (DFES) so we can ensure our network is ready for new and increased demand.

We know the growth of LCTs will increase loads on the network. This is an issue we are already addressing with the help of our pioneering and industry leading flexibility services. Customers' willingness to change their usage in exchange for a payment often negates the need for conventional reinforcement of the network. During the current price control period, we have successfully established flexibility markets and procured the highest amount of flexibility of all UK DNOs. This 'flexibility first' approach will shape the way we provide network capacity during RIIO-ED2. To create a smart, flexible network, we not only need to develop and maintain an efficient and economical system of electricity distribution, but also promote innovation and non-network solutions. This involves digitalising WPD's data and ensuring it is accessible and easy to understand for customers.

In fact, we are proposing to spend an extra £106 million over five years as we continue our work to create a smarter and more secure, digitalised electricity network. This added investment will help develop IT systems and business processes to manage the network in the most efficient way, deliver DSO services, provide protection from cyber threats and digitalise our assets, data and information. It will also further the development of smarter energy networks, including real time network management, as well as making it easier for third parties to access our data to develop their own innovative services and solutions. By using data to unlock innovative approaches to decarbonisation, we can help to create even more efficient outcomes and collaborations for customers, including the most vulnerable. We also understand the need for whole system collaboration, working closely with other utilities including gas and electricity distribution and transmission, to make informed investment decisions, tackle network limitations and ensure network data is always available to those who need it.

Environment

As part of our commitment to the environment, we have also made moves to address our own business carbon footprint and minimise the impact of our operations on the environment – but it is time to do more.

We are enhancing our existing commitments to sustainability, which include reducing the leaks from fluid-filled cables and scaling back the volume of waste sent to landfill, as well as drawing up a raft of new pledges, steered by our stakeholders.

Our commitments for environmental sustainability include:



Becoming a net zero company by 2028 – 22 years ahead of the UK target



Replacing vehicles with non-carbon technology, where possible



Installing renewable local generation at all suitable offices and depots, where practical



Removing polychlorinated biphenyl (PCB) contaminated equipment from the network by 2025



Expanding the roll out of flexibility services and making this process simple, fair and transparent



Considering flexibility alternatives in all load related reinforcement decisions



Connecting more low carbon technologies than the national average, by making the process easy for customers



Assessing the cost benefits of innovation projects so that successful examples can be rolled out across the business



Developing an interactive innovation ideas portal to make the process of creating new projects quicker and more accessible



Holding community energy surgeries to give community groups more support during the connections' process



A Plan that delivers for generations to come

A time to innovate...

Innovation will play a vital role in driving change and efficiency across all our key delivery areas, from safety and customer service, to reliability and the environment.

Stakeholders want to see us harness innovation in all areas, particularly when addressing the challenges of the low carbon transition. Typically, innovation provides more flexible solutions that are better, cheaper or quicker than the current way of doing things. We have delivered more than 120 innovation projects in the last 10 years, offering wide ranging benefits to customers, including the growing use of flexibility to avoid reinforcement and therefore keeping costs to customers down. We have also published our first digitalisation strategy which is central to our plans for a smarter and more efficient energy system and increased sharing of data.

In our Business Plan, we are committed to using innovation to support the connection of low carbon generation and to meet the increased demand from the electrification of transport and heat in the most efficient and effective way. We will continue to use new and innovative ways of working to maximise the efficiency of WPD's existing network, avoiding the need for conventional reinforcement wherever possible.

Our planned interactive, innovation 'ideas portal' will be designed to encourage stakeholders to put forward their own suggestions for innovation projects which could one day help to drive change and become part of our 'Business as Usual' operations.

We will also be using innovation to ensure no one is left behind or disadvantaged by the changes resulting from the low carbon energy transition.

We want to unlock the potential of community groups to contribute to the achievement of net zero by 2050. By building strong links between WPD and the wider communities we serve, we can work together to inform our operations and co-create plans for a smarter, more flexible electricity network for all our futures.

Ambitious, efficient, affordable and achievable...

As you can see, ambition and dynamic delivery will be key to answering our customers' calls for the creation of a low carbon community, while continuing to keep the lights on and deliver excellent customer service.

We are more determined than ever to be highly ambitious and break new ground. Not only will we deliver our stretching core commitments, but we will seek to exceed customer expectations at every turn. That is because we believe our Business Plan is a plan for everyone. Our investment will result in significant benefits for our customers and will deliver on the priorities of our stakeholders and the outcomes they value, as well as moving us closer to net zero; all while keeping bills broadly flat.

From the very beginning, this Business Plan has been co-created with our stakeholders, following an enhanced and robust approach to engagement at more than 250 individual stakeholder events. Now, having gone through a rigorous process of drafting and refining our plan, always with events and consultations to play back our actions at every turn. We are proud to share our 45 core commitments with you. Our plan has been scrutinised by the Customer Engagement Group, at every step of the way, to ensure it remains an accurate reflection of the priorities and expectations of our stakeholders.

It is important to remember that every single commitment in our Business Plan is a result of stakeholder feedback.

As with our RIIO-ED1 plan, where we exceeded many of our original promises, we are confident we can deliver on every one of the far reaching and bespoke commitments expected of us by our stakeholders. Moreover, we plan to do this in a way that drives efficiency, delivers value for money and keeps customer bills broadly in line with current levels, in spite of making increased investment in our network. So, while our plan is designed to be ambitious, efficient and affordable, it is also achievable.

We hope you'll agree that this Business Plan captures all the key priority areas and maps an exciting future for all of us as energy users. We are ready to drive change and to build a safe, resilient and sustainable energy system that meets the needs of all our customers, as we plan our network for the future – together.



Our Core Commitments

In January 2021, WPD became the first Distribution Network Operator to publish its Business Plan and an accompanying stakeholder consultation, ten months ahead of final submission to Ofgem. We did so to provide full transparency to stakeholders and maximise the opportunities for them to input into our planning process. We acted swiftly to respond to their feedback and update our plan, producing a second draft in March 2021 for further scrutiny. The further feedback received from this consultation has been incorporated into our First Submission Business Plan.



The levels of ambition proposed in the Business Plan have been based on over 19,000 stakeholder views and over the full consultation period we have co-created the core commitments that underpin our plan.







There are 45 core commitments which have been identified by stakeholders as their key priorities. Core commitments include both actions funded by customers and actions funded by shareholders.





The 45 ambitious Core Commitments we will deliver







1. Meeting the needs of our consumers and network users

1.1 Customer Service						Stakeholder feedback	
Core commitment		Commitment Type (ODI, PCD or CVP) if applicable	Current RIIO-ED1 performance	Change since First draft Business Plan (following stakeholder feedback)	Positive impact for customers	Response to our first draft Business Plan consultation*	Response to our second draft Business Plan consultation
1	Achieve an average customer satisfaction of 90% or higher across all key service areas with separate reporting for emerging technology customers.	ODI	>89%	 Increased ambition	Excellent and improved service across all key service areas, including power cuts, connections and general enquiries.	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.	Stakeholders discussed the overall package of commitments designed to meet the needs of WPD's customers and network users, and all of the recorded responses were positive, with praise for the breadth and detail of the consultation process, and the changes made in response to each stage of stakeholder feedback. Delegates were equally positive about the overall package of commitments under customer service, with 95% expressing no desire for changes or alternatives, of which 92% expressed full agreement that the proposals were acceptable. Some shared their positive experience of WPD's customer service, and any comments for improvement were around whether some of the response times were too ambitious: e.g. most felt that they could wait longer than five seconds for a telephone response.
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.	Bespoke ODI-R	2-4 seconds	 No change	Customers get straight through to speak to a call agent on the telephone.	95% support for this commitment. No notable alternatives requested.	
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.	Bespoke ODI-R	6-7 minutes	 Increased ambition	Customers contacting us for a response on Twitter, Facebook and WhatsApp received a swift response.	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.	
4	Provide greater insight on the planned work activity and interruptions on our network by creating an online viewer.	Bespoke ODI-R	New	 No change	Enable customers access information online via a 'self-service' function, rather than needing to call us, if that is their preference.	96% support for this commitment. No notable alternatives requested.	
5	Resolve at least 90% of complaints within one day and resolve 99% of complaints within 25 days.	ODI	90% in one day and 99% in 31 days	 Increased ambition	Complaints resolved to the customer's full satisfaction very quickly.	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.	
1.2 Customers in vulnerable situations						Stakeholder feedback	
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.	LO	30% via direct telephone call; 70% by letter/ email	 Increased ambition	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.	While 41% of stakeholders favoured achieving '40% via direct telephone calls', the majority of stakeholders voted for WPD to go further. However, there was no consensus on the precise level (between 60% - 80% of direct telephone contact). WPD has picked the mid-point option of contacting 60% of customers as delivering the maximum level did not have majority support.	See text overleaf







For the majority of commitments, stakeholders were asked to consider up to five options with varying scales of ambition. 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.

45 Ambitious Core Commitments we will deliver (continued)

1. Meeting the needs of our consumers and network users






1.2 Customers in vulnerable situations					Stakeholder feedback		
Core commitment		Commitment Type (ODI, PCD or CVP) if applicable	Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Response to our first draft Business Plan consultation*	Response to our second draft Business Plan consultation
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.	Bespoke ODI-R	Manual data shares with 80% of water companies	 Increased ambition	Customers no longer have to register multiple times with each individual utility company in order to receive priority support.	97% support for this commitment. Additional suggestions that WPD should attempt to extend data sharing agreements to include telecommunications providers.	There was overall strong positive support for this package of commitments. 87% expressed no desire for changes or alternatives, while 68% expressed agreement that the proposals were acceptable. This was marginally lower acceptance than other areas. While it was acknowledged that WPD has raised ambitions from our first draft Business Pan in response to stakeholder feedback, some respondents urged WPD to go even further in the light of Covid-19, which has exposed previously invisible vulnerabilities. They wanted WPD to specify that it will divert resources to specialist organisations working specifically in the field of fuel poverty, as they were felt to have the requisite experience and trust in the community. Some wanted to see clearer pathways for people to emerge from fuel poverty as a result of WPD's actions. This feedback has been considered and addressed as part of WPD's separate vulnerability strategy.
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.	Bespoke ODI-R	20,000 a year	 Increased ambition	Customers with the most serious vulnerabilities are proactively identified and offered support.	The majority of stakeholders felt WPD should go further than 20,000 a year, with 38% requesting that WPD 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 people requiring support but not currently registered.	
9	Support 113,000 fuel poor customers to save £60 million on their energy bills over RIIO-ED2.	Bespoke ODI-R	70,000 customers saved £27m in the last 5 years	 Increased ambition	Customers living in cold homes and/or struggling to afford their energy bills receive tailored support to make long term changes to improve their ability to afford to heat their home.	A strong majority of 42% of stakeholders support this ambition level. 75% of surveyed end-user customers agreed.	
10	600,000 Priority Services Register customers to be offered a bespoke smart energy action plan each year.	Bespoke ODI-R & CVP	New	 Increased ambition	Targeted advice and support for vulnerable customers in relation to low carbon technologies, smart meters, and flexible energy services for example.	97% of stakeholders supported the development of a model, and a strong majority of 47% supported the maximum number of customers to be supported.	
1.3 Connections					Stakeholder feedback		
11	Achieve an average customer satisfaction of 90% or higher for all connection types (including major connections and low carbon technology connections).	ODI	>89%	 Increased ambition	Excellent and improved service across all aspects of the connections process including quotations and completed works.	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.	The package around connections was widely endorsed, with 97% expressing no desire for changes or alternatives, while 86% expressed full agreement that the proposals were acceptable.
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.	ODI	Measure to be introduced (current response time to LCT enquiries = 4 days)	 Increased ambition	Customers receive quick and timely service for quotations and completed connection works.	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 speed of the connection is key.	The ambitious timescales were praised, and delegates felt that, as long as they were kept in the loop about extra capacity coming online, they would be able to make best use of the power. (Text continues overleaf)

1. Meeting the needs of our consumers and network users






1.3 Connections					Stakeholder feedback		
	Core commitment	Commitment Type (ODI, PCD or CVP) if applicable	Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Response to our first draft Business Plan consultation*	Response to our second draft Business Plan consultation
13	Provide a same day connections response for customers by introducing online self-assessment tools for individual domestic low carbon technology applications.	Bespoke ODI-R	New	 New commitment	Enable customers to receive a rapid response to their connection applications for potentially high volume connection types.	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.	In relation to the new commitment (#13) the overwhelming sense was that stakeholders really welcomed the ambition and content of the commitment. 78% felt it was appropriate or if anything was too ambitious. The speed of a same day response was praised, with a key comment being: “As someone involved in persuading people to take up LCTs, the last thing you want is anything that might slow them down in this process”.
14	Hold 90 local energy surgeries per year for local authorities, supporting them to deliver their Local Area Energy Plans.	Bespoke ODI-R	>10 per year	 Increased ambition	Helping local authorities and developers to create local energy plans that are achievable and help to deliver a network ready for the future.	65% of stakeholders wanted to see greater ambition, with 49% supporting this commitment level (90 surgeries per year).	
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.	Bespoke ODI-R	New	 Increased ambition	More customers can choose between a conventional reinforcement solution, or a cheaper and quicker flexible solution.	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 existing commitment was not clear and the purpose of action should be made clearer.	
1.4 Social Contract					Stakeholder feedback		
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.	Bespoke ODI-R	Prime status (Actual rating B)	 Clearer outcome	Independent scrutiny of WPD’s environmental, social and corporate governance initiatives to provide stakeholders with a view of WPD’s performance relative to wider UK PLC and to identify improvements.	95% support for this commitment. Some felt that the purpose of the assessment could be clearer about what it measures.	92% expressed no desire for changes or alternatives, while 75% expressed full agreement that the proposals were acceptable. When discussing possible changes, respondents welcomed the creation of an employee volunteering scheme, but that once established the volunteering time may be too low, and WPD could then further raise the ambition.
17	Support local people in our communities via an annual £1m ‘Community Matters’ fund, funded entirely by shareholders at no cost to customers.	Bespoke ODI-R and CVP	New	 Increased ambition	Act as a socially responsible business that will support the needs of the local communities we serve – delivering key corporate social responsibility initiatives to help people in vulnerable situations.	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.	
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.	Bespoke ODI-R	New	 No change	Expand the impact, scope and reach of community and charity initiatives across WPD’s regions, to deliver for the wider social good of people living in WPD’s service territory.	A very high proportion (63%) of stakeholders supported this ambition level (versus 32% wanting WPD to go further). The greatest proportion (49%) favouring this new proposed commitment.	

For the majority of commitments, stakeholders were asked to consider up to five options with varying scales of ambition. 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.

2. Maintaining a safe and resilient network






2.1 Network resilience						Stakeholder feedback	
Core commitment		Commitment Type (ODI, PCD or CVP) if applicable	Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Response to our first draft Business Plan consultation*	Response to our second draft Business Plan consultation
19	Deliver improved network reliability where on average power cuts are better than one interruption every two years lasting 24 minutes.	ODI	On average customers experience one power cut every two years, lasting 24 minutes	 Clearer outcome	Customers receive a highly reliable supply of electricity, delivering our lowest ever power cut levels with an average duration of less than 24 minutes per year.	92% support for this commitment. Stakeholders challenged WPD to quantify the improvements that will be offered.	<p>When asked about the overall proposals for maintaining a safe and resilient network, stakeholders felt the package was detailed, ambitious, and complete, and were reassured that it had been improved through the consultation process.</p> <p>In relation to network resilience, a resounding 94% expressed no desire for changes or alternatives, of which 89% expressed full agreement that the proposals were acceptable. Digging down into the feedback, it was clear that stakeholders were most concerned about increased flooding and the impact of climate change. WPD's actions were therefore welcomed, but some want WPD's plan to include more numerical context around flood defences, so they can analyse WPD's proposal in greater detail.</p> <p>There was some debate around improving the length of average power outages, with some feeling that due to the impressive current performance levels, resources would be better spent on flood defences. Stakeholders felt that eliminating 'worst served customers' and reducing outages was vital work and a 'brilliant undertaking'.</p>
20	Improve the service for at least 8,260 worst served customers by undertaking 70 schemes.	PCD	48 schemes	 Increased ambition	Significantly improved supply reliability for customers who have experienced a significantly poorer service (higher volumes of power cuts) than the average. Improvements will result in less inconvenience and disruption for customers.	A very high proportion (67%) of stakeholders requested greater levels of ambition with the greatest proportion (57%) favouring this new proposed commitment. An even higher volume of end-user customers (64%) agreed. Stakeholders felt the impact on overall worst served customer levels could be made clearer.	
21	Improve the overall health of the network by 22% with an investment of £210 million per annum.	Bespoke ODI-R	£202 million per annum	 Clearer outcome	Reducing the risk of unplanned power cuts by improving the reliability of our network by replacing equipment in the poorest condition.	The greatest proportion (52%) supported this ambition level. The importance of reporting on the outcomes was emphasised, once a measure has been agreed with Ofgem.	
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.	Bespoke ODI-R	Flood defences at 72 substations	 Increased ambition	Improve the resilience of the network to severe flooding, therefore reducing the risk of power cuts and disruption to customers.	While 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 has picked the mid-point option of 110 schemes, as more customers wanted to see a lesser commitment than those supporting the maximum level of ambition (125 schemes).	
2.2 Business IT Security and Cyber Resilience						Stakeholder feedback	
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.	Bespoke ODI-R	As per commitment (Additional expenditure in RIIO-ED2 is proposed to respond to increasing threats)	 No change	Personal customer data will be protected and the risk of power cuts as a result of cyber-attacks will be kept to a minimum.	96% support for this commitment. No notable alternatives requested.	<p>Stakeholders reiterated the importance of WPD's commitments in this area, with many expressing anxiety that greater electrification would introduce greater vulnerability in terms of the security of the overall network. WPD's wider commitments should include conducting external reviews, with third parties assessing WPD's susceptibility to attack, as opposed to measuring the level of threat internally. Given the seriousness with which this topic was taken, many were glad to see it had been elevated in priority.</p> <p>(Text continues overleaf)</p>

2. Maintaining a safe and resilient network





2.2 Business IT Security and Cyber Resilience					Stakeholder feedback		
Core commitment		Commitment Type (ODI, PCD or CVP) if applicable	Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Response to our first draft Business Plan consultation*	Response to our second draft Business Plan consultation
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.	Bespoke ODI-R	As per commitment (Additional expenditure in RIIO-ED2 is proposed to respond to increasing threats)	 No change	We minimise the risk that we will not be able to operate the network and provide our typical service to customers because of disruption to our IT systems.	96% support for this commitment. No notable alternatives requested.	94% expressed no desire for changes or alternatives, while 75% expressed full agreement that the proposals were acceptable.
2.3 Safety					Stakeholder feedback		
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.	Bespoke ODI-R	62,500 per year	 Increased ambition	Keep children safe around our electricity equipment and reduce the risk that they could come to harm.	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 stakeholders stated that this number needed to be placed in context and that WPD should be offering to support all primary age children.	On safety, many pointed out that greater undergrounding of cables, while expensive, would decrease the risks in many areas. Some felt that the proposed safety packages sent out to schools need to include digital and social media actions, such as compelling, well-made content on YouTube, or more interactive digital exercises and learning done in schools.
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.	Bespoke ODI-R	New	 Clearer outcome	Reduce the risk of harm to the general public, in particular younger children.	The greatest 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.	Many saw the value in going into schools as a way to interest young people in electricity, the potential of renewables, and as a possible career pathway. 91% expressed no desire for changes or alternatives, while 83% expressed full agreement that the proposals were acceptable.
2.4 Workforce resilience					Stakeholder feedback		
27	Demonstrate exceptional and embedded employment practices by achieving gold accreditation with Investors in People by the end of RIIO-ED2.	Bespoke ODI-R	New	 Increased ambition	Customers receive excellent service as a result of a motivated, highly skilled and knowledgeable workforce.	The largest proportion (48%) agreed with WPD's proposed commitment (silver accreditation). However, a significant proportion wanted WPD to be more ambitious in this area (44%) and an even greater number of end-user customers agreed (60%), with 40% wanting to see the maximum level of ambition.	Stakeholders reiterated the importance of WPD's commitments in this area. They saw the need to diversify the workforce with more women and younger candidates. They saw that the commitments encourage greater diversity sent a positive message for the future of the company and the wider industry.
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.	Bespoke ODI-R	New	 Increased ambition	Improve the quality and tailoring of our services by having a workforce that reflects the diversity of the communities we serve.	97% supported this commitment, but stakeholders wanted to see that it translated to year-on-year improvements in WPD's diversity metrics.	97% expressed no desire for changes or alternatives, of which 88% expressed full agreement that the proposals were acceptable.

For the majority of commitments, stakeholders were asked to consider up to five options with varying scales of ambition. 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.

3. Delivering an environmentally sustainable network






3.1 Environment and sustainability						Stakeholder feedback	
Core commitment		Commitment Type (ODI, PCD or CVP) if applicable	Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Response to our first draft Business Plan consultation*	Response to our second draft Business Plan consultation
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 of our activities.	Bespoke ODI-R & CVP	New	 Increased ambition	Accelerate a reduction in carbon emissions to minimise our impact on climate change.	A very high proportion (80%) of stakeholders wanted to see further ambition, with 52% supporting the maximum level of ambition (net zero by 2028). 61% of surveyed end-user customers agreed.	Stakeholders were very supportive overall of the package of proposals under environment and sustainability, with 92% expressing no desire for changes or alternatives, while 81% expressed full agreement that the proposals were acceptable. The overall ambition and stretched zero carbon target were particularly praised, especially by those who had participated in consultation processes that had made this change a reality. Leaky, oil-filled cables were singled out for concern, and delegates asked whether there was a more proactive way to measure the infrastructure and assets that needed replacing. Within WPD's wider commitments, some stakeholders wanted to see WPD report clearly and transparently on the process of removing risks, and have a commitment to do so.
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.	Bespoke ODI-R	55% reduction to 20,213 litres lost per year	 Increased ambition	Significantly reduce the risk of harm to the local ecology and protect habitats and species across our region.	43% of stakeholders supported a 50% reduction and 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.	
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.	Bespoke ODI-R	Leakage rate of 0.2% of the total SF ₆ on WPD's system	 Increased ambition	Improve WPD's carbon footprint by reducing the risk of leaks from environmentally harmful gases from WPD's equipment.	The majority of stakeholders wanted to see greater ambition, with 44% supporting the maximum level of ambition (20% reduction). 10% wanted to suggest an alternative commitment – which was relatively high compared to other commitments. When probed, most stakeholders just sought greater clarity to understand the scale of the problem. WPD was encouraged to work with industry partners to develop ways to eliminate the need for SF ₆ in the future.	
32	Achieve zero waste to landfill by 2028 (excluding hazardous waste) and deliver an overall 30% reduction in tonnage waste produced.	Bespoke ODI-R	10-20%	 Increased ambition	Ensure our services for customers are delivered in an environmentally responsible way, reducing the carbon impact of our operations.	62% of stakeholders wanted to see greater ambition in relation to waste reduction with 49% favouring a 30% reduction and 69% favouring zero waste to landfill. 52% of surveyed end-user customers agreed.	
33	Remove up to 50km of overhead lines in Areas of Outstanding Natural Beauty.	Bespoke ODI-R	29km	 No change	Improve the visual amenity of the landscape in beauty spots across our operating region.	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, while 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 have therefore proposed an increase in the scope of this commitment.	

3. Delivering an environmentally sustainable network




3.2 A Smart and Flexible Network					Stakeholder feedback		
Core commitment		Commitment Type (ODI, PCD or CVP) if applicable	Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Response to our first draft Business Plan consultation*	Response to our second draft Business Plan consultation
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.	Bespoke ODI-R	Annual	 Clearer outcome	Provide advanced sight and greater certainty of WPD's flexibility requirements so that providers can better plan ahead and make longer-term investments to be able to provide these services.	93% support for this commitment. Of the 7% suggesting an alternative, most wanted the outcome to be clearer, with no notable specific alternatives raised.	A resounding majority, 92%, felt that WPD's overall package of proposals under smart and flexible network were appropriate, with 97% expressing no desire for changes or alternatives at all.
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.	Bespoke ODI-R	New	 Clearer outcome	Choosing the most effective option to provide required capacity will minimise network costs for all customers.	95% support for this commitment. Of the 5% suggesting an alternative, most wanted the outcome to be clearer, with no notable specific alternatives raised.	
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.	Bespoke ODI-R	New	 New commitment	Support the UK's net zero aspirations and the government's Ten Point Plan by ensuring the electricity network is capable of achieving this well ahead of the government's overall target of 2050 for those local authority regions that plan to do so.	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 do. Almost all stakeholders felt that 2050 was much too late and WPD had a key role to drive earlier achievement.	The new commitment (#36) was broadly welcomed. 72% felt it was appropriate or if anything was too ambitious. Some delegates pointed out that not all local authorities were as prepared for net zero as others, and might need more hand holding and consultation, and others made it clear that WPD should work with local authorities to make it clear what capacity was available, and when, and critically, how to make best use of it, to minimise the risk of creating extra capacity that was not then fully utilised.
37	Make it as easy for customers to connect LCTs ensuring WPD is able to connect up to 1.5 million electric vehicles and 600,000 heat pumps.	Bespoke ODI-R	New	 Increased ambition	Customers can easily connect low carbon technologies without delays due to a lack of available network capacity.	A very high proportion of stakeholders (72%) wanted to see greater ambition, with 62% favouring WPD connecting '6% higher than the national average'. Stakeholders felt that high volumes of LCTs are essential in RIIO-ED2 if the UK is to successfully transition to net zero as early as possible. A quality, simple service is therefore essential to encourage adoption of LCTs.	

For the majority of commitments, stakeholders were asked to consider up to five options with varying scales of ambition. 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.

3. Delivering an environmentally sustainable network

3.2 A Smart and Flexible Network					Stakeholder feedback		
Core commitment		Commitment Type (ODI, PCD or CVP) if applicable	Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Response to our first draft Business Plan consultation*	Response to our second draft Business Plan consultation
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.	Bespoke ODI-R	0% of network data via an API	 Clearer outcome	Easier automatic access to network data, with the ability to tailor data requests to the customer's specific requirements and in a format of their choosing.	43% of stakeholders supported this level of ambition.	A resounding majority, 92%, felt that WPD's overall package of proposals under smart and flexible network were appropriate, with 97% expressing no desire for changes or alternatives at all.
39	Align our low carbon technology forecasts with the energy plans of local regions and the Electricity System Operator (ESO), by updating WPD's Distribution Future Energy Scenarios every 12 months.	Bespoke ODI-R	Annual	 Increased ambition	By creating more accurate, detailed scenarios with customer input we can deliver an efficient and economic network ready for the future needs of our customers.	52% of stakeholders supported this level of ambition.	Stakeholders welcomed improved access to fresher, more granular data, especially around the low voltage network, to better enable connections for LCTs and flexibility. They also saw that better advice, support and consultation for customers in this area would be invaluable. Some suggested that even more investment will be required to transform the energy system into one that was smart and flexible, and that funding constraints should not be allowed to get in the way of net zero.
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.	Bespoke ODI-R and CVP	Meetings on ad hoc basis	 Increased ambition	Ensure the local energy requirements in each of our regions are fully understood and feed into our long-term strategic planning in a timely and effective way.	A high proportion (74%) of stakeholders favoured much greater ambition, with the greatest proportion (53%) favouring annual contact with local authorities.	In relation to the new commitment (#36) this was broadly welcomed. 72% felt it was appropriate or if anything was too ambitious. Some delegates pointed out that not all local authorities were as prepared for net zero as others, and might need more hand holding and consultation, and others made it clear that WPD should work with local authorities to make it clear what capacity was available, and when, and critically, how to make best use of it, to minimise the risk of creating extra capacity that was not then fully utilised.
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.	Bespoke ODI-R and CVP	New	 Increased ambition	Looking across the wider energy system to provide capacity for the future needs of our customers in the most efficient way.	While the most supported individual option was to deliver two collaboration schemes (39%), the majority of respondents did want to see 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 than those supporting the maximum level of ambition.	
3.3 Innovation					Stakeholder feedback		
42	We will make an efficiency saving of £53m through RIIO-ED2 by improving the effectiveness of our assets, operations and customer service by encompassing innovations into standard business practice and show a positive carbon impact.	Bespoke ODI-R	New	 Clearer outcome	Successful innovation is quickly rolled out across the business to improve day-to-day operations to improve WPD's efficiency and overall quality of service for customers.	95% support for this commitment. Of the 10% requesting alternatives, the importance of achieving net zero well ahead of the government's target of 2050 were re-stated. In particular 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.	94% expressed no desire for changes or alternatives, of which 83% expressed full agreement that the proposals were acceptable. Stakeholders welcomed more collaboration with other companies and competitors to drive innovation forward, and to see more innovative methods and technologies integrated as 'Business as Usual' across the sector as a whole. (Text continues overleaf)

3. Delivering an environmentally sustainable network

3.3 Innovation						Stakeholder feedback	
	Core commitment	Commitment Type (ODI, PCD or CVP) if applicable	Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Response to our first draft Business Plan consultation*	Response to our second draft Business Plan consultation
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.	Bespoke ODI-R and CVP	New	 New commitment	Customers are able to contact us to receive introductory advice, on where to start when considering how to adopt low carbon technologies - making it easier for customers to connect these and benefit from the financial and carbon savings as a result.	N/A	Stakeholders felt that the new commitment #43, originally proposed as “delivering service improvements to drive business innovative efficiencies to assist our customers to reduce overall energy costs” needed more clarity. Respondents were unclear what was meant by ‘service improvements’. As a result the commitment has been redrafted to be clearer on the actions we will take to support customers.
3.4 Community energy						Stakeholder feedback	
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.	Bespoke ODI-R	10 per year	 Increased ambition	Community groups with less knowledge and expertise of the connections process receive tailored support to develop their schemes and connect to the network. This will increase their confidence and understanding of our processes, so that they find it easier to gain access to our network.	While the most supported individual option was to deliver 30 events per year (41%), a greater proportion of respondents did want to see greater ambition (55%). However, there was no consensus on the precise level. 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 than those supporting the maximum level of ambition.	The package around community energy was warmly received, with 97% expressing no desire for changes or alternatives, while 92% expressed full agreement that the proposals were acceptable. Regular surgeries were seen as very useful, particularly when bridging the gap between different levels of expertise. Once again, stakeholders who had endorsed the community energy plans in the first rounds of engagement around the Business Plan were pleased to see they had been listened to.
45	Facilitate access to available funding streams for community energy groups.	Bespoke ODI-R and CVP	New	 New commitment	Support community energy schemes with viable and ambitious low carbon schemes to secure funding to make them a reality.	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.	The new commitment (#45) was welcomed. 73% felt it was appropriate or if anything was too ambitious. There were some requests for more clarity over what ‘access to funding streams’ meant in reality. 63% felt that this commitment was appropriate and ambitious enough.

For the majority of commitments, stakeholders were asked to consider up to five options with varying scales of ambition. 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.



Western Power Distribution (East Midlands) plc, No2366923
Western Power Distribution (West Midlands) plc, No3600574
Western Power Distribution (South West) plc, No2366894
Western Power Distribution (South Wales) plc, No2366985

Registered in England and Wales
Registered Office: Avonbank, Feeder Road, Bristol BS2 0TB

www.westernpower.co.uk

