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# Have your say

**WPD's second draft Business Plan  
for 2023-2028**

Consultation for stakeholders - March 2021

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# Setting the scene

## Purpose of this document

It is vital that our plans for the future reflect the priorities, needs and expectations of our stakeholders. In January 2021, we published our first draft Business Plan for the regulatory price review period called RIIO-ED2, covering 2023–2028.

Following the publication we undertook a consultation exercise, to which we received over 2,200 responses (over 700 stakeholders by direct engagement, the remainder by surveys). We asked our stakeholders to review our first draft Business Plan and our core commitments and to tell us whether they agreed with our aims or felt we needed to have more or less ambition in these areas. The result is that we have reduced the number of core commitments to 58, increased the ambition of 35 commitments, added 4 new ones and reworded 11 commitments to make them clearer. We have now incorporated this feedback into our second draft Business Plan and are again asking for your feedback.

This consultation document, which accompanies the second draft of our Business Plan, asks you to comment on our overall plan, and also our **58 core commitments** including any new commitments. These have been created following engagement with almost 9,600 stakeholders (5,700 of these were direct, in-person engagements) over the last two years, specifically on our plans for RIIO-ED2. This consultation document will also provide context and supporting information about current performance in a number of areas to help you to understand our core proposals.

Views received as part of this consultation will help to refine our proposals before our first submission to Ofgem on 1st July 2021.

**Our overarching goal is to understand your priorities and ensure that the overall Business Plan and the commitments we are proposing deliver the key outcomes and appropriate scale of ambition that you want to see from WPD.**

We hope you will take this opportunity to provide your views to help shape our investment plans for the future.

## How to respond to this consultation



To respond to this consultation visit  
[www.westernpower.co.uk/RIIO-ED2-Business-Plan-Mar2021](http://www.westernpower.co.uk/RIIO-ED2-Business-Plan-Mar2021)



This consultation closes on 25th April 2021.





## About Western Power Distribution

**WPD distributes power to 7.9 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



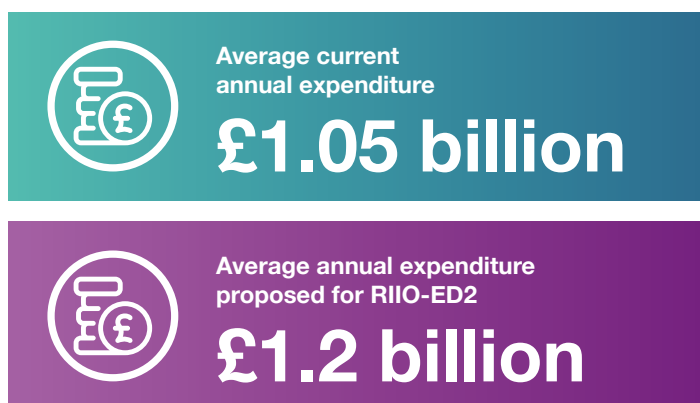
# Expenditure

WPD's second draft Business Plan is based on the latest feedback, following extensive and ongoing engagement with stakeholders.

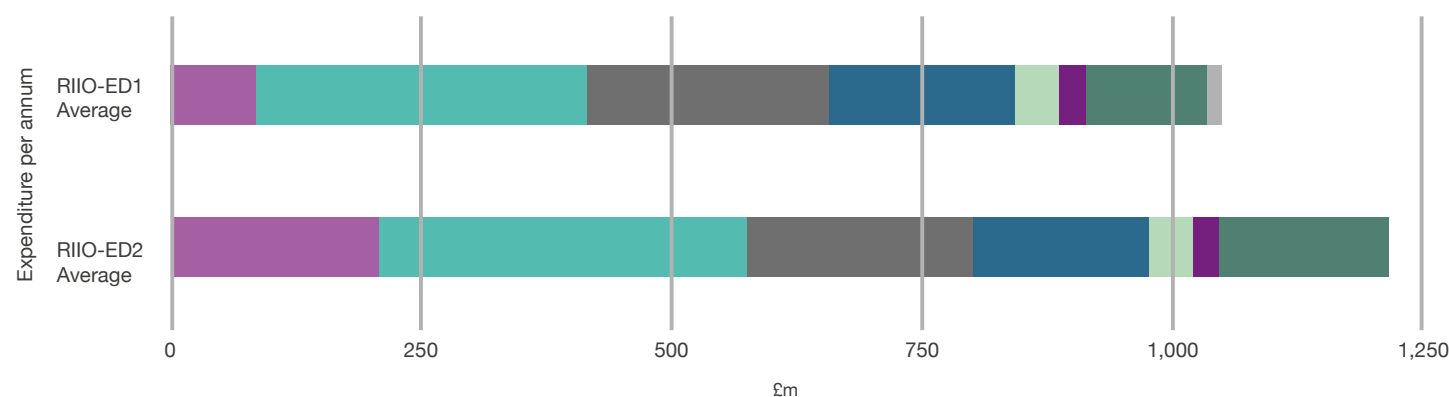
As a result of stakeholder feedback, 60% of our core commitments are now significantly more ambitious than in the first draft of our Business Plan. While these changes could add around 45p to the average annual bill for a domestic customer, it is hoped that efficiency savings across the business and changes to the financing parameters will offset any increases and ensure customer bills remain broadly the same as they are today.

We propose to invest around £6 billion in the network during the period 2023-2028 to deliver what our customers want. This is an increase in overall expenditure of around £835 million from current levels. This will deliver significant benefits to customers and move us closer to net zero.

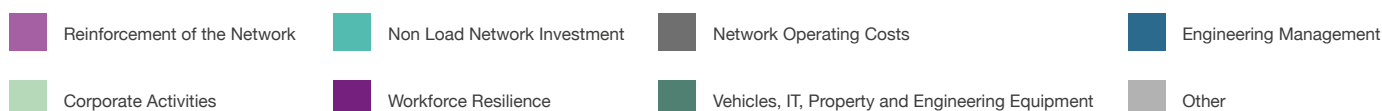
The chart below compares our average annual spend in RIIO-ED1 to our current forecast for RIIO-ED2. Our total annual spend is forecast to increase, driven primarily by an increase in reinforcement of the network – which is absolutely essential to facilitate the move to net zero carbon emissions.



## Average annual expenditure (RIIO-ED1 vs RIIO-ED2)



### Key





## Customers' bills

**Our customers currently pay around £96 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. As a customer, you pay your chosen electricity supplier. A portion of that bill then comes to us which, for an average domestic customer, is currently 17% (around £96 per year). Ofgem regulates WPD's allowances through the price control process. This sets our allowances to fund our operations and also 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.

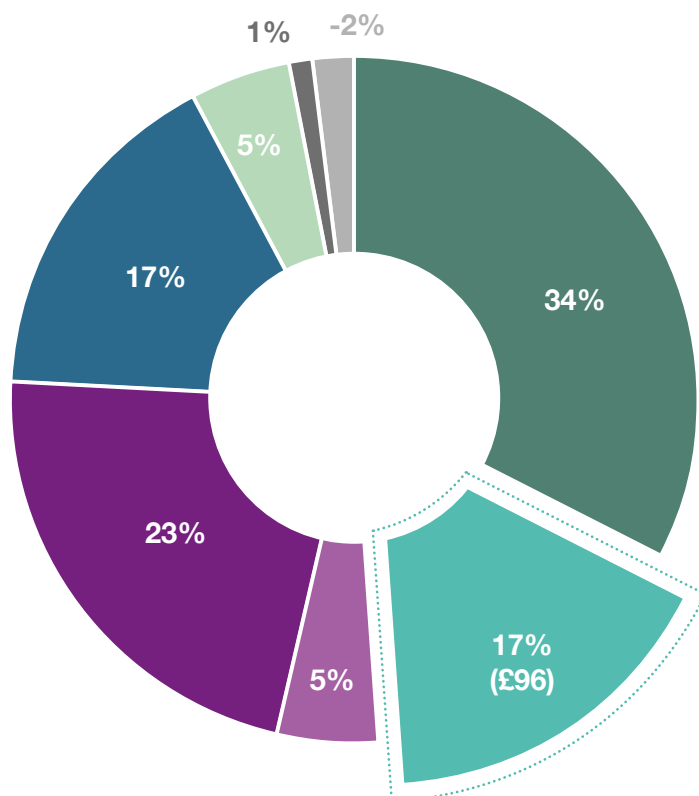
Our current calculations estimate that the impact of the increased expenditure, in RIIO-ED2 from that in RIIO-ED1, would result in an approximate £1.95 increase on the average domestic bill.

However, we predict that this will be offset by our efficiencies, changes to the financing parameters and other aspects of the RIIO-ED2 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 (£1.05bn per year), based on the financing assumptions we expect for RIIO-ED2 bills could be reduced.

However, we are proposing to spend more money per 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:**



### Key

- 34% - Wholesale costs
- 17% - WPD (Distribution) - £96
- 5% - National Grid (Transmission)
- 23% - Environmental/Social costs
- 17% - Operating costs
- 5% - VAT
- 1% - Other direct costs
- (-2%) - Supplier pre-tax margin



# Questions we would like you to consider

## Based on WPD's second draft Business Plan

On pages 11 to 30 of this document, you will find a full summary of our Business Plan and a list of our 58 commitments. By reading these pages you will be able to respond to the majority of our consultation questions which are shown below. For questions 8 and 9, please read the full version of our second draft Business Plan which is available on our website via: [www.yourpowerfuture.westernpower.co.uk/BP2](http://www.yourpowerfuture.westernpower.co.uk/BP2)



### Overall acceptability of the plan

We'll be investing around £6 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.

1. What are your views on WPD's latest overall package of proposals for RIIO-ED2?  
- Are there aspects you: Strongly support? Would like to see change? Is anything missing?



### Potential bill impact

The average domestic customer currently pays around £96 a year for the WPD portion of an average domestic electricity bill. We expect this to remain broadly the same as during RIIO-ED1.

Further details on potential bill impact can be found on page 5 of this document.

2. What do you consider to be an acceptable level for WPD's portion of the average domestic customer bill in RIIO-ED2 (currently £96 a year)?
3. Would you support increased bills in order to achieve greater change and ambition in our Business Plan commitments? If so, in what areas would you like to see greater investment? Or alternatively, do you support WPD's current aim to keep bills as low as possible and therefore at or around the current level?



## WPD's Best View of future energy needs

**Between 2023 and 2028,  
we plan to facilitate the  
connection of:**



up to **1.5 million**  
electric vehicles



up to **600,000**  
heat pumps

This is the basis for associated general reinforcement costs of £630 million in the current view in RIIO-ED2 (£126 million annual average per year).

Further details on WPD's Best View can be found in Chapter 5 of our second draft Business Plan.  
[www.yourpowerfuture.westernpower.co.uk/BP2](http://www.yourpowerfuture.westernpower.co.uk/BP2)

4. How accurate do you consider WPD's Best View to be with regard to the likely take-up of electric vehicles and heat pumps in the five year period?
5. What are your views on the acceptability of the associated costs to support the connection of electric vehicles and heat pumps at these levels?



## Our expenditure for RIIO-ED2

WPD Total Expenditure								
£m at 2020/21 prices	Average per year in RIIO-ED1	Average per year in RIIO-ED2	Spend profile in RIIO-ED2					Total RIIO-ED2
			2023/24	2024/25	2025/26	2026/27	2027/28	
Reinforcement of the Network	83	200	153	167	197	222	258	999
Non Load Network Investment	334	375	356	367	396	384	374	1,877
Network Operating Costs	247	226	233	233	222	222	220	1,129
Engineering Management	232	243	242	242	243	243	244	1,215
Corporate Activities	50	51	51	51	50	51	50	253
Workforce Renewal	31	31	30	31	32	31	31	154
Vehicles, IT, Property and Engineering Equipment	141	192	200	212	195	181	173	962
Network Innovation Allowance	1	1	1	1	1	1	1	4
Atypicals	10	0	0	0	0	0	0	0
<b>TOTAL EXPENDITURE</b>	<b>1,128</b>	<b>1,318</b>	<b>1,265</b>	<b>1,304</b>	<b>1,336</b>	<b>1,335</b>	<b>1,351</b>	<b>6,591</b>
Indirect Allocations	-64	-88	-89	-90	-88	-87	-86	-440
Totex Adjustments	-18	-17	-17	-17	-17	-17	-17	-87
<b>TOTEX</b>	<b>1,046</b>	<b>1,213</b>	<b>1,159</b>	<b>1,196</b>	<b>1,231</b>	<b>1,231</b>	<b>1,248</b>	<b>6,064</b>

Further details on our proposed expenditure can be found in Chapter 6 of our second draft Business Plan.  
[www.yourpowerfuture.westernpower.co.uk/BP2](http://www.yourpowerfuture.westernpower.co.uk/BP2)

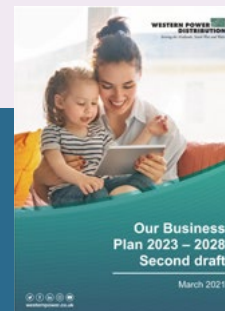
6. What are your views on the acceptability of spending of WPD's overall expenditure proposals for RIIO-ED2?
7. Are there any areas of our proposed expenditure that cause you concern? If so, please provide us with details.





## Presentation and accessibility of the Business Plan

Please use the link to our second draft Business Plan, then please answer these questions.  
[www.yourpowerfuture.westernpower.co.uk/BP2](http://www.yourpowerfuture.westernpower.co.uk/BP2)



8. What are your views on the overall content, layout and structure of WPD's second draft Business Plan?
9. How easy is it to understand our second draft Business Plan and what would you change to make it clearer?



## Core Commitments

On pages 21 to 30 of this document, we have listed our 58 core commitments.

10. Are there any core commitments you do not agree with? If so, please tell us why.
11. Are there important commitments or areas of focus that you feel are missing from WPD's second draft Business Plan? If so, what should be included?











## Additional commitments in our second draft Business Plan

As a result of stakeholder feedback to our consultation in February 2021, we have created four new commitments which are listed below:

New commitments in our second draft Business Plan					
	Core commitment	Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
16	Provide a same day connections' response for customers by introducing online self-assessment tools for individual low carbon technology applications.	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.
47	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	 New commitment	Drive the UK's net zero aspirations 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 wish 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 acknowledgment 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.
55	We will deliver service improvements to drive business innovative efficiencies to assist our customers reduce overall energy costs.	New	 New commitment	Helping customers to decarbonise their lives and reduce household total energy costs.	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.
58	Facilitate access to funding streams by providing support to community energy groups when making submissions to our calls for ideas.	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.



12. Do you consider these new commitments to be appropriate? Would you like to change the level of ambition currently proposed (either increase or decrease), or suggest an entirely different alternative?
13. In RIIO-ED2 we propose to improve network reliability further, so that the average customer experiences service better than one power cut every two years, lasting for 24 minutes. How acceptable is this proposed level of service? What scale of improvement would you like to see achieved?
14. Overall, is there anything you feel we have missed? Please provide us with any further comments relating to our second draft Business Plan and our core commitments.

## How to respond to this consultation

You can submit your responses to any of these questions online using our online tool to provide feedback on each of the specific questions and core commitments.



**Visit:** [www.westernpower.co.uk/RIIO-ED2-Business-Plan-Mar2021](http://www.westernpower.co.uk/RIIO-ED2-Business-Plan-Mar2021)



**Alternatively you can download a response form and submit this via:**  
**Email:** [yourpowerfuture@westernpower.co.uk](mailto:yourpowerfuture@westernpower.co.uk)



**Write to us at:** Stakeholder Team, Western Power Distribution,  
Herald Way, Castle Donington, DE74 2TU



This consultation closes on 25th April 2021.







## Our second draft Business Plan in under 10 pages...

We'll be investing around £6 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'll still be striving for improved network performance, safety and resilience, while keeping customer bills affordable. But we'll also be working hard to drive key changes, including the decarbonisation of transport and heat, the widespread adoption of energy flexibility and support for the forward-thinking, bespoke energy plans in the local communities we serve.

Our Business Plan outlines the 58 core commitments which show how we'll meet this challenge. These commitments have been drawn up in partnership with our stakeholders, during a rigorous, two year, co-creation process. This has included conversations with local authorities, charities, utilities, developers, suppliers, businesses and domestic bill-paying customers.





# Our second draft Business Plan in under 10 pages...

## Created by you, delivered by us.

We've engaged with more than 9,600 stakeholders to make sure our plan reflects the priorities and expectations of people in homes and businesses across our region.

From the outset, we've 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 second draft Business Plan in under 10 pages...

## A changing world means new priorities for stakeholders.

**Customers have made it clear they want WPD to continue to deliver an excellent essential service – but that is not enough. They also 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 must 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 more 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. That won't change in RIIO-ED2. We're 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 and for operating efficiently and reducing costs.

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

## We have delivered:

Summary of our  
RIIO-ED1 performance areas



**8.98 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 with an average score of 8.98 out of 10. We were proud to pick up four awards – three gold and one bronze – for outstanding customer service at the 2020 International Engage Awards, in recognition of our efficient and innovative approach to customer engagement.

We've notched up numerous other successes, too, including significant improvements in network reliability (with a 40% reduction in power cuts compared to 2012/23 levels) and a 20% reduction in our business carbon footprint.



## Our second draft Business Plan in under 10 pages...

**We've gone beyond our pledges for RIIO-ED1 by becoming the first DNO to set up a Distribution System Operator capability, speeding up the move to local generation and flexible services.**

We've 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'll 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 vulnerable customers.

On top of this, we've committed up to £80 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're confident we can once again build on our successes to fulfil and exceed our commitments and to provide an efficient, safe and forward-looking energy system that leaves no one behind.

### A stake in the future

#### **Ambitious and industry-leading – that's the sort of Business Plan our stakeholders wanted to see.**

That's why we've co-created this plan in partnership with our customers to make sure our commitments accurately reflect the priorities and expectations of people across our region. Crucially, we've also listened to what they've said they're willing to pay to see these delivered.

We've 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 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 business carbon footprint. To this end, we're 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.

At WPD, we're excited to be part of the distribution network at a time of such seismic and significant changes to the way we all use 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 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 we are very proud of. We're confident that our far-reaching yet affordable commitments will enable us to meet the challenges of a fast-changing energy future while answering the needs and aspirations of the people who matter most – you.

#### The principles underpinning our Business Plan are:



**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 our customers**



**Sustainable and will support  
net zero by 2050**



## Our second draft Business Plan in under 10 pages...

In line with these principles, our stakeholders have identified their key priorities and commitments, which feature prominently in our plans for 2023 – 2028, including:



### Delivering value

**You want us to have big ambitions – but 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 - and doing all this in a way that guarantees efficiency and 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 similar 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 second draft Business Plan in under 10 pages...

## 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'll be honouring our existing operational commitments – such as maintaining our high customer satisfaction scores, resolving complaints quickly and simplifying the connections process – we'll be going beyond the basic regulatory and legal requirements to demonstrate our social responsibility. We'll 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 combat 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 those affected by fuel poverty.

We'll 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'll 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'll 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'll 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'll be working with other network operators, sharing best practice on supporting vulnerable customers' participation in a low carbon future. Alongside this, we're 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're 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'll also be enhancing our communication by setting up an online viewer to give customers easy access to

information on planned work and interruptions. We've 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'll 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'll be doing all this and more, while keeping bills at affordable levels.





# Our second draft Business Plan in under 10 pages...

## 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've 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're leading the way. That's why we're committed to going even further to reduce the risk of disruption and inconvenience caused by power cuts.

We'll 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's why we're 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'll 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'll be applying the same strict controls to our safety commitments, too. We're always looking for new ways to ensure the safety of our customers and colleagues, which is why we're 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 educational programme which reached almost 377,000 school children to date during RIIO-ED1 through 15,840 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's why we aim to build an inclusive, respectful and diverse workplace that rewards performance and encourages employee engagement. Many employees will have been involved in the consultation process for this Business Plan.

In short, we need to make sure we have an appropriately skilled and highly functioning workforce to deliver the commitments of our Business Plan.

Our current raft 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.

### These new 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



Continuous assessment of emerging threats to enhance cyber security systems to ensure no network interruption or loss of data from a cyber-attack



Achieve Gold Standard Investor in People accreditation by 2028



Publish an annual Diversity and Inclusion Action Plan, showing performance



## Our second draft Business Plan in under 10 pages...

### 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 the decarbonisation of the UK.**

We're already taking great strides in our support for the UK's net zero targets and the government's ten point plan and make 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're 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 – an issue we're addressing with the help of flexibility services. Customers' willingness to change their usage in exchange for a payment often negates the need for conventional reinforcement. During the current price control period, we've 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. So, to create a smart, flexible network, we not only need to develop and maintain an efficient and economical system of electricity distribution, but to promote innovation and non-network solutions. This involves digitalising WPD's data and ensuring data is accessible and easy to understand for customers.

In fact, we're 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, protect the network 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 the limitations of the network and ensure network data is available to those who need it.

### Environment

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

We're 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.

This is part of a wider range of commitments which 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



## Our second draft Business Plan in under 10 pages...

### 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've 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 keep customer costs down. We've 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're 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'll 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'll 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're more determined than ever to be ambitious and not only to deliver on our commitments but to exceed customer expectations. That's 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 stakeholder engagement at more than 70 individual stakeholder events. Now, having gone through a rigorous process of drafting and refining our plan – always with feedback from our stakeholders – we're proud to share our 58 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's important to remember that every single one of the commitments in our Business Plan is a result of stakeholder feedback.

As with our previous plan – where we exceeded many of our original promises – we're 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 roughly 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're ready to drive change and to build a safe, resilient and sustainable energy system that's meets the needs of all our customers, as we plan our network for the future – together.



## Our Proposed 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. To arrive at our first draft, we had engaged with 7,341 stakeholders (over 4,500 via direct, in-person engagement) to co-create our proposals.**

The commitments and initial levels of ambition proposed were therefore based on the balance of these stakeholder views, as outlined in the first draft Business Plan. The responses to our latest consultation have therefore led to a number of changes to our commitments as set out in the tables on the next few pages. In summary, we have:

- **Streamlined our core commitments to 58 (reduced from 67)**  
With previous actions re-categorised within our 100+ wider commitments which can be found in the second draft Business Plan narrative
- **Introduced 4 new core commitments**
- **Increased the ambition of 35 of the commitments (60%)**
- **Reworded 11 commitments to ensure they deliver clearer outcomes.**

We have provided a brief, headline overview of the stakeholder feedback that led to the changes we have made in our second draft Business Plan. In response to the consultation, we received 2,331 items of feedback ranging from qualitative answers to all thirteen consultation questions, through to quantitative voting on the levels of ambition stakeholders wanted to see specifically on our proposed core commitments. Responses were received from a broad cross section of stakeholder types, via workshops, webinars, surveys, as well as written consultation responses.

A summary of stakeholder feedback is contained in the right-hand column of the tables found on the next few pages of this document. Where we refer to findings from a 'percentage of stakeholders', this is based on quantitative voting specifically on our commitments from over 200 stakeholders. Where we refer to findings from a 'percentage of end-user customers', this refers to the results from quantitative surveys to which we received over 1,400 responses.







# Our Proposed Core Commitments

## 1. Meeting the needs of our consumers and network users







1.1 Customer Service					
	Core commitment	Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
1	Maintain a 90% customer satisfaction score across all key services areas with separate reporting for emerging technology customers.	>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.
2	Achieve full compliance with the Customer Service Excellence Standard and British Standard for Inclusive Service.	Full compliance	No Change	Independent scrutiny of WPD's customer service processes and delivery. This includes benchmarking to other sectors to identify the latest best practice and new improvements WPD could adopt to enhance its services.	98% support for this commitment. No notable alternatives requested.
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.	2-4 seconds	No Change	Customers immediately get straight through to speak to a call agent on the telephone.	95% support for this commitment. No notable alternatives requested.
4	Respond to social media enquiries within five minutes and Webchat enquiries in less than a minute.	6-7 minutes	Increased ambition	Customers contacting us for a response on Twitter, Facebook and WhatsApp receive 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.
5	Create an online viewer to provide greater insight on the planned work activity and interruptions on our network.	New	No Change	Enable customers to 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.
6	Resolve at least 90% of complaints within one day and resolve 99% of complaints within 25 days.	90%	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.

\* Please note: where options for the level of ambition within our commitments were offered, there were five choices. Where support for a single option is significantly above 20% therefore, this represents a significant consensus.



# Our Proposed Core Commitments

## 1. Meeting the needs of our consumers and network users









1.2 Customers in vulnerable situations					
Core commitment		Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
7	Proactively contact over 2 million Priority Service Register customers once every two years (with 60% via direct telephone call) to remind them of the services we provide and update their records.	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.	Whilst 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.
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.	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.
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).	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.
10	Support 113,000 fuel poor customers to save £60 million on their energy bills over RIIO-ED2.	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.
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.	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.
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.	New	 Increased ambition	Share best practice with other network operators and initiate collaboration where it will lead to better outcomes for customers than if we had acted alone.	99% support for this commitment. No notable alternatives requested.

\* Please note: where options for the level of ambition within our commitments were offered, there were five choices. Where support for a single option is significantly above 20% therefore, this represents a significant consensus.



# Our Proposed Core Commitments

## 1. Meeting the needs of our consumers and network users





1.3 Connections					
Core commitment		Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
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'.	New	 Increased ambition	The connections process is easy for customers to understand from the outset. Before applying customers know exactly what to expect and what information will be required.	96% support for this commitment. No notable alternatives requested. Stakeholders wanted more specific measurability of the impact of this commitment.
14	Achieve an average customer satisfaction of 90% or higher for all connection types (including major connections and low carbon technology connections).	>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.
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.	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 focussed on smaller customers and wanted it extended to larger customers, for whom timeliness rather speed of the connection is key.
16	Provide a same day connections' response for customers by introducing online self-assessment tools for individual domestic low carbon technology applications.	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.
17	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.	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.
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.	New	 Clearer outcome	Ensure that customers are able to obtain efficient and effective response to their connection requirements regardless of where multiple parties are involved, including where customers choose to proceed with a competitive connections provider.	96% support for this commitment. No notable alternatives requested.
19	Offer connection customers greater choice in the type of connection they receive by increasing the range of flexible connection offers to three.	Two types	 Increased ambition	More customer groups and a greater number of connection applications can benefit from flexible solutions.	The majority of stakeholders favoured this ambition level (48%).
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).	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 wasn't clear and the purpose of action should be made clearer.

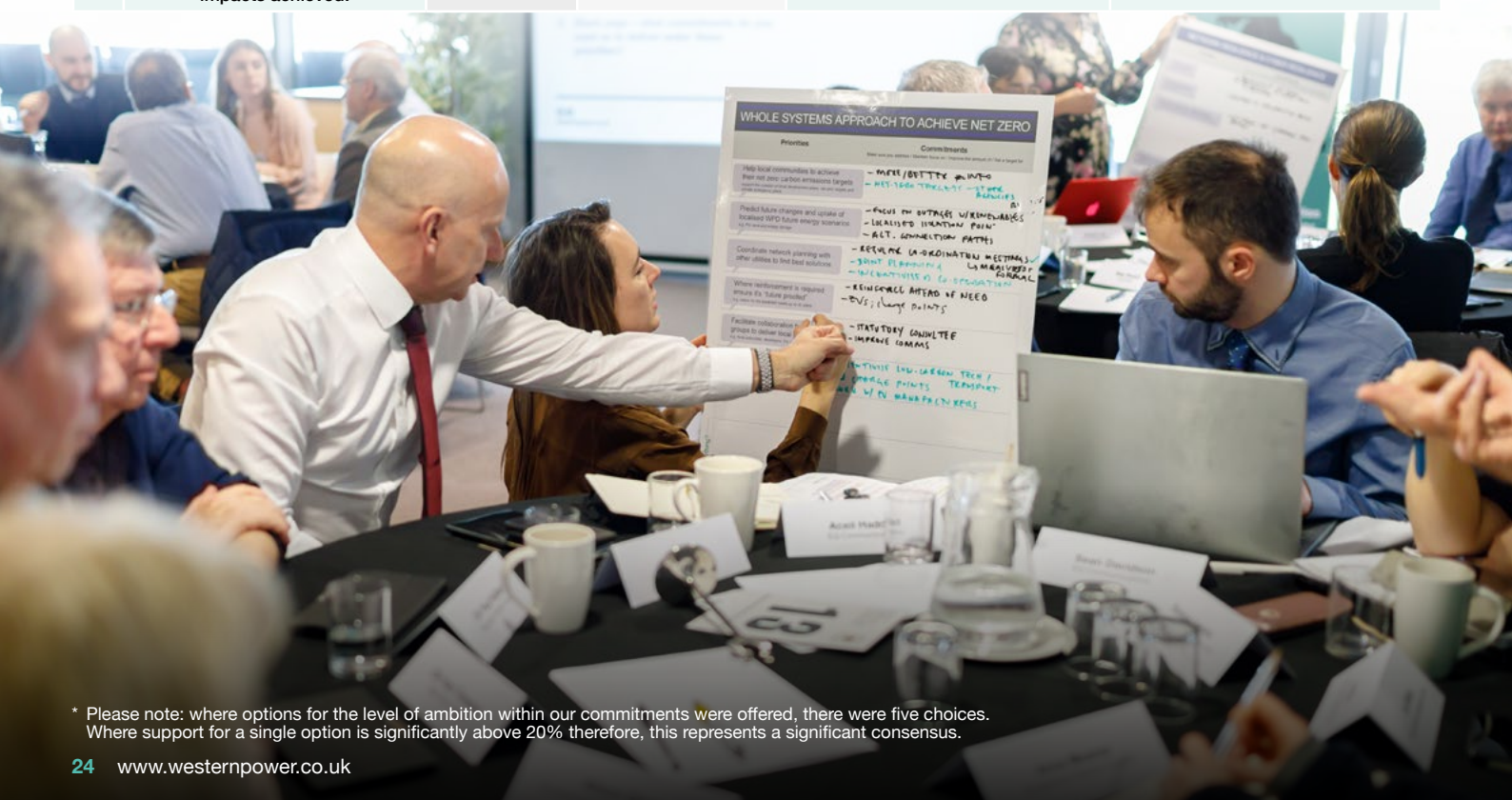
\* Please note: where options for the level of ambition within our commitments were offered, there were five choices. Where support for a single option is significantly above 20% therefore, this represents a significant consensus.



# Our Proposed Core Commitments

## 1. Meeting the needs of our consumers and network users

1.4 Social contract				
Core commitment	Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
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).	New	 Clearer outcome	Provide customers with transparent information to enable them to understand our performance and financial returns and hold us to account for our delivery.	97% support for this commitment. Some suggestions for additional social commitments – these will be included in WPD's separate annually published Social Contract.
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.	'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 companies and to identify improvements.	95% support for this commitment. Some felt that the purpose of the assessment could be clearer about what it measures.
23 Support local people in our communities via an annual £1m 'Community Matters' fund, funded entirely by shareholders at no cost to customers.	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.
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.	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.










\* Please note: where options for the level of ambition within our commitments were offered, there were five choices. Where support for a single option is significantly above 20% therefore, this represents a significant consensus.





# Our Proposed Core Commitments

## 2. Maintaining a safe and resilient network




2.1 Network resilience					
	Core commitment	Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
25	Deliver improved network reliability where on average power cuts are better than one interruption every two years lasting 24 minutes.	On average customer 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.	92% support for this commitment. Stakeholders challenged WPD to quantify the improvements that will be offered.
26	Restore 87% of HV supplies within one hour.	>85%	 Increased ambition	Minimising the disruption and inconvenience to customers, by restoring power as quickly as possible.	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 to be more ambitious.
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.	48 schemes	 Increased ambition	Significantly improved supply reliability for customers who have experienced a 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.
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.	£202 million per annum	 No Change	Reducing the risk of unplanned power cuts by improving the reliability of our network by replacing equipment in the poorest condition.	The greatest proposition (52%) supported this ambition level. The importance of reporting on the outcomes was emphasised, once a measure has been agreed with Ofgem.
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.	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.	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 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					
	Core commitment	Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
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.	As per commitment (Additional expenditure in RIIO-ED2 is proposed to respond to increasing threats)	 No Change	Personal customer data will be protected and removing the risk of power cuts as a result of cyber attacks.	96% support for this commitment. No notable alternatives requested.
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.	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.



\* Please note: where options for the level of ambition within our commitments were offered, there were five choices. Where support for a single option is significantly above 20% therefore, this represents a significant consensus.



## Our Proposed Core Commitments

### 2. Maintaining a safe and resilient network

2.3 Safety					
Core commitment		Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
32	Deliver safety action plans informed by two Safety Climate Surveys with all our staff and contractors during RIIO-ED2.	New	 Increased ambition	WPD will have a safe and healthy workforce to enable us to maintain our services for customers.	94% support for this commitment. But several stakeholders asked for greater ambition than one survey every five years.
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.	62,500 per year	 Increased ambition	Keep children safe around our electricity equipment and reducing 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.
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.	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.

2.4 Workforce resilience					
Core commitment		Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
35	Demonstrate exceptional and embedded employment practices by achieving gold accreditation with Investors in People by the end of RIIO-ED2.	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.
36	Achieve year-on-year improvements to the levels of diversity within the business and publish an annually updated Diversity and Inclusion Action Plan.	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.








\* Please note: where options for the level of ambition within our commitments were offered, there were five choices. Where support for a single option is significantly above 20% therefore, this represents a significant consensus.





## Our Proposed Core Commitments

### 3. Delivering an environmentally sustainable network

3.1 Environment and sustainability					
Core commitment		Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
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).	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.
38	89% of commercial van fleet to be non-carbon vehicles by 2028, lowering annual transport emissions by 10,050 tCO <sub>2</sub> e (tonnes of carbon dioxide equivalent).	New	 Increased ambition	Accelerate a reduction in the carbon impact of our transport fleet in the areas where our customers live and work.	While 40% of stakeholders favoured the lower ambition (replacing 79% of the fleet) 55% wanted to see greater ambition of some kind. However, there was no consensus on the precise level. WPD has picked the mid-point option of '89% of commercial van fleet', as of the two higher ambition options, more customers wanted to see a lower commitment than those supporting the maximum level of ambition ('100% of van fleet').
39	Install renewable local generation at all suitable offices and depots with a capability to save 3000 MWh per year.	New	 Clearer outcome	Ensure the delivery of our operations and services for customers is carried out in an environmentally responsible way, with all WPD sites run on clean, green energy.	95% supported this commitment, with no notable suggestions for alternatives. However stakeholders wanted the impact of these installations to be better quantified to ensure this is a meaningful action and not 'greenwash'.
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.	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 in the regions we operate in.	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.
41	Deliver a 20% reduction in SF <sub>6</sub> losses from RIIO-ED1 and collaborate with industry partners to develop technological alternatives to reduce overall volumes of SF <sub>6</sub> on the system.	Leakage rate of 0.2% of the total SF <sub>6</sub> 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 <sub>6</sub> in the future.
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).	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.
43	Remove up to 50km of overhead lines in Areas of Outstanding Natural Beauty.	29km	 Increased ambition	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, 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 have therefore proposed an increase in the scope of this commitment.







\* Please note: where options for the level of ambition within our commitments were offered, there were five choices. Where support for a single option is significantly above 20% therefore, this represents a significant consensus.





## Our Proposed Core Commitments

### 3. Delivering an environmentally sustainable network





3.2 A Smart and Flexible Network					
Core commitment		Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
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.	New	<div></div> <div>No Change</div>	Expand the roll out of flexibility services by making it as easy as possible to provide these services. This will help to maximise the efficiency of the existing network, avoiding the cost to customers of carrying out conventional network reinforcement.	94% support for this commitment. No notable alternatives requested.
45	Encourage the development of flexibility markets by producing and sharing forecasts of flexibility requirements in order to undertake a flexibility tender every 6 months.	Annual	<div></div> <div>Clearer outcome</div>	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.
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.	New	<div></div> <div>Clearer outcome</div>	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.
47	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	<div></div> <div>New commitment</div>	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.
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).	New	<div></div> <div>Increased ambition</div>	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.
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).	0% of network data via an API	<div></div> <div>Clearer outcome</div>	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.



\* Please note: where options for the level of ambition within our commitments were offered, there were five choices. Where support for a single option is significantly above 20% therefore, this represents a significant consensus.



## Our Proposed Core Commitments

### 3. Delivering an environmentally sustainable network

3.2 A Smart and Flexible Network					
Core commitment		Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
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.	Annual	 Clearer outcome	Provide advanced sight and greater certainty of WPD's network capacity so that customers planning new connections can better plan ahead and make longer-term investments.	95% support for this commitment. No notable alternatives requested.
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.	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.
52	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.	>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).
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.	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					
Core commitment		Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
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.	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.
55	We will deliver service improvements to drive business innovative efficiencies to assist our customers reduce overall energy costs.	New	 New commitment	Helping customers to decarbonise their lives and reduce household total energy costs.	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.

\* Please note: where options for the level of ambition within our commitments were offered, there were five choices. Where support for a single option is significantly above 20% therefore, this represents a significant consensus.

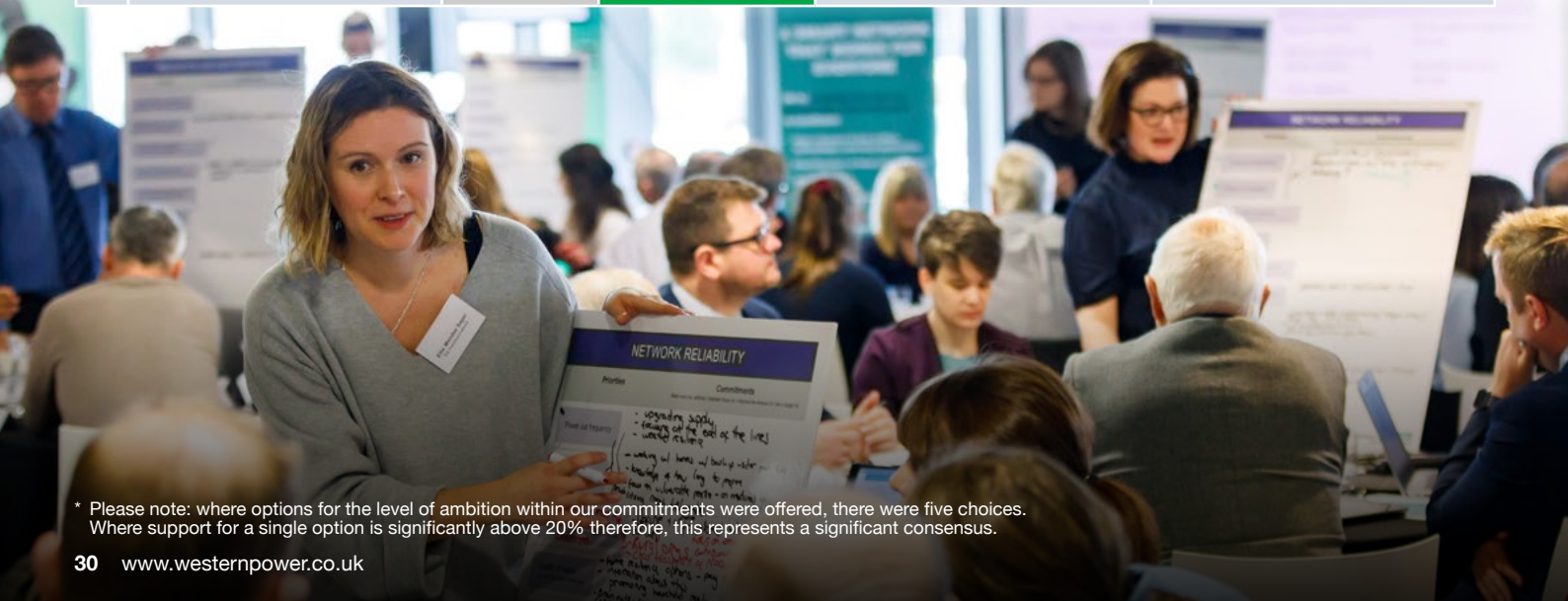


## Our Proposed Core Commitments

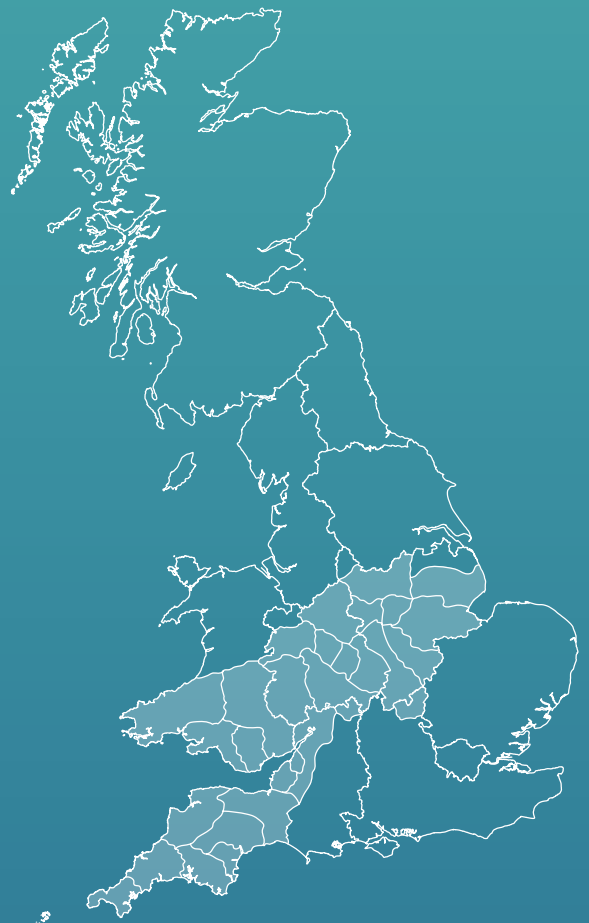
### 3. Delivering an environmentally sustainable network

3.4 Community energy					
Core commitment		Current RIIO-ED1 performance	Change since first draft Business Plan (following stakeholder feedback)	Positive impact for customers	Stakeholder feedback in response to our first draft Business Plan consultation*
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.	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.
57	Our local Community Energy Representatives will work collaboratively with community and local energy stakeholders to develop tailored connection and flexibility offers.	New	 Increased ambition	WPD's support for community groups will extend beyond just helping them to connect to the network, by working in collaboration to help WPD to develop innovative, tailored solutions that benefit these types of connecting customer.	97% support for action in this area. Stakeholder 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.
58	Facilitate access to funding streams by providing support to community energy groups when making submissions to our calls for ideas.	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.

\* Please note: where options for the level of ambition within our commitments were offered, there were five choices. Where support for a single option is significantly above 20% therefore, this represents a significant consensus.







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