



WESTERN POWER DISTRIBUTION

Business Plan Workshop: network resilience;
business IT & cyber resilience; environment &
sustainability; safety & workforce resilience

16 September 2021



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Introduction

On 16 September 2021, Western Power Distribution (WPD) hosted a virtual workshop to seek feedback from stakeholders on its RIIO-ED2 Business Plan, focusing on the following topics: the overall acceptability of the Business Plan and its impacts on the bill; network resilience, business IT and cyber resilience; environment and sustainability; and safety and workforce resilience.

The workshop was hosted online, using Zoom. Each session consisted of a short presentation given by WPD representatives, followed by facilitated discussions in virtual breakout rooms. In addition, stakeholders were asked to vote in an online poll using Slido on a number of topics. Due to rounding to the closest whole number, figures may not always add up to 100%.

WPD instructed EQ Communications, a specialist stakeholder engagement consultancy, to independently facilitate the workshop and to take notes of the comments made by stakeholders. Every effort has been made to faithfully record the feedback given. In order to encourage candour and open debate, comments have not been ascribed to individuals. Instead, notes have been made of the type of organisation each stakeholder represents.

The full presentation can be found [here](#).



Methodology

Maximising participation

WPD's database contains the details of more than 10,000 stakeholders, all of whom were invited to take part in the workshop series. The database is refreshed annually to update existing contact details and add information on stakeholders who have registered via the website or worked with members of the WPD team over the last 12 months. In addition, politicians' contact details are updated following any local or national elections. To ensure that WPD remains on top of emerging sector-specific issues, additional research is undertaken ahead of topic-specific engagement to ensure that the database contains comprehensive, up-to-date information for certain stakeholder categories, especially as new roles or stakeholder groups emerge.

The stakeholders on the WPD database were sent several email invitations for the consultation events to ensure that they were given the opportunity to participate. The first invitation was sent on 18 August 2021 to give stakeholders at least four weeks' notice. In addition to the email invitations, pre-identified stakeholders also received telephone calls with the aim of ensuring a mix of different stakeholder groups across the workshops. As standard practice, ahead of any workshops, all stakeholders who have registered are reminded about the event via telephone and email with a view to maximising participation.

Despite these measures, compared with previous stakeholder workshops held to inform the development of the Business Plan in 2020 and 2021, registration numbers and subsequent turnout rates at the events were relatively low. Stakeholders who registered but did not attend were contacted after the workshops with a view to identifying the reasons for the low turnout. Of the 18 stakeholders who responded, almost three quarters (72%) cited diary clash, personal issue or workload as the reason for not attending on the day. Only one stakeholder cited consultation fatigue. When asked whether they felt they had been adequately consulted on WPD's Business Plan, despite not attending on the day almost three quarters (72%) confirmed they had been adequately consulted with only one stakeholder feeling they had not.

Providing accessible information

There were four short presentations, each followed by breakout sessions in smaller groups to enable stakeholders to provide verbal feedback. Relevant slides from the presentation were shared in the breakout rooms to ensure that stakeholders had sufficient information in front of them to participate. If stakeholders did not answer a question, the facilitators asked them to confirm whether their silence indicated tacit approval or whether they felt unable to respond.

Each breakout session was followed by electronic voting, with online voting software used to gather quantitative feedback on each topic. Stakeholders were given the option of 'don't know / can't say' when voting and asked not to answer if they felt that they did not have enough information or the necessary level of expertise to take a view. The number of voters who voted 'don't know / can't say' has been set out under each voting question in this report.

Stakeholders were emailed a copy of the RIIO-ED2 Business Plan ahead of the workshop to provide them with additional background information for the event.

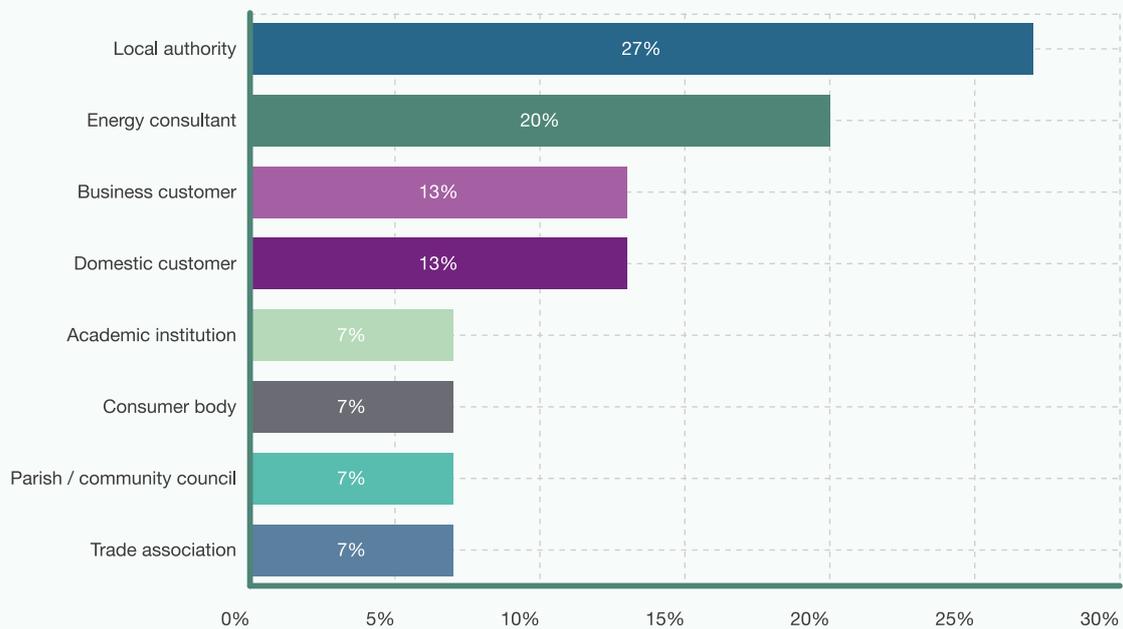


Executive summary

Participants

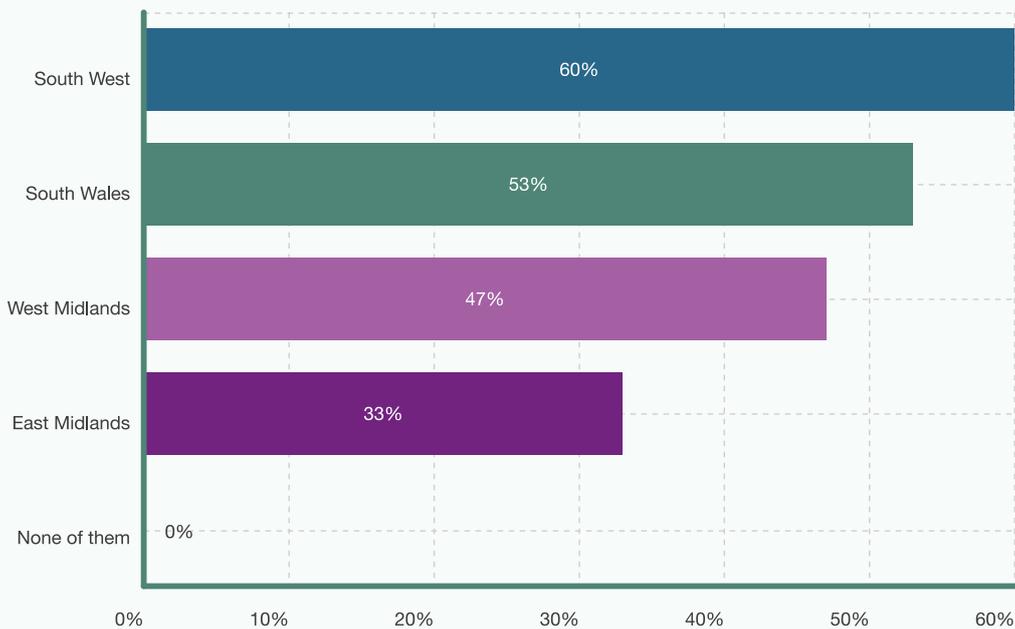
- 17 stakeholders participated in the workshop, representing 15 organisations.
- 27% of participants represented local authorities and 20% were energy consultants. Business and domestic customers each accounted for 13% of stakeholders, while academic institutions, consumer bodies, parish or community councils and trade associations each represented 7% of attendees.
- The South West was the relevant region for the largest proportion of delegates (60%), followed by South Wales (53%), the West Midlands (47%) and, lastly, the East Midlands (33%). Stakeholders were able to select multiple regions, so the figures add up to greater than 100%.
- 40% of attendees who filled out a feedback form told us that they found the workshop to be ‘very interesting’, with another 40% opting for ‘interesting’.

What type of stakeholder are you?





Which WPD region is relevant to you?



Workshop One: WPD’s first Business Plan submission to Ofgem

The event began with an introduction from Mark Shaw, RIIO-ED2 Business Plan Manager. Mark summarised the key headlines in the Business Plan and explained WPD’s business planning process to date. He explained the overall bill impact for customers and why bills vary regionally between different licence areas. Stakeholders were presented with a minimum bill increase/decrease (base case) and a more realistic bill increase/decrease (best view) for each WPD region.

- Delegates came to the workshop with their eyes on the future; connections and business representatives and major users were interested in asset replacement and in how WPD intends to ensure security of supply, continuity and resilience over RIIO-ED2, while local authorities focused on increasing capacity and providing connections to enable the growth of decarbonised transport and heat.
- The mood was broadly positive on the overall acceptability of the Business Plan. It was felt that WPD was “on target and on track”, with praise for its ambitious 2028 target for Net Zero in particular. This approval was echoed in the electronic voting, where 87% either agreed or strongly agreed that the Business Plan was acceptable.
- Responses to the impact of the Business Plan on customer bills and the regional variance differed with stakeholder type; those from the academic and connections sectors were more likely to approve of the rise in bills in South Wales and the South West and understand the reasons behind it, whereas local authorities in those areas, despite understanding why bills will increase, felt less accepting, as their constituents will be the ones facing rising energy costs. The majority (60%) felt the regional variance in customer bills was acceptable, with one stakeholder answering ‘don’t know / can’t say’
- Concern was expressed for those in fuel poverty, and some felt that if bills were to rise, there should be an accompanying rise in the level of service, especially for those in the South West and South Wales.



Workshop Two: Network resilience, business IT & cyber resilience

Andrzej Michalowski, Planning and Regulation Special Projects Manager at WPD, introduced the second session of the day, focusing on a core commitment under network resilience: to improve the overall health of the network by 22% with an investment of £210 million per year. He explained that to address the risk of asset failure by replacing unhealthy assets, this proposed figure would replace 0.5% of the asset base value per annum. He then introduced the concept of Network Asset Risk Metrics to demonstrate that even with the proposed investment, there would be a slightly higher risk profile (3% more) at the end of RIIO-ED2. He showed that in order to keep risk levels similar, an additional investment of £21 million per year would be needed, asking delegates for their feedback as to the acceptable levels of network risk and asset replacement expenditure.

Mike Keay, IT Communications Manager, then introduced WPD's approach to business IT security and cyber resilience for RIIO-ED2, explaining that WPD is developing plans based on identified gaps in its cyber controls and capabilities in relation to known and current cyber risks. He outlined some of the company's strategic approaches, such as recruiting a skilled cyber workforce, including by developing a new cyber apprenticeship scheme, and implementing a common approach to IT and operational technology cyber security within the business.

- Stakeholders viewed asset replacement expenditure as a crucial component of network resilience, and most agreed that they would like to see WPD spend even more in this area. In the voting, 76% agreed or strongly agreed with WPD's proposed level of expenditure.
- There was little appetite for increased network risk over RIIO-ED2, with some questioning whether a risk matrix that only assesses the health of network assets is fit for the future and asking whether the calculation should also include societal and economic risk, particularly in the light of increased demand and climate change.
- Opinions were split on the proposed level of asset risk: 50% strongly agreed or agreed that it was acceptable, 25% were neutral and 25% disagreed or strongly disagreed that it was acceptable.
- There was consensus that the approach to business IT and cyber security was acceptable, with delegates advising WPD to collaborate proactively with other partners, utilities and National Grid to stay at the forefront in a rapidly evolving area.

Workshop Three: Environment & sustainability

Andy Martyr-Icke and Jill Russell, both part of WPD's Environment Team, introduced the third session of the day. Andy began by showing that WPD aims to be Net Zero in its business carbon footprint by 2028. To fulfil this ambitious commitment, WPD plans to reduce its Scope 1 and 2 emissions by targeting areas such as operational transport emissions and buildings efficiency. However, he pointed out that there was the potential for WPD to not quite achieve its Net Zero target, which the company plans to address by forming partnerships with local greenhouse gas removal schemes. He then explained that WPD intends to tackle indirect Scope 3 emissions by working with major manufacturers and suppliers to determine and reduce Scope 3 emissions and by establishing a baseline for these emissions and reporting annually. Jill then outlined WPD's commitment to deliver a 20% reduction in SF₆ losses from RIIO-ED1 and collaborate with industry partners to develop alternatives to SF₆ and reduce the total volume of SF₆ on the network. Finally, she outlined WPD's commitment to enhancing biodiversity on its network, asking delegates whether the company should set a minimum percentage biodiversity net gain target for RIIO-ED2.

- There was debate over WPD's commitment to forming partnerships with local greenhouse gas removal schemes; some were of the opinion that some offsetting was acceptable as a last resort, whereas others felt that this approach was a 'cop-out' in that it failed to address the real aim of reducing emissions. However, in the electronic voting, the majority (88%) expressed support for WPD's proposal to form these partnerships.



- The proposals to reduce Scope 3 emissions were seen as admirable. Delegates urged WPD to share its best practices around business footprint decarbonisation, which could then be passed down the chain to its suppliers and partners.
- While stakeholders were pleased to see ambitious targets for the reduction of SF₆, they also clearly recognised the scale of the challenge ahead, with some delegates asking WPD to provide more support by specifying a deadline for ending the sale of equipment containing SF₆, noting the substantial price difference between SF₆ equipment and newer replacement technologies.
- The idea of setting a biodiversity net gain target was met with enthusiasm. Most stakeholders (53%) wanted an ambitious target of up to 10% net gain, and 35% wanted to see WPD go even further than that. A key comment was, “If there’s no target, there’s no accountability”.

Workshop Four: Safety & workforce resilience

Paul Woodward, Safety and Environment Manager, introduced the final session of the day, explaining that WPD intends to build on the strong existing safety culture established over RIIO-ED1, with commitments to send electrical safety education packs to every primary school in its region over RIIO-ED2 and educate at least 80,000 children per year. He also highlighted WPD’s goal to deliver 78 schemes to underground, insulate or divert overhead lines that cross school play areas, prioritising the highest-risk sites. Carl Ketley-Lowe, Engineering Policy Manager, then took over to present on workforce resilience. He outlined WPD’s commitments to achieve gold accreditation with Investors in People by the end of RIIO-ED2 and improve diversity every year within the business. He concluded by walking stakeholders through the company’s wider commitments under workforce resilience: to maintain a healthy, happy, motivated workforce; to retain and upskill a specialised, highly skilled workforce; to increase the STEM pipeline; and to attract new talent.

- Delegates approved of the commitments under safety, praising the company’s efforts to change its safety culture to ensure that employees feel comfortable to report issues and near misses. Some urged WPD to share its best practice in this area so that they could apply it to their own businesses.
- The shift in culture was also widely praised under workforce resilience. Stakeholders emphasised the importance of working with long-term goals and at grassroots level when improving the diversity of the workforce, in addition to recruiting and training staff at graduate and apprentice level, and cultivating a more diverse pool of staff over time.
- A very encouraging 100% of delegates either agreed or strongly agreed that WPD’s proposed approach to workforce resilience was sufficiently ambitious and acceptable.
- Recruiting staff for the future energy system was seen as a significant challenge in terms of workforce resilience, with delegates suggesting ways to change the image of a career in electricity. Focusing on decarbonisation, Net Zero, the environment and climate change was seen to be key to attracting a different type of candidate.



Workshop One

WPD's first Business Plan submission to Ofgem

The event began with an introduction from Mark Shaw, RIIO-ED2 Business Plan Manager. Mark provided a summary of the key headlines in the Business Plan and explained WPD's business planning process to date. He explained the overall bill impact for customers, also outlining the regional variances in bill experienced in different licence areas. Stakeholders were presented with a minimum bill increase / decrease (base case) as well as a more realistic bill increase / decrease (best view) for each region.

Summary

Reason for attending

Owing to the range of discussion topics on the agenda for the day's workshop, stakeholders attended with a wide, but not completely divergent, set of interests. Delegates representing the connections sector, businesses and major users were interested in reliability and resilience, which intersected with the concerns of many local authority representatives with regard to increasing capacity and connections to facilitate the growth of decarbonised transport and heat and their interest in collaborating with community energy groups and local energy partnerships. Many were keen to identify how their plans could align with WPD's Business Plan in terms of finding effective solutions for reaching Net Zero and ensuring that the low-carbon transition takes place in a "safe and robust way".

WPD's Business Plan

Discussing the overall acceptability of the Business Plan, delegates were broadly positive. Some were pleased to see that their thinking and plans were aligned with WPD's approach, particularly on asset replacement and investment, while recognising that there were plenty of unknowns given that the energy industry as a whole is moving into uncharted territory. To allow for this, stakeholders urged WPD to embed a little flexibility within its commitments so that it is able to shift its approach and respond to lessons learned, experiences and events over the price control period. When asked about overall acceptability of the Business Plan, 87% agreed or strongly agreed it was acceptable. No one responded 'don't know / can't say'

Impact on customer bills

Responses to the impact of increased expenditure over RIIO-ED2 on the customer bill, and the associated regional variation, differed according to stakeholder type. Those from the academic and connections sectors were more likely to recognise the need for bill changes and regional differences, with an attendee agreeing that "the logic around the sparsity challenge in the South West is sound". This level of understanding and appreciation of the costs involved in reaching Net Zero is perhaps unsurprising given that these delegates have extensive technical knowledge of the electricity network. Local authority representatives from the South West and South Wales, in contrast, were less accepting despite an understanding of the reasons for increasing bills; again, this was perhaps not surprising since their constituents will bear the brunt of rising energy costs. Concern was expressed for those in fuel poverty, and it was noted that in West Wales, the ageing network had made connection costs for a new wind farm prohibitively high. It was therefore felt that a rise in bills would be more acceptable to local authorities if they could demonstrate to their communities that the increased investment would result in cheaper connections; a smarter, more reliable network; and higher rates of connected renewable generation.

This difference in opinion was reflected in the electronic voting. When stakeholders were asked, 'To what extent do you understand the regional variance in customer bills?', an average vote of 4.5 out of 5 was returned, signalling a good level of understanding. However, when stakeholders were asked for their opinion on the statement 'The regional variance in customer bills is acceptable to me', there was more of a split: 20% disagreed or strongly disagreed, 20% were neutral and a majority (60%) agreed or strongly agreed. One person voted 'don't know / can't say'.



Verbatim comments and voting

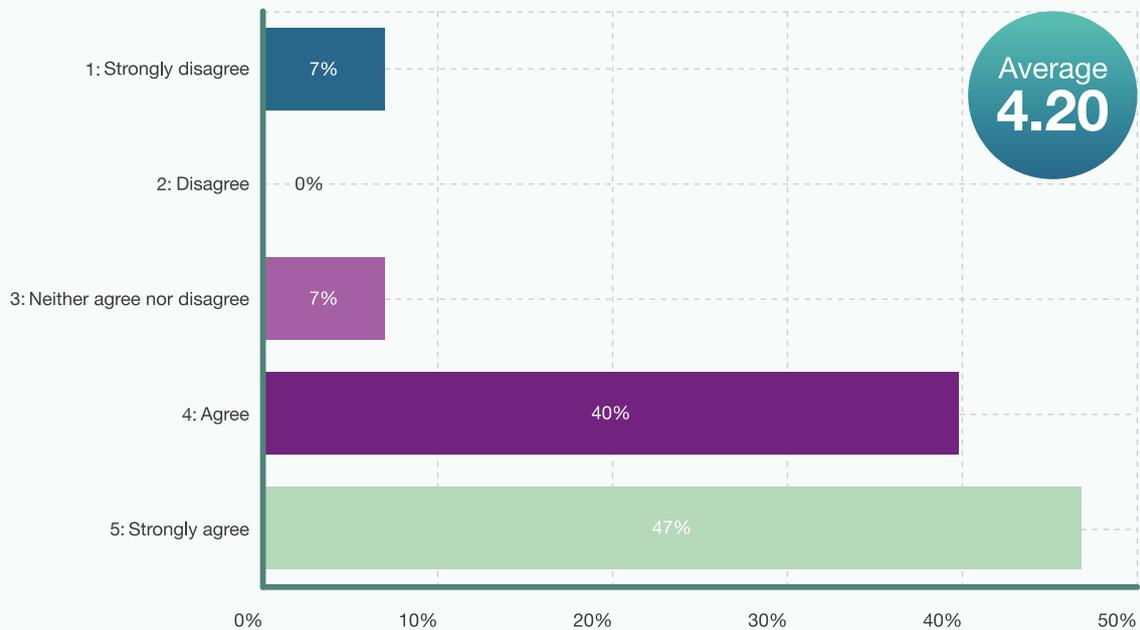
1. What has brought you here today?

- “I’m an electrical engineer at an airport. Obviously, it’s price we’re interested in as a business, but more so it’s about safe security of supply, continuity, asset replacement. So there are a number of factors for why I’m joining today.” **Major energy user**
- “I’m a design engineer on the low-voltage side, I look after electric vehicle (EV) charging and solar power. My interest is resilience of the network.” **Connections provider**
- “I work for the Schumacher Institute for Sustainable Systems and am part of an energy business group. I’m interested in WPD’s general operations.” **Academic institution**
- “I’m a business development manager for a WPD supplier. I want a better idea of WPD’s plans so that we can align ours more closely with WPD’s.” **Major connections customer**
- “We work with energy network operators in the UK. My particular focus is on smart grid development and network resilience. We need to ensure the low-carbon transition takes place in a safe and robust way.” **Business customer**
- “I work for a county council in South Wales and I have a big interest in the decarbonisation agenda. This will involve a large amount of new connections, which are very costly. I want to hear more about what is going on in this area and more about potential collaboration to find solutions.” **Local authority**
- “I’m a district councillor for North Devon and am the council’s climate change lead. I’m interested in EV supply and smart networks. I’m also interested in community energy, as we have a lot of solar PV and wind farms.” **Local authority**
- “I’m deputy chair of WPD’s Customer Engagement Group. I’m here to listen.” **Consumer body**



2. What are your overall views on the acceptability of WPD’s Business Plan?

To what extent do you agree with the following statement? “Overall, WPD’s Business Plan is acceptable to me.”



Don't know / can't say: 0/15

- “I felt it was a very good overview. I think they are on target and on track, with the commitment we have, as well as working towards carbon neutral. I think it’s all very acceptable.” **Major energy user**
- “I think we’re in the same sort of boat, we’re looking at asset replacement and we’re fairly conscious, as I’m sure you are, about the ageing condition of assets and the investment that’s required, especially as the network grows. I think they have got it right, but it’s a bit of a crystal ball. We’ve set short-, medium- and long-term plans, which we are going to assess as new technology comes in.” **Major energy user**
- “I think that the broad framework of commitments is great. Whilst these are nice, crisp commitments, a little bit of flexibility will be required too so that you can make tweaks as you learn things. I would like to see that reflected more. It’s good to have something firm to keep you on track, but don’t tie yourself down too much for the entire pricing period.” **Academic institution**
- “I’d like to understand the sustainability features included in this pricing structure.” **Business customer**

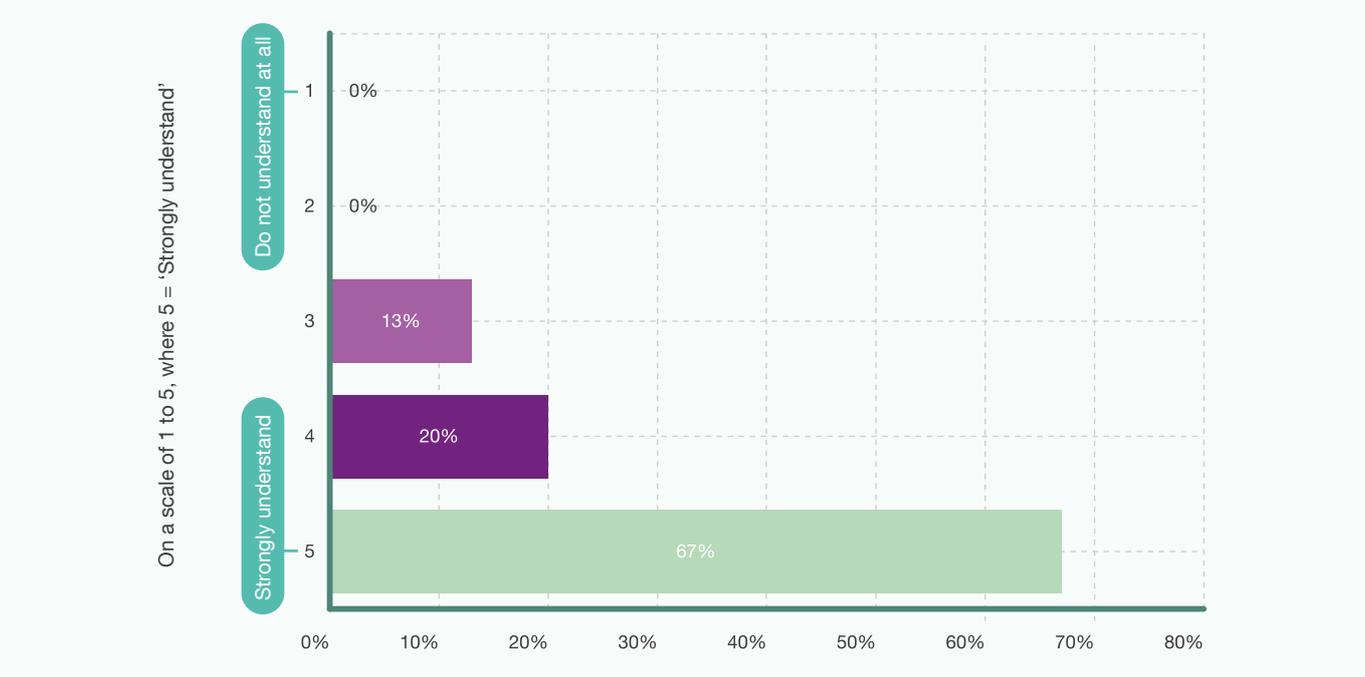


3. What are your views on the bill impacts of WPD’s propositions?

- “I think that they are about right, and the logic around the sparsity challenge in the South West is sound. Anyone who understands the electricity network would grasp the rationale behind this entire approach. We all know that there needs to be a radical transformation within the network to get it ready for this greener and more flexible future.” **Academic institution**
- “I wonder how hamstrung WPD feel about keeping their prices down when trying to find money to invest in improving the network moving forward?” **Major connections customer**
- “This is for upgrading infrastructure, so presumably once that’s been done, will the bills revert? Could it increase further with the need to provide EV charging points?” **Local authority**

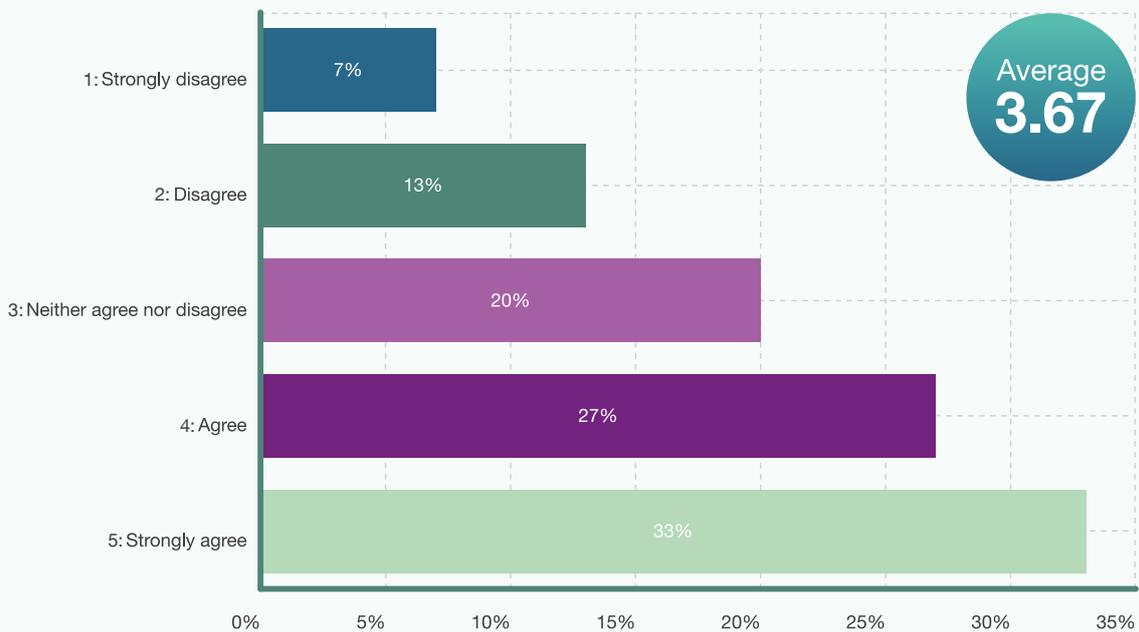
4. Do you understand the regional variances in bills? How acceptable is it to you?

To what extent do you understand the regional variance in customer bills?





To what extent do you agree with the following statement? “The regional variance in customer bills is acceptable to me.”



Don't know / can't say: 1/16

- “I understand it. Obviously, in order to increase capacity, you’ve got to build the network and that will cost more. It’s simple maths really.” **Connections provider**
- “I think trying to keep it in proportion to the ability to pay in the areas, we support what you’re trying to do, we’ve just got to be careful we’re doing it quickly enough. Even a small increase in bills for those in fuel poverty has a big impact. The voluntary groups I work with show that some people can change their behaviour and reduce their consumption, whereas some people just find it impossible. We’ve got to try and take everybody with us on a slightly adapted system.” **Energy consultant**
- “I’m just looking for the reality of the increases you’re talking about. £118 of the annual bill. Can you explain how that fits with the domestic electricity bill? As it stands, it’s probably 20% of my current bill.” **Local authority**
- “I would agree that there is realisation that something has to be done to develop the network. However, if you are going to have bills going up, there needs to be a level of service that follows. Our network is quite old in West Wales, so we are going to need more investment to get it ready for generation connections. For example, we were considering a wind farm in one area, but the grid connection cost would have been £60,000, so we abandoned it there. And that’s just one connection.” **Local authority**



Workshop Two

Network resilience, business IT & cyber resilience

Andrzej Michalowski, Planning and Regulation Special Projects Manager at WPD, began the second session of the day, focusing on WPD's Core Commitment 21 under Network Resilience: to improve the overall health of the network by 22% with an investment of £210 million per year. He explained that even with the proposed investment, there would be a slightly higher (3% more risk) at the end of ED2. Mike Keay, IT Communications Manager, then provided an overview of WPD's Business IT and Cyber Resilience strategy, including the two commitments in the Business Plan and the approach WPD is proposing to take.

Summary

Network resilience

Stakeholders understood that asset replacement expenditure is a critical component of network resilience and broadly agreed that they would like to see WPD spend even more in this area. During the electronic voting, 76% either agreed or strongly agreed that the level of asset replacement expenditure was acceptable, with 23% disagreeing or strongly disagreeing. Three stakeholders did not feel qualified to answer. It was acknowledged that customers would help to meet the cost, but the advantages of the investment – fewer power cuts and a more reliable network – were seen to outweigh concerns over cost. Some delegates asked whether other areas of the Business Plan, such as new connections, should include measures for improving reliability, for example, a levy for new connections could be introduced to contribute to asset replacement, particularly when a customer is connecting with a view to making a profit. Others wanted to see more innovation around resilience, urging WPD to commit to investing more in asset monitoring and maintenance improvements, which would help to build a more accurate picture of the required investment for the coming years and enable more generation assets to be connected to the grid.

Delegates also viewed risk as an incredibly important factor for calculating the required modifications to the network and the associated investment. During the electronic voting, 50% agreed or strongly agreed that the proposed level of network risk was acceptable. Three stakeholders did not feel qualified to answer. Some wondered whether the risk matrix should take into account societal and economic risk in addition to asset health, particularly in the light of increased demand and climate change. There was little appetite for increased risk, with many pointing out that for certain institutions, such as hospitals and social care facilities, any increased risk may lead to a potential threat to life. Others wanted to know more about the future implications of any increased risk, wondering whether customers may have to pay more over time to ensure that risk remains stable in relation to current levels. There were suggestions to look to other areas of the Business Plan to reduce risk, with stakeholders questioning whether interventions in areas such as innovation or connections could help to stabilise risk.

Business IT and Cyber resilience

There was consensus that the company's approach to business IT and cyber security was appropriate, with all stakeholders recognising the critical threat posed by hackers and other cyber security breaches and failures, particularly in the light of the increasing number of online smart systems and networks. This was backed up by the electronic voting, 56% strongly agreed or agreed that the proposed approach to business IT and cyber resilience was sufficiently ambitious (one stakeholder answered 'don't know / can't say'). In terms of acceptability, 72% felt it was acceptable with two stakeholders responding 'don't know / can't say'. Delegates wanted to see WPD proactively collaborating with partners, utilities and National Grid to stay ahead of potential threats and remain vigilant in a rapidly evolving area.

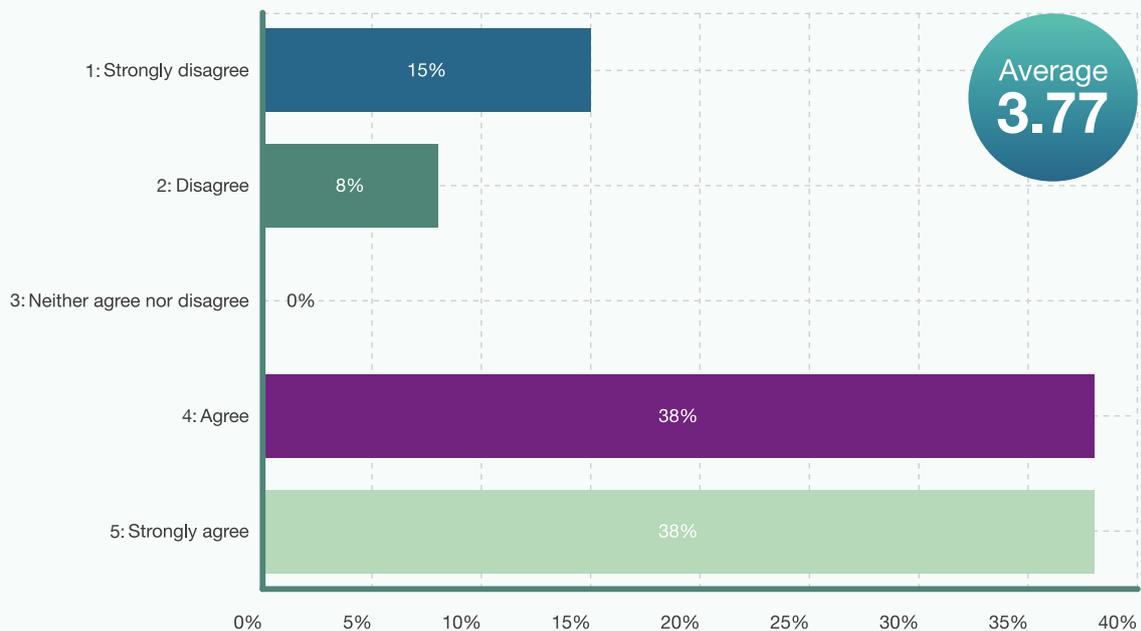


Verbatim quotes and voting

Network resilience

1. What level of asset replacement expenditure is reasonable?

To what extent do you agree with the following statement? “The level of asset replacement expenditure proposed for the next Business Plan is acceptable.”



Don't know / can't say: 3/16

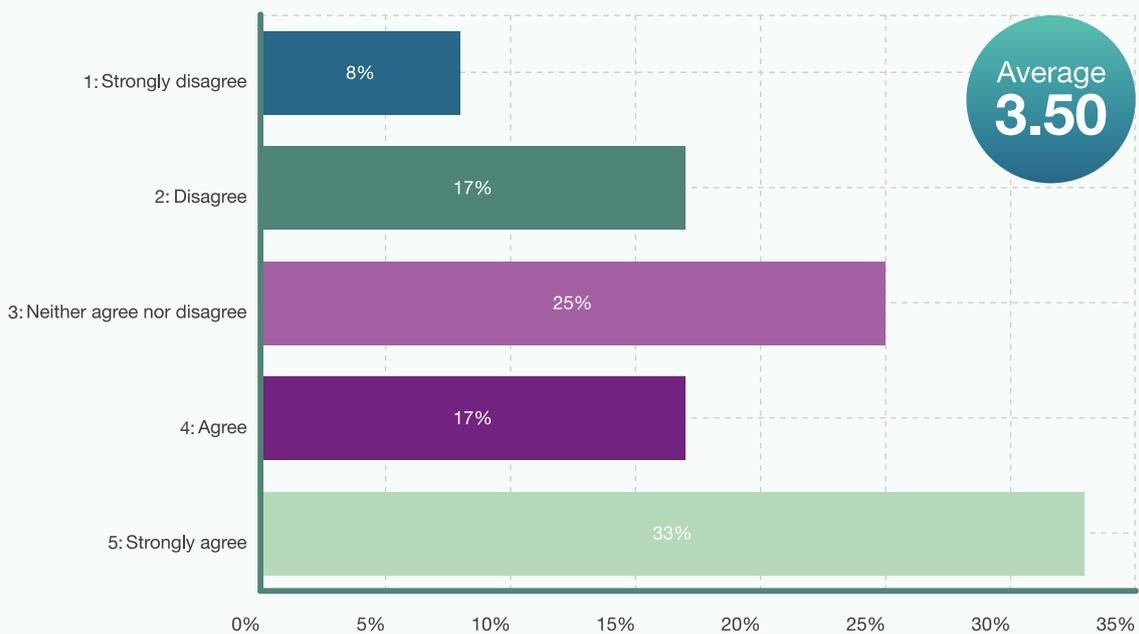
- “It is a chunk of money, don't get me wrong. If I'm honest with you, if anything, I think it needs to be a little bit more. I understand it will hit the consumer and people are under pressure, but personally, I think you should be doing a little bit more to bring it down and reduce that issue rather than plateauing and accepting that's where you're going to be.” **Major energy user**
- “Any businessperson will tell you, we tend to look at what something costs and I always equate that to value. My question would be, are we getting value for money for the amount that's already invested? There's an infrastructure which is really staggering when you look at it. The first thing we'll moan at is if there's an extended power cut.” **Business customer**
- “Should new connections not be funding increasing resilience on the network? Surely there will be some benefit to the network by having these new connections. I don't want to stop any connections, but some kind of levy for this should definitely be considered, especially when the customer is connecting something with a view to making a profit.” **Major connections customer**



- “There is definitely greater scope for larger investment in monitoring assets and greater maintenance. This will help you to work out what the investment profile needs to be in the coming years and successfully incorporate the generation assets into the grid over the coming decade, such as EVs and renewable projects.” **Connections provider**
- “I’m only too well aware of the performance of old infrastructure. I question this whole principle of patching all the time. I don’t know if you have the facility to respond adequately when things go wrong. I think the current asset replacement is far too little. It would be good if you could hear our side of the story regarding this.” **Local authority**

2. What level of network risk is acceptable?

To what extent do you agree with the following statement? “The level of asset risk proposed for the next Business Plan is acceptable.”



Don't know / can't say: 3/15

- “I think that risk is an incredibly important area for determining the modifications required and therefore any investments. WPD has societal and economic risk, and this risk matrix only considers the health of the asset, so maybe a tweak is needed there? How is the risk profile going to change as the demand changes and climate change events happen?” **Academic institution**



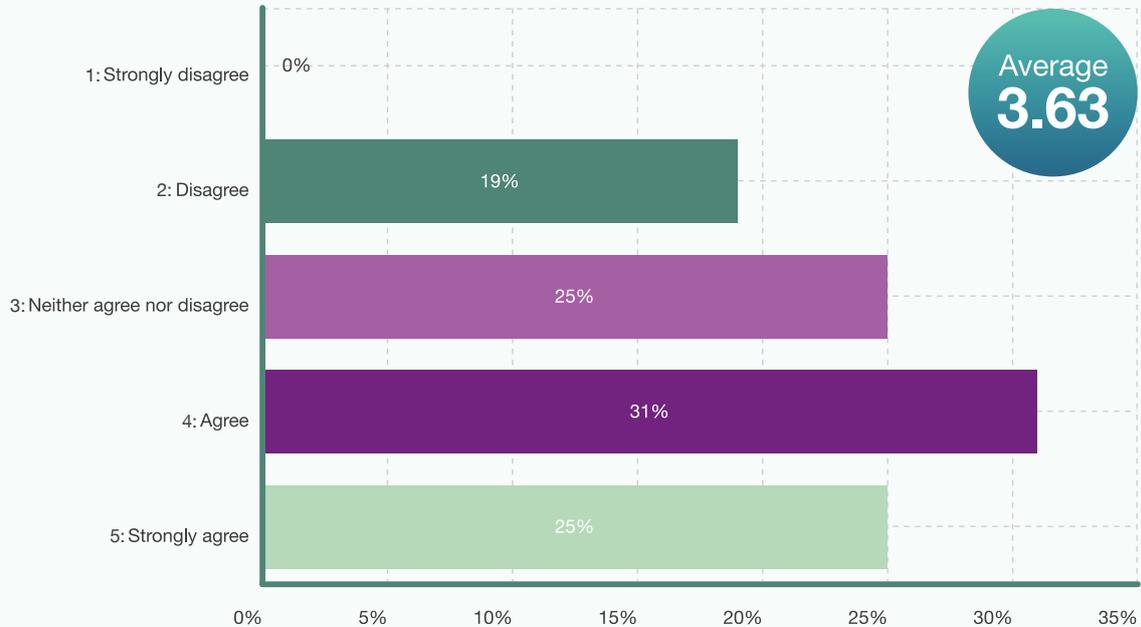
- “I don’t think anybody finds power cuts tolerable, but it depends what sort of business you’re running. If you’re running a nursing home or hospital, it’s terrible. You can’t say you’re going to look after the vulnerable and say they’ll never have a problem, because there’s always an element of luck. I think that it needs someone with more knowledge to justify an increase in service.” **Business customer**
- “I suppose the question for me is, what does slightly increasing the risk do for the future? Does that have a slightly negative impact on the network so that longer term it costs more to keep it at a reasonable level? I guess my view would be to reduce the risk as much as possible.” **Local authority**
- “I don’t think that it would be acceptable for the network risk to go up, as you should always be aiming to get the risk down. It would also be good to know which areas of the Business Plan would produce increased resilience and therefore reduce network risk.” **Major connections customer**
- “You need to strike a balance between risk and reward. If you don’t, you could make the wrong investments.” **Academic institution**
- “I was slightly concerned to see that the risk was increased, but if there are interventions that could be introduced elsewhere, that would be great. The demand on and role of the DNO has changed and WPD has a lot of input in a lot of areas, so the risk picture is rapidly changing.” **Local authority**



Business IT security & cyber resilience

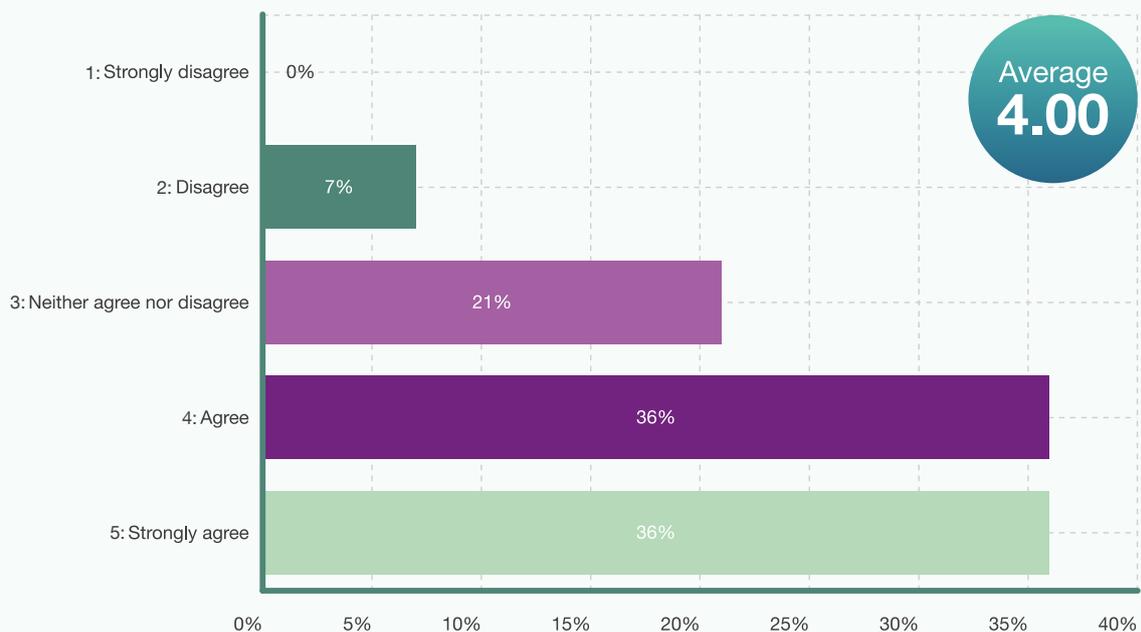
1. What level of asset replacement expenditure is reasonable?

To what extent do you agree with the following statement? “The proposed approach to business IT and cyber security for the next Business Plan is sufficiently ambitious.”



Don't know / can't say: 1/17

To what extent do you agree with the following statement? “The proposed approach to business IT and cyber security for the next Business Plan is acceptable.”



Don't know / can't say: 2/16



- “Definitely. Our hardware is quite resilient, and we have enough backup systems in place at the airport to support ourselves operationally, but it’s always a threat. I think it’s the right approach by WPD.”
Major energy user
- “It’s not my area of expertise, but from the summary that’s been provided, it seems like a sensible approach. I can see the importance of cyber security now and going forward.” **Local authority**
- “I think that it is a rapidly evolving area and I’m assuming that there is a high level of collaboration with other utilities and your new owners (National Grid). There will be big challenges around harnessing online smart systems, with the potential malware that can come with that.” **Academic institution**
- “The more we rely on smart networks, the more vulnerable we are to cyber attacks.” **Local authority**



Workshop Three

Environment & sustainability

Jill Russell and Andy Martyr-Icke, both part of WPD's Environment Team, introduced the third session of the day. They discussed four outstanding topics that required stakeholder feedback: forming partnerships with local greenhouse gas removal schemes; how WPD would tackle indirect Scope 3 emissions; WPD's commitment to deliver a 20% reduction in SF₆ losses from ED1; and WPD's commitment to enhancing biodiversity on its network.

Summary

Partnerships with local greenhouse gas removal schemes

Delegates discussed WPD's Net Zero plan and its commitment to forming partnerships with local greenhouse gas removal schemes to offset business carbon emissions. There was debate here; some felt that these partnerships were acceptable as a backup plan, provided that WPD uses the best and most appropriate offsetting schemes available and that they are not a simple box-ticking exercise. However, others saw benefits in the partnership schemes, which have the potential to add value and create synergies with communities in order to collectively address the wide-ranging challenge of achieving Net Zero. Some cautioned that offsetting was a 'cop-out' in that it failed to address, or enabled businesses to avoid, the real issue: reducing emissions. However, in the electronic voting, most stakeholders (88%) were supportive of WPD's proposal to form these partnerships.

Stakeholders suggested other measures for reducing WPD's emissions, looking at 'quick wins' such as electrifying or using hybrid vehicles for the business fleet, and replacing fossil-fuel-thirsty helicopters with drones, where appropriate. Another proposal involved developing a metric to predict the Net Zero shortfall in terms of emissions and the level of collaboration required to bridge the gap, which would provide WPD with greater certainty when forming local partnerships.

Reducing scope 3 emissions

The measures for reducing Scope 3 emissions were felt to be broadly correct, with stakeholders describing the approach as "the right thing to do". Many urged WPD to share best practices around decarbonisation, which could then be filtered down the chain to suppliers and partners, thereby addressing a wider range of emissions sources. Others wanted to see WPD go a step further by clearly stating in the tendering process that it will actively encourage businesses with the lowest carbon emissions to supply WPD. When asked to vote electronically, the majority (69%) agreed or strongly agreed WPD's proposals adequately manage Scope 3 emissions. Four stakeholders felt unqualified to answer.

Reducing SF₆

Stakeholders were mostly pleased to see ambitious targets for reducing SF₆ but felt that the "proof is in the pudding". Voting electronically, 73% agreed or strongly agreed that WPD's SF₆ proposals were acceptable (one stakeholder felt unqualified to answer). Some recognised the scale of the challenge ahead, especially since it would be hugely expensive to replace all switchgear containing SF₆ before the end of the equipment's lifespan. Expanding on cost, some delegates, particularly from the connections side, urged WPD to help to establish a definitive deadline as to when equipment containing SF₆ would no longer be on the market, as there is currently a huge price difference between SF₆ equipment and the newer replacement technologies. Others felt that WPD should provide the capital to replace SF₆ infrastructure. It was felt that all industry actors will need to plan and budget for the step change required to switch to alternative technologies.



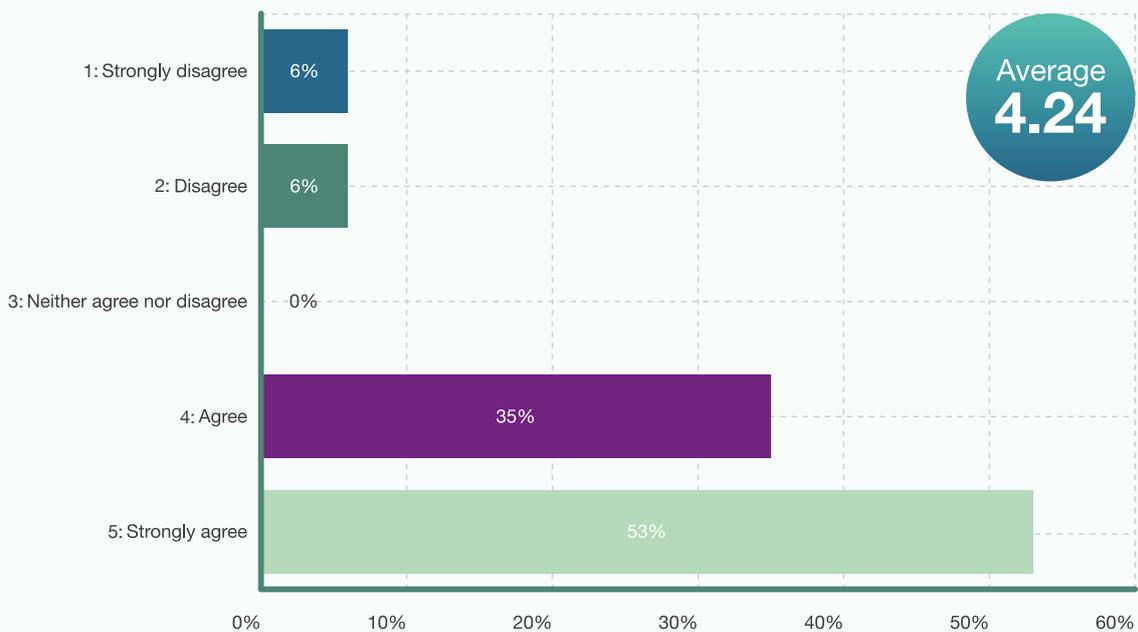
Biodiversity net gain

The suggestion of a biodiversity net gain target was met with warmth and enthusiasm. Voting electronically, while one stakeholder answered 'don't know / can't say', 76% wanted to see WPD set a biodiversity net gain target. Many felt that an ambitious target was appropriate (at least a 10% gain), given that without a target, there is no accountability. When asked in the voting what target WPD should seek to achieve, while again one stakeholder voted 'don't know / can't say', 53% wanted to see a 10% biodiversity net gain, and 35% wanted to see WPD go even further. Others explained that while they were not sure of the best approach, the world "needs a shake-up of some description", and they were glad to see WPD being proactive and acting as a leader in this sphere. There was also the sense that this exciting proposition has a range of potential benefits; as a multi-value activity, it encompasses flood management and tree planting, but also covers community engagement, which dovetails into the Social Contract.

Verbatim quotes and voting

1. Our Net Zero plan includes forming partnerships with local greenhouse gas removal schemes. Is this acceptable?

To what extent do you agree with the following statement? "WPD's plan to form partnerships with local greenhouse gas removal schemes is acceptable to me."



Don't know / can't say: 0/17

- “I think there needs to be that backup plan. There's an inevitability of not being able to address everything; some things will take longer, the technology will take longer. It then comes down to making sure those offsetting schemes that are used are appropriate and do what you need them to do, and it's not just you guys ticking a box. There needs to be that investigation to make sure they are the best and most appropriate schemes available.” **Local authority**

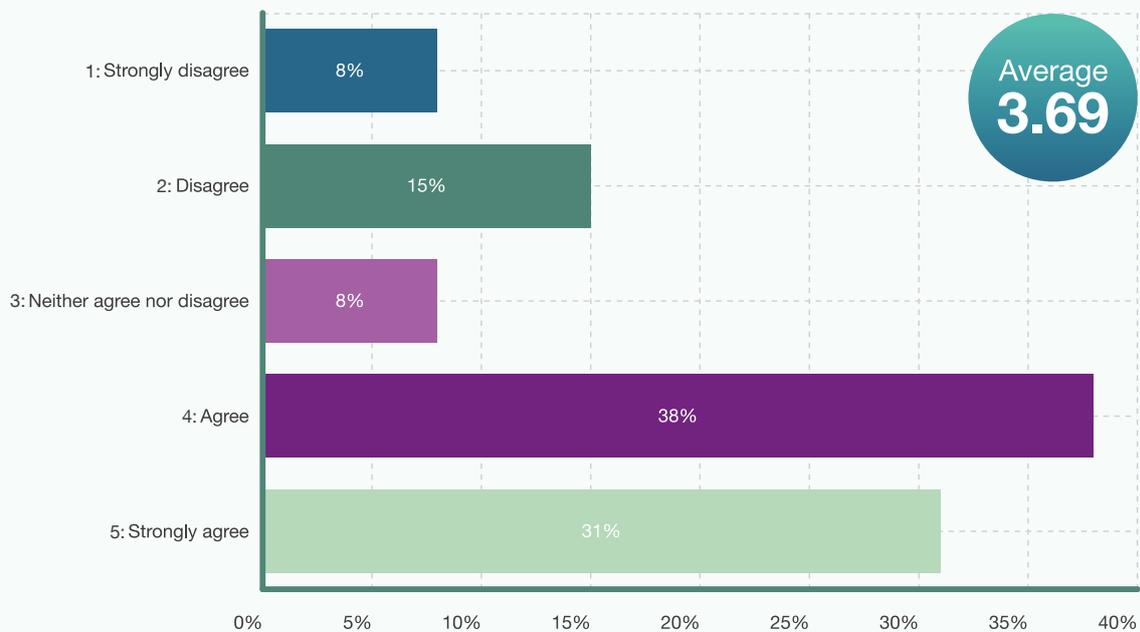


- “Offsetting is a bit of a cop-out in terms of its failure to reduce emissions. I’m always worried about tree planting as I know some of them die, sadly. I also worry whether we are spending enough on the environmental side of it.” **Local authority**
- “I’d be interested in what steps are a part of your journey to 2028 to reduce your carbon footprint. I think there are some quick wins there, where you could look at other methods such as electrification or dual fuel. The quick wins that we undertook are that we electrified a lot of our fleet, we have a lot of electric buses now on site, we changed from our four-by-fours to Leafs. I think there is a lot that WPD could do with its own fleet of vehicles.” **Major energy user**
- “It’s a really good framework, and I like the fact that it takes advantage of opportunities to add value and create synergies with communities in order to tackle what is a wide-ranging challenge.” **Academic institution**
- “I think that there is an expectation from most people that all organisations will look at their carbon footprint. Everyone has seen the climate protests and organisations are expected to put commitments in place as a result, so you should do this.” **Local authority**
- “What’s WPD’s prediction around the Net Zero shortfall, and what is the level of collaboration that you believe is required to bridge the gap? This will put you on a good footing to try to overcome this potential problem.” **Academic institution**
- “There are lots of schemes coming on for greenhouse gas removal, which I hope WPD could get involved with to help with the situation. There won’t be enough of these partnerships available for areas where they cannot get away from emitting.” **Local authority**
- “Perhaps you could replace your helicopters with drones to reduce your emissions.” **Local authority**



2. Does WPD’s ambitious Net Zero target adequately manage Scope 3 emissions?

To what extent do you agree with the following statement? “WPD’s proposals adequately manage Scope 3 emissions.”



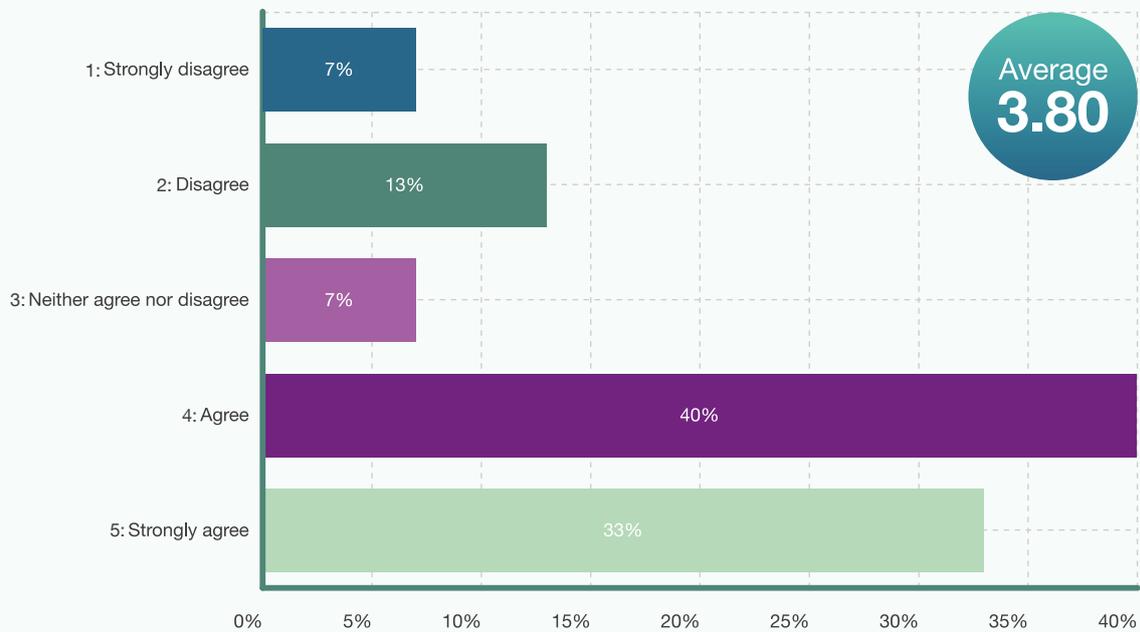
Don't know / can't say: 4/17

- “It seems like the right approach. I think it’s much harder to go to suppliers and go back to the very beginning. It’s much easier to focus on the core business, but to achieve the benefits you want, you need to cover all bases. I think it’s the right thing to do.” **Local authority**
- “WPD can work hand in hand with its business partners. There is no need for them to do this as an in-sourcing organisation, but it will help to ensure that best practices filter down to partners. This will help drive decarbonisation practices.” **Major connections customer**
- “It’s very important for all DNOs to consider their wider supply chain in order to tackle Scope 3 emissions. As an end supplier, we have a lot of suppliers under us, so there is something to be done here to encompass as many actors as we can. We can definitely do something to filter best practices down to our suppliers, but we need more information from WPD here.” **Connections provider**
- “With Scope 3, it should read that you will need to account for the emissions of what WPD would purchase. You should overtly state that you’ll encourage people with the lowest emissions to supply WPD.” **Local authority**
- “You need to ensure that any best practices around decarbonisation flow down to your partners. That will have a big impact.” **Major connections customer**



3. Are WPD's RIIO-ED2 plans for managing SF₆ and reducing our SF₆ leak rate acceptable?

To what extent do you agree with the following statement? "WPD's proposals for managing SF₆ and reducing their SF₆ leak rate are acceptable."



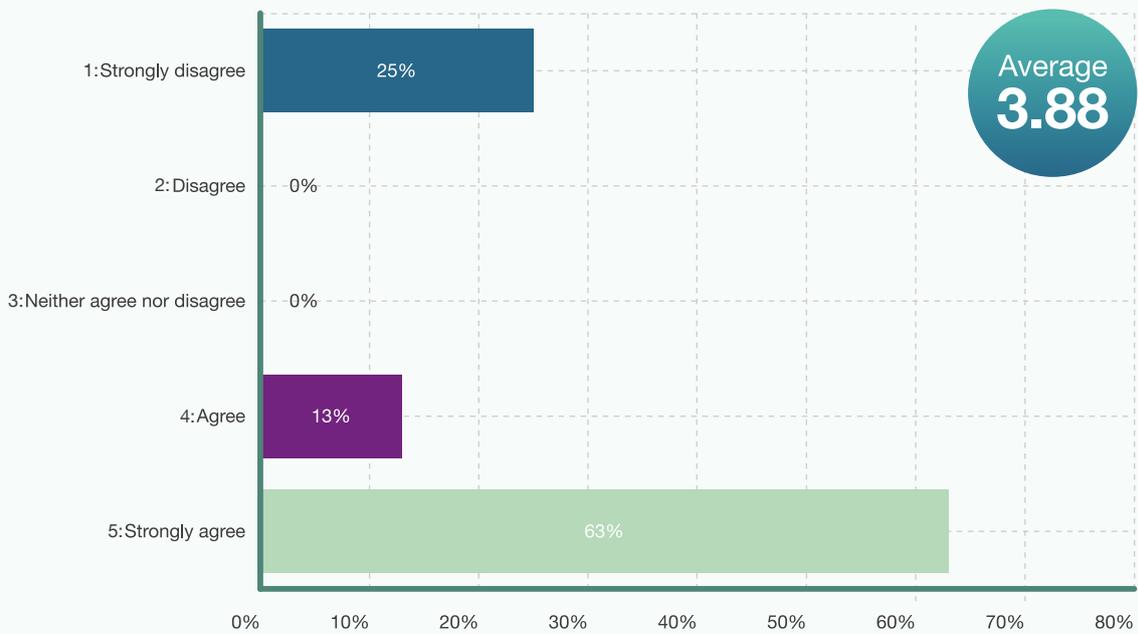
Don't know / can't say: 1/16

- "I think it's difficult. We have our own private high-voltage networks supplied by WPD, we only have in the range of around 30 high-voltage substations around the site, and only about 14 of those still have SF₆. As we do asset replacement, we will phase them out. Obviously, as we phase them out, we'll go to vacuum, we'll move away from SF₆. It's difficult for a larger organisation like yourselves to phase it out, as you're so reliant on it. Asset replacement probably won't be practical for you guys until you absolutely need to do it." **Major energy user**
- "When you make these ambitious targets, you're not setting yourself up to fail. The proof will be in the pudding." **Major energy user**
- "SF₆ should be used selectively for load switching, not circuit breaking." **Energy consultant**
- "We need to know a definitive date about when we will no longer be allowed to purchase SF₆ equipment, as that will be a challenge. In fact, that's the most important aspect of this issue. There are huge price differences between SF₆ equipment and the new technology required, so that needs to be reflected in WPD's ambitions. And if there is something that comes forward that doesn't quite fit WPD's desired footprint, that needs to be accepted too." **Major connections customer**
- "It's most important that WPD provides the capital to replace the SF₆-free infrastructure." **Energy consultant**



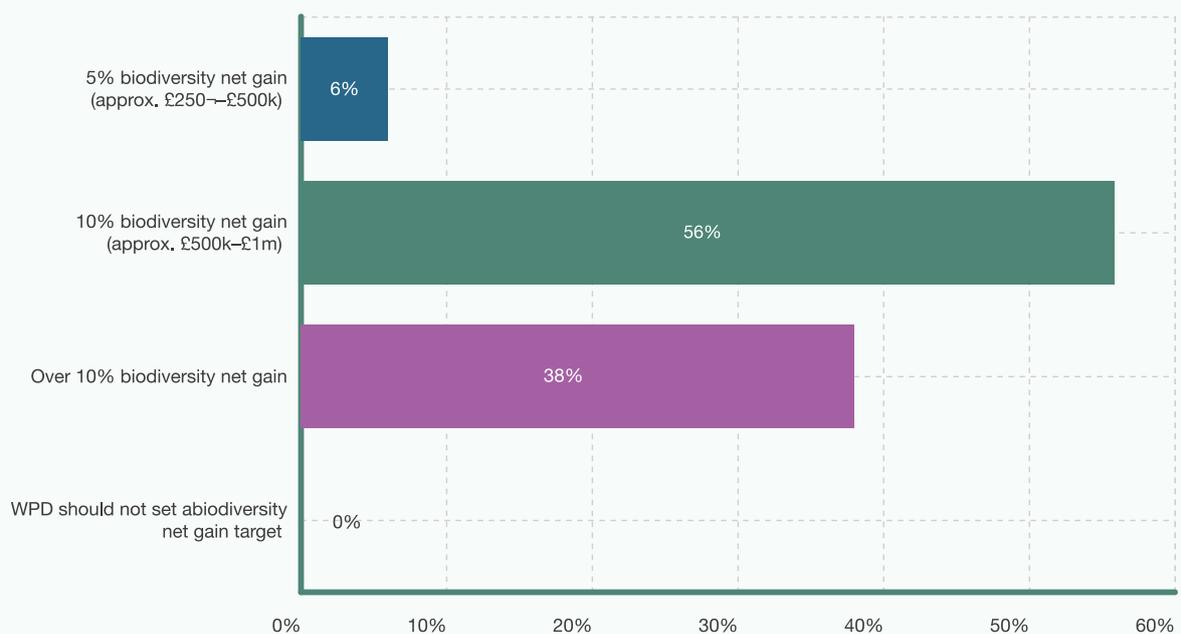
4. Should we set a minimum percentage biodiversity net gain target for new major projects and for the existing primary and grid sites that will be assessed during RIIO-ED2? What should that minimum percentage net gain be?

To what extent do you agree with the following statement? “I agree that WPD should set a minimum percentage biodiversity net gain target during RIIO-ED2.”



Don't know / can't say: 1/17

What do you think the minimum percentage net gain should be?



Don't know / can't say: 1/17



- “I think there should be a target, because if there’s no target, there’s no accountability. The risk is that nothing gets done. I think there’s a need to be ambitious. When you look at what those costs are per customer, they seem to be quite low. I would suggest that you should be aiming towards the higher side of things.” **Local authority**
- “The net gain should match the 10% set out in government policy as a minimum.” **Local authority**
- “Definitely. I think it’s something we are always aware of in our industry. We do our best to be a good neighbour around our land and our green belt. I think the targets need to be set and we would be there or thereabout, definitely. I think the higher the target, the better.” **Major energy user**
- “I think it’s very difficult for anybody to tell you what targets should be set. What we do realise is that this world needs a shake-up of some description and every company, including my own, and including larger companies like yourself, needs to attend to this change. There’s a continual argument about what is the best way to do it. I don’t have the knowledge to know what is the best way, I’m just glad we are doing something.” **Business customer**
- “I think that this is another exciting area of development. It’s a multi-value activity, as it encompasses flood management and tree planting, but also covers community engagement, which dovetails into the Social Contract. There are plenty of wins to be had here.” **Academic institution**
- “This is great. There are feelings that biodiversity can be forgotten, so my biodiversity colleagues would be heartened to see the scope of this.” **Local authority**
- “I would agree with the spend of less than 1p per customer.” **Major connections customer**



Workshop Four

Safety & workforce resilience

Paul Woodward, Safety and Environment Manager, kicked off the final session of the day, providing an overview of WPD's safety strategy for the RIIO-ED2 Business Plan. Carl Ketley-Lowe, Safety and Environment Manager, then took over to provide a summary of the workforce resilience strategy.

Summary

Safety

Delegates were supportive of the commitments proposed under safety, particularly around achieving a shift in safety culture so that employees feel comfortable and empowered to flag issues and report near misses without fear of reprisal. The latter was seen to be especially important, and stakeholders from other industries such as connections and academia called on WPD to share best practice and approaches in this area so that they could be applied to their own businesses and institutions. Some emphasised the need to refresh safety training and develop new tools to aid safety, such as tools for detecting low wires.

The proposal to reach more than 80,000 primary school children per year with safety packs was also welcomed, with a caveat that the packs should be useful for schools and aligned with the national curriculum, enabling them to be utilised effectively and embedded in a wider programme of learning. Some delegates questioned why WPD was focusing solely on primary school children, with a key comment here being, "Every science teacher in the land would welcome input on electricity to educate secondary school pupils".

Suggesting ways in which WPD could further raise its ambition, delegates wondered whether more information and publicity could be provided on poles with regard to how to report fallen or low lines, given that opening up this process to the public might increase responsibility for and awareness of safety. In the electronic voting, 100% agreed or strongly agreed that WPD's approach to safety was ambitious enough, and 84% agreed that it was acceptable with one stakeholder voting 'don't know / can't say' each time.

Workforce resilience

The need for a shift in culture was also widely discussed under workforce resilience, with delegates recognising that it takes time and dedication to build a working culture where people feel safe, challenged and supported, but the rewards for doing so can be enormous. Stakeholders highlighted the importance of bringing in and training staff at graduate and apprentice level and growing workforce diversity over time so that it becomes embedded in the company culture. This was very much seen as something that WPD should be working towards, although change would not suddenly occur overnight. A resounding 100% of delegates either agreed or strongly agreed that WPD's proposed approach to workforce resilience was sufficiently ambitious and acceptable – with no stakeholders feeling unqualified to answer.

An interesting point was made around creating synergies among the customer value propositions, the employee value propositions and the Social Contract to maximise the benefits of all three when looking to ensure that WPD's workforce and working culture are fit for the future. Delegates felt that recruiting for the future energy system presented a significant challenge in terms of workforce resilience, picking up on a concern around the skills needed for low-carbon technologies. One delegate noted that whereas electrical engineering was once a popular path, programming and artificial intelligence are now seen as more attractive options, and there was much discussion on solutions for encouraging a diverse range of talented graduates and apprentices into the electricity industry. It was felt that focusing on decarbonisation, Net Zero, the environment and climate change would help to attract a different type of candidate. These future-facing, exciting and evolving aspects of the electricity industry, combined with a more flexible approach to working hours and a more open working culture that promotes diversity, could make WPD an attractive place to build a career.

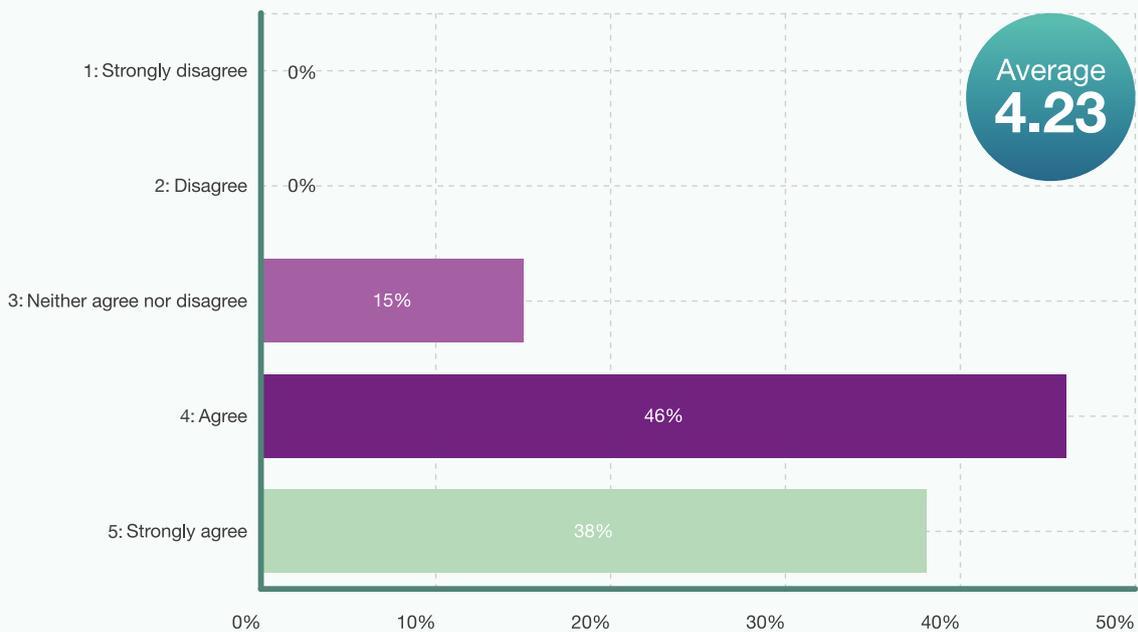


Verbatim quotes and voting

Safety

1. Are you supportive of our approach, is anything missing?

To what extent do you agree with the following statement? “The proposed approach to safety for the next Business Plan is acceptable.”



Don't know / can't say: 1/14

- “I think it’s definitely appropriate. It’s good to reach out. Safety is such a big part of our industry. Top down, we work to adjust culture so that if there’s any sort of issue, people can raise their hand and not feel like they’re in trouble if they spot something like a near miss. It’s more about quality than quantity. It’s a positive thing and it’s definitely something you need to do. But I would be interested in that route about how your employees can feed back if they have any concerns around safety issues or things like that.” **Major energy user**
- “We supply low-voltage transformers, so many of our workers will be working in live environments. We think that it’s important to refresh safety training so that people do not become too blasé. With the overhead network, we are looking at developing a tool for detecting low wires, which could really help improve safety.” **Connections provider**

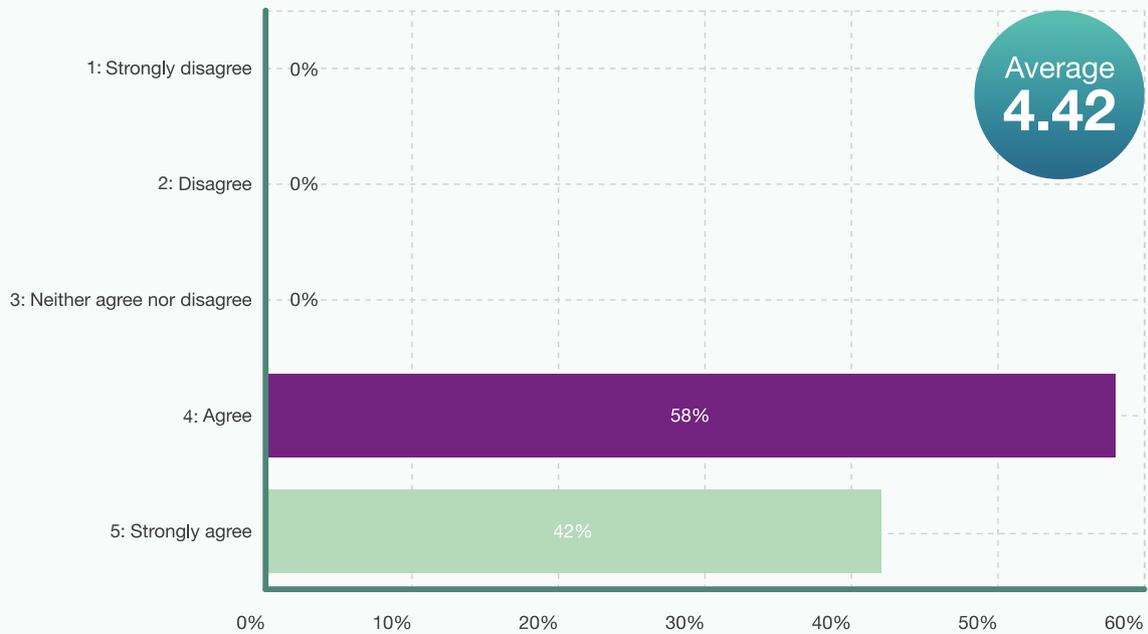


- “I think that the WPD approach is good here. In our relationship with WPD, we have good access to staff and they are good at keeping us up to date around safety protocols. The focus on learning through near misses is good and allows us to disseminate important information within our own company.”
Connections provider
- “I’m supportive of the approach, but there should be more consideration around the company safety culture and maybe more work to share best practice around near misses.” **Academic institution**
- “I’m definitely supportive of it. 80,000 children a year, I don’t know what percentage that is of children in your areas. I think packs for every primary school is great. It’s making sure those packs are useful for schools, how do you know they’re aligned with the national curriculum, so that they’re actually utilised and the message gets across to the children.” **Local authority**
- “I think it’s definitely the right thing to do. Clearly there’s a cost and time implication too, so targeting the highest-risk sites first is appropriate to me.” **Local authority**
- “Why are secondary schools being ignored? In primary schools the children are overstimulated, but every science teacher in the land would welcome input on electricity to educate secondary school pupils.” **Local authority**



2. Are we being sufficiently ambitious in this area? Are there radical alternatives you would like us to consider?

To what extent do you agree with the following statement? “The proposed approach to safety for the next Business Plan is sufficiently ambitious.”



Don't know / can't say: 1/13

- “I know that there is a lot of focus around safety as a matter of course. The culture of being risk aware and near-miss reporting, which I know exists strongly within WPD, needs to come out more clearly here. This is harder to measure, I know, but is essential to develop the metrics in this area.”

Academic institution

- “Having more publicity on poles about where to report down or low lines would be great. It would open this process up to members of the public.”

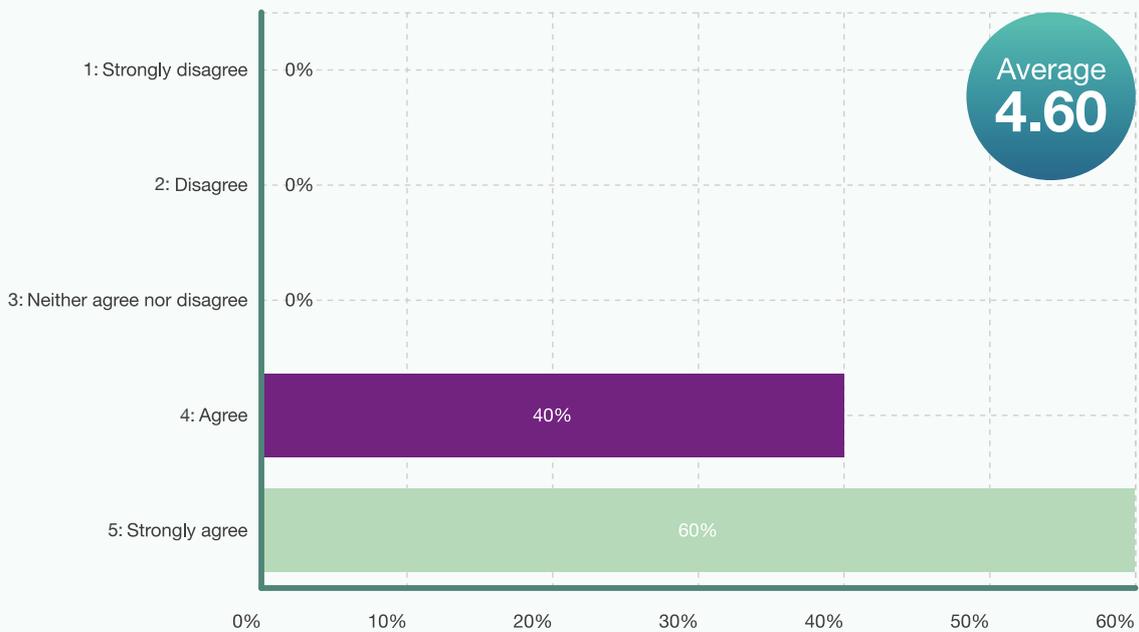
Academic institution



Workforce resilience

1. Are you supportive of our approach, is anything missing?

To what extent do you agree with the following statement? “The proposed approach to workforce resilience for the next Business Plan is acceptable.”



Don't know / can't say: 0/15

- “We are great investors in people, whether it be through education or other methods. We have mental health champions and we really engage with our staff group and make sure they're fully on board. I think it's difficult when you're trying to get the candidate for the job, it's not about ticking boxes and you do want to get the right candidate. Diversity is a difficult area to look at. It's something we do champion, but it's how you go about it. It is a challenge for every company.” **Major energy user**
- “Culture is key. It's having confidence to challenge and make people feel safe in whatever environment they're in. I appreciate it's difficult making sure you have the right person for the job, but start from the very bottom and train people, graduates, apprentices, first, so that you can embed that diversity over the course of time. By appointing graduates, you might get a different pool of people, because you're not just basing it on people who are already trained for certain jobs. It could demonstrate what the opportunities might be for people.” **Local authority**
- “It's a very challenging area. I think it's very good to look after your talent pool and invest in people to bring them on. I think you're going about it the right way.” **Major energy user**

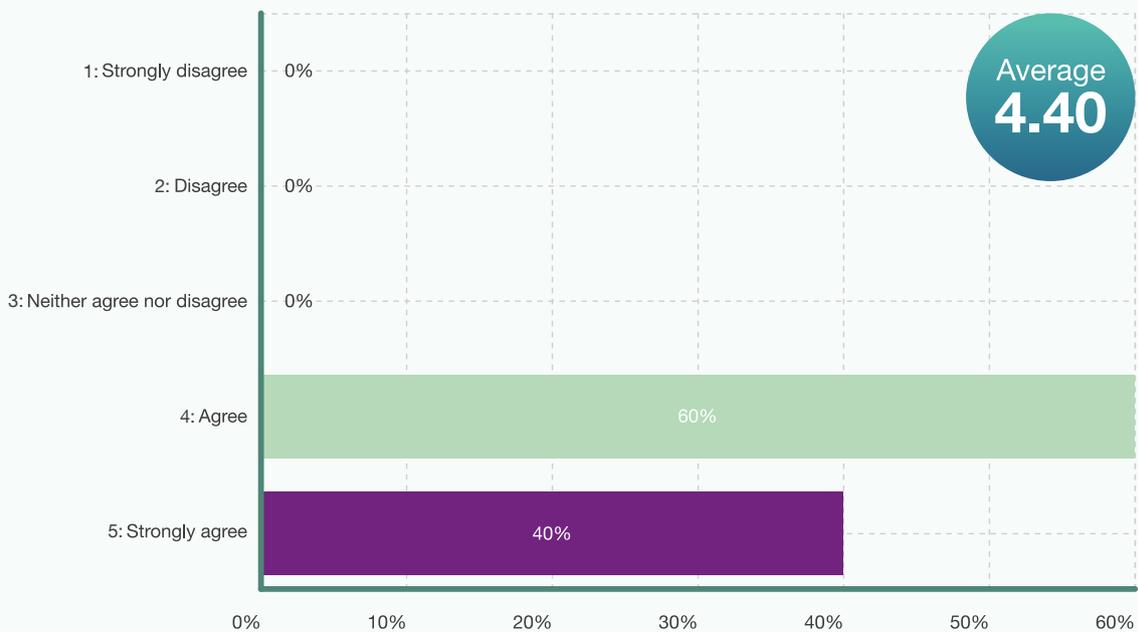


- “I support all of these points. I feel that there should be some mirroring between the customer value propositions, the employee value propositions and the Social Contract in order to create synergies. Together, the benefits of all three could be maximised.” **Academic institution**
- “Have you recognised any pinch points in your metrics around workforce planning? Can you recognise any potential barriers that will affect your planning quickly? I’m picking up a lot of concern around the skills with low-carbon technology roll-out. There are definitely great opportunities for collaboration here.” **Academic institution**
- “I think that there are wider problems around the lack of expertise and skills for installing this kind of technology. Whereas electrical engineering was once very popular, programming and artificial intelligence are now seen as the sexier options. There needs to be more focus on ensuring as many people as possible want to get into this industry to help with the decarbonisation agenda.” **Connections provider**
- “The network operating model is now entering a period of profound change, which is exciting to graduates and those coming through the education system now. The emphasis around climate change and Net Zero is another key point of reference for shining a light on energy in general. There’s a broader emphasis in the industry on environmental aspects, which will appeal to graduates and people coming out of education.” **Business customer**
- “Climate change is a key topic and a lot of people are motivated to make a difference.” **Local authority**
- “This all sounds really positive. Working locally is great.” **Local authority**



2. Are we being sufficiently ambitious in this area? Are there radical alternatives you would like us to consider?

To what extent do you agree with the following statement? “The proposed approach to workforce resilience for the next Business Plan is sufficiently ambitious.”



Don't know / can't say: 0/15

- “Managing resources effectively is a big challenge in the pandemic. The challenge is ensuring productivity and discharging duties in a collective way. The aspirations are sound, but how do you ensure you take the benefits of what we’ve had through the pandemic and remote working without losing the innovation and collaboration of people working together?” **Business customer**
- “You need to network out to make yourselves attractive as employers and as an industry. Emphasising STEM and who you are is good. Graduate schemes and apprenticeships can be a good way of getting people early.” **Local authority**



Appendix 1

Participants

A total of 17 stakeholders attended the workshop, representing 15 organisations. The organisations represented on the day are shown below:

Birmingham Airport Limited
Brush Power Distribution
Camlin
Ceredigion County Council
Devon County Council
JRC
Landmark Associates Ltd.
Mendip District Council
Mr Electric
North Devon Council
The Schumacher Institute
Shropshire Council
SMS plc
Teignbridge District Council
WPD's Customer Engagement Group

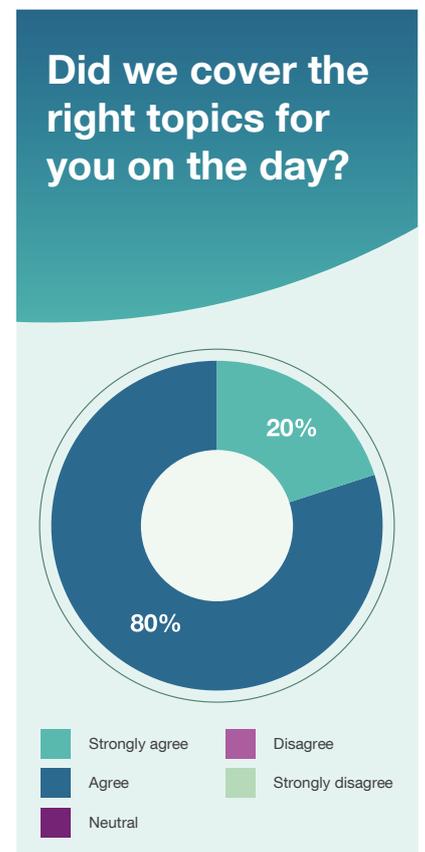
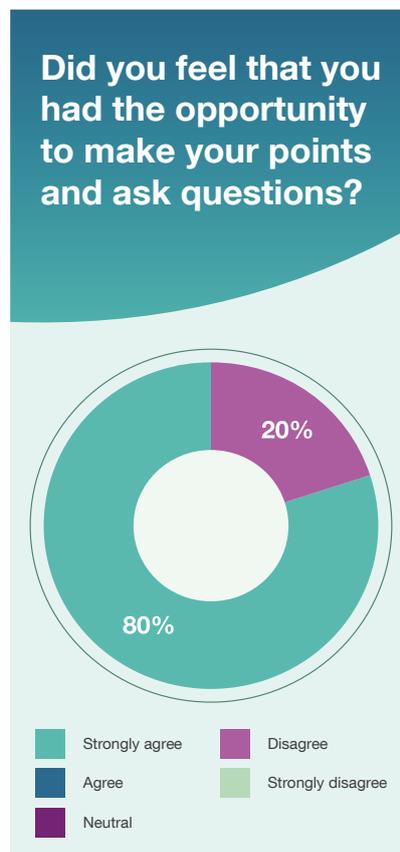
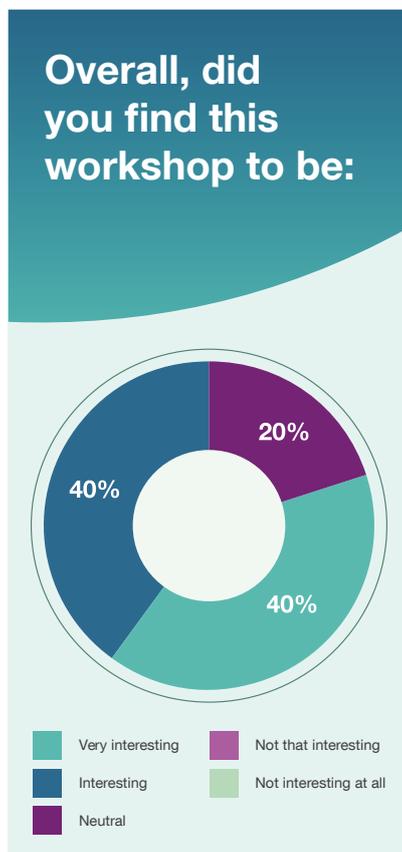


Appendix 2 Workshop feedback

After the workshop, stakeholders were asked to complete a short feedback form. The feedback was as follows:

Overall, how satisfied were you with today's workshop?

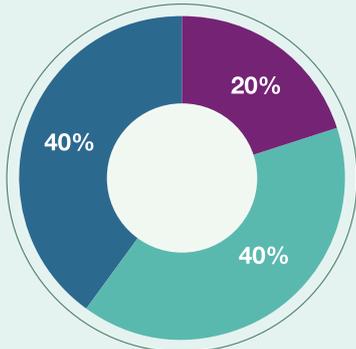
On average, stakeholders rated their satisfaction 8.4 out of 10.



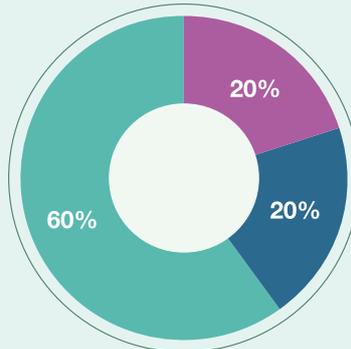
“Easy to do so – somewhat worried that might be overpowering others – but hopefully they felt they had the opportunity to speak as well.”



What did you think of the way the workshop was chaired by your facilitator?



How well do you think the online format worked?



Any other comments?

- “Thank you for inviting me and good luck with the delivery of your plan.”
- “Appreciate the opportunity to be part of these sessions, they have been extremely informative. There has certainly been a marked increase in communications between WPD and other/outside organisations in recent years and I certainly hope it continues. Thank you.”
- “Thanks for the invite but look forward to face-to-face meeting on a formatted programme!”



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

www.westernpower.co.uk

