

# **Business Plan Webinar Q&A**

**December 2021**

# RIO-ED2 Business Plan webinar Q&A session

We recently held a webinar with stakeholders to present our RIO-ED2 Final Business Plan.

The webinar consisted of a 20 minute presentation which can be viewed [here](#) and a 25 minute Q&A which is detailed below.

## 1. With Ofgem's determination regarding CLASS as a balancing service still to be decided for RIO-ED2, have you included a mechanism for this should it be deployed within RIO-ED2?

Under CLASS, we recognise the potential benefits for all customers through whole system cost reduction, but also understand the potential for impacts across other markets. Within our DSO Strategy, we confirm we are not seeking additional allowances for CLASS rollout within RIO-ED2. Should DNOs be mandated to provide CLASS services by the regulator to accelerate net zero, we would expect this to be included under the net zero reopener. Should DNOs be allowed to operate CLASS services commercially, then this will be funded under existing allowances and the commercial benefit leveraged to improve efficiency.

## 2. How are you working with Gas distribution providers at wide area and local level?

We have a good relationship with Cadent and Wales and West Utilities (WWU) and we are working in close collaboration with partner organisations like West Midlands Combined Authority to see how we can improve the whole systems approach going forward. As part of our whole systems strategy, we set out that we will be working with National Grid gas, National Grid transmission, and Gas Distribution Network (GDN) operators to make sure we can deliver the best solution for our customers. An example of possible collaboration: If the gas operator needs to replace iron mains - probably at significant cost - we could work with GDN and potentially there may be an electricity solution that is cheaper for the customer. That will be something that will evolve as we get closer to RIO-ED2.

We are also working closely in Wales with WWU, associated with the net zero plan for Wales. All this will culminate in a whole system solution to make sure the energy solution is the most effective one for that area.

## 3. Do you see the benefits of CLASS functionality and is it included within your business plan already perhaps much like ENW, NPG, and NIE have similar projects ongoing?

Under CLASS, we recognise the potential benefits for all customers through whole system cost reduction, but also understand the potential for impacts across other markets. Within our DSO Strategy, we confirm we are not seeking additional allowances for CLASS rollout within RIO-ED2. Should DNOs be mandated to provide CLASS services by the regulator to accelerate net zero, we would expect this to be included under the net zero reopener. Should DNOs be allowed to operate CLASS services commercially, then this will be funded under existing allowances and the commercial benefit leveraged to improve efficiency.

## 4. How will you support the community energy projects you mention and will you support Local Authorities to connect with their local community energy companies to deliver zero emission renewable energy production and storage?

We are going to engage with 130 local authorities to help them to produce Local Authority Energy Plans which will involve community energy groups. This is a great opportunity to be a conduit between community energy groups and local authorities to ensure there is joined up thinking. It will ensure our forecasting is as granular and robust as possible, including helping to enable the most ambitious plans possible within local areas. We're going to employ four local energy engineers who will work closely with our additional four community energy engineers. We are the conduit and, if we know which community energy schemes are going to be in a particular area, we can communicate it to the local authority for a coordinated approach to a decarbonised network in that area.

- 5. You plan to support 30 community Energy schemes per year in the region -from 2023? Please can you elaborate and specify what scale you believe will be acceptable to your grid system? And, will any parts of the region be prioritised? I am leading a RCEF Community Energy scheme in Matlock Derbyshire involving a large local School and an established Steel Fabrication business. Both will demand substantial capacity to meet their needs. Will such a scheme meet your criteria and capacity in this area?**

Community energy is key to the low carbon energy transition and the achievement of net zero, from our perspective. On the one hand, some community energy groups are very new to energy and connecting to the network - they know that they want to do something innovative on the network but are unsure how and require guidance and advice. On the other hand, other schemes are well established and clear in their requirements but we therefore need to make investments or changes to provide the required capacity. We have an ambitious, well-established community energy strategy and have put in significant extra resources to support local community energy schemes with surgeries, workshops, and guides over recent years. We have one community energy engineer at present but we are going to increase this to four community energy engineers in RIIO-ED2, one per licence area, to work with community energy groups to make sure we can support them, whether they are a start-up or established group. We will deliver tailored support and advice to help to identify the most efficient and effective way possible for them to connect to our network. As part of this, we will provide them with support to understand the potential to benefit from net zero and/or to reduce their bills, which is critical to local communities from an affordability perspective, as well as protecting vulnerable customers. 43% of the UK's total community energy schemes are located in our region; that's 100 schemes and 100 megawatts connected to our grid. We expect an extra 30 a year - that's 150 over five years – which gives an idea of the scale if things continue as they are. We are seeing a big uplift from what we have already connected.

- 6. Will you support local authorities scope out feasibility for renewable energy generation installations in partnership with the local community energy companies in their communities?**

We will engage with local authorities and community groups to promote renewable generation and low carbon energy use. A lot of the engagement will be to signpost work done by other organisations but we will also offer network capacity information. Our Community Energy Strategy and web page includes information to guide stakeholders through the process. Within our RIIO-ED2 final submission Business Plan, we have also submitted a Customer Value Proposition to directly address this area of focus. If approved it will fund the development of solar generation on school buildings.

- 7. £500,000 funding (for the solar PV on schools project) will not go very far !!**

This proposal goes beyond simply providing financial support, by proactively targeting communities in high deprivation areas, who may be less likely to access more sustainable energy options, to encourage and enable them to engage directly in the net zero transition. It will be a whole package of support in local communities, effectively creating small community energy schemes centred around the school, allowing them to put energy back into the grid, lower their own carbon impact and lower their own bills. We will be unlocking wider benefits by actively promoting the education of local students in environment, sustainability STEM topics through learning activities with a practical focus. £500,000 funding is per year, and will see around 45 schools supported. A support package of over £2.7 million, benefitting 225 schools is not insignificant and will have a major positive impact within those deprived communities.

**8. It was mentioned that there is a £540,000 fund for support to install PV on schools/deprived areas. How is this funding accessed? Is it Capex or revenue for support services, what does this support look like?**

This will be funded by shareholders, totalling £2.7 million over five years.

We will install solar PV on about 45 schools a year, using our social indicator mapping data to identify areas of high economic deprivation. This is a new commitment. We will get pilot schemes up and running in 2022 so that we are well placed to begin delivering against this commitment from the outset of RIIO-ED2. We will be inviting people to apply and we will also carry out proactive outreach in deprived areas.

A key focus of the initiative is to install solar PV on schools so they can lower their carbon impact and reduce their energy use and bills, therefore redistributing funds into education resources. At the same time it presents a good opportunity to leverage WPD's schools education programme through which we intend to reach 80,000 pupils a year on topics including safety and smart systems and to get more young people interested in STEM.

It will be a whole package of support in local communities, effectively creating small community energy schemes centred around the school, allowing them to put energy back into the grid, lower their own carbon impact and lower their own bills.

**9. What is your current customer satisfaction score %, c.f. 93% target?**

Currently 91%. We want to continue to improve this, focusing on quality information for our customers, preventing power cuts and when they do occur ensuring our contact centre in particular is keeping customers informed and addressing connections and general enquiries in the most effective way possible to make sure our customers receive a fantastic level of service and are always kept fully informed. We will embrace digital solutions wherever possible to make our customer communication more effective and timely and this will also assist to improve on our already impressive satisfaction scores.

**10. Will you support energy efficiency improvements as part of this work towards zero carbon? In order to get to this target we need to improve the energy efficiency of homes and businesses as well as the power delivery to reduce energy demand so it is easier to deliver via renewable energy technologies.**

It's critical that net zero is about ensuring reduced energy usage where we can, as well as ensuring that decarbonisation from electric vehicles and heat pumps is happening at the same time. It's a balancing act. We will be working with more than 600,000 vulnerable customers a year to help them to tap into support from a wide range of outreach organisations to help them improve their energy efficiency. WPD's support schemes in this area offer a wide range of effective customer support interventions, so we can therefore be confident that our package of support is holistic and well-rounded. In RIIO-ED2 we will broaden this range of support even further, and in particular provide advice in relation to developing bespoke, tailored smart energy action plans. When we talk to our customers in relation to vulnerabilities in the traditional DNO sense (e.g. fuel poverty advice, power cuts, affordability advice etc) we also stand ready to give them advice about the smart energy transition and opportunities to participate in flexibility services, access low carbon technologies and loop into community energy schemes and participate directly in these. We will get pilot schemes up and running in 2022 so that we are well placed to begin delivering against this commitment from the outset of RIIO-ED2. There is already lots of activity already under way in this area, which provides an excellent platform to build on.

## 11. Will you include viability of tidal lagoons for generating energy along the Bristol Channel?

WPD does not have responsibility for the generation of electricity. We provide the network infrastructure to be able to transport power from where it is generated to where there is demand. Connection to the existing network is expected to be provided at various locations across our network and will be in response to customer requirements. This would also include providing connections to any developments that take advantage of the tidal flows in the Bristol Channel.

## 12. WPD customer satisfaction is high compared to all Electricity companies. What strategy or steps do you use/take to achieve higher customer satisfaction? Also, you are pushing high in RIIO-ED2. Great to see.

Our main focus will be on connections. We have a huge challenge to complete more connections than ever before: we expect 1,600 enquiries per day going forward as we see a rapid increase in the uptake of Low carbon Technologies, including electric vehicles and heat pumps. We need to make sure the customer experience is really good and customers can connect quickly and easily.

Our focus will be on digitalisation solutions to make sure customers can apply easily online – they may not even need to speak to us - and do an assessment for a heat pump or EV charger, for example, and give the green light to their installer. That is will be real time customer service and will have a major impact in increasing customer satisfaction higher from the already excellent levels seen today.

We have to make sure we carry on doing the right thing and that our staff are all engaged consistently with this and treat customers as they want to be treated at all times. We believe in getting things right 'First time, every time'. When things do go wrong and we get a customer complaint, we seek to resolve it to the customer's full satisfaction as quickly as possible and then to learn from what went wrong to avoid it happening again - sharing the feedback throughout the business.

To achieve this ambition will also require significant leadership focus. The chief executive and our leadership are 100% behind this.

## 13. To enable rural areas to deliver enhancements in renewable energy provision, where there are already grid constraints, would you look at supporting community energy generators to create microgrids as a solution to this problem?

Our approach centres upon providing appropriate signals and developing markets for distributed energy resources to work to support the existing network, allowing the network to accommodate more demand, generation and storage and deferring the need for reinforcement. Community energy generators will have access to these markets which will allow their production to serve benefits to a much wider area than a microgrid. Our community energy engineers will support communities in creating the best business case for their connection, and where this includes establishing a microgrid, we will enable it.

## 14. Regarding connecting additional generation to the network, what support will WPD provide for constrained areas? Will you consider a profiled connection? What advice would you give to Community Energy Schemes who will encounter these constraints?

Our RIIO-ED2 plans include £1bn of load related expenditure to improve capacity on the network - we have proposed this ambitious improvement on our RIIO-ED1 performance in response to feedback from our stakeholders. We're always going to be looking at innovative ways on how we can make the connection as efficiently and effectively as possible, including whether there a flexible alternative option or whether we can seek complementary flexibility from another party.

Our advice is always to come and 'talk to us'. We have community energy engineers and network planning staff – we are more than happy to have that discussion with any of our stakeholders.

Advice to customers is always going to be very specific to what they want to connect, when they want to connect it and the specific point of connection to our network. We will be able to give you options about what you can do with the existing capacity and what we can do to free up capacity at a later stage.

**15. Do you have a biodiversity policy to ensure biodiversity is enhanced and not destroyed by WPD activities?**

We have an ambitious and wide ranging environment strategy and accompanying environmental action plan. For major projects, from a biodiversity point of view, we are making a commitment that when we go in to a site, we will actually improve the biodiversity so that overall there is a net gain of 10%. We are also looking to see how we can use our existing land to see how we can make our substations and key assets more biodiverse.

We're continually focussed on ensuring we are a responsible business at all times. We're looking to reduce our leakage of SF6 by 20% over the period and reduce our oil leaks by 50%. We've gone a long way to do that during RIIO-ED1 and we now propose to go even further. We're investing significantly in removing fluid filled cables from our network. If there is a leak, we react really quickly. Overall, we are therefore taking our responsibility to be environmentally aware very seriously.

**16. How do you plan your use of gas powered electricity generation, currently used to support peak load/deficit in renewable electricity, to change during the RIIO-ED2 period?**

Our Distribution Future Energy Scenarios show the expected reduction in fossil based generation on our network from our current position, through to 2050. Whilst we do not control the output of the generators connected to our network, we are able to model where we expect new low carbon generation to be established and do take into account the likely coincidence of generation output to ensure we are developing sufficient capacity.

**17. Annexes are good but some seem to be summary lists of e.g. CBA / Eng. Value analysis.. Are these accessible anywhere? (The detail showing basis of these analysis).**

Our 193 Engineering Justifications Papers and associated Cost Benefit Analyses have been sent to Ofgem, however due to the commercial sensitivity of the information these have not been published on our website.

**18. How confident are you in acceptance of your proposal by OFGEM without any cut in Capex or Opex?**

We can't comment or speculate on how Ofgem will view our Business Plan. We know that our Business Plan is really strong. It is built on feedback from 25,000 stakeholders. We have very strong and broad support for the plan and it is highly ambitious in all areas. It includes measures to protect our customers and remove their exposure to any risk over or under charging if life pans out differently to our current predictions. We have protected the customers with uncertainty mechanisms to make sure we are not investing where we don't need to invest. And a key focus throughout our Business Planning process and co-creation with stakeholders has been to further improve standards and increase investment but to keep the average customer bill broadly flat.

Having submitted our Business Plan, our focus will now be to explain to the regulator how we've built this plan, why we believe it is credible and highly ambitious and demonstrate that it is a well justified plan with stakeholder support.

If there are cuts, we will adapt. We've put in a really strong, well justified plan that delivers for our stakeholders and will ensure we achieve net zero at the pace our stakeholders want and therefore significantly sooner than the Government's target of 2050.



### 19. How can you drive forward more onshore wind?

We currently have 1.5GW of wind connected to our networks and further wind sites building out. Our focus is to ensure capacity is developed out in the right locations in time with forecast generation developments and we continue to work with all local authorities and industry to understand their plans and timescales from the bottom up through our Distribution Future Energy Scenarios engagement work.

### 20. With Hinkley point not on line until 2029 and existing Nuclear phasing out by 2026. Will you be importing energy or using inefficient older power stations.

WPD has over 10GW of generation connected on our network and a further 18GW in the process of building out, the majority of the future installed export is low or zero carbon. The remainder of energy is supplied from the transmission network, which has seen a significant reduction in carbon emissions per kWh delivered.

### 21. Which sectors/other factors do you expect to be driving growth of demand?

Our whole system strategy details the major sectors we expect to be engaging with, both now and in the future. Our broad definition of whole systems includes major energy users, hydrogen, heat pumps, batteries, electric vehicles and carbon capture and storage schemes. Our very broad definition includes the built environment, heavy industries, utilities, health, waste, water, construction and telecommunications.

### 22. 1. The International Energy Agency expects that Renewable Generation in the UK will grow by 50% (to 26GW) by 2026. How much connection capacity has been included in your plan to accommodate WPD's share of that growth? 2. How much additional load is expected related to Electric Vehicles as well as Electric HGVs in RIIO-ED2?

Our plans for RIIO-ED2 include accommodating 15.6GW of Distributed Energy Resources on our network, but we also recognise that there could be the need to accommodate more or less, depending on the decarbonisation pathway taken by our customers. We have developed innovative uncertainty mechanisms which would enable more investment to be undertaken on the network if needed or if the planned investment is not required it can be refunded back to customers.

### 23. I've seen one of your commitments is "Create a low carbon technology energy advisory service for customers, providing a support service for people looking to switch to electric vehicles, heat pumps or solar PV." Do you have any more details about this?

We are no longer progressing with this commitment following further consultation with our stakeholders after our first submission Business Plan publication in July 2021. Our stakeholders felt that WPD was not best placed to deliver this service and risked duplicating the efforts of well-established community outreach organisations. Instead we will look to partner with a number of these agencies and integrate their advice within WPD's existing range of support schemes in relation to addressing customer vulnerability and alleviating fuel poverty.

In addition, we have committed to ensure customers are not left behind in the smart energy transition by offering at least 600,000 Priority Services Register customers a bespoke smart energy action plan each year.

**24. How will the upgrades be phased in, how will you deal with the capacity of heat pumps and numbers that are to be fitted in the next couple of years leading up to 2028.**

Our strategy is to look at what potential load is coming on to our network, both in terms of volumes of technologies and customer behaviour impact. We employ a 'flexibility first' approach using flexibility wherever it is available and economic as the primary option to provide more capacity. Maximising the usage of our existing network is always preferred, with reinforcement being only undertaken when the need is certain and energy volumes are large enough for flexibility to be uneconomic.

Where we can't use flexibility and have to use reinforcement, we will follow a 'touch once' principle where we look forward to 2050 to see what is likely to be required on the network - strategic investment could favour putting in slightly different assets or redesigning it to make sure we only touch that network once to give the most cost effective solution going forward.

We have been a first mover in DSO and led the industry in our approach and the volumes of flexibility contracted and dispatched. The flexibility platform we have developed is now used by five of the six DNOs, ensuring that around 75% of customers in Great Britain stand to benefit. We have been the leader in relation to developing and utilising DSO services, which will enable many of the ambitious initiatives we are doing now to ensure we lead the drive to net zero and our customers benefit now and in RIIO-ED2.

**25. How are you planning to have the right skill levels of staff to achieve the uplift in increasing investment and retaining experienced people?**

We recognise the industry is changing and at WPD we have implemented a number of progressive measures to ensure we stay ahead of the changes, these include, assessing work load projected in RIIO-ED2 and developing resourcing models to match these, ensuring our training programmes consider and reflect the dynamic changes that are being made to what were passive networks. Our OFSTED approved training centres develop trainees at craft, technical and graduate level with suitable skills and knowledge to meet these challenges. Staff retention is very high, the majority of trainees complete their programmes and move into permanent roles within the business. There are also opportunities for further development which are undertaken by a number of staff, who then progress to more senior business roles. Separately work is ongoing at a national level to develop appropriate 'accredited' training schemes to meet the future needs of the industry.

**26. You said you want to bring innovation to all areas of your business. How can innovators engage with you to showcase their products & service solutions?**

In terms of formal innovation programme, one aspect of this is funded by external mechanisms such as the Network Innovation Allowance or the Strategic Investment Fund and therefore result in formal innovation projects. In terms of ensuring that innovation runs throughout everything we do at WPD, at our recent leadership conference, we kick-started an approach to ensure that we are more innovative as a business as a whole, where all teams understand that innovation is something to be embraced and we consistently capture ideas for improvements that can be quickly implemented to further enhance our services for customers. We are already an innovative company - the fact that our Business Plan contains £818 million of efficiencies is testament to our proven track record of working smarter and more innovatively in all we do. However, there is always more to do and we will build on that culture throughout RIIO-ED2.

As part of this, it is very important that we engage with third parties and we welcome participation in our schemes and new proposals and ideas, especially for opportunities to collaborate. If any stakeholders want to engage with us we would be delighted to hear from them. They should contact our Innovation Manager in the first instance via [wpdinnovation@westernpower.co.uk](mailto:wpdinnovation@westernpower.co.uk). As well as discussing new project ideas, we can share details of our extensive innovation strategy and how this may influence proposals and areas of focus going forwards. We are always willing to learn - there are lots of people with great ideas who will be able to help us to find the best all-round solution to drive overall improvements and efficiencies in all we do, whether that be staff, customers or external parties.



- 27. Electric Vehicle infrastructure needs to be rolled-out at speed and many projects will require grid work. Aside from the financial considerations, do you believe you will have sufficient flexibility under RIIO-ED2 to deliver quickly, and avoid lengthy regulatory processes that risk slowing-down the roll-out? (James Hutchinson, bp pulse)**

Our RIIO-ED2 plans include £1 billion of load related expenditure to improve capacity on the network - we have proposed this ambitious improvement on our RIIO-ED1 performance in response to our stakeholders. We have also developed uncertainty mechanisms which would enable more investment to be undertaken on the network if needed or if the planned investment is not required it can be refunded back to customers. Our focus is to ensure capacity is developed out in the right locations in time with forecast developments and we continue to work with all local authorities and industry to understand their plans and timescales from the bottom up through our Distribution Future Energy Scenarios engagement work.

- 28. The new business plan starts from 2023. What will happen in the interim to support Community Energy Projects?**

We already have a well-established Community Energy Strategy and a bespoke web page area with extensive information tailored specifically to support and advise community groups. We have a development plan which has already started in readiness for the RIIO-ED2 period in 2023 and we have appointed a pioneer Community Energy Engineer within our System Development team.

- 29. Are there any plans to use the release of the RIIO-ED2 BP as a good opportunity to reach out to all WPD customers as a responsible corporate citizen and attempt to educate consumers on how they can save energy and best make use of LCTs. For instance, installing a HP within a poorly insulated home/ no double glazing etc. is a potentially a waste of money, could increase electricity bills and better spent elsewhere.**

More can certainly be done to best support customers with energy savings advice and low carbon technologies. Our fuel poverty referral partnerships already reach out to a number of our vulnerable customers to offer support in lowering bills, and this service is to extend further from 2023. We will be contacting 600,000 Priority Services Customers per year to assist them to create a smart energy plan and we will support 113,000 fuel poor customers to make savings of £60 million in total over RIIO-ED2. In addition, alongside our Business Plan we were the first distribution network operator to publish a comprehensive Social Contract which outlines the wide range of steps and initiatives we will be taking to ensure we are a good corporate citizen and take our social responsibilities very seriously by actively partnering our local communities to achieve positive outcomes for our customers.

- 30. You say you'll be ready for 1.5 million additional electric vehicles by 2028. How are you ensuring you not only have the capacity, but those charge points and connections are in the right location for customers (especially for those who can't charge at home)? And how are you bringing stakeholders in to make sure you get that right?**

We are looking at all EV charge options. We started with domestic as most early adopters had access to driveways but have now created solutions to provide capacity to car parks, work depots and on-street parking locations. When we developed our car park options we worked with local authorities to ensure we had the right solutions and continue to engage with them as part of our local authority energy plans. We are also supporting capacity at Motorway Service Areas through our 'Take Charge' innovation project. Critical to all of this will be extensive ongoing consultation with our customers and key stakeholders to ensure that charging infrastructure is what our customers need and want. We will do this through a combination of approaches including workshops, surgery sessions at local depots, webinars and bilateral meetings with all stakeholders, but in particular Local Authorities, customer representatives, charities and consumer groups and EV charge point operators.

**31. You talk about halving SF6 and other pollutant leaks. Is this good enough? What is the baseline/why are there any leaks at all?**

From time to time, older oil filled cables leak when equipment is damaged, seals deteriorate or as a result of changing ground conditions. When this happens we take steps to ensure that any damage to the environment is minimised through the removal of contaminated ground and that the leak is fixed as quickly as possible. We're also putting in place measures to help reduce the overall number of leaks that we have across our network.

We have performed well across the RIIO-ED1 period in reducing both FFC and SF6 leaks from a 2012/13 baseline, in RIIO-ED2 we have a clear plan and core commitments in place to reduce leaks even further.

**32. Net zero business by 2028 means WPD will replace all assets with SF6 and office energy consumption before 2028?**

Our Business Plan includes ambitious proposals that will see us achieved a 20% reduction in SF6 losses, such that around only 0.1% leakage occurs. We are clear within our RIIO-ED2 Environment Action Plan that whilst we are committed to reducing our internal scope 1 & 2 carbon emissions at source, for example via the roll-out of an EV vehicle fleet, there may be a need for us to utilise UK based greenhouse gas removal projects in relation to residual emissions most likely to be from SF6 leaks in order to achieve our net zero commitment. Any greenhouse gas removal project which we invest in will be UK based, preferably within the WPD distribution licence areas - more information can be found in the RIIO-ED2 Environmental Action Plan (EAP).

**33. In regards to aging transformer assets on your primary network is your priority for refurbishment or replacement?**

The main approach to dealing with transformers that have deteriorated is to replace them. The specific action taken will depend on what components are affected. For example if there is evidence of deterioration of the main insulation the transformer will be replaced, if there is an issue with the tap-changer (voltage selector) the tap-changer sub-component may be replaced and if there is problem with a circulating pump or cooling fan, only those specific components will be replaced.

**34. When does consultation start for the next plan?**

No date has been decided yet as we continue to focus on RIIO-ED2, the final determination on which will not occur until December 2022. We understand how beneficial long term planning is and we will maintain our commitment to continue to involve the broadest possible range and number of stakeholders in our consultation processes. Stakeholders can rest assured that we will start our preparations for RIIO-ED3 early and let them know when the time comes. In the meantime we would encourage stakeholders to respond to Ofgem's Call for Evidence on the RIIO-ED2 Business Plans which closes on 7th February 2022.

**35. Can you expand on approach to investment in the RIIO-ED2 covering network resilience to ensure that customers are served during storms such as Arwen and Barra this winter?**

The main activities that are carried out to prevent storms damaging the network are tree clearance, installation of flood defences and targeted wooden pole replacements. For tree clearance we carry out routine clearance on a cyclical basis across all voltage levels, with enhanced resilience clearance being carried out on the 33kV and 66kV networks. We have been installing flood defences for a number of years and propose to continue to do this into the next regulatory period at over 100 locations. Our policy on wooden pole replacement is to remove any deteriorated poles from the network within a year of them being identified. This ensures that poor condition poles are removed from the network quickly, limiting the amount of damage that occurs during high winds. There are 1.36 million wooden poles on the WPD network and on average we renew approximately 1.5% of the population each year.

**36. There are plans for test development of floating wind turbines in the Celtic Sea over the next few years which will feed into your network, I assume that this has been included in your plans?**

We continue to work with all local authorities and industry to understand their plans and timescales from the bottom up through our Distribution Future Energy Scenarios engagement work to ensure capacity is developed out in the right locations in time with forecast developments.

**37. As you intend to fund PV's will you also look at the need for storage facilities?**

We have a range of community-based innovation projects underway which are enabling us to build a clearer understanding of how low carbon technologies, including energy storage, can be supported. Our extensive innovation programme will continue to develop new business models and enable us to build a clearer understanding of the best way to manage a decarbonised and decentralised electricity system with local communities at its heart.

**38. With the recent problems that have happened with storm Arwen in the north and the prediction that more of this type of weather will happen in the future, what action will WPD be taking to protect against these events interrupting supply?**

The main activities that are carried out to prevent storms damaging the network are tree clearance, installation of flood defences and targeted wooden pole replacements. For tree clearance we carry out routine clearance on a cyclical basis across all voltage levels, with enhanced resilience clearance being carried out on the 33kV and 66kV networks. We have been installing flood defences for a number of years and propose to continue to do this into the next regulatory period at over 100 locations. Our policy on wooden pole replacement is to remove any deteriorated poles from the network within a year of them being identified. This ensures that poor condition poles are removed from the network quickly, limiting the amount of damage that occurs during high winds. There are 1.36 million wooden poles on the WPD network and on average we renew approximately 1.5% of the population each year.

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