

National Grid Electricity Transmission Stakeholder Submission Part Two 2014/15



National Grid's role is to connect people to the energy they use – whether it's heat and light for their homes, or to keep factories and offices running. This puts us at the heart of one of Britain's biggest challenges; how we continue to have secure and affordable energy while meeting ambitious low carbon energy targets and connecting new sources of energy to the people that use it.

Over the next decade we will be stepping up our work to modernise the country's energy infrastructure. This involves building new assets or refurbishing existing ones, and what we do will affect stakeholders in many ways. We believe the best way forward is to involve as many of the people that might be impacted by these developments as possible in the decision making processes that determine them.

We have made significant progress this year. With the direct involvement of our stakeholders we have changed the way we carry out many of our activities, with evidence of success in a number of areas. To achieve this we have established a robust stakeholder engagement strategy which has been developed with our stakeholders and approved by our Transmission Executive Committee. This strategy is reviewed annually with our stakeholders through the newly formed Independent Transmission Stakeholder Advisory Panel.

Examples of some of the successful outcomes that we have achieved for our Electricity Transmission stakeholders in 2013/14 as a result of their feedback include:

- Creating a transparent and consistent Network Development Policy to help stakeholders manage uncertainty around future generation connections
- Changing our proposals for the Hinkley Point and Mid-Wales connection projects to better reflect what our stakeholders want
- Creating a more transparent and consultative process for changes to our commercial frameworks
- Supporting local industry in Teesside by adapting our infrastructure and changing our programme to allow ships to navigate the Tees and berth on schedule
- Helping protect 116,000 people from flooding by deploying our flood barrier at a stakeholder's site

These successes have been reflected in our stakeholder and customer satisfaction survey results, where all stakeholders are invited to score their overall satisfaction with the way we engage with them. Stakeholder views, complaints, and the results of our annual surveys are discussed regularly at the Transmission Executive Committee and its associated performance committees. More importantly, we are introducing a new way of working into our business which puts stakeholders' requirements at the heart of what we do, even for those employees who don't deal with them directly. These requirements form part of individual team performance discussions held on a daily or weekly basis and provide a focus on the areas in which they can improve.

Getting better at stakeholder engagement will help us make more informed decisions and become more consistent in the way we make them. We all benefit if we work with our stakeholders to find the best solution for everyone.

Nick Winser
Executive Director, UK






nationalgrid

In 2013/14 we have made stakeholder engagement a fundamental priority for our business. We have:

- **Consulted and delivered on the 24 commitments** that we made to our stakeholders for 2013/14
- **Achieved a customer satisfaction score of 7.4 and a stakeholder satisfaction score of 7.5**
- Included a commitment to improve stakeholder engagement in our **company vision and strategic objectives**
- Made good stakeholder engagement an objective for **every member of the senior leadership team**
- **Updated our stakeholder engagement strategy** in consultation with our stakeholders
- Established our **Independent Transmission Stakeholder Advisory Panel**
- **Trained 134 employees across Transmission in the stakeholder engagement curriculum** of the National Grid Academy
- Launched new **digital and social media platforms**
- **Restructured our business** to improve engagement with our stakeholder groups and introduced specific stakeholder facing roles
- **Developed Our Approach for building new infrastructure** to provide a consistent, structured framework for engaging with impacted stakeholders, and implemented it across all of our projects
- Established a new **Stakeholder and Customer Strategy Team** to further integrate stakeholder views in decision making
- Maintained the Government standard **CSE accreditation** for our Electricity Customer Service team.

Assessment criteria

Throughout this document we have used the icons below to signpost examples of how tailored, targeted and best practice stakeholder engagement has delivered benefits to our stakeholders, reflecting the criteria identified by Ofgem:

-  **Best serving the specific interests of stakeholder groups**
-  **Reflecting innovative thinking**
-  **Part of a holistic embedded approach**
-  **Smart practice, could be replicated across the industry**
-  **Supported by robust project management processes**

Our Stakeholder and Customer Engagement Strategy

Vision: Connecting you to your energy today, trusted to help you meet your energy needs tomorrow.

Strategy: To be a recognised leader in the development and operation of safe, reliable and sustainable energy infrastructure to meet the needs of our customers and communities and to generate value for our investors.

2014/15 UK & EU Annual Priority: Improve the customer experience and stakeholder engagement

Our Stakeholder and Customer Engagement Strategy is aligned to the vision, strategy and priorities of our business through the Line of Sight, which connects the objectives of every employee to that of the business. Improving the customer experience and stakeholder engagement is one of the 2014/15 UK and EU Annual Priorities for the business, and our Stakeholder and Customer Engagement Strategy has been designed to help us achieve this.

The strategy is followed throughout the business. It has been developed in consultation with and approved by our stakeholders who are represented on our independent Transmission Stakeholder Advisory Panel. It is reviewed annually by the Transmission Executive Committee (TEC), which is the governing and approval body. TEC is attended by a representative from each directorate within National Grid Electricity Transmission and is chaired by our Chief Operating Officer and Executive Director. It follows a simple cycle of engagement underpinned by the principles: **Listen; Discuss; Act.**

OurAcademy

To ensure we have the right business, technical and behavioural skills to improve the way we engage with customers and stakeholders, a new customer focus and stakeholder engagement module was added to our Academy curriculum in 2013.

This dedicated module provides learning across four skill levels – from Foundation through to Expert. It adopts techniques suited to adult learning – bringing people together to build their skills, share experiences and knowledge through a range of different learning experiences tailored to individuals' needs. These include role play exercises and insights from other organisations that are considered leaders in this field.

- Stakeholder identification and mapping
- Understand stakeholder perspectives
- Developing customer insights
- Customer Journey Mapping
- Improving communication and learning to use appropriate channels
- Building and maintaining strong customer and stakeholder relationships

The Academy's innovative, interactive and energetic approach to learning has benefitted 134 people in 2013/14, with a further 109 people already scheduled to attend the next course in June 2014, and more courses planned for later this year.



An excellent course which sets the tone for the type of organisation National Grid aspires to be with its customers."

National Grid employee

Stakeholder and Customer Engagement Strategy

Inform them of what we have done

We use a number of mechanisms to keep our stakeholders informed of our work and to show them how their views have been incorporated, such as the annual Electricity Ten Year Statement, our monthly Gridline newsletter to landowners, our annual Commitments and our new Connecting website.

Act on what they are telling us

This year we have made major changes to the way we work and decisions we have made in response to stakeholder feedback.

Identify stakeholders

We have segmented our stakeholders into 10 groups. Our business has been restructured to improve engagement with these groups and role outlines explicitly set out the stakeholder relationships individuals are responsible for managing and maintaining.



Understand their needs

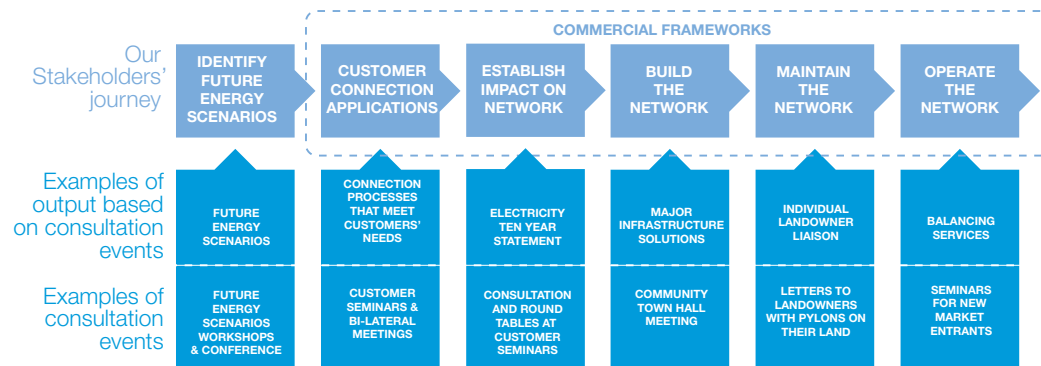
We consult our stakeholders annually to understand what is important to them.

Tailor engagement accordingly

We do this according to our stakeholders' specific needs and in response to the way they have told us they want to engage with us to ensure our contact is efficient and effective, yielding the best results for all concerned.

Involving stakeholders in our decision making

The Electricity Transmission business covers a broad range of activities. As a result, we interact with a diverse group of stakeholders with a wide set of interests. Stakeholders are impacted by our business and influence our decisions at every stage of our operation, from identifying the energy mix of the future, through to building new overhead lines and cables and operating this new infrastructure. We will use this business process diagram throughout the submission to signpost the areas of stakeholder involvement.



- **Identify future energy scenarios** – providing a forum for the exchange of ideas and data that informs our view of how the energy landscape will look in the future
- **Customer connection applications** – identify customer specific needs based on direct electricity connection applications
- **Establish the impact on the network** – explaining how we plan our network development in response to future scenarios and customer requirements
- **Build new infrastructure** – consulting with communities, landowners, politicians and experts on how to connect new customers to the grid and find long-term solutions that work for everyone
- **Maintain existing infrastructure** – regular communication with landowners and communities
- **Operate the network** – working closely with industry and government to balance the grid
- **Commercial frameworks** – working with stakeholders to develop the commercial frameworks that govern the energy industry.

Independent Transmission Stakeholder Advisory Panel

In 2013 we established an Independent Transmission Stakeholder Advisory Panel to ensure our business and practices properly take into account the interests, priorities and concerns of our stakeholders. The panel, which meets four times a year, comprises 11 members each representing one of our stakeholder groups. Its role is to promote better understanding of these groups, advise on our engagement strategy, set objectives for the year and monitor our progress against them, reporting annually to the Transmission Executive Committee. This year we worked closely with the panel to develop a robust Stakeholder and Customer Engagement Strategy that reflects the priorities of our stakeholders and adopts industry best practice. We will continue to work with the panel to

update the strategy annually to ensure it continues to be an example of best practice. In March 2014 the Transmission Stakeholder Advisory Panel published its first annual report, which commended us on our commitment to improving stakeholder engagement:

National Grid has recognised the importance of engaging with all stakeholders in a consistent and inclusive manner, providing clarity and transparency in their decision making. The business understands the need to listen to what their stakeholders are telling them, engage with them on the issues that matter and discuss their concerns and ideas and then act on the feedback they are given.



Our Transmission Stakeholder and Customer Commitments Cycle

Every year we publish a set of commitments to our stakeholders and customers, based on what they have told us is important to them. Our annual cycle of engagement is robust, inclusive and puts stakeholders front and centre of our business plan.

Consult: We combine feedback from our annual consultation with stakeholder input from our continued engagement, results of the annual customer and stakeholder surveys, specific consultations and customer seminars.

Publish: In response to this feedback we publish our annual stakeholder commitments for the year ahead. Last year we made 24 commitments to our Electricity Transmission stakeholders for 2013/14.

Update: Through customer seminars and engagement activities we keep our stakeholders up to date with our progress against the commitments.

Report: At the end of the year we report on our overall performance against the year's commitments. At the same time as consulting on our commitments for the following year, we also invite stakeholders to rate us on how we performed the previous year. This year we achieved a stakeholder satisfaction score of 7.5 out of 10 and a customer satisfaction score of 7.4. The results of these surveys have been introduced as Board level key performance indicators to drive and improve stakeholder engagement throughout our business.



Summary of key outcomes of our stakeholder engagement

Ofgem's criteria



Best serving the specific interests of stakeholder groups



Reflecting innovative thinking



Smart practice, could be replicated across the industry



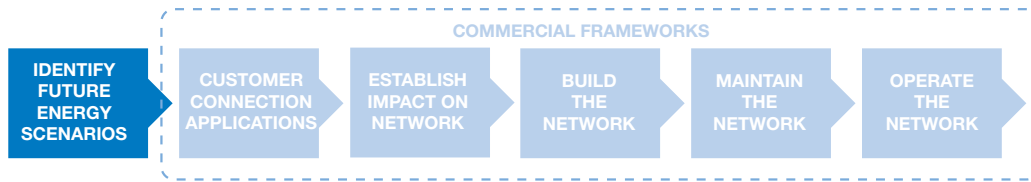
Part of a holistic embedded approach



Supported by robust project management processes

Our commitments to our stakeholders	What we have delivered in 2013/14	Stage of our process	Criteria demonstrated
Engage with stakeholders on our Network Development Policy and Electricity Ten Year Statement (E-TYS).	We introduced a new cycle of engagement to consult on the E-TYS	Establish impact	
	We introduced new content on challenges and opportunities for customers and are working on a new System Operability Framework	Establish impact	
	We developed a Network Development Policy to bring transparency and clarity to the network development process for customers	Establish impact	
Consult annually on development of our Energy Scenarios as part of our Future Energy Scenarios process	We introduced video content and updated our annual consultation process	Future energy scenarios	
	We doubled the number of future energy scenarios for the 2014 report	Future energy scenarios	
Publish indicative costs associated with our power generation scenarios	We published our indicative costs for the first time in the 2013 Future Energy Scenarios	Future energy scenarios	
Consult with stakeholders on the allocation of funds available to mitigate the visual impact of existing lines in National Parks and Areas of Outstanding Natural Beauty	We consulted on our draft visual impact provision policy between July and September 2013, and incorporated comments into the final document that was submitted to Ofgem in December. We have established a dedicated advisory panel to monitor and oversee this process	Maintain	
Continue to engage with communities to assess the visual amenity impact of new connection options as part of our engagement on new potential routes	We extended our consultation at Hinkley Point following proposals for a new route and have introduced the T-pylon into the proposals	Build	
	We have published a robust project management approach to new transmission lines	Build	
	We have proposed that a quarter of the Mid Wales line is built underground	Build	
	We developed a strategy to engage with hard to reach stakeholders	Build	
	We reached 1,100 stakeholders through our Powering Britain's Future campaign	Build	
	We won a gold award for our community relations in Eakring regarding testing of the T-Pylon	Build	
	We have used innovative methods to reach local communities	Build	
	We have developed an engagement strategy above and beyond the requirements of the Planning Act	Build	
Continue to engage on the initiatives that were identified at our Sustainability Summit	We are the only utility to obtain an organisational licence for the management of birds from Natural England	Maintain	
Ensure our people are accessible and respond to queries in a timely manner	We have restructured our business to improve engagement with stakeholder groups and introduced specific stakeholder facing roles	All	
Simplify the tariff information we publish and work with stakeholders to improve the quality of this information	We published Plain English versions of charging information and are conducting a review of key documents across the transmission business	Commercial and Customer	
Refresh and upgrade our website by October 2013	We delivered changes to our website and introduced the new Connecting blog in October 2013	All	
Improve our outage booking process through providing better and clearer information	Following feedback we have made changes to improve our process and issued a new work instruction	Operate	
Improve our engagement with industry participants on complex balancing services	Balancing services and quick guides were created and published on the Website in May 2013	Operate	
	Developing balancing services outside our traditional role	Operate	
Keep stakeholders informed through industry forums about the development of EU network codes and other European developments	Developed a new forum for code modification using a social network	Commercial and Customer	
	We established the new European Code Co-ordination Application Forum	Commercial and Customer	
Continue to work with all of our customers and stakeholders to improve the process of connection	We introduced a new programme management process with stakeholder engagement embedded into each stage	Commercial and Customer	
	Helping new market entrants understand the Grid Code	Commercial and Customer	
	Connecting renewables in Orkney	Commercial and Customer	
	Engaging to support local industry on Teesside	Maintain	
	Extended engagement in an emergency situation in North Wales	Maintain	
Continue to work with our stakeholders to improve engagement throughout the lifetime of their project	We developed our process to ensure that stakeholders are updated throughout the life of the scheme and committed to reconciling charges within the 12 month CUSC guideline	Commercial and Customer	
	London Power Tunnels-going beyond the levels of engagement required	Recognising stakeholder needs	
	Using our stakeholder networks to protect water supplies in London	Recognising stakeholder needs	
Engage with young people to encourage the study of STEM and engineering subjects	We have worked with over 7,000 young people to promote STEM careers in the energy sector	All	

Identifying Future Energy Scenarios



Our Future Energy Scenarios (FES) set out how the future energy landscape could look. They enable us to identify how the Electricity Transmission network will need to evolve to meet our customers' future needs. These scenarios are greatly improved by the expertise, insights and advice of the energy industry, professional interest groups, politicians, consumer and environmental groups. Over the last few years we have therefore significantly increased the involvement of stakeholders in the development of these scenarios. We have been working hard this year to increase that contribution further.



This year 187 organisations contributed to the FES report including British Gas, Loughborough University, Shell, Goldman Sachs, Consumer Futures, Renewable UK and WWF, via bilateral meetings, video content, questionnaires, feedback forms, our Connecting website and Twitter.

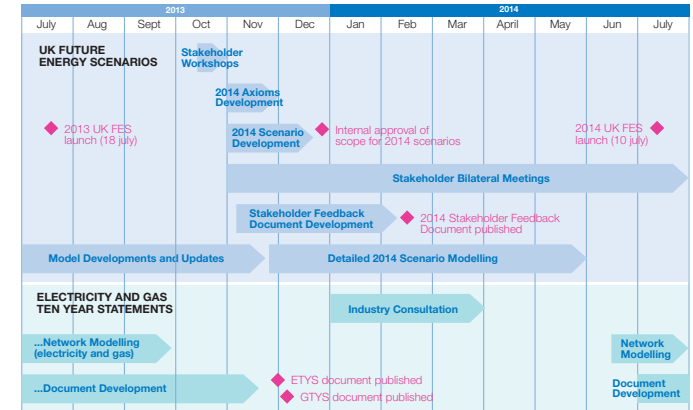
Recognising not all stakeholders could attend our conference we published a series of short videos on our website for the first time, enabling them access to the content at a time that was convenient to them.

Using FES as the platform for engagement, in 2013 we heard from our stakeholders that their estimate of the amount of new generation that was likely to connect to our network over the next 10 years was reduced. As a result of this feedback and our customers' changing requirements, we have significantly **changed our future business plans** in terms of planned capital investment, including **reducing the number of Construction Delivery Vehicles** (framework agreements with our supply chain to deliver overhead line and substation work) from eight to five.



The process used by National Grid in constructing the scenarios is impressive and involves wide scale consultation and engagement via a number of workshops held across the country. I think most would agree that National Grid has gone out of its way to be inclusive in the development of its scenarios." Robert Sansom, Imperial College, Academic

Consultation process



Outcomes and outputs

Our stakeholders wanted to know the overall costs associated with each scenario. **In response we have worked** with suppliers, developers and government to derive a breakdown of the estimated capital cost of new generation for each scenario between now and 2020. This represents a step change in the level of analysis that has previously been provided.

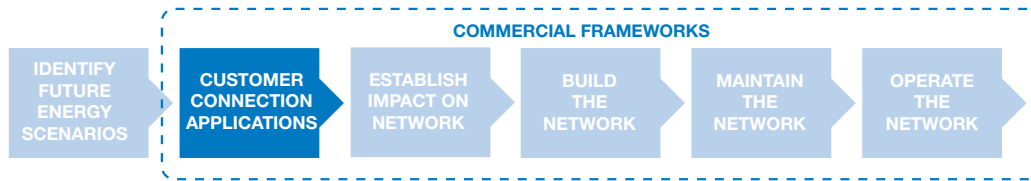
A number of stakeholders believed that our 2013 scenarios did not provide a sufficiently broad range of outcomes to capture and reflect the uncertainty in the energy market. They also expressed a desire for a clearer narrative to support the quantitative data we provide and suggested the scenarios should reflect the so called energy 'trilemma' of sustainability, affordability and security of supply. **We have listened to their views and subsequently doubled the number of scenarios.** We are now developing four new scenarios for 2014, with varying emphasis on sustainability and affordability. These scenarios will provide a broader envelope of potential energy futures. We will enhance the narrative surrounding the scenarios, in order to be as inclusive, transparent and accessible as possible for our broad range of stakeholders.



Connecting

Last year we committed to refresh and upgrade our website in response to feedback that users found it difficult to find information. In October 2013 we completely refreshed our website and launched 'Connecting', a new interactive site, as part of our stakeholder engagement toolkit linked to our Twitter feed. Connecting focuses on topics relevant to our stakeholders' local interests and features a mix of in-depth articles on national and specific interest stories, case-studies and talking points, providing readers with the opportunity to join a conversation on issues right at the heart of the energy debate. Over the last few months Connecting has been used to inform and facilitate debate on our Winter Outlook Report, the T-Pylon, Future Energy Scenarios, European investment and delivering a low carbon future. It has also been used to replace our staff newsletter with an online version that is now available to all stakeholders.





Helping new market entrants understand the Grid Code

The Grid Code sets out detailed technical requirements for connection to, and planning and operation of, the transmission system which must be adhered to by code signatories.

Stakeholders have fed back that, while our liaison with them is extensive through the connection process, much less information and support is available when it comes to ongoing operations. Two key groups of stakeholders – new entrants and smaller participants – told us that they would like more engagement around ongoing operational issues.

We asked stakeholders which issues they wanted more information and discussion on and designed a seminar specifically to meet those needs.

The outcome was that this created a new opportunity for all customers, but particularly those less familiar with the industry, to engage on ongoing operational issues and better understand the context behind system operation. The seminar was very well received, and we are now incorporating this into our ongoing stakeholder engagement activities.



Connecting renewables in Orkney

Customers on Orkney told us that they did not believe connecting their renewable projects to the main transmission network would be a viable option, leaving them with no access to market. Taking a lead role, we **identified the key stakeholders** needed to develop a workable solution and organised a joint forum on Orkney to discuss options. **By working with the Scottish transmission owner and local distribution network operator (DNO)** to understand the commercial options to provide these connections we identified a viable solution and set up a further workshop with the stakeholders to discuss our approach, seek feedback and make improvements. **The outcome was that** the commercial solution enabled the projects to take forward a request for connection contracts with the DNO which would ultimately provide them with capacity on the transmission network. This removed a major barrier to stakeholders in a geographically isolated part of the country.



Improving code development through social networks

Stakeholders told us they were receiving too much information and too many large documents by email as part of the ongoing Code Modification process. **We reviewed** a number of alternative options to sharing this information, recognising that security would be a major challenge. We identified the Yammer social network as the most appropriate method of sharing this information online, allowing all stakeholders to view information and changes in one central point with no impact on their own systems and memory storage. It also facilitates a more **co-ordinated** and **transparent** change process as everyone can make amendments that everyone can view and comment on as a group.

The feedback from those involved has been hugely positive and many felt that this was a significant improvement to the way we have traditionally shared information. We are now actively seeking opportunities where we can adopt this approach for other code changes.



Proactive Commercial regime change

The CUSC modification is a formal process that allows parties to raise proposed changes to the Connection and Use of System Code (CUSC). Once the proposal is made there is a formal change process that needs to be followed. This process is designed around a code 'defect', with the solution being developed in the CUSC workgroup.

Through stakeholder surveys and feedback from the CUSC Panel we have been told that our stakeholders would value us engaging on solutions in advance of raising formal modifications.

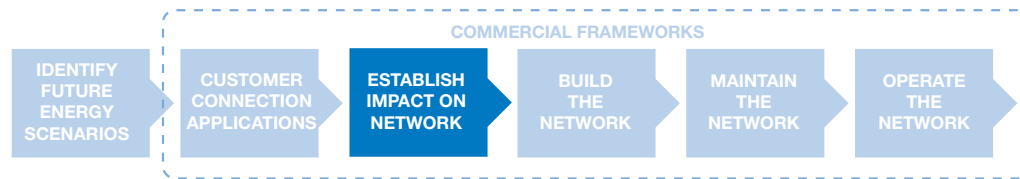
On two major projects, embedded benefits review and integrated offshore, we have engaged with stakeholders more proactively. This has involved initiating additional 'informal' workgroups, proactively engaging trade bodies and industry forums, and reaching out to our customers through bilateral engagement on specific issues.

The outcome is that customers are more engaged in the issues from the outset and we have a broader range of views considered. Once proposals have been developed and proposed they are likely to have better 'buy in' from our stakeholders and therefore a smoother transition through the formal CUSC modification process. The additional transparency in development of proposals allows stakeholders to plan more effectively, not only their commercial strategies, but also their need to actively engage in formal modification processes. The outcome from the embedded benefits review has been broadly welcomed by our stakeholders.



Over the past few years, I feel they [National Grid] have taken a lot of time, effort and care to be more responsible for their customers. They have been working hard in breaking down the old barriers they used to have and they've become more customer-focused which is really nice to see." **Electricity Regulatory Frameworks Customer**

Establishing the impact on the network



Providing the information that our stakeholders want

In 2012, industry stakeholders and customers told us that they found our long term planning documents conflicting and confusing. As a result we worked with them to produce a completely new document – the Electricity Ten Year Statement (E-TYS). This gives our stakeholders greater clarity on future network requirements, how the network is expected to develop and where the opportunities might lie for their projects.

Continuous improvement

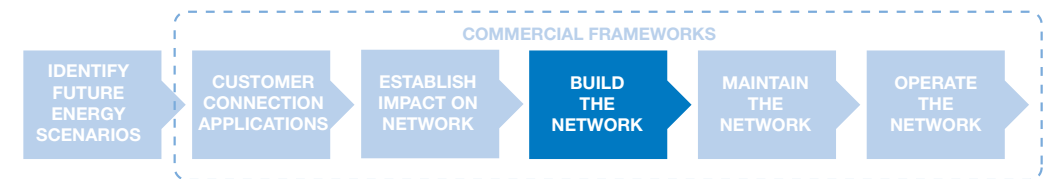
To ensure the E-TYS continues to meet the needs of our stakeholders we have introduced an annual cycle of engagement. In response to requests for more face to face engagement as opposed to written consultation, we introduced round table discussions at our customer seminars, future energy workshops, presentations at the government-chaired Electricity Strategy Steering Group and a new written consultation. This cycle of engagement gives our stakeholders (including power station developers, academics, Scottish Transmission Operators, Ofgem and DECC) the opportunity to tell us what they want from the document and how it could be improved year on year. We recently published our second E-TYS, which incorporated major changes in response to the feedback we received through this process.

Stakeholders told us during this engagement that they wanted more information on system operational issues and to give more focus to connection opportunities. We updated the E-TYS with greater clarity on the opportunities for new technologies, services and locations for connection. We also set out the system operational challenges that we envisage more clearly throughout the document. In doing so the E-TYS more accurately reflects the specific needs of our stakeholders. We are now developing a new System Operability Framework to enhance our engagement about future system operation and what opportunities and challenges this will provide.

Planning the network for an uncertain future to meet customers' needs

Customers told us that with the significant uncertainty surrounding future volumes and timing of future generation connections to the Electricity Transmission network they wanted a transparent and consistent process for how we develop the network. We developed a Network Development Policy (NDP) which seeks to minimise the cost to the end consumer, regardless of which of the scenarios occurs. This new approach has significant impact on our stakeholders, meaning their input and engagement is essential. We therefore identified the key stakeholders and actively sought their involvement in the development of the NDP using existing forums and bilateral discussions. Their views and feedback were fully integrated into our initial proposals and we now ensure there is a continued opportunity to engage with us on this by embedding the NDP into the annual engagement cycle for our E-TYS publication. As a result we have received feedback through this year's E-TYS engagement that the NDP has succeeded in providing greater clarity and transparency to stakeholders on how we develop the network against the significant uncertainty that exists. We have restructured the E-TYS to provide greater clarity on the NDP outputs.

Building the network



Our robust approach to building new infrastructure

We recognise that our infrastructure has an impact on the communities in which it is built. To ensure local communities, developers, local politicians and environmental groups have their say we have asked them what they expected from our approach to building new infrastructure. This has resulted in the development of a six-stage process (Our Approach) that is now applied to all new infrastructure built. It sets out how we will collect data, undertake research and analysis, consult stakeholders and communities and listen to feedback in order to inform our decisions on the most appropriate location and technology for any new Electricity Transmission line in order to best satisfy society's needs.

HS2 and Oil and Gas UK both considered Our Approach to be an example of industry best practice that they sought to learn from and encouraged others to follow.

Our Approach has been implemented across all of our projects, improving engagement with a wide range of stakeholders including local communities, landowners, the Campaign to Protect Rural England, Natural England, No Moor Pylons, RSPB, local politicians and power station developers. However, we recognise that we must be flexible to the needs of individual projects, communities and particular stakeholders and we therefore adapt our approach according to the needs of each project.

Powering Britain's Future

We recognise from our engagement with politicians and consumers that as an industry we've not always been successful at explaining the difficult choices we have to make in society about energy infrastructure. We need to tell a coherent story that makes sense and accounts for people's desire to protect their local environment.

We launched Powering Britain's Future to help expand the debate around the future of energy in the UK, promote understanding and help to find common ground as we work towards solutions for building new infrastructure. We have brought together leaders from across the energy industry with Government, consumers, planning and environmental groups to discuss how we can engage better with local communities, and we will be listening to as many different viewpoints as possible to ensure we strike the right balance. For example, in 2014 we have actively initiated meetings with the regional Campaign to Protect Rural England (CPRE) teams to understand the major issues and concerns and to introduce our local teams and projects for each region. We have learnt a great deal from these meetings and very much hope that they will form the start of a constructive and enduring dialogue in the future.

In 2013/14 we took the campaign on the road to regional centres across the UK, engaging with over 1,100 people, listening to the views of local people and discussing the challenges of meeting future energy needs with them. We collectively identified that building trust with communities is vital and consumers are often swamped with data. As an outcome we have reinforced the need for transparency and plain English in our consumer and community communications in order to have a more effective dialogue with them. As part of this campaign, an interactive consultation website has been developed and we are actively encouraging online conversation on this topic.



Engagement approach ratified by Planning Act approval

By following Our Approach, we have recently received approval from the Secretary of State for our first two projects under the 2008 Planning Act – the Kings Lynn B Connection and the upgrade of one of two existing overhead lines between Waltham Cross and Tottenham substations. The Act significantly raised the bar regarding the engagement we are expected to conduct for 'nationally significant' planning applications, but we went beyond the new requirements and engaged stakeholders at a much earlier



stage of our project development, in order that their views could help shape the projects and provide more successful outcomes for all parties involved.



Innovative methods to reach local communities

Local communities, campaign groups and politicians sometimes, quite understandably, don't fully understand the reasons why we need to build new overhead lines, new substations, or why we can't use underground cables for the full length of our new connection projects. **The sheer scale of our projects** can often be bewildering.

We have recognised that this can often lead them to be misinformed about projects, and that the traditional engagement methods required to meet our consultation obligations are often not enough to provide them with the full picture. We have therefore **embedded an engagement approach** into our business which goes **above and beyond** our basic requirements, so that we can truly listen to what our stakeholders are telling us, have an informed **discussion** with them and then **act** to address their requirements wherever possible.

The outcome of this approach can be seen in some of our recent connection projects, such as Hinkley Point and Mid-Wales. For example, **the Hinkley Point connection is a 40 mile route** from Bridgwater to Avonmouth. To **enhance our consultation** for stakeholders, we turned vacant high street shops into **pop-up information centres**, invited MPs and the public to **quiz us in front of local media**, and created the **largest, most detailed interactive 3D model of its kind** to show people how the project might affect them. **Facebook and Twitter**, along with a video presentation on YouTube, were used to reach the online community, and **campaign groups** were invited to become a central part of the consultation process. A series of **themed, regular meetings** with community, local authority and special interest groups was established. These forums helped to **build long-term relationships** with key community organisations that will be beneficial to all parties in the future. This approach, where appropriate, is being **adapted for use on other National Grid projects** and the outcome was that we have amended the route of our line (in addition to undergrounding key sections as previously announced). For Mid-Wales, we **listened** to stakeholder feedback from our consultation activities and as a result, proposed that a quarter of the new line is buried underground.

Tailoring engagement to individual needs

Our stakeholders often tell us that they have particular requirements regarding the ways in which they prefer to be engaged. One of our current live project consultations involves a proposal for a 20km high voltage electricity connection between Richborough and Canterbury, and we found that certain groups of stakeholders were not responding to our consultations on this project.

We are tailoring our methods of engagement to suit the characteristics of the communities and individuals that could be affected by our activities. For example, a lady with considerable disabilities contacted us following the distribution of a community newsletter. We visited her at home to discuss the project in person and offered a copy of the newsletter in large print as she was visually impaired. We have also developed tailored approaches for other hard to reach stakeholders:

Group	Tailored engagement
Residents of Greenbridge Park Travellers Site	Pre-arranged face-to-face conversations alongside county council representative
English is their second language	Briefed community group leaders on the project and translated information packs into the relevant languages
Elderly and those with a disability	Materials made available in large print, brail, audio etc. on request.
Age 20-29	We are publicising the project in places often frequented by this group including local railway stations, the Canterbury Park and Ride, leisure centres and local supermarkets
Under 20s	Created a Twitter account for the project
Geographically isolated communities or individuals	We are considering using a 'battle bus' so we can take information events to isolated areas

Listening to feedback that different groups like to be engaged in different ways, we are also publishing articles in community and parish newsletters outside the structured periods of engagement in order to keep the project at the forefront of people's minds.

The outcome we aim to achieve is to **improve the breadth, depth and quality** of our engagement, with the ultimate goal of delivering a project which best represents local opinion and delivers **better value for consumers**. We are also **embedding** this approach into our business for future projects.



Gold award for community relations

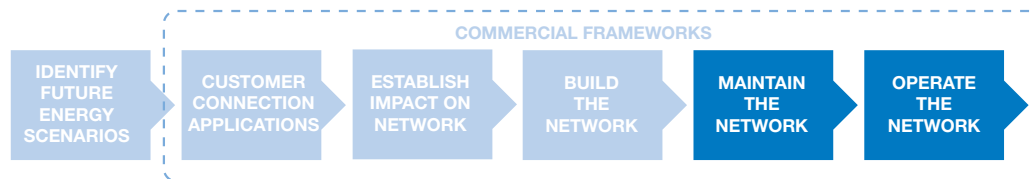
We understand that our existing pylon design has a visual impact on the landscape, so we worked with the Royal Institute of British Architects and DECC to establish an international competition to find an alternative, less conspicuous pylon design that could be used on some of our new and replacement lines. From 250 entries, the winning design was the T-pylon, which is a third shorter than standard high voltage pylons and is more contemporary. We have already included the alternative design in several project consultations, but we also needed to build a test line at our training centre in Eakring.

We know the importance of engaging early with local communities, so developed a community relations programme with local residents, groups and politicians to support our planning application for the test line. This started with an economic impact study to provide quantifiable evidence of the contribution of the training centre to the local area, followed by public exhibitions at Eakring village hall; a local media campaign; a newsletter and project website; easy to understand site plans explaining our proposals; a presentation to the Parish Council; site visits for local people, councillors and rambling groups; and engagement with local stakeholders including the Nottinghamshire Wildlife Trust.

The outcome was that having **built strong relationships and established trust** with the local community, we were delighted with their support and recognition of the national significance of this project, which received planning consent in May 2013. **This campaign was awarded Gold in the Community Relations category of the Chartered Institute of PR Pride Awards and lessons learned from it will inform our future consultation and engagement.**



Maintaining and operating the network



Wide scale engagement in an emergency situation

When one of our 50-metre high pylons in the Dwyryd estuary in the Snowdonia National Park began to tilt in the Autumn of 2013 as a result of movements to the course of the nearby river, we made the area safe and de-powered the line, but then we needed to replace the pylon as quickly as possible as it was required to meet winter peak demands. Due to the location of the pylon – on the edge of the National Park, with National Trust land around it, in an estuary that has a SSSI and SAC designations – we did not have our usual emergency powers, and so we needed to agree our course of action and keep our stakeholders informed throughout the process.

We engaged with the stakeholders directly involved with the project, but we also chose to engage with a **far greater range** of stakeholders than we needed to for this type of project. These stakeholders ranged from members of the public, who we mailed throughout the course of the project, to elected officials and government, both in Wales and Westminster. We engaged with land and environmental stakeholders on a daily basis – organisations such as Natural Resources Wales, the Snowdonia National Park, and the local authority, Gwynedd. We engaged with land owners to allow us access to the site, and again with Gwynedd Council and their contractors, who were working on a rail bridge in the area, and we agreed shared access and a shared construction site with Network Rail.

The **outcome** was that the success of our **extended engagement** activities was a key enabler in us completing the project in less than eight weeks. Our **collaboration** with Network Rail also meant that we were able to **limit our impact** on local people through limited road and rail closures, and on the salt marsh which we had to cross to reach the pylon.

Engaging to support local industry



Two local businesses, MC Construction and PD Ports needed to sail a 90 metre high ship up the river Tees to its berth, which would have involved negotiating our existing 50 metre high overhead line.

Because of the **relationship** we established with them, when they approached us to say that they needed to berth their ship earlier than planned in January 2014, we **listened** to their needs and **understood** the impact on local industry if the ship was unable to dock on the Tees.

The **outcome** was that we were able to **bring forward work** to dismantle the two old pylons on either side of the river to ensure that the vessel would be able to reach its berth and meet their requirements. MC Construction said, "We are so grateful to National Grid for building new pylons in order to raise the overhead lines to allow this vessel, which is crucial to local industry, to pass under them".

Balancing the network

We work closely with stakeholders to balance the grid on a minute by minute basis. This sees an element of role reversal, as effectively we become the customer while a number of our stakeholders provide us with commercial services to help us balance the network.

Developing new Balancing Services outside our traditional role

The electricity market has traditionally ensured there is sufficient power (generation capacity) to meet electricity demand. However, the current energy market is evolving and **we have gone beyond our traditional role**, using our knowledge and expertise to address concerns over narrowing capacity margins in the next few years. **We have worked with industry, government and Ofgem** to develop a solution, and as a direct result, two new Balancing Services have been developed over the last year through an extensive industry consultation process. This process involved consultation documents, publications, workshops, and meetings with a wide range of interested parties (large power stations though to aggregators, suppliers, and large energy users). The two new services are :

- **Demand Side Balancing Reserve**, which is about asking large businesses to reduce or shift their demand at times of high electricity demand in return for a payment
- **Supplemental Balancing Reserve (SBR)**, which is about bringing back power stations that would otherwise have exited the market.

These new services will provide an important consumer safeguard over the next few years, with Ofgem, the Secretary of State, the Energy Minister and the Prime Minister all praising the work we have done to put these arrangements in place.

Caring for the natural environment

The welfare of wildlife and the environment is of great importance to local communities and environmental groups. Working closely with Natural England we are the only utility to have obtained an organisational licence for the management of birds. **Natural England considers this to be a flagship example of co-operative working and consideration is being given to extending this approach to other animals and businesses.**

Worcestershire Wildlife Trust informed us that Feckenham substation sits within their 'Living Landscape' action area. Our landholding comprises seven acres of grassland, hedges, woodland trees and a lake and **we have worked with the Wildlife Trust** to survey the species present on site, and agreed an enhancement strategy to help those species and make a positive contribution to the wider landscape. The site is recognised as a stronghold for a priority species which is in decline across the UK, the rare Brown Hairstreak Butterfly. Working with Butterfly Conservation, we have put a sympathetic hedgerow management regime in place, both to improve the habitat further for the butterflies and establish new wildlife corridors and habitats.

Recognising the broader needs of our stakeholders

Our stakeholder engagement is by no means limited to the stages of our core business activities. A vital part of our strategy is recognition that our stakeholders have wide ranging issues and expectations of us as a business.

Inspiring the next generation of engineers



Over the next decade around 87,000 people are needed annually to meet demand in the UK's engineering sector. Yet only around 51,000 are joining the profession each year. We know from our own experience as an engineering company, from our conversations with Government and the Opposition and our dealings with industry, that business needs to play its part in inspiring the next generation of engineers.



We take this responsibility very seriously. We are running or are involved with a number of initiatives to encourage young people to study science, technology, engineering and maths (STEM) subjects. Over the last year we have worked with over 7,000 young people to promote STEM careers in the energy sector. These initiatives include:

School Power – providing classroom resources, including a dedicated website, to support the teaching of STEM subjects.

Careers Lab – a project to establish a coordinated approach for businesses taking responsibility for the skills agenda. The pilot scheme, which began in January 2014, involves businesses and schools in the Midlands working together to progress careers advice programmes for young people.

VEX Robotics – we gave school children at Rickmansworth School in Hertfordshire the opportunity to operate robots built by VEX Robotics Inc, and to learn about our programme of regeneration in their area.

"I am delighted that National Grid is engaging with local schools and helping to increase interest in science and engineering. Having recently visited the Watford gas holder site I have seen the possible career opportunities and the need for skilled engineers." **Elected mayor, Watford**

We can spend years building new infrastructure in a local area, and then decades maintaining it. This means that building relationships in the communities in which we operate is extremely important. We establish strong relationships with this vital stakeholder group through a diverse range of schemes. We don't only wait for them to ask for our help – an essential part of our engagement strategy is to understand their needs and act proactively to support them.

#LondonPowerTunnels



The London Power Tunnels is a seven-year project to rewire the capital via deep underground tunnels. As part of this unprecedented engineering project we are delivering the highest level of community and stakeholder relations and going beyond the levels of engagement required by our core construction activities. These include:

- Interactive Energy Education Centre visited by 4,000 students over the last two years
- In-school education sessions run by our charity partner, City Year
- Project website with online Q & A
- 24 Hour Freephone line
- Twitter account with almost 800 followers including local journalists and London Assembly Members
- Community update letters reaching in excess of 20,000 local residents

Our stakeholders told us during our consultation around the plans for a substation at Highbury that our design did not work for their community. **We conducted** a wholesale design review, and initiated a research programme to identify a solution. The substation evolved from a standard design into a bespoke proposal, employing the latest technology and engineering to reduce its height and size to suit the community's needs. We intend to use our experience from this project to inform our project engagement on all future projects.

Our activity in North London has also resulted in us forming a partnership with the Tottenham Hotspur Foundation in Haringey to enable locally-based charities and community groups to apply for staffing support supplied by the Foundation. An independent panel approved three new projects to aid physical wellbeing and we supplied £75,000 which benefited the local community. The projects include one which involves a combination of health and wellbeing activities for over 300 local residents, with a focus on enabling, informing and guiding participants on healthy living opportunities, and a project which develops the physical mobility of adults with profound learning and/or physical disability.



Using our stakeholder networks to protect water supplies

Sutton and East Surrey Water were facing the possibility of their Kenley water treatment works flooding during recent bad weather.

We actively engage with stakeholders on a national basis to ensure we are collectively as prepared as possible to cope with the impact of bad weather and other emergencies, and one of the groups we are involved in is the London Resilience Partnership – a group established by the Greater London Authority to prepare the capital's businesses for dealing with emergency events. As a result of being part of this group, we received a request of support and emergency assistance from Sutton and East Surrey Water regarding Kenley. This is a site which supplies water to more than 116,000 people and was at imminent risk of being closed, causing widespread disruption.

The outcome was that, working with Sutton and East Surrey Water, we took the lead during the deployment of the barrier, with our employees and contractors working through the night to build it. Our actions reduced the severity of the flooding and helped to safeguard water services to the local area.

"Without your help and the additional support provided through all the agencies managed by Gold command, the impact of the flooding at our site would have been much worse and the likelihood that the works would have had to be closed would have been much greater." **Sutton and East Surrey Water**