

Together we have the energy to transform our communities

OUR STAKEHOLDER ENGAGEMENT ACTIVITY AND THE OUTCOMES WE'VE DELIVERED

Ofgem Stakeholder Engagement and
Consumer Vulnerability Incentive 2018/19

Part Two



Electricity North West Limited
Registered number 02366949

electricity
north west
Bringing energy to your door




Our stakeholder engagement activity and the outcomes we've delivered

This document is Electricity North West's Part Two submission to Ofgem's Stakeholder Engagement and Consumer Vulnerability (SECV) incentive for the regulatory year 2018/19.

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Key

	New
	Enhanced
	Embedded
	Outcomes
	Outputs
	Innovative
	Industry-leading
	Partnership
	Case study

Section 01

Introduction from Steve Cox

Our company Purpose promises that 'Together we have the energy to transform our communities' and engagement with our stakeholders is vital to our understanding of how we can deliver this Purpose.

This year, we've worked with strategically selected partner KPMG to comprehensively review the nature of the stakeholder engagement activities we undertake so that we're maximising the value of this engagement for our business, our stakeholders and our customers. We chose KPMG because of their established leadership in this sector.

We've collaborated with the other distribution network operators (DNOs) to better understand how customers perceive the social value of the outcomes of our stakeholder engagement and consumer vulnerability activity. We've extended this research to create a richer understanding to ensure we're doing what is right for the Electricity North West region and we've introduced a Benefits Identification and Measurement (BIM) model to ensure that we define and track the benefits that our activity delivers. We've also embedded a process that drives good decision making, whilst building a strong evidence base of the benefits delivered.



Steve Cox

Director, Engineering
and Technical

Leading the transition to a zero carbon future has been a key outcome for the business this year. We've continued to act on what we heard at our 'Powering the North West' stakeholder event in December 2017. Hosted in partnership with Manchester-based community energy company the Carbon Co-op, the outputs from the conference, along with those from our consultation on community and local energy, have shaped the role we're playing as we develop distribution system operator (DSO) capacities.

At the heart of our transition approach is the principle that 'Everyone's Included' to signal our commitment to ensuring that the needs of all customers, including vulnerable customers, are considered as we develop our approach. Our 'Powering our Communities' fund has helped us connect with harder-to-reach groups.

Our continuing work with our Sustainability Advisory Panel has resulted in the creation of a new carbon plan, called 'Leading the North West to Zero Carbon', which demonstrates our regional leadership and puts in place challenging targets and activities to address operational, network, customer and colleague carbon emission reductions.

We're also determined to always ensure that we're doing what is right for the Electricity North West region. Informed by stakeholder engagement, we've improved our approach to regional engagement to ensure we're capturing local, city-region and county voices. We've also worked closely with partners in our local authorities, including through secondments and investment programmes, to deliver in line with their needs and ambitions.

We value the opportunity that independent oversight of and challenge to our stakeholder and customer engagement activity will bring. So we're pleased to be one of the first DNOs to create an independent Customer Engagement Group. Our independent Chair, Jeff Halliwell, appointed his Group members in March 2019. The Group's work is already being informed by engagement that we did with stakeholders in 2018/19 to identify priorities. This is part of our process of planning for the future by shaping our ED2 approach.

Stakeholder engagement continues to deliver outcomes that our stakeholders tell us they value and is embedded in our culture, resulting in changes to our policies, procedures and business plan. We continue to build our understanding and to align our activity to their needs and look forward to developing ever closer partnerships over the coming year to achieve our Purpose.

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External stakeholders noted that there is now a clearer flow of stakeholder input to senior management, and a clearer thread between engagement outputs and operational actions.

Accountability, 2019

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Benefits delivered through our stakeholder engagement

Leading the creation of
Consumer Engagement Groups

Establishing the
Chief Executive Panel and Regional Workshops

Making the region's
multi-occupancy buildings safer

Investing
£14.7 million
in CLASS

Investing
£63.5 million
Leading the North West to Zero Carbon

new Our stakeholder engagement principles

What we heard – Our Advisory Panels told us it would help them if we had a clear, shared understanding of the principles that underpin our engagement approach. This would provide them with a standard to hold us to account. We also saw that having such principles in place was an example of best practice for other DNOs.

At our Greater Manchester Stakeholder Workshop and our autumn Advisory Panel sessions, we developed six new Stakeholder Engagement Principles. These principles derive from and reinforce our company Principles and are being implemented as part of our ongoing Purpose and Principles engagement work. The new stakeholder engagement principles provide our stakeholders and customers with a clear statement of what they can expect from us as they engage with us.

Our stakeholder engagement principles	Examples of this principle in action can be found:-
We're switched on	
Stakeholder engagement informs our business decision-making	Part One, pages 5 and 6
We engage with a wide range of stakeholders to capture the views of the customers and communities we serve	Part One, page 3
We're adaptable	
We understand our stakeholders' preferences and engage with them in line with their preferred channel	Part One, page 3
We continually grow our understanding and adapt our business as a result of listening to the experiences of our stakeholders	Part Two, pages 2 and 3
We take pride	
Our feedback to stakeholders is transparent on the issues they've raised and they hold us to account	Part Two, pages 2 and 3
Everyone is empowered to act on what they learn	Part One, page 9

Establishing the

Chief Executive Panel and Regional Workshops

Agreement of

four new Business Plan Commitments

Creation of

new stakeholder engagement principles

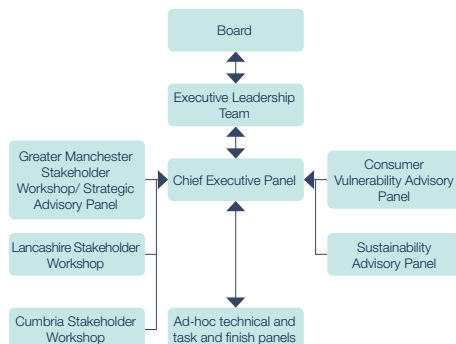
What we heard – Following discussions with our Advisory Panel members, we have enhanced our structures, processes and governance. We explored our joint experience of working within the existing stakeholder engagement structures and we assessed their effectiveness based on the outcomes we'd been able to deliver.

We've responded directly to feedback on improving our regional breadth, focussing debate on their issues and being able to drive actions forward at a faster pace.

We have strengthened and simplified our stakeholder engagement cycle, embedding it with our overarching company governance processes and ensuring that our stakeholders' priorities shape our annual business planning process. These structural changes are:-

- The creation of a new Chief Executive Panel
- The consolidation of our Advisory Panels
- The creation of sub-regional stakeholder workshops
- The creation of a new DSO Engagement strategy
- The implementation of expert Task and Finish Panels and
- Changes to our internal governance structures.

The Customer Engagement Group (CEG) provides oversight and scrutiny of all Stakeholder Engagement activity within Electricity North West



The Stakeholder Engagement Challenge Group provides internal oversight and governance of our Stakeholder Engagement activity. This Group is supported by an internal working group

This section describes our enhanced stakeholder engagement panels and groups and describes the outputs that they have delivered, and the actions that have been undertaken as a result. This activity is supports the delivery of our stakeholder engagement strategy.

We recognise that not all our stakeholders can join us at our events so, in 2018, we began to publish all of our presentations and outputs reports of all of our engagement events on a dedicated space on our website and increased use of webinars. This provides accessibility and transparency of our engagement activity.

We value the opportunity that independent oversight of and challenge to our stakeholder and customer engagement activity will bring and we have appointed an independent Customer Engagement Group to provide this oversight and challenge to our stakeholder engagement activity. More information about the Group, which was been established in March 2019, can be found in Part Two, page 10.

NEW

The Chief Executive Officer Panel

What we heard – Our Sustainability and Consumer Vulnerability Advisory Panels told us that they would value the opportunity to discuss issues more holistically, alongside other business considerations and drivers. Establishing the Panel also enhances the ability of our Chief Executive to explore issues he is addressing, as a result of stakeholder inputs, directly with key stakeholders allowing them to refine our strategic thinking and shape our actions more closely.

This is a group of experts representing a range of stakeholders, providing advice, guidance and oversight of our current business performance and emerging issues, and through this contribute towards delivering our Purpose.

The objectives of the Panel include reviewing business plan performance, identifying emerging priorities and

making recommendations to address these issues, reviewing the activities of subgroups (including Sustainability and Consumer Vulnerability Panels and any technical panels), prioritising actions and supporting the development of the justification for action and generating new ideas and initiatives that can contribute towards the panel's objectives. It meets bi-annually.

Thirteen stakeholders attended our first Panel meeting and this included senior representatives from the Energy Saving Trust, Lancaster University, National Energy Action, Manchester City Council, Transport for Greater Manchester, Metrolink, East Lancashire Chamber of Commerce, the CBI, Bruntwood, the Growth Company, UK Power Reserve, WSP and TNEI Group. We'll continue to develop participation in this Panel to ensure that it membership remains relevant and dynamic.



NEW

The creation of sub-regional stakeholder workshops

What we heard – At our third Annual Strategic Stakeholder Advisory Panel in Manchester, our stakeholders told us that their preference is a series of sub-regional events. They were aware that there could be significant differences in priorities between our urban centres, like Greater Manchester and our rural communities in places like the Lake District and that representation at an event could be highly driven by its location and perceived relevance to a community.

As a result, we've held two additional Regional Stakeholder Workshops; one each in Cumbria and Lancashire.

Both events were delivered in partnership with local groups. This model had worked well for our 2017 'Powering the North West Conference' as a route to reach a wider, new range of stakeholders. Delegates at the Lancashire event indicated that 64% had not

previously been in contact with us. In total 112 delegates attended our Regional Stakeholder Workshops. These events will now be held annually.

These open-invitation events supplement our Advisory Panels and provided our executive and management teams with an opportunity to engage with a wide group of stakeholders on medium and longer-term challenges. Our Delivery Managers can also engage directly with the representatives of the communities they serve and hear and respond to their concerns.

As a result of these events, we've added two new commitments to our Business Plan Commitments, enhanced three others and reviewed and maintained two of the commitments. We've also identified stakeholder priorities for the 'shaping' stage of our RIIO-ED2 plan development.

Key Outputs

- Creation of 3 sub-regional stakeholder workshops
- Revised and updated our Business Plan Commitments (Part One, page 7). Our Business Plan Commitment Report can be found at www.enwl.co.uk/commitments
- Identified stakeholder priorities to inform the 'shaping' phase of the preparation of our plans for RIIO-ED2 (Part Two, page 10)
- Responded to local issues raised regarding network performance directly with impacted customers

NEW

The creation of a new Distribution System Operator Engagement strategy

What we heard – At our Distribution System Operator Stakeholder conference (December 2017), stakeholders told us that they wanted us to support them in realising the opportunities that new Distribution System Operator services could bring and the role they need us to play in the transition to a zero carbon economy.

This year we've developed a Distribution System Operator Engagement strategy. We said we would be neutral, but not silent and that we would deliver regional and national collaboration. Our engagement strategy is comprehensive and varied and the activities and outcomes are captured in Part Two, pages 4, 5 and 6.



The Consumer Vulnerability Advisory Panel

What we heard – Members of our Affordability Advisory Panel noted that there was an overlap between the items being considered by this Panel and by the Consumer Vulnerability Advisory Panel. They suggested that the Panels were merged to provide a clearer and consolidated focus around these issues. The decision was taken at our autumn Affordability Advisory Panel meeting and discussed at our Consumer Vulnerability Advisory Panel. From March 2019, the Consumer Vulnerability Advisory Panel now also includes the work of our Affordability Advisory Panel. All ongoing actions were adopted by the Consumer Vulnerability Advisory Panel.

The Panel is a group of consumer experts and they provide advice, guidance and oversight of our consumer vulnerability performance. Together, we develop our collective understanding of our role in supporting customers with vulnerability, prioritise actions and support the development of the justification for action to generate new ideas and initiatives that can contribute towards the Panel's objectives. The Panel meets at least bi-annually.

This Panel is now a subgroup of the Chief Executive Panel. It is independently chaired by Jenny Willis who has extensive background in research, participation and community and stakeholder engagement and Jenny is also a member of the Customer Engagement Group. Our Executive Leadership Team is represented on the Panel by our Director of Customer, Stephanie Trubshaw and she is supported by Joanne Crinson, who is directly responsible for our Customer Contact Centre and our Customer Welfare Team. 35 organisations actively participated in the Advisory Panel with 55 organisations receiving all related information following the Panel.

This year, the Panel have played a vital role in the development of our Consumer Vulnerability Strategy, allocated £190,000 of funding for initiatives to support fuel poor customers, provided oversight and challenge to the achievement of targets relating to our work in the area and helped us develop our Stakeholder Engagement Principles.

Key Outputs

- Updated Consumer Vulnerability Strategy (Part Three, page 2)
- Agreed £190,000 funding for initiatives to support fuel poor customers (Part Three, page 7)
- Monitoring and development of SMART measures for our Consumer Vulnerability work (Page Two, page 8)
- Receipt of the Centre of Sustainable Energy Social Vulnerability Mapping (Part Three, page 10)
- Agreement of new Stakeholder Engagement Principles (Part Two, page 1)
- Input to and agreement of organisations to be funded under the Consumer Vulnerability Fund (Part Three, page 7)
- Input to and agreement of organisations to no longer fund

“

What's clear is that there are opportunities for stronger partnerships across the supporting bodies that work with Electricity North West. On that note, we have been asked by Agility Eco and Cumbria Action for Sustainability to have a further conversation on the back of the panel meeting, so it would seem that people are keen to make things happen for the combined greater good.

Jamie Broune

Business Development Manager (Energy Saving Trust)

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The Sustainability Advisory Panel

What we heard – Our Sustainability Advisory Panel has asked the company to be ambitious and to show leadership as our customers and communities transition to low carbon. Together, we are developing our collective understanding of the company's role in the zero-carbon transition and as a result have created the our 'Leading the North West to Zero Carbon' plan, which outlines £63.5m of investment in zero carbon initiatives.

The Panel is responsible for prioritising actions and the development of the justification for action and generating new ideas and initiatives that can contribute towards the Panel's objectives. The Panel meets at least bi-annually.

This Panel is now a subgroup of the Chief Executive Panel. It is independently chaired by Todd Holden, Director of Low Carbon at the Greater Manchester Growth Company and Todd is also a member of Customer Engagement Group. Our Executive Leadership is represented on the Panel by our Director of Engineering and Technical, Steve Cox. He is supported by Mike Taylor, our senior manager with responsibility for partnership working with our local authorities and Helen Seagrave, our Community and Local Energy Manager. 21 organisations actively participated in the Advisory Panel with 41 organisations receiving all related information following the Panel.

“

I thought that your Sustainability Panel meeting was exceptional – focussed, practical and very positive indeed from a Electricity North West decarbonising point of view too. Well done team!

Phil Davies

Cumbria Action for Sustainability

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Key Outputs

- Agreed plan for delivering action resulting from December 2017 DSO conference (Part Two, page 5)
- Informed the development of the 'Leading the North West to Zero Carbon' (Part Two, page 5)
- Agreed £71,000 funding for initiatives to support community and local energy groups (Part Two, page 5 and 6)
- Monitoring and development of SMART measures for our sustainability work, including carbon reduction targets, carbon reduction from customers and colleagues and managing and reducing our environmental impacts
- Agreement of new Stakeholder Engagement Principles (Part Two, page 1)



Changes to our internal governance structures - the Stakeholder Engagement Challenge Group

We were disappointed by our performance under the Stakeholder Engagement and Consumer Vulnerability Incentive in 2018 and have established a new internal Stakeholder Engagement Challenge Group to provide senior leadership ownership and involvement in the delivery of our stakeholder engagement and consumer vulnerability activity and to ensure a culture of continuous improvement.

This builds on the work done by our Internal Stakeholder Engagement Steering Group and it is co-chaired by two Executive Team members. The Group includes senior

leaders from every discipline within our business and meets quarterly, reporting bi-annually to our Executive Leadership Team and Board.

The Group has developed, agreed and monitored the delivery of the Stakeholder Engagement Improvement Plan, has commissioned and acted on the findings of three independent assessments of our work and implemented our Decision Making Framework to ensure that stakeholder needs and benefits are captured in our internal processes.

Key Outputs

- Development and delivery of the Stakeholder Engagement Improvement Plan. Actions from the Plan are described in Part One
- Commissioning of KMPG, Money Advice Trust and Centre for Sustainable Energy assessments
- Commissioning of social value research
- Implementation of Decision Making Framework and Benefits Identification and Measurement (BIM) models across business

NEW

Implementing a leading approach to decision making and monitoring outputs

We committed to establishing a framework that provided a consistent business-wide approach for assessing the value of the outputs and outcomes resulting from our engagement activity.

We've now developed and implemented a framework for decision-making that identifies those initiatives which should be taken forward, how benefits should

be identified, monitored and measured and how learning should be fed-back into the business and shared with stakeholders. They are called the Decision-Making Framework and Benefits Identification Models. These are described in detail in Part One, page 4

NEW

Changes to our internal governance structures - the Stakeholder Engagement Working Group

To support our Stakeholder Engagement Challenge Group and coordinate, optimise and deliver a consistent approach to stakeholder engagement, we introduced an internal Stakeholder Engagement Working Group.

The Group includes the colleagues from across the business who have responsibility for delivering engagement activities on behalf of our business. Whilst our engagement activity is not limited to this group of people, they do hold key facilitation and enabling roles. This group meets quarterly.

Key Outputs

- Comprehensive review of our stakeholder mapping and stakeholder database (Part One, page 2)
- Review and improvement of stakeholder tracker approach and review of interactions
- Coordination of engagement activities

Investing
£63.5 millionin Leading the North
West to Zero CarbonSeeking
flexible
services in 6
areas

£71,000

Investment in 'Powering
our Communities' fundSharing our
Distribution
Future Electricity
Scenarios

What we heard – Our stakeholder engagement tells us that our customers' needs and expectations continue to change rapidly as their use of technology and desire to transition to low carbon solutions and technologies increase. Our work with stakeholders to refresh our materiality matrix (Part One, page 4) clearly demonstrates the changes in stakeholder attitudes to this issue and the priority they now place on the transition to low carbon.

Our activity to support our transition to a zero carbon future is informed by our 'Powering the North West' DSO conference in 2017, our engagement to develop our Community and Local Energy Strategy, our ongoing work with our Chief Executive and Sustainability Advisory Panel, our Incentive

on Connections engagement activity and other engagement activity.

Our stakeholders told us at our DSO conference that they need us to play a leading role in this transition to a zero-carbon economy delivering solutions that enable national, regional and local decarbonisation ambitions to be met. This is part of our transition to providing DSO services.

To be effective, we're working closely with our stakeholders and customers to understand and adapt to their needs. Our stakeholder engagement activity around the decarbonisation agenda is comprehensive and wide-reaching and builds on the strong foundations put in place in 2017/18.

NEW

A flexible approach to delivering needed capacity

What we heard – At our 'Powering the North West' conference stakeholders told us that they valued the opportunity to work with us to develop and deliver flexible services. The provision of such services allows network operators, working with partners, to deliver capacity through trading arrangements rather than through traditional asset investment routes.

To enable the active participation of stakeholders in the development of our approach, we consulted in April 2018 on opportunities for flexibility services which focussed on areas of network constraint and where we are considering load related investment. Ten stakeholders engaged with us on our approach and told us that we should adopt a wider engagement approach, including direct contacts, social media and webinars. As a result of our learning through this consultation, we changed our process and engaged again with potential partners in the autumn.

We also offer flexible new connections which enable customers to connect to our network more quickly and cheaply. This approach was previously called Capacity to Customers (C2C). We have provided 260 flexible connections to customers from April 2018 to March 2019.

Our independent Customer Engagement Group has also agreed to independently review our load-related investment decisions to provide assurance to customers that we have fully considered flexible options.

Social value research

Accelerate the roll-out of more flexible services to customers to alter their energy use or generation in real time to benefit from cheaper tariffs

GB

WTP

£1.30

ENWL

WTP

£1.19

Annual

spend level

£0.02

Customer insight

- Rolling out flexibility services was generally most supported
- Flexibility services was not something most customers had heard of however customers were interested in the opportunity. There was however concern about vulnerable customers being excluded from this opportunity

"Accelerate the role of more flexible services to customers, enabling customers to alter their energy use or generation in real time, generating electricity."

Decision Making Framework stage

Delivery

We are delivering the service to customers and continuing to develop our offering to respond to ongoing stakeholder input

Outputs (Intermediate impact)

- Expression of interest for flexible services issued in 6 areas and 26 customers registered an interest
- 10 stakeholders responded to our consultations
- 1 webinar held
- 3 events held (including Connections workshops)
- 260 flexible connections provided

Outcomes (Stakeholder benefits)

- Lower cost and lower carbon new connections
- Lower reinforcement costs
- Partnership opportunities for flexibility service providers

NEW

Delivering carbon and cost benefits through network utilisation

What we heard – Citizen's Advice Manchester have been in dialogue with us about innovative ways to support the deprived communities they serve in the city. We've responded to this by developing one of our innovation projects and worked with them to help identify those communities which would most benefit from the application of 'Smart Street' techniques. We are seeking around £15 million funding to further develop a wider scale roll out of the project.

By combining innovative technology with existing assets, our 'Smart Street' project has proven that the technique enables networks and customers' appliances to perform more efficiently and makes it easier and quicker to adopt low carbon technologies onto the electricity network. It demonstrates a step change in the co-ordination and operation of electricity networks in Great Britain and is the first demonstration of a fully centralised low voltage network management and automation system.

The Smart Street project has proved that controlling voltage on our low voltage network brings a number of benefits to customers. It can reduce energy consumption, which in turn can lower electricity bills by up to £70 a year, reduce carbon emissions, network losses and will provide more flexible solutions to help us connect low carbon technologies to the network – all without impacting power quality. Smart Street originally benefited from Network Innovation Competition (NIC) funding.

Decision Making Framework stage

Options

We're working with partners to understand how Smart Street could most effectively be utilised

Outputs (Intermediate impact)

- Partnership with Citizens Advice
- 2 webinars held
- 8 events held
- 5 advertorials

Outcomes (Stakeholder benefits)

- Reduce domestic average energy bills by up to £70 per annum
- Reduced carbon emissions associated with energy use and avoided reinforcement.
- Provides extra network capacity, allowing the quicker connection of low carbon technologies

<>

Sectoral collaboration on Open Networks

We continue to participate in this sector-wide initiative which is laying the foundations for the smart grid in Great Britain. A smart grid – a new multi-directional electricity supply system underpinned by new digital

communications – is vital for decarbonising and reducing the costs of our energy system. Open Networks brings together representatives from every DNO, the transmission companies, Ofgem, BEIS and other industry

experts. We lead one workstream, participate on five, have one colleague permanently seconded to the project and lead the overarching steering group.

Decision Making Framework stage

Options

Open Networks is currently consulting on future worlds scenarios

Outputs (Intermediate impact)

- 2 members of the overarching steering group
- 1 workstream lead
- 5 participants in workstreams
- 1 permanently seconded colleague

Outcomes (Stakeholder benefits)

- Delivery of smart grid options to underpin creation of market for DSO services

NEW



Developing and sharing future electricity scenarios

What we heard – At our ‘Powering the North West’ conference, stakeholders including local authorities, property developers, large industrial customers, new entrants and community and local energy groups told us of the importance of developing a shared understanding of future regional electricity demand. The transformation that is occurring in the sector is exciting and it comes with a level of uncertainty about the future of energy needs across our region.

Working in consultation with our three lead local authorities and utilising data from across the energy sector, we developed our Distribution Future Electricity Scenarios and Regional Impacts (DFES) document which was published in November 2018. It is our responsibility to plan for the future and the DFES gives our view of the North West’s electricity requirements up to 2050.

It contains a range of possible views of the future which indicates how different influences can change electrical demand and generation. The near term requirements identified through the DFES formed the scope of our initial calls for flexible services discussed above.

Our engagement on these matters has informed Greater Manchester Combined Authority’s development of their Whole System Smart Energy Plan; a plan which underpins the formal commitment made by Mayor Andy Burnham at the second Green Summit in March 2019. We’re continuing to develop our understanding about the future scenarios and held a webinar with 25 stakeholders in March 2019. We are also sharing the DFES with other network companies including National Grid Electricity Transmission, so there is more joined-up network planning and effective meeting of customers’ needs.

Decision Making Framework stage

Review

We are now reviewing this work in partnership with stakeholders

Outputs (Intermediate impact)

- 1 consultation issued
- 29 Local Authorities contacted and contributed to consultation process

Social value research

Develop future energy scenarios and forecasting to aid long-term planning in face of uncertainty

GB WTP
£0.75

ENWL WTP
£0.69

Annual spend level
£0.08

Customer insight

- Scenario planning was considered part of the company’s core role – this initiative is seen as important. Customers discussed the role of customers being willing to pay for this when it is a key initiative for managing risk

“I think we need, first of all, forecasting. We need to think long term planning, we need to be sure it’s going to work.”

Outcomes (Stakeholder benefits)

- Shared regional understanding of future electricity scenarios to facilitate development and planning

NEW



Developing new markets

What we heard – Through our connections workshops, customers connected to our grid have challenged us to develop opportunities so that they can trade curtailment and capacity with one another. We’ve been working with stakeholders including BEIS, Ofgem, National Grid System Operator, Open Energie, Electron and Baringa to understand how we can respond to this need and create a true local flexibility market.

Together we recognised that the transition to low carbon energy can provide opportunities for our customers and new ways of managing capacity on the network and we can help unlock some of those opportunities by enabling customers with both firm and flexible connections to trade with one another. We’ve been exploring the required technology, customer interest and market structures that will underpin this bilateral trading. The ambition is that

customers themselves exchange market access when it is beneficial to them to do so.

In 2018/19, we’ve held meetings and workshops with a range of organisations who share our interest and ambition and who have the capabilities to further develop this opportunity. This work aligns with the Ofgem Access and Forward-Looking Charges Review. We are also leading elements of this review.

Decision Making Framework stage

Options

Working with partners and stakeholders, we are currently developing options for progressing this work

Outputs (Intermediate impact)

- 1 sector-wide workshop
- Ofgem bilateral meetings
- BEIS bilateral meetings
- Ongoing engagement with wide range of industry stakeholders

Outcomes (Stakeholder benefits)

- Ability for customers to monetise pre-purchased rights
- Additional customer revenue streams
- Faster, cheaper, new connections
- Increased network access and utilisation
- Deferred upgrades to network resulting in lower operational network costs

NEW



Introducing our new carbon plan – Leading the North West to Zero Carbon

Working in partnership with our Sustainability Panel, we have developed an ambitious new plan called ‘Leading the North West to Zero Carbon’, which includes activities to address operational, network, customer and colleague carbon emissions. This approach also has the strong support of our Strategic Stakeholder Advisory Panel who supported the inclusion of low carbon enablers in our Business Plan Commitments (Part One, page 7). The Sustainability Advisory Panel challenged our established thinking on these issues and encouraged us to respond to a much wider range of issues than we previously considered. These include actions, detailed

below, to deliver an improvement in our own operational carbon performance, to support our customers, our communities and colleagues.

We propose to invest £63.5 million over the remainder of R10-ED1 to deliver the plan. In the first instance, we have aligned our target with the Greater Manchester Combined Authority ambition to achieve carbon neutrality by 2038 and this demonstrates how we intend to play our part in delivering this goal. This does not however limit our ambition and we’re working closely with our other regional local authorities to understand and support their developing ambitions.

Social value research

Develop initiatives that reduce the environmental impact of our activities.

GB WTP
£1.60

ENWL WTP
£1.42

Annual spend level
£1.16

Customer insight

- Reducing the company’s environmental impact is a well-supported initiative. It is considered very important to large companies but particularly those in the energy sector. Customer prioritisation generally came down to whether they viewed this as BAU activity or not

“I was surprised how much they’re doing to reduce the carbon footprint. I didn’t think they’d be that involved in it really; I knew that they would but it seems like they’re striving.”

Driving down our carbon emissions

Helping our customers and colleagues drive down carbon emissions

Activity	Losses	Operational	Colleagues	Leadership in our communities	End user energy efficiency	Enabling Low Carbon Technologies enablement
Headline activities	Updated losses reduction strategy	Zero carbon depots and zero carbon substations	Carbon literacy. Support to take action	Support for communities and colleagues	Smart Street investment	Investment into grid capacity

Decision Making Framework stage

Delivery

A cross company team is now developing and delivering the separate activities that contribute to this plan

Outputs (Intermediate impact)

- A plan with a carbon budget to achieve zero carbon for our own emissions by 2038
- A new 10% year-on-year annual emissions reduction target
- Additional funding to deliver our plan Leading the North West to zero carbon
- Exemplar sites to demonstrate how business can adopt low carbon technologies and approaches

Outcomes (Stakeholder benefits)

- Lower network carbon emissions
- Lower operational carbon emissions
- Direct support to colleagues to reduce their carbon emissions
- Direct support to community groups to raise awareness and reduce their carbon emissions
- Exemplar sites to demonstrate how other businesses can adopt low carbon technologies and approaches



'Community connects' to empower local and community energy groups

What we heard – Last year, we worked closely with stakeholders to develop our Community and Local Energy Strategy. They told us that we need to be more responsive to customer needs and that they'd value practical help and advice on issues like applying for a grid connection and navigating the regulatory environment.

To address this, we've hosted a series of Community Connects events across our region. These have been well received by stakeholders and we plan to host a second series of these events in 2019.

Our Community Connects series of workshops have been delivered by a partnership of organisations including Quantum Strategy and Technology, and Cumbria Action for Sustainability and Community Energy England as well as representatives from across our business. Each partner brings unique expertise from working with the sector.

Our Community and Local Energy Strategy was launched at the annual Community Energy England conference in June 2018. This set out our vision for supporting the growth of community energy. Community energy means community-led projects or initiatives to reduce, manage, generate or purchase energy and the projects focus on engagement and delivering benefits for local areas and communities.

“Electricity North West has been integral in bringing together groups from across the North West to explore opportunities for increasing the community value of the energy transition and sharing learning arising from community-led energy projects.”

Emma Bridge
CEO, Community Energy England

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Decision Making Framework stage

Review

We are currently reviewing our Community and Local Energy engagement programme and using learnings and feedback from events to inform next steps

Outputs (Intermediate impact)



- 4 Community Connects events held
- 47 stakeholders attended
- >80% delegate satisfaction with our events
- 4 newsletters issued
- 2 guides for community energy issued

Outcomes (Stakeholder benefits)



- Stakeholders better enabled to develop Community and Local Energy projects and initiatives
- Company has better understanding of stakeholder issues and building relationships
- Early identification of projects requiring support



'Powering our Communities Fund' - connecting with hard to reach customers

What we heard – As part of the consultation on the development of our Community and Local Energy Strategy, our stakeholders wanted us to develop new mechanisms to engage with community and local energy groups.

To achieve this, we've developed a grant fund to support local projects and, in particular, projects that demonstrate how they can help engage hard-to-reach communities in energy issues, support vulnerable customers and/or reduce fuel poverty.

Applications made to the scheme were judged against criteria which focussed on delivering inclusive schemes which delivered low carbon solutions for identified communities. The successful projects also looked at delivering new ways of working, fit for a smart, flexible low carbon grid. The following projects have been funded (or part-funded) under this initiative.

Project name and description	Investment	Scheme outputs and outcomes benefits
Energy Local Alston Moor, Alston Moor Community Energy, Cumbria - investigating how to bring a hydro scheme into community ownership	£15,000	<ul style="list-style-type: none"> • Demonstrate how Energy Local can help a community in Cumbria purchase and benefit from an existing hydro scheme • Increase regional knowledge of how Energy Local can be made to work and identify other locations suitable for trial projects
Eco Warriors, Burnley Boys and Girls Club, Lancashire - Young people-led project to learn how to reduce their own carbon footprint and become community Eco Warriors	£15,000	<ul style="list-style-type: none"> • Increase understanding of the importance of our carbon footprint and emissions and educate young people to communicate and share that knowledge with family, friends and the wider community
Energy Justice Salford - New user-led approach to deliver energy efficiency measures to households, particularly those in fuel poverty	£14,720	<ul style="list-style-type: none"> • Support deeper levels of participation by communities and local suppliers in Local Authority energy efficiency schemes targeted at vulnerable customers • Test this approach with match funded energy efficiency improvements in the homes of vulnerable customers
Fuel Katao, Paisay Bachao (Save fuel, save money), Kashmir Youth Project, Lancashire - Bi-lingual energy efficiency advice and tools for the Kashmir community in Rochdale	£8,280	<p>Support 1800 vulnerable customers in 600 households by:</p> <ul style="list-style-type: none"> • Delivering Energy Efficiency Awareness Events to over 200 households • Deliver Energy Efficiency Behaviour Change Training programme to 40 households to reduce their energy use • Assist 108 households with income maximisation and energy bill management • Assist 90 households to switch energy supplier or negotiate reduced tariff
Burnside Community Energy, Cumbria - Business case development for community owned energy assets to supply a new housing development for the benefit of the whole village	£15,000	<ul style="list-style-type: none"> • Deliver evidence to support a new community energy scheme on a new housing development • Develop and deliver a mechanism to extend the scheme to other residents
Solar generation, Oldham Community Power, Greater Manchester - Electronic displays for four schools with community owned solar panels to show the children how they work and engage them on energy issues	£3,000	<ul style="list-style-type: none"> • Increase understanding of the solar installations to school activity and awareness of the changed behaviours required to use power when it is being generated • Illustrate the role that technology plays in successful transitions to low carbon

Social value research

Engage with a range of community energy schemes looking to connect localised, small-scale renewable energy onto the electricity network.

GB WTP
£1.29

ENWL WTP
£1.02

Annual spend level
£0.07

Customer insight

- Customers gave this a high ranking. The community focus was the most appealing aspect – seen as helping give power and agency to local communities, while building community relations
- Customers wanted to be assured that deprived communities would also benefit

“It gets people talking, engaging the whole community, being a community pioneer and thinking of those connections make a big change within a community.”

Decision Making Framework stage

Delivery

We are working with funded projects to deliver the benefits identified

Outputs (Intermediate impact)



- 3 press releases issued
- 18 applicants
- Demonstrably taking on board and responding to stakeholder feedback

Outcomes (Stakeholder benefits)



- Hard-to-reach communities identified and supported through community and local energy initiatives
- Support to develop viable business models

**Investing
£25 million**
in GMCA's low carbon
development

**Leading creation of GMCA
Whole System
Energy Plan**

**Partnering with
Local Enterprise
Partnerships**

We've collaborated with our local authorities and our Local Enterprise Partnerships to better understand and to develop and deliver solutions for the communities we jointly serve. Half of our customers live in the area served by the Greater Manchester Combined Authority (GMCA) and two thirds of the energy we supply is consumed there. As a combined authority with an elected Mayor, it has powers over public transport, skills, housing, regeneration, waste management, carbon neutrality and planning permission. We are working with GMCA to help them deliver their ambition of carbon neutrality by 2038. Our work in Lancashire and Cumbria has been channelled through the Local Enterprise Partnerships and is focussed on supporting the development of their Energy Strategies.

NEW



Project development through secondments

What we heard – We had many individual points of contact between our company and GMCA and wanted to improve coordination of our increasing activity. We achieved this by seconding an experienced Electricity North West colleague to GMCA to help co-ordinate our relationship and to work on specific projects. This partnership commenced in June 2018 and together we've successfully bid for £112,000 of funding to deliver a local energy market.

The project is a feasibility study for a local energy market in the Greater Manchester area funded from the Government Industrial Strategy Challenge Fund. The successful award was for a total of £112,000 towards a total project cost of £189,133. Our contribution to this project is worth £48,000.

The project commenced in January 2019 working with GMCA and our three other partners, Bruntwood, Hitachi Europe and Upside. It will look at how a local energy market would work within a geographical area and the

hierarchy needed to facilitate trading with the DSO and National Grid.

If the project is successful a further bid will be made to the next series of funding which would provide up to £2 million to develop a demonstrator project, which may in turn lead to full deployment of an agreed solution.

Given the success of this approach, the secondment has been extended to a full 12-month period and we are reviewing potential successor arrangements.

Decision Making Framework stage

Delivery

We've currently seconded an individual to work part time with GMCA to deliver the successful project and develop new bids

Outputs (Intermediate impact)



- 1 person part-time secondment
- 2 bids to Strategy Challenge Fund
- Funding achieved for 1 project

Outcomes (Stakeholder benefits)



- Effective coordination between organisations to achieve stakeholder goals
- Development of Local Energy Market strategy

NEW



Development of the GMCA Whole System Energy Plan

What we heard – GMCA wanted support to develop their Whole System Energy Plan and we've led the work in creating this ambitious plan. We also accelerated the development of our Distribution Future Electricity and Regional Insights (DFES) document to support the creation of the plan.

Our Chief Executive, Peter Emery is a member of the GMCA Low Carbon Hub Board. The Hub drives the low carbon transition agenda for GMCA and plays a major part in delivering their environmental programme. As part of this work, Peter is also involved in the GMCA Infrastructure Board.

Since last year's Green Summit (referenced in our 2018 Stakeholder Engagement and Consumer Vulnerability Submission), we have been leading work through the Hub to develop a Whole System Smart Energy Plan; a plan which underpins their ambition to become a carbon neutral region by 2038.

One of the key inputs to the Smart Energy Plan was our (DFES) document (Part Two, page 5). Indeed we changed our internal procedures and accelerated the production of this document to support the development of the Plan. We'll continue to work closely with GMCA to develop our thinking together on these issues.

“

I welcome the opportunities that this report brings to stimulate carbon reduction and help meet our ambition of carbon neutrality by 2038; how we manage our future energy supply to match our future demand has a key role to play in this.

"Greater demand for electricity, as a result of more electric vehicles and heating, will create challenges for our future energy system. We need to take a view across the whole system, which is already undergoing radical change towards greater decarbonisation, decentralisation and digitalisation; this report helps us to do this.

Andy Burnham
Greater Manchester Mayor

”

NEW



Investing for low carbon growth and supporting economic development

What we heard – Working with GMCA, Manchester City Council, independent investors and developers, we've identified two key areas where new network investment will support economic growth and low carbon development.

The areas are South Manchester Enterprise Zone and

the East Manchester Gateway including the regeneration and development areas of the Northern Gateway and the Ethiad Campus.

We're providing additional investment in these areas in order to facilitate the transition to zero carbon and support the growth of these areas.

Decision Making Framework stage

Delivery

Having investigated opportunities through flexible services, work has now started on site to deliver this investment

Outputs (Intermediate impact)



- £12 million invested to deliver 75MVA (Mega Volt Amp)

Outcomes (Stakeholder benefits)



- Deliver economic growth and low carbon investment for Manchester

NEW



Collaborating with Lancashire and Cumbria Local Enterprise Partnerships on the development of their Energy Strategies

What we heard – Lancashire and Cumbria Local Enterprise Partnerships (LEPs) sought our support in the development of their Energy Strategies. The Department of Business, Environment and Industrial Strategy (BEIS) funded Local Enterprise Partnerships to develop comprehensive energy strategies in partnership with key regional stakeholders.

Both LEPs have now published their strategies and this is informing policy making and business decision-making in Lancashire and Cumbria.

We're reviewing the detail of these strategies and ensuring that we reflect the needs of these communities in our investment planning approach. We've discussed opportunities for collaborative working with the Lancashire County Council Environmental Scrutiny Committee in March 2019 and will continue to develop this partnership during 2019.

In line with our Flexibility Strategy, we are assessing the opportunity to meet these new capacity needs by utilising flexibility services. This is our preferred approach, but we have also secured funding for traditional infrastructure investment should this be unsuccessful.

Social value research

Engage stakeholders such as local authorities and developers with their future planning by helping them understand our short and long-term investment plans.

GB
WTP
£0.30

ENWL
WTP
£0.27

Annual
spend level
£0.06

Customer insight

- Customers saw this as a lower priority. They felt that the onus should be as much on the local authorities and the developers to understand the company's plans
- Customers considered the impact of short-term political cycles on the ability of the company to work with local authorities

"It'll probably run it for a year or two and then decide something else is far important."

Decision Making Framework stage

Review

The Energy Reviews are now complete and we working with the Local Enterprise Partnerships to agree next steps

Outputs (Intermediate impact)



- 3 workshops attended
- 1 consultation response completed

Outcomes (Stakeholder benefits)



- Effective coordination between organisations to achieve stakeholder and business goals

**Investing
£14.7 million**
in CLASS

**Making our region's
multi-occupancy
buildings safer**

**Aided partners
to secure
£5.9 million
grant funding**

Many of the projects and initiatives we are delivering this year are developments of existing workstreams within the business. This section provides progress updates of items included in the previous 2017/18 Stakeholder Engagement and Consumer Vulnerability Submission Part Two report.

Implementing Customer Load Active System Services (CLASS)

What we heard – Ofgem and BEIS have challenged companies to solve peak demand problems on their own network and National Grid have also engaged on this need for their network.

Customer Load Action System Services (CLASS) has been developed to respond to these issues and following extensive customer research and engagement with Ofgem, BEIS and other sectoral stakeholders, we have installed cutting-edge equipment in 260

electricity substations throughout the region to control demand at peak times. The project, known as CLASS, could save customers in the North West around £100 million over the next 25 years – and £300 million across Great Britain.

Research carried out during a 12-month trial showed that customers didn't notice any change in their electricity supply when the voltage was reduced. Our solution is now being regularly used by in National Grid in a

number of balancing services markets – the so-called 'Fast Reserve' market. Saving up to 50 megawatts of power for 30 minutes at a time – the equivalent to powering 25,000 houses.

We're proud to have developed this idea, with customers and stakeholders in the North West, and are now sharing this solution with other British DNOs and internationally.

Decision Making Framework stage

Delivery

CLASS is now a service that can be tendered to National Grid. We also continue to share the learnings from this project with relevant stakeholders

Outputs (Intermediate impact)

- £14.7 million invested

Outcomes (Stakeholder benefits)

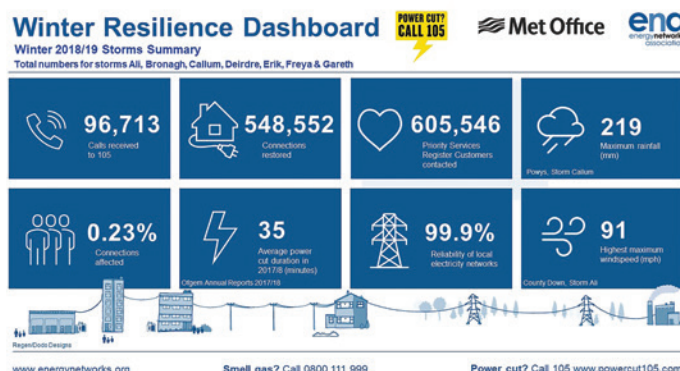
- Save customers in the North West around £100 million over the next 25 years
- £300 million across Great Britain

Providing visibility of the impact of extreme weather events

What we heard – Local Members of Parliament, councillors, local resilience forum stakeholders, our customers and national stakeholders, including BEIS and Ofgem told us that it would be helpful to receive immediate updates on the impact and response to major incidents. To address this need, we introduced immediate and comprehensive incident reports following major weather incidents that had impacted on customers' supply of energy; accompanied by infographics. This approach has now been adopted by the Energy Network Association (ENA), which has further increased stakeholder awareness and understanding of major incidents.

The development of the incident reporting builds on our existing proactive approach of working closely with key regional stakeholders, including through Local Resilience Forums, and providing essential regular updates during the 'prepare', 'act' and 'recover' stages of an incident. These incident reports include information around how we have supported our customers in their hour of need, network resilience and restoration, wider stakeholder engagement and useful infographics, which are also issued throughout an incident to accompany regular press, social media and stakeholder updates.

This approach has been adopted by the ENA as part of our 'always there for you' stakeholder engagement activity. The ENA now issues a consolidated infographic capturing data from all DNOs immediately after a storm event or other major incident. The report is shared with all stakeholders identified through the ENA's stakeholder mapping exercise and pushed out through press and social media channels.



Decision Making Framework stage

Delivery

All network companies now collate information during storm incidents to produce a collated national picture of customer impact to inform stakeholders.

Outputs (Intermediate impact)

- 3 incident reports issued by Electricity North West
- 7 sector incident infographics issued by ENA

Outcomes (Stakeholder benefits)

- Increased customer and stakeholder awareness and understanding of impact of storms and company response

Protecting customers in multi-occupancy buildings

What we heard – Following the Grenfell Tower disaster, we were invited to participate in a Taskforce by GMCA to identify potential approaches that could both manage risks in multi-occupancy buildings and also provide peace of mind to their residents. The Taskforce includes local authorities, local fire and rescue services, housing associations, private landlords and charities representing the needs of consumers with vulnerabilities.

We identified 120 potentially high-risk buildings where it would be appropriate to utilise a technology called a 'weezap' to monitor the buildings' electrical networks. Weezaps provide remote monitoring of communal

electrical cables and early warning of a current before this would impact the building's main fuse. It also allows remote disconnection of the building's supply if required for safety reasons. This was an innovative and new approach to the deployment of this technology.

As a result of the installation of the technology, a potential major fault was averted in one of the Seven Sisters Housing blocks in Rochdale.

Whilst we've been carrying out this activity, alongside our other investment to replace and improve rising and lateral mains, we've engaged with residents in

these blocks. Our Welfare Team joined the Operational Teams during refurbishment of the four blocks in Collyhurst, Manchester to identify and support vulnerable hard-to-reach consumers. Through this face-to-face engagement, we've signed up 60 new customers to our Priority Services Register (PSR) (approximately 25% of the properties).

Our approach has been shared with Ofgem, BEIS, the Health and Safety Executive, local authorities serving the North West and with private landlords.

Decision Making Framework stage

Delivery

We are continuing our installation programme

Outputs (Intermediate impact)

- £2.4 million invested
- 51 buildings protected
- 5,567 customers' properties in those buildings
- 60 new PSR customers identified

Outcomes (Stakeholder benefits)

- Increased risk monitoring of higher risk multi-occupancy buildings
- Early intervention where potential faults are identified



Transforming our communities - our Responsibility Framework

Following stakeholder and colleague consultation, we introduced a new Purpose and supporting Principles in 2017. During 2018, we used our Purpose, that 'Together we have the energy to transform our communities' to structure and inform our new Responsibility Framework.

The 'Transforming our communities' framework articulates our ambition to be a responsible business and captures our Environmental, Social and Governance approach. It provided an opportunity to focus and direct some existing activity and to initiate new activity to enhance business and community benefits.

Its development was, in part, informed by performance feedback from the Global Real Estate Sustainability Benchmark and the Business in the Community Corporate Responsibility Framework – benchmarks previously referenced in our Stakeholder Engagement and Consumer Vulnerability submissions. It is also informed by leaders across the business and with existing and new partners and stakeholders.

The activity is wide in scope and what unites them is a determination to ensure that we build wider social, environmental and economic considerations into everything we do so that we maximise our contribution to the customers and communities we're proud to serve.

The Framework is aligned with our Purpose (see diagram). This alignment creates a framework which focuses on our people and partners, our environment and our communities. The activity is broad in scope and each initiative has been developed using our Decision Making Framework Model. We have identified measurable benefits using the Benefits Identification and Measurement (BIM) model and will report on progress towards delivering these outcomes. This model is described in more detail in Part One, page 4.

You can see the whole Framework on our website at www.enwl.co.uk/transformingourcommunities



Leveraging undergrounding investment to deliver additional environmental benefits

What we heard – Two of our regional partners wanted to leverage our undergrounding for visual amenity investment as examples of matched funding in applications to the Heritage Lottery Fund for landscape improvement programmes and, working together, we have successfully helped them to secure £5.9 million to deliver enhancement programmes.

Since the inception of our Undergrounding for Visual Amenity programme in 2005 we've worked closely with regional partners and representatives to identify priority areas for undergrounding our overhead power lines to help make a positive impact and enhance our landscapes.

In our RIIO-ED1 business plan we committed to invest £9 million (2012/13 prices) in undergrounding up to 80km of existing overhead lines by 2023, with the programme driven by stakeholder-identified priorities. In the first four years we removed a total of 27.21km of overhead lines and expect this to be 30km by March 2019.

This year, two of our partners leveraged this investment to deliver wider benefits. The Westmorland Dales Landscape Partnership Scheme has been awarded a National Lottery grant of £2 million. As a result, 21 additional projects will be delivered by a partnership of organisations over a four-year period. As part of this, we

will be undergrounding overhead lines near an historic stone circle and combining the work of archaeological surveys and new interpretative visitor information.

The Fellfoot Forward scheme is a £3.9 million programme of enhancements in the North Pennines Area of Outstanding Natural Beauty (AONB). Our undergrounding here is adjacent to a RSPB reserve and connects with previous undergrounding projects to create an enhanced wildlife habitat.

Decision Making Framework stage

Delivery

We'll continue to deliver our undergrounding scheme and to work with stakeholders to further leverage our investment

Outputs (Intermediate impact)

- £9 million invested
- 27.21km overhead lines removed since start of RIIO-ED1
- 7 partners involved
- £5.9 million grant funding leveraged by partner organisations

Outcomes (Stakeholder benefits)

- Improve visual amenity in National Parks and areas of Areas of Outstanding Natural Beauty
- Leverage additional investment for partner organisations



Improving digital communications

What we heard – We launched The Customer Voice Feedback Panel in January 2019. This online Panel provides us with a channel to ask customers what they think about our website and how they would like to see us improve it.

More than 4% of customer contacts are now via the website. Customers want us to improve the accessibility and ease of use of our digital services so that they can

access the information and services they need at all times. In response to feedback, this year we updated our Power Cut map. Our primary source for digital content is our website www.enwl.co.uk.

In October 2017, we launched a new website to better meet the needs of all our customers and we were pleased to see a 25% increase in website hits and 15% increase in new users in the period from April 2018

to March 2019. In order to ensure that the website continues to meet our customers' needs, we launched the online Customer Voice Feedback Panel.

We plan to use the Panel to seek customer feedback on a wider range of current business issues and to support the development of our plan for RIIO-ED2.

Decision Making Framework stage

Delivery

We utilise the Customer Voice Feedback Panel to gather customer feedback regularly

Outputs (Intermediate impact)

- 219 customers have signed up to the Customer Voice Panel

Outcomes (Stakeholder benefits)

- Permanent online channel established for customers to participate in surveys to improve the services we offer

Leading the creation of
**Customer
Engagement
Groups**

Identifying our
**stakeholder
priorities**

Completing
first phase
of RIIO-ED2
engagement

What we heard – Ofgem has stressed the importance of companies hearing the customer voice as we develop our RIIO-ED2 plans and that there is independent scrutiny of how we engage with customers and stakeholders. We value the opportunity that independent oversight of and challenge to our stakeholder and customer engagement activity will bring. We've also completed the 'shaping' stage of our RIIO-ED2 stakeholder engagement programme.

new Challenging Electricity North West - the creation of our Customer Engagement Group



We are pleased to be one of the first DNOs to create an independent Customer Engagement Group. Our independent Chair, Jeff Halliwell, was appointed in December 2018 and appointed his Group members in March 2019. This is part of our process of planning for the future by shaping our ED2 approach.

Jeff is an experienced consumer champion and currently holds a number of non-executive positions including chair of Heathrow Airport's Consumer Challenge Board, chair of Anglian Water's Customer Engagement Forum, and chair of Transport Focus, the statutory independent consumer watchdog for Britain's rail, bus, coach and tram passengers, and users of the major road network.

The role of the Customer Engagement Group will challenge the company to ensure that we are prioritising our customers' needs in our future plans and delivering what we set out in our current business plan. It will also provide independent oversight of our investment decisions to ensure that the potential to use flexible services has been fully explored as we deliver our load-related investment programme.

The appointment process was undertaken through an independent search agency and Jeff has had no previous involvement in the company's engagement process. Jeff, as independent Chair, has utilised the services of the same search company to appoint his Group members, shown below.

The independent chairs of our Sustainability and Consumer Vulnerability Advisory Panel also sit on our Chief Executive Panel which provides a vital link to the company's engagement on these priority issues. The appointment of the Chairs was made jointly by each Advisory Panel's Executive Lead and Jeff Halliwell.

The Customer Engagement Group's first meeting will be in May 2019 and Jeff Halliwell will have his initial meeting with our Board in the summer of 2019.

Name	Area of expertise
Dr David Holden	Consumer Market Research
Prof Jovica Milanovic	Engineering and Technical Operation
Jayne Scott	Regulatory Economics
Bev Keogh	Energy Sector Structure
Todd Holden	Chair of the Sustainability Advisory Panel
Jenny Willis	Chair of the Consumer Vulnerability Advisory Panel
Caroline Farquhar	Consumer Champion for Citizens Advice
Gemma Osula	Secretariat

new Three phases of consultation to underpin the development of our RIIO-ED2 plan

We are starting to think about our RIIO-ED2 plan and we've structured our engagement approach to ensure that we have comprehensive stakeholder engagement right from the start of the process. For our stakeholders 2023 can seem like a long way off, but we want to provide opportunities for everyone who wants to get involved to have the

opportunity. We believe that there is the potential for significant changes over this period and it's essential that we explore and understand what stakeholders might want from us.

To achieve this, we have developed an approach which includes three cycles where our plan is developed in consultation with our stakeholders.

2018/19 - Shaping

Working with stakeholders to identify the overall structure and key themes

2019/20 - Creating

Creating the detailed content of our plan and emerging priority areas enabling stakeholders to make choices and trade-offs between pricing, investment and cost

2020/21 - Consulting

Consulting with stakeholders on the detail and presentation of the emerging plan

new Shaping - identifying the overall structure and key themes for our RIIO-ED2 plan

At each of our three Stakeholder Workshops and at an internal Senior Leadership Team meeting we carried out a prioritisation exercise to create a first understanding of stakeholders' priorities for RIIO-ED2.

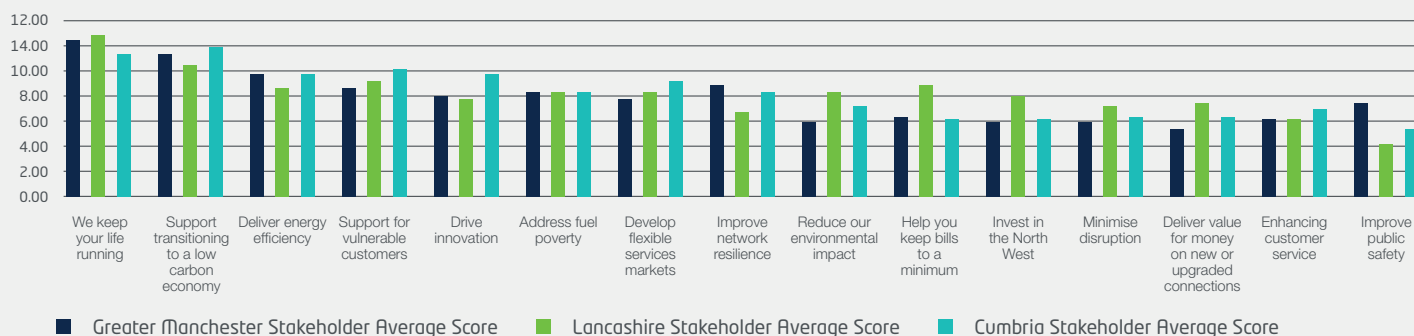
112 stakeholders and over 50 senior leaders have contributed to the process.

At each event, we provided some background information about the RIIO-ED2 process and then asked delegates individually and as a group to prioritise a range of issues. We also invited them to identify

additional issues that may be important to them. As a result of this exercise, we have identified the following categories as the priorities for our stakeholders.

The outputs have also been consolidated and used to update our materiality matrix. This can be found in Part One, page 4.

Average Individual Priority Scores - Greater Manchester vs Lancashire vs Cumbria Stakeholders



We discussed the priorities exercise at our first Chief Executive Panel and the Panel agreed that is appropriate to use them to inform decision-making in RIIO-ED1 and shape the creation of our RIIO-ED2 plan. We plan to agree our approach to the 'creating' stage of stakeholder engagement for our RIIO-ED2 plan with our Customer Engagement Group in May and plan to commence it at our regional Stakeholder Workshops, which commence in July 2019. This stage will also be informed by our joint and independent social value research.

Results from this year's engagement will inform what we do and how we engage with different groups next year. To effectively address these issues raised by stakeholders, we will explore in more detail why:

- support for vulnerable customers is a higher priority in Cumbria
- flexible markets is a higher priority for Lancashire and Cumbria
- improving network resilience is higher in Greater Manchester
- keeping bills low is a higher priority in Lancashire

This will help us understand local motivations, where local experience or additional information may change perceptions, and other socio-economic and geographical factors, eg rural vs urban.

Our Regional Stakeholder Workshop booklets highlight our regional investment in Greater Manchester, Lancashire and Cumbria.

The booklets are provided at each event and are available on our website.

www.enwl.co.uk/advisorypanels

