# OFGEM

## Understanding consumer's views on network access and forward-looking charging frameworks

**Consumer First Panel**
Year 10, Wave 2 Report
2019

REVEALING REALITY

# Contents

# The overarching objectives of the Consumer First Panel

The Consumer First Panel is a key insight tool for Ofgem which allows the energy market regulator to:

- Consider and consult with consumers when developing new policies or exploring change
- Understand consumer views on key energy market issues
- Analyse and compare consumer attitudes and behaviours to design policy conclusions that can benefit consumers

It is important to carry out this work in order to ensure consumers' views are adequately captured so that their concerns can be represented in the design of policy.

# Wave 2 Panel explored the charges related to the electricity network

- Two types of charges were discussed throughout this wave: residual charges and forward-looking charges, including charges for access to the network.

- Although they were explored collectively across the session and there were some overlapping common themes, **this report will focus on the findings related to forward-looking charges and other access arrangements.**

- Specifically, this report will explore consumers' attitudes to different charging signals and approaches to defining their access to the network. This includes the possibility of setting a default basic access to the network or a basic consumption threshold, offering a choice of options for access as well as ways in which signals could be sent through charges.

# The objective of this part of the Panel was to gauge consumers' views on their current and future usage of the network, potential signals and options and ‘essential’ levels of need

Specific objectives included:

- Understanding consumers' attitudes and preferences for different types of network tariffs.
- Understanding consumers’ attitudes towards potential protection for specific consumer groups e.g. vulnerable consumers.
- Consumers' awareness of / how they view their network access (level) today and their views on defining a clear limit of their access, particularly in light of upcoming changes to current needs (e.g. Electric Vehicles).
- Consumers' views on being offered a choice of options for access, where this could involve a discount on their charge.

# **Section 1**
# Understanding the electricity network

# Panellists had a limited understanding of how their bill was broken down

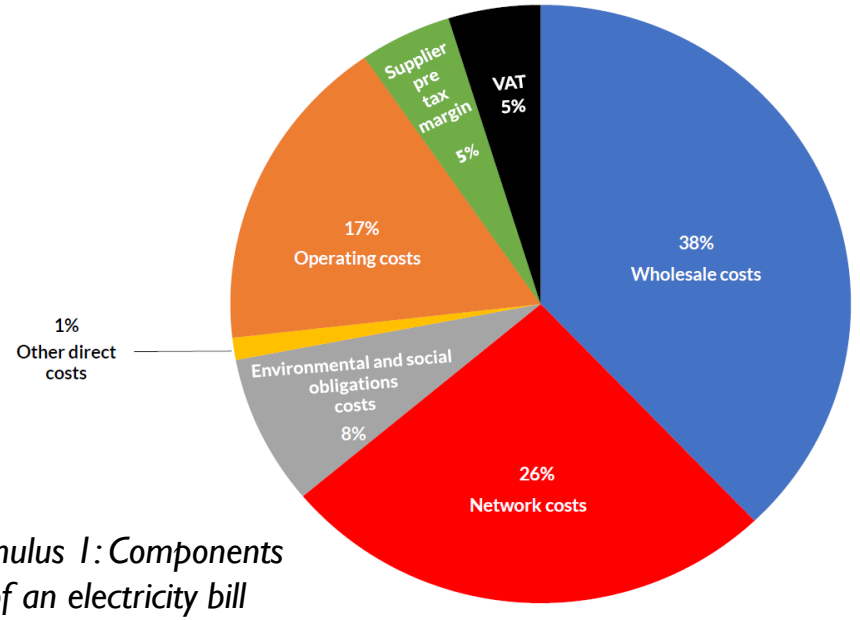
Panellists were asked to allocate themselves into one of three electricity user types – high, medium and low in order to understand whether there were any differences between these participant types.

In order to introduce the concept of network costs, Panellists were first asked to think about what their electricity bill *actually* pays for. After an initial brainstorm of the costs associated with buying and supplying electricity, Panelists were asked to label a pie chart representing the breakdown of their energy bill.

The majority of Panellists were unsure of which headings to assign to which portion of the pie chart. There was little consistency in responses, with some Panellists choosing headings for the largest proportions that others had assigned to the smallest.

For instance, some labelled supplier pre-tax margin as the highest percentage, whilst others thought that this would be the lowest. Many thought operating costs would be the largest portion of the chart, and only a few imagined that it would be wholesale costs.

Panellists struggled with this task, as many of them had never thought about the constituent parts of their bill, admitting that they were really just guessing.




*Stimulus 1: Components of an electricity bill*

***"You don't appreciate it… until you do things like this"***
*High User, Manchester*

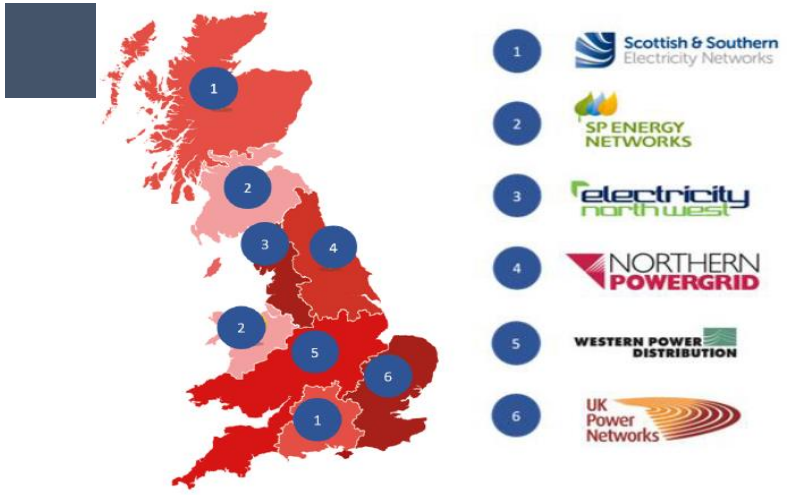
***"I got them all wrong!"***
*Low User, Llanelli*

***"I'm surprised, I thought operating costs would be higher"***
*Medium User, Manchester*

# The majority of Panellists had never considered how electricity arrived to their homes

Moderators explained the structure of the electricity network, using the analogy of "motorways" and "A and B roads" to explain how transmission and distribution networks transport energy throughout GB and into our homes. Distribution and transmission network operators were introduced as the organisations responsible for managing and upkeeping the network infrastructure.

Unsurprisingly, Panellists who had interacted with their network operator in the past (e.g. had to contact them for a power cut, or saw vans on the street), tended to be more aware of them and their function as distinct from electricity supplier companies. However, some found it difficult to distinguish between suppliers and network operators, assuming them to be the same company. Others had some awareness of the National Grid which they then understood to be part of the network.




*Stimulus 2: Distribution Network Operators*

***"I think about my supplier a lot, when I'm trying to find a better deal. I haven't thought about these guys though."***
*Low User, Aberdeen*

***"It is not something you really think about. You just flick the switch and the light comes on"***
*High User, Manchester*

# Most Panellists were surprised by the amount they paid towards the network

When the energy bill breakdown was revealed, Panellists were initially surprised that network costs were such a large proportion of the bill.

For some, this was because they had initially considered maintenance and upkeep of infrastructure to be grouped as operational costs, rather than components of network costs. For others, the fact that part of their bill was being used to pay for the distribution of electricity was an entirely new concept.

Even when Panellists had been previously aware of network charges, they rarely knew how much they paid or what percentage of their bill went towards this cost.

Following moderator explanation of what network charges cover, most Panellists could understand why a large proportion of the bill paid for the network infrastructure and its maintenance.

***"Of course. There's always something that needs fixing with the pylons "***
*Medium User, Aberdeen*

***"I suppose they need money for repairs in case of a storm."***
*Medium User, Chelmsford*

***"It's funny that I've never thought about that part of my bill"***
*Low User, Llanelli*

***"I imagined network costs would be one of the two big ones"***
*High User, Manchester*

# Panellists grasped the concept of there being fixed costs to run the network

Moderators explained that there were costs that needed to be paid in order for the network to run. In order to ensure clarity, these network costs were kept as a single figure and were not split up into the forward looking and residual components of the network charge[1].

To help respondents conceptualise what these charges were covering, moderators made comparisons between network charges and the line rental costs consumers pay as part of their telephone or broadband packages. After this explanation, Panellists understood that network costs are covered by all consumers using the network as an element of the unit cost of electricity.

Most Panellists thought that paying for these charges proportionately and based on how they use their energy overall seemed like a logical and fair approach.

***"It's just something you have to pay for isn't it? No wires, no electricity."***
*Medium User, Chelmsford*

***"It's the same as paying a bit to keep the trains running, isn't it?"***
*Low User, Aberdeen*

***"So we've all got to contribute towards it because it's something we all use"***
*Medium User, Llanelli*

[1] Network charges include forward-looking charges that are designed to send signals to encourage efficient use of the networks, which can reduce costs for everyone, and residual charges that are designed to ensure the networks' revenues are recovered.

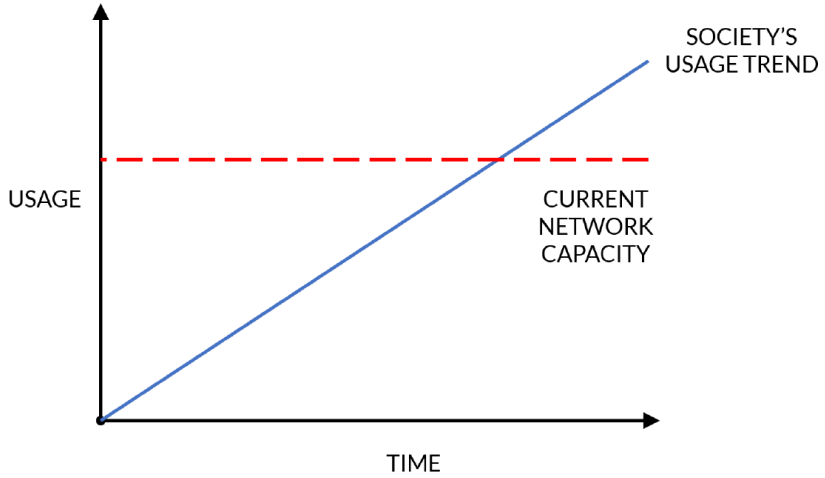
# **Section 2**
Reflections on capacity and current level of access

# Panellists understood that there is the potential for the network to reach and exceed its capacity in the future

Once familiar with how the network functions, Panellists were introduced to the concept of capacity. All Panellists understood that there was a maximum amount of electricity that can be transferred through the network at any point in time.

When looking into the future, most could see how the network was at risk of reaching full capacity, especially with the rise of electrical appliances and electric vehicles in particular. Some participants, particularly those who were older, remembered instances when there were blackouts, speculating this could be due to the network having reached capacity, and were keen for this not to happen again. Others remembered using (or still used) "Economy 7" for storage heaters and were therefore familiar with the idea of using the network at different times to save money.

However, some Panellists were reluctant to accept that the network may reach capacity, finding it difficult to imagine a reality where, for example, electric vehicles would represent more than 90% of all cars– no matter how far away in time.




*Stimulus 3: illustrative electricity usage trend*

***"People keep talking about electric cars, but I don't think we need to worry about them just yet. It'll be a very long time until we've all got them, if at all."***
*Medium User, Aberdeen*

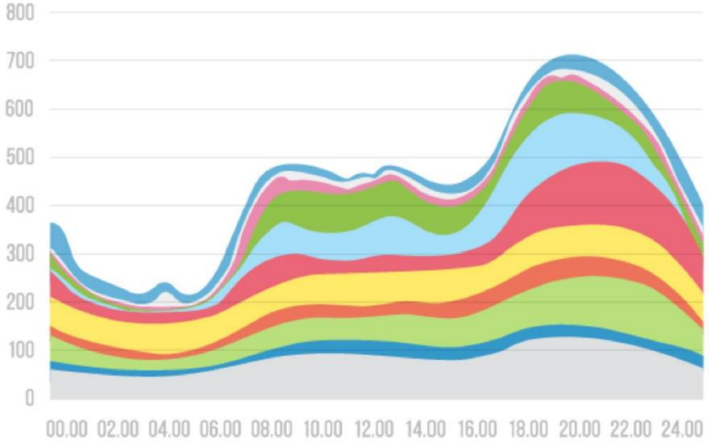
# Most Panellists were unaware of their own level of capacity usage

Panellists tended to be were unsure how much electricity was consumed by their domestic appliances. Older people tended to think that that the kettle and TV were the main items that used electricity in their homes. However, some Panellists struggled to make the connection between high energy use and the type of appliances they used (for example hot tubs or electric showers).

When panellists explored their own behaviours, although they could see how changes could be made to their usage, they struggled to accept that they personally were capable of making the necessary changes required to reduce pressure on the network.

Those Panellists that had smart meters installed tended to be more informed and aware the of the capacity used by appliances.

There was an acceptance that the world is moving towards a lifestyle which relies more heavily on electricity. Panellists understood that technologies such as electric vehicles could make electricity usage as a whole increase. For some Panellists, this was a positive shift, particularly those who were in favour of green technologies and were environmentally conscious. There were, however, some Panellists who believed electricity usage will decrease as a result of smart devices and smart homes becoming more mainstream.



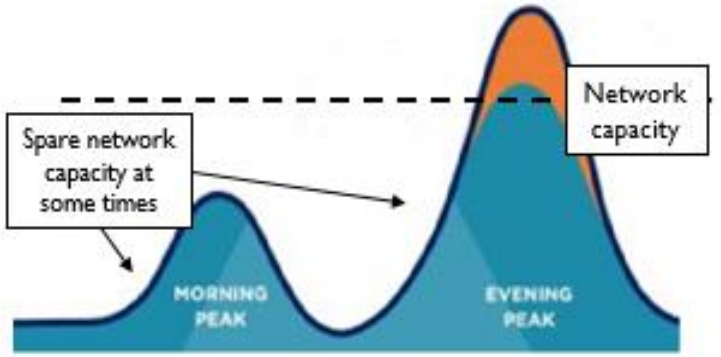

*Stimulus 4: Illustrative example of household electricity usage (Watts)*

**"My husband and I work all day and then when we get home you need to cook dinner, do the washing and the kids go on their Xbox"**
*High User, Manchester*

# Most Panellists understood the concept of peak and off-peak usage and accepted the need for change. But they struggled to see how this would work for them personally.

Panellists were asked to suggest ways of adapting their usage to reduce pressure on the network. Whilst Panellists accepted the need to make changes, they found it difficult to offer suggestions of changes that they could personally make. For example, Panellists who had young families believed that they needed to change their habits around electricity usage, believing upgrading the network would only be a temporary fix for increasing capacity. They believed that behaviour change was required in order to provide a more long term solution to the network capacity issue. However, they found it difficult to think of practical ways their usage could change. For example, when thinking about evenings, they could not see a way around cooking dinner or putting washing on at that time, nor preventing their children from using electric appliances such as PlayStations and Xboxes in the evening.

Automation was discussed and this was felt to be useful for some devices e.g. electric vehicles, however this was seen as less effective for other appliances where usage was more time critical e.g. washing machines, dryers and cookers.




*Stimulus 3: Peak and off-peak usage*

***"I'd like to say I would get up early and switch my washing machine on but I just don't think I ever would."***
*Manchester, Medium User*

# **Section 3**
Consumers' needs and charges for network access

# Some Panellists felt that consumers should pay according to their needs and consequent usage level

When they were asked to think how consumers should be paying for the level of electricity accessed through the network, many Panellists felt that households should be paying according to what they use. Some felt this might act as an incentive or reward those who used less electricity. Others supported the current charging system and didn't see a reason to change the current state of affairs. Panellists were told that intensive usage creates additional costs and felt that those incurring these should pay for them. Some Panellists felt that the current system of paying according to usage would be a fair way to cover these costs.

***"If you use the network more you should pay more"***
*Medium user, Aberdeen*

By contrast, some respondents, particularly high users, saw a 'flat rate' as the fairest option. They felt that lifestyle changes across time (e.g. having children, moving into a larger house, getting older) would ultimately even usage out across different customers over a lifetime.

However, many felt that people who access the network a lot of because of a medical condition should receive support and help to cover the cost of their bills. However, Panellists expressed mixed reactions to whether this should be funded by other customers or via the benefits system, as many felt that it was not the responsibility of electricity customers to support other customers in need.

***"We can't tell someone who uses medical equipment that they've got to pay for it all, it could add hundreds to their bill."***
*Low user, Chelmsford*

Some strongly believed it wouldn't be fair for vulnerable consumers to get additional energy related benefits, as they already received support from other sources.

# Many believed people living in remote locations should pay more towards the network if additional costs applied

Whilst in reality, consumption charges per unit of consumption could vary by location, Panellists' views were more polar. They saw charges as being either for consumption or location.

In principle, most participants across all four locations instinctively felt it was unfair for consumers to be charged differently because of where they lived, but few were willing to pay more to spread out costs. They justified this by saying that location was a lifestyle choice, and that consumers should pay for it, as they receive benefits in other aspects of their life (such as lack of pollution, better quality housing). Also, they felt it was fair for them to pay more, as the costs of servicing their homes is higher. Some felt that customers are able to choose whether or not to live in an energy efficient house and should therefore pay for electricity charges accordingly.

However, some Panellists disagreed, believing that charges should be based on consumption rather than location. Panellists in Llanelli and Aberdeen perceived additional rural charges to relate to remote areas e.g. highlands and islands, rather than their own locale. At this point, Panellists felt that these rural locations should pay more for accessing electricity. After moderators explained that these participants might be classed as rural themselves, there was a slight trend in favour of charges based on consumption than other locations. They felt it was unfair that they should have to pay more than other customers because of where they lived.

***"It wouldn't be fair if those who live rurally are charged more as it is harder in Scotland not to live rurally."***
*High user, Aberdeen*

***"If people choose to live remotely, there are costs and benefits they have to weigh up and they have bear the brunt of some higher charges."***
*Medium user, Manchester*

***"Sometimes it isn't people's choice to live rurally – often it is because of their job."***
*High user, Aberdeen*

# Some believed people with solar panels should pay according to their level of access, while others felt they should pay the same network charge as others

When moderators asked Panellists whether consumers who produced their own electricity (e.g. owners of solar panels) – and therefore taking less electricity from the existing infrastructure – should pay the same amount as other user for network charges, Panellists had different views.

Some felt that these consumers should pay less because they were using the network less. However, others felt that they should pay the same as other customers because they would still need to access the network in some way. Also, they thought that they were already saving money on their electricity bill and therefore would be able to afford to pay these charges.

There were also some Panellists that could see the positive impact of incentivising technologies such as solar panels for society, but also felt it was unfair to expect other electricity consumers to subsidise them.

***"If they're doing something for the good of all of us, I'm happy to support that."***
*Medium user, Aberdeen*

***"The sun isn't always shining, they're going to need the network lots too so they should pay the same."***
*Medium user, Chelmsford*

***"If they can afford the panels they can afford the network charge."***
*High user, Manchester*

# When thinking of a level of essential access, Panellists tended to use their own needs as a benchmark

Following discussions of vulnerability, Panellists were asked to reflect on a baseline level of essential access to the network that they thought all users, vulnerable and non vulnerable, should be guaranteed. They were then asked to discuss what this level should be.

Identifying a consistent level of essential need across tables and locations was difficult, as most Panellists tended to consider their own usage as benchmark for what was necessary. The Panel involved different household types, who typically thought that their own usage was essential.

Most Panellists struggled to appreciate other people's needs. Even those who found this easier had difficulties envisaging a minimum level of access given the different needs each household might have.

***"I use this because I need to use it"***
*High User, Llanelli*

***"I am retired, I don't need a lot. But that won't be the same for a family with children"***
*Medium User, Aberdeen*

***"The basic usage for a single person is going to be very different to what a family needs – it doesn't make sense to try and find a common level."***
*Medium User, Chelmsford*

# Many felt that people who use a lot of electricity because of a medical condition should receive support

Panellists were asked to consider whether exemptions to charging based on usage should be accounted for through the electricity bill for vulnerable consumers (e.g. unable to afford their bills or needing more electricity because of a medical condition).

Some strongly believed it wouldn't be fair for vulnerable consumers to get additional energy related benefits, as they already received support from other sources.

However, others disagreed, thinking that there should be exemptions for vulnerable people as they didn't get enough from the government. Some thought that it could be an option to calculate their concession in the same way that benefits are calculated.

While it was hard to get to a consensus when it came to defining vulnerability, many Panellists agreed that people consuming additional electricity because of medical reasons should be categorised as such.

***"People with medical conditions should also get a more lenient electricity bill, especially if they have to take multiple baths throughout the day"***
*High user, Aberdeen*

***"There should be exemptions for ill people. They should calculate them in the same way they do for benefits"***
*Medium group, Aberdeen*

***"It is a shame that in this day and age so many folk are suffering from fuel poverty – people with medical conditions deserve more support"***
*High user, Aberdeen*

# **Section 4**
# Reflections on changing behaviour

# Panellists frequently emphasised the potential benefits of educating consumers about using electricity differently

In order to encourage people to adapt their usage of the network, some Panellists felt it would be necessary to educate customers about their electricity usage. Those with smart meters tended to have greater awareness of how much electricity they used, however they had limited knowledge about the relative amounts of electricity each appliance used. Some, however, were sceptical about the impact of education and felt that some people either could not or would not change the way they used electricity and that other measures were needed.

- For some, information and education surrounding the specific electricity usage of different household appliances was important
- Others wanted more direct and rapid feedback on their energy use and the extent to which their efforts to reduce or alter usage were paying off.

When presented with figures of electricity usage for common household appliances, most Panellists were shocked at which appliances used the most. Many expressed the value in sharing such information with the public to enable them to make informed decisions about their usage.

Some panellists, especially those with families could not think of significant ways of reducing their usage at peak times. Many Panellists suggested increasing the network capacity and were not fazed by a potential cost for this.

***"I can't believe how much electricity an electric shower uses."***
*Low User, Llanelli,*

***"I've never really thought about how much electricity a kettle uses, I just switch it on!"***
*Medium User, Chelmsford*

***"We have 18 chargeable appliances in my house- I dread to think how much that's using ."***
*Medium User, Manchester*

***"People don't know enough about this stuff, if you told them how much their kettle uses they'd be shocked."***
*Low User, Aberdeen*

# Panellists were in principle favourable to the idea of changing behaviour to limit impact on the network's capacity

Panellists were initially supportive of the idea of other people using appliances less or at off-peak times to reduce the pressure on the capacity of the network, however, some - especially high users - had difficulties identifying what habits they could or would be willing to change personally.

Those that said they were high users of electricity - often families with children – believed it would be hard for them to change habits and use electricity at different times. For instance, they were not sure how to cook or use washing machines at different times, with a whole household needing food at peak times, and regularly washed clothes. Some parents also questioned whether they could get their children off their devices long enough after school to have a significant effect on the network's capacity. However, some - low users in particular - were already reducing their usage to save money, and were more open to think of additional ways of changing their behaviour to relieve pressure from the electricity infrastructure.

Most Panellists found it difficult to imagine using electric cars in the future due to the high cost and low current uptake. Those who believed they would use electric cars in future believed that their electricity usage would be likely to increase in the future. When facilitators explained that in the future they would be increasingly able to take advantage of technologies that would allow them to use electricity at different times (e.g. timers, smart home appliances) some thought this could help them, while others remained sceptical of the applicability to their case.

***"My husband is a firefighter. There's a limit to how much we can change when we use electricity at different times"***
*Low User, Llanelli*

***"I think I could probably start doing my washing at different times, especially if I could put a timer on."***
*Medium User, Manchester*

# Most Panellists thought that a tangible incentive would encourage them to reflect on and change behaviour

Most Panellists thought that a tangible financial incentive would be needed to reconsider and change consumers behaviour to reduce pressure on the networks. There was a sense of frustration from some Panellists who were already making efforts to change their habits to save money on their utilities, but were yet to see any difference to their bill. For example, some people were trying to put their washing machine on late at night, and avoided having very long showers. These Panellists tended to be lower electricity users and were typically single or did not have children at home. This group were keen to know what sort of behaviours would have the biggest impact on lowering their bill. As much as there was some concern about the actual capacity of the network, people who thought they would be able to change their behaviour felt they would be more likely to make changes to their own behaviour if they knew that their bill would be reduced.

Many who had a smart meter said they had expected to see a reduction in their bills' amount, but had not seen this benefit yet. The majority wanted the bill to be made more transparent, so they knew exactly which appliances use a lot of electricity so they could make changes accordingly.

It seemed through conversation that Panellists were more likely to say they would try to change their behaviour in response to a positive financial incentive, rather than a penalty, and many were keen to reduce the amount they paid for their electricity.

***"I've tried to cut back on my usage to keep my bills down but haven't seen any change. I really don't know how you're supposed to do it."***
*Medium User, Aberdeen*

***"If you're asking me to change when I use my appliances you're going to have to encourage me in some way."***
*High User, Chelmsford*

# Most Panellists were willing to contribute financially to support the network's expansion to some degree

Most Panellists believed that the network's capacity should be increased to some extent, and were happy to pay a small charge for this. Many thought that the amount should be spread across each month. While the majority of Panellists agreed to a limited increase in their monthly bill to supplement network capacity, almost all of them felt that this should happen in conjunction with some changes in consumer behaviour. Participants were given an illustrative figure for increasing the network of around £30 per year which panellists felt was reasonable and affordable.

A minority thought the increase in capacity would be a short term solution to support long-term interventions to get consumers to use more electricity at off-peak times for the sake of the network. They thought that behaviour change would take time to happen and thought that a new generation would be more responsive to education messages than those currently using electricity.

***"It depends how much it is, if it's an extra few pounds a month I think it's easier to do that."***
*Medium User, Manchester*

***"You increase capacity now, you're going to have to do the same again in a few years. There's a limit to how much you can do it!"***
*Medium User, Aberdeen*

# Section 5

Reflections on usage signals and access packages

# Most Panellists were open to both a colour coded signal for peak/off-peak times and some package options

Moderators introduced the idea of signalling a different price for different times of the day or package options for accessing the network, where they decided on an agreed level or type of access, as options to help / encourage consumers to change behaviour, and discussed how consumers might respond. They explored some illustrative options, such as deciding how much capacity people needed and obtaining that upfront, agreeing to off-peak only usage for some of their capacity, or the supplier limiting the amount of capacity people used at peak times.

The idea of the smart meter's colour coded signals for peak/off-peak times was generally well received by Panellists, who thought it was a good way to indicate different times and associated charges and felt that it was likely to make them re-think their behaviour.

However, some resisted the idea of "being told what to do" and believed that they would not be able to hold off on using some appliances until an off-peak time. Some were resentful of the red light as they did not want to pay more for electricity. Others were confused about how an amber light would work, suggesting that red and green lights would be enough to signal peak and off-peak periods.

Some Panellists were positive about the idea of having package options with a defined level of capacity, as long as they allowed for some flexibility. Panellists felt that their electricity use would increase at certain times of the year, for example at Christmas, or at times that family are visiting, so would want the flexibility to be able to increase their capacity, without the cost being punitive.

***"I like that idea, I can imagine seeing a red light and thinking twice about putting my phone on to charge"***
*High User, Manchester*

***"It's not for me (package options). I don't think they should be telling me when I can or can't use my electricity."***
*Medium User, Llanelli*

***"I would sign up for a package, as long as it's not going to cut me off and it's easy to swap to another one"***
*Low User, Aberdeen*

# Section 6: Conclusions

# Conclusions

- Most Panellists were in principle favourable to the idea of changing behaviour to limit impact on the network's capacity. They believed that people should be encouraged to change their behaviour to reduce pressure on the network's capacity in the future.
- Whilst Panellists accepted the need to make changes, many found it difficult to identify changes that they could personally make or habits they would be willing to change.
- Some Panellists were already taking steps to reduce their electricity use and costs, for example by having shorter showers, often to try and reduce their bills.
- Almost all of the Panellists also showed positive views around a limited increase in their monthly bill to supplement new network capacity, in conjunction with some changes in consumer behaviour.
- Panellists considered their own electricity use as a benchmark for what was necessary when considering 'essential' use.
- Many Panellists believed people living in remote locations should pay more towards the network if additional costs applied, though this varied across participants.
- Some Panellists felt that some vulnerable people should be protected from high electricity bills, for example if their medical condition meant that they needed to use a high amount of electricity. Panellists felt that support for vulnerable people should be covered by the government or another party (e.g. a charity).

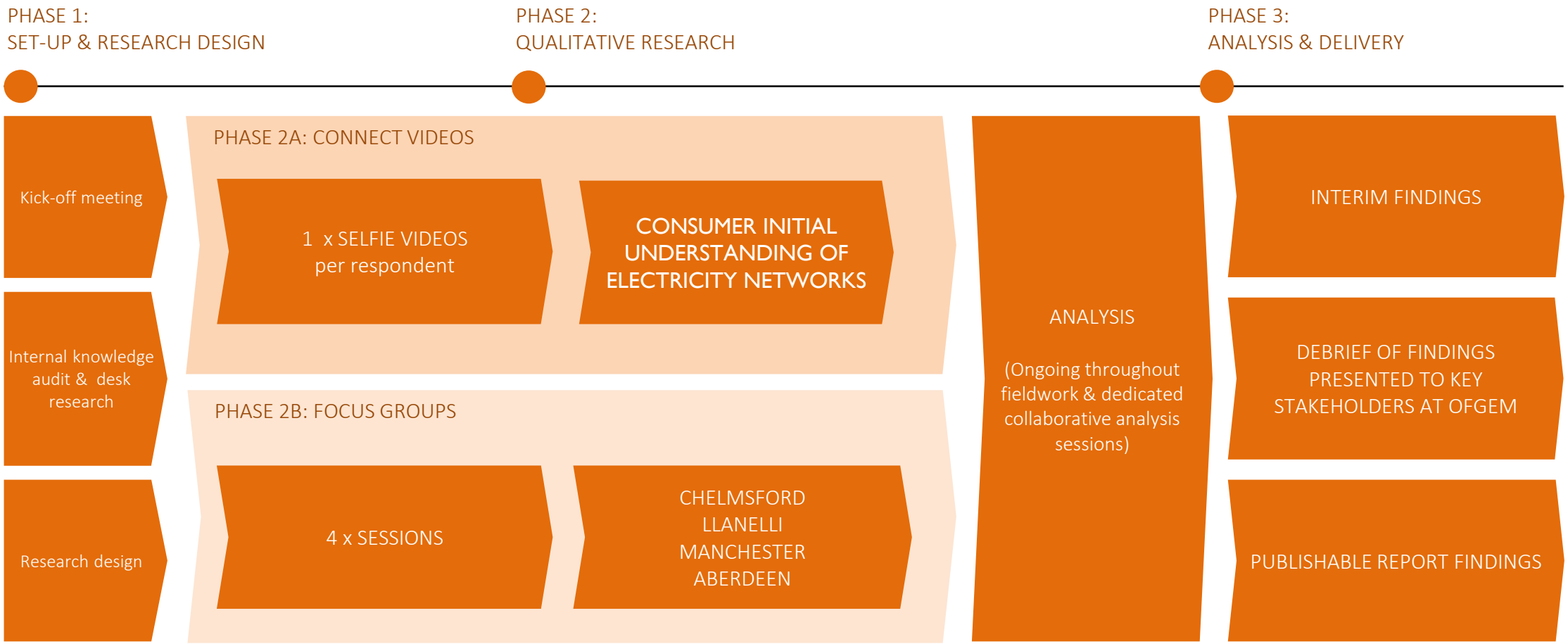
# Conclusions

- While Panellists recognised the need for behaviour change, they didn't want to be told how they should use electricity.
- Panellists suggested that they would be more likely to adopt changes in the future in response to a positive incentive (e.g. nudges or rewards) rather than a sanction. They recognised that additional interventions could help reduce strain on the network, e.g. appealing to customers' sense of being good citizens by reducing their demand.
- Some Panellists were positive about the idea of having a choice of package options for accessing the network with a defined level of capacity to help/encourage consumers to change behaviour, as long as they could have some flexibility around this choice (e.g. when circumstances change temporarily).
- The idea of receiving colour-coded signals through a smart meter for peak/off-peak times was generally well received by Panellists. They thought it was a good way to indicate different times and associated charges and felt that it was likely to make them re-think their behaviour.
- Technology (e.g. timers, smart home appliances) was felt to provide a role in managing peak demand by appliances being programmed to be used off-peak.
- Panellists felt strongly that transparent information about the impacts or benefits of energy use was important in order to make informed decisions about their usage changes. This suggests future changes might be more effective and gain stronger consumer buy-in if they were presented in terms of achieving the same outcomes in a more cost efficient way.
- Some felt their supplier should have a role in providing information about energy use. Some felt information and education around the specific electricity usage of different household appliances was important. Others wanted more direct and rapid feedback on their energy use and the extent to which their efforts to alter usage were paying off.

# Appendix I

Research approach

# Methodology



# The sample for the Consumer First Panel aims to represent a broad range of energy customers and locations

100 Panellists were invited to take part in this year's Panel:

- A range of tariff types
- A range of suppliers (both large and small)
- How often Panellists switch supplier/tariff
- Household income
- Age ranges and genders
- Urban and rural locations
- Different payment methods

To ensure we covered more rural and urban locations across the three nations, sessions were held in:

- Chelmsford, England (19 Panellists attending)
- Llanelli, Wales (23 Panellists attending)
- Manchester, England (19 Panellists attending)
- Aberdeen, Scotland (22 Panellists attending)

The Panel will meet again to discuss other topics throughout the year, with the next session happening in Spring 2019.

# Due to the complex and technical nature of the topic we undertook a deliberative approach for the research

- This enabled Panellists to ask questions, hear different viewpoints and explore their understanding of the topic together.
- A portion of the session was dedicated to explaining about networks and related charges. This explanation was necessary as Panellists were often unfamiliar with different components of their bill.
- A deliberative session allowed us to explore layers of involvement openly with respondents as well as ascertain how difficult groups of consumers find it to understand and engage with discussions around electricity networks and related charges.

# At the sessions, Panellists were divided into three groups, based on the perceived amount they paid for their electricity bill

**Before the events** Panellists recorded a short video and shared their thoughts on how electricity gets to them and the amount of their usage.

**Once at the event** Panellists assembled themselves into three working tables according to their level of electricity usage (determined by the cost of their utility bills and their self definition based on their consumption):

- **High users**
- **Medium users**
- **Low users**

Participants were split into working groups in this way to create coherent groups where discussion was facilitated around common experiences views which held ensure that they felt free to express their views without being judged.

# The sessions included moderator explanations and discussion to explore Panellists' views about the way they are charged for use of the network

The sessions lasted three hours, and comprised open discussions with some private response questions. Stimulus and moderator explanations were pivotal to ensure consumers were able to understand, discuss and deliberate topics between themselves and with moderators. An illustrative format and timings have been presented here since there were some minor refinements to this during the fieldwork.

| | | |
|---|---|---|
| 1 | 6 – 6:15pm | Introduction and energiser |
| 2 | 6:15 – 6:35pm | Electricity network companies and charges |
| 4 | 6:35 – 7:10pm | Introducing network capacity |
| 3 | 7:10 – 7:20pm | Break |
| 5 | 7:20 – 8:00pm | Options for future capacity |
| 6 | 8:00– 8.50 pm | Options for accessing the network differently |
| 7 | 8:50– 9.00 pm | Reflections and close |

# There were some challenges and research effects that should be considered when exploring the findings in this report

- **Scepticism of the energy market -** Panellists were very sceptical of suppliers and the energy market in general. This cynicism played out in their discussions about network charges and sharing costs and limited some respondents ability to think about the topic more in depth.

- **Confusion between network operators and suppliers-** despite Moderator's explanation at the beginning of the session, there were some Panellists who did not make a clear distinction between network operators and suppliers, limiting their ability to contribute to their discussion.

- **Knowledge transfer -** A lot of explanation was required from moderators to ensure Panellists had a base of knowledge for the session, which arguably elevated their level of understanding above average consumers.

- **Group effect -** In focus groups there is often a potential for the individuals in the group to move towards a consensus, or towards exaggerated response that they think is acceptable for other members. This could have been the case in a few instances (e.g. it could have been more socially acceptable to say that vulnerable customers should be charged differently). Moderators reiterated that there were no wrong answers throughout the session to discourage this as well as actively raising different viewpoints for the Panellists to consider. We also used a number of private response techniques to help ensure that panellists' individual responses were collected.

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