

Electricity Transmission

Stakeholder Engagement Incentive Scheme Submission 2018/19

nationalgrid



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communication
488

This submission covers National Grid Electricity Transmission.

We own, manage and maintain the high voltage electricity transmission network in England and Wales. Our stakeholders include those who use our network directly, end consumers who use the energy it helps deliver, and all others impacted by what we do.

Part 1

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David Wright
Director of Electricity Transmission,
National Grid Electricity Transmission
Board Member

Welcome to Part 1 of our 2019 stakeholder engagement incentive submission. Last year, we were genuinely shocked by our score and the feedback we received, although with hindsight, maybe this shouldn't have been a surprise. This year, we've approached our engagement, and this submission, a little differently, and I hope that's noticeable in the rest of this document.

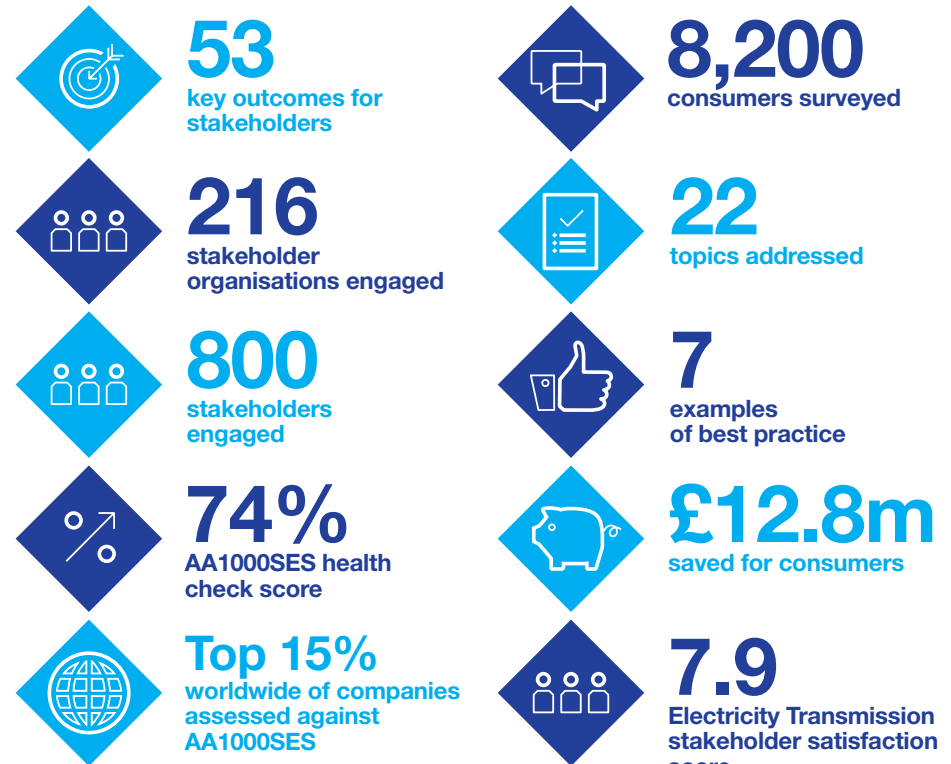
The feedback we received was very clear and some things really stood out for us. In particular, you gave us some specific challenges around embedding our engagement better across our business, demonstrating our commitment to stakeholder engagement, and showing how we've actually changed things as a result of what our stakeholders have told us.

During the past year, we've made a lot of positive changes, but we can still do more in some areas. As well as the longer-term, slower burn improvements we were focusing on before last year's feedback, we've made more immediate change on the back of our engagement activities, because what you told us certainly made us think. We've taken a more strategic approach to stakeholder engagement by integrating it more closely into the way we do business, so that our strategic business priorities are now fully aligned with our stakeholder priorities. I hope you agree that your feedback has already started to have a positive effect.

One final thing from me. You'll hopefully notice the different style of this submission compared to previous years. Although we pride ourselves on tailoring our engagement to suit the audience, we've always written this submission in a very corporate way. So, this year, we've tried to write it in a way that will better suit you, and we explain more about this throughout the document. We'd love to know whether or not we've got this right!

David Wright
Director of Electricity Transmission
National Grid Electricity Transmission Board Member

Key highlights from this year



About Part 1

Last year's panel feedback didn't make for happy listening, but when we went away and reflected on what you told us, we agreed with what you said. Messages like 'your stakeholder focus doesn't feel fully embedded across the organisation', 'you talk a lot in the future tense', and 'it sounds like you're trying to turn an oil tanker' have made us look again at our whole approach to being a more stakeholder-focused business.

To show what we've improved in the past year, we've changed the format of Part 1, so 1a focuses on what's new or different since we last spoke to you. Our more 'business-as-usual' activities, such as how we map our stakeholders, tailor our engagement and our accreditation details, are included in Part 1b as evidence for the rest of the Part 1 criteria.

Part 1a: What's new for 2018/19

1. We've changed the structure of our organisation so that all of our teams are now more externally focused

In 2018, we began a process to change the structure and focus of our Electricity Transmission business, to become more outward facing so that what we do is based on what our stakeholders need. We're not saying this was based purely on your feedback, but what you told us was consistent with what we'd been hearing from others, and what we'd realised ourselves – that our previous focus was still too internal.

The industry is changing rapidly, and stakeholders have told us that in order to keep up, we need to be more flexible, transparent and cost efficient. To do this, we need to understand their needs better and use this to shape our decision making.

So, we've gone through a major restructure, setting up our teams around the specific needs of our stakeholders and customers. At the same time, we've embedded a stakeholder focus across more teams than ever before. Last year, you told us it felt as though we had a small number of people trying really hard to make a change. This year, we've demonstrated a broader commitment across our business. The case studies in Part 2 reflect this – they're from a wider spread of teams – and our latest AA1000SES health check score also reflects a further improvement. You can find details in Part 1b, but our improved score again shows that our focus on stakeholders is reaching more parts of our organisation year-on-year.

2. We have explicit senior leadership commitment and involvement

You told us last year that it didn't feel as though there was a genuine commitment to stakeholder engagement at the top of our organisation. Since then, our leadership team has also taken a more active role in talking to stakeholders and making sure we act on what they tell us. Last year, you asked for more clarity around how our senior leadership team is involved in our stakeholder decision making process. Our UK Executive Director, Nicola Shaw, chairs our stakeholder board which is responsible for reviewing and approving our stakeholder engagement strategy and associated plans.

Meeting monthly, the board discusses our stakeholder priorities and provides direction on our business planning activities to deliver these. They review stakeholder feedback and evaluate potential ways to address this feedback in what we do as a business. This covers both shorter-term, tactical actions (such as the review by Truth, see page 3) and longer-term, more strategic changes (such as our greater focus on consumers and communities, with examples in part 2).

Executive engagement Nicola has actively participated in a number of stakeholder events, including personally speaking to school children about STEM subjects and what we might do differently to promote these. She shares her interactions with our stakeholder board, and outputs are brought back into the business and fed into our decision-making process. Knowledge sharing from these events is also communicated more widely across the business through various internal channels, including town halls hosted by Nicola, where employees are invited to hear about business updates. This year, Nicola has hosted eight town halls with 800 attendees and posts a regular blog through our employee Yammer group.

Director level engagement David Wright, Director of Electricity Transmission, meets with his direct reports once a month through the Electricity Transmission Executive Committee (the Exec). One of the roles of the Exec is to act on the decisions made by the stakeholder board (David also sits on that board). David and his senior leadership team have been more directly involved in stakeholder engagement during the past year. As well as getting out and speaking to stakeholders as part of their daily activities, they've also taken part in a consumer listening event – giving them the opportunity to hear directly from members of the public about what we should be focusing on.

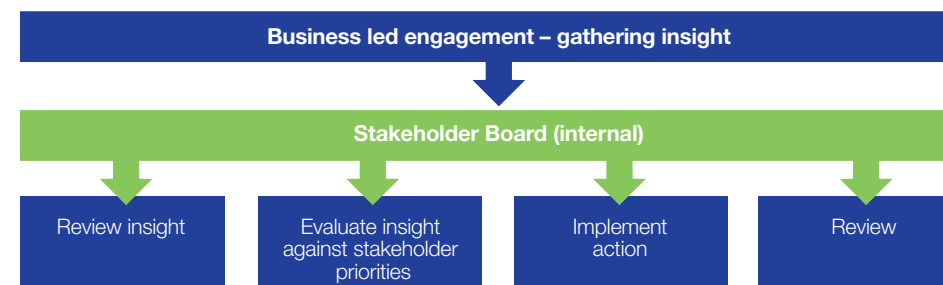


Our event was held in January 2019 in Birmingham and facilitated by an independent research company. David and his Exec team listened to members of the public from a variety of demographics as they discussed and debated topics based around our stakeholder priorities: keeping the lights on, keeping bills down, helping the fuel poor and vulnerable consumers, decarbonisation and corporate responsibility. They learnt a lot, and all Exec members found the first-hand feedback very insightful. We talk in Part 2 about what we've done on the back of this feedback, and how these sessions have become a regular part of our ongoing engagement activities.

Stakeholder engagement discussions are now part of every Exec meeting as a standing agenda item, and Exec members also promote engagement within their own teams, with the aim of:

- Expanding our stakeholder engagement activities to involve a wider range of stakeholders in shaping our business decisions
- Improving our employees' stakeholder skills and capabilities, and providing support to embed these skills throughout our business
- Improving on the way we gather and act on feedback
- Better considering the impact of our decisions on our stakeholders
- Identifying and working with external organisations to increase our knowledge and share best practice

Stakeholder Board review process



What's new for 2018/19 (continued)

3. We've re-established our stakeholder advisory panel

Last year, we know you were more than a little surprised that we didn't have a stakeholder advisory panel to support our activities and challenge our approach. We didn't do a great job of explaining why we'd disbanded the previous panel and not set up a new one (which was mainly to make sure that our new panel was also fit for purpose when it came to our new RIIO-2 requirements).

However, since July 2018, we once again have a panel (our independent Stakeholder Group, chaired by Trisha McAuley), which has been challenging us on how we engage with our stakeholders, making sure that we are fully representing the priorities of all our stakeholders and that our stakeholders have the right opportunities for their views to be heard. And although they mainly have a RIIO-2 focus at the moment, that's not all they cover. We made sure we included group members with a real consumer expertise (we believe we're the only network to do this) and they've set the bar really high on what they expect us to be doing with consumers – this has not traditionally been a strong focus for us in the past, but we've now engaged directly with over 8,000 consumers through a variety of channels, and this has already become a key part of our ongoing engagement programme.



4. We've worked with others to highlight what we're doing well and where we need to improve

In 2018, as well as commissioning another AA1000SES health check, we also asked a third party to assess our engagement approach. We wanted to know whether we were getting the detail right when it came to engaging on topics within our business plans – were we talking to the right people about the right topics in the right way, and were we then using what they told us to inform our plans?

To help us improve we partnered with an expert engagement organisation, Truth, who reviewed our activities in detail and produced a report for each of our engagement topics. We asked them to be honest and overly-critical if necessary so we knew what to improve on. What they told us was that in general, our engagement activities:

- are well structured, designed and executed
- include a good cross-section of stakeholder groups
- use well-structured questions to provide insight that can inform decision-making

They also highlighted some weaknesses for particular engagement activities, including how we recorded stakeholder views at one particular workshop (i.e. not in sufficient detail to be particularly useful) and gaps in our coverage of certain stakeholder segments (which we were then able to address through additional engagement). This feedback was shared with our Exec and our independent Stakeholder Group, who praised us for getting Truth involved. We've already used this learning to improve on our approach for subsequent engagement activities, including making some simple process tweaks to give us a more consistent way of recording the feedback we hear in face-to-face engagements.

5. We've changed things based on what we've heard

One of the things that stuck with us most last year was that you said we talked a lot about what we were doing or what we were going to do. You said that the past tense was largely absent in our language, and when we looked at what we were doing, this was a pretty fair reflection of where we were!

We realised that we'd been focusing too much on 'turning the oil tanker', looking at the more transformational, cultural and behavioural changes which naturally take longer to make happen – and not concentrating enough on what we could do now to reflect stakeholders' priorities in our plans.

So, this year, Part 2 contains more of what we've already changed, and not so much about what we're going to change in the future. Some of what we're doing is longer-term and there's no avoiding that, but we've been more explicit about this than before. And we've tried to be clearer about the outcomes and benefits we're generating for our stakeholders. We heard your general comment to all networks last year that there were too many outputs and not enough outcomes. This year, we've been clear about what's what and we've tried not to blur the lines – in keeping with our commitment to be transparent and honest, we won't be claiming the number of website hits as an outcome.

The table which follows summarises our main engagement activities over the past year. We've included more cost data than in previous years, and this also reflects how we've scaled up over the past 12 months. Where genuine outcomes and benefits have not yet been delivered, we've listed these activities separately so you can see how the costs and benefits stack up.

What's new for 2018/19 (continued)

Our engagement activities and costs

Engagement activities with outcomes			
Why we have engaged	How	Outcomes	Cost (£)
To hear first-hand from members of the public what's important to them and what they think we should prioritise	Workshop	<ul style="list-style-type: none"> £100k pilot to support fuel poor consumers, with benefit to an estimated 4,000 households 	9k
To work with a range of stakeholders to establish priority schemes for Visual Impact Provision (VIP) schemes and to work up the detail of the chosen schemes	Multiple channels	<ul style="list-style-type: none"> The first set of priority schemes to provide visual amenity improvements has been agreed Planning consent has been obtained for the first scheme in Dorset, removing 5.5 miles of overhead line and 22 pylons 	118k
To identify priority candidates for our Community Grants Programme and employee volunteering	Multiple channels	<ul style="list-style-type: none"> Prioritisation of a total fund of £1.6m to deliver over 280 individual stakeholder benefits 	83k
To obtain input from local communities as part of the planning process for the North Wales, North West Coast and Hinkley major infrastructure projects	Multiple channels	<ul style="list-style-type: none"> Solutions provide a balance between local considerations, customer requirements and an overall efficient cost to consumers 	1.3m
To provide more information to potential connectees on available land and capacity via our interactive connections map	Website	<ul style="list-style-type: none"> 157 new connection applications received (a 57% increase from last year), helping facilitate the transition to decarbonisation 100 new connection offers made with 56 already signed 	Included in website costs
To gather information from members of the public about potential incidents on our network, and to thank them for the information received	Phone, face-to-face and email	<ul style="list-style-type: none"> Potential safety and/or network issues avoided in 15 cases during the last 12 months 	1k
To help our landowner community feel more involved and aware of our activities, to build relationships with this community	Gridline magazine publication	<ul style="list-style-type: none"> 97% of grantors say that they have a better understanding of National Grid 79% of the readers feel part of the grantor community 	27k
To challenge views that engineers only wear hard hats and increase the number of 13-18 year-olds who would consider a career in engineering	Social media	<ul style="list-style-type: none"> A doubling in interest in engineering as a career amongst those exposed to the #ThisIsEngineering campaign 	125k
To share best practice with other networks and emergency services to improve rescue drill procedures	Face-to-face	<ul style="list-style-type: none"> Improved safety procedures for UKPN, Edf and emergency services 	2k
To provide Black Start training for the Welsh Government	Face-to-face	<ul style="list-style-type: none"> A better informed Black Start plan for Wales 	600
To share safety information with stakeholders relating to base jumping from our assets	Face-to-face	<ul style="list-style-type: none"> Better prepared rescue service teams to deal with potential base jumping incidents 	600
To share information with stakeholders and engage on the future resilience of the UK Electricity System	Multiple channels	<ul style="list-style-type: none"> More informed resilience policy as a result of recommendations being shared with the relevant authorities 	26k
To provide education and recreational opportunities to the public via our Environmental Education Centres	Face-to-face	<ul style="list-style-type: none"> Increased environmental knowledge and awareness for an estimated 45,000 visitors to our four centres during the last year 	80k
To improve the connection experience for our customers, reducing time, complexity and costs	Face-to-face	<ul style="list-style-type: none"> Quicker connections, improved customer satisfaction (8 out of 10) 	100k
To provide life skills support to members of the public through the Suited for Success scheme	Face-to-face	<ul style="list-style-type: none"> Improved chances of finding employment for 12 participants 	1.5k
To work with local organisations to re-use waste from our construction activities	Face-to-face	<ul style="list-style-type: none"> Improvements to local amenities including walkways, bridges and platforms Savings of around £4k in waste disposal costs 	2k
To find traffic solutions for a local community relating to work around Chilling Lane	Public events	<ul style="list-style-type: none"> Reduced traffic disruption for the community Improved traffic safety as a result of lower speed limits Local road resurfacing 	1.9k
To support Age UK Bamsley in providing help and support to older people in their area	Public events	<ul style="list-style-type: none"> Support to 400 older people Ten new regular groups established 	14k
To train local residents as part of the Village Life Community Project	Public event	<ul style="list-style-type: none"> 80 volunteers trained on defibrillators, potentially saving lives should an incident occur 	4k
To promote STEM subjects and raise awareness of electricity amongst Kent schools near our Richborough project	Multiple channels	<ul style="list-style-type: none"> Improved knowledge of STEM subjects for 2,200 pupils 30 teachers trained 	100k
To provide work experience for students at our Eggborough substation	Face-to-face	<ul style="list-style-type: none"> Increased engineering knowledge for three students with an existing interest in the topic 	700
To work with local residents to find a more cost-effective solution to a noise problem at our Ealing substation	Public events	<ul style="list-style-type: none"> Reducing noise disruption for local residents Saving £11.8m against the alternative cost of transformer replacements 	50k
To provide innovative, more flexible connection options for potential connectees (tertiary connections)	Multiple channels	<ul style="list-style-type: none"> Supporting faster decarbonisation of the network through the connection of 2 gigawatts of grid-scale batteries and rapid electric vehicle charging points 	11k
To provide a link between people who need support and those who can provide it, through our Grid for Good programme	Multiple channels	<ul style="list-style-type: none"> 19 members of the public supported through the pilot 1 person housed, 2 people found employment 	6.5k
To reduce waste across our main offices through our Evie's Whale campaign	Multiple channels	<ul style="list-style-type: none"> 52,000 plastic cups saved Office recycling increased by 45% Prevention of 88,000 polystyrene and plastic containers going to waste annually 	4k
To provide energy efficiency solutions to members of the public via our Warm Homes Fund	Multiple channels	<ul style="list-style-type: none"> £73m invested in energy efficiency improvements for fuel poor Over 3,000 installations completed 	389k

Engagement activities with outputs			
Why we have engaged	How	Outputs	Cost (£)
To discuss innovation with our stakeholders at the Low Carbon Networks & Innovation Conference (LCNI)	Public event	<ul style="list-style-type: none"> Engagement reach estimated at 1,600 visitors Best practice and learning shared Showcase innovation projects, SF₆ gas alternative, decarbonisation of South Wales project 	70k
To discuss specific parts of our business plans with a range of stakeholders in order to understand what they need us to focus on	Workshops	<ul style="list-style-type: none"> 4 workshops, 210 attendees 91 organisations represented Average Net Promoter score of 8.4 out of 10 	38k
To explore willingness to pay amongst household and business consumers	Online and face-to-face	<ul style="list-style-type: none"> 1,000 domestic consumers, 600 business consumers surveyed 	40k
To promote engineering via the Big Bang Fair	Public event	<ul style="list-style-type: none"> 80,000 visitors attended over four days 4,200 teachers and students from 882 schools 	13k
To provide BEIS (Department for Business, Energy & Industrial Strategy) employees with more detail about our activities through a visit to London Power Tunnels	Bespoke	<ul style="list-style-type: none"> Sharing large scale infrastructure engineering project knowledge with 29 BEIS employees 	2k
To share control room best practice with Edf	Face-to-face	<ul style="list-style-type: none"> Increased control room knowledge for one of our stakeholders 	500
To speed up and simplify contracts for our suppliers	Workshops	<ul style="list-style-type: none"> Shorter times to award contracts Improved supplier satisfaction 	19k
To discuss key energy industry issues with a broad range of stakeholders	Industry events	<ul style="list-style-type: none"> 34 stakeholder leads for follow-up, one relating to possible connections opportunities 	45k
To engage with our stakeholders on the topic of innovation	Podcasts	<ul style="list-style-type: none"> 15 podcasts listened to by 3,608 stakeholders 	4k
To share details of other engagement activities and engage a new audience	Social media	<ul style="list-style-type: none"> New stakeholders reached New stakeholders signing up to workshops and webinars, because of awareness through social media channels Social media reach of over 40,000 	16k
To inform our stakeholders about our key innovation activities	Various	<ul style="list-style-type: none"> Social media reach to over 100,000 276 annual innovation document website views 	6k
To provide better and more information to our stakeholders	Website	<ul style="list-style-type: none"> New Electricity Transmission website created Online interactive tools and heat maps to help customers and stakeholders make quicker and more informed decisions, particularly regarding connections 	650k
To get direct feedback from senior leaders of other organisations into how well we are meeting their needs	Face-to-face	<ul style="list-style-type: none"> 29 senior level engagements 	54k
To share information with stakeholders and highlight opportunities to get involved in shaping our plans	Email, online	<ul style="list-style-type: none"> 2,000+ stakeholders informed via regular newsletters 	8k
To work with stakeholders to develop options for charging solutions for electric vehicles	Multiple channels	<ul style="list-style-type: none"> 54 strategic motorway service areas identified for potential charging connections 38 external engagement events, involving 600 stakeholders Social media reach of 4,500 	258k
To gather stakeholder feedback on the direction of travel of our draft RIIO-2 business plan (via our playback document)	Multiple channels	<ul style="list-style-type: none"> 3,500 page views on our website 89% of respondents found our consultation clear 	15k
To engage and inform stakeholders of our role within the industry	Multiple channels	<ul style="list-style-type: none"> 4 factsheets 10 news statements 1 webcast 1 seminar 	27k
To engage with our supply chain partners on the subject of modern slavery	Workshops	<ul style="list-style-type: none"> Improved supply chain due diligence checks Ranked 12th within 100 FTSE companies tracked by the Business & Human Rights Resource Centre 	7k
To engage and inform members of the public about the workings of a substation	Digital/video	<ul style="list-style-type: none"> Video viewed by an estimated 1,500 members of the public 	1k

Estimated engagement cost £3.7m

How we've acted on feedback

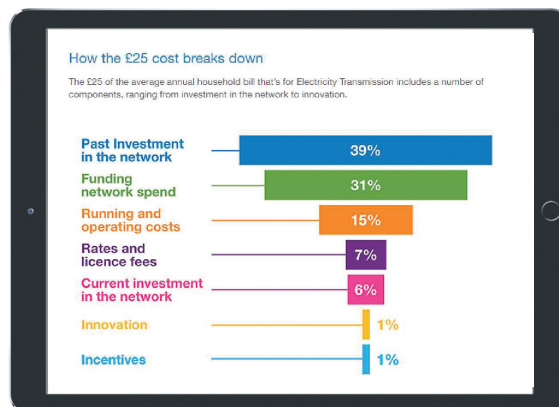
The engagement activities and cost table show a summary of the benefits we've created as a result of our actions, and Part 2 is where we include examples of what we've done in the past year (and particularly what benefit this has created for stakeholders on the back of what they've told us). We've also included a couple of examples here to show how we've done something different as a result of what we've heard.

Increasing transparency around what we do and our consumer bill impact

From direct research with over 3,000 consumers, plus our ongoing conversations with the likes of Citizens Advice and Which?, we heard that members of the public are still unsure of what we do as a business and how much our costs contribute to the cost of their electricity bill. Lots of people think we're 'the national grid', with little idea about the distinction between transmission, distribution and supply. Some people even think we're the regulator!

This maybe isn't surprising as we hardly ever deal directly with consumers (and some consumers question whether they even need to know), but to provide more transparency, we've done a couple of new things in the past year.

Firstly, because we've heard that energy bills can sometimes seem quite complex, and it's not always clear what consumers are paying for, we've created simple, clear information (shared via our website, newsletters, social media and a webinar) to show how our costs make up part of consumers' bills. We've also created a short, non-techy guide to how a regulated monopoly is paid, to show how our costs are calculated.



Electricity Transmission: How the £25 is made up

Also, we've worked with a creative agency and consumers to find a simpler way of explaining who we are and what we do. We used the output of this work at our consumer listening event and (according to the attendees) it worked really well, so we'll continue to use this approach in future engagements. We explain more about this in Part 2.

Further improving our connections process

Through our customer seminars and immersion events, our customers have told us they want a clearer understanding of connection charges, support to help them assess the capacity on our network (where they can connect) and an estimate of the cost of their connection with us. This wasn't a great experience for our customers in the past, but we talked last year about some of the improvements we'd made, including clearer information and a 'heat map' to show available connection locations.

During the past 12 months, we've made further improvements based on what our customers have told us, including adding solar and wind information to our heat map to help customers select the best connection location for them. Our new organisation is also more customer-focused and (a first for us!) is structured around customer types, not just what fits best for us, meaning that we're able to offer a more bespoke and better service to different customer sectors.

Our interactive connections website is providing our customers with the tools to make more informed decisions, understand the connection process, and predict costs for potential

One customer said:
 "the get-connected area of the website is absolutely brilliant, it will definitely encourage us to expand our scope in connecting energy storage projects at further sites"

Another said:
 "we were pleasantly surprised, we didn't expect this from NG. It is definitely something we will use when looking at potential connection sites!"



A video explaining how to plan a connection



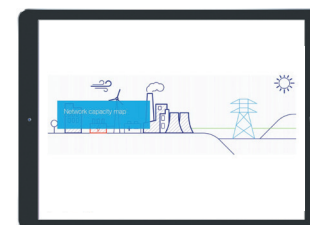
A cost estimator to provide an indicative capital cost of a connection with us



A tool to help assess the availability of capacity on our network for generation and demand connections



A dedicated account management team to support all customer enquiries from beginning to end



Our 'how to connect with us' video

Part 1b: Other Part 1 evidence

As well as the new things we've talked about in Part 1a, there's also evidence we need to provide which is pretty much unchanged from year to year. This includes our engagement strategy (which has been updated but is still based on the AA1000SES principles), how we plan and tailor our engagement, the range of channels we use and how we measure our success (including satisfaction surveys and audit). The rest of this section covers all of these areas.

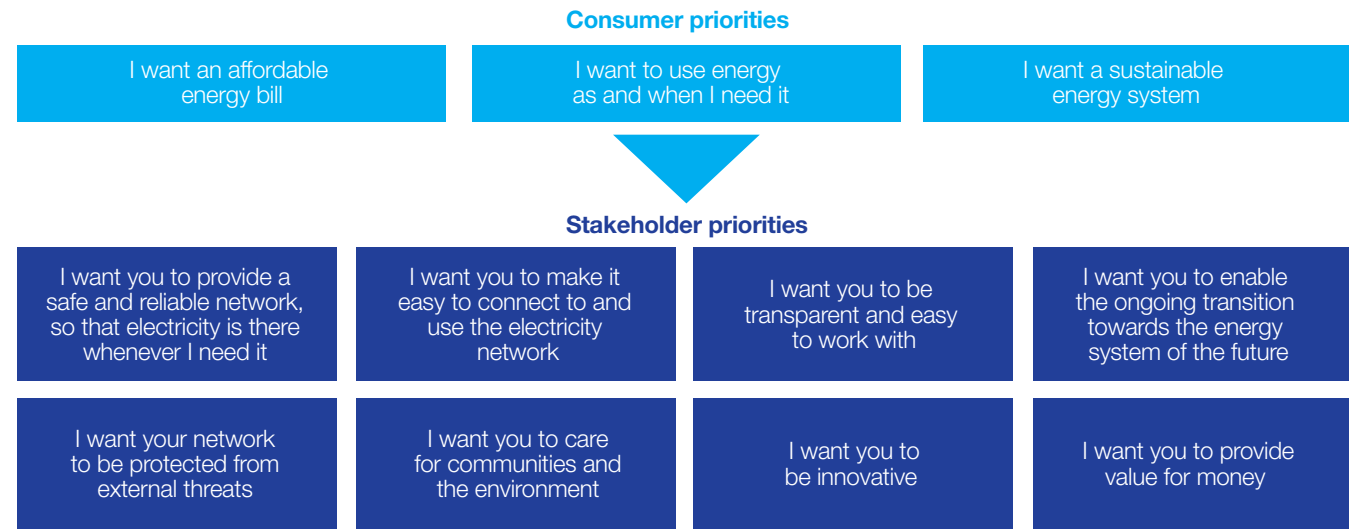
Our engagement strategy (how we engage)

One of your feedback points was that we needed to engage more with consumers. We reviewed our engagement strategy and discussed how we could do more. We've updated our engagement strategy to include a specific focus on consumers. Our strategy continues to be aligned with the Stakeholder Engagement Standard AA1000SES.

The principles behind our strategy are:

- Listening to our stakeholders' views so we understand what they need and expect from us
- Proactively engaging and building trust through close working relationships based on openness and honesty
- Helping our stakeholders understand our business by clearly explaining our perspectives and how these may influence our overall decision making
- Working with our stakeholders to find innovative ways of creating a network for the future
- Taking responsibility for delivering what we say we'll deliver and doing better where we can
- Acting on feedback
- **Thinking about our impact on the end consumer (updated this year)**

Our strategy focuses on our stakeholder priorities, so we continued to engage with our stakeholders on the topics that are important to them. Through our engagement, we have identified these consumer and stakeholder priorities.



Our strategy is all about engaging on these priorities to make sure we're giving our stakeholders what they want from us. This year, we've created a stronger link between our stakeholder priorities, our engagement activities and our strategic business priorities. One of the reasons for this has been our decision to structure our RIIO-2 plans around our stakeholder priorities. As a result, we've built a series of engagement streams around these priorities (and Part 2 also follows this same structure), but we've not just set this up for our RIIO submissions – we've introduced a programme which we'll repeat year-on-year, regardless of whether we have a regulatory submission to make or whether we're in the middle of a price control period. As consumers now feature as a key part of our engagement strategy, they'll also be a key part of our ongoing engagement. This builds on the introduction of the systematic annual engagement process that we talked about last year.

We've been incorporating the feedback we've received from our engagement activities to support the development of our business plans. Whilst lots of engagement has been focused on what we need to do in RIIO-2, the insight is also helping us change now. Examples can be found in Part 2.



Our engagement strategy (continued)

We've checked our stakeholder priorities

Our stakeholder priorities haven't changed over the past year, but this isn't because we've just assumed we know what's important to stakeholders. Since establishing the priorities a few years ago, we've been regularly checking with our stakeholders that they're still up to date, and this has continued throughout the past 12 months:

2016:

- Carried out independent stakeholder research
- Analysed the research to establish priorities
- Discussed and tested priorities with our Stakeholder Advisory Panel

2017:

- Survey completed on the established priorities – 70 responses received
- Discussed priorities at external seminars in London and Glasgow
- Priorities discussed at our first stakeholder workshops – 46 attendees, 33 different organisations represented, 679 online responses received
- Summary of our stakeholder priorities consulted online and communicated to c.600 stakeholders with opportunity to comment on priorities

2018:

- Stakeholder priorities shared and discussed via newsletters to c.900 stakeholders with an opportunity to comment via a survey
- Updated priorities checked via stakeholder survey
- Stakeholder workshops – continued to discuss priorities and whether stakeholders still think the focus is fit for purpose and meets their needs
- Online consultation through 'shaping the electricity transmission system of the future'

We're finding new ways to talk to consumers

As part of our new programme to engage directly with consumers, we've developed an interactive tool which allows users to explore different areas of our activities, tell us what they'd like us to focus on, and see the potential impact on their bill. We know that consumers often don't understand the detail of what we do, so we've worked with a creative agency to do this in a fun, interactive, gamified way.

We can't claim this as an original idea, because we first saw this used in the Water industry, but we've built on what's been done elsewhere to link this tool to a nationally-representative consumer study (which is a first as far as we know). This research gives us another source of consumer data to support the more 'traditional' channels such as willingness to pay research, helping us build a more complete picture of what consumers prioritise and the trade-offs they make. We can then use this information to shape our plans.

Before building the tool, we approached several Water companies, allowing us to understand what works and what doesn't, and helping us create something that's innovative within the energy industry. The tool combines cartoon-like graphics with serious questions about what we could do, and initial user testing has been very positive.

By navigating around different zones (topics), consumers can answer questions and immediately see the impact on an average household bill. We can then use this data to help us decide what to do on topics ranging from network reliability to how we should support communities. And when we're not using it for research, we'll leave the tool on our website for people to play with and learn from.



We engage with a broad range of stakeholders

To give you an idea of who we have engaged with, at a high level our main stakeholder groups are shown below. We review this list regularly so we can make sure it remains wholly representative of who our stakeholders are.

Stakeholder Group	Stakeholders we have engaged with
Political – UK	10 Downing Street, Her Majesty's Treasury, All party parliamentary Groups/Select Committees, BEIS, Special Advisors, UK Parliament – Lords, UK Parliament – Specific MPs, Scottish Parliament, Welsh Government, Mayors, Local Councils
UK Government advisory boards	Committee on Climate Change, National Infrastructure
Think Tanks	Policy Exchange, Bright Blue, Dieter Helm, Centre for Policy Studies, Infrastructure Forum
Political – Europe	European Commission, European Parliament
Non-Political – Europe	ENTSO-E (European Network of Transmission System Operators), CEER (Council of European Energy Regulators), ACER (Agency for the Cooperation of Energy Regulators)
Regulatory	Ofgem (incl. GEMA), CMA (Competition and Markets Authority), Other economic regulators, Highways England, HSE
Non-Government Organisations (NGOs)	Campaign for National Parks, Wildlife Trusts, RSPB, Green Alliance, Friends of the Earth, National Trust, John Muir Trust, Campaign for the Protection of Rural England (CPRE), Sustainability First, WWF, Greenpeace, Campaign for the Protection of Rural Wales
Industry Bodies	ENA, Energy UK, Renewable UK, Nuclear Industry Association
Chartered Institutions	IET (Institution of Engineering & Technology)
Business	CBI, FSB (Federation of Small Businesses) Big business e.g. car manufacturers, Contractors e.g. Balfour Beatty, ABB, Siemens
Infrastructure	Highways England, HS2, Network Rail
Consumers	Members of the public, business consumers
Customers	Electricity Distribution Networks, directly connected demand, Interconnectors, Energy suppliers, Large Demand e.g. Network Rail, Generators, Embedded generators, Demand-side aggregators, Storage
Supply Chain	Suppliers, Partners, Contractors
Energy Industry	SPEN, SSE, OFTOs, CATOs, Electricity System Operator, Generators, Suppliers, Distribution Network Operators, National Grid Gas Transmission
Academics	Universities, UKERC Energy Data Centre
Media	Consumer, Trade, Financial, Broadcasters
Environment	Environment Agency, Scottish Environment Protection Agency, Natural Resources Wales, Historic England, CADW
Communities and their representatives	Communities with major infrastructure projects, Grantors, VIP panel
Consumer Groups	Which?, Citizens Advice, Age UK, Major Energy Users Council, EIUG, NEA
Campaign Groups	Friends of the Lake District, Ramblers Association, Power without Pylons, Dim Peilonau
National Grid Employees	National Grid Board, UK employees, Global employees, Trade Unions
Consultants	KPMG, Mckinsey, PWC, Cap Gemini, Frontier Economics
Innovators	Catapult, ERP, Innovate UK
Investors	Analysts, Private shareholders, Debt & equity markets, Institutional shareholders

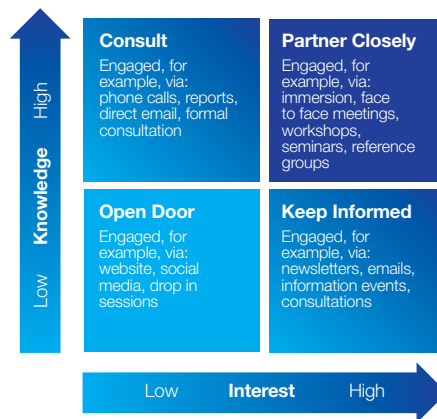
Planning and tailoring our engagement

We want to make sure that we're engaging with the right stakeholders. We define our stakeholders as 'a person, group or organisation that has an interest in our activities'.

We've used the same stakeholder mapping approach as last year. Every year, we re-profile our stakeholders to make sure our engagement activities represent a broad and inclusive range. This enables us to expand our engagement activities and ensure we're engaging with the right stakeholders with opportunities to share and voice their feedback.

To support our engagement, we've continued to follow the AA1000SES principles as the basis for our engagement approach. These principles have helped us assess how we design, implement and communicate an integrated approach to stakeholder engagement.

Stakeholder mapping



Tailoring our engagement

We know that different stakeholders like to be engaged in different ways. For example, some may not be able to attend events because of geographical location, others may find online engagement problematic because they have no access to technology and others may find it difficult to engage at all because of time constraints. Therefore, we need to identify different approaches to engage with them.

We tailor our engagement based on the subject matter and based on how particular groups of stakeholders have told us they want to be engaged. We do this on a topic by topic basis, because we need to make sure we're engaging with the right stakeholders, with the right level of interest and knowledge, via channels that best suit them. We use tools to determine who we engage with and on what through a range of tailored engagement channels. For example, on several topics throughout the last year, we have held webinars (because lots of stakeholders told us they like these), supported by a follow up online survey and social media posts to catch different types of stakeholders.

For consumer research, we use a combination of online, phone and in-home methodologies to make sure we don't excluded people with limited connectivity.

Examples of our tailored activities include:

	Engagement approach	Volume
Face-to-face 	Workshops	210 attendees
	Conferences	c 50 events
	Community Events/Public Events	c 100 events
	Stakeholder Group Meetings	8 meetings
	Net Promoter Score conversations	29 conversations
	Weekly director communications	52 publications
	Executive engagement i.e. town halls	800 employees
Online, email and Social Media 	LinkedIn	1,800 contacts
	Facebook	4,630 followers
	Twitter	30,400 followers
	Podcasts	3,600 views
	Webinars	7 events
	Newsletters	4 publications
	Website	350,230 hits
Research 	Stakeholder satisfaction surveying	358 surveys
	Consumer Engagement	36 attendees at listening event, 6,600 consumer interviews
	Willingness to Pay	1,600 consumer interviews

Case study:

Planning my engagement event, Iliana Portugues, Head of Innovation, Electricity Transmission



I'm responsible for embedding innovation and new technologies into the business to deliver continuous improvements to the quality and cost of the services we provide.

It's important for me and my team to understand the needs of our stakeholders if we're to do this. My team engage with many stakeholders on a regular basis and having a structured framework to follow has helped them build the capabilities needed to do this.

This year we have engaged with many stakeholders, including presenting at events such as Utility Week and collaborating with academics. We've also held two innovation workshops in Esher, Surrey and Birmingham which were attended by over 100 stakeholders with an interest or knowledge in the topic of innovation. In planning these workshops and to make sure we had a good representation of stakeholders, we used stakeholder mapping tools to identify who to include.

Our review identified 300 individual stakeholders who were mapped as having an interest in innovation within the energy industry and who therefore could give us some informed guidance on the focus of our innovation programme. These engagements have given me some fantastic insight into what my team should be prioritising, and they've also helped us improve the way we approach engagement for innovation in general – we've now begun a more collaborative approach, prioritising our innovation programme based solely on what our stakeholders have told us.

Building our capability to deliver for stakeholders

Last year's feedback discussion with you told us that we need to do more to embed stakeholder engagement further into our business. The skills, knowledge and capabilities of employees are an important part of this. Our stakeholder engagement training is split into four pillars: foundation, skilled, advanced and expert, to support the development of our employees.

In the past, we've often made things too complicated for ourselves and our employees, usually because we have been unclear on what capabilities we need and what this means in practice for our employees. Last year, we introduced our Business Management Standards (BMS) across our business to provide clear guidance on what is expected by setting the minimum requirements on the things that really matter.

Approved by the stakeholder board, the Stakeholder Engagement BMS provides a platform for best practice sharing and has created the foundations for effective assurance and compliance across the whole business. The Stakeholder Engagement BMS is aligned to our engagement strategy and AA1000SES. The standard is primarily focused on building capability and enabling employees to share best practice.

It established the minimum performance requirements for engagement activities that are applicable across our business with the core principles being:

1. That our stakeholder engagement is reviewed through the appropriate governance channels. There is now a BMS steering committee which is attended by directors and senior managers on a quarterly basis. They have regional over-arching responsibilities which include the oversight of the standard within their respective areas. Progress is reported through our Quarterly Business Review to our CEO, John Pettigrew.

2. That our stakeholder engagement activities will be clearly defined and scoped to create opportunities for transparent and inclusive dialogue with our stakeholders. Having a consistent and coordinated approach to capability has supported the development of our employees, by ensuring everyone is clear on the skills, knowledge and behaviour they need for their engagement activities.

Stakeholder learning in practice

One of the channels of engagement that has worked well is our stakeholder workshops, where we structure an event around a specific stakeholder priority and establish what we and our stakeholders want to achieve from the engagement, and who needs to be involved. We mentioned last year that we deliberately chose not to use a third-party facilitator because of the cost benefits this approach provided and that it had helped our employees with their stakeholder knowledge.

We have deliberately chosen to do this again this year. Employee involvement with our workshops has helped our employees to:

- Better understand the principles of our engagement strategy and the needs of our stakeholders
- Build familiarity and use of stakeholder mapping tools and apply the principles of BMS
- Share the experiences and learning with other team members

This is a great way to grow capability organically, with these employees then passing on knowledge and tips to the rest of their teams.

This year, we have held four workshops at various locations where 75 employees have supported and received hands on stakeholder experience.

Our Stakeholder Engagement BMS and Employee Capability matrix

Foundation	Skilled	Advanced	Expert
Can articulate what matters to all stakeholders in a way that meets the stakeholders and National Grid's needs.	Understands how stakeholder interaction drives performance for National Grid and measures this benefit.	Develops quality internal and external relationships which promote commercial value for National Grid and maintains these through proactive relationship management.	Recognised internally as an expert, leading best practice and knowledge sharing sessions.
Can describe different levels and concepts of stakeholder.	Has a stakeholder centre approach, which defines stakeholder categories and supports their organisational objectives.	Has a stakeholder centre approach, which defines stakeholder categories and supports their organisational objectives.	Has a recognised status in the industry, those opinions and views are sought out by regulators and other members who see them as a trusted voice.
Can adjust communication data based stakeholder demographics.	Extends and builds internal and external relationships and networks to build the company's reputation through collaborative engagement.	Extends and builds internal and external relationships to influence stakeholders.	Extends and builds internal and external relationships to influence stakeholders.



"I found facilitating at the Electricity Transmission Resilience Stakeholder event extremely insightful into the different views of our stakeholders. This allowed me to consider the variety of viewpoints when evaluating business strategic options after the event, and helped me to make more informed stakeholder-led decisions."

Aisling Rapier, Life Cycle Framework Engineer

Stakeholder capabilities within our Capital Delivery team

Earlier this year marked the implementation phase of Project 13, an industry-led initiative to improve the way high-performing infrastructure is delivered and managed. It begins an industry-wide change programme to deliver better outcomes for the public and customers of infrastructure, a more highly skilled, innovative workforce leading to a more sustainable, productive construction industry through collaboration and engagement.

Whilst Project 13 is an industry led initiative sponsored by the Infrastructure Client Group, we are actively supporting by engaging on how to improve the delivery of infrastructure projects and we've nominated phase two of our London Power Tunnels project as an early adopter of Project 13. This means that we've been looking at and sharing how the principles of infrastructure development can be deployed – including earlier contractor involvement during the development stage to achieve a better project outcome.

Project 13 has enabled our Electricity Construction teams to engage with suppliers and advisors to discuss where they can add the best value. By using the BMS it has enabled teams to follow and embed a systematic approach which links the capabilities of employees to achieve the project outcomes. So far, employees involved from Capital Delivery, Procurement, Operations, Network Optimisation and our Environmental teams have reviewed their stakeholder capability to ensure they have the right stakeholder knowledge and skills in place. This review has also identified the need for improvements to the risk management system used by our Capital Delivery team to identify and capture stakeholder risk in a more structured way.

Our performance this year

Stakeholder Satisfaction Survey

We've continued to survey our stakeholders through our independent research partner. We've interviewed 358 stakeholders this year who have scored us at an average of 7.9 out of 10. Feedback is captured and turned into actions that the business owns.

These actions are also monitored and shared at David Wright's monthly hub with his direct reports.



"The workshop encouraged great debate amongst our discussions on the table."

"Always good feedback and response times. Clear concise data."

Independent health check

We've been assessed at 74% on the AA1000SES maturity ladder, an increase from last year's score of 72% - placing us in the top 15% worldwide of all companies reviewed since 2012. Against Energy & Utilities companies we currently rank 4th highest out of 14 companies assessed within the reporting year.

For the third year running now we've improved our health check score. AccountAbility carried out our health check and said that we **"have demonstrated a more stakeholder led approach and culture across the organisation, which has allowed for further integration of their strategy within the business"**.



Best Practice

We've shared and received best practices with a number of organisations, either through meetings or workshops on the following topics:

- **Our interactive tool** – Citizens Advice and several water companies
- **Willingness to pay** – Citizens Advice, SSE, Scottish Power and our Stakeholder Group
- **Consumer listening** – Citizens Advice and our Stakeholder Group
- **Connections website** – DNOs

We're still accredited through BSI and accredited or recognised by a number of other organisations.



We've again retained our ISO 9001 and ISO 55001 accreditation. ISO 9001 is a certified quality management system under which we have proved our ability to consistently provide products and services that meet the needs of our stakeholders. ISO 55001 is the asset management standard under which we have demonstrated that we identify relevant stakeholders and their needs for our projects.



We've been awarded a position on the Climate A list for 2018 by CDP in recognition of our work to mitigate climate change, endorsing our commitment to one of our eight stakeholder priorities.



We've been ranked 2nd in RateMyApprenticeship's top 100 employers. RateMyApprenticeship is an organisation that supports students, schools and parents with possible future career options. Rankings in the top 100 are voted on by current apprentices.



We've again been recognised as one of the best employers in the UK for race and diversity.



The Business and Human Rights Resource Centre has recently identified us as part of a small cluster of leaders tackling modern slavery, ranking us twelfth out of 100 companies.



We're signatories to the ten principles of the UN Global Compact on human rights, labour, environment and anti-corruption.



We're an Accredited Living Wage employer.



We're members of IET and share engineering insights at events managed and/or hosted by them.



We've been named in The Times Top 50 Employers for Women list 2019.

Part 2

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Being innovative

Here in Part 2, we share examples of how we've put our stakeholder engagement strategy into practice and the outcomes this has delivered over the last year.



Part 2: Introduction



Hëdd Roberts
*Head of Customer and Stakeholder
Electricity Transmission*

Welcome to Part 2 of our 2019 stakeholder engagement incentive submission

Having attended the panel last year, there were two areas of feedback that really stuck in my mind. One was that we weren't showing what we'd actually changed as a result of the engagement we'd done and the things we'd heard, and the other was that our engagement activities weren't embedded across all parts of our business.

Hearing last year's feedback was uncomfortable to say the least, so in the past year we've made big changes within Electricity Transmission to give us more of a stakeholder focus. The biggest of these was our restructure, which has now moved us to an organisational design which supports great stakeholder engagement. In my Customer & Stakeholder team, we've now integrated teams of engineers and more externally-facing colleagues. It's no longer just people with customer or stakeholder in their job title who are facing up externally – across all the teams we now have engineers and non-engineers alike talking to stakeholders about what they need, then bringing this back into the business to act on. I've heard of some great engagement this year from many more parts of the business than before, which is a really positive change. The diagram opposite shows our new structure and where this year's outcomes and outputs have come from, with a much broader spread than in previous years.

On the point about actually changing things as a result of what we hear, incorporating insight-based decision making conversations into our senior governance meetings has really helped. You'll see from our case studies that much of our engagement still drives smaller-scale, more local changes. But this year we've also made some wider, higher level changes as a result of the feedback we've received. We've focused our business around the four strategic priorities of delivering a safe, reliable and resilient network, delivering consumer value, supporting decarbonisation and creating a positive societal impact. It's no coincidence that our strategy is aligned with the stakeholder priorities we talked about in Part 1, and which set the structure of Part 2. Specifically, we've used our position within the industry to create a positive national impact on topics including STEM and network resilience. And we've acted on other nationally important issues by changing our approach to the way we engage with consumers, how we look to support the fuel poor, and how we can help speed up decarbonisation by connecting new generators in innovative new ways.

I hope the extent of the changes we've made is clear from this year's submission.

Hëdd Roberts

Our new structure and the outcomes/outputs delivered

David Wright
Director of Electricity Transmission

Outcomes and outputs delivered: 7

Customer & Stakeholder

- Customer account management by sector
- Stakeholder strategy
- Marketing and business development

Outcomes and outputs delivered: 16

Engineering & Asset Management

- Asset management
- Innovation
- Product development

Outcomes and outputs delivered: 6

Network Optimisation

- Work and outage planning
- System switching
- Asset investments

Outcomes and outputs delivered: 4

Operations

- Substations and overhead lines
- Maintenance, operation and security of our assets

Outcomes and outputs delivered: 6

Strategy & Performance

- Business strategy
- Cyber resilience
- Risk management

Outcomes and outputs delivered: 16

Electricity Construction

- New build and network refurbishment

Outcomes and outputs delivered: 17

Part of our business strategy is to make sure we deliver consumer value, so one of the biggest changes we've made during the past year is regarding our approach to engaging directly with consumers. This is an area where you told us we needed to do more last year, but is also something that other stakeholders are expecting us to do more of, and we recognise the importance of making sure we give consumers what they need at a price that represents value for money. Being completely transparent, some of what we've done with consumers has been driven by RIIO-2, but we've not included details of that below (other than the willingness to pay research, which we took the lead on) because you asked us to focus on our T1 activities. The other engagement we've done is to help us focus on what consumers really need from us, and in particular what we can do to help those who struggle to pay their energy bills or are vulnerable in other ways. This is still relatively new for us, but we've already made some changes on the back of what we heard.

Case study: Listening directly to consumers – David Wright, Director of Electricity Transmission

"We've talked before about exploring the wider views and priorities of consumers – an engagement area we know we need to get better at. Last year, we started conversations with Citizens Advice and Which? on how we might better engage with consumers. My senior management team and I also recognised the importance and benefits of engaging directly with consumers, following our own participation in last year's e.on-led consumer listening event.

So this year, we set up our own event to hear directly from consumers what they want us to focus on. At the event held in Birmingham in January 2019, my direct reports and I sat in a room with 36 members of the public from a range of different backgrounds and listened to what they had to say. The event was hosted by a third party research organisation, and we opened by explaining our role in the energy industry so that attendees were able to offer an informed opinion on what they wanted from us. We covered the topics of keeping the lights on, keeping bills down, helping the fuel poor and vulnerable consumers, helping the move towards a low carbon economy and our overall corporate responsibility. Participants were asked to think about the different responsibilities we have and what they thought we should be focusing on.

We all found this an excellent way to gather insight, and this type of event is now part of our ongoing engagement programme. We heard some key messages from consumers, mainly that a reliable supply is a given, that views are split on bills (some are happy to pay more if they get the service they want, others can't afford today's bills) and that sustainability is important for a lot of people. We also heard thoughts around consumers' expectations of us when it comes to social responsibility and the fuel poor in particular.

We've used this information along with other consumer input to help shape our RIIO-2 submissions, but we've also been able to begin a couple of things in the shorter term."

What we've done with our consumer feedback...



Our consumer listening event was really valuable to us and is just the beginning of our engagement with them. As a direct result of the feedback David Wright and his team received, we've since kicked off a project to see how we can best support the fuel poor, and we'll be trialling this in 2019/20. Gary Stokes, our Stakeholder Engagement Manager, explains more.

"We took the insight from our consumer listening event and looked at this along with everything else we'd been hearing through our consumer research. We discussed potential options with our Exec team and stakeholder board and also approached Citizens Advice for their views on how we might best help.

One of the options suggested by participants at our Birmingham event was that we could effectively refund our transmission costs to the poorest households. We liked this idea, but our costs are around £25 per household and there are over 2.5 million fuel poor households in England and Wales alone, so this clearly isn't practical on a large scale from a cost perspective.

However, working on the basis that doing something is better than doing nothing, and with support from Citizens Advice, we've started looking at how we could make money available to fuel poor households as part of a pilot, and in return gather their views on what we should do as a more enduring solution.

Details are still to be finalised, but in principle we've agreed with Citizens Advice that we'll work with their Manchester and Coventry branches for the pilot and make a minimum of £100,000 available for fuel poor households. Assuming each receives £25 as some form of 'refund', we will effectively give transmission for free to up to 4,000 households.

We're working with Citizens Advice on how to administer this, including how we can learn from these households in return and develop a more sustainable scheme on a wider scale for future years. We look forward to sharing more detail with you next year."



£100k
to be divided between fuel poor in Manchester and Coventry

Other consumer engagement

We held a further two consumer sessions earlier this year where we collaborated with consumers and creatives to help build a story to explain our role in the energy industry and how it all fits together. We know from previous interactions that this is often an area of confusion for members of the public. We're using the outputs from these sessions in our current and future consumer engagement to make sure participants are able to offer an informed opinion on what they want from us.

Willingness to pay research

As part of our consumer engagement in support of our RIIO-2 business plan submissions, we (along with National Grid Gas) approached SSE Transmission and SPEN to suggest we work collaboratively on a piece of willingness to pay research. We believed that appointing a common supplier, agreeing a methodology and using the same set of results was the best way to provide robust evidence in support of our T2 plans, and they agreed with us. It was also more efficient.

We took the lead on creating a scope and involving Citizens Advice as expert reviewers as we jointly developed the research approach, to make sure we were drawing on best practice from those who had carried out recent, similar research.

At the time of writing, we've just received results from the research, which covered 1,000 household consumers and 600 business consumers for electricity, and we'll be incorporating these findings into our July business plan submissions.

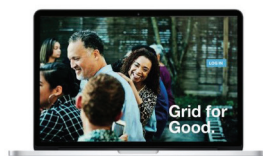
As with other parts of our consumer engagement programme, the plan is to repeat this type of research in future years, and not just use it when we have a business plan submission to make.

Engaging with consumers (continued)

Our stakeholders want us to support the communities we work within, and this includes vulnerable and fuel poor consumers. As a result of what we've heard, we've begun and continued specific initiatives to support them during the past year.

**Case study: Supporting the vulnerable
– Dina Potter, Programme Director**

“Our stakeholders have told us they want us to support the communities we work within, whether this be through direct engagement, employee volunteering or other ways, and this is now one of our key strategic focus areas. Many people in our communities are in need and want to improve their lives but may not know where to turn for help, and we want to do more to help them.



NEW

Sponsored by John Pettigrew, our CEO, Grid for Good is a new flagship programme we launched this year to help those with social mobility needs get access to support in the most effective way possible through a digital platform – in simple terms, we're putting people who need help in touch with those who can provide it.

We partnered with Jericho and YMCA in Birmingham, to run a small trial of the digital platform over a six-week period. The charities worked with six individuals to create a step-by-step plan to help them achieve their most important goals. In addition to this, the Grid for Good platform also provides people in need with some basic goods and services, incentives, rewards and tailored skills-based workshops – all of which have been delivered through employee volunteering – to provide support, guidance and encouragement where needed.

The trial proved a great success and we're about to run a pilot of the programme for three months, where we'll be working with three charities and 12 further participants. If successful, we'll then look at how we can scale this up in future.”

Outcomes: We were able to positively impact the lives of 19 people through the trial, through things such as CV writing and mock interviews. From this, two people obtained employment and one person was housed.



19

people's lives positively impacted through the workshops

Case study: GB Warm Homes Fund – David Wright, Director of Electricity Transmission

“Within our submission, we've discussed the consumer engagement we've done over the last year, and in particular our consumer listening event and our actions on the back of that to help support the fuel poor.

A fuel poor household is defined as one that needs to spend 10% or more of its income on all fuel use in order to maintain a satisfactory heating regime. People living in these households are often unable to heat their homes to the temperature needed to stay warm and healthy. As well as being on low incomes, many of these households are also faced with the additional burden of relying on heating systems that are expensive to run and/or inadequate for their needs, and we wanted to do more to help.

We've established the Warm Homes Fund, which aims to support urban and rural homes and communities across Great Britain, and provide specific energy efficiency or health-related solutions.

Over the past year, the fund has been administered over a number of rounds, with awards made to date exceeding £73 million to deliver first time central heating and other energy efficiency solutions to fuel poor households nationwide. This money is expected to deliver around

22,500 improvement measures to fuel poor households, helping them to reduce energy costs and decrease their monthly outgoings.”

Outcomes: Over 3,000 installations have already been completed, with more than 40,000 households expected to benefit from the fund in total. 99 Local Authorities and social landlords are currently contracted to deliver 123 projects.



£73 million
investment over the last year



22,500
expected improvement measures to fuel poor households

Measuring consumer benefit – our work in progress

We've changed a lot in the last year, but there's one thing in particular we want to get better at – finding a way to accurately measure the benefit our actions bring to consumers. We've looked at what other networks have done and also carried out our own willingness to pay research (see page 12), but we don't think this gives an accurate enough measurement for some of the specific actions we take to address our stakeholders' needs. Willingness to pay research is great when it covers larger, more tangible topics that consumers can easily understand and relate to. However, our experience (supported by research experts we've

spoken to) is that even if you use more in-depth, qualitative research to properly explain options, it still tends to overvalue the benefit of less tangible or more specific outcomes, and will therefore always 'prove' that perceived consumer benefit outweighs the cost to deliver. It therefore provides a useful upper limit for cost benefit analysis, but it's not an accurate way of measuring consumer benefit. So we've been looking at other ways to measure benefit more accurately, including using acceptability testing and the use of other methodologies, such as gamified tools, which then allow for triangulation with our broad willingness to pay results. We've not landed a final answer on this yet, but are working with others to do so.

Stakeholder priority: caring for the environment

Our stakeholders have told us they want us to reduce our impact on the environment, and help speed up decarbonisation in general. As a result of what we've heard, in the past year, supporting decarbonisation has explicitly become one of our four strategic business priorities. We've worked with stakeholders to provide more opportunities for renewable generation and taken direct actions to promote the use of electric vehicles amongst our employees, as well as thinking more widely about sustainability and the environment by reducing plastic waste from our offices.

Case study: Saving Evie's Whale – Rebecca Fleet, Energy & Sustainability Manager

"Our stakeholders come in all shapes and sizes and we listen to all of them. This includes encouraging our employees to share their feedback, priorities and issues with us. Through this process Evie, the seven-year-old daughter of one of our employees, asked us to think more about how the plastic we use could at some stage end up in the ocean. It's funny how it takes a seven year-old to prompt action, but following what Evie said to us, we've been thinking more about what we could do differently to reduce our environmental impact. As a result, we launched the 'Save Evie's Whale' campaign, through which we've set ourselves a target to eliminate sales of single-use plastics from our offices by 2020 (if you're reading this electronically, you can hear more about Evie's whale [here](#)).

Over the last year, we've been collaborating with our suppliers to eliminate the sale of these products from our offices. This has also involved engaging with employees to change their behaviours around reusing and recycling. Next year, we'll be looking to take this a step further by minimising food waste as much as we can through the use of anaerobic digestion, producing clean energy and biofertilizer for farmland use."

Outcomes: So far, the scheme has saved 52,000 plastic cups, increased our office recycling by 45% and stopped the use of polystyrene boxes and plastic food containers from our canteens, preventing over 68,000 polystyrene and plastic containers from going into general waste annually.



68,000
polystyrene and plastic
containers prevented
from entering landfill



NEW

Case study: Expanding our Natural Grid programme: an update – Chris Plester, Senior Sustainability Advisor

"Our graduate intake from last year shared the lessons learnt from their involvement in our Natural Grid programme (where we work with local stakeholders to improve the land around our sites) with this year's new graduates. They've continued this scheme and achieved some more great results, taking the total number of sites where we've made a positive social and/or environmental impact to 38.

Within the eight schemes from this year, Kitwell was identified as a site where local stakeholders had told us they were concerned about anti-social behaviour issues, including drug-taking materials being left in woodland. Kitwell Primary school is also nearby, and teachers there had asked us to help remove the problem.

We wanted to address this issue quickly, so we worked closely with the Birmingham and Black Country Wildlife Trust to complete an ecological assessment, then our graduates cleared and thinned out the woodland area so it no longer provided hiding places for drug use. This was a huge benefit to the local community and



38
action plans
developed to date



on target
to develop 50 action
plans by 2020

especially the primary school. In addition to this work, our graduates also gave lessons on electricity as part of the school's science programme."

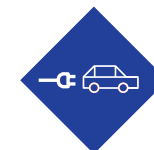
Outcomes: Through this work, we've improved a further eight sites in the past year, bringing a range of social and environmental benefits to local communities. We've also engaged with a total of 650 students across four schools (including Kitwell) to improve their knowledge of STEM subjects and electricity in particular.

Case study: Reducing carbon emissions – Richard Lloyd, Property Services

"Our employees are our stakeholders as well, so we recognise that we need to listen to what they're telling us, particularly when we need to make a change to benefit the environment they work and live in. We were hearing that more and more of our employees wanted to use more environmentally-friendly modes of transport, so we've made changes during the past year to make this easier for them.

We've now installed a total of 30 eVolt charging points at our offices. These have given our employees with electric vehicles the opportunity to charge their vehicles at work, and this aligns with our goal of reducing our overall carbon emissions."

Outcome: We estimate that we've so far saved over 12 tonnes of carbon through the installation and use of these charging points.



30
eVolt charging points at our
offices, saving 12.4 tonnes
of carbon collectively

Caring for the environment (continued)

Case study: Enhancing our Visual Landscape – Michelle Clark, VIP Manager



Some of our stakeholders have told us they're concerned about the visual impact of our equipment and sites. This is particularly the case for transmission lines in National Parks and Areas of Outstanding Natural Beauty (AONBs). The Visual Impact Provision (VIP) in RIIO-T1 gives us a major opportunity to meet the needs of these stakeholders and enhance the natural beauty and environmental heritage within some of our most protected landscapes across England and Wales. Michelle Clark, our VIP lead, explains further for one of our VIP projects.

"The Dorset VIP scheme will replace 5½ miles of overhead line with an underground cable in the AONB, and permanently remove 22 pylons from the landscape. Removing major infrastructure from such a large area whilst avoiding environmental impact has been extremely challenging and has required a lot of creative working with our stakeholders. This has included technical studies, extensive engagement with landowners and an environmental impact assessment.

Listening to our stakeholders' views for such a large project is vital in ensuring we get the works right. They held the key to the success of the project, not only to help identify any potential problems and challenges, but also to give the local community a sense of ownership. We've engaged with a whole range of stakeholders, including Natural England, the Environment Agency and local communities.

The project had been identified as a priority by our Independent Stakeholder Advisory Group, so the process was stakeholder-led from the start, and we wanted to make sure this continued as we started to develop the detail of what the scheme would actually look like. We held engagement events with over 100 members of the public, and used the input to shape our planning application, which has now been approved."

Outcome: By engaging with stakeholders and reflecting their views in our application, we've successfully secured planning consent for this scheme.

Case study: Innovative connections to support decarbonisation – Mark Perry, Network Development Manager

"The shift within the energy landscape has, for us, seen an increase in the number of renewable generators wishing to connect to the network, as well as an increase in potential storage solutions. This change has mainly been driven by a public shift in attitude towards green energy use, including the use of electric vehicles.

To prepare our transmission system to meet the needs of renewable generators, my team looked at the possibilities to develop a solution to connect generation and demand of up to 50 megawatts, which is a lot less than what we've traditionally connected to our network. We developed the idea of a 'tertiary connection' (meaning generators or demand customers can connect to the tertiary winding of our supergrid transformers at 33 kilowatts) for up to 50 megawatt connections, which is the typical size of a grid-scale energy storage customer. As well as helping connect smaller customers more quickly, this also meant there wouldn't be significant transmission reinforcement required and therefore it would be a more cost-efficient overall connection for a customer.

We've been speaking to potential connectees about this over the past year and have received high levels of interest, with one customer applying for up to 60 connections, over 30 of which have now been approved

Case study: PowerPaired – Amanda May, Land & Acquisitions Manager & Chris Plester, Senior Sustainability Advisor

"During October 2018, the government launched its first annual Green GB week as part of a global move towards clean economic growth through low-carbon technologies and more efficient use of resources. As a significant land owner and through speaking to those involved, we've heard that one of the main obstacles faced by decentralised energy projects is finding appropriate and affordable land.

Having heard this, we were keen to support, so we've started collaborating with PowerPaired, an online platform which provides community energy groups

and progressed to the development phase. The first of these will be delivered in mid-2019.

Using the same technology, we've been speaking with another potential customer who is looking to build a 2 gigawatt network of grid-scale batteries, which will also support the need for rapid EV charging at various locations across Great Britain. And conversations with a further potential connectee could see us and the Scottish transmission companies working together to connect batteries to help manage network constraint issues and ultimately save money for consumers."

Outcomes: To date, we've agreed connections for 2 gigawatts of new generation to support the low-carbon transition, and 30 new tertiary connections are under development.



with access to a community energy asset bank. In simple terms, it's a nationwide energy matchmaking service that brings interested owners of viable buildings and land together with local community energy groups looking for sites.

Through PowerPaired, we've been working with local communities to enable them to use our land to support projects, but we've yet to find a suitable match. We'll continue to collaborate with PowerPaired and hope to find a match soon."

NEW

NEW

Stakeholder priority: supporting communities

Another of our four strategic priorities is to deliver a positive societal impact and we've heard a lot from our stakeholders that they expect us to support local communities, particularly the ones most affected by the work we do. In response to this feedback, we've made communities a big focus across our business during the past year and upped our game on the work we do. This has meant getting involved in a wider range of activities to help more people than ever, ranging from employee volunteering, to improving local environments, supporting education, improving safety and providing grants across a whole range of topics.

Case Study: Saving lives in rural communities – Aled Rowlands, External Affairs Manager

"The Village Life Project is a community initiative that began in Maypole and St Maughans. The project aims to help save lives by installing defibrillators and training people in basic first aid within the remote village areas of Monmouthshire, so that local people can be trained to help in an emergency situation prior to the arrival of emergency services. They have installed three defibrillators to date and trained 120 people.

We spoke with the people who run the project, and were able to provide a grant of £4,400 for defibrillators in the Newcastle and Rockfield areas of Monmouthshire. The grant has paid for two defibrillators, refurbishment of phone boxes for the equipment, and installation of the defibrillators.

More than 80 volunteers have been trained locally to use them as well as provide other emergency assistance. Given the time it takes emergency services to reach the area, this saves vital time in the event of an emergency.

Our engagement with the local service providers also identified the need for a part-time community worker, who we were able to fund via the grant, along with associated costs to support the co-ordination of engagement activities within the community."

Outcome: We've helped reduce the time taken to respond to emergencies and potentially save lives as a result.

Case study: Promoting STEM subjects in Kent schools – Graham Dolamore, Project Director

"My team and I were working on building our new overhead line connection between Canterbury and Richborough in Kent. During our works, we supported three local primary and secondary schools along the connection route. Talking to the schools, we identified them as candidates for our community grant programme, which is aimed at local organisations and charities in areas where our work is impacting local communities. We worked with the schools to understand what they needed and as a result, we provided three community grants.

The cost of the grant for delivering one of the three programmes was £100,000, which was used to help nurture budding young engineers. Our key activities consisted of providing new STEM equipment to local schools and running events that included workshops and science clubs. We also supported a week long residential course at university to help students see what it would be like studying engineering at that level, which is a first for us under this programme. We enlisted the help of television presenter and educator Fran Scott who delivered a programme



Case study: Supporting vulnerable consumers – Steve Knight-Gregson, Regional External Affairs Manager

"Age UK Barnsley, although part of Age UK, is an independent charity providing support and services for older people, in particular, those affected by ill health, poverty and social exclusion. It also offers other services such as day care, advice, art classes and befriending.

During our overhead lines works at Stalybridge substation, we spoke with Age UK Barnsley and made over £14,000 available to them through our community grant programme, to support a year long project to tackle social isolation and deprivation. Its aim was to support hard-to-reach, vulnerable members of the community. We worked with them to consult with communities and service providers, including GPs, hairdressers and pharmacies, to identify isolated older

people and set up activities to bring them together. Four events were then held to look at issues such as keeping warm, avoiding scams and managing personal finances. The project also provided one-to-one support to older people and signposted many more activities to them."

Outcome: We provided support to 400 older people, including 100 one-to-one engagements, and set up ten new regular groups.

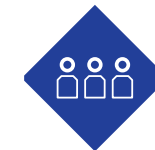
on direct current electricity to train teachers. Through this programme, teachers became better equipped to teach this area of the national curriculum. The schools now have greater access to science equipment to support their learning, which they would not have been able to afford themselves."

Outcome: We've improved knowledge and understanding of STEM subjects for 2,200 pupils. We've done this by delivering the following outputs:

- Training 30 teachers on the principles for direct current electricity, directly benefitting 1,000 pupils
- Providing £20,000 worth of STEM equipment for 17 local schools
- Holding 13 workshops across Kent involving 820 pupils
- Engaging with 18 schools, providing 16 STEM day events, 8 STEM clubs and involving 20 students on a residential course



£20,000
STEM equipment
provided for 17 schools



2,200
pupils have benefited from
our STEM programmes,
53% female, 47% male

Supporting communities (continued)

As well as focusing on local people impacted by our work, including positive societal impact as part of our business strategy has led to more of our employees engaging with stakeholders to find new ways of supporting communities.

Case study: Helping people back into work – Clare Naunton, Head of Customer & Stakeholder Experience



Clare Naunton, Head of Customer & Stakeholder Experience Team in a coaching session

“Preparing for and attending an interview can be nerve racking for most, even at the best of times. Most people, however, would know where to get support from, how to make a good first impression etc. But what happens if there is limited support available? That was where my team and I wanted to help after we’d spoken with Suited for Success.

Based in Birmingham, Suited for Success helps and supports members of the public who have experienced significant personal barriers, coming from varying personal backgrounds such as ex-offenders, the homeless, ex-forces and those recovering from substance abuse. My team and I wanted to help, so we arranged time with Suited for Success to share our skills, learning and experience with ex-forces personnel on CV writing, one-to-one coaching and mock interviews. We even helped them find clothes for up-coming interviews.

From the 12 unemployed people we coached and worked with, we have continued to support one individual with their job application and successful progress through an initial assessment centre. And as their confidence and experience within a workplace environment was low, we arranged work experience within our Information Technology team to help them feel more ready for entering employment. We’re continuing to support this scheme so will be able to help more people year-on-year.”

Outcome: We have improved the chances of finding employment for the 12 participants in 2018/19.

“We all found the volunteering day so rewarding and hope our efforts go some way to helping the ex-forces individuals find new employment”

Susie Blackwell, Customer and Stakeholder Experience Manager

Case study: Reducing landfill and helping local organisations – Stephen Fedzin, Project Engineer

“Following the completion of our Thorpe Marsh 400kV substation extension, the site compound needed to be returned to its natural state. During the clear up we were left with a vast quantity of wood and other materials which would normally have been sent to a waste facility, but we realised that the surplus material could potentially be used by other organisations. We initially offered the adjoining Thorpe Marsh Nature Reserve our material, but it soon became apparent that we had a lot left, so my team also approached some other local organisations.

We contacted the Public Rights of Way team at Doncaster Council, to discuss whether they could use our surplus material to improve public footpaths and bridleways in the borough. They in turn spoke to the Land Trust working in the borough, who were also able to make use of some of the waste.

We also met with Friends of Canley Park, who help look after the biggest park in Doncaster. They’re an organisation which operates with little or no supply of materials and is run with minimal funding.

15 van loads of surplus material were shared between the organisations, with the reuse of material helping to upgrade walkways, benches, bridges, pond dipping platforms and much more. This was a great way of benefitting the local area and reducing waste disposal costs. The interactions I have had have been a brilliant opportunity to build new relationships with local organisations and improve the local area within which I work.”



Stephen Fedzin, Project Engineer, Capital Delivery

Case study: Reducing traffic disruption – Stephen Fedzin, Project Engineer

“One of the issues during our Stocksbridge to Thorpe Marsh overhead line repair work was that two of the towers were surrounded by residential properties. To allow for safe working throughout the works, we needed to close access to local roads and knew that this could cause a significant amount of disruption. We wanted to find a better way of communicating with local residents and stakeholders on a more immediate and regular basis, rather than our traditional leaflet and letter drops. Taking a lead from other organisations who deal more directly with members of the public, we identified the use of a text messaging service.

We discussed this with local people and they liked the idea, so we provided sign-up details and 20% of households (54 out of 292) joined the service. Through this service, we were able

Outcome: We’ve enabled ‘free’ improvements to local amenities, including the creation of 50 metres of wooden platform at Thorpe Marsh Nature Reserve, as well as saving around £4,000 in disposal costs and avoiding waste to landfill.



to message residents about work delays due to snow and ice, which wouldn’t have been possible through a leaflet drop. The messages we sent out also included a hotline number in case anyone needed to contact us urgently, and we answered seven additional queries through this channel.”

Outcome: We reduced disruption to the local community by providing more timely information about road closures, enabling them to plan better around our works. We also reduced the number of letters and leaflets overall by around 1,750, with an associated CO₂ saving of 37kg.



37kg
of CO₂ saved



Case study: Improving safety best practice – Guy Johnson, Operational Manager

Our overhead lines Operational Manager, Guy Johnson from West Bolden substation, discusses how his safety concerns over base jumpers illegally accessing tall transmission towers prompted him to share tower safety with the National Fire Chiefs Council, linking two of our strategic priorities – providing a safe network and supporting communities.

“Public safety is our top priority in everything we do, and this became a concern for me when we started to see an increase in the number of base jumpers from our transmission towers. There’s a clear safety issue for the jumpers themselves, but also for the rope and rescue teams who are called in case of an emergency. These teams would be working from our towers, which are tall and therefore present quite a safety risk for them.

I wanted to find a way to share safety messages more widely, so through my contacts within the Network Operators Group, I contacted the National Fire Chiefs Council (NFCC) to discuss my concerns. I shared details of our site-specific risk information for working on towers, which was then shared more widely within their community of 52 rescue teams through a National Operational Action learning note. This provided the rope and rescue teams with the knowledge of our safety procedures, should they ever need to attend an incident on one of our towers. Since sharing this information, my team has received several further requests from other fire and rescue teams to discuss safety best practice to improve their own training programmes.”

Outcome: Thankfully serious incidents are still rare, but in the event that rescue teams are required to help anyone on one of our towers, they will now be able to do this more safely for them and the person being rescued.



Other engagement from the field

Last year, you said that our engagement was not embedded enough within our business. This year, we’ve encouraged our operational teams to do more with their local stakeholders. The outcomes created are often small-scale, but nonetheless very important for our local stakeholders. Here are a few examples:



Alan Dumbill, Operations Team Leader (Pentir & Wylfa): “My team and I work with many stakeholders, including local schools. We’ve always wanted to do more with schools, in particular providing work experience at our substation, because these sites are a prominent part of the local landscape but are often seen as a bit of a mystery by local people. So we contacted three local schools to see if there was any interest, and as a result, three pupils from these schools spent a week with us to learn about the structure of a substation, how it works and what it does as part of our grid. After this initial pilot, we’ve had a further 20 students visit our site to learn about what we do. And we’ve provided high voltage training to 15 students from the Royal Electrical and Mechanical Engineers and Specialist Team Royal Engineers in support of their own training programme. It’s been great to support all these students by sharing our knowledge and helping to broaden their learning.”



Akshay Rupani, Project Engineer, Major Projects team: “Seven engineers working on the London Power Tunnels project hosted 29 employees from BEIS (Department for Business, Energy & Industrial Strategy) as part of a team learning session. BEIS Deputy Director, EU Exit, Energy and Climate Change Directorate, Mark Copley forwarded a personal thank you note to say how much the day was enjoyed by all and that his team now have a better appreciation and understanding of the large scale engineering projects we do.”



James Bazire, Operations Team Leader, South West: “We worked with UKPN and a local Fire & Rescue service to run a rescue drill at our substation. Working with multiple contractors, we shared our site emergency procedures and best practice with them to help them improve their own safety processes. On the back of this, we were also contacted by EdF Energy and shared safety learning and best practices with seven of their employees.”



Ian Campbell, Operations Delivery Manager, South West: “I’ve been working with the Welsh Government as part of their work on Black Start, including presenting at one of their workshops to share information about what Black Start is, potential causes and system restoration. This is helping them develop their own plans for a Black Start event.”

Case study: Improving social responsibility within our supply chain – Natalie Ritchie, Supplier Diversity & Sustainability Manager

“Stakeholders have told us they expect us to be a socially responsible company, and managing the impact we have on local communities through our supply chain is an important part of this. Our procurement specialists have been working closely with our supply chain to help improve their social and environmental impact. Last year, we signed up to the UK’s Construction Protocol which is a joint agreement with some of the biggest names in UK construction aimed at eradicating slavery and labour exploitation in the building industry. Along with all signatories, we’ve agreed to raise awareness within supply chains to protect workers from exploitation or abuse and take necessary steps to ensure safeguarding is in place.

Working with other procurement specialists, we created a supplier engagement plan to better understand the approach our supply chain takes to human rights risk management and mitigation. We’ve engaged with 13 of our major suppliers to discuss their commitment and governance, how they identify human rights risks, the training they have, and how they support our commitment to the Living Wage Foundation.

This work has been recognised by the Business & Human Rights Resource Centre, who assess how well companies address modern slavery within their supply chain. We’ve been ranked 12th in the FTSE 100 list when it comes to how well we’re addressing these issues.”

Outcome: Although it’s difficult to dictate to our supply chain exactly how they should work with their own suppliers, we’ve begun to influence them to have a greater focus on social responsibility within their businesses.

“National Grid are part of small cluster of leaders tackling modern slavery and human trafficking within their supply chain”

Business & Human Rights Resource Centre



13 suppliers engaged to discuss commitment to social responsibility in our supply chain

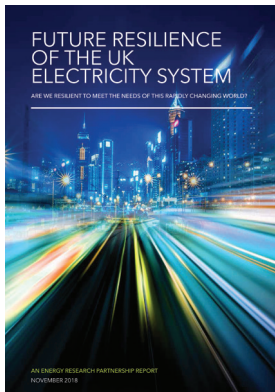
Stakeholder priority: providing a safe, reliable and secure network

Our stakeholders have told us they want us to provide a safe and reliable network, so that electricity is there whenever they need it. For many of them, this is their number one priority. This is pretty much our day job and a key strategic focus. Much of our engagement on this topic over the past 12 months has been in relation to our RIIO-2 plans, but we've also taken a lead on some of the topics that can make this happen, including keeping our network secure and ensuring the right skills are available in the future.

Case study: Leading engagement to define future resilience policy – Neil Carter & Aisling Rapier, Engineering & Asset Health

"Our stakeholders have told us they depend on our network to provide a continuous supply of electricity. To fulfil this role, we need to maintain safety standards that protect our employees, contractors, stakeholders and the public. Managing external threats which could potentially disrupt supply is mostly determined by requirements set by Government, Ofgem and other organisations which have an important role in ensuring the country's key national infrastructure is protected against a range of possible threats.

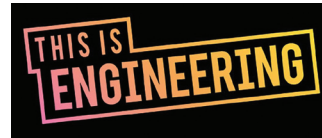
The Energy Research Partnership (ERP) is a high-level forum which brings together key stakeholders and funders of energy research, development, demonstration and deployment in Government, industry and academia to work together towards shared goals. In our Cyber Resilience team, we led and facilitated the development of the Future Resilience of the UK Electricity System publication.



Through various meetings and workshops with key industry stakeholders, we collated discussions and findings to make five key recommendations within the ERP publication for industry, Government and regulators to consider. These are to focus on more resilience measures, introduce a more holistic approach to resilience policy across industry, for regulatory bodies to consider focusing more on resilience during review periods, the need for cyber security skills and capabilities within organisations to grow, and more engagement with wider society and business on the skills needed to establish future requirements for the UK electricity system."

Outcome: The report's recommendations have been shared with the National Infrastructure Commission, European Environment Agency, BEIS and CIGRE for incorporation into future resilience policy.

Case study: Finding the next generation of engineers – David Wright, Director of Electricity Transmission



to ensure we have the right skills and capabilities in place to meet the needs of the ever-changing energy industry and deliver energy for future generations.

During the past year, we've updated our STEM strategy to further focus on attracting the right skills to engineering on a national scale.

We're one of the main companies behind the national #ThisIsEngineering campaign, the aim of which is to increase the number of youngsters (aged 13-18 in particular) who consider and enter into engineering as a profession. We've been working closely with the Royal Academy of Engineers, and I've been personally involved in many discussions and meetings for the campaign.

The campaign makes use of social media to challenge outdated views that engineers can only be found wearing hard hats on construction sites. It uses real engineers in videos and inspiring case studies, showing how engineering is behind the stuff that people are already interested in – from fashion, to music, to energy. Since the campaign was launched in January 2018, the 26 videos have received a combined total of over 28 million views online."

Outcomes: Through this work, we've helped generate an increase in the number of teenagers who say they would consider a career in engineering (72% now say they would consider engineering, more than doubling from 39% since the campaign started). And over 5,500 teens have joined a Royal Academy of Engineering Facebook community focused on engineering careers.



28 million

views of the #ThisIsEngineering campaign videos, leading to a doubling of viewers' interest in engineering as a career

Case study: Easier connections to support decarbonisation – Mark Beasley, Sector Head, Customer and Stakeholder team

"We know that potential connectees to our network often need to find alternative connection options, particularly as the type and scale of generation is changing so fast at the moment. The types of connection enquiries and applications we're receiving has changed over the last year, with many more approaches from smaller companies, who are often new entrants to the market with no or limited knowledge of the industry. In many cases, these companies want to connect renewables, or other technology which supports the move to a lower carbon economy.

Within my new team, we've been working with these stakeholders to help them identify, explore, assess and understand our connections process. Our teams are now structured around sectors – nuclear, offshore wind, interconnectors, DNOs, onshore and storage projects – to reflect the individual needs of different types of connectees, and this has made it easier for us to cater for their individual requirements.

Through our discussions, bilaterals, seminars and workshops, we identified the need to further develop our connections website, so we've updated it to provide an online feature where any potential connectee with any type of connection can see their particular connection process, how long each stage would typically take and the estimated cost. This tool enables prospective customers to model and commercially plan for their business over future years."

Outcomes: Through our updated website, we've been able to connect more diversified types of connections onto the network over the past year. 90 contracts have been issued, with 73 of these supporting renewable connections. We've also received applications (currently being processed) for over 800 megawatts of solar energy connections to our transmission system.

Stakeholder priority: being innovative

Our stakeholders tell us they expect us to be innovative, both in the way we run our network, and in how we engage with them. During the past year, we've continued to engage our stakeholders on a project-by-project basis to find innovative, efficient ways of delivering what they want. However, we've also looked more closely at our approach to engagement, and have used channels during the last 12 months that are genuinely innovative for a transmission company.

Case study: Innovative podcasting – Iliana Portugues, Head of Innovation

"Innovation is a key stakeholder priority for me. My team engages with our stakeholders about innovation on a regular basis in many ways. One way is through our innovation workshops. We have held two workshops this year to explore innovation in more detail with the innovation community, and provide them with the opportunity to put forward their questions, opinions and feedback in shaping our business plans. At the first of these workshops, 39 stakeholders representing 30 organisations attended, covering six of my main stakeholder segments.

One of the things they told us was that we needed to improve the way we communicated with them – they wanted less reports and a more diverse range of communication channels. After listening to this feedback, during the event we asked our stakeholders if they would consider podcasts as a useful form of communication – in particular, would these be useful for stakeholders who were time poor and unable to read through the detail of some of our reports? The idea was welcomed by all stakeholders in the room. Since then, we have run 15 podcasts, six of which were hosted by David Wright and two other senior managers. We can't claim any fantastic outcomes from this, but our podcasts have been viewed by over 3,600 stakeholders and have been shared with 30,000 stakeholders via social media. We know we've not invented the podcast and that many consumer-facing organisations already use these types of channels, but we've identified a new use for this type of communication for transmission. Based on our social media feedback, we're already looking to do more technical podcasts next year."



Case study: Our playback: an industry first – Jon Ashley, Regulatory Policy Manager

"The views of all our stakeholders, including consumers, play a vital part in our business planning process. But simply engaging with stakeholders is no use if we're not then interpreting and acting on this feedback correctly, and making sure what they want is actually reflected in our plans. This was a crucial part of the feedback you gave us last year.

As you know, a lot of what we're doing at the moment is focused on our RIIO-2 plans as well as the present day, and although the bare bones of what we need to do has been set out by Ofgem, we've gone above and beyond this in many cases.

For example, we believe it's really important that we check in with our stakeholders at various points in the process, to make sure their priorities haven't changed and most importantly, that we've interpreted their feedback correctly. Part of this process involved my team reviewing all the feedback received from our stakeholders during 2018 and consulting on this with them through our 'Shaping the electricity transmission system of the future' playback publication in February 2019.

We used a variety of channels in this consultation, including webinars, direct mail, website, surveys and social media, to make sure we were reaching as many of our stakeholders as possible. This consultation was an industry first and was well received by our independent stakeholder group.

Case study: Working with local residents to reduce noise disturbance – Janine Dickenson, Senior Environmental Engineer

"We've been engaging with local stakeholders in South Ealing following noise complaints about the Almond Avenue substation, which we jointly operate with SSE Networks. The council had noted that humming from our transformers was creating a public nuisance, especially at night when other noises died away. The cost of replacing the four transformers (which were otherwise operationally sound) was estimated at £15–20 million, which did not seem like an efficient, viable option. So we held a number of meetings with noise acoustic specialists and spoke to local residents to discuss possible options. This led us to the design solution of erecting a noise barrier, which met the needs of local people but was also a much more efficient solution for consumers in general.

The consultation was structured around our stakeholders' priorities and was a playback of what we'd heard from them so far, across all areas of the business. We shared our direction of travel and indicative cost ranges as we continued to build our RIIO-2 plans and allowed stakeholders to comment on whether we had heard them correctly, and whether we had then reflected this in our proposals.

The playback generated a good response from organisations and individuals, with over 3,500 page views on our website and nine out of ten respondents saying that they found our consultation clear and agreeing that our proposals would meet their needs. This is just the beginning of how we are being more transparent with our stakeholders."

Outcome: As a direct result of what we heard through this consultation and other engagement activities, we are currently reviewing our 2025 environmental targets to make them more ambitious.



Our engagement activities and technical solution were recognised as a great example of community cooperation and education, with a creative and innovative approach to solving noise pollution. We received the John Connell Local Authority Award (known as the Noise Oscars) for this project."

Outcomes: We removed the noise disturbance for local residents as well as reaching a much more cost-effective solution as a result of our engagement with them. Our engagement costs were £50,000 and the noise barrier cost £3.2 million compared to an estimated £15-20 million cost for the transformer replacement.





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