

Electricity Transmission Stakeholder Engagement Incentive Scheme

Part One Submission



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Introduction

Our stakeholder engagement strategy

Finding a better way

I am immensely proud to be introducing this year’s Stakeholder Engagement Incentive Scheme Submission for National Grid Electricity Transmission.

Over the past year in National Grid we have made changes that put our stakeholders at the heart of our business. This has been led by our Executive Board of Directors who have committed to ‘Finding a Better Way’ for our stakeholders. We’ve then tailored that overarching ambition to our own Electricity Transmission business activities. This means we are challenging our ways of working, to drive performance improvements that achieve our business priorities and benefit those with a vested interest in what we do. We have had some notable achievements and we will continue to challenge our teams to do even more.

I know however that we don’t always get it right first time, but by reviewing our performance we are continuing to learn new lessons. I am committed to ensuring we put our learning into practice, which will help achieve our priority of building trust with people.

I strongly believe the updates to our Stakeholder Engagement Strategy, especially our alignment to the ‘gold standard’ AA1000 Stakeholder Engagement principles will support us in becoming even better at building relationships, as we collaborate ever closer with our stakeholders to shape the future electricity market, and play our part in moving to a low-carbon future.

Our Electricity Transmission business has

focused its efforts this year to ensure we are delivering our business priorities and that every engagement activity brings benefits. We have done this by:

Clearly identifying the outcomes our stakeholders are seeking from the engagement. Listening to people has helped us understand the frustrations of smaller wind and solar generators who wanted to connect to the Transmission network but were hampered by our connection process, which wasn’t designed to support this rapid increase in requests. Their input helped us find and implement a solution which meant they could successfully connect to the network.

Acting on feedback and using this to inform our future strategy. We had feedback from our stakeholders that we could do more to encourage wider industry participation in Demand Side Response initiatives. To address this we launched Power Responsive to make entry to this market easier and encourage participation. So far we have brought together 700 individuals from 260 organisations. Ultimately this will support us to develop our future strategy for managing supply and demand on the Transmission Network, while minimising the carbon impact to the environment.

Improving our processes to maximise value to the stakeholder. When people tell us we could have done things better, we listen and act. They said our approach to gaining consent for developments needed to change, so we did exactly that. We have now improved how we engage with communities and capture and act on their feedback.

My teams in Electricity Transmission are fully committed to delivering for our stakeholders, and through this submission I believe we will demonstrate the great steps we have made this year. The submission will also identify where we will continue to focus our efforts in the future so we can evolve and embed our approach to engagement.



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

Becoming adaptable and agile

Our stakeholder engagement strategy is central to our success and sustainability.

Overview

We know that our stakeholders have high expectations of us, and rightly so. Through our engagement strategy, they have become central to our decision-making, which helps steer the direction of our business to deliver even more value for them. We have also made a number of updates to our strategy to support us in becoming an agile and adaptable business that can change according to stakeholder and market needs.

Embedding our strategy

Our engagement is supported by our core principles of Listen, Discuss and Act, which are in turn supported by four strategic themes (see right).

We have embedded our strategic themes into our daily activities and challenged ourselves to find a better way for our stakeholders. This has been driven and supported by senior leaders throughout our organisation to our customer-facing teams.

Our successes in embedding our strategy include:

- ✓ **Creating common objectives.** All of our senior leaders and external-facing teams are taking ownership for delivering value to our stakeholders by having personal objectives that seek to improve service.
- ✓ **Developing skills.** We have added to our existing range of skilled and advanced stakeholder training. We now offer an expert-level modular course in partnership with external service excellence experts. We have worked with the team at Our Academy to help all our course participants apply what they have learned effectively and consistently

Listen, discuss and act



“The Academy training has enabled me to tailor my approach to each individual stakeholder, and the mapping tool has enabled me to really focus my approach with them, which ultimately I believe delivers an improved service for my stakeholders”

Nick Pittarello, European Code Development Manager

in the workplace. We survey all training participants and review their feedback. This helps us make the training purposeful, relevant and beneficial to our stakeholders. We have also established a Stakeholder Community of Practice where employees can share views and ideas on how to put the training into practice.



“Having personal objectives that focus the efforts of my team and me on delivering value for our stakeholders

really supports us in developing a truly stakeholder-centric culture.”

Nicola Medalova, Head of Customer Services



Our UK vision and priorities

Stakeholders at the heart of our business

OUR VISION:
Connecting you to your energy today, trusted to help you meet your energy needs tomorrow

UK AMBITION:
Relentless at finding a better way across all of our UK businesses

UK PRIORITIES:
Setting out how we will engage with our stakeholders across our UK businesses

ELECTRICITY TRANSMISSION PRIORITIES:
We then tailor the UK priorities to our Electricity Transmission business

Organising our business to focus on what stakeholders value

Over the last year we have reorganised our Electricity Transmission business so we can focus on delivering the most value to our stakeholders.

Our engagement activities are centred on the following three strategic initiatives (and our Part Two submission is structured around them too).

- Shaping the market.** Developing the electricity market to meet the needs of people and businesses.
- Managing the network.** How we plan, build and maintain our network to meet our stakeholders’ current and future needs.
- Delivering energy.** The short and long-term operation of the energy network to balance supply and demand.

Reorganising our teams in this way means we are:

- ✓ Ensuring we are delivering what our stakeholders value.
- ✓ Providing clarity on what we deliver and how we deliver value.
- ✓ Identifying clear decision points for stakeholder feedback and input.
- ✓ Clearly defining roles and responsibilities.

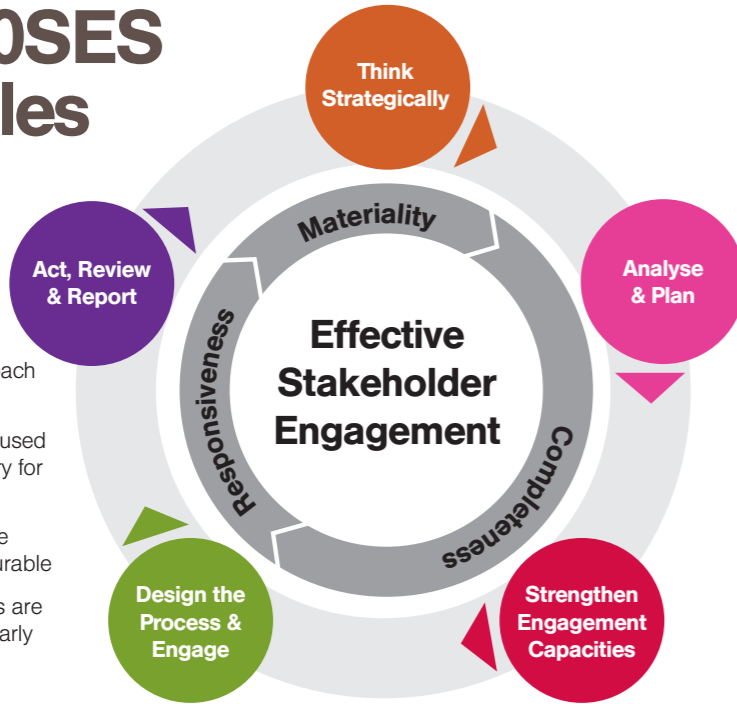


Our stakeholder engagement strategy

AA1000SES principles

Benefits to stakeholders

- ✓ 1. Creates a consistent approach to engagement
- ✓ 2. Outcomes focused to ensure delivery for stakeholders
- ✓ 3. Benefits will be clear and measurable
- ✓ 4. How decisions are made will be clearly communicated
- ✓ 5. Committed to continually improving our engagement



Our promise to our stakeholders

We have improved our understanding of what 'good' engagement means. We've done this by listening to our stakeholders and learning from when things have gone well and not so well. To create and promote a common understanding of 'good' engagement we've developed our service commitments (see below).

This means people know what to expect from us, and they can hold us to account through our communication with them if they feel we are not delivering on our promise.

We launched our service commitments as part of our Customer Service Week campaign. We have shared our service commitments with our teams, giving them commitment stickers and animations they can use to remind them why great service is so important.

Our six service commitments

To find a better way for our stakeholders we will:

- 1** Listen to their views so we can understand what they **need** and **expect**, and find solutions
- 2** Proactively engage and build **trust** through close working relationships based on **openness** and **honesty**
- 3** Help them **understand** our business by clearly explaining our perspectives and how these may influence overall decision making
- 4** **Work together** to find **innovative ways** of building a network for the future
- 5** **Deliver** what we say we'll deliver and do **even better** wherever we can
- 6** **Act** on feedback

Culture

We know that having the right people and skills in place will drive the right culture and behaviours in our organisation to help us improve the way we interact with our stakeholders. We also recognise that to develop these behaviours, the environment needs to be right, and that our senior leaders have a responsibility to make sure this happens.

To support this in 2016/17 our Executive Board launched a three-year Customer and Stakeholder Transformation programme. This will impact all of our National Grid UK businesses.

For Electricity Transmission this means we will:

- Use our Performance Excellence tools (a *lean* way of working) to ensure we put our customers and stakeholders at the forefront of what we do. For example, we will work with these groups to really understand what they value and use this knowledge to target our process improvement projects.
- Do more to act on feedback from interested groups and incorporate this into our decision-making process, shaping our future business plans.
- Understand who our internal stakeholders are and provide them with the same level of service our external stakeholders expect. We recognise that it is important to get our engagement right internally, so we provide great service externally.

Evolving our strategy to improve performance

This year we have evolved our strategy to make sure we become more consistent in the level of service we provide to our stakeholders and to honour our service commitments.

From feedback we know we don't always provide a consistent service. However, by aligning our stakeholder engagement strategy with the principles of the AA1000 Stakeholder Engagement Standard (SES) we believe we will be able to make tangible improvements to how well we engage.

Our ambition is to become the leading Electricity Transmission Owner. Meeting stakeholder requirements is crucial, and AA1000SES is the gold standard for achieving this ambition.

We chose to do this after carrying out a thorough review of our options and looking at best practice across the industry. We believe by aligning our strategy to the AA1000SES standard, our teams will be equipped with a robust external engagement framework.

This approach has already been used successfully on a project to minimise the visual impact of our overhead lines on the environment. We recognised the need to engage before taking any action, so worked hard to plan and prepare our engagement using the AA1000SES framework. This involved working closely with local stakeholder groups to understand their views and to develop the project options in collaboration with them. Overall this contributed to a successful project.

Independent health check of our strategy and next steps

Driving up standards

Following on from aligning our strategy with the AA1000SES, we looked to see how well the principles were being followed within our Electricity Transmission business.

Overview

We wanted to identify exactly where we are now, and to set out a clear path for how we could improve our future engagement.

The independent health check

We commissioned AccountAbility (who created the AA1000 standard) to complete a detailed independent assessment of our stakeholder engagement strategy, processes and practices, with a clear focus on engagement that goes above and beyond our daily interactions with people and organisations. This has allowed us to benchmark ourselves against an external standard, ensuring

that our stakeholder strategy and methodology are robust and meet best practice. It has also allowed us to develop an objective understanding of our strengths, and our improvement areas, to effectively engage stakeholders and shape the industry.

The results

The assessment concluded that National Grid is at the **advanced** stage across the AA1000SES stakeholder engagement stages. The health check found positive evidence of stakeholder engagement integrated into operational strategy and management, solid engagement practices, strong awareness of stakeholder engagement priorities and dedicated resources to build engagement

competencies and plans. AccountAbility determined that our improvement schemes have set us on a clear path to achieving **mature** status.

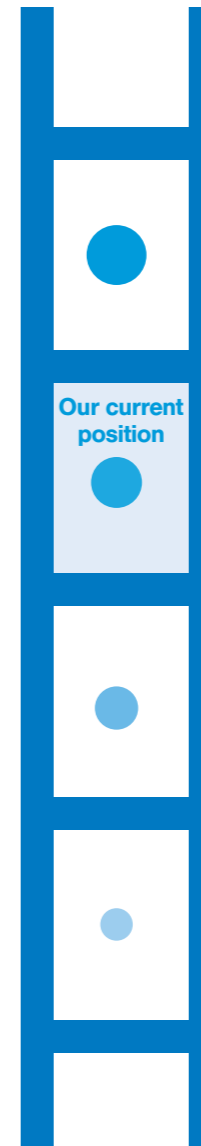
AccountAbility's report highlighted key strengths in our business, including executive and senior management commitment to the new customer and stakeholder engagement model (delivered by our UK Transformation Programme). Other strengths identified were planned improvement schemes, robust internal governance and account coordination to monitor and evaluate engagements, and our stakeholder engagement toolkit. The toolkit helps us focus on outcomes, tracking and evaluation of the benefits in engagement planning and implementation.

AA1000SES stakeholder engagement maturity ladder

AccountAbility evaluates maturity in stakeholder engagement through its Maturity Ladder, which identifies four maturity stages for an organisation (see right). These stages have been used to evaluate our maturity within the AA1000SES health check. National Grid lies within the advanced stage on the ladder with a score of 61% demonstrating engagement practices that are planned, prepared, implemented and followed up in a diligent fashion across the organisation.



"I believe the AccountAbility framework gives everyone a clear view of what we are trying to achieve in our Electricity Transmission business. It helps us understand how we should be engaging with our stakeholders, as well as giving us a consistent way of measuring how we're doing against our objectives."
Chris Isaac,
External Affairs Manager



Source: AccountAbility Institute, 2015

Mature stage (76-100% maturity score)

Proactive Engagement. Highly integrated and systematic processes across the organisation.

Advanced stage (51-75% maturity score)

Advanced practice in place, however company not systematic in sharing consistent process.

Early stage development (26-50% maturity score)

Ad-hoc engagement. Low degree of consistency across the organisation.

Beginner stage (0-25% maturity score)

No stakeholder engagement practices in place, or minimal efforts at best.

Next steps

To improve our current performance to mature status, AccountAbility highlighted key recommendations for us to act on.

Over the next year, we will:

- Use our updated customer and stakeholder engagement strategy to create an understanding of best-in-class stakeholder engagement across the business.
- Strengthen the step of formalising the purpose of stakeholder engagement for the business by setting a clear vision for the engagement teams with accompanying objectives and metrics.
- Develop a communication plan to support clear roles and responsibilities in the implementation of our strategy.
- Continue to develop our stakeholder engagement toolkit to embed consistent and clear guidelines for the whole business. Our aim is to have a clear idea of the benefits and outcomes we want to achieve before starting any engagement.
- Increase emphasis on transparent reporting of our engagement activities through our website and on social media.

What this will mean for our stakeholders

National Grid's vision to create and implement a leading stakeholder engagement strategy aligned to AA1000SES will enhance our stakeholders' experience and make sure we are delivering tailored, consistent and valuable engagement. We will review the effectiveness of what we're doing to continually improve our approach. Stakeholders will have a clear route for communicating with us and be given the opportunity to shape the industry as we will engage with them before taking action.

Tailoring our engagement to meet our stakeholders' needs

Understanding and engaging

As the energy market changes, so does the range of stakeholders we engage with. We have to adapt to make sure we understand their needs through better quality conversations.

Overview

We have reviewed our stakeholder groups and diversified the methods by which we engage. Not everyone has time to read a lengthy consultation document, or spend a full day at a workshop, but we want as many people as possible to contribute to the debate and be able to influence the proposals we are developing.

Our stakeholder groups

It's important to understand which stakeholder groups we should be engaging with for specific projects. Once we have established that, we use tools to try to understand their interest and influence on

a particular topic. This allows us to target our conversations so our stakeholders are involved in only the topics that drive the most value.

A new approach

We recognise that stakeholders have different needs and some may require more support than others. To help these groups we have established a dedicated Electricity Account Management Team.

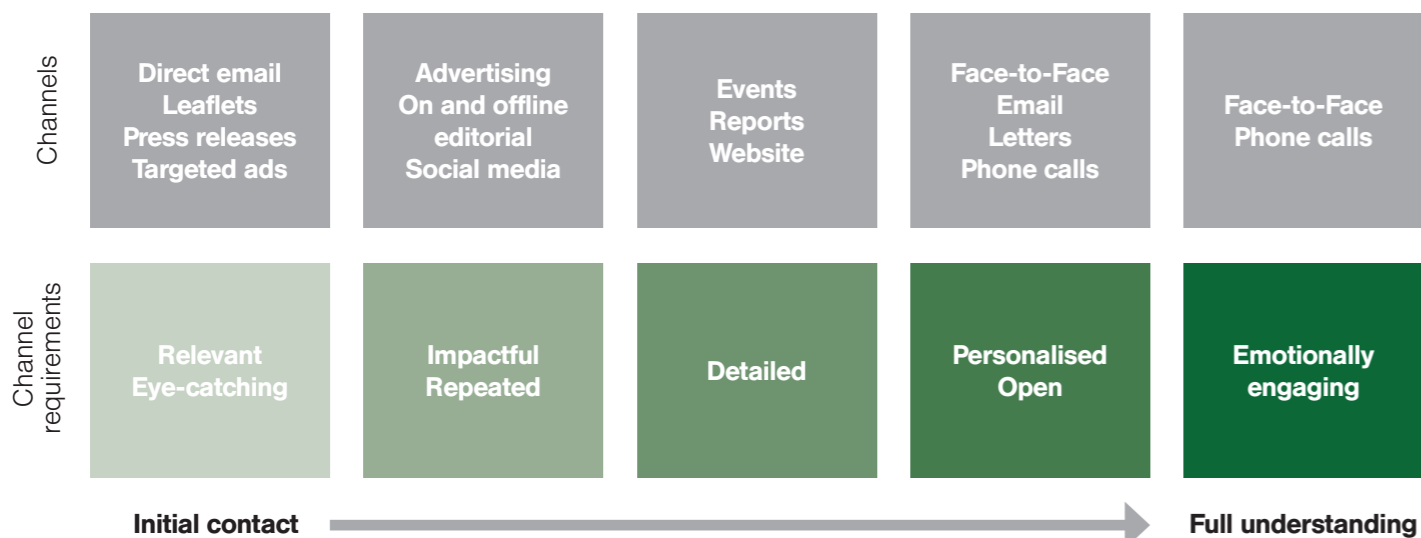
This team supports our stakeholders by:

- Providing them with technical guidance and support especially if they are new to the market, and are uncertain how to connect to our network.

- Acting as a central point of contact for complex queries that span multiple teams, to provide an efficient and coordinated response.
- Championing the voice and needs of our stakeholders internally so we deliver solutions they value.
- Building closer relationships with our stakeholders so we understand their future needs.

To track the effectiveness of this new approach we are implementing new measures in our processes that we can review regularly to see whether we are providing a better service.

Aligning how we engage to our stakeholders' understanding



The 2015 Low Carbon Network Innovation Conference (left) and a community consultation about new transmission routes (right).

Tailoring our engagement to meet our stakeholders' needs

Making engagement accessible

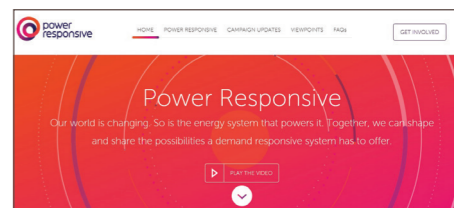
We continue to use our traditional engagement methods of workshops, seminars, publications, consultations and meetings, which we know from feedback are highly valued by our stakeholders. However, recognising that our stakeholders are busy people, we have again sought to diversify the ways people engage with us using digital channels. This means they can use a channel and time that is convenient to them. For us it means we are able to broaden the range of people we talk to, and gain a greater depth of feedback on our proposals.

- As part of Power Responsive (pictured below), we set up an independent microsite which provides a one-stop shop for background information and updates, including summaries of meetings and webinars for those unable to attend. So far **700** people have subscribed to this site.

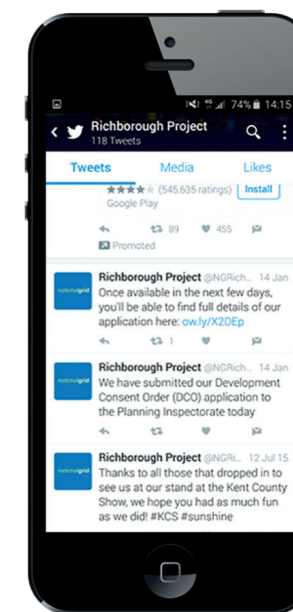
- For our System Operability Framework engagement we set up webinars for those unable to attend our workshops. This doubled the number of contributors, capturing an additional 120 stakeholder views which allowed us to create a more inclusive industry publication.
- When we published our annual Electricity Ten Year Statement (ETYS) in November 2015, we recognised that sometimes people want just a brief overview of the document. We used an online blogging site to publish a three-minute overview of the ETYS and announced it via the National Grid Connecting site, as well as using traditional methods such as email and our website.
- For our connections projects such as Richborough, we use social media to keep stakeholders updated on project progress.

700 subscribed to the Power Responsive microsite

SOF 120 additional stakeholder views



The Power Responsive website, launched this year, has so far attracted 700 subscriptions



Partnerships and collaboration

We recognise there's a lot we can learn from other organisations, which will ultimately help us to deliver a better service for our stakeholders. We also know we can benefit others by sharing our knowledge in areas where we may have more experience.

We have made good progress in collaborating and sharing best practice this year, as outlined to the right. In 2016/17 we are going to do more because of the improvements it can generate. We're establishing a **best practice strategy** to help us to build on existing relationships and identify partnerships that will deliver value for our stakeholders. And we won't limit these relationships to other energy industry partners: we'll also look beyond the industry so that we can gain the most benefit.

Putting our language skills to use

When we build and maintain the electricity network, we always work with local communities. Sometimes we know people find it difficult to engage with us, particularly if their native language is not English.

To provide a more diverse service for our stakeholders we have created a database that captures all of the language skills of people who work in National Grid. There are 300 people on this database who are able to speak 37 different languages between them. With this information we are able to tailor our conversations to meet the needs of the people with particular language requirements. This means we can build a stronger relationship with those who previously would have found it difficult to engage with us.

Building a best practice sharing group

We are keen to expand the coverage of our best practice conversations about stakeholder engagement. During the past year we have reached out to potential partners and taken the lead on forming a virtual community around stakeholder-related best practice. This work is still at an early stage, but in addition to our existing collaboration with the two Scottish TOs, we are now in conversation with the electricity distribution networks (through their existing forum), EirGrid in Ireland, Elia in Belgium, Open Grid Europe in Germany, RTE in France and outside of the energy industry, Severn Trent Water and Network Rail. Internally, we share best practice across our community relations agencies, and are looking to replicate this process more widely across the rest of our Transmission business.

Engaging with a broad range of stakeholders

Our engagement

Over 15,000 stakeholders engaged

We're collaborating with a broad range of stakeholders on important issues.

Overview

This year, making sure our engagement delivers value has been a priority for us, and this has given us the impetus to engage with a broader range of stakeholders than ever before. A lot

of the challenges our Electricity Transmission business faces are shared by our stakeholders, especially those related to minimising our industry's carbon impact on the environment. We know that we can play an important role in

bringing stakeholders together to collaborate on these important topics. This year we have engaged with a broad range of groups and delivered many positive outcomes. The breadth of this engagement is outlined below.

Managing the network

Activity	Stakeholders engaged	Outcomes
Visual impact We are working in collaboration with stakeholders through reference groups, exhibitions, technical meetings and local drop-in sessions to improve the landscape impacted by our activities.	648 stakeholders including communities and their representatives, Non-Government Organisations (NGOs), general public, landowners and businesses.	1. Four projects selected by the Stakeholder Advisory Group (SAG) for major engineering works, after taking account of all the evidence, information and stakeholder views. 2. Landscape Enhancement Initiative has been launched, following its proposal by the SAG, with £24million set aside for smaller improvements.
Dinorwig-Pentir circuit We held bilateral meetings to find technological solutions to cable circuit problems to keep Dinorwig connected to the grid.	3 stakeholders representing the energy industry and customers.	1. A technology called partial discharge monitoring, which provided the solution. 2. The generator remained connected to the grid, securing future supply.
Carbon management Designed to find innovative ways of reducing carbon footprint, this is a robust two-way engagement and training programme, delivered through bilateral meetings, group sessions, supplier forums and a multi-industry forum.	27 stakeholders from our supply chain, the energy industry and other industries.	1. An estimated £200,000 investment to develop a Carbon Interface Tool (CIT), which produced a £3million saving by reducing carbon in the Wimbledon tender process. 2. One industry award in recognition of our work to develop the CIT.
North Wales connections We engaged through public exhibitions, online and video to explain why decisions are made and why we could not progress with a subsea option. This helped move the connections debate forward, encouraging open conversation with stakeholders.	Over 400 stakeholders from communities and their representatives, the general public, educational interest groups, NGOs, landowners and small businesses.	1. We created a film, at a cost of £17,000, to explain major technical issues, resulting in greater traction with stakeholders. The film has had 224 views on the website, while 441 USB sticks containing the film have been distributed. 2. A number of significant stakeholders, including the local authority, changed their stance and are no longer calling for subsea technology as a solution.
Western link We established panels to find as many ways as possible to support those communities affected by our works.	Over 11,000 stakeholders including communities and their representatives, the general public, educational interest groups, NGOs, landowners and small businesses.	1. New equipment for a playground close to a primary school. 2. Interview training for local students delivered. 3. A local Citizens Advice group was given funding to help redesign its website.
M4 relief roads Working with the Welsh Government, through bilateral meetings, email and studies to look at options for the design of an M4 relief road.	2 stakeholders representing political organisations.	1. Clarity for the Welsh Government on options open to them and what needs to be done.
Scottish Power ratings management Sharing best practice for ratings management with Scottish Power. Held bilateral meetings to help them to better manage their circuit rating.	2 stakeholders representing the energy industry.	1. Allowed Scottish Power to increase ratings when safe to do so.

Delivering energy

Activity	Stakeholders engaged	Outcomes
Embedded generation We collaborated with stakeholders through workshops, DNO events and conferences, plus bilateral meetings, to seek innovative and new solutions to connect embedded generation as swiftly and efficiently as possible.	40 stakeholders including the energy industry, regulators, political organisations and customers.	1. Connected 5.7GW of generation that we wouldn't have been able to connect before this engagement. 2. The embedded generation brought online represents enough energy to supply around 1.8 million homes and has saved 2.6 million tonnes of CO ₂ . 3. An engagement cost of £20,000 has saved the end consumer £140 million per year.
Customer Connections Interface tool This interactive tool, designed to assist those wishing to connect to the electricity transmission network, was developed through seminars, bilateral meetings and workshops.	Over 180 stakeholders including the energy industry, customers and educational interest groups.	1. Customers provided with information that will help them assess connections to the electricity transmission network, saving time and improving the application experience.
Interconnector community Building a community for interconnector businesses through a GB interconnector forum and conference.	20 stakeholders including energy industry, customers.	1. Helps new and existing interconnector developers to build networks and relationships and so facilitate competition. 2. Leads to better communication between businesses. 3. Provides an opportunity for interconnector businesses to understand and influence changes in policy areas relating to their work.
Customer seminars Opportunity for delegates to receive updates on latest news and issues facing the energy industry today and in the future.	180 stakeholders including customers, energy industry, regulators, educational interest groups and political organisations.	1. Allows customers to receive the latest updates and information from the energy industry. 2. Provides an opportunity to network and gain industry insight. 3. Customers able to meet their account manager, ask questions, challenge and give feedback.
Operational forum Energy industry forum held three times a year to discuss operational issues.	300 stakeholders representing the energy industry.	1. Allowed industry to learn about and discuss past and future operational issues and costs. 2. Provides a forum for industry participants to ask questions about changes and any opportunities that may impact their business. 3. Consistency of message – everyone gets the same message at the same time.

Engaging with a broad range of stakeholders

Activity	Stakeholders engaged	Outcomes
Settlements seminar Forum for ancillary service providers to understand more about our settlements process.	26 stakeholders representing customers.	1. Stakeholders could now understand who we are and what we do. 2. Provided an engagement opportunity to generate feedback. 3. Provided guidance for stakeholders on how to follow process.
Small generator seminars Biannual seminar providing face-to-face communication between control engineers and generator representatives to address some of the feedback they have given us.	50 stakeholders representing the energy industry.	1. Frank, open and honest engagement with control engineers doing the day-to-day job. 2. Updates received on topical control room activities. 3. Key seasonal challenges highlighted.

Shaping the market

Activity	Stakeholders engaged	Outcomes
System Operability Framework (SOF) We worked with industry to develop the SOF through a pre-assessment workshop, consultation, webinars and a launch event.	200 stakeholders including the energy industry, customers, regulators and educational interest groups.	1. We doubled the level of engagement from the beginning to end of the process, creating a more inclusive publication. 2. Stakeholders helped inform and influence the end product. 3. This engagement has helped develop a process to reduce network operation risks in future.
Power Responsive Working collaboratively, we promoted Demand Side Response (DSR) activity in GB markets through online engagement, a launch event, webinars, a steering group, industry events and critical friends.	600 stakeholders including the energy industry, political organisations, regulators, NGOs, media and business	1. We've helped raise the profile of DSR and encouraged collaborative working, with the aim of growing participation in DSR over the next five years. 2. By 2020 we want 30-50% of balancing services to come from DSR (at the moment this is about 5%).
Future Energy Scenarios (FES) Engaging with our stakeholders about GB's energy future to drive the development of the Future Energy Scenarios through workshops, webinars, conference, bilateral meetings, industry events and online.	362 organisations consulted including the energy industry, customers, small businesses, educational interest groups, investors, our supply chain, NGOs, innovators, political organisations, the media, communities and their representatives, consumer groups and Ofgem.	1. Quantifiable feedback has made sure we know our main areas of focus to meet stakeholder needs and interests. 2. We have widened the reach of engagement so that FES is truly representative of a range of stakeholders views.
Electricity Market Reform (EMR) Enhanced our engagement and support of market participants, through one-to-ones, an online application platform, a dedicated query management helpline and provided demonstrations for users to ensure they had the opportunity to fully understand and engage with the application process.	130 stakeholders representing energy industry.	1. Participants found it easier to apply and as a result qualify for the capacity auctions. 2. Resulted in enough capacity acquired at auction, ensuring reliability of supply in the future as we move to low-carbon generation.
Electricity Ten-Year Statement (ETYS) Our ETYS has significantly changed this year so we have engaged with stakeholders to explain why and how it's changed and to seek feedback so we can continue to improve it to meet their needs. This has been done online and through other existing events such as customer seminars and the System Operability Framework.	1,023 stakeholders on our mailing list, representing the energy industry, customers, Ofgem and educational interest groups.	1. Helped us to understand how our stakeholders use the ETYS, what information they value the most and if there is any other information they would like to get from the ETYS. 2. Provided opportunities for them to shape the ETYS. 3. Provided opportunities for them to meet the ETYS team face to face to discuss new ideas, issues, or questions they might have.
EDF Energy We held meetings and a steering group with EDF Energy to help them understand the thinking behind our operational decisions.	6 stakeholders including the energy industry and customers.	1. Helped EDF Energy better understand the system operability challenges they face and how these challenges relate to our operational assets. 2. Helped EDF Energy to share the challenges they face as a nuclear operator and find out how National Grid can best mitigate these risks.

Environment

Activity	Stakeholders engaged	Outcomes
EmployAbility Supported internship programme for young people aged 17- 22 with learning disabilities.	100 young people have participated in the programme. Stakeholders representing vulnerable people, energy industry, other industries, political, educational interest, communities and their representatives.	1. Government data shows that students with learning disabilities, in spite of their many abilities, have only a 6% likelihood of achieving paid employment – we have had a 60-70% success rate through this programme. 2. Model being adopted by other companies. 3. The programme won a number of external awards in 2015.
Skills Working with young females to harness their interest in STEM subjects, increase their skills and build their potential to be our future engineers through a work experience week, interactive workshops, site visits and an engineering competition.	48 students representing educational interest.	1. 98% of the students said that the course has increased their interest in engineering. 2. 86% of the female students said that this course has persuaded them to follow a career in the energy industry.
Thorpe Marsh Used stakeholder expertise and a partnership approach with the Yorkshire Wildlife Trust to reassess our strategy for improving wildlife habitats impacted by our activities. The aim is to achieve the greatest benefit and value for our business, the community and nature now and into the future.	23 stakeholders involved representing NGOs, communities and their local representatives.	1. The habitat management approach provides a capital benefit of £230,000 over 30 years against project costs of £30,000. This benefit and associated value is made up of various elements including carbon reduction, flood defence and water quality.
Esher Common Making a positive contribution to social and environmental objectives at the same time as managing vegetation and ensuring the safety, reliability and resilience of our network through meetings and conservation work.	14 stakeholders involved representing NGOs, Natural England, local communities and their representatives.	1. Future system risk from encroaching vegetation is minimised. 2. Positive contribution to local conservation programme within designated landscape.
Reconducting project in Cheshire Through face-to-face visits, phone calls and surveys, we resolved a persistent noise issue caused by a conductor.	2 stakeholders involved representing the general public.	1. Development of a new type of conductor called the ACCR, which was a winner in the Built Environment Awards 2015. 2. Circuits replaced and the noise issue solved.

Obtaining and acting on feedback

Obtaining and acting on feedback

A more efficient process

Obtaining feedback is important to us so we know whether we're delivering what our stakeholders need to the standard they expect.

Overview

One of our strategy focus areas for 2015/16 was to improve understanding of our stakeholders, which led us to review the way we gather feedback from them through our annual stakeholder survey. We have made some changes in this area to make it a more efficient process, and to make sure we gain tangible feedback that we can act upon, and deliver the outcomes our stakeholders want.

Making improvements

Stakeholders told us that in previous surveys the questions were not always relevant to them, and our internal teams told us the feedback they were getting wasn't always useful. To address this we have undertaken a full review of our customer and stakeholder surveys, and appointed a new independent research agency.

This has led to improving our survey process by:

- Adapting and tailoring our survey questions so our stakeholders are clear which engagement we are asking their views on.
- Conducting our surveys in a timely manner after engagement has taken place which provides us with more accurate feedback. We have successfully used this new approach with our customer surveys, and plan to replicate this with our 2016/17 stakeholder surveys.
- We have also improved our process of turning feedback into actions and will be able to address comments at an individual level and respond to them in the most appropriate way. These actions will each be assigned an owner to manage the improvements.

Capturing feedback

As well as getting feedback from our surveys, we obtain feedback all year round from regular stakeholder meetings and conversations. We haven't always been consistent in documenting this feedback and then combining this with the feedback we obtain from our surveys.

This year to bridge this gap we have introduced a distinct process for capturing this feedback, which is collated by our Electricity Account Management team. The team will be debriefed by the attendees and informed of stakeholder feedback which they record centrally. This will then be compared with the survey feedback and acted upon. In the future we plan to support this process further through the introduction of a new Stakeholder Intelligence System.

The Stakeholder Advisory Panel

Another way in which we capture feedback from stakeholders is through our independent Stakeholder Advisory Panel that meets quarterly. Our panel members help us to shape and influence our business to ensure we take into account people's interests, aspirations and concerns now and into the future.

The panel is made up of individuals representing the diversity of our stakeholders. Their role is to provide a different perspective and way of thinking to an area of focus, because we believe that proactive and focussed discussions about the things that matter most to our stakeholders will help us to improve what we deliver and how we deliver it.

We have recognised, through feedback from them, that we haven't always given the panel the opportunity early enough to influence and shape our engagement and decision-making. So, we've made some changes to how we run these meetings and use the panel.

Working with our panel this year we have:

- ✓ Set out discussion item principles, which means that we will only focus on and explore subjects or topics that either drive significant impacts for customers and stakeholders or drive an industry-wide change.
- ✓ Prioritised these subjects/topics by considering the impacts and benefits to our stakeholders and to our business, which now means that we tackle the big issues with our panel first.
- ✓ Agreed a work-plan for the next 12 months that sets out which issues we will explore with our panel in 2016/17.

Looking ahead to 2016/17

Our new, more focused and proactive way of working with our panel will make sure that they can really influence and shape what we do and the way that we do it for the most important stakeholder subjects. The panel's early input will help us to develop strategies and action plans based on the needs of our stakeholders.

The Stakeholder Advisory Panel will help us to shape and influence our business and business practices to ensure they take into account the interests, aspirations and concerns of our customers and stakeholders, now and into the future.

National Grid Stakeholder Advisory Panel Purpose Statement 2016

Our process for acting on feedback

To ensure we add value from our stakeholder engagement, we've improved our internal process for how we share feedback with relevant teams. We've utilised a Project Management Office to ensure actions developed from feedback are prioritised and delivered in agreed timescales. The progress on these is then reported through our central Stakeholder Strategy Team. This ensures teams are held to account and trust is built with stakeholders.



A public meeting in Anglesey, February 2016

What our stakeholders said



We weren't doing enough to encourage debate within the Demand Side Response market to increase participation.



Regulatory information in the electricity market was too complex and technical.



Our connections process wasn't designed in the right way to connect smaller scale generation.



Our website needed improving as things were difficult to find.



Information on connecting to the Transmission network was complicated and scattered across multiple documents.



The System Operability Framework section of our Electricity Ten-Year Statement document was useful and stakeholders wanted to know more about this.



We could be more transparent on reporting our RIIO performance within our annual publications, and explain what this means for our stakeholders.

What we have done



We launched Power Responsive, bringing together 700 people from 260 organisations to collaborate on this topic.



We have produced a series of summaries for all of the regulatory code documents, published on our website.



7.7GW of smaller scale generation connected that, without our changes, would have been only 2GW.



We have updated our Talking Networks site to make this more relevant and user friendly. We have launched a wider project to update and improve our UK National Grid website.



We have developed an online connection tool to show where there are connection opportunities on the network and the timescales associated with these.



We have developed the System Operability Framework as a document in its own right, and used this as a standalone platform for stakeholders to come together to discuss future system operability challenges.



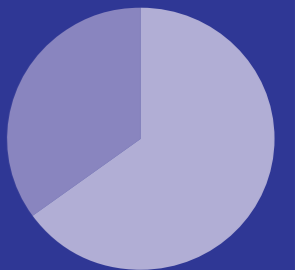
We have changed the structure and content of RIIO performance documents to provide a clear understanding of what we deliver as a business and how this impacts consumer bills.

Our performance results 2015/16

In mid-2015, we surveyed individual stakeholders who we've engaged with across various activities including our major projects. Our independent third party spoke to 80 stakeholders, giving us valuable information about our strengths and opportunities to improve. Our stakeholders scored us 7.5 out of 10 for overall satisfaction. This score includes our major electricity construction projects (Western

Link, London Power Tunnels and North Wales). We recognise that there is scope for improvement in these areas and intend to share any best practice gained from our gas major projects to help improve our future stakeholder engagement in Electricity Transmission. Also, for our customer satisfaction survey, we achieved our highest ever score of 7.5 out of 10.

65% of respondents scored us 8 or more out of 10 for overall stakeholder satisfaction



Stakeholder satisfaction survey



Our next steps for 2016/17

Based on our Stakeholder Survey results (left) and feedback comments, we have identified themes and priorities to focus on:

- We will give our stakeholders even more clarity on our decision-making, which will further build trust with them, one of our priorities.
- We will improve on the delivery of our promises (do what we say we are going to do) to make sure we are sticking to the outcomes we've agreed.
- We will make sure information and the solutions that we develop are easy to understand; we need to work harder at improving clarity and the consistency of information and make sure that it is less technical and isn't confused by regulations.
- We will make the information on our website more accessible and easier to navigate. Our project to address this is already well under way and is due for completion by the end of the year.

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