

Report on Northern Powergrid's Customer Engagement Group discussions in January 2021

Summary

The Customer Engagement Group¹ held further discussions looking at Northern Powergrid's work on developing its business plan for Ofgem's RII0-ED2 price control process. This is the plan that will cover the 5 years 2023-2028.

The main items we discussed this month were progress on Northern Powergrid's **Stakeholder Engagement**, and its work on estimating the **Costs** for its ED2 Business Plan.

The CEG have moved to working in sub-groups, to allow much deeper assessment of Northern Powergrid's business plan proposals as they go through the business plan process. We received reports of sub-group discussions on **Willingness to Pay and Business Plan Acceptability Testing, DSO Strategy and Data and Digitalisation**.

Stakeholder Engagement

We received an extensive report setting out the findings of the programme of stakeholder engagement undertaken so far by Northern Powergrid to help them design their business plan for ED2. The results of this work are currently being reviewed by the company and they have developed a decision support tool, a so called 'Weighting Methodology Model', to help them give appropriate consideration to conflicting views when these are expressed.

Northern Powergrid shared its most up to date thinking on **Willingness to Pay and Business Plan Acceptability Testing** and how this will be used in future engagement on the draft ED2 business plan.

Business Plan choices, and Costs

We heard that NPg is currently preparing an integrated draft business plan, in the light of the twin messages from their engagement so far of being ambitious but also focusing on affordability. Northern Powergrid explained that they are embarking on a challenge of individual plan workstream areas over the next 2 weeks to avoid any unnecessary cost increases.

¹ If you want to find out more about the role of the Customer Engagement Group look here:

<https://ceg.northernpowergrid.com/>

They are also looking carefully at the impact that decarbonisation may have on future bills. The company is committed to being transparent and there will be clear focus on checking how stakeholders' views on bill impacts will be assessed.

We encouraged Northern Powergrid to ensure the narrative to support engagement on bills with customers is accessible and straightforward.

DSO (Distribution System Operator) Strategy and Data and Digitalisation

Northern Powergrid had shared its most up to date thinking about what to include in its ED2 business plan in this area, and the subgroup had encouraged the company to engage with potential market participants and capture any concerns they may have.

Northern Powergrid outlined how it plans to set out its vision and strategy for improving data quality and intends to development a data catalogue and road map in due course.

Stakeholder Engagement plan update

Northern Powergrid updated us on the work they are planning for early 2021 in respect of their ED2 business plan proposals. We recognised that this is a large and complex programme of work and welcomed the quality assurance of it that is being undertaken.

Northern Powergrid held a successful Stakeholder Summit at the end of January which was focused around Net Zero and the findings of this will be shared with the CEG in due course.