

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

Summary

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

The main items we discussed this month were Northern Powergrid's continued work on its final **Business Plan** and **Stakeholder Engagement** work, and our **Final Report**

Business Plan

Northern Powergrid explained to us how they want Ofgem to deal with the uncertainty over how quickly the demand for electricity will grow over the next few years. They want the ED2 settlement to include enough money for them to invest enough to keep open all possible future pathways to net zero, with any additional investment being dependent on the rate of take up of electric vehicles and heat pumps. While the CEG is not in a position to comment on the detail of the proposal, the principle underpinning it is sensible.

A further update was provided on the likely impact of Ofgem's 'minded to' decisions on their Access and Forward Looking charge review. Northern Powergrid, informed by feedback from stakeholders, is concerned about the possible cost impact of these decisions on all customers. Ofgem has also just issued new guidance on handling service upgrade requests, and we asked NPg to be prepared for a big increase in customer service requests once this is implemented.

We have asked Northern Powergrid to take another look at how they plan to manage risks to delivery of their plan during the RIIO-ED2 period given the potential pressure on supply chains, and the scale and complexity of the investments in information systems.

Stakeholder Engagement plan update

Northern Powergrid advised that acceptability testing will soon close, and the headline results will be shared in due course.

Customer Engagement Group Report

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

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

We are due to report to Ofgem on our assessment of Northern Powergrid's business plan (which is being published on 1 December) in January. We discussed the approach we will take to developing our report and agreed that we will publish it on 17 January, the same day that we submit it to Ofgem. If you would like to receive a copy of this report when it is published, please send a message to ceg@northernpowergrid.com to register your interest.