

Report on Northern Powergrid's Customer Engagement Group meeting in March 2020

Summary

The Customer Engagement Group¹ held its second session looking at Northern Powergrid's early 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.

At this meeting we focused on the specific needs of **vulnerable customers**, having previously looked at how Northern Powergrid (NPg) intends to make sure it takes into account the needs and preferences of all its local stakeholders. We also discussed how the company will play its part in **the transition to a zero net carbon** electricity system.

In view of the current restrictions on travel and face to face gatherings as a result of **Covid-19**, we also discussed how Northern Powergrid can modify its planned engagement activities so that it continues to gather stakeholder views effectively.

Customer Vulnerability

NPg, in common with other utilities, have an established programme to support customers with vulnerabilities. This is underpinned by an Ofgem licence condition in respect of people who are on the Priority Services Register (PSR). NPg is looking at how best to develop its own approach in future and whether it's possible to link with others to introduce a single national PSR.

We asked NPg to consider carefully the practical benefits and risks of the national PSR approach; to give particular thought to the needs of customers with temporary vulnerabilities; and not to overlook the needs of micro-businesses, who are not covered by the PSR but can sometimes be in a vulnerable position.

A Network for Net Zero

NPg has done a considerable amount of work on future energy scenarios, and published a Distribution Future Energy Scenarios (DFES) report in 2019. Consistent with the underlying work done by National Grid to build national scenarios, this was based on the previous government target of reducing carbon emissions by 80% by 2050. The company plans to consult later this year on 3 possible scenarios to reach

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

<https://www.northernpowergrid.com/custom/news/about-the-customer-engagement-group>

To find out about the members of the group look here:

<https://www.northernpowergrid.com/custom/news/about-the-customer-engagement-group>

net zero emissions. The scenarios show the impacts of important factors that affect how the peak load on the network develops – such as the rate of uptake of electric cars, how many people switch from using gas to using electricity to heat their homes, and encouraging users to ‘flex’ their demand for electricity to avoid peak periods as much as possible.

We encouraged NPg to make the total carbon impact of each option clear, as well as the net zero end date. We encouraged NPg to illustrate the practical impacts of different choices in a straightforward manner (and ideally at a sufficiently granular level to show the impact “on my street”, eg providing examples of the types of actions customers would be asked to make to provide flexibility to NPg).

Recognising that many local authorities are very actively engaged in planning to reduce carbon emissions, we encouraged NPg to use its position to act as convener of local authorities regarding future energy scenario planning across the area the company serves. We also asked for the work on possible future energy scenarios to be used to shine a light on the policy challenges that might impede pathways to net zero (such the standard of insulation of housing stock or the need for incentives to stimulate heat pump manufacturing capacity).

Covid-19 and stakeholder engagement

The company explained to us that they are already adapting their stakeholder engagement plans and will continue to do so over the next few weeks and months as the COVID-19 situation changes. While the first priority in the company is ‘keeping the lights on’, it is the firm intention to press on with the stakeholder engagement programme for now. A number of engagements have already been converted to virtual events and the programme is being adapted in order to continue as effectively as possible.

We recognised the quick response by NPg to adapt the programme to the changed environment. We advised that it may be wise to consider carefully which stakeholders to try to engage at the moment, and to start each event by focusing on the impact of the current situation, in order to avoid any risk of appearing out of touch or uncaring. We also stressed the importance of triangulating any feedback as much as possible in order to counteract the potential skewing effect of the current situation on stakeholder views.

We all recognised the need for flexibility in the coming weeks and to keep the proposed programme under constant review.

Further Information

If you would like further information about the topics covered in this note, or about any other aspect of the Customer Engagement Group’s work please contact us at ceg@northernpowergrid.com