Building our plan for 2023 – 2028
Emerging Thinking
August 2020
We are proud to provide an essential service to 8 million people in our region. We take that responsibility personally – and believe that our customers should get a service that is second to none. In short, our aim is to be the best at what we do.

We invest an average of around £1 million every day in maintaining and developing the electricity distribution network that powers your homes and businesses. Delivering a safe, reliable and affordable network will always be the foundation of our service.

We have delivered significant, measurable improvements on all three of those fundamentals, and we will never stop looking for greater efficiency and better outputs.

We believe that the significant progress that has been made is proof of the value that can be delivered for customers when companies are given the opportunity to make responsible investments and respond to well-targeted incentive mechanisms.

But there is much more to do. Our role in society is changing – to be a cornerstone of an energy system that enables an exciting transformation that combats climate change and builds a more sustainable future for the next generation. This green revolution, which will take our nation to its target of achieving net-zero carbon emissions by 2050, is a huge undertaking for our energy industry and for society as a whole. It will require political, cultural, behavioural and technological changes, innovation and collaboration. We regard it as a privilege to be at the heart of this transformation – and are committed to our role as a facilitator of our region’s decarbonisation ambitions.

As the country stops burning fuels that release carbon, green energy will need to grow to replace them in electricity production, transport and heat. This shift in the energy system needs a robust power network that is not only safe and reliable, but is easier to connect to and has sufficient capacity and flexibility to serve new and growing energy requirements.

But this is not all in the future. The journey has already started. We are already adapting to enable a smart, flexible, carbon-free energy system and we are increasingly responsible for connecting wind and solar power to our network so customers can benefit from those alternative sources of power in our region. By 2028, the end of our next price control period, we envisage a world where energy generation and use are very different to the way they look today. Delivering this transformation is at the heart of the future we are planning for our business.

Our Emerging Thinking

01 Setting the scene
02 Have your say
04 A different world: Our vision for the future
06 The journey creates many exciting and important choices and challenges
08 More choices and challenges
10 People’s perspectives will shape their choices
12 Building a business plan that responds to your choices
14 Your business plan
16 Business plan examples
19 Continuing the conversation with you
20 12 big questions we want to explore with you

Our Emerging Thinking

01 Setting the scene
02 Have your say
04 A different world: Our vision for the future
06 The journey creates many exciting and important choices and challenges
08 More choices and challenges
10 People’s perspectives will shape their choices
12 Building a business plan that responds to your choices
14 Your business plan
16 Business plan examples
19 Continuing the conversation with you
20 12 big questions we want to explore with you

Setting the scene

We are excited to be at the heart of our region’s low-carbon transition.”

Phil Jones
Chief Executive

8 million
People served

3.9m
Homes and businesses

£1m
Invested per day

99.98%
Availability

>90%
Customer satisfaction

£85 p.a.²
Average annual domestic customer bill

15%
Proportion of domestic energy bill

15,500
New connections per annum

2,450
People

1 Legally binding greenhouse gas emission target – which will require the UK to reduce its net greenhouse gas emissions to zero or below by 2050 (compared to 1990 levels), introduced on 27 June 2019 by amending the Climate Change Act 2008.

2 Based on average domestic consumption of 2,900kWh.

Building our plan for 2023–2028 – Emerging Thinking 01
Have your say

We want to hear your views to inform our business planning for the period 2023–28.

We want to share with you, our stakeholders, some of the Emerging Thinking for our plans for the 2023–28 period. This five-year period will be the subject of the next price control that will be set for us by our regulator Ofgem — in that context it is often referred to as RIIO-ED2, or just ED2.

The price control determines what we have to deliver for you, what we are allowed to charge you for the services we provide, and the incentives for us to invest, improve performance and become more efficient.

The purpose of sharing our Emerging Thinking is to help you to engage with us on the issues and give us feedback on some of the key choices that — alongside Ofgem’s regulatory decisions — will eventually shape our plans. This short document is intended to provide an overview of the overall objectives, the key priorities and the bigger questions. We will be releasing a suite of additional information that allows you to explore specific aspects of our plans in more detail.

By 2028...

- 744k Electric vehicles in our region
- 14.6 MtCO₂ Emissions reduction facilitated in 2023–28
- 187k Domestic heat pumps in our region
- 6.9GW Renewable generation added to our network

We’ve been listening to your priorities in our engagement so far.

Our Emerging Thinking has been shaped by the things we have already heard from you. We have been listening to your priorities and thinking hard about what that means for our plans.

We have already heard some very clear messages from you:

— Decarbonisation is a priority and you see us playing a major role in facilitating the transition to net zero, including providing access to energy system data.
— The safety, reliability and resilience of our network remains a top priority, increasingly so as more reliance is (and will be) placed on electricity in day-to-day life.
— You expect us to show leadership on environmental protection, including reducing the carbon footprint of our operations.
— You want us to continue to take a leading role in supporting vulnerable customers and to consider going further, including facilitating a socially inclusive transition to net zero.
— You want us to do all this whilst keeping bills low.

We have designed an engagement plan, of which this document is just one part, to seek input from you to ensure we deliver on the needs of the diverse stakeholder community we serve. Our approach is designed to take your views into account at each stage as we develop and refine our business plan. The world around us is changing quickly – we will continue to listen to your priorities and feedback right through to when we submit our business plan in December 2021 and beyond.

“Developing Refining
Emerging Thinking 2020 Exploring priorities and choices with our stakeholders Draft plan July 2021 Final plan Dec 2021”

Siobhan Barton
Head of Stakeholder Relations

>3,500 Stakeholder views
563 External partners
>880 Stakeholders engaged at summit and online events
80 Membership of our new consumer panels
>80 Politicians engaged
I am privileged to lead a team that will not settle for anything other than being the best we can for our customers.

Although a lot is yet to be revealed, we have a clear view of the long-term destination and direction of travel. We are excited about the challenge that lies ahead for our business and the opportunity that we have to make a difference to our region in enabling the transition to a carbon-free society.

As we think about our plans, our touchstone is that we see the future as our opportunity to power our region with sustainable, long-term investments that unleash the potential of innovation, digitalisation, our people and collaboration to:

— Lead the drive towards decarbonisation
— Operate a highly reliable and resilient network
— Delight our customers with outstanding service
— Provide remarkable value for money
— Ensure world-class levels of safety and security
— Be a force for good throughout our region and beyond

A relentless focus on delivery in the here and now.

Setting bold ambitions for the future is only the first step — important as it is. Being able to deliver them is even more important. Our strong performance in the current regulatory period gives us great momentum to deliver even more in the years ahead. We made 53 stretching commitments in our 2015–23 business plan and by 2023 we expect to deliver on them in full — and more:

— The number of power cuts will be down by over a quarter and will be 30% shorter.
— Customer satisfaction levels will have increased to over 90%.
— The time it takes to get connected will be shorter by 30%.

And we will have done all that whilst finding cost efficiencies worth over £250m that have enabled us to keep the average bill 5% lower in this period than it was in the previous one, meeting the tough spending targets set by our regulator at the same time as delivering more than was required.

We hope the significant improvements we have made over the last five years give you confidence that we will deliver on our future promises, providing you with outstanding value for money.

A plan shaped by your priorities.

Our aims and aspirations for the future have been shaped by the key messages we have heard from you in our engagement so far. I’m pleased to say that we share the same priorities. Finding the most efficient and effective route to that goal, and then attracting and delivering the investment needed to make it happen, is the challenge we all face.
The journey creates many exciting and important choices and challenges

Whatever detailed plan we commit to delivering for 2023–28, you can expect the overall aim and the six key elements of our vision to feature heavily. But the balance between the priorities are all choices that still need to be made as we develop our plan and the associated objectives more clearly. We can't make those choices alone. We need to be guided by you to ensure that our plan is also your plan.

The biggest challenges – and choices – relate to decarbonisation.

Decarbonisation is the most significant change our industry has faced in decades. Certainly it is the single biggest force shaping our plans. Although there is a great deal still to be determined about how that will play out, what is clear is that the electricity network must become a larger part of the country's energy system to meet needs that are currently met by other sources, such as petrol in transport and gas in heating.

That means that our network has to be geared up to service new demands for electricity, and it is going to have to meet those requirements in an increasingly sophisticated way. We believe that the most efficient way to do that will be through a decentralised energy system based around locally connected renewable generation, electricity storage solutions and demand that can flex, to help keep overall costs down, facilitated by a network that is smarter and more flexible than ever.

We are ready to rise to this challenge, and work has already begun. Our functions are expanding into those of a full Distribution System Operator (DSO). This means we are digitalising the network so that we increasingly manage the network in real time. More sophisticated technology will allow us to balance increasing amounts of local renewable generation and customer flexibility in the form of demand-side response to allow more low-carbon energy to be used on the network. Part of this transition is the delivery of our flagship £85m smart grid enabling investment that is laying the foundations for active network control and monitoring on our network.

A full transition to a decentralised energy system will be much more successful if it is done collaboratively. It requires customers to make a shift towards more active and flexible energy consumption patterns, an even greater increase in local smaller-scale generation, investment from other industry partners and decisive action from policymakers to facilitate the transition.

Several big choices will be made along the way – and they will eventually determine society’s ultimate decarbonisation pathway. We believe that the best way to approach these choices is not to try to settle them all in advance, but to encourage innovation and creativity to explore different – sometimes competing – ideas, technologies and services.

There is no single right path to 2050 and the needs and ambitions of our region will almost certainly change over the years ahead. That creates a real challenge. On the one hand it will call for investment, which benefits from clarity and certainty. On the other, uncertainty is inevitable and nobody wants to spend money on the wrong investments. In the face of that, our job is to create a plan that enables decarbonisation and sets us on a path to net zero, but that also provides flexibility to adapt as things develop. Where the way forward is clear, we will make the investments necessary to make it happen. Where there is a need to keep options open, we will deploy flexible solutions. And in rising to the challenge of decarbonisation we will continue to drive savings across our business to ensure bills are no higher than they need to be.

“Decarbonisation is the most significant change our industry has faced in decades.”

Patrick Erwin
Policy and Markets Director

We need your input to ensure that the needs of our customers are at the heart of how we tackle this transformation. How, when and via what pathway decarbonisation will be achieved will be determined by some key choices about the future:

How electrical?

— There will inevitably be more renewable power, such as solar and wind, needed in future. But the role of other potential solutions such as hydrogen, for example, is uncertain.

— We will need to develop a plan that provides more network capacity and optimises and manages that capacity in real time.

— But our plan must also be flexible enough to adapt to changes in the market or patterns of energy use as the nation goes on its decarbonisation journey.

How local?

— The power system is evolving from a traditional centralised energy system, where large power stations generated our power (transported through a national transmission network), to a more decentralised system that relies on small-scale local renewable generation.

— We believe that a more decentralised energy system offers the best outcome for our customers, where our role is to connect local buyers and sellers of energy, optimising low-carbon energy.

— We need a network ready to connect and manage local energy resources efficiently as they are developed.

How flexible?

— Customers will have the power to play an increasingly active role in the energy system by changing their energy consumption patterns in response to price signals.

— If customers adopt flexible energy practices, this will flatten peaks in load on the network and reduce how much we need to invest in network capacity.

— The more flexible customers are willing to be, the more investment we can defer or redirect to other parts of the network, which will help to keep customer bills down.

— We need to be able to optimise the network as customers adapt at their own pace to these new possibilities.

How fast?

— The rate of decarbonisation will primarily be driven by the rate of uptake of low-carbon technologies (LCTs).

— Our regional stakeholders have varying ambitions for accelerated decarbonisation. Some want to get to net zero before 2050.

— If we all decide to go faster, then we will need to do more sooner, adding more capacity and flexibility. That will increase costs in 2023–28, but it will lower carbon emissions in total over the next 30 years.

— The good news is that what we install will eventually pay for itself, but it is important to get it right.

— It is a cruel irony that we are facing challenges we did not anticipate when we committed to our plan, but with the right balance is between making investments now versus deferring investments to future periods.
More choices and challenges

Not all the important choices relate to decarbonisation.

As important as the decarbonisation agenda is, we must also deliver on all other fronts if we are to live up to our ambitions and the expectations of our stakeholders. And because we know that one of those expectations relates to the affordability of the service, as we make choices about levels of ambition and service, we must be very conscious of the implications those choices have on cost.

How reliable?

Our network provides world-class levels of reliability and resilience. And we are pleased to be able to say that the investments we have made in recent years have delivered significant improvements for our customers. Our network is available for our customers 99.98% of the time. If power cuts were spread evenly across our customer base, each customer would experience only one 40-minute power cut in any given year.

How to deliver the best service?

A reliable supply is a fundamental part of providing great service to our customers every day. We are delighted to be able to say that we are on track to halve our accident rate in the 2015–23 period, including achieving a period in which we managed to run our business for more than a full year with not a single recordable employee accident. But we will always look for ways to improve and reduce the risks associated with working on or being close to our network.

A champion for our region

We are immensely proud to provide an essential service to our communities that makes a significant contribution to the level of economic activity in the north of England. We believe that this positions us to be a force for good in our region and beyond. There are different ways we can do that and choices about the best way to balance priorities in areas such as supporting those in our communities who need help, creating skilled job opportunities, promoting diversity and enabling social mobility.

We know that the COVID-19 pandemic has changed the landscape for our customers, our business and our region. That must be part of the context of the conversation we are having with you about our long-term plans and the contribution we can make to the region’s well-being. And looking to the longer term, we realise that facilitating the decarbonisation transition is almost certainly the biggest single contribution we can make in this regard.

We also see the opportunity that it presents for us to play our full part in the national priority to stimulate investment and economic growth in our region. As well as helping to recover from the impact of the COVID-19 pandemic, it also helps to narrow the opportunity and prosperity gap that has existed for too long between different parts of our country. We intend to be a champion for green economic growth in our region.

Open for business

We know that society’s expectations of private enterprise have increased, including in relation to the way we go about our business. The levels of openness and transparency with which we operate are key to the confidence our stakeholders have in us as a monopoly service provider. We have a part to play in enabling markets to work effectively – and we want to get it right in terms of enabling them to work as smoothly and effectively as possible.

We also hold a lot of information that has the potential to be useful to others in creating valuable new products and services. But it’s important that any costs of making these choices and the interests of different stakeholders are factored into the equation. So we want to hear from you about how far you think we should go and where you think we can and should make a meaningful difference.

Whatever the choices, we know we need to keep innovating, harnessing technology and developing a strong, highly-skilled team.

We want you to be satisfied that what you pay for the services we provide represents excellent value for money. Whatever choices we make together as we finalise our plan, we will work tirelessly to deliver the best possible levels of efficiency – continually challenging ourselves on costs so that we deliver service improvements and keep bills affordable. It’s not just about great value for money today, but tomorrow too – making investments that are sustainable and cost-effective in the long term for future generations.

Innovation is central to how we face challenges and find new ways to provide the best services for our customers. Finding new solutions and folding them into our operation so that they positively impact the quality of service and/or the cost of delivery is a constant feature of a business like ours.

Digitalisation has made an enormous impact on the way we live our lives in the last 10–20 years. We are capturing more data about our network and the assets connected to it than ever before. In our business, it’s allowed us to do things for our customers that we never imagined would be possible. We think there is much more to come – not least in a world where the low-carbon transformation is a national priority and energy systems are at the heart of that. The power of digital data and platforms has the potential to transform the way those markets work – and to allow us to break new ground in the way we deliver our services directly to our customers.

We need the right people with the right skills to deliver our plan. The events of 2020 have reinforced the reliance we place on our key workers – but it has always been true that all of our ambitions depend on a team of capable, talented, dedicated people. Delivering a service all day, every day, whatever the weather requires a strong, diverse and resilient workforce. We can never stop paying attention to having the things we need in place to recruit, train and develop people who have the skills and dedication to deliver for our customers.

“We are immensely proud to provide an essential service to our communities.”

Neil Applebee
Director of People and Customer Service
People’s perspectives will shape their choices

Our overall vision drives us forward and will steer the plans we make for the future. But the detail of our business plan and the priorities we set across the six aspects of our vision will depend on the choices we make with you.

We know that different people will have different views on these choices. The choices you make are likely to be affected by your own personal views on what we should prioritise, your own situation and how you use electricity now and in the future. There is no “right answer”.

We have already carried out a lot of engagement to understand the differing views of our customers and stakeholders. We know from this that there are diverse views out there.

Based on engagement so far, we have illustrated some of the views that we have heard to paint a picture of how different people may view the choices that have to be made. We think that this is a good way of helping to bring to life some of the trade-offs that need to be made, balancing the drive to provide more in different areas of our business with the cost of doing so. You will have your own views and we’d like to hear them.

For some of our customers, both households and businesses, bills are the biggest concern – either for themselves or for others who they know are struggling to make ends meet. The biggest driver for these customers is value for money, and they may prefer us to limit the scope and ambition in some areas of our work to keep costs down.

Others may prefer to see higher levels of reliability and service, even if it means slightly higher bills, for example those who perhaps are more dependent on our supply for medical reasons or for running their business. There are also customers who consider the current situation to be a climate emergency and would want us to do as much as possible now to drive forward decarbonisation and go further to be a force for good in our region.

We have built these different viewpoints into the material we have prepared to help us engage with you on the choices. Of course, these are just three perspectives, and we want you to give us the benefit of yours – which of course may be very different.
Building a business plan that responds to your choices

To explore these choices with you, we’ve broken our business into 12 performance areas, which is the way we are building our plan to present to you next year.

The reality is that those different elements all interact with each other – some more than others. But it helps to be able to focus on a given area – before we bring them all back together to make sure the whole thing works.

You will be able to read in more detail about the 12 performance areas and the levels of service in each case in the supporting information we will provide.

For each area we have described five different levels of service. Since we know that cost and bill impacts will be a key driver for decisions and trade-offs, we provide you with a view of indicative costs in each case.

— In the first level of service (A), we would focus on cost reduction rather than service improvements.
— In the second (B), costs would remain in line with inflation relative to the present levels – and we would invest any efficiency savings to continuously improve the service we deliver.
— Beyond that we describe higher levels of service (C–E) that would all push service levels markedly beyond what you see today. Generally, these levels of service would cost more.
— Level C involves stretching the current performance levels – it is the same kind of service, but at a significantly improved level of performance.
— The next two levels (D and E) involve a more radical change in the nature of the service you receive compared with today, most likely involving the introduction of something new that isn’t part of the experience we deliver at the moment.

By setting out these different levels our aim is to show you what we think could be possible – and, importantly, give an indication of what it might cost. The idea is that you explore different combinations and see what feels right for you in terms of balancing the priorities. None of these levels are set in stone, we expect that some people would want to take features from across the different levels that we present. If that’s the case, please provide us with that feedback.

One of these 12 performance areas is decarbonisation. This is a complex area – and projections involve lots of technical judgements and forecasts of the future that can only ever be an estimate. But we have built into the levels the outputs of some models to give an indication of the way that customer flexibility, technology solutions and investment can combine to support the low-carbon transition.

The other special feature about decarbonisation is that this is the first time we have brought forward a plan in a world where the UK has set itself a legally binding, national commitment to reach net zero emissions. It is clear that new investment will be required to keep pace with the increased use of low-carbon technologies that will be part of the journey to net zero carbon emissions by 2050.

Although we present five levels of service related to decarbonisation, the first two levels – reduce costs (A) and hold costs flat (B) – would not be sufficient to stay on track for the net zero target. In effect, these levels of expenditure would assume other solutions would come along that do not involve electrification of heat and transport.

Most people, ourselves included, think this is very unlikely to happen. So, we expect to bring forward a business plan that develops the network as a central platform for the journey to decarbonisation. But that leaves a range of possibilities open for the future. Although the direct conversion of gas- and petrol-fired equipment to electrically powered equivalents is not the whole story, we think it is very likely to be a big part of any successful transition to net zero.
Your business plan

Now it’s over to you.

What choices would you make? How far would you like us to go in each of these 12 areas? At what point would you think that it isn’t worth spending the money necessary to get there? Have we missed anything?

To help you tell us what you think, we’re developing an online tool that will let you explore the choices for the five levels of service for each of the 12 areas of our plan.

You will be able to put together a plan that is right for you, get a good idea of what those changes might cost or save and provide us with feedback to shape the development of our business plan.

We often find that people are surprised when they see how small some of the movements in the bill would be. For example, a £50m investment programme that cost £10m per year for five years would add around 45p per annum to the average domestic bill every year.

Given that the average household energy bill totals around £1,125 per annum, that might not seem very much. But you should keep in mind that the reason the numbers might sound small is that almost 4 million customers share the cost and those payments are spread over many years.

It’s important to remember that – in the end – those costs all add up, so they need to be the right ones.

To help get you started we have developed some ready-made example packages, that might be the ones developed by people who hold the three viewpoints that we introduced earlier. You might start with the one you think most closely describes your outlook, and then tailor the choices to your preferences.

For example, if someone decided to select the lowest level (A) for each of the 12 performance areas – focusing our efforts on cost reduction rather than service improvement – including on decarbonisation, we estimate that this could lead to a cost reduction per annum of around £16m compared to our current spending levels, which would translate into a £0.70 saving on the average annual domestic customer bill.

However, as noted above, current levels of expenditure on decarbonisation would not cater sufficiently for the growth in low-carbon technology forecast for 2023–28 to support net zero by 2050, so a reduction would represent a slow-down in progress.

Finally, let us reassure you that it is not all one-way traffic. Although there is every reason to expect investment and therefore costs to have to rise in the coming years to combat the climate change challenge, there are other factors pushing in the opposite direction. Most significantly, the cost of borrowing money is much cheaper these days than it was a number of years ago. Like all companies in our position, we finance a large proportion of those investments with borrowing, and the cost of repaying that debt is factored into the bill. Given that over 50% of your bill is paying for investment made in the last 20–30 years, in the 2023–2028 period, we expect the impact of lower financing costs to create a saving relative to ED1 of around £200m.

You will be able to read more about these example packages in the supporting information we will provide.

“Our final business plan will seek to represent the right balance of stakeholder priorities and perspectives.”

Alex Jones
Director of Performance and Planning
**Example 1**

Enable the pathway to net zero by 2050, whilst making use of efficiency savings elsewhere in the business to deliver enhanced performance in targeted areas.

In this example, the person who is making the choices is the one who said they were worried about their energy bill but were generally happy with the current levels of service. So, they are concerned about limiting the impact on costs of the need to address climate change.

**So they might choose:**

- A significant step up (Level C) on decarbonisation and openness and transparency – on track for net zero by 2050.
- Improved services at the current cost levels (Level B) for physical and cyber security, connections, climate change adaption and business carbon footprints.
- Maintaining current levels of service but lower cost (Level A) choices for all other performance areas.

**Annual cost** £496m (+7% vs. current levels)

**Bill impact** +£1.40 per year

---

**Example 2**

Enable the pathway to net zero by 2050, but don’t stop pursuing improvements in reliability and customer service.

This package of choices might be the one most likely to come from someone who is keen to see progress on the net zero objectives, but they are most concerned about the quality of service – they want to see us continue to find ways to upgrade service levels in a material way.

**Their choices might look more like:**

- Innovative service improvements (Level D) in reliability, customer service and connections.
- A significant step up (Level C) on decarbonisation and openness and transparency – on track for net zero by 2050.

**Annual cost** £535m (+15% vs. current levels)

**Bill impact** +£3.10 per year
Example 3

All out focus on climate change and community support

Someone who is very concerned about a climate emergency might well think that pursuing decarbonisation by 2050 is not radical enough. They might be less concerned about the impact on costs and wish to see us invest very significant amounts to get the region onto a faster pathway to decarbonisation.

Aggressively drive (Level E) decarbonisation, business carbon footprint, connections, community and openness and transparency – investing to create a faster net zero pathway and create scope for ever-increasing levels of low-carbon technology such as electric vehicles and/or a ramp up in hydrogen production facilities as a replacement for natural gas.

Aggressively drive (Level E) decarbonisation, business carbon footprint, connections, community and openness and transparency – investing to create a faster net zero pathway and create scope for ever-increasing levels of low-carbon technology such as electric vehicles and/or a ramp up in hydrogen production facilities as a replacement for natural gas.

Our programme of engagement

Stakeholder engagement is a continuous process that is part of our decision-making. Our engagement activity has been growing in scope and scale since 2015 and we started specific engagement on our 2023–28 business plan in September 2019. Since then we have been asking open questions and listening to your views, which have helped us form a view of your headline priorities.

Emerging Thinking is intended to take that dialogue to the next level, enabling more detailed conversations with you about our plans. The rest of the Emerging Thinking package is designed to provide you with information that will help you make informed decisions and provide us with meaningful feedback.

We believe that letting you explore the key choices alongside some indicative costs strikes the right balance by testing genuine options without closing off any avenues for debate too early. If you think we have missed something, we need to know.

Our Customer Engagement Group is scrutinising our planning

In September 2019 our Customer Engagement Group (CEG) was established, consisting of a group of ten independent experts led by Chair, Justin McCracken. The group is charged with scrutinising our business planning and the quality of engagement undertaken to inform it, helping to provide assurance that customers’ needs and preferences are being reflected in our plans. The CEG operates in an open and transparent manner, publishing a blog of its work at www.ceg.northernpowergrid.com. The CEG will publish a report on its findings alongside our business plan submissions to Ofgem in 2021.

Next steps

We will be developing and refining our detailed business plan in the second half of 2020 and first half of 2021 based on the feedback we receive from you alongside a comprehensive ‘Willingness to Pay’ exercise which will continue for the rest of this year.

This consultation gives you the chance to have your say and to make a real difference to our future plans that will invest billions of pounds into our region.

Whilst our engagement plans have had to be adapted due to the COVID-19 pandemic, there are a variety of online engagement activities planned in which you can get involved.

Further information on our stakeholder engagement programme will be provided in the additional information we are releasing.
1. We intend to make the most of the benefits of **customer flexibility** where it is available as this, combined with smart solutions, will be a cost-effective way of reaching net zero.
   - a. What actions could we take that will support and incentivise you to be flexible in your electricity use over the next five years?
   - b. And how much do you think we should rely on this versus relying on more expensive but more certain network reinforcement options?

2. How much should we bring forward **future investments** to increase network capacity and enable faster pathways to net zero?

3. Given there are different levels of ambition across our region for how fast we should get to net zero, how much should we support more **localised energy plans**?

4. We think we have a key role to play in facilitating a fair and socially inclusive low-carbon transition that brings benefits to all. How do we most effectively do this?

5. Our aim is to **keep bills as low as possible** for our customers. Given that the transition to net zero requires significant investment and focus, where and to what extent should we be pursuing major service improvements in other parts of the plan?

6. The reliability performance of our network is strong. Supplies are available 99.98% of the time. How much value would you attach to further improvements in the **reliability** of your electricity supply?

7. Customer satisfaction levels are now over 90% and climbing – but we want to deliver the best **customer service**. Which improvements would you value the most?

8. We have some of the highest levels of **vulnerability** in the UK within our region, including above average levels of fuel poverty. What further support should we provide for our vulnerable customers?

9. We aim to be a **force for good** in delivering positive impacts in our region. What contributions could we make that would have the biggest positive impact?

10. We are proud to be a major sustainable investor in our region. What part should we play in the national priority to support **regional economic growth**?

11. **Digitalisation** of the energy system has the potential to deliver significant benefits for our customers – what digital and data services would benefit you most?

12. **Collaboration** has become increasingly central to the way we work as a business to deliver the outcomes you want. In what ways would you like us to collaborate more?

---

**To get involved please:**
- Visit: engage.northernpowergrid.com
- Follow us on Facebook: @northernpowergrid
- Email us at: yourpowergrid@northernpowergrid.com
- Write to us at: Stakeholder Relations, Northern Powergrid, 98 Aketon Road, Castleford, WF10 5DS
- Follow us on Twitter: @powergridnews