NATIONAL GRID ELECTRICITY TRANSMISSION OWNER

Stakeholder workshops and online consultation: consolidated feedback

October 2017

CONTENTS

EXECUTIVE SUMMARY

- As the England and Wales Electricity Transmission Owner, we held workshops in July 2017 and ran an online consultation in July / August 2017 to begin discussions with our stakeholders around some of the key topics that are important to both them and us
- The aim of these engagement activities was to listen to our stakeholders, establish their priorities, shape the topics of our future engagement, and start the process of incorporating stakeholder views into our business plans
- 46 stakeholders representing 33 organisations attended our workshops
- 679 stakeholders responded to our online consultation, including 665 members of the public
- The consultations were themed around the topics of Reliability of the Transmission network, the Future role of Transmission, Connections to our network, and the Environment and communities

Headline summary

- The majority of stakeholder organisations told us that having a reliable network which provides value for money is most important to them
- Members of the public who responded to our consultation were most concerned with the visual impact of our assets
- Both groups saw the role of Transmission becoming more important during the next ten years and further into the future (next 30 years), although there was more uncertainty when looking at the longer-term
- Our customers would like a more flexible process for connecting to our network

Next steps

- We will talk to our stakeholders in more detail about the issues that are most important to them, and we'll develop a repeatable programme to make stakeholder engagement part of our annual business planning process

1. CONTEXT

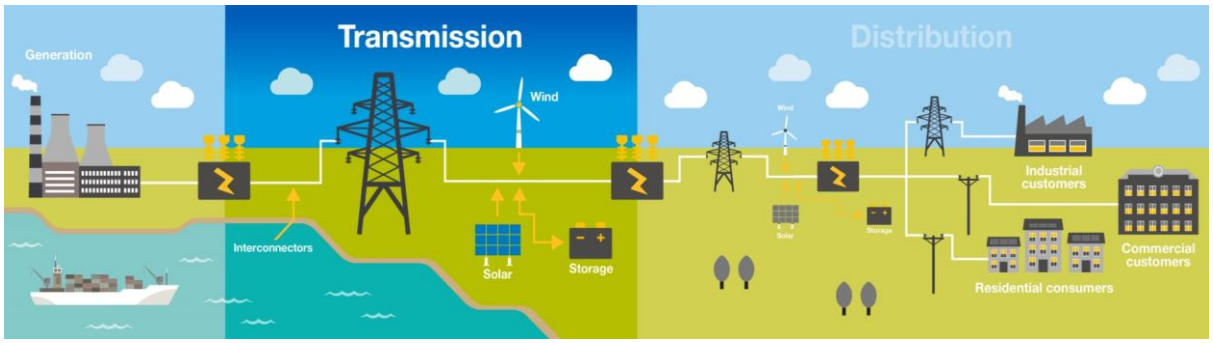
As the England and Wales Electricity Transmission Owner (TO), we held a series of workshops in July 2017 to begin discussions with our stakeholders around some of the key topics that are important to both them and us. These workshops were the first of their kind for our TO business, with the aim that we listen to our stakeholders, establish their priorities, shape the topics of our future engagement, and start the process of incorporating stakeholder views into our business plans. We are already planning our 2018 workshops and intend these to become annual events in our overall stakeholder engagement programme.

The 2017 workshops were held at Sandown Park on 5th July, Newcastle on 7th July and Nottingham on 12th July.

Following the workshops, we published the same material on our Talking Networks website and invited stakeholders to provide their views on each of the topics via an online survey, which was open between 24th July and 25th August 2017.

This report provides a consolidated view of the comment and feedback we received from both the workshops and online consultation, along with details of how we are acting on what we have heard.

For more information about what we do as England and Wales Electricity Transmission Owner, please visit www.nationalgrid.com/uk/electricity



- Our network operates at 400,000, 275,000 and 132,000 volts
- 45 power stations, 12 Distribution networks and 3 interconnectors are connected to our network, along with a few, large directly connected customers

- What we don't do:
  - Generate electricity in the UK
  - Own or operate UK electricity Distribution networks
  - Sell electricity to end consumers in the UK

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2. OBJECTIVES AND FORMAT

We talk to our stakeholders regularly through a variety of channels. In the past, this has tended to be on a case-by-case basis and not always systematic. Quite often, we have approached stakeholders if there's a specific need or a certain topic that we'd like their views on, but this hasn't been part of our business-as-usual, everyday activities. In early 2017, we made the decision to develop an annual programme of engagement which would enable us to move to a stakeholder-led business planning process, and the July workshops were the first phase of this approach.

Workshops

Using recognised best practice from other energy networks (UK and non-UK), other industries, and organisations which specialise in stakeholder engagement, our programme has been designed to begin broad and wide, both in terms of topics and stakeholders, so the workshop material was deliberately pitched at a high level – we will get into more detail in the next phases of our engagement.

We chose to run workshops because they're an effective way of generating discussions amongst stakeholders and allowing views to be shared with us and with others. We were also able to cover several topics in one event. The aims of our workshops were to:

- Listen to our stakeholders: we were conscious that previous feedback has told us that we're not always good at genuinely listening, so presentations were only used to provide context for discussion.
- Understand our stakeholders' priorities: from other (independent) recent research, we already had a view of the topics that stakeholders considered most important, so we used the workshops to check those priorities and ask which areas they wanted us to focus on in future.
- Determine the topics for further engagement: understanding stakeholders' priorities allows us to build a more detailed programme around key topics. We will work with the relevant stakeholders to explore these areas in more detail, and these conversations will ultimately inform our business plans.

In order to get the most out of our workshops (both for us and our stakeholders), we developed a format to give our attendees the maximum opportunity to have their voices heard. We used learning from other organisations (what to do and what not to do), and created events based around four of the key topics that came out of our previous research. These were:

- Reliability of the Transmission network: what levels of reliability do our stakeholders want from our network?

- The future role of Transmission: given the ongoing developments in new technologies and uncertainty around what the future might look like, what do stakeholders want from our network in future?
- Connections to our network: what options could we explore around this?
- The environment and our work with communities: covering a range of sub-topics, what should we be doing in this area?

We explained that we treat the topic of safety as non-negotiable, and therefore did not consult on options for that.

For each topic, we gave a short presentation to provide enough context for all stakeholders to be able to discuss the subject area. This was followed by a table discussion and a short voting exercise, allowing us to capture both qualitative and quantitative feedback. We deliberately chose not to use a third party to facilitate these events – in our experience, using a third party can mean that stakeholder comments are misunderstood or incorrectly captured because of lack of industry knowledge – but we made sure that all National Grid employees involved in the workshops were very clear on their role, and were very much in listening mode so as not to introduce any potential bias to the conversations.

Based on the largely positive feedback from workshop attendees, this has worked well. We asked stakeholders to rate the events using the Net Promoter System[1], which generates a score of between -100 and +100. Overall, stakeholders scored us at +34 across the three workshops, and additional feedback confirmed that stakeholders saw this as a really positive start to our engagement activities and a welcome opportunity to discuss their key requirements with us. We recognise that we need to keep this going, and will ultimately be judged by how well we continue to engage and change our plans as a result.

Online consultation

The material used for our online consultation was the same as used in our workshops. It was published on our Talking Networks website, and split into the four key topics covered at the workshops to allow stakeholders to focus only on those areas of most interest to them. Within each consultation pack, we added a link to an online survey, which contained exactly the same questions as covered at the workshops.

The online consultation had the same aims as the workshops, with the additional benefit that it allowed stakeholders who were unable to attend in person or who preferred to respond online, to have their voice heard. We sent the consultation link to everyone we invited to the workshops, and we also promoted it on social media.

[1] The Net Promoter System provides a measure of stakeholder advocacy. More details can be found via this link.

Processing the results

At the workshops, comments were anonymous unless stakeholders requested otherwise, although we are able to attribute responses to the voting questions to a particular stakeholder group, providing stakeholders provided this information. All quantitative data received from the workshops or online was processed by one of our third party research partners. They also extracted themes from the online qualitative responses, again to remove the possibility of bias or selectivity on our part.

3. WORKSHOP ATTENDEES AND ONLINE RESPONDENTS

The following organisations were represented at the workshops, with 46 attendees in total:

AMT-Sybex	Explain Market Research	Northern Power Grid
Arenko Cleantech	Indigo Power	Ofgem
Balfour Beatty	Innogy Renewables UK	Outokumpu Stainless
Campaign for National Parks	Intergen	RINA Consulting
Cardiff University	Hope Cement	Scottish and Southern Electricity Networks
Catapult Offshore Renewable Energy	Jacobs UK	Scottish Power Energy Networks
Centrica	National Grid Gas Transmission	The Wildlife Trusts
Citizens Advice	National Grid Electricity System Operator	Waters Wye Associates
Dan and Adam Ltd	National Trust	Western Power Distribution
Energy Networks Association	Natural England	Which?
Environment Agency	Network Rail	Willis Towers Watson

In addition, we received 14 responses to our online consultation from stakeholder organisations, and a further 665 responses from members of the public.

Stakeholders representing the following organisations responded online or via email:

British Horse Society	Lake District National Park Authority	South Lakeland District Council
Cumbria County Council	NemoLink	The Wildlife Trust for Lancashire, Manchester & North Merseyside
European Ramblers Association	North Wessex Downs Area of Outstanding Natural Beauty	University of St Andrews
Friends of the Peak District	Outokumpu	Wendover HS2
Friends of the Pembrokeshire Coast National Park	RSPB	

Given the make-up of respondent types, we have analysed the responses from organisations separately to the 665 responses received from members of the public. Whilst we covered a fairly wide spread of stakeholder groups across organisations, the public response was heavily concentrated on people who live in areas where new network building projects are currently proposed.

We explain later what we are doing with the feedback from each of these two groups (each has its own section below).

4. RESULTS: STAKEHOLDER ORGANISATIONS

We asked organisations to classify themselves into stakeholder groups. 58 of the 60 respondents provided data, split as follows:

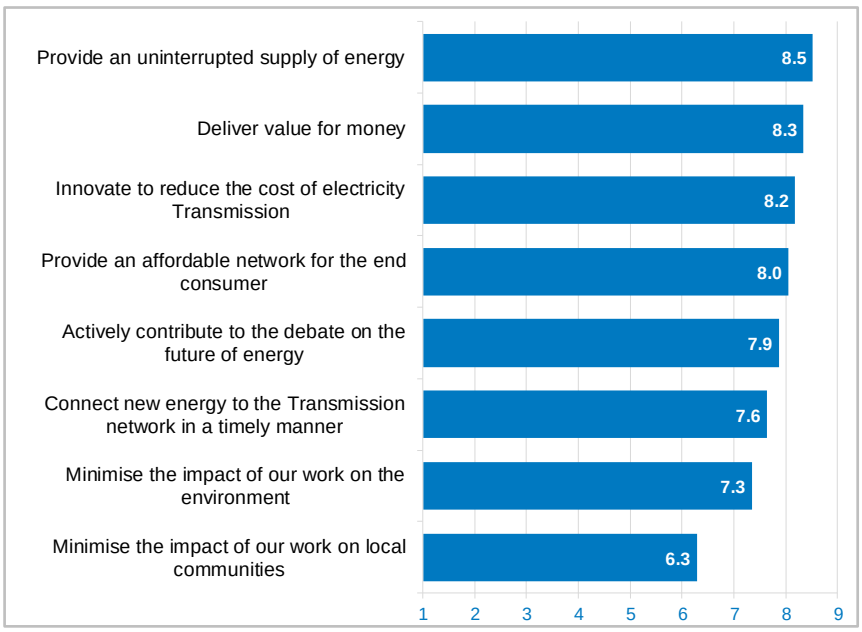
Stakeholder group	Attendees	Percentage
Energy network owner or operator	15	26%
Environmental organisation	11	19%
Other energy industry	7	12%
Customer	6	10%
Other non-energy industry	6	10%
University, think tank or academic	4	7%
Regulator or government	4	7%
Consumer interest organisation	3	5%
Energy supplier	2	3%

At the three workshops, two clear priorities emerged regarding what stakeholders need from National Grid:

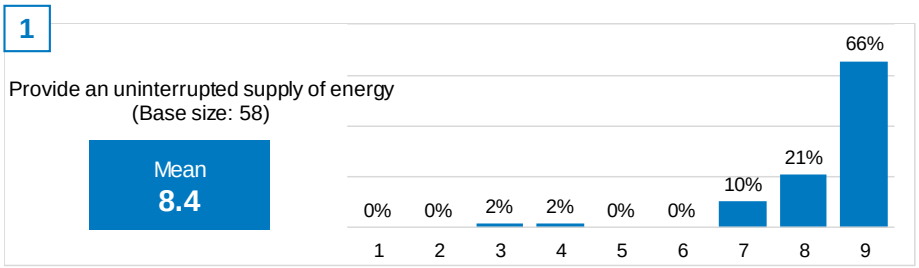
1. A reliable network to provide security of supply
2. Value for money

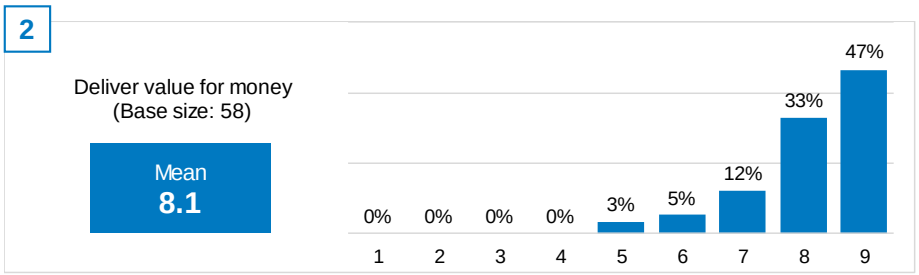
However, on a scale of 1 (not at all important) to 9 (very important), at least 65% of stakeholders rated *all* topics as 7 or above. A list of priorities, as voted on at the workshops (based on average scores), is shown below:

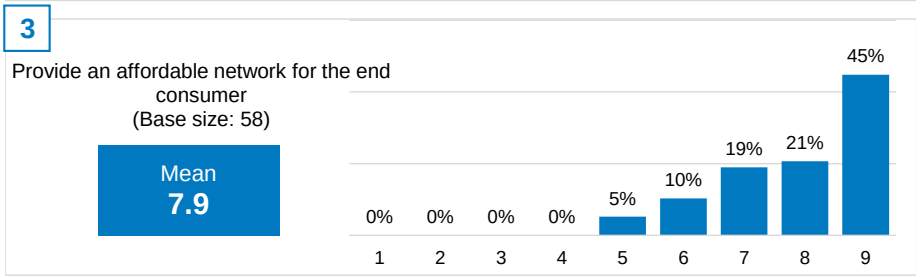
Q: *Thinking about the next ten years, on a scale of 1-9, where 1 is not at all important and 9 is very important, how important is it to you that we…?* (Mean scores. Base size: 43)

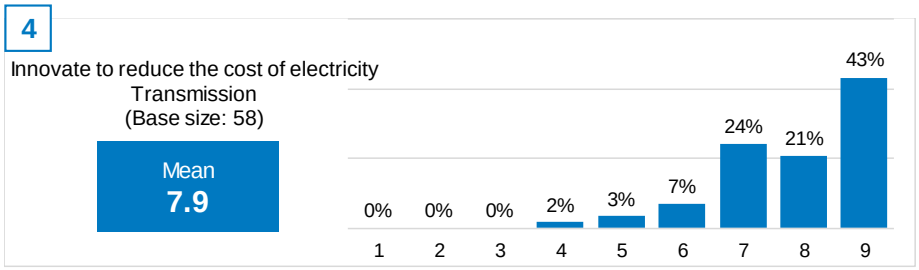


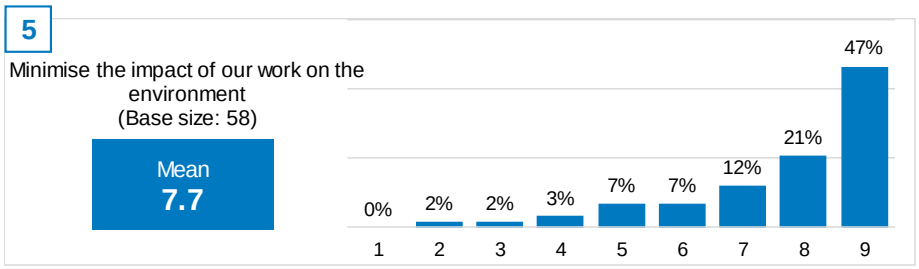
When combined with online responses from organisations, the overall scores and priority order were broadly unchanged, although higher scores relating to the environment and our impact on communities reflected the environmental focus of many of the 14 online respondents. Average scores (1 = not at all important and 9 = very important) are shown below along with the spread of scores received. Topics are ranked by stakeholder priority.











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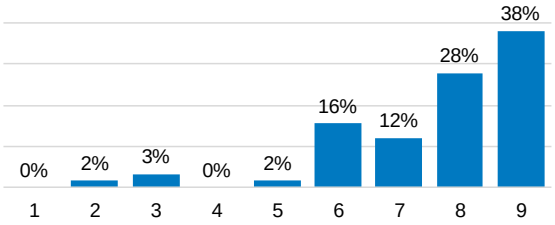
Actively contribute to the debate on the future of energy (Base size: 58)

Mean **7.6**



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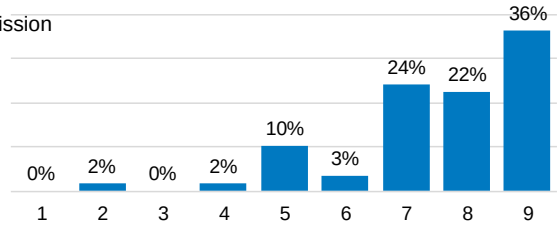
Connect new energy to the Transmission network in a timely manner (Base size: 58)

Mean **7.6**



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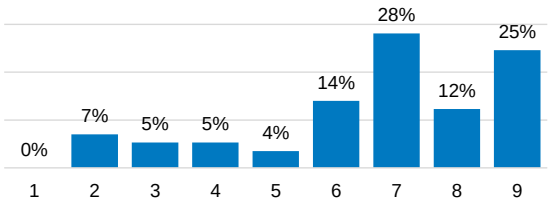
Minimise the impact of our work on local communities (Base size: 57)

Mean **6.7**



The next few pages provide a summary of the combined feedback from the workshops and online consultation, taking each topic in turn.

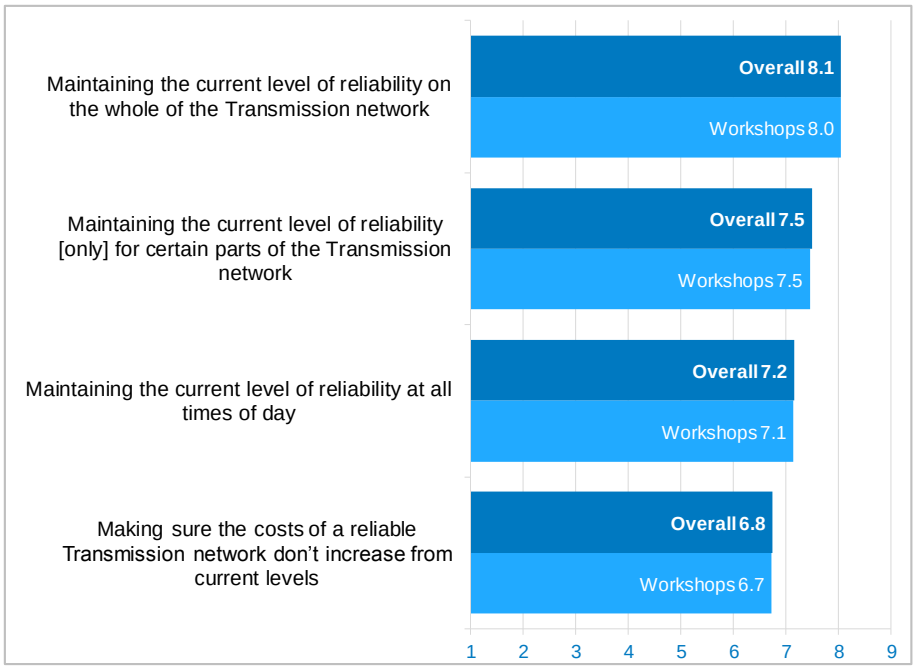
Topic 1: Reliability of the Transmission network

Headline message: Reliability of the Transmission network, both now and in the future, is key to ensuring the required levels of security of supply, but National Grid needs to explore options with stakeholders in more detail, particularly regarding the cost-reliability trade-off. There is *some* appetite to explore options which could vary reliability geographically or by time of day.

Results from voting questions:

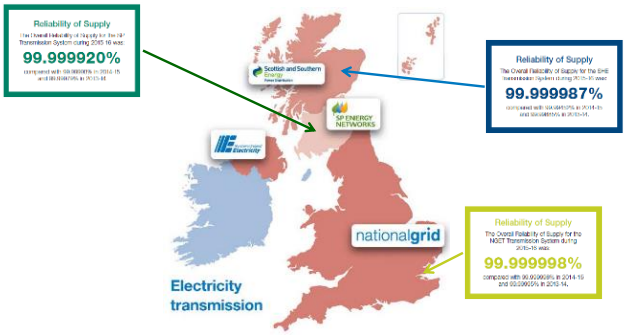
We asked stakeholders how important different aspects of reliability are to them. Results are shown below, with scores reflecting the overall ranking of reliability as a top stakeholder priority.

Q: *On a scale of 1-9, where 1 is not at all important and 9 is very important, how important to you is…?* (Mean scores. Overall base size: 44)



Summary of stakeholder comments:

- There was a general view that current levels of reliability have become the norm and that lower levels would not be acceptable – much of modern life is power-related, with a particular reliance on electronic communications and broadband/wifi
- Regarding the future, stakeholder views differed. Some believed that reliability will become more important because of our increasing reliance on electronic devices, but the counter view is that domestic solar generation and batteries could cover 'gaps' in network reliability



- If the electrification of transport continues (including electric vehicles and rail), the need for high levels of reliability will remain
- In future conversations, we need to explain the trade-offs associated with different levels of reliability, particularly regarding cost. Consumers don't understand how much they're paying for each part of their bill and what they get in return
- Value for money is vital, no matter what level of reliability is required, with our direct customers attaching particular importance to cost
- We should do more research into what the public wants in terms of reliability
- Differentiating levels of reliability by geography would be difficult as individuals' needs for reliability aren't dictated by where they live or work. Industrial customers often need 100% reliability – anything else can have a significant financial impact on their business
- Having a less reliable network at certain times of day could be an option, but this again depends on how critical a reliable supply is to individual consumers. New technologies could make this more viable in future
- Some stakeholders made the point that reliability to household consumers is a combination of Transmission and Distribution reliability, and that one cannot really be considered without the other
- Cyber security needs to be an important consideration in securing future reliability

Questions raised:

- Could we build less resilience into the network? This would increase risk but potentially decrease costs
- Some stakeholders commented that the definition of Transmission reliability needs to be clearer – what does 99.999998% reliability actually mean? How close are we to network failures?
- Could National Grid do more to engage with end consumers as part of a joined-up industry approach, to influence behaviour changes and manage expectations regarding the use of electricity? Industry, Ofgem and Government should work together to avoid planning for different futures
- Could we do something more creative to maintain levels of reliability than just build assets? Innovation will be key to keeping costs down, as will looking at the GB networks holistically

Topic 2: Future role of Transmission

Headline message:	Over the next ten years, stakeholders see a greater need for Transmission than today, to provide cost-effective security of supply as more diverse sources of energy connect to the system. The longer-term picture is less clear.

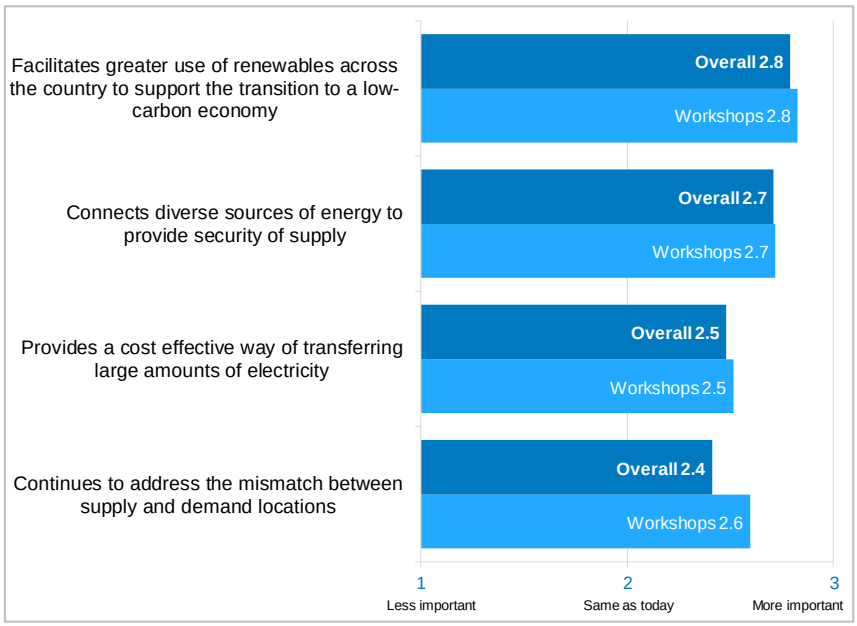
Results from voting questions:

We asked stakeholders about the role of the Transmission network over the next ten years and, longer-term, in the next 30 years. They told us that in the shorter timeframe, they see Transmission doing more of what it currently does, especially when it comes to connecting new sources of energy to provide security of supply, and supporting additional renewable generation.

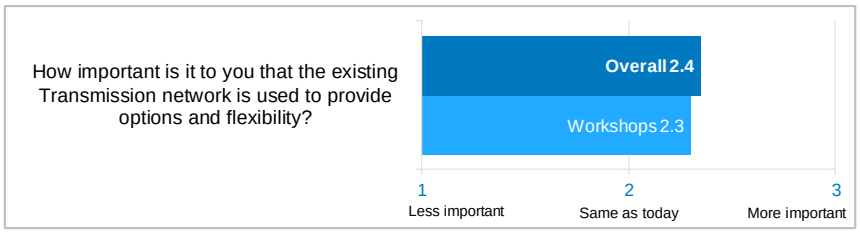
When looking further out, over 60% of respondents saw a greater importance for Transmission, to provide the flexibility to support new technologies, although around a quarter said that the role of Transmission would be less important 30 years ahead. Full results are shown below.

*Q: Thinking about the **next ten years** and specifically about the Electricity Transmission network…*

- *Using a scale where 1 = less important than today, 2 = the same as today and 3 = more important than today, how important is it to you that the Transmission network…?* (Mean scores. Overall base size: 43)



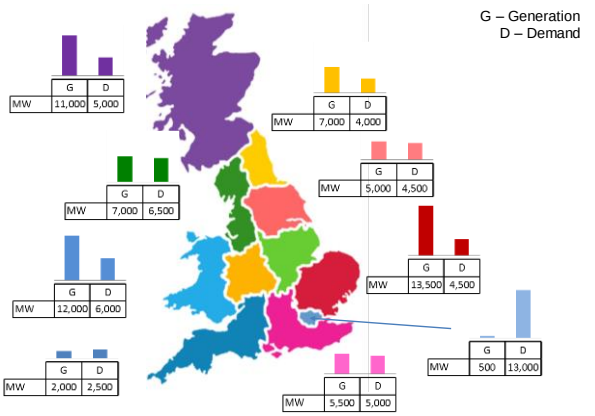
*Q: And thinking longer-term about the **next 30 years** and given that future supply and demand changes are potentially uncertain…?* (Mean scores. Overall base size: 43)



Summary of stakeholder comments:

- There was no overall agreement on the future role of Transmission given the uncertain future direction of the energy industry, but there was some consensus that Transmission's role would stay the same or increase in the next 10-20 years (more offshore wind and interconnection) because security of supply is so important, after which the need for Transmission would be dependent upon the speed of uptake of new technologies (mainly storage) and their cost

- Some stakeholders felt that localised generation would be less expensive than large-scale networks and that storage could ultimately replace the need for Transmission, but others felt that a world without Transmission would be difficult to see given the range of potential futures – it would then be a question of how much extra Transmission is needed



- A few people noted that the electrification of heat (or not) would be key when looking to the longer term
- Some feel that there are still big concerns over nuclear, particularly regarding cost and waste, and that small scale nuclear will never be an option given public opinion
- Political issues will play a key part in how technology develops and the subsequent impact on networks
- Some felt that commercial arrangements, particularly for storage, are not keeping pace with technology and therefore slowing down its introduction
- Solar and wind generation are growing, which means greater intermittency, and large-scale storage is not yet sufficiently advanced to deal with this – until storage develops, Transmission is providing security of supply. A future solar network would need to run as reliably as the grid runs today
- Interconnection to other countries could play an increasing role in the GB energy mix, including from outside of Europe, although could Brexit have an impact on this?
- The electrification of transport will have a big impact on the future role of Transmission, particularly fast charging for electric vehicles – will this always be possible from the Distribution networks? The large-scale electrification of heat in cities could increase the mismatch between supply and demand

- In addition, some stakeholders expressed views that issues with Distribution network reliability could increase if Transmission's role was reduced
- Tidal power and the impact of hydrogen should also be considered

Topic 3: Connections

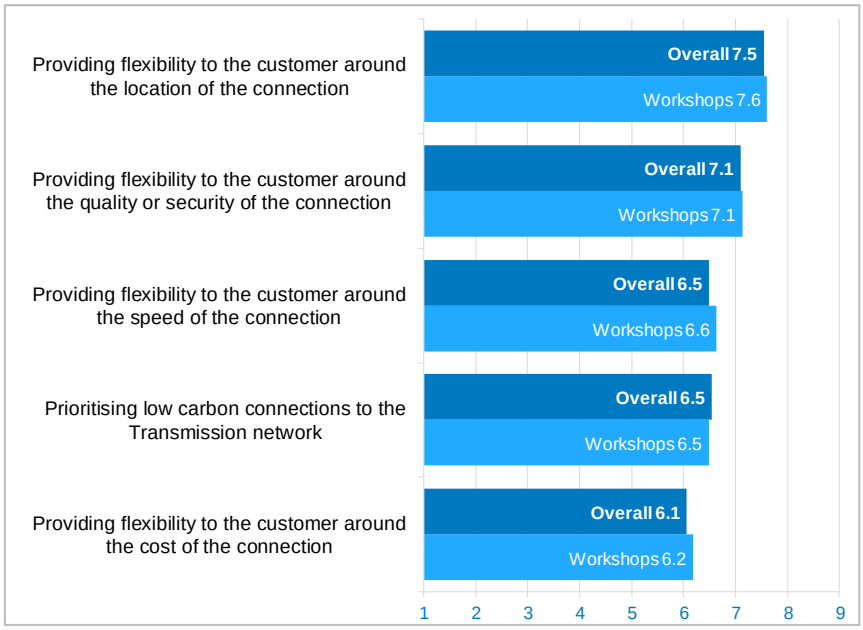
Headline message: Our customers want a simplified, tailored, flexible and coordinated approach to connections, with flexibility around the location of connections being seen as most important. Other stakeholders are generally less interested in this topic.

Results from voting questions:

We shared material on the current connections process and asked stakeholders to provide their views on what, if any, changes they would like to see. There was some appetite for more flexibility around the location of potential connections, i.e. National Grid providing choices of location, which could then impact the speed, ease or cost of the connections process.

Generally there was less interest in this topic, although those stakeholders identifying themselves as consumer interest organisations placed a greater importance on the cost of connections, and environmental organisations attached more importance to the prioritisation of low-carbon connections. Results are shown below.

Q: *On a scale of 1-9, where 1 is not at all important and 9 is very important, how important to you is…?* (Mean scores. Overall base size: 35)



Summary of stakeholder comments:

- Several stakeholders commented that there needs to be more coordination between Transmission and Distribution networks and that a more holistic approach to connections is required – speculative investment in advance of need could potentially be justified if it provides this holistic approach
- Greater flexibility would be welcomed on the part of networks and regulators, including National Grid suggesting the best / quickest places to connect (also requires flexibility on the part of generators)

- A tailored approach to connections may be good, but this could also be seen as discriminatory
- Application forms and contracts are complex and need simplifying, and a shorter, more flexible process would be welcomed (including flexibility on cost). Could contracts be Plain English?
- Time, cost and quality are all important – certainty around time provides more clarity to National Grid's customers' customers
- More could be made of the pre-application discussions, because these allow both parties to discuss options and agree details at the right point in the process
- A few people commented that an online tool or heatmap would be useful when determining the best places to connect
- Communication throughout the whole process is key (and sometimes currently lacking)
- Some stakeholders felt that environmental capacity should be factored into the connections planning process
- Ultimately, people want to be connected in a reasonable timeframe at the appropriate cost

Note: we have fed these comments into our customer journey work on connections, and will use the feedback to drive improvements to our processes – further details can be found in the 'Next steps' section

Topic 4: The environment and communities

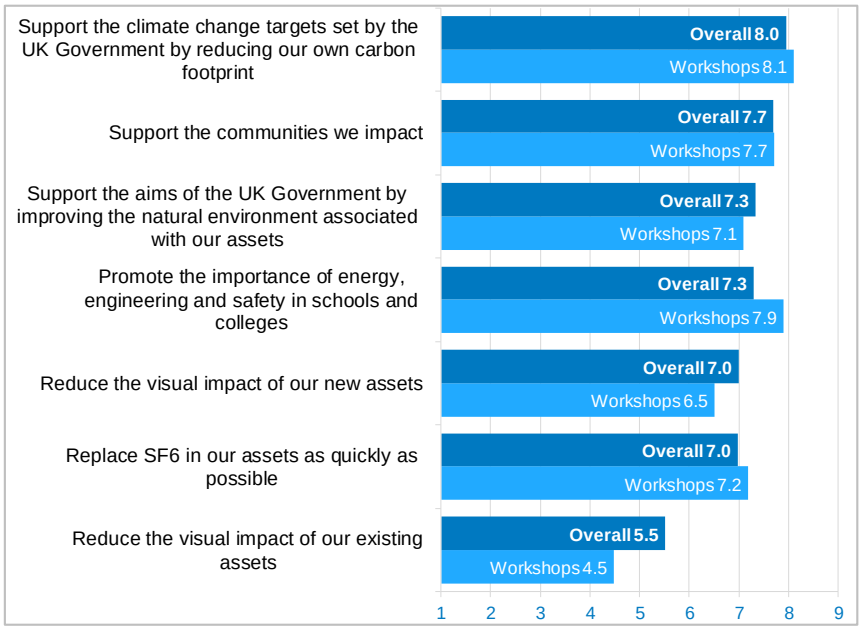
Headline message: Stakeholders would like us to prioritise minimising our greenhouse gas emissions and continuing (or potentially expanding) our work in communities. Mitigating the visual impact of our assets (particularly existing assets) is seen as less of a priority for the majority, although opinions are very divided on that topic.

Results from voting questions:

Feedback from our workshops and online was consistent in identifying the reduction of our own carbon footprint as being our top environmental priority. Supporting local communities and playing our part in educating young people about the energy industry were also given high importance, as was enhancing the environment around our assets.

Reducing the visual impact of our assets (both new and existing) was not seen as a high priority by most of our workshop attendees, but the overall scores for these two topics increased after the inclusion of online responses, the majority of which were from organisations with a particular interest in the environment (see also the results from members of the public in the next section of this report). Stakeholders with a specific interest in the visual impact of our assets often see this as the most important consideration, even over cost. All results are shown below.

Q: *On a scale of 1-9, where 1 is not at all important and 9 is very important, how important is it to you that we…?* (Mean scores. Overall base size: 44)



Summary of stakeholder comments:

- As mentioned above, views are divided on certain environmental topics
- Some stakeholders commented that there is a need to look at environmental considerations in the context of reliability and affordability, others believe that the environment should be the number one priority, over and above everything else
- At the workshops, there was a consensus that we need to provide more information to members of the public around the options, costs and benefits of (for example) undergrounding sections of new routes compared to building an overhead line. In some cases, there is also an assumption that National Grid owns all lines, substations, etc – there is a general lack of public knowledge around who does what in the industry. Should there be a national debate on undergrounding?
- We should carry on the work to replace SF_6 (a very harmful greenhouse gas) in our asset base, although we should look at all alternatives before deciding on how to take this forward
- We should also talk to stakeholders about what we're doing to mitigate Transmission losses – innovation could be key here
- We should look more into new technology, particularly Gas Insulated Line and new tower designs
- For our work with schools, it would be good to see some outcomes. How is our work impacting on the numbers of people studying STEM subjects, for example? The importance of National Grid promoting STEM subjects was recognised by many stakeholders, as was the need to adopt a cross-industry approach to this

- Community work is always welcomed but some felt we could do more (numbers-wise)
- Regarding the existing Visual Impact Provision for Transmission (a £500 million provision in the RIIO-T1 period to mitigate the visual impact of existing overhead lines in National Parks and Areas of Outstanding Natural Beauty), a couple of stakeholders commented that the provision should be carried over into the next price control period if not fully used during RIIO-T1

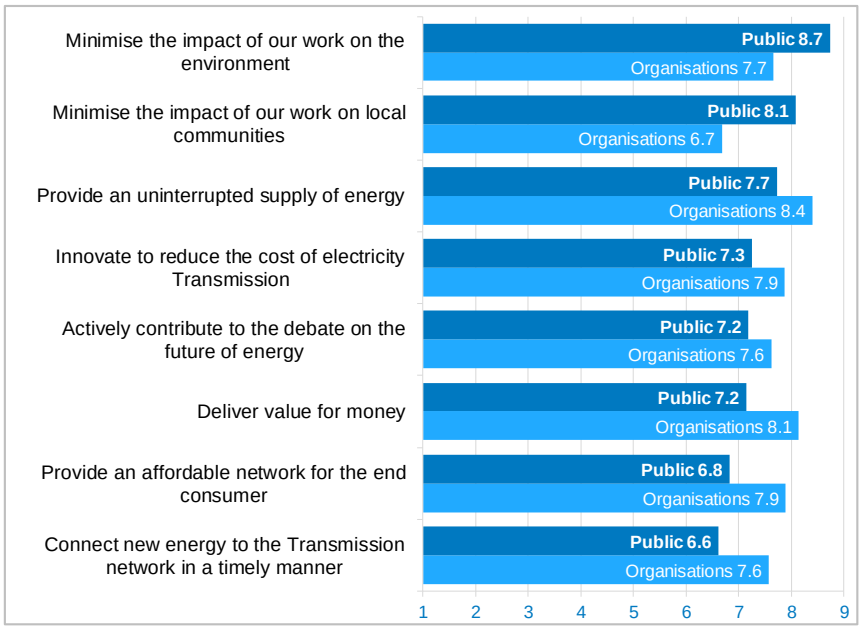
- Some stakeholders commented that overhead lines have less of a negative impact on the environment than burying cables underground (for example, the construction process is more intrusive and there is the risk of insulating oil leaks from cables). Others were more concerned with the ongoing visual impact of overhead lines.

5. RESULTS: MEMBERS OF THE PUBLIC

Our online consultation generated a high volume of responses from members of the public, with almost all of these coming from residents in areas where we have recently been consulting on proposals to build new overhead lines to connect new sources of supply, notably Anglesey and the Lake District.

Although this consultation was not part of the formal consultation process for these projects, we were keen to give all stakeholders a say on whatever topics are important to them. Responses to the overall priority question are shown below, with scores from stakeholder organisations shown as a comparison.

Q: Thinking about the next ten years, on a scale of 1-9, where 1 is not at all important and 9 is very important, how important is it to you that we…? (Mean scores. Base sizes: Members of the public: 608, Organisations: 58)



As is evident from the chart above, people with a direct interest in potential new connection projects have very different priorities from our general stakeholder population. At a summary level, and as also noted in responses from environmental interest organisations:

- The impact of our work on the environment and communities is viewed as the most important consideration
- All other topics (including the reliability and cost of our network) are seen as less important, relative to our wider stakeholder population

Of the four sub-sections, our environmental consultation produced the most responses, with details as follows:

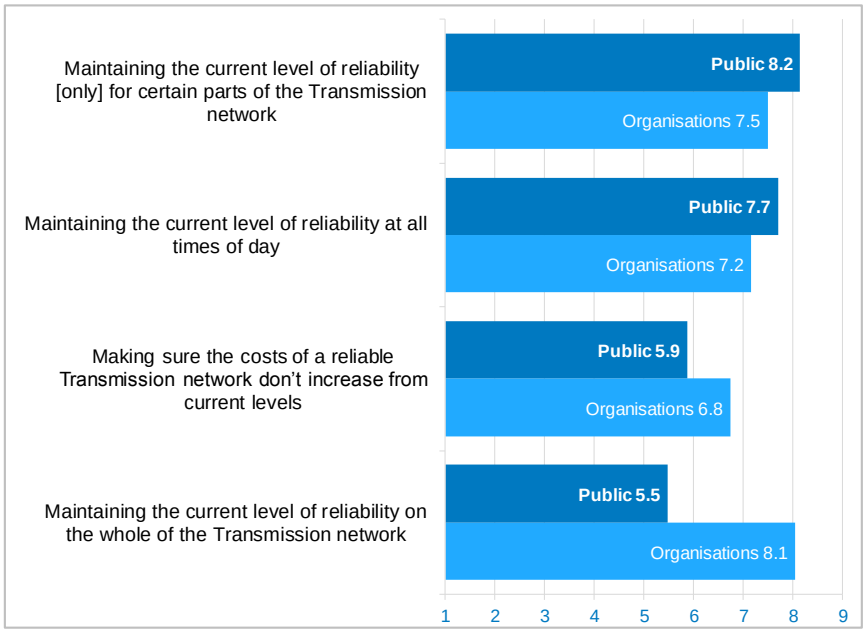
- Reliability of the Transmission network: 126 responses
- The future role of Transmission: 111 responses
- Connections to our network: 118 responses
- The environment and our work with communities: 627 responses

Topic 1: Reliability of the Transmission network

Headline message: Ranking of priorities for this topic was notably different for members of the public, with high importance given to varying the levels of reliability according to geography and maintaining levels of reliability at all times of day. Cost was given a lower priority overall, although opinion was divided – for almost a third of respondents, controlling costs was seen as very important.

Results from voting questions:

Q: *On a scale of 1-9, where 1 is not at all important and 9 is very important, how important to you is…?* (Mean scores. Base size: 126)



Stakeholder comments focused on the themes of:

- Ensuring any work to increase reliability has no adverse environmental impact
- Concern for reliability levels in rural areas and the socio-economic impact of this

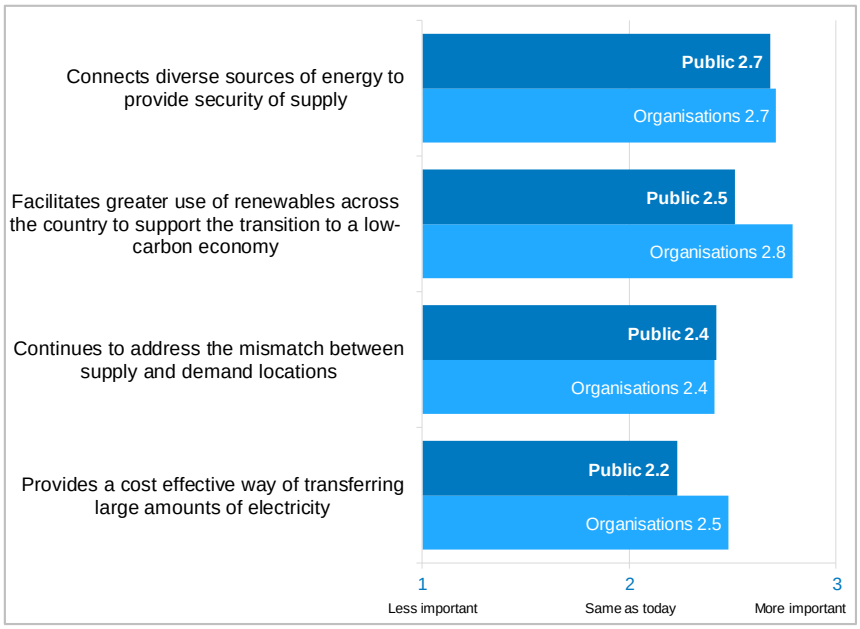
Topic 2: Future role of Transmission

Headline message: Views were mainly aligned with other stakeholders – members of the public generally felt that the role of Transmission will be more important over the next ten years. The longer-term picture is less clear.

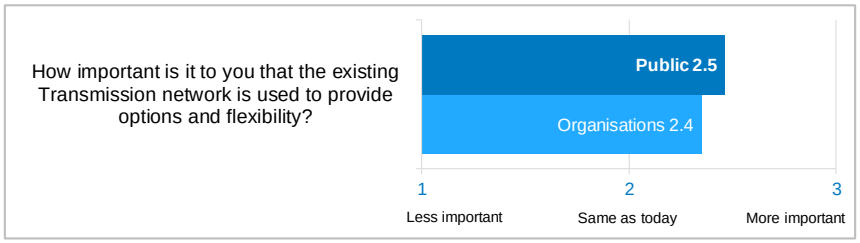
Results from voting questions:

*Q: Thinking about the **next ten years** and specifically about the Electricity Transmission network…*

- *Using a scale where 1 = less important than today, 2 = the same as today and 3 = more important than today, how important is it to you that the Transmission network…?* (Mean scores. Base size: 111)



*Q: And thinking longer-term about the **next 30 years** and given that future supply and demand changes are potentially uncertain…?* (Mean scores. Base size: 111)



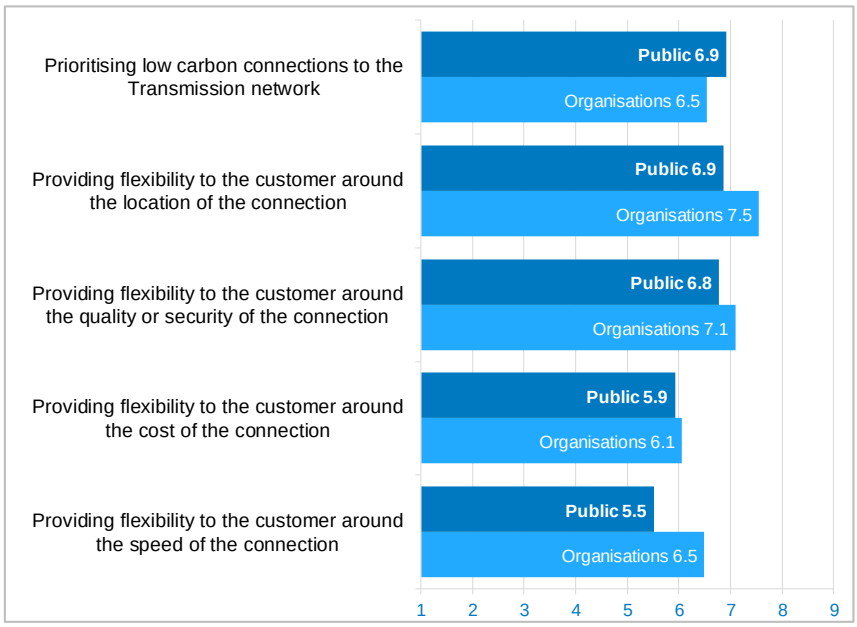
Stakeholder comments focused on the theme of ensuring any work to develop the network has no adverse impact on the environment, particularly from a visual perspective.

Topic 3: Connections

Headline message: Members of the public placed greater importance on prioritising low-carbon connections and providing flexibility around location and quality. Providing options on cost and speed were considered less important.

Results from voting questions:

Q: *On a scale of 1-9, where 1 is not at all important and 9 is very important, how important to you is…?* (Mean scores. Overall base size: 118)



Stakeholder comments focused on the theme of ensuring connections work has no adverse environmental impact, with specific reference to the visual impact of pylons and other visible infrastructure.

Topic 4: The environment and communities

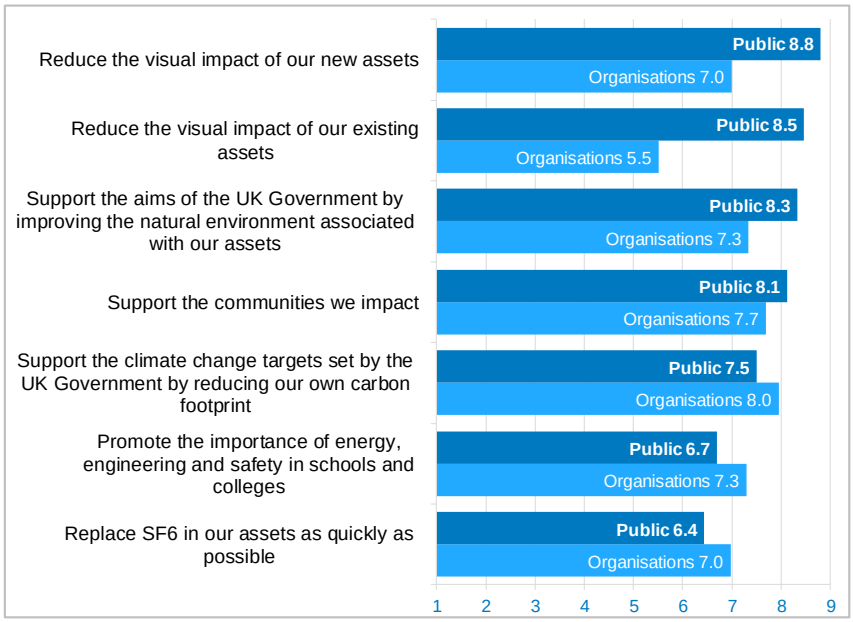
Headline message: Members of the public placed very high importance on ensuring that we reduce the visual impact of our assets (both new and existing), enhance the natural environment around our assets, and provide support to the communities we impact through our activities. Priorities were very different to the views expressed by the majority of stakeholder organisations.

Results from voting questions:

The process to build new lines, and the choice between overhead lines and pylons and underground cables, are topics that create very strong feelings amongst those involved. The ranking of each topic's importance by members of the public who responded to our consultation clearly reflected this, and was notably different to the average scores given by stakeholder organisations, and to other research we've carried out with household electricity consumers.

The overall ranking within this category is shown below, with anything relating to the visual impact of our assets, our impact on the natural environment, and our impact on local communities being prioritised above other topics.

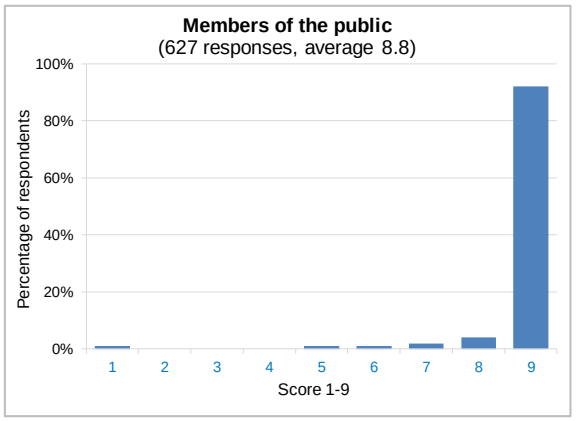
Q: *On a scale of 1-9, where 1 is not at all important and 9 is very important, how important is it to you that we…?* (Mean scores. Overall base size: 627)

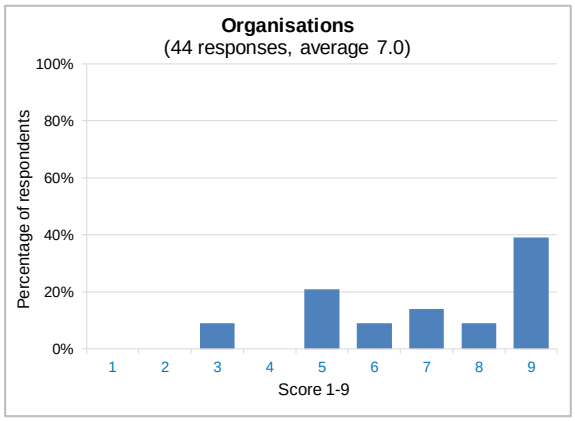


The differences in views are clearly illustrated by comparing the distribution of scores from stakeholder organisations and members of the public for the two topics relating to visual impact.

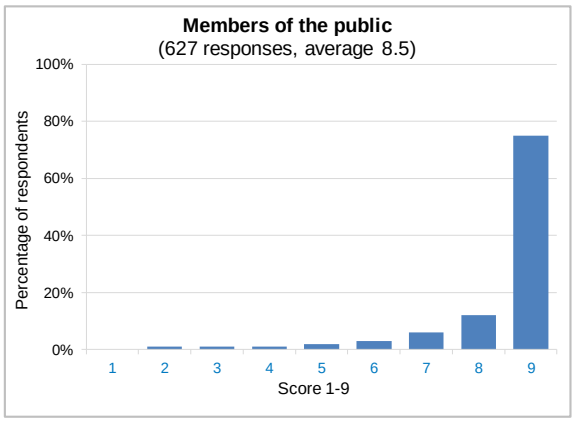
Q: *On a scale of 1-9, where 1 is not at all important and 9 is very important, how important is it to you that we reduce the…?*

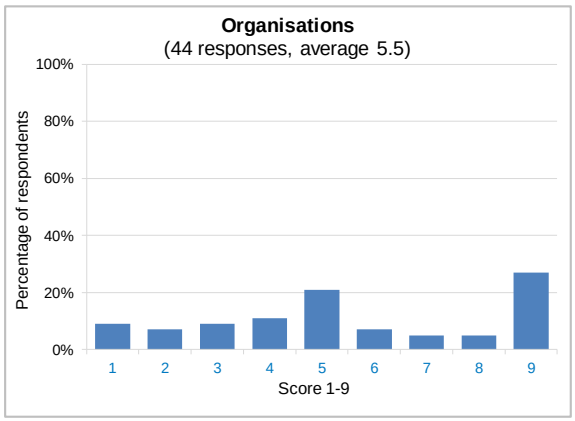
Visual impact of *new* assets





Visual impact of *existing* assets





Stakeholder comments focused on the same themes as the previous topics, but the volume of comments provided was far greater for this part of the consultation. The main themes were:

- Ensuring that new infrastructure (pylons and wind turbines in particular) has minimal visual impact on the landscape
- Ensuring the environmental and community impact of our work, including new projects, is minimised
- Specific concern over the potential adverse impact on the environment and communities that the proposed new connection on Anglesey may have

6. NEXT STEPS

We will continue to develop a programme of engagement which is repeatable on an annual basis and which helps us build a stakeholder-led business planning process. Stakeholder workshops will mark the start of this process each year.

For this year, based on what our stakeholders have told us from this initial stage of engagement, we are developing a more detailed programme of engagement to focus on the topics identified as priorities. We will tailor this engagement to suit our stakeholders' needs, using channels such as workshops, focus groups, direct customer and household consumer research, panels, online engagement, targeted meetings and social media.

Details are provided below, and the ultimate aim is to build our business plans around our stakeholders' requirements. This applies to the remainder of the RIIO-T1 regulatory period (which runs until the end of March 2021), but will also inform the development of our business plans for RIIO-T2, which we need to submit to Ofgem in 2019.

As each phase of engagement concludes, we commit to sharing details of what we are doing and how we have changed our plans as a result of what our stakeholders have told us. We will publish updates on our Talking Networks website.

Topic 1: Reliability of the Transmission network – next steps

- Our stakeholders told us that having a reliable network to maintain the security of electricity supplies is very important, but that looking at ways to increase or decrease reliability for parts of the network *could* be an option
- We will work on the detail of what the choices could be, and what impact they could have on our direct customers, wider stakeholder community and household consumers (both in terms of reliability of supply and cost)
- We'll also look specifically at cyber security requirements and the levels of resilience built into our network – this is already an area of focus for many of our stakeholders
- We'll carry out further engagement activities in the New Year (currently planned for March to July) to test options with all of our stakeholder groups, including household bill payers
- Channels are likely to include focused meetings with specific groups of stakeholders and specialist research with members of the public

Topic 2: Future role of Transmission – next steps

- Our stakeholders almost unanimously agreed that during the next ten years, the role of Transmission would be either equally as important or more important compared to today in supporting the reliable and cost-effective delivery of electricity to direct customers and end consumers
- Longer-term, there is less certainty, but the majority still see a similar or increased role for Transmission, whichever scenarios arise
- We will consider these views when we develop options for investment in our network which weigh up shorter- and longer-term choices. As part of our RIIO-T1 framework, we have existing processes for consulting on and assessing the most economic options, to check whether network reinforcements are more appropriate than shorter-term commercial solutions or no-build options, for example. We also review the ongoing need for Transmission assets and the case for decommissioning them.
- In the first half of 2018, we will consult on whether these same principles should be extended to other longer-term investment commitments, such as replacement of ageing network assets, again using channels appropriate for the relevant stakeholder groups.
- In addition, in response to stakeholder views on future uncertainty, we will continue to develop options that ensure the network can be used flexibly, maximising the use of our assets across their lifetime.

Topic 3: Connections – next steps

- We received feedback on our existing connections process and have fed this into our ongoing improvement work on this topic, with details as follows:

Stakeholder feedback	Action taken
Could we take a more holistic approach to connections?	We are working with the Distribution Network Operators to provide greater up-front visibility of capacity on our network. By providing this information before we're asked for it, customers wishing to connect to Distribution networks should receive a much earlier decision on whether or not a connection is possible
Can we provide advice on the best / quickest places to connect to our network?	This has been incorporated into our customer journey improvement work: ▪ We're bringing our technical experts and the customer together much earlier in the process (before application) ▪ We've developed a heat map tool (available on our website) which customers will be able to use to see where there is available capacity

	▪ Before the end of 2017, we'll add more detail to this heat map to help customers understand how quickly they could connect to specific parts of our network
Can we simplify application forms and contracts?	This is a focus area for our improvement work and we're doing a number of things to address it: ▪ We're creating a key summary document plus key facts and questions answered ▪ We're working with our legal team to produce standard templates which will be easier for customers to use ▪ We're going to move towards an online, simpler application form, although this will take longer to implement ▪ We'll be creating a 'light' version of the contract (this may take up to two years as it will require a code change)
Communications could be improved	We are addressing this issue – a new fast track offer process is now being implemented as business as usual. This provides a quicker timeframe for producing the offer, and is a more collaborative style of working with the customer, with discussions starting earlier and regular communication throughout the process. Post-offer, we're formalising meetings at the start of key stages to provide the customer with key contacts, escalation routes and project details. Updates on project milestones, risk, issues etc will be communicated regularly in person but also supported by dashboards / reports, and longer-term by an online portal. Regarding costs, we're changing our processes to ensure we gain approval from the customer before we seek sanction for further investment. We want to provide more transparency and more frequent updates to our customers on costs.

- In addition to these improvements, we're looking at how else we could provide more flexibility and options around connections
- Members of the public placed relatively high importance on prioritising low-carbon connections to our network. As this is not currently possible under the terms of our licence, we will explore this further in our RIIO-T2 work.

Topic 4: The environment and communities – next steps

- Stakeholder organisations told us that we should focus on our own carbon footprint and the impact of our work on communities and the environment. We will review our existing targets and policies with this feedback in mind.
- Similarly, we'll review our programme of engagement with schools and colleges
- We'll engage further on all of this in the first half of 2018
- The members of the public who responded to our online consultation gave a clear message about the visual impact of our assets
    - For existing assets, a scheme already exists under the RIIO-T1 framework to address the visual impact of certain lines in National Parks and Areas of Outstanding Natural Beauty. We will continue to propose candidates for this scheme during the remainder of RIIO-T1 (to 2021), and include options for a similar scheme in our engagement activities as we prepare to make our RIIO-T2 business plan submissions – we will establish a working group of interested parties to test these options and will also carry out research amongst household consumers to examine the potential impact on bills.
    - For new electricity connections, current regulatory obligations and planning policy leads us to balance the visual, environmental and other impacts of our assets, along with the overall cost to consumers across the country. Given the strength of feeling regarding new overhead lines in certain areas, however, we will begin discussions with Ofgem about whether these regulations and policies should be reviewed.

THANK YOU

Thanks again to all who have contributed to our consultations so far. If you have any questions, would like to suggest additional topics for engagement, or would like to get involved in further engagement activities, please email us at box.talkTO@nationalgrid.com.