

Annex 30 Stakeholder and customer engagement approach

This strategy sets out how we approached engagement to develop our RIIO-ED2 business plan, focusing on the process we have established and delivered to ensure high-quality, robust engagement to inform our plans.

December 2021

1 About Electricity North West

Electricity North West Limited is one of 14 electricity distribution network operators (DNOs) in Great Britain. We are responsible for maintaining and upgrading 56,000km of network and nearly 500 major substations across the region. We supply electricity to the diverse communities in our region which extends from Macclesfield all the way up to Carlisle.

We are regulated by the Office of Gas and Electricity Markets (Ofgem) who provide DNOs with the license to operate and decide what's fair for us to charge our customers for each price control period.

Our current price control began in 2015 and runs to 2023. It's referred to as RIIO-ED1. In full, that stands for Revenue = Incentives + Innovation + Outputs, Electricity Distribution 1. Under this framework, the price we can charge our customers is fixed until the next price control, RIIO-ED2, which will run from 2023 until 2028.

Work is already underway to set the framework for RIIO-ED2 that applies to all energy network companies (i.e. gas and electricity distribution). The framework will determine what RIIO-ED2, which begins on 1st April 2023, looks like.

The period which the RIIO-ED2 price control covers will see significant change in the way electricity is generated, consumed and stored, driving innovation across the whole energy system both now and into the future.

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2 Welcome

This appendix sets out how our ED2 business plan has been designed with an enhanced customer and stakeholder engagement strategy. We have published our stakeholder engagement strategy every year since 2012 as part of our submission to Ofgem’s Stakeholder Engagement and Consumer Vulnerability (SECV) incentive¹ and we have built on this existing structure to design a robust and high-quality engagement strategy specific to our ED2 plan development.

Here we set out our ongoing strategy and how we have tailored it to the ED2 business plan to ensure high quality and robust engagement to inform our plan.

Highlights of our enhanced stakeholder engagement process for the business plan:

- Initial triangulation phase pulling together what we already knew²
- Pre-engagement phase to establish best strategy for engagement (section 3.2.2)
- New segmentation of customers
- Early establishment of Customer Engagement Group (CEG) in spring 2019 (section 6.1)
- Six clear stages from understanding customers and stakeholders to submitting the plan (section 4)
- Agile approach with comprehensive triangulation report after each stage to inform the next

For clarity we will use the following definitions throughout this plan:

- **Customers:** individuals, organisations or businesses who pay electricity bills
- **Consumers:** anyone in our area who uses electricity from our network, including young people and future customers
- **Stakeholders:** individuals, organisations or businesses that are affected by us, that influence our performance or who we have a legal, financial or operational responsibility to

The table below shows the number of engagements we’ve had during each phase (including multiple engagements with the same consumers and stakeholders).

	Customers	Future customers	Stakeholders
Phase 1	4,791	68	654
Phase 2	969	30	295
Phase 3	4,876	86	539
Phase 4	3,053	54	1,323
Phase 5	2,746	20	791
Phase 6	520	0	544

Table 1 Engagement in numbers

¹ <https://www.enwl.co.uk/about-us/engaging-with-our-stakeholders/stakeholder-engagement-publications/>

² Triangulation brings together a range of different inputs including customer and stakeholder feedback, operational data and third-party insight. It involves effectively ‘stopping time’ and identifying what has been learned during a specific period and recognising gaps in existing knowledge. Furthermore, it reflects on how information has been processed and informs further steps required. For more detail see section 9 of the business plan, and Annex 1 – Customer research findings, WTP and triangulation.

3 Our strategy

This section sets out our strategic approach including:

- Our current strategy and objectives for stakeholder engagement
- Our approach to developing our ED2 stakeholder engagement programme
- Our approach to programme and risk management

3.1 Our current (ED1) stakeholder engagement strategy

The aim of our stakeholder engagement strategy is to deliver the outcomes our stakeholders prioritise and value. Specifically, we engage to better serve stakeholders by understanding their current and future needs and expectations, identify opportunities to continuously improve our services, manage uncertainty and risk and return greater value to our customers; our strategy is embedded and mature but we also strive for continuous improvement. Here is our five-step approach:



Figure 1: Our ED1 stakeholder engagement strategy

As set out in our annual SECV submission to Ofgem, and in our own Corporate Responsibility Framework, this strategy is based on AccountAbility’s engagement framework.

The AA1000 Stakeholder Engagement Standard (SES)³ is a best practice framework and informs the structure for the engagement activity we deliver. We also align to the updated AA1000 AccountAbility Principles (AP) which now includes ‘impact’, combining the ways in which we monitor, measure and are accountable for how our actions affect the broader ecosystem. The principles are set out below:

Principle	Description
Inclusivity	People should have a say in the decisions that impact them
Materiality	Decision makers should identify and be clear about the sustainability topics that matter
Responsiveness	Organisations should act transparently on material sustainability topics and their related impacts
Impact	Organisations should monitor, measure and be accountable for how their actions affect their broader ecosystems

Table 2: AccountAbility principles

Our stakeholder engagement strategy is independently audited each year and in 2021 was categorised by AccountAbility as ‘Accomplished’:

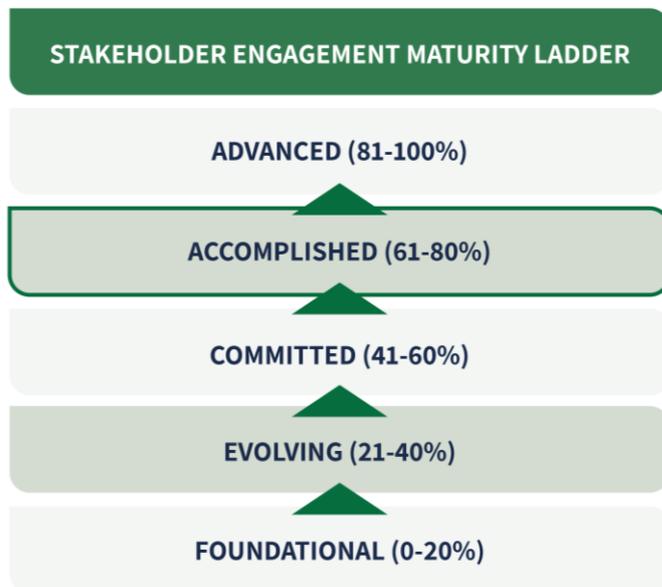


Figure 2: Electricity North West’s position on AccountAbility’s Stakeholder Engagement Maturity Ladder

³ AccountAbility (2015): AA1000 Stakeholder Engagement Standard: <https://www.accountability.org/standards/aa1000-stakeholder-engagement-standard/>

In ED1, we developed stakeholder advisory panels, aligned to our business plan objectives and appointed independent stakeholder representatives to chair these panels⁴ while retaining director-level coordination and support. We recognise the value this has added to the process by providing scrutiny of our performance and valuable expert guidance for our leadership team, which informs strategic decision making.

We will build on this in ED2 with the aim of involving the widest possible range of stakeholders, with an interest in our business, our region, and our sector, including those who are hard to reach. We balance this ambition with the depth of insight that comes from more targeted engagement.

We understand that not all stakeholder needs are equal, and this informs the stakeholder materiality methodology we use to prioritise our engagement effort in the right places at the right time.

Our programme is topic-led, which enables us to engage with stakeholders about issues that are important to them. We no longer adopt the traditional approach of defining the agenda but instead proactively encourage stakeholders to tell us what topics they want to talk about and how they would like to engage with us. This substantially influences our decision making, markedly impacts our performance and ensures that we are responsive to our internal and external environment.

Our prioritisation is iterative because stakeholder needs are not static. This is particularly important with the significant transition to Net Zero. Our meaningful approach to engagement includes scanning the horizon for emerging priorities. Our approach ensures that our engagement programme is focused and proportionate, and that we return value from the significant investment we make in delivering our activities, paid for from customers' bills.

We conduct regular stakeholder mapping exercises based on the AccountAbility model along with an assessment of opportunities and risks, to understand our operating environment and identify emerging stakeholders. We consider this important because, whilst we have a comprehensive understanding of who our stakeholder groups are, their composition, interests and influence continue to evolve.

We use a proportionate, iterative and inclusive engagement programme to reach our stakeholders. We serve a large population of stakeholders who are impacted by our activities and have varying interests and power to influence our services. This population is split into 50 segments which cut across our geographically diverse region.

⁴ See <https://www.enwl.co.uk/about-us/engaging-with-our-stakeholders/our-advisory-panels/>

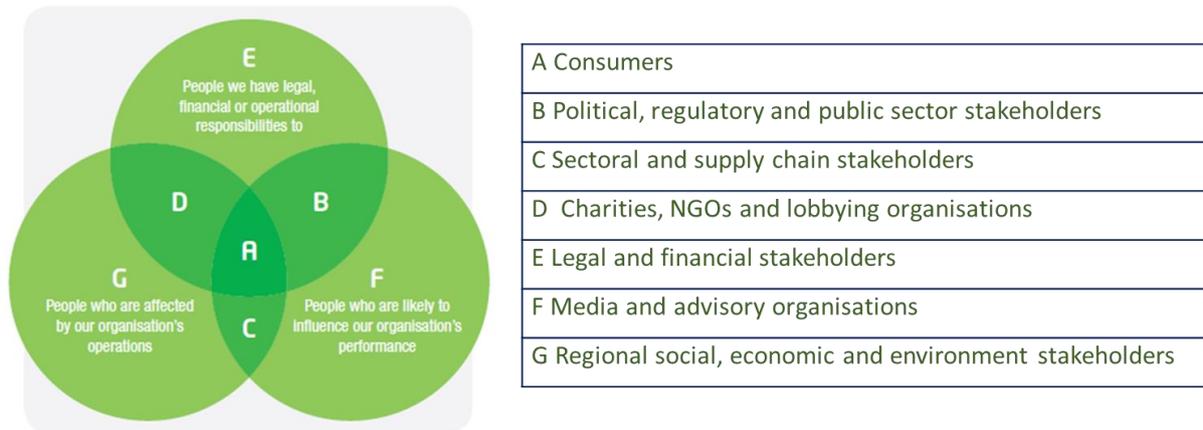


Figure 3: Our stakeholder mapping approach

As part of our mapping review we identify gaps in our database to inform where we need to develop our stakeholder network and partnership framework including using our social data mapping tool⁵ and building on our existing engagement activities and partners.

Our in-house stakeholder team of experts is responsible for the coordination of our ED1 stakeholder engagement strategy, including delivering our stakeholder advisory panels and continuously improving processes. This team has had oversight of the customer and stakeholder ED2 business plan engagement programme, while we have also brought additional resources in-house to deliver our ED2 engagement programme including managing and delivering engagement activities, managing our significant engagement budget, managing and developing relationships with engagement delivery partners and reporting to our new Customer Engagement Group (CEG).

In line with Ofgem’s enhanced stakeholder engagement guidance⁶, the role of the Customer Engagement Group is to challenge the company to ensure that our future business plans address the needs and preferences of our current and future customers and that we are putting stakeholder needs at the heart of our decision making. For more information see section 6.

A greater focus on local needs and issues has made our engagement more relevant to local stakeholders including local authorities, charities and local businesses, as well as providing more accessible locations for participation (refer to section 3.2.2). We’ve also assigned the management of these stakeholders to senior stakeholder managers who proactively ‘account manage’ these relationships through one-to-ones, bilateral meetings, and attendance at our stakeholder panels, providing them with a clearly identified single point of contact. They work closely with our central stakeholder team to ensure alignment of activities through our internal governance processes including Executive Leadership updates, executive led strategic group and internal working group.

⁵ See Annex 8 - Electricity users in vulnerable circumstances strategy

⁶ https://www.ofgem.gov.uk/system/files/docs/2021/04/ed2_enhanced_engagement_guidance_v2-clean_version_-_for_publication.pdf

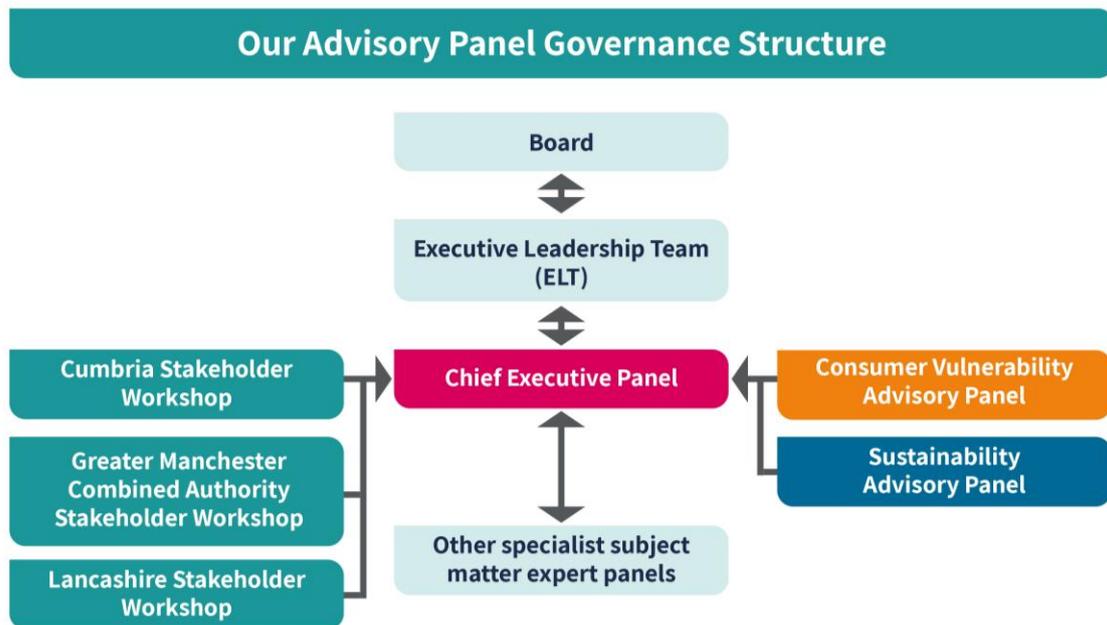


Figure 4: Our advisory panel governance structure

We have recognised the specific needs of stakeholders that are time poor but whose input and robust challenge is essential, for example local authorities and members of Parliament and addressed these needs with tailored and bilateral engagement. Our sub-regional stakeholder panels have also markedly improved our ability to engage a diverse range of stakeholders and bringing new stakeholders to the table through increased outreach.

3.2 Developing our business plan engagement programme

We have applied our ED1 stakeholder engagement strategy to our ED2 customer and stakeholder engagement programme. However, we also enhanced the level of our activities to ensure the highest quality engagement with our customers and stakeholders in the shaping of our ED2 business plan, to meet their needs and expectations.⁷

This section outlines our approach to these ‘pre- engagement’ activities, including our approach to:

- putting customers directly at the heart of our plans (rather than just stakeholders representing our customers’ views);
- finding out what is important in our customers and stakeholders’ lives;
- understanding how our customers and stakeholders want to engage with us;
- understanding our current customer and stakeholder engagement evidence base;
- ensuring we had the right resources and skills to carry out the work to a high standard; and
- using best practice to develop our engagement strategy.

We recognised early that our customer engagement strategy was less developed in the early years of ED1, as a business-as-usual activity and that we needed to specifically develop and deliver engagement activities for customers and consumers, rather than just stakeholders. We ensured that this was key to developing our plans.

⁷ See <https://www.enwl.co.uk/about-us/engaging-with-our-stakeholders/our-future-business-plan/business-plan/>

We recognised the need to undertake high quality engagement, including formal quality assessment, to ensure we developed sound business plan proposals and commitments, based on stakeholder feedback and insight. We took an outside-in approach to really understanding our stakeholders and customers, their priorities, and how our network impacts their lives.

In setting out the high-level plan for our stakeholder engagement activity we identified three development stages:

1. **Shaping** (June 2019 to February 2020)
Working with customers, consumers and stakeholders to identify overall priorities and key themes.
2. **Creating** (March 20 to September 2020)
Creating the detailed content of our business plan and its commitments. Actively engaging with our customers, consumers and stakeholders to develop our priority areas for our business plan.
3. **Consulting** (October 2020 to December 2021)
Consulting with customers, consumers and stakeholders on the final plan.

To understand how we needed to enhance and adapt our stakeholder engagement strategies for our ED2 business plan preparations, we undertook a range of pre-engagement activities.

3.2.1 The impact of COVID-19

We commenced our engagement early in 2019, which provided almost a full year of engagement before COVID-19 restrictions, including national lockdowns and regional measures impacted our engagement opportunities. This quick-footed approach enabled us to conduct substantial face-to-face engagement with a diverse range of more than 200 customers and stakeholders, including our CEG, as we developed our engagement strategy. This early stage of engagement benefitted from in-person methods, due to the creative nature of workshop activities.

As COVID-19 restrictions were introduced, we were quickly able to move to online focus groups and stakeholder meetings using platforms such as Teams, Zoom and interactive apps such as Mentimeter, which overall, had a positive impact on the plans. These platforms allowed more flexibility and a greater variety of attendees from across the North West and enabled us to reach customers and stakeholders, who may otherwise not have participated because of the logistics and travel time. This online format also resulted in increased attendance of our regular stakeholder advisory panels, showing further benefits of our agile approach.

One of the most significant developments we introduced was an entirely online customer deliberative panel, which we called our Plugged In Public Panel. We worked with our engagement partner, Involve, who also facilitated the Climate Change Assembly UK and Northern Gas Network's citizens jury, showing us excellent experience of running such engagement successfully.

The panel was made up of 40 consumers who met virtually, eight times over the course of a year for in-depth discussions, which lasted four hours each time on Saturdays. Holding these sessions online was not without its challenges and required us to work closely with participants to ensure that technology wasn't a barrier. In a number of cases we provided one-to-one support to familiarise

participants with the technology to ensure they were comfortable using it. In some cases, we even provided equipment to facilitate participation, such as tablets, Chromebooks and webcams to enable us to capture the view of a diverse range of customers, ensuring the views of difficult to reach groups was heard and no one was left behind.

We also held online drop-in sessions with MPs, online events for stakeholders and attended many other events to feed in third-party research into our plans without the need, cost or time to travel.

3.2.2 Pre-engagement

At our 2018 strategic stakeholder advisory panel, we undertook an initial pre-engagement exercise with over 110 stakeholders and 50 senior leaders from across our business to begin to map what the high-level priorities should be for the ED2 period. This engagement was scaffolded by our existing materiality matrix – an articulation of the most important areas stakeholders thought we should focus on – developed in ED1 through our stakeholder advisory panels. This was used to prioritise our engagement to ensure it delivers outputs that are valued by our stakeholders (refer to Section 4.2).

This exercise produced a consolidated and better aligned record of our stakeholder priorities, to strengthen our understanding of their needs as we developed our ED2 business plan.

In early 2019 we established our expert and challenging CEG. We also held best practice visits with two water companies: Anglian Water (rated as the best performing water company for stakeholder engagement in PR19) and United Utilities (responsible for water and wastewater services across our own footprint in the North West of England).

The learning opportunities derived from this engagement were significant and resulted in us incorporating some best practice approaches into our plans. We are hugely grateful and thank both organisations for taking the time to share their thoughts with us. Examples of the learning and new ideas that we have adopted in our business plan development include formal customer segmentation (refer to Section 4.1.2), triangulation (Section 3.2.5) and youth engagement (Section 4.2.8).

However, we have been selective and focussing only on the learning that would add value to our plan. Learning that was omitted from the process included general brand awareness. We made a conscious decision that we would not use customers' money to increase general brand awareness work in our business plan development, but that all our communications and engagement with customers would have a direct impact on getting their input to our plans, rather than spend money on unnecessary advertising for example.

In the development of our specific strategy we knew that we wanted to speak with customers as soon as possible. Rather than talking to customers about customer service, we wanted to put them front and centre of our planning and engagement. While we already had good relationships and established channels to engage stakeholders; we recognised that we would need to invest significant time and effort in the focus on customers and consumers, to ensure that fair representation of views was captured from a broad spectrum of both bill-payers and non-bill payers, such as future customers.

In the summer of 2019 we commissioned research with an external engagement consultancy, 'Given', for the purpose of developing our enhanced engagement approach. This research also

sought to assist us in the development of an overarching engagement programme that could be adapted and tailored according to each customer and stakeholder group.

The research involved a series of customer focus groups, conducted in person, where we talked to a wide range of customers, from across our region, representing diversity in age and socio-economic status, including hard-to-reach customers and those in vulnerable circumstances. These focus groups were used as an early opportunity to understand what really matters to our customers and what they believed our priorities should be for our ED2 business plan commitments. An outside-in approach.

A key element of these focus group discussions was to ascertain, from the perspective of our customers, how we could connect our business with their lives, in the most effective ways possible.

We have included a table in the appendices at the end of this document showing what we heard from our customers and how we have reflected the feedback into our engagement plan.

Our agency, Given, attended our 2019 regional stakeholder advisory workshops where they recreated elements of our customer engagement sessions with stakeholders. During these sessions we asked stakeholders to identify the issues that mattered to them on both a personal and professional level. We then mapped stakeholders' priorities against those that were relevant to our business. This allowed us to identify connections as a route to engaging with our stakeholders.

We consulted our stakeholders to identify the best and preferred methods to engage with them, their stakeholder group and customer groups they represent.

These key insights consistently highlighted that, while we operate across a large and diverse region, the focus of our customers and stakeholders is largely centred on their local region and they take pride in, and care about the area and communities in which live, or that they serve. Our customers told us we must 'make engagement local and real', referring to the need for our engagement to be relevant to their lives, their families, their communities and organisations.

Our regional online events are a good example of how we kept things local and tailored to our audiences, while our engagement strategy also recognised the changing demands on local grids in line with climate change ambitions, linking local to global events.

3.2.3 Best practice literature review

In addition to our best practice engagement with Anglian Water and United Utilities, we resourced a review of published best practice both within and beyond the electricity distribution sector including other water companies, gas distribution networks and electricity transmission networks.

Throughout our engagement for the business plan, we maximised learning from the extensive range of published, external reports, including but not limited to: papers from Citizens Advice, local authorities' economic plans and Climate Change Committee's sixth carbon budget report.

3.2.4 ED1 stakeholder engagement review

We took a comprehensive review of our ED1 stakeholder engagement activity (2015-2019) for the purpose of informing how to best engage with our stakeholders about our ED2 business plans.

We undertake a wide variety of stakeholder engagement activities, including strategic advisory panels, operational (topic-specific) advisory panels, conferences, webinars, newsletters, stakeholder satisfaction survey and opportunities to engage directly with our Chief Executive and directors.

This review of our ED1 stakeholder engagement activity showed us:

- our stakeholders value regular and honest engagement that is relevant to them;
- our stakeholders value the opportunity to meet and engage with us regularly;
- we need to ensure that our engagement encompasses stakeholders from across the region and includes a diverse and representative range of voices;
- our stakeholders continue to prioritise the reliability of supply but the transition to a low carbon economy has become increasingly important.

These principles were adopted as a key element of our business plan engagement strategy.

3.2.5 Triangulation review

As part of our pre-engagement activity we commissioned Impact Market Research to undertake a pilot triangulation⁸ of our existing ED1 evidence base including current performance, customer and stakeholder research and third-party insight to inform our ED2 engagement. Triangulation is a qualitative research strategy employed to test validity through the convergence of information from different sources. It is not about validating current or emerging thinking but deepening and widening understanding by capturing different dimensions of the same phenomenon to reveal new insights, to improve the overall quality of organisational decision making. See Appendix 2.

This review meant that we were not starting our business plan engagement from scratch. This was the first such formalised and in-depth triangulation exercise we had undertaken, and its significance as a discipline informed the next two years' worth of engagement. The process and depth was a step change from previous 'business as usual' triangulation.

The five main objectives of this review were to:

1. understand the evidence base that already exists, reporting ED1 engagement surprises, key lessons learned, dissenting stakeholder views and trade-offs made;
2. improve the robustness of the evidence base through consideration of business as usual (BAU) operational data, bespoke engagement and third-party insights;
3. identify gaps in the current evidence base, by output area;
4. consider the wider strategic context moving forwards— a golden thread between engagement, the business plan and day-to-day decision making; and

⁸ See <https://www.enwl.co.uk/globalassets/stakeholder-engagement/documents/ed2-stakeholder-documents/riio-ed2-stakeholder-engagement-triangulation-report.pdf>

5. recommend next steps, including how triangulation outputs should be utilised to drive mapping of stakeholders, identification of seldom heard groups and prioritisation of the engagement programme (who, what topic, why).

This review was designed to support the commencement of the business planning process by taking stock of what we had learned from stakeholders during ED1 and to ensure that this insight guides strategic planning. We have now adopted this much more formalised and in-depth triangulation approach as part of our business as usual review process based on stakeholder feedback and are creating new roles in the business to manage this on an ongoing basis.

3.3 Translating the insight into a plan

We ensured we placed strong customer and stakeholder engagement at the heart of developing our business plan. We sought to understand customer and stakeholder priorities for the services we provide and help people engage with us through a transparent and fair process.

When developing our engagement plan we took into consideration the following:

- our ongoing ED1 stakeholder engagement strategy;
- our existing customer and stakeholder evidence base;
- the engagement methods that would deliver the most value from our customers and stakeholders;
- the expertise of our engagement specialist partners; and
- best practice approaches from other organisations.

3.4 Working with specialist engagement partners

In 2019 we ran a comprehensive procurement exercise to appoint a number of specialist agencies to help us deliver our engagement strategy and plan. The following agencies were selected:

In developing our ED2 customer and stakeholder engagement strategy, we appointed **Given** who are co-creation experts who have worked across large and small companies in many diverse sectors to co-create strategies and plans that are built on real insight and lead to distinctive and tailored engagement. Given have previously worked with Anglian Water in the development of their customer engagement strategy for their PR19 business plan.

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Given supported us in our pre-engagement activity in the development of our enhanced customer engagement plan by facilitating customer focus groups and stakeholder workshops. They also provided us with key insights into how we should shape our engagement plan to suit the needs and preferences of our customers and stakeholders.

Impact Research worked on our first triangulation report with the purpose of understanding our existing evidence base, identifying where there were gaps and providing us with an expert view on interpreting the results from engagement. This exercise allowed us to strengthen our enhanced customer and stakeholder engagement plan by recommending how the triangulation outputs should be utilised to drive mapping of stakeholders, identification of seldom heard groups and prioritisation of the engagement programme.



Impact Research are a well-established market research agency with vast experience in the utility sector undertaking a variety of customer and stakeholder research. We have worked with Impact Research over the last few years particularly in supporting our customer and vulnerability strategies.

Given its success and importance of the triangulation process we then recruited former Impact Research Managing Director in a full-time role to carry on this important role throughout our business plan engagement.



As well as our online community provider **Explain** facilitated our initial priorities research with domestic customers. Explain is a market research agency who specialise in the utilities sector carrying out quantitative, qualitative and digital methodologies.

Our initial priorities research was the first engagement we undertook with domestic customers as part of our ED2 enhanced engagement. Explain sought to identify what customers thought our priorities should be for our ED2 business plan using both qualitative focus groups and quantitative online and on street surveys.

We also worked with Explain in the development and management of our bespoke online community which provided our customers with the opportunity to engage with us at a time and place that is most suitable to them. We regularly posted discussion points, polls and surveys on key elements of our ED2 business plan.

Accent has been undertaking market research consultancy for over 30 years and has substantive expertise across the spectrum of qualitative and quantitative methodologies. Accent has worked across a wide range of sectors and organisations including Ofwat, Ofgem, CC Water, Citizens Advice, water companies and energy networks.



We have worked with Accent using their market research expertise to develop our new customer segmentation model based on demographic profiling data, customer behaviours and attitudes. This new model allowed us to further tailor our future engagement and to identify key nuances in our customers' views.

We also worked with Accent in the delivery of our willingness to pay valuations where they engaged with domestic and business customers as well as stakeholders.



Accent was supported by **PJM Economics** in the development of our willingness to pay approach and analysis. PJM Economics are specialists in economic research and consultancy with strong expertise and

knowledge in the range of willingness to pay methodologies. To ensure the robustness of our willingness to pay engagement **Professor Ken Willis** undertook a peer review. Professor Ken Willis works at the University of Newcastle as Professor of Environmental Economics and has extensive experience in appraisal and valuation of environmental projects, including externalities and non-market benefits and costs associated with utilities (electricity and water).

Accent also supported us in the design and delivery of our acceptability testing research which sought to greater levels of understanding and acceptability of our business plan propositions.

Citypress is a leading independent PR agency that specialises in helping companies navigate complex communication challenges to engage and influence its customers and stakeholders. Citypress provides a full mix of services including research and analytics, social media consultancy and content creation to deliver integrated campaigns. Their clients include leading retailers, banks and other utility companies.



Their team has helped us to raise awareness of our engagement programme and ED2 business plan with residents, businesses and stakeholders through a range of strategic integrated communications. This includes creating consistent messaging, then executing this through social media content and editorial media coverage in regional, business and trade media titles.

They also developed our dedicated customer microsite, PluggingIn, which provided our customers and stakeholders with information on our ED2 business plan preparations. It also encouraged users to get involved in the engagement programme.



Involve has vast experience in the creation and delivery of deliberative public engagement processes, such as customer panels and citizen juries, to help public and private sector bodies across the UK to understand the needs of their customers and the wider public. Involve has been the leader in the UK delivering deliberative Citizens' Assemblies and other

forms of engagement with representative 'mini-publics' having played a key role in the Climate Assembly UK and Northern Gas Networks' Citizens' Panel. Involve have also worked with Citizens Advice to undertake a comprehensive review to better understand how the 'voice' of energy consumers can be strengthened in the development and delivery of energy network companies' business plans.

Involve supported us in the creation and delivery of our Plugged In Public Panel bringing together 40 members who are representative of our domestic customer base to develop a sound knowledge of Electricity North West and to deliberate and discuss our ED2 business plan propositions.

In the recruitment of panel members, Involve worked with the **Sortition Foundation**. The Sortition Foundation offers bespoke recruitment, selection and stratification services for deliberative engagement. They have worked with the Climate Assembly UK, Environment Agency and IPPR in the recruitment and bringing together a representative, randomly sampled groups of participants.





DevoConnect are a leading public affairs and communications agency who provide strategic insights and support companies to engage with political and business stakeholders. DevoConnect have well established relationships with local and national government, including acting as secretariat to the Greater Manchester All Party Parliamentary Group and the Net Zero All Party Parliamentary Group.

We worked with DevoConnect in the enhancement of our political stakeholder engagement strategy including the provision of strategic advice and insight, facilitating some of our regional stakeholder events and bilateral meetings with key stakeholders.

To ensure our business plan is in an easily accessible format for all of our customers and stakeholders we have worked with **Creative Concern** in the design and layout of the plan.

Creative Concern is a full-service agency including specialising in design work where they pride themselves on creating compelling design across a variety of media. Creative Concern has worked with a wide range of public and private organisations including City of Trees, Energy Saving Trust and EA Technology along with many local authorities and universities.

**Work that matters.
Creative Concern.**

youth focus NW
Improving the lives of young people

Rather than create our own youth panel, our research – including discussions with national youth charity UK Youth – led us to establish a new partnership with **Youth Focus North West** in 2019.

We wanted to find the best way to reflect youth voice in our plans and were advised that tapping into existing structure and groups was preferable rather than assembling a topic-specific bespoke group. Youth Focus North West are a leading regional engagement charity who work in partnership with organisations and young people to have a voice where it counts across the North West and beyond. Youth Focus North West are currently supporting the Greater Manchester Youth Combined Authority which gives young people the opportunity to influence Greater Manchester Combined Authority policies and decisions.

Over the last two years we have worked with Youth Focus North West who provided us with the opportunity to engage with young people on our ED2 business plan through their regional youth forum 'Youthforia' and with their established relationships with the local authorities' youth councils. We have also worked with Youth Focus North West in the development of youth engagement strategy.

3.5 Programme and risk management

We developed a strategy for managing delivery, reporting and analysis across the full engagement programme. This included:

Programme management reporting: A weekly operational project management meeting to plan activity, record lessons learnt and review the risk register.

Executive leadership team reporting: Progress against the plan and stakeholder insights were reported to our Executive Leadership Team (ELT) of eight directors. We also reported regularly to our Regulatory Steering Group, comprised of members of drawn our executive and senior leadership teams, our Regulatory Influencing Group and wider representation from across the business.

Triangulation workshops: We held triangulation workshops with key team members after each phase of triangulation to share, discuss and interpret insights. The resulting reports were shared with our ELT and our CEG.

Customer engagement group (CEG) reporting: Through our CEG's monthly meetings we have provided regular updates on our engagement programme for discussion and challenge. Members of our CEG have attended engagement events to gain first-hand experience, which enabled them to provide informed feedback on the progress and quality of our programme.

Impact assessment of each engagement: Throughout our engagement programme we assessed the quality and robustness of each engagement activity as part of our triangulation process.

Independent assurance: As part of our annual SECV submission we receive assurance from AccountAbility. AccountAbility assess our strategy annually against their stakeholder engagement standard and provide us with relevant feedback and challenge. We have also worked with PWC and Business in the Community to assess our overall business planning processes, as well as our own internal assurance team.

Customer and stakeholder assurance: In March 2021 we published eight key strategies that form part of our business plan appendices for transparency and consultation. These included our draft EV strategy and connections strategy. In April 2021 we voluntarily published a full early draft of our plan⁹ and sought feedback from customers and stakeholders to ensure that our early plan appropriately reflected their priorities, in advance of our first formal submission to Ofgem.

Keeping colleagues up to date: We recognise that, ultimately, our colleagues will deliver this plan, and we've brought them with us every step of the way. We have proactively engaged colleagues from across the business and, to ensure we reach those who are less directly involved with our engagement programme, we have updated all colleagues on the progress of our plan, through an informal project email, issued every fortnight. In addition, we have used our existing internal communications channels to provide updates. These include our weekly e- newsletter and our bi-monthly internal magazine to keep them up to date.

Stakeholder advisory panels: Whilst our advisory panels have continued to focus on ED1 commitments, we have voluntarily added many additional sessions to dedicate significant time to ED2. We have effectively used our Sustainability Advisory Panel, Consumer Vulnerability Advisory Panel and our CEO Advisory Panel to both directly engage on elements of our plan that are of importance to them, but also have sought their challenge on our overarching engagement approach and methodologies, throughout.

4 Our engagement programme

⁹ See <https://www.enwl.co.uk/about-us/engaging-with-our-stakeholders/our-future-business-plan/>

To ensure our ED2 business plan was driven by customer and stakeholder feedback, was ambitious and was feasible to deliver, we developed the following programme to engage with our ED2 customers and stakeholders following the initial ‘shaping’ stage of our strategy (as outlined in Section 3.2).

We separated our engagement activities into six main phases, with triangulation completed after each, to inform priorities for the next phase.

- Phase 1: Customer connection - Inclusivity
- Phase 2: Electricity in my life - Materiality
- Phase 3: Our plan for the future - Responsiveness
- Phase 4: Sweating the detail - Impact
- Phase 5: Closing the loop - Review
- Phase 6: Refine and submit - Finalise

Our initial programme included four phases covering inclusivity, materiality, responsiveness and impact, but our agile approach in delivering the programme enabled us to add two further phases – review and finalise – which we recognised would significantly enhance the business plan by enabling us to document what we had learned from our engagement. Figure 5 shows the additional two phases. Each phase of the programme aligns to the AccountAbility structure.



Figure 5: Six phases of our ED2 engagement

The ‘closing the loop’ phase allowed us to go back to stakeholders, following acceptability testing to retest our whole programme, as well as specific elements of it. This was directly responsible for our decision to voluntarily publish an early draft of our plan in April 2021 for consultation, in advance of our July 2021 draft submission and this also formed part of our assurance process.

Adding our ‘refine and submit’ phase recognised that our engagement would not be complete until we had submitted our final plan. This phase has provided a structure to continue engaging following feedback on our draft plan from Ofgem’s Consumer Challenge Group, prior to our final submission, on 1 December 2021, as per Ofgem’s enhanced stakeholder engagement guidance.

Our engagement programme was intended to evolve and adapt as we progressed through the lifecycle of our ED2 preparations. The triangulation activity, conducted at the end of each

engagement phase, enabled the approach to continually be refined as our understanding of our customers and stakeholders’ priorities evolved.

More detail on what activities took place in each phase can be found in Section 4 of our main business plan narrative document.¹⁰

4.1 Phase 1: Customer connection – Inclusivity

4.1.1 Stakeholder identification

As part of our ongoing stakeholder engagement strategy we are continually identifying and assessing new and existing stakeholders, categorising and mapping them based on their interest/influence with our activities.

Our established ED1 stakeholder map provided the starting point to identify our ED2 stakeholders. We then compared our ED2 priorities to these stakeholders and created a shortlist of stakeholder groups that spanned the 50 stakeholder sub-groups, segmented on our understanding of their interests, expertise and impact on our ED2 priorities.

This mapping exercise was also beneficial in identifying gaps, enabling us to develop appropriate activities to swiftly address these gaps. Table 2 shows our mapping. We engaged our CEG early in this mapping activity to ensure the approach was subject to scrutiny and challenge, prior to commencing any form of engagement.

Consumers	Domestic customers – current & future	Priority Service Register customers	Business Customers	Domestic Connections customers	Business Connections customers	Housing and building developers	
Political, regulatory & public sector stakeholders	Regional members of Parliament	Regional Local Authorities	Emergency Services	Government departments	Local Enterprise Partnerships (LEPs)	Healthcare providers	
	Universities	Schools	Ofgem	Office of Elected Mayors	Emergency Services - resilience	Transport providers	
Sectoral and supply chain stakeholders	Other utilities	IDNOs	Pension trustees	Contractors & suppliers	System Operator (ESO)	Electricity generators	Flexibility Providers
	Trade unions	Employees	Electricity suppliers	Specialist consultants	Network Operators (ENA)	Transmission system & Network Operators	
Charities, NGOs and lobbying organisations	Consumer Protection representative bodies	Agricultural representative bodies		Environmental campaign groups	Information suppliers		
	Landowners	Responsibility framework partners		Community Energy Groups	Cyber resilience forums		
Legal and financial stakeholders	Shareholders	Investment banks – bond holders	Insurers	Ratings agencies			
Media and advisory organisations	Local and regional media	National Media	Trade media	Accreditation bodies	Social media		
Regional social, economic & environment stakeholders	Customer community groups	Consumer representative bodies	Regional environment charities	Regional fuel poverty representatives			

Table 3: Our ED2 stakeholder mapping exercise

It is important to note we undertook research with our domestic consumers to develop a new customer segmentation model to further understand their priorities and engagement preferences. We wanted customers and consumers to influence our plans and recognised the need for our plans

¹⁰ See <https://www.enwl.co.uk/globalassets/stakeholder-engagement/engagement-hub/early-draft-bp-for-consultation-v1.0-v4.9.pdf>

to be based around their needs. Customers in particular, and future customers were after all the ones who would be funding the investment we set out in the plan.

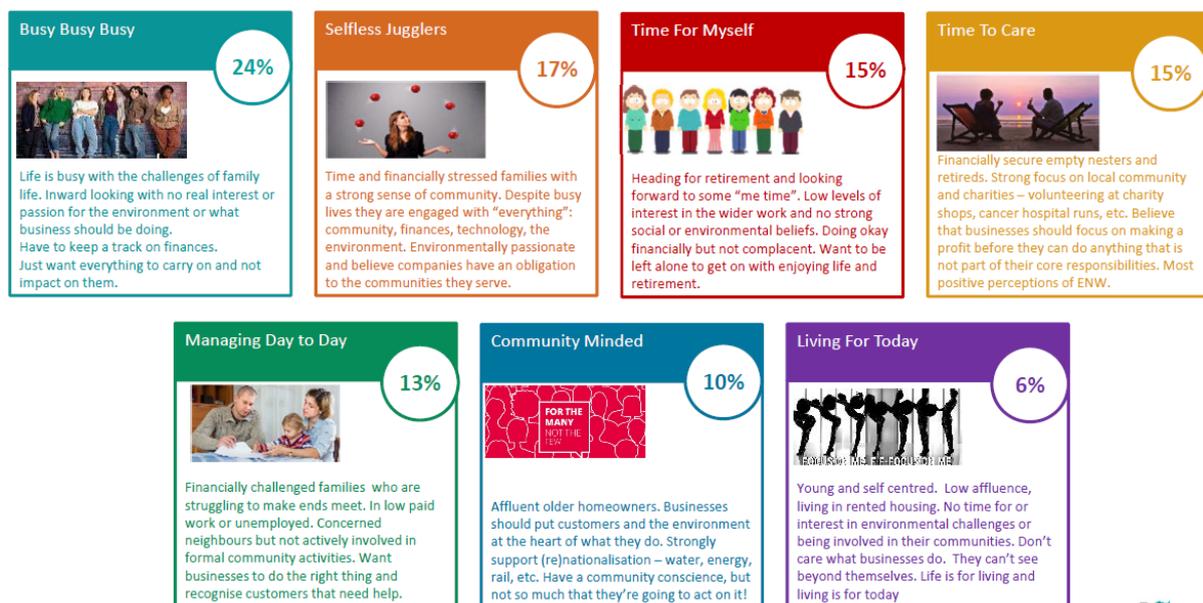
4.1.2 Customer segmentation

Through our best practice research, we recognised the value of creating a customer segmentation model which considered demographic data, attitudes, behaviours and engagement preferences. This type of segmentation model enabled a more targeted and tailored customer engagement programme aligned with these factors. The model also allowed us to utilise the insight to deliver services more effectively and efficiently in the future.

We appointed Accent Market Research to support us in the creation of a segmentation model and consulted 2,015 domestic customers to develop a better understanding of our customers and their varying viewpoints. This research was conducted through a mixture of focus groups and online surveys which sought views on a diverse range of topics that extended beyond electricity. The research captured opinions on the environment and sense of community. We also utilised this research to asked participants about our priorities in terms of importance.

From this insight we created a new segmentation model which identified seven distinct customer groups (as set out in Figure 6). As part of this process we identified ‘golden questions’ that we use now wherever possible, to help us ensure representation in research, and give us another metric by which to analyse results.

This new customer segmentation model became pivotal to our customer engagement programme.



Accent

Figure 6: Our new customer segmentation model

4.1.3 Stakeholder advisory panels

Our stakeholder advisory panels are represented by experts in their field who provide advice, guidance and oversight of our current and future performance and investment. In ED1, input from our advisory panels have demonstrably strengthened and simplified our stakeholder engagement cycle, embedding it within our overarching company governance process and ensuring our stakeholders' priorities shape the way we operate and work.

We harnessed the opportunity to engage with our established ED1 advisory panels as a way of engaging with our stakeholders. The membership of these panels and regional workshops include local authorities, businesses and trade associations, community energy organisations and consumer and environment representatives.

Although engagement with our advisory panels focused on our ED1 business plan we used their valuable insight as part of our ED2 business plan preparations. For example, at our 2018 Strategic Stakeholder Advisory Panel we asked our stakeholders what they thought our future priorities should be.

Throughout our ED2 engagement programme we facilitated additional engagement with our advisory panels to engage with panel members on specific ED2 business plan strategies. In total we hosted 38 advisory panels which is an increase of 20 panel meetings compared to the previous two years (2018 and 2019). We also formed two sub-groups from our Sustainability Advisory Panel to focus on two key business areas: Environmental Action Plan and Community and Local Energy.

With our Consumer Vulnerability Advisory Panel, we recognised the need to separate the panel to have specific sessions focusing on strategy and delivery to enable discussions to become more targeted.

4.1.4 Our regional annual stakeholder workshops

Alongside our stakeholder advisory panels our open access regional annual workshops in our three sub regions- Cumbria, Lancashire and Greater Manchester allow us to engage a wider audience of stakeholders. These workshops provide the opportunity to update stakeholders on our business plan performance and to engage with stakeholders on their regional priorities. They are also enable them to advise us what our priorities should be in the coming year and beyond to collaboratively understand and meet their needs.

Our 2019 regional workshops formed part of our [pre-engagement](#) where we engaged stakeholders on what issues mattered to them We then mapped stakeholders' priorities against those that were relevant to our business. We also consulted our stakeholders to identify the best and preferred methods to engage with them, their stakeholder group and customer groups they represent.

In 2020 we used the regional annual stakeholder workshops to check our stakeholder priorities against what they told us at the last workshops as well as insights that we had gained from other engagement with our stakeholders and customers to ensure we were prioritising the right things.

4.2 Phase 2: Electricity in my life – Materiality

Through our first triangulation paper, we were able to correlate emerging themes from our ED1 stakeholder engagement and ED2 pre-engagement activity with Ofgem’s RIIO-ED2 output categories.

We then assessed the materiality of our engagement topics (low, medium and high) in terms of:

- Financial investment required and;
- An understanding of the impact/benefit of the investment on consumers.

Greatest weight was placed on building on evidence that supports ‘meeting the needs of consumers and network users’.

This exercise ran concurrently with the start of our new engagement programme, specific to the development of our ED2 business plan. We wanted to ensure that we engaged customers, consumers and stakeholders on the things that mattered most to them with our engagement being topic-led. However, to do this we needed to carry out some element of engagement to begin to understand priorities. We already had a basis for this from stakeholders through our established and regularly updated materiality matrix but recognised a need to do a similar exercise with customers.

We conducted two research activities to achieve this aim. We worked with Accent Market Research to develop a consumer segmentation exercise, which included discussion of priorities. We also worked with Explain Market Research to devise and deliver a broad priorities exercise for customers using both qualitative and quantitative techniques.

Customer Connection (Priority list)	Stakeholder equivalent
Delivering a reliable network	We keep your life running
Helping the North West become carbon neutral	Support transitioning to a low carbon economy
Building a resilient network	Improve network resilience
Supporting vulnerable customers	Support for vulnerable customers
Keeping employees and customers safe	Improve public safety
Keeping Electricity North West’s component of your energy bill as low as possible	Help you keep bills to a minimum
Meeting our customers’ needs	Enhancing customer service
Electricity North West’s direct environmental impact	Reduce our environmental impact

Table 4: Customer vs stakeholders priorities

We created a combined prioritisation map by aligning our customer and stakeholder priorities. We used the customer priorities research from our customer connections research (Phase 1) and our stakeholder priorities matrix to create this integrated customer and stakeholder prioritisation map.

We then applied an index score to our priority scores which provided a common framework for comparison. For each engagement the total number of priorities differed, therefore the importance scores were indexed against the most important priority (see customer example in table 5 below):

Customer priority	Importance score*	Customer index	Stakeholder index
Delivering a reliable network	7.1	100	100
Keeping Electricity North West's component of your energy bill as low as possible	6.6	93	53
Providing value for money	6.3	89	-
Meeting our customers' needs	5.9	83	50
Supporting vulnerable customers	5.4	76	72
Building a resilient network	5.3	75	73
Keeping employees and customers safe	5.4	76	62
Helping the North West become carbon neutral	4.7	68	94
Electricity North West's direct environmental impact	4.8	65	53
Raising awareness	3.4	48	-

*Customer data was weighted to 74% domestic: 26% businesses – a weighted load-share

Table 5: Combined prioritisation map

To arrive at an overall importance score, customer data was given a weighting of 80% and stakeholders data was given a weight of 20%. This framework ensured focus was aligned to our objective of 'meeting the needs of our consumers and network users' - at the heart of our business plan strategy, whilst ensuring stakeholders views are also represented.

Table 5: Customer and Stakeholder Comparison

Priorities were then clustered into relative groups of importance (high, medium and low). Figure 7 shows the outcome of this exercise.

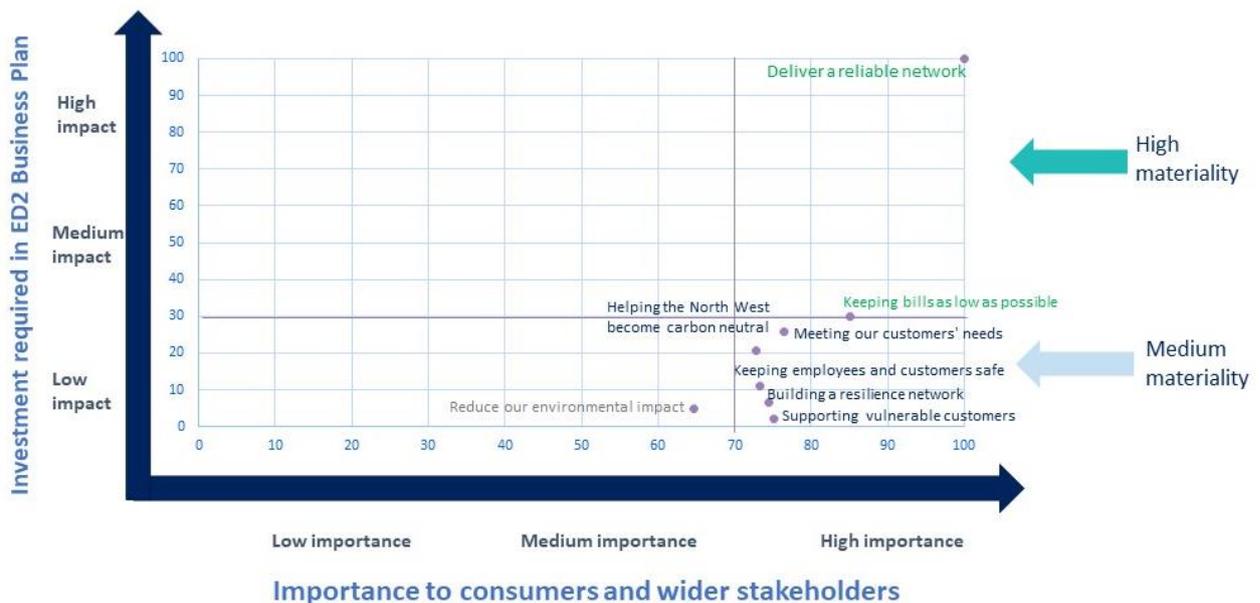


Figure 7: Outcome of combined customer and stakeholder prioritisation exercise

We then mapped our customers and stakeholders against each of our priorities which enabled us to formulate a targeted engagement programme.

Although we undertook an initial prioritisation exercise, we understood that some engagement topics could not be pre-determined. We also recognised the rapidly expanding and changing nature of some of our customers and stakeholders.

To ensure our engagement programme was responsive and adapted to our customers' and stakeholders' priorities we resolved to undertake a stakeholder engagement audit every quarter to ensure our engagement remained relevant, inclusive and representative of our customers and stakeholders. These emerging topics and insights were fed through the same prioritisation criteria and determined the engagement activity for the next phase.

4.2.1 Campaign branding

To underpin the engagement programme we developed a campaign brand that was linked to but separate from our corporate brand. It used the same typeface and text colour and utilised the pendant shape of our logo, while introducing representations of our three regions, Greater Manchester, Lancashire and Cumbria in a new colour palette. This was particularly useful for our online community and Plugged In Public Panel, providing participants with a clearly recognisable visual identity they could latch on to. We also used the design for our customer-facing dedicated microsite.

4.2.2 Priorities research

As part of our phase 1 'customer connection' engagement and the phase 2 'electricity in my life' research we identified what our stakeholders believed our priorities should be for our RIIO-ED2 business plan. We also recognised the need to engage with our customers on their views about our priorities. We worked with Explain one of our engagement specialist partners to undertake this customer research.

This comprised a mixture of both qualitative research (focus groups meetings across our three sub-regions) and quantitative research, involving online surveys and face-to-face 'on-street' surveys, to understand what our customers thought our priorities should be.

Following the qualitative stage, we undertook cognitive testing to ensure customers fully understood what we were asking them, the survey was able to generate a robust response and meaningful outputs. We evaluated the result of this testing to refine the survey and the associated materials for the quantitative research stage.

We recognised that many of our customers were unfamiliar with Electricity North West, our role, responsibilities and why we wanted to engage with them. We therefore initiated this engagement by providing respondents with an overview of what a distribution network operator does and why we wanted to engage with our customers in the development of our business plan.

With this education, but without alluding to the business plan priorities that our stakeholders had identified, we asked customers what they thought our priorities should be. We then shared our stakeholders' views and asked customers if, with this additional layer of insight, they agreed with these priorities. We also asked them to consider if there were any areas they believed were missing from the list. Our customers agreed with the seven stakeholder priorities; however, they identified an additional three (for further information please see Appendix 5.2 of Annex 1). Customers were then asked to rank these priorities in terms of importance.

We explored these ten priorities throughout our engagement programme to develop and evolve our understanding of both our customers and stakeholders' preferences.

4.2.3 Dedicated microsite

Alongside our online community we created a [dedicated microsite](#), separate from our main website, as we wanted to ensure that all information associated with our RIIO-ED2 business plan preparations and engagement was contained in one designated repository, to make it more accessible to our customers and wider stakeholders. We also used the microsite to direct our customers to our online community to enable them to engage in our ED2 engagement programme.

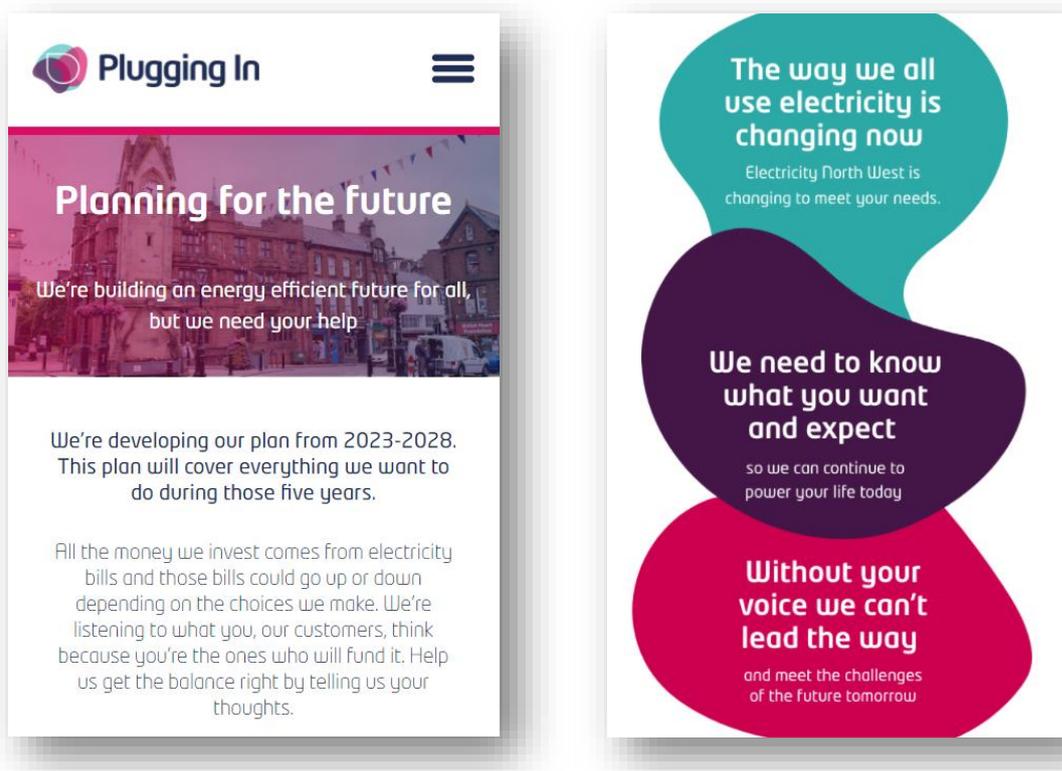


Figure 8: Our Plugging In dedicated microsite

4.2.4 Online community

During phase 2 of our ED2 engagement programme 'electricity in my life', we introduced our online community 'Plugged In', which allowed us to deepen our understanding and knowledge of our customers' priorities and preferences, relative to our business plan priority areas and associated investments. This online community offered customers who are either time poor or lack the inclination to contribute in face-to-face engagement, with an alternative mechanism.

This engagement was achieved by posting a mixture of discussion points, surveys and polls on the community. This platform enabled us to present information and data in a more digestible format, such as videos and infographics, which had the benefit of increasing participation in our engagement. Our online community platform also provided the opportunity for members to

generate their own discussion posts, and the proactive contribution of participants served to demonstrate another valuable insight into what our customers' priorities are.

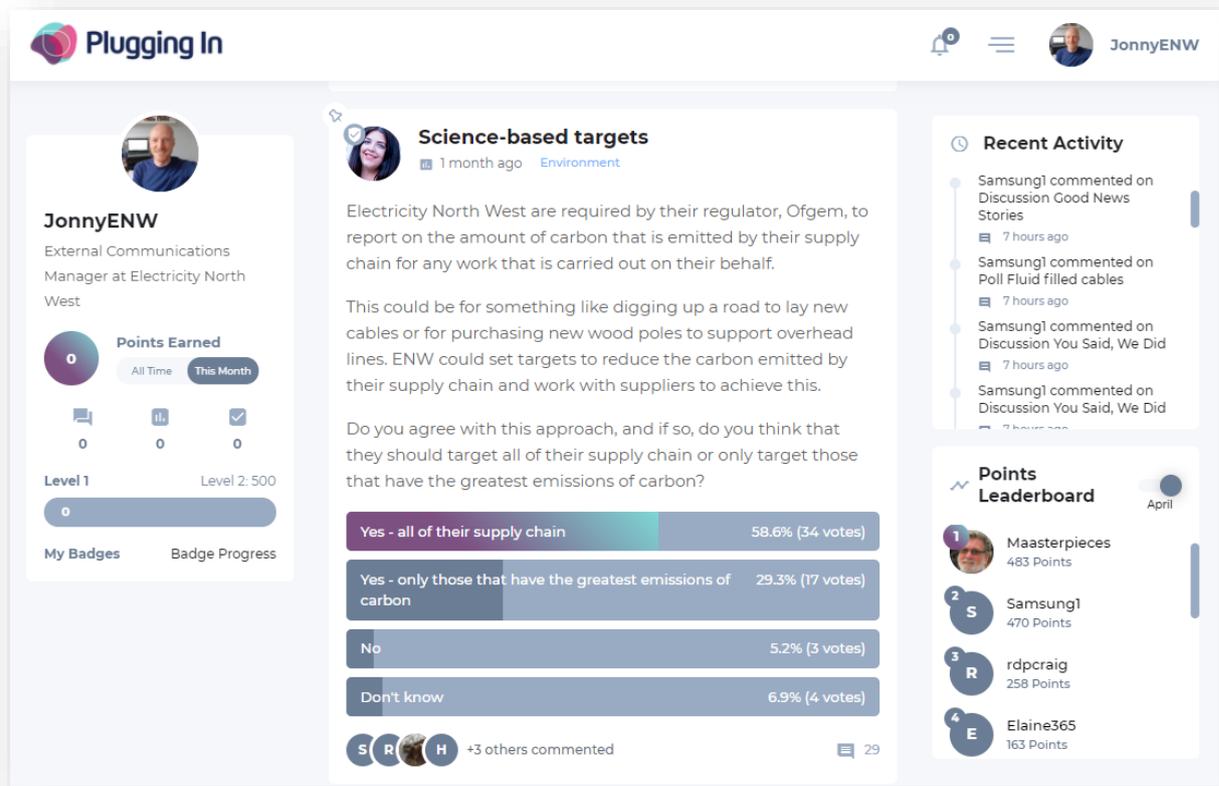


Figure 9: A snapshot of our Online Community 'Plugging In'

Online Community Statistics	
New members who have joined during the period	935
Unique number of members who have participated	613
Number of comments on a discussion	8,037
Number of agrees/disagrees on a comment	49,015
Number of poll votes	4,676
Number of members who have voted on a poll	564
Number of members who have completed a survey	672
Number of new pieces of content created in the period (inc moderators)	280

Table 6: Online Community statistics

4.2.5 Plugged In Public Panel

Our Plugged In Public Panel allowed us to deepen our understanding of our business plan priority areas and associated investments. The panel is comprised of 40 domestic customers from across our

region and was independently facilitated by our research partner, Involve. The recruitment to the panel was determined by a stratified random selection process, which closely matched the demographic of our region, in addition to mirroring our segmentation model as far as possible. Such a small sample does not lend itself to robust quantitative research, and for this reason the panel's contribution was qualitative in nature.

We established our deliberative Plugged In Public Panel in spring 2020 in the midst of the first COVID-19 national lockdown. We decided early in the programme's development that the panel would be run exclusively online on the basis that we would be clear from the outset that the panel had signed up to participate in online sessions only.

Using the Sortition Foundation¹¹, we sent out over 6,000 invitations to randomly selected postcodes and addresses and we received a total of 150 applications from interested customers. From this pool of respondents, we undertook a second stage of stratified random selection, based on matching the latest UK census data and stratifying six socio-economic demographic indicators including:

- Age
- Gender
- Ethnicity
- Occupational status and grade (as a proxy for socio-economic status)
- Geographic spread (including an urban / rural dimension)
- Disability (self-declared)

Using these indicators optimised the chances of ensuring the panel's diversity and also reflecting the key features of hard-to-reach customers, and those in vulnerable circumstances, across our operating area. This led to the selection of 40 members to form our Plugged In Panel

The panel was convened on nine separate occasions using the online platform Zoom and engagement tools, Mentimeter and Google's Jamboard. These sessions were facilitated by our research partner, Involve, but were aided by presentations from senior colleagues at Electricity North West, led by our Regulation and Communications Director, Paul Bircham.

Engagement materials were provided in advance of the meetings, including bespoke support where needed. This included the provision of some tablet devices, to ensure there were no barriers to engagement and a broad section of view were heard.

The deliberative customer engagement panels sought to:

- Develop panel members' knowledge to foster an understanding of the issue based on unbiased information.
- Keep discussions focused and encourage active participation from all members. This was aided using the 'breakout room' function of Zoom for smaller, facilitated discussions throughout each panel meeting.
- Encourage deliberation, allowing panel members to reach their own conclusions, from their unique viewpoint, based on what they learnt.

¹¹ <https://www.sortitionfoundation.org/>

July - November 2020

In common with other areas of customer engagement, the initial meetings concentrated on developing the panel's knowledge of Electricity North West, specifically our role and responsibilities, our current ED1 performance and our proposed priorities for our ED2 business plan.

Subsequent meetings focussed on three thematic areas of our business plan- Network, Environment and Customer.

The sixth panel meeting was dedicated to playing back what we had heard from the panel and how that has influenced our draft proposals. We then presented our draft business plan propositions and the impact of the associated investment on customer bills. We also provided the panel with the outcomes of our WTP research. Having presented this information, we asked the panel if our proposals and the corresponding bill impact was acceptable.

March 2021

At the outset of our phase 5 research 'closing the loop' engagement we recognised that we would need to undertake further in-depth engagement with our Plugged In Panel on specific topic areas of our business plan. Many of the panel members were happy to reconvene and continue to be engaged in our business plan preparations. We brought the panel together for a further two sessions ahead of the draft submission of our business plan. The purpose of the first session was to discuss the results of our acceptability testing survey and delve into more detail. The second session solely focused on finance.

These panel meetings enabled more detailed and constructive discussions about the services consumers value from Electricity North West. This type of deliberative engagement provided clarification on consumers' investment preferences, the importance they placed upon different performance areas and the level of support for different business plan options.

September - October 2021

During the final phase of our engagement programme we reconvened our Plugged In Panel for a further two sessions. In September 2021 we convened the Panel for the ninth time where they discussed our diversity and inclusion approach asking the panel for their views and suggestions on how we can create a more diverse and inclusive workforce.

During this session we also presented our Distribution System Operator (DSO) strategy for input explaining the move towards a DSO and the three roles of planning and network development; network operations; and market development that might have an impact on domestic customers. We then asked the panel to discuss the benefits and impacts of each role as well as their views of appropriate measurement.

In October 2021 our Plugged In Panel met for the tenth and final time where we asked the panel for their views on our proposals to focus our business plan around a Net Zero vision. Members also discussed three proposals which have been amended following the submission of our draft business plan to Ofgem's Customer Challenge Group. It was explained to the panel that costs could be reduced by reducing the scope of the proposals in the business plan or by alternatively not requesting all the funding required for the proposals up front, but on as a pay-as-you-go basis. Each

proposal the panel discussed was in the context of new work that had been completed to establish the Social Return On Investment of key proposals.

4.2.6 Political engagement

MPs and local authorities are key stakeholders due to their level of influence and remit in terms of planning and many other areas such as Net Zero. As locally elected politicians, they have the mandate of the public, and it is essential that we work closely with them. We worked with a specialist public affairs agency, DevoConnect, to enhance our engagement with this stakeholder group to secure locally-specific inputs and capture key priorities.

We undertook an initial perceptions survey with some of our MPs and local authorities to assess their level of awareness and establish their thoughts and opinions on what our role should entail in the future. This research approach was designed to manage the potential risk of political challenge

The primary objectives of this research were:

- Map and prioritise our future engagement and support
- Map and identify our “Top 50” most relevant North West and national decision makers and influencers
- Inform our engagement plan with this stakeholder group.

The research questions posed were designed to gauge:

- Awareness and perception of Electricity North West
- Perceptions of climate change and net zero targets, specifically in the North West, recognising changing demands on local grids in line with climate change ambitions
- Views on the regulatory environment and central government policy
- Priorities and future role of Electricity North West

We used this insight to create a specific political engagement plan, which enabled us to:

- Identify opportunities for engagement, networking and speaking with local and national MPs.
- Create a regional “voice” and strengthen relationships with local authorities
- Continue to work with the Greater Manchester All-Party Parliamentary Group (GMAPPG) and other relevant groups
- Map and priorities our top 50 stakeholders.

As part of this exercise we reviewed our existing stakeholder relationships with local enterprise partnerships, MPs and local authorities and sought opportunities to leverage engagement with these stakeholders on our business plan priorities.

We undertook a series of one-to-one meetings with individual stakeholders who we identified as having high interest and influence in Electricity North West and our future business plan. We also joined the Greater Manchester Westminster Group as sponsors to provide an engagement platform with a large number of time-poor MPs.

We established a quarterly parliamentary update which provided MPs with an overview of our ED2 business plan preparations and held successful online drop-in sessions for MPs and their staff. We also attended numerous council meetings, such as scrutiny committees and we held CEO-level meetings to gain direct input. We utilised these channels to invite MP and Local Authority senior

representatives to events, including Powering Up the North Campaign events, Parliamentary drop-in sessions and opportunities for one-to-one bilateral meetings.

In September 2020 we hosted a high-level 'Powering Up the North' summit attended by 81 key political and business stakeholders, including industry expert to discuss and deliberate the opportunities and challenges for the North West in the transition to net zero.

Following this large regional event, we hosted three similar events in each of our sub-regions, Cumbria, Lancashire and Greater Manchester attended by another 133 delegates in total. We recognised that each sub-region has different ambitions and maturity of energy plans as well as their own unique challenges and opportunities. As such, we were keen to engage with local political and business stakeholders serving these diverse areas and their communities.

4.2.7 Hard-to-reach groups

We recognised that we would need to identify and take extra steps to reach groups that are seldom heard to ensure they were represented. Measures taken included:

- Providing tablets and IT support to some members of our Plugged In Public Panel.
- Creating online surveys for our business and political stakeholders to complete in recognition they are time poor and the time they can devote is valuable.
- Conducting in depth one-to one interviews with businesses, at a time meeting their representatives convenience, as part of our WTP research.
- Creating an online community to allow hard to reach and seldom heard customers to have their say, when it suited them, via remote methods.

4.2.8 Youth engagement

One of Ofgem's key requirements is that network companies must engage with all stakeholders, including future customers as part of their RII02 engagement programmes. We recognise the importance of understanding the needs and preferences of individuals that may not currently have the responsibility for paying electricity bills, particularly young people, but who may do so in the future.

We recognised that many young people place more importance on the climate change agenda as they will be directly impacted by the transition and therefore we sought to hear their distinct views.

Our early engagement programme acknowledged that we had limited experience and knowledge in involving young people in our business decisions. We therefore formed a partnership with Youth Focus North West who are specialists in youth engagement, with well established relationships with youth councils throughout the North West.

Youth Focus North West host a regional youth forum 'Youthforia' which is made up of representatives from 23 local authorities' youth councils and members of the UK's Youth Parliament.

Through our partnership we attended six Youthforia events where we engaged with 165 young people on our ED2 business plan priorities. In line with our main customer engagement programme we undertook three sub-regional focus groups with young people to gain insight into the opportunities and challenges in these areas.

This partnership was successful in the development and delivery of deliberative engagement activities with a broad representation of young people from across the North West.

4.3 Phase 3: Our plan for the future – Responsiveness

4.3.1 Willingness-to-pay

The core objective of our willingness to pay (WTP) research was to obtain robust estimates of what customers are prepared to pay for potential services and initiatives, and how this varies relative to different levels of improvement in services.

There were two main phases of WTP research: a ‘maximum difference’ phase using trade-offs to identify customers’ most and least supported priorities; and a full WTP study. The figure below sets out the six stages to our WTP research.



Figure 10: The six stages of our willingness to pay research

For the first phase of our WTP research we undertook a Maximum Differentiation (Max Diff) survey. A prioritisation methodology (as illustrated in Figure 11) was applied to a list of 77 attributes to identify the 24 attributes that would be tested as part of the Max Diff survey. For this research we took a combined sample of household (HH) and non-household (NHH) customers to provide a combined measure of customer priorities. The outcomes of this survey would determine the list of attributes that would be tested as part of our main WTP research.

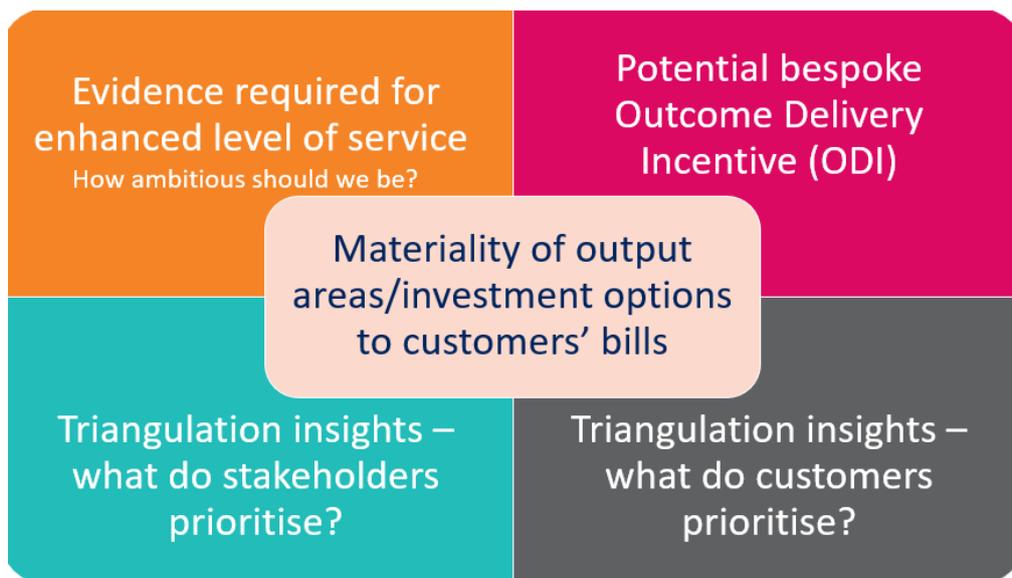


Figure 11: Prioritisation methodology

Following the MaxDiff survey, we worked with Accent to analyse the findings, to determine which service measures and corresponding attribute levels should be presented in the main WTP and evaluate the experimental survey design for measuring customers WTP.

Prior to the launch of our main WTP research, Accent conducted three focus groups with a cross-section of domestic and business customers, designed to evaluate consumers' understanding of WTP attributes, sense-check the credibility and ambition of the service levels being tested and reveal anything missing that needed to be considered as part of our business planning process. We then refined our engagement materials for further cognitive testing through a pilot survey.

The pilot survey consisted of 100 domestic customer interviews and 25 business customer interviews. This robustly tested the quality and effectiveness of the survey instrument and the associated engagement materials, its method of administration, respondents understanding of the questions and trade-off exercises and the response rates.

Results from the pilot study were used to refine the experimental design for the main survey, to further improve the statistical precision of the results.

Our main WTP survey included a 'stated preference discrete choice experiment'. We used this as our approach to identify our customers preferences on a number of our business plan proposals. Stated preference (SP) methods involve asking participants a series of carefully designed questions to explore their preferences when asked to make a trade-off between having a better or worse level of service, or receiving a higher or lower payment. The trade-off between money and the provision of the good or service defines the value measure.

The Discrete Choice Experiment method presents a series of questions from which the respondent selects their preferred choice from two or more options, where each is characterised by a number of attributes or level (typically between 3 and 6). We then undertook econometric analysis of the data which allows for valuation of each of the attributes individually.

Following the Max Diff survey, we used the following prioritisation criteria to shortlist the attributes for our main WTP research:

1. Will the initiative have a material impact on customer bills?
2. Is there tension between customers and wider stakeholders views? In addition to the materiality threshold being met, further evidence is required to resolve conflict between customers' and wider stakeholders' views and set appropriate targets.
3. Is the initiative a new novel idea? Substantive evidence has identified a new initiative which could posed a level of risk.

For this phase a final set of 12 service attributes were selected, and grouped into the following three areas- Network, Customer support and Environment. For each attribute, three levels were included: one representing current level of service, one representing a realistic stretch improvement level and one intermediate improvement between these two levels.

To ensure the widest breadth of engagement, we recruited previously unengaged participants who had never been involved in previous research with us. We also used other channels such as our online community, Plugged In deliberative panel and advisory panels to complete our main WTP survey, which enabled us to compare any differences.

We also set out an approach to test attributes that were not included in our Max Diff research. These were tested through other engagement mechanisms such as our online community and customer deliberative panels. This strategy allowed us to refine our proposals and commitments before the 'overall' package of services was embedded into our formal acceptability testing survey.

The outcomes of our main WTP research was key to our acceptability testing. We shared these results with our panels and provided their members an opportunity to discuss the key trade-offs.

Our customer deliberative panel and stakeholder advisory panels provided us with insights that went beyond the statistics, helping us to ensure an optimal package of services to be tested in our acceptability testing research.

4.4 Phase 4: Sweating the detail – Impact

4.4.1 Acceptability testing

Throughout our engagement programme we have sought to identify our customer and stakeholder views, expectations and priorities regarding our future business plan. We developed and tested a range of possible initiatives with customers in each of these areas and identified those which have significant support and endorsement. Following WTP research we developed a more detailed package of propositions with specific service levels which were tested together as a whole in the fourth phase of our engagement programme.

The aim of this acceptability testing research was to:

- provide evidence that customers and stakeholders' views have informed the content of our business plan;
- understand which elements of our plan consumers, customers and stakeholders supported
- find out if the associated bill impacts were acceptable to customers;

- understand the reasons why customers do or do not find the plan acceptable and how acceptability can be improved.

We took a phased approach to this phase of engagement which commenced with a preliminary qualitative stage, prior to the quantitative testing of customer acceptability. These phases helped to test and refine the material to be used in the research and would provide further evidence that the plan development has been informed by customers' spontaneous views and preferences. This research tested 51 high level propositions.

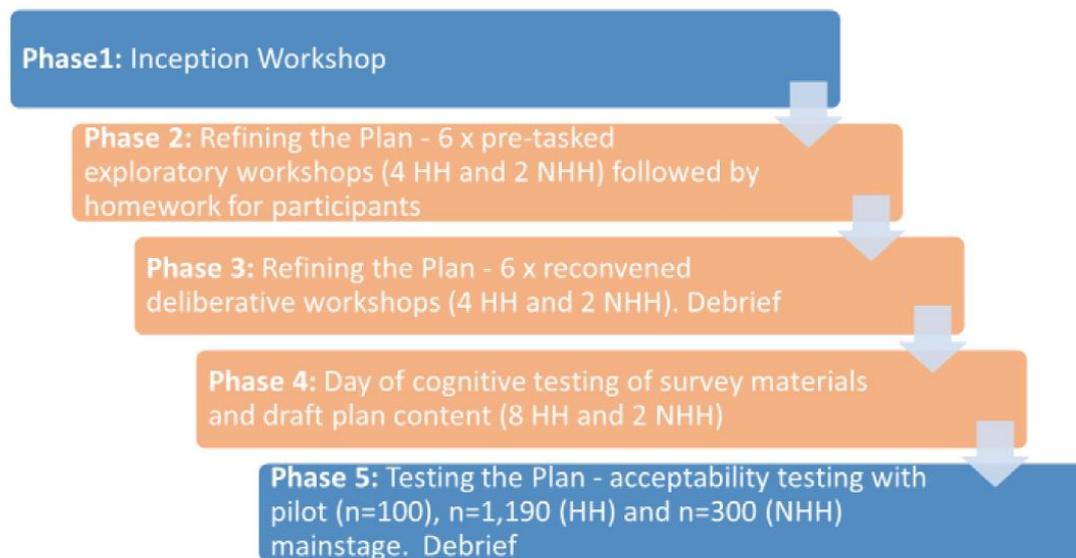


Figure 12: Five phases of our acceptability testing

At the start of this engagement we met with Accent to discuss and refine our approach to acceptability testing based on the outcomes of our acceptability testing.

Before commencing our quantitative survey, we undertook six, two-part focus groups with both household (HH) and non-household (NHH) customers. In advance of the first set of focus groups we asked participants to undertake a 'pre-task' activity, the purpose of which was to encourage participants to start to think about how they individually use and rely on electricity. This formed the initial discussion element for the focus group. In common with previous phases of engagement, we asked participants about their current knowledge about Electricity North West and any previous interaction with us. We then educated participants about our role and responsibilities and encouraged their feedback.

We introduced our business plan, explained the process we had undertaken in developing the plan and introduced our seven business plan priorities. We asked participants for their feedback, encouraged questions and explored views on what they perceived would be Electricity North West's most significant challenges in the next seven to eight years. Participants were asked to consider our seven priorities, relative to their individual electricity consumption behaviours/needs. This provided a foundation for introducing the concept of improvements in service level having the potential for increases in customers' bills and enabled us to begin testing level of acceptability with participants.

The purpose of the second focus groups was to delve further into customers' opinions on our business plan proposals. Before reconvening, participants were asked to review and consider our proposals through bespoke customer-friendly materials provided in advance of the session.

For this focus group we broke down our business plan proposals by priority area and began discussions by seeking participants thoughts on each priority area. We then discussed each business plan proposal in detail and sought opinions on proposed targets. Participants were then asked to rate each proposal on a scale of 1-10 in terms of acceptability.

We then asked participants to rate the overall business plan, specifically how acceptable the plan was and to what extent they trusted Electricity North West to deliver on the commitments. Participants were then encouraged to share the rationale for their scores, and the key reasons driving their decision.

Finally, the discussions explored how our plans could impact on customers' bills. We explained that in our plans must consider how our investment choices balance maintaining existing infrastructure and meeting future challenges, such as meeting future demand and meeting environmental targets. We shared information about potential impact on bills, based on what we believe it will cost to deliver all the proposals covered earlier in the session. We then sought participants' view on what we are proposing to deliver in our ED2 business plan, compared to the expected bill impact. Participants were asked how acceptable the proposed bill increase was and if the increase presented value for money.

Following completion of these exploratory focus groups, we worked with Accent to develop the main survey instrument and supporting materials to effectively present the key elements of our draft business plan. The survey design took account of the different ways our customers consume and understand information, and included visuals to enhance the look, feel and comprehension of the information presented.

We conducted 10 online cognitive testing interviews of the survey materials and our business plan with both domestic and non-domestic customers to ensure they understood what was being asked of them and the implications of their choices. The cognitive testing stage involved taking a participant through the survey and included asking additional questions to probe for levels of comprehension and ease of completion. The output from this testing was an assessment of how well the core questions 'worked' from a cognitive perspective and what refinements were required.

Following the cognitive testing stage, to further evaluate the survey instrument, the stimulus materials and the overall method of administration, we undertook a pilot survey, comprised of 100 domestic customer interviews. Of these, 90 were conducted online and 10 took place face-to-face. We also conducted a pilot of the non-domestic survey, comprising 25 customer interviews. The outcomes of the pilot study resulted in further refinement of our survey and its supporting materials.

Our acceptability approach was similar to our WTP research in that we used an online panel to recruit respondents. A total of 1,100 respondents completed our acceptability survey. We also conducted face-to-face interviews with 90 customers in vulnerable circumstances, who are harder to reach via online methods or phone. Our customers also completed the survey via other channels, such as our online community, deliberative panel and advisory panels.

As part of this process we determined the materiality of evidence collected using three key tools. In recognition that not all engagement is equal we developed a weighting criteria ahead of the main quantitative survey. This approach aligned with our quality assurance process, which provides a mechanism to assess how robust each piece of engagement was, and therefore, how much weight it should have in our triangulation process.

This approach places a different weight on customers’ and stakeholders’ views. Ultimately our customers will pay for any improvements, therefore it is appropriate that they have the biggest say.

We then consider the customer groups themselves, which can and should be divided into domestic and business customers. We use a proxy, which combines the volume of these customers connected to our network and their electricity consumption to fairly represent them. Figure 13 illustrates our quantitative data weighting, used to appropriately reflect customers’ and wider stakeholders’ views in our decision making.

In the analysis of survey outputs, it was determined that business plan proposals that achieved acceptability of 80% or above would be included in our plan. The methodology also involved scrutiny of survey results, for proposals which failed to achieve our target of 80%, to ascertain if further engagement with our customers and stakeholders in these areas.

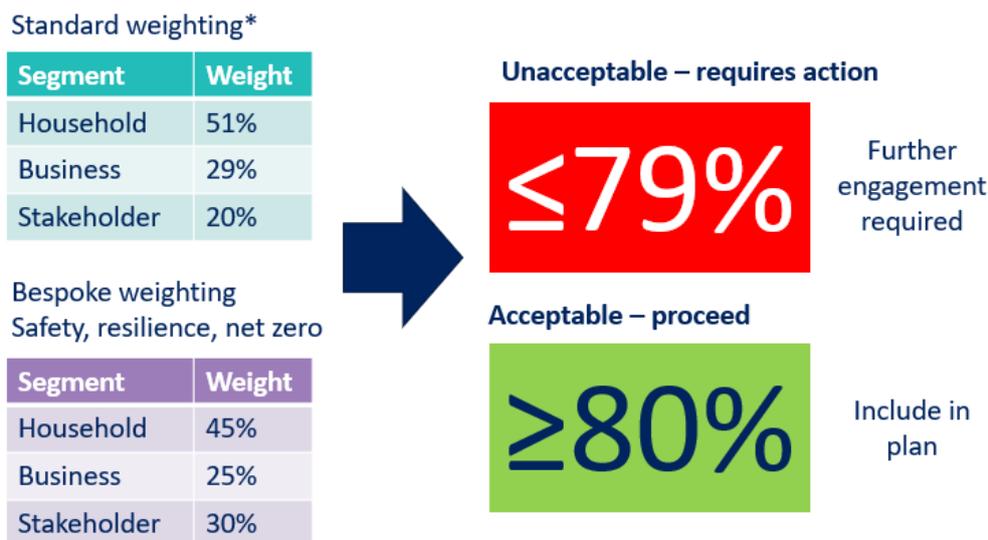


Figure 13: Quantitative data weighting

*Weighting matrix is a data led approach that was agreed with our ELT and CEG and is based on a proxy for volume and value of consumption

4.4.2 Other engagement

In December 2020 we hosted two webinars with local resilience forums where we specifically engaged with these stakeholders including regional police forces and fire services on our resilience proposals to see how acceptable they were. Across these two events 26 stakeholders joined us to provide us with their feedback.

4.5 Phase 5: Closing the loop – Review

4.5.1 Early draft plan consultation

In April 2021 we published a full early draft of our plan, including financial information and the structure of the document. We were one of only two DNOs to voluntarily publish an early draft which we shared far and wide with stakeholders and customers via our website, including our advisory panels, via a webinar, Ofgem and other DNOs, achieving more than 40 pieces of media coverage ensuring transparency of our process and enabling a wide variety of customers and stakeholders to comment before our draft submission to Ofgem in July 21.

We also published a number of our key ED2 strategies for consultation in March 2021, prior to publishing a full early draft of our plan in April.

We asked a number of key questions on particular output areas where we required additional input as well as covering some basics on accessibility and checking in to ensure that consumers and stakeholders were happy that we had reflected their feedback effectively and accurately.

We had more than 140 responses to our consultation on our early draft plan, including detailed input from members of our deliberative panel and online community. We also had responses from Greater Manchester Combined Authority and our two county councils, Cumbria and Lancashire, as well as our Local Enterprise Partnerships and many others.

In general, customers and stakeholders have been very positive about the plans, a result of our ongoing engagement over the past two years and the fact it was shaped by their input.

Responses included:

- 68 from members of our online community
- 28 from members of our deliberative panel
- 26 from our online event
- 13 from our online webform
- Individual emailed responses including Cumbria County Council, Lancashire County Council and Greater Manchester Combined Authority (signed by Greater Manchester Mayor, Andy Burnham)

Details of how we responded to feedback from the consultation were included in July draft narrative document, showing our increased ambition in five key areas: tree planting; monitoring cables in high-rise buildings; biodiversity at key sites; increased safety awareness work locally; and an increase in the roll out of our Smart Street technology. See Appendix B at the end of this document for the full list of questions.

Our draft plan submitted to Ofgem and published on our website in July 2021 was the fullest of any DNO including all annexes and supplementary information with only some redactions due to commerciality or security. We also invited customers and stakeholders to provide us with further feedback on draft plan.

4.5.2 Other engagement

As part of this round of engagement we also took on detailed feedback from our CEG. In addition we asked external consultants, S&C Electric, who have expertise in regulatory documents to do a full review. We cross checked all our content against Ofgem business plan guidance to ensure that the plans met the requirements set.

We also hosted a ‘Powering up the North West: Our Future Plan’ webinar in April 2021 which was attended by 53 stakeholders with the purpose of providing a high-level overview of our very early draft business plan and to invite attendees to respond to our consultation.

4.6 Phase 6: Refine and submit – Finalise

Following feedback from Ofgem’s Customer Challenge Group on our draft plan, we recognised the need to undertake further engagement to discuss and deliberate how we should respond to this feedback. We looked to our existing engagement mechanisms including our Plugged In Panel, Online Community, Advisory Panels, Annual Regional Workshops and our second annual Powering Up the North high level summit

4.6.1 Our Plugged In Panel

During Phase 6 we reconvened our [Plugged In Panel](#) for a further two sessions. The first session in September focused on two specific strategies- our Workforce Resilience Strategy and our Distribution System Operator (DSO) Strategy. We asked the panel how we could develop a more diverse and inclusive workforce to ensure we were representative of the communities we serve. As part of our wider DSO engagement we asked our Plugged In Panel about 3 potential DSO roles that Electricity North West could offer domestic customers in terms of potential benefits and negative impacts.

In October 2021 we hosted our 10th and final scheduled Plugged In Public Panel session where members first explored our proposal to refocus on ED2 business around a Net Zero vision. Members then discussed three proposals in the business plan which have been amended due to feedback from Ofgem and stakeholders. Discussions focused on whether they felt the proposal was worth investing this amount in or whether the money could be better spent elsewhere.

4.6.2 Online Community

We invited members of our online community to engage with our draft business plan consultation and provide us with their final thoughts on our plan. We also asked members about our education and workforce resilience strategies.

4.6.3 Advisory Panels

Following the submission of our draft business plan we continued to engage with our advisory panels to further develop and refine key strategies.

With our Consumer Vulnerability advisory panel, we discussed how other DNO’s had approached their ED2 Consumer Vulnerability strategies and whether Electricity North West should align with or adopt any of their proposals. We also consulted on three business plan proposals that we have

amended since submitting our draft plan to gain further feedback from members on the level of ambition that we should be proposing.

Our Sustainability advisory panel held further deliberations on how our ED2 DSO strategy and Environmental Action Plan (EAP) have developed since submitting our draft plan.

With our Chief Executive Officer advisory panel, we explored the draft business plan's financial model and the potential change in customers' bills to deliver the business plan.

4.6.4 Annual Regional Working Workshops

In October 2021 we hosted our annual regional stakeholder workshops, attended by over 100 stakeholders, in partnership with the region's county councils. These open access events provided all stakeholders with an overview of our performance over the last year and priorities for the coming year, including support for customers in vulnerable circumstances and the net zero transition.

This year at each event we were joined by our regional authority partners and their directors had the opportunity to share directly with us and other stakeholders their regional plans and ambitions, particular around economic development and their net zero ambitions. net zero transition.

Additionally, there were asked to directly reflect what their region would 'ask' of us as a business going forward. These interactive, livestreamed events also provided our stakeholders an opportunity to have final input into our ED2 business plan both at the event and via the view back facility and reports made available on our website.

4.6.5 Powering Up the North

Following the success of these 2020 events we hosted a 'Powering Up Recovery' series with three further sub-regional events in March 2021 attended by 130 delegates. These events brought together stakeholders from politics and business to discuss the future of electricity in their area and for us to feed into our business planning and encourage further engagement.

Discussions focused on how to best accelerate each sub region's climate change ambitions and deliver a green and inclusive recovery to boost the net zero economy.

A final session of our Power Up the North event was held in September 2021 with more than 80 attendees including the following speakers:

- Martin Cave, Chair, Ofgem,
- Paul Van Heyningen, Deputy Director, Net Zero Electricity Networks, BEIS
- Steve McMahon, Deputy Director of Electricity Distribution, Ofgem
- Andrew Gwynne MP, Denton and Reddish and chair of Greater Manchester Westminster Group
- Henri Murison, Director, Northern Powerhouse Partnership
- Carl Ennis, CEO, Siemens/Net Zero North West
- Debbie Francis, CEO, Lancashire LEP
- Cllr Philippa Williamson, Leader, Lancashire County Council
- Polly Billington, Chief Executive, UK100

- Ivan Baldwin, Chairman, Britain’s Energy Business Coast Cluster
- Emma Degg, CEO, North West Business Leadership Team
- Gordon Rogers, Head of Long Term Strategy, United Utilities
- Peter Emery, CEO, Electricity North West

5 How we’ve responded to insights

5.1 Triangulation process

Following best practice research of leading water and gas companies, it was recognised that triangulation is a valuable technique for understanding and applying insights gained from all engagement activity.

Triangulation helped us to build a meaningful, iterative and inclusive ED2 Business Plan by providing insight on customers’ and wider stakeholders’ key priorities and preferences for the next price control period. The overall objective of our triangulation activity was to improve the quality of input into our ED2 business plan development and demonstrate legitimacy of outcomes. The detailed objectives of our ED2 business plan triangulation exercise and the how these have been reflected in the analysis contained therein are set out in the table below.

	Objective	How objectives have been addressed
1	Improve the robustness of the evidence base	Triangulation has included a wide range of inputs including Business as Usual (BAU) operational data, bespoke customer and wider stakeholder engagement and third-party insights
2	Understand and synthesise the evidence base emerging	This report interprets key lessons learned and contrasts areas of relative consensus with nuances in viewpoints between different stakeholder groups
3	Greater transparency in the business planning process regarding trade-offs	In addition to highlighting where dissenting views exist we have addressed how we will arrive at a best-fit compromise
4	Identify gaps in the current evidence base	Knowledge gaps have been identified thematically and reported where they are material to Business Plan trade-offs
5	Inform subsequent engagement	Recommendations have been made which will inform the prioritisation in of further engagement

Table 7: Objectives of our triangulation exercises

Our triangulation inputs were drawn from a range of insights including:

- **Customer engagement** – throughout RIIO-ED2 customer engagement programme were able to gain a better understanding of both our current and future customers’ priorities and preferences.
- **Stakeholder engagement** – drawing from our wider RIIO-ED1 comprehensive stakeholder engagement programme.
- **Operational data** – provides us with an insight into customer priorities and preferences including visits to our website and customer complaints.

- **Third party insights** – The strategies, plans, priorities and intelligence shared by our stakeholders.
- **Ofgem policy environment** – an understanding of Ofgem’s expectations is informing the development of our engagement strategy and prioritisation.
- **Our business strategy** – including operational efficiency planning observed through the development of an IT, workforce and skills strategy to support our submission.

We have seen the value of triangulation during our business plan development as a way of articulating differing points of view to aid decision-making. We will maintain regular triangulation throughout ED2, ensuring that we are explicitly incorporating a range of inputs and data to improve our planning and focus.

Triangulation will be conducted on an ongoing basis to reflect the iterative nature of our engagement programme and continuous acquisition of data. During our business plan engagement, we formally reported our triangulation outputs to the Business Plan workstream, Regulatory Steering Group, ELT and our CEG, on a quarterly basis, to align with the six phases of our engagement.

5.2 Triangulation outputs

For full details see Annex 1 which provides a full and detailed explanation of the ‘golden thread’ between what customers and stakeholders have told us and what our output proposals in the plan are. This exercise has been carried out for every proposal in our plan.

5.3 Quality assurance

In response to feedback from our CEG, we developed success criteria to the measure of quality of our engagement within the triangulation evidence base. Transparency over how quality is assessed will support a fair and consistent review process. Table 8 illustrates our five key success criteria for measuring the quality of customer engagement commissioned by Electricity North West, when each is individually reviewed as part of our triangulation process:

Criteria	Description
Robust and representative	Collects a range of opinions from a representative cross-section of stakeholders
Data accuracy	Provides an accurate assessment of stakeholder opinions on key topics
New learning	Substantially improves existing knowledge and informs future engagement
External validity	Assesses whether the findings correlate with other measures and expectations
Innovative	Engagement techniques which are considered: new, bespoke or best practice

Table 8: Five key success criteria

For each success criteria we created a framework that sets out what is expected at each 'level' of performance on a scale of performance that ranges from unacceptable to exemplary. The exemplar level is deliberately stretching and is expected will be awarded less frequently. It rewards outstanding engagement outcomes, best-in-class approaches, substantive new learning, legitimacy and innovation.

A conversion factor was used to turn the level of performance into a numerical score as follows:

Category	Exemplar	Good	Moderate	Weak	Unacceptable
Conversion factor	100%	75%	50%	25%	0%

Table 9: Conversion factors

All five success criteria have a maximum allocation of 20% with a potential cumulative score of 100. This means each of the criteria has an equal weighting in contributing to the overall score. We considered increasing the weighting for some criteria but recognised, others would need to decrease accordingly to compensate. We do not believe there is value in introducing this bias, as all the criteria play an equally important role in delivering successful pieces of engagement. This is because the criteria are largely interrelated; a study that scores lower on robust, representative and accuracy is unlikely to credibly deliver new learning or achieve external validity, whilst also being unlikely to have any components that could be thought of as best practice.

We have created a 'gold, green, amber, red' scoring matrix (Table 10). All evidence must achieve a minimum performance threshold of at least amber status for it to have any credence as part of the triangulation.

Total score	Gold, green, amber, red
>80	Gold
>60 and <79	Green
>59 and <40	Amber
<39	Red

Table 10: Engagement quality scoring matrix

Annex 1 gives a detailed assessment of how the evidence we gathered throughout our engagement has informed our RIIO-ED2 business plan, drawing out key insights for specific thematic areas and output commitments and detailing any trade-offs we have made.

6 Independent challenge

6.1 Customer Engagement Group

We were one of the first distribution network companies to create an independent Customer Engagement Group (CEG)¹² following Ofgem's guidance. The group has provided us with strategic challenge to ensure that our business plan addresses the needs and preferences of our current and future customers, and that we put stakeholder needs at the heart of our decision making.

We have been transparent about the group's work, publishing terms of reference, as well as minutes of meetings on our website¹³.

We began recruitment for our CEG chair in late 2018 and appointed Jeff Halliwell. In early 2019 after an extensive and competitive search process facilitated by leading external search consultants, Warren Partners, Jeff appointed the remaining CEG membership¹⁴. The group is made up of individuals with a wide range of skills and experience. This small, but high-powered team of experts provides representation from different industries and is completely independent from Electricity North West.

This background has enabled the CEG to provide independent and thorough scrutiny of our stakeholder engagement and influence how this is reflected in our future business plans and commitments.

The CEG's initial meeting took place in May 2019 and the group has since supported us in developing our ED2 engagement plan. The CEG continues to meet monthly to provide scrutiny and challenge on how our programme has been delivered and deliver insight on how we can improve our engagement with stakeholders and customers. COVID-19 restrictions prevented the CEG from meeting face-to-face after the first year but have continued to meet with the business using online platforms.

As part of the initial induction we provided guided tours of our network, our control room, our training academy and contact centre.

Our initial agreement with CEG members was for two days work a month but we increased this to five days in January 2021 to reflect the volume of work they were undertaking. The CEG spent at least 500 hours scrutinising our plans including more than 150 hours spent directly with Electricity North West teams.

We strive to ensure that what Electricity North West delivers is driven by what our customers and stakeholders are telling us. The CEG has offered us significant challenge across every area of the plan and added rigor to our process, for which we are very grateful.

We committed dedicated secretariat support to the CEG, both funding their own independent secretariat, and providing support on our side to smooth the process and ensure an efficient and

¹² See <https://www.enwl.co.uk/about-us/engaging-with-our-stakeholders/ceg/>

¹³ <https://www.enwl.co.uk/about-us/engaging-with-our-stakeholders/ceg/customer-engagement-group-publications/>

¹⁴ See <https://www.enwl.co.uk/about-us/news/latest-news-and-views/2019/electricity-north-west-confirms-appointments-to-customer-engagement-group/>

effective relationship. The CEG's formal challenge logs have given us structure and our responses formalised in papers that we have presented along with general updates every month since the CEG formed in 2019.

We have shared ongoing updates to our plans with the CEG, including publishing a full early draft plan in April 2021. This has shown great transparency and enabled detailed scrutiny and feedback as part of our ongoing engagement with our CEG. In publishing this early draft, we also enabled Ofgem's Consumer Challenge Group, and Ofgem themselves to review the early plan ahead of formal draft submission in July.

Over the course of our engagement the following members of our team have directly engaged with the Customer Engagement Group, with many more working in the background to provide reports, updates and information for sharing.

- Three members of our board
- Six members of our executive team
- Fourteen members of our senior leadership team
- Twelve members of our wider leadership team

Topics covered included:

- Customer, consumer and stakeholder engagement
- Charging and access
- Regulatory updates
- Whole systems
- Rapid reinstatement incentive
- Distribution systems operation and load forecasting
- Environmental Action Plan
- Connections
- Innovation
- Regulatory finance
- Cyber resilience
- Digital strategy
- Data strategy
- Business plan assurance
- Workforce resilience
- Diversity and inclusion

Challenges were initially focussed on broad areas of CEG interest and later more targeted in line with Ofgem's Enhanced Engagement Guidance (updated April 2021 to align with guidance issued to CEG chairs in August 2020).

Challenges were recorded over the engagement period in a formal regularly-updated Challenge Log. Challenges were raised around specific themes, with 18 themes logged:

1. Stakeholder engagement
2. Stakeholder mapping and prioritisation
3. Business customer engagement
4. Quality of commissioning stakeholder engagement
5. Willingness to pay research and stakeholder engagement projects

6. Distribution system operation
7. Cyber resilience
8. Decarbonisation
9. Forecasting
10. Customers in vulnerable circumstances
11. Workforce resilience
12. Network asset risk metrics
13. Use of competition to drive innovation and efficiency
14. Innovation
15. Larger customer connections
16. Cost assessment
17. Diversity and inclusion
18. Environmental Action Plan

6.2 Ofgem's RIIO2 Challenge Group

We have actively engaged with Ofgem's Consumer Challenge Group and also with Ofgem throughout our engagement to keep everyone updated and help with the assessment of our plan.

The Challenge Group's key role is to provide scrutinise and challenge all DNOs' business plans with a focus on affordability and the protection of consumers in vulnerable circumstances.

The most senior members of our business and ED2 team have met with the challenge group, including our Chief Executive Officer, Chief Financial Officer, Regulation and Communications Director, Customer Director, Engineering and Technical Director and Head of Economic Regulation.

We have met with the Challenge Group on four occasions and look forward to receiving their feedback on our Final Submission in due course. Every meeting has included detailed scrutiny of our activities either from ED1 delivery or those proposed for ED2 and has been a valuable opportunity to benefit from the Challenge Group's insight.

We initially met with the Challenge Group in December 2020 where we presented on our company delivery in ED1 and explained our strategy. Two further sessions took place in the first half of 2021; the first, in March, was focussed on the comprehensive report that we had submitted to the Challenge Group on specific areas of our ED1 delivery and the second meeting, in April, majored on aspects of our developing ED2 business plan. In mid-May, the challenge group wrote to all DNOs with collective feedback on the engagement to date to emphasise their key areas of interest. Our most recent meeting with the Challenge Group took place in August 2021 and was an opportunity to receive feedback on our Draft Business Plan submission prior to the publication of their report on our Draft Submission. We have ensured that our Final Submission addresses the matters raised and look forward to continued engagement with the Challenge Group.

Appendix A: Lessons from pre-engagement

Pre-engagement lessons that we applied to our planning and delivery

#	Insights from initial engagement	How we reflected feedback into our engagement
1	There was a lack of awareness of who we are and why we were engaging with our customers	We started all our engagement by providing our customers and stakeholders with an overview of who we are, what we do and why we wanted to engage with them. This was supported by using our social media channels, new online community and customer microsite to raise awareness of our engagement programme.
2	We needed to build awareness around the issues that stakeholders (including domestic and business customers and consumers) are interested in, such as electric vehicles, cost of energy and changing weather patterns.	We capitalised on customers' interest in the environment and climate change (while recognising low awareness of terms like Net Zero), as well as cost and reliability. We have always related decisions as a trade-off between lots of priorities to attract comment from all customers.
3	Focusing on the present was identified as a better way to engage customers about the future. For many of our customers the concept of the future is neither motivating or relevant. Framing our engagement in the here and now makes it more relevant even if we are talking about long term issues	We framed our conversations in terms of existing prices and performance to give context. We had to talk about the future in terms of decarbonisation, but we took the time to do this thoroughly to ensure understanding.
4	Climate change was on everyone's agenda in one way or another, but difficult for them to meaningfully engage with.	We discussed climate change in terms of reliability (increased storms) and the need for decarbonisation, relating back to price and reliability as well as environmental concerns to give context. Our research showed that more than 60% of our consumers in the North West didn't understand the term 'Net Zero' so we made sure we spent time explaining it well, where it came up in discussions.
5	Day-to-day issues were much more front of mind for customers. In the main, our customers wanted to talk about the issues that felt close to home so this is a better place to start a conversation with most customers	We began conversations about consumers and their lives, with a conscious 'outside-in' approach. Therefore, rather engaging consumers with a focus on what they could tell us, relative to our questions; we wanted to understand the questions they wanted to ask us about the issues that were most relevant to them.

#	Insights from initial engagement	How we reflected feedback into our engagement
6	<p>Our customers were cynical about the motives of big businesses when it comes to engagement. They wanted us to talk to them like they were real people and not use corporate language. They wanted to be spoken to in a to-the-point, non-patronising way. Our customers were also sceptical about the realities of their contribution to this sort of initiative - they worried we will do what we want to anyway, without taking into consideration what they have told us.</p>	<p>We undertook cognitive testing of all our engagement materials to ensure our customers fully understood what we were asking them. We also made sure that we played back to them in a you-said-we-did format and held ongoing discussions to answer questions. Finally, we ensured transparency by publishing a full early draft of our plan for consultation.</p>
7	<p>Trust is a big barrier to engagement, but ‘acting local’ can build bridges Local is a big opportunity for engagement. Our customers care about local issues, their local communities, and about people they recognise that are like them.</p>	<p>In our engagement planning we ensured that we engaged with customers, consumers and wider stakeholders from our three sub-regions (Cumbria, Lancashire and Greater Manchester), but we also brought them together where possible to discuss/research the trade-offs we had to balance. Holding sessions online made this geographic representation much easier to deliver.</p>
8	<p>People wanted recognisable connections with what we do to make it feel real and relevant. Customers wanted to see, touch and feel how our future plans for the business would ultimately affect their lives.</p>	<p>We made these connections by relating our plans to recognisable scenarios, such as reducing power cuts, making sure people can charge electric cars, or keeping bills low. This made our engagement more accessible. We used simple recognisable terms, which were more effective than talking in industry language about reliability, increasing capacity for the energy transition to net zero, or affordability.</p>
9	<p>We needed to know our audience, and tailor the message and the platform</p>	<p>We created a new attitudinal and behavioural customer segmentation model which enabled us to tailor our approach for engaging with our customers. This allowed us to ensure representation and perform more detailed analysis of results.</p>

#	Insights from initial engagement	How we reflected feedback into our engagement
10	If we wanted considered contribution, we needed to pay people for their time	<p>We provided monetary incentives to enable for us to effectively engage with our customers. Examples of this include our online community, deliberative panel and willingness-to-pay research.</p> <p>In terms of our youth engagement it was not appropriate to pay young people, however we partnered with Youth Focus North West and were able to support the organisation through sponsorship to help them deliver of activities for young people to thank them for their time with us.</p>
11	We needed to keep it simple. This is obvious, but critical in ensuring an effective and accessible engagement. Simple means easy to access, easy to understand and delivered in a way that makes sense. Time and context is also critical to connecting. If we showed up in the right way at the right time, we would have a much greater chance of getting people's attention.	<p>We undertook cognitive testing of all our engagement materials to ensure our customers fully understood what we were asking them.</p> <p>We planned our activities and sessions in plenty of time to ensure maximum attendance and engagement.</p>
12	To achieve genuine engagement, we had to take our time. This meant adopting an outside-in approach, listening first, presenting what we do to people in bite-sized chunks and managing expectations in terms of breadth vs depth. We needed to use different methods for different types of engagement and plan how this comes together carefully.	<p>At the start of our ED2 engagement we engaged with our customers and stakeholders on what they thought our priorities should be.</p> <p>We have undertaken various types of engagement methods including focus groups, online community and telephone surveys.</p>

Appendix B: Willingness to pay attributes

24 attributes tested in initial max diff testing. Numbers 1-12 were then taken through to full willingness to pay testing, as outlined below.

1	Enhanced storm resilience	13	Keeping Electricity North West's component of the bill as low as possible
2	Reducing multiple power cuts	14	Customer support during power cuts
3	Reducing power cut duration	15	Improving reliability for worst served customers
4	Expansion of Smart Street	16	Net Zero - reduce carbon from own emissions
5	Improved reliability in areas of fuel poverty	17	Improve cyber resilience
6	Reduce duration of emergency streetworks	18	Reduce planned power cuts
7	Vulnerable customer support during planned power cuts	19	Equalise regional power cut performance
8	Reduce power cut frequency	20	Reduce short interruptions
9	Enhance community energy support	21	Install EV charging points
10	Facilitating the take-up of low carbon technologies	22	Change ENWL fleet to electric
11	Leading the North West to Net Zero (trusted advisor)	23	Underground overhead lines
12	Improved reliability in areas of customers in vulnerable circumstances	24	Improve business resilience during power cuts

12 Willingness-to-pay attributes tested (following 24 tested at max-diff stage)

Theme	Attribute	Description	Current	Current+1	Current+2
Resilience	Enhanced Storm Resilience	Reduce the vulnerability of networks to storms, particularly in rural areas	Rolling programme to maintain powerlines and cut back trees in their immediate vicinity which means that, on average, large storms will cause 70,000 customers to be impacted by power cuts over a winter period, per year	On average, large storms will cause 50,000 customers to be impacted by power cuts over a winter period, per year	On average, large storms will cause 25,000 customers to be impacted by power cuts over a winter period, per year
Reliability	Reducing Multiple Power Cuts	Reduce instances of customers having multiple power cuts per year, by strengthening the electricity network	50,000 customers (out of a population of 2.4 million) have 3 or more power cuts per year	35,000 customers have 3 or more power cuts per year	25,000 customers have 3 or more power cuts per year
Reliability	Reducing Power Cut Duration	Reduce the average duration of unplanned power cuts, by strengthening the electricity network	Unplanned power cuts last on average 90 minutes	Unplanned power cuts last on average 60 minutes	Unplanned power cuts last on average 45 minutes
Reliability	Reduce Power Cut Frequency	Reduce the overall frequency of unplanned power cuts, by strengthening the electricity network	1 power cut per customer every 3 years	1 power cut per customer every 4 years	1 power cut per customer every 5 years

<p>Net Zero</p>	<p>Expansion of Smart Street</p>	<p>Expand the 'Smart Street' initiative to improve energy efficiency, targeted in areas of high fuel poverty. There are approximately 300,000 fuel poor households in the North West that cannot afford to keep adequately warm.</p> <p>Without customers having to do anything at all, innovative Smart Street technology* controls the voltage on our network to reduce their electricity usage by up to 8%, which is equivalent to a reduction of up to £60.00 off an annual electricity bill.</p> <p>Smart street can only be deployed on the underground network, in urban areas, but all customers in the selected areas will directly benefit.</p>	<p>Current: Smart Street to be rolled out to 64,000 customers in areas of high fuel poverty by 2023 so that all of these customers can save money on their bills</p>	<p>Smart Street to be delivered to 125,000 customers in areas of high fuel poverty so that all of these customers can save money on their bills</p>	<p>Smart Street to be delivered to 250,000 customers in areas of high fuel poverty so that all of these customers can save money on their bills</p>
<p>Net zero</p>	<p>Facilitating the take-up of technologies to achieve net zero such as electric vehicles and solar panels.</p>	<p>The UK has set a legally binding target to reach net zero by 2050.</p> <p>To help achieve this, Electricity North West will need to make the electricity network bigger to meet demand and enable the uptake of technologies such as electric vehicles and solar panels.</p>	<p>Electricity North West responds in areas where there is a risk that it will not be able to meet electricity demand in the near future</p> <p>This approach may not be the most efficient delivery method and may not support the achievement of net zero by 2050</p>	<p>Targeted, proactive upgrading of the electricity network to enable these technologies and achieve Net Zero by 2050</p>	<p>Local Authorities in Greater Manchester and Cumbria aim to achieve Net Zero by 2038. Consequently, Electricity North West undertake faster proactive upgrading of the electricity network</p>

<p>Net zero</p>	<p>Leading the North West to Net Zero Carbon Emissions</p>	<p>The UK has set a legally binding target to reach net zero by 2050.</p> <p>Electricity North West could provide a free 'energy efficiency advisor' service to customers on net zero, including guidance on technologies such as electric vehicles and solar panels, so that everyone can do their bit to tackle climate change and aid the transition to Net Zero.</p>	<p>Electricity North West offers energy efficiency advice and guidance on technologies such as electric vehicles and solar panels only on its website</p>	<p>Free telephone advice to household and business customers from Electricity North West specialist advisors on energy efficiency and technologies</p>	<p>Free advice to household and business customers from Electricity North West specialist advisors on energy efficiency and technology options <i>and</i> Free connection of technologies. Electricity North West does not charge customers for any costs incurred to allow technology to be connected such as electric vehicles and solar panels</p>
<p>Net zero</p>	<p>Enhanced support for community energy projects</p>	<p>Enhanced support for local and community groups who develop citizen-led energy projects such as renewable electricity generation</p>	<p>Community energy projects are required by Ofgem to pay to connect to the electricity network in the same way as households and businesses and we provide all of them with the same level of service</p>	<p>Free dedicated support through the connections process for community energy projects, that helps them understand their requirements, network considerations and how best to complete a connection application <i>and</i> Where ENW need to upgrade the network to accommodate this connection, the additional work is not charged to the project (unlike current arrangements)</p>	<p>Free dedicated support through the connections process for community energy projects, that helps them understand their requirements, network considerations and how best to complete a connection application and Where ENW need to make the network bigger to enable this connection this additional work is not charged to the</p>

					project, unlike business connections and An annual £1m 'Empowering our Communities' fund to help communities become more resilient, through generating their own energy, supporting energy efficiency or other ways to use and manage energy locally.
Fuel poverty	Improved Reliability in areas of Fuel Poverty	<p>Support fuel poor customers by improving the reliability of the electricity network.</p> <p>This initiative would strengthen electricity cables and substations to reduce the likelihood of power cuts, targeted in areas with a greater prevalence of households in fuel poverty.</p> <p>13.1% of households (approx. 300,000 households in the North West are currently in fuel poverty</p>	<p>All customers are treated equally in terms of reliability of the network, with no targeting of investment to those most in need.</p> <p>Improvements are prioritised in areas where the greatest overall benefit will be achieved</p>	Improve reliability of the network, targeting communities so that 35,000 customers in fuel poverty benefit	Improve reliability of the network, targeting communities so that 70,000 customers in fuel poverty benefit

<p>Vulnerability</p>	<p>Improved Reliability in areas of vulnerable customers</p>	<p>Power cuts are more likely to have an adverse impact on the welfare of vulnerable customers than those who are not in vulnerable circumstances.</p> <p>This initiative would improve the reliability of the network by strengthening electricity cables and substations to reduce the likelihood of power cuts, targeted in areas with a greater prevalence of vulnerable customers.</p>	<p>All customers are treated equally in terms of reliability of the network. Improvements are prioritised in areas where the greatest overall benefit will be achieved</p>	<p>Improve reliability of the network, targeting communities so that 35,000 customers in the most vulnerable circumstances benefit</p>	<p>Improve reliability of the network, targeting communities so that 70,000 customers in the most vulnerable circumstances benefit</p>
<p>Vulnerability</p>	<p>Vulnerable Customer Support During Planned Power Cuts</p>	<p>Offer additional support to the customers in the most vulnerable circumstances, in advance of and during a planned power cut</p>	<p>Electricity North West offers 10 days written advance notice, a call six days before, a reminder 48 hours before and proactive updates during a planned power cut</p> <p>Face-to-face visits to customers in the most vulnerable circumstances, in advance of the planned power cut are not available</p>	<p>An appointment and staff tracking service for face-to-face visits to customers in the most vulnerable circumstances. Visits will be made by a customer welfare officer in advance of the planned power cut to explain what is happening, provide reassurance that their individual circumstances are known to us and a unique point of contact and A local drop-in centre for customers to receive support from specialist welfare officers during a planned power cut</p>	<p>Wherever possible, we will carry out our planned maintenance works without the need to interrupt the power supply of customers in the most vulnerable circumstances</p>

Customer	Reduce Duration of Emergency Streetworks	Emergency roadworks are required if our underground cables are damaged. This allows us to repair them as quickly as possible and get the power back on for customers	Emergency roadworks average 5.1 days to complete emergency repairs, resurface and clear the site	Emergency roadworks average 4 days to complete repairs, resurface and clear the site	Emergency roadworks average 3 days to complete repairs, resurface and clear the site
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Appendix C: Questions asked as part of early draft consultation

In April 2021 we published a 140-page early draft version of our full business plan. We asked the following questions, tailored to the time that customers and stakeholders would have to read the document and respond. More than 95% of respondents replied to every question:

If you have 10 minutes...

1. Is the content understandable and accessible?
2. Did you find what you expected?
3. Is anything missing?
4. Does the plan offer value for money at a £2.14 a year increase on average domestic customer bills to deliver the proposals? See section 7 for more detail.

If you have 30 minutes (as above, plus)...

5. Do you feel any feedback you've given us has been fairly reflected in the proposals?
6. Does anything need additional explanation or context?
7. Does the content strike the right balance to meet the requirements of customers, stakeholders, Ofgem and shareholders?
8. Is the plan ambitious enough?
9. Have we demonstrated how we have used robust and high-quality engagement to inform the plan?

If you have an hour or more (as above, plus)...

10. Do you support our proposed Consumer Value Proposition on Smart Street in section 5.4? Should this be even more ambitious?
11. What do you think of the individual proposals in section 5? Bearing in mind both the cost to customers and the benefits of each proposal, in short for each, do you think we should be more ambitious, less ambitious, keep the proposal as it is or drop it from our plans?
12. We'd like further specific feedback on the following 12 proposals following feedback from our formal acceptability testing survey carried out with customers and stakeholders earlier this year. We've split them into three categories of customer, network and environment, so that you can focus on those that are of most interest to you:

Customer

5.1.2.1 Collaborating more closely with other utilities to support customers in vulnerable circumstances. We want to know if you think we should do more in this popular area, and if so, what?

5.1.2.2 Doubling investment in referral networks. Do you think we need to be more ambitious or less ambitious with this proposal?

5.1.2.7 Developing new customer advisory panels. Have you been involved in any of our existing panels? What do you think about having more of them? If we did, how should we split them? By region, topic, type of customer etc?

Network

5.2.1.1 Improving network health. Businesses and stakeholders have asked if we could do more in this area. We've added in some detail on how we could do this, but do you think it offers good value?

5.2.1.5 Improving reliability for those in vulnerable circumstances. We have added more detail to this popular proposal following feedback so we'd like to run it past you again and propose that customers in the most vulnerable circumstances should benefit, but should we be more ambitious?

5.2.2.2 Improving our management of trees near overhead lines. We've added in a much more ambitious target for replacing trees that we cut down. Do you support this ambition?

5.2.3.1 Making high rise buildings safer. This was really popular in our acceptability testing – should we be more ambitious with it?

5.2.3.2 Delivering safety campaigns. Do you agree with us running these types of campaigns with partners, and do you have thoughts on the extent of such campaigns and how we could measure their success?

Environment

5.3.1.1 Helping customers embrace low carbon technologies. We've updated the proposal following feedback to ask whether we should continue to cover the costs of connecting low carbon technologies (like solar panels, electric vehicle chargers, or heat pumps) to the network through bills, rather than charging individual customers?

5.3.1.5 'Unlooping' customers' power supplies. We've added more information and context to this proposal and increased the ambition following feedback. Let us know what you think about the updated proposal.

5.3.2.2 Managing oil-filled cables. Following feedback, we have changed our measurement target from length of cable replaced, to reducing the amount of oil that leaks from them. Does this additional information help you to decide what our level of ambition should be in this area and if it represents a good investment?

5.3.2.6 *Making our sites a haven for wildlife.* This was a really popular proposal and we're interested in your views on how we can make the most of it.