

3. Stakeholder engagement

The importance of stakeholder engagement

We work with a wide variety of stakeholders, including:

Customers who pay us for the products and services we provide.

Consumers, including domestic households, businesses and industrial users.

Other parties with a stake in the future of gas transmission like government and non-government organisations, regulators, consumer groups, consultancies and academics.

We have been listening carefully to what all these different groups are telling us. We've set up a wide-ranging engagement process to find out more about what our stakeholders want in RIIO-2, and to build our plan with them. At every level of our business, we are committed to working closely with stakeholders to deliver a plan that is led by them.

We're using a best practice approach, which is based on the AA1000 Stakeholder Engagement Standard. We're also learning about the experience of other sectors such as the aviation and water industries as well as engaging with Ofgem, Citizens Advice and PwC. This is helping to understand what works and what doesn't work in developing a stakeholder-led plan.

Alongside National Grid Electricity Transmission (NGET), we were the first network to create our independent chaired Stakeholder Group for RIIO-2. This Stakeholder Group challenges who we engage with and how we engage with our stakeholders as well as the content of our business plan. The Stakeholder Group will also report to Ofgem with its views on the business plan.

We have already acted on expert feedback from the Stakeholder Group. Among other issues, the group is challenging us to improve how we plan our engagement and how we map and target our stakeholders. This is to ensure we reflect all relevant voices in our business plan proposals. Critically, this includes making sure that we fully reflect the needs of consumers in everything we do.

The three phases of turning stakeholder insight into a RIIO-2 business plan

We have split our engagement into three overlapping phases that build on each other. These are:

1. Establish the priorities of stakeholders and consumers;
2. Build plans with stakeholders, our customers and consumers by priority; and
3. Bring together a holistic business plan with stakeholders, our customers and consumers.

You can see more detail in the diagram and descriptions below.

Figure 3.1: Three phases of turning stakeholder insights into our business plan



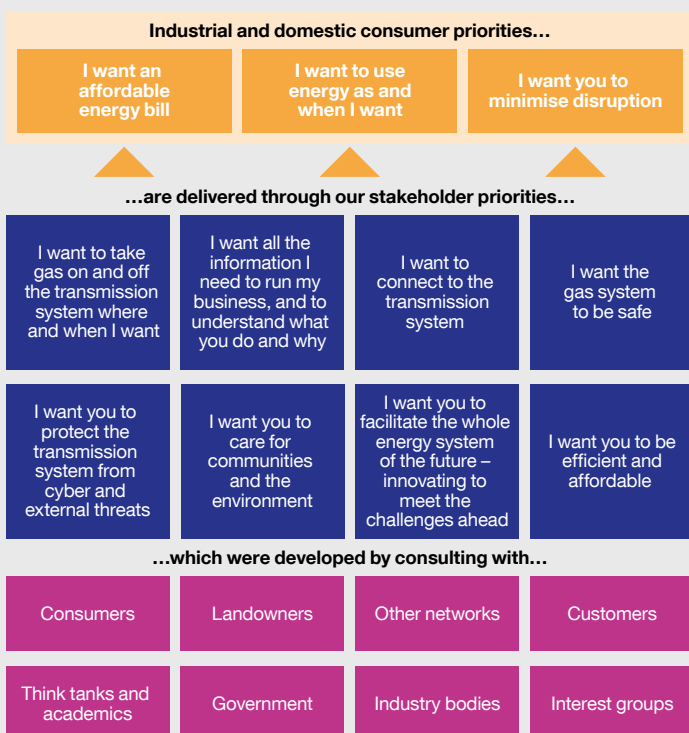
1. Establish the priorities of stakeholders and consumers

We listen to your feedback using a variety of channels. These include ongoing conversations during our day-to-day interactions, specific meetings, workshops, webinars and online consultations. Over time, this has allowed us to build up a picture of your priorities.

We have encapsulated this feedback into three consumer priority statements. We will deliver on these via eight stakeholder priorities. During 2018 we checked with stakeholders that we had reflected their priorities accurately and did some further work to refine them. Find out more in our [Listen Report](#).

This consultation is structured around the eight stakeholder priorities. This will ensure we focus on the areas of our business plan that are most relevant to you and make sure they deliver the necessary outcomes for consumers.

Figure 3.2: Gas transmission consumer and stakeholder priorities



2. Build plans with stakeholders, our customers and consumers by priority

During this stage, we work with stakeholders to develop alternatives and identify preferred solutions to be included in our business plan.

We're using insights from different sources. These include primary channels where we speak directly to our stakeholders through targeted RIIO-2 activities or via our everyday business engagement. We are also including secondary sources or 'desk research'. This ensures we benefit from insights that have already been published elsewhere.

Our independent Stakeholder Group performs an important role. It challenges us on how to make our stakeholder engagement as effective as possible.

We are also working with a specialist third-party organisation to check that we're talking to the right stakeholders, in the right way, about the right topics. We want to make sure that we're accurately reflecting what you tell us in our business plan.

3. Bring together a holistic business plan with stakeholders, our customers and consumers

We are just starting this phase and this document is an important step in our journey. Once we have worked with stakeholders to fully develop our proposals, we will submit a draft business plan to our Stakeholder Group. Then in July 2019 and October 2019, we will submit draft business plans to Ofgem's Challenge Group. We will publish our draft business plan so that we can gather stakeholders' views on our proposals before we submit our final RIIO-2 plan to Ofgem in December 2019.

“Our independent Stakeholder Group performs an important role. It challenges us on how to make our stakeholder engagement as effective as possible.”

“At every level of our business, we are committed to working closely with stakeholders.”

Our independent Stakeholder Group

Since July 2018 our independent Stakeholder Group has met regularly. The group is chaired by Trisha McAuley OBE. It includes people from consumer, environmental and public interest groups, as well as large energy users, large-scale and small-scale customers and distribution networks.

See [here](#) for more about the members of the group and its terms of reference.

The group has three main roles:

- Challenging and reviewing how we engage with stakeholders to develop our business plan.
- Scrutinising our business plan and checking that our proposals reflect what our stakeholders have told us.
- Reporting to Ofgem with its views on our business plan.

Following the group’s feedback so far, we remain committed to engaging more extensively with stakeholders.

We’re talking directly with domestic and business consumers

Domestic, industrial and commercial business consumers’ views are important to us, particularly those of bill payers. We know that our plan must deliver the energy system that will meet their needs today and in the future. So, we’re talking directly to households and businesses about what they want and what they are willing to pay for our services.

We are engaging in several ways to make sure consumers’ voices are heard. By doing this we can directly reflect consumers’ needs in the alternatives developed.

Once we’ve spelt out what this engagement has told us, we will finish our consumer programme for RIIO-2 with acceptability testing. This is a way of testing the proposed business plan with consumers to understand if the outputs and costs are acceptable to them.

So far, we have surveyed more than 2,000 household bill payers across the country to understand their priorities. We’ve also spoken to business consumers at workshops to hear first-hand what they expect from us.

We have carried out a second attitude survey to assess our reputation among stakeholders. This includes consumers, MPs and, for the first time, small and medium-sized enterprise business consumers. This survey will finish in early 2019.

“We will publish our draft business plan so that we can gather stakeholders’ views on our proposals before we submit our final RIIO-2 plan to Ofgem in December 2019.”

We also need to understand what consumers do (or don't) want from their energy system and how much they are willing to pay for it. To do this we will carry out independent 'willingness to pay' research.

2,000+

So far, we have surveyed more than 2,000 household bill payers across the country to understand their priorities.

Starting with focus groups to identify consumer topic areas, the quantitative research will involve 1,000 domestic consumers and 600 business consumers. We will also create an interactive tool that allows consumers to adjust parts of our business plan and see the impact on their bill.

This approach is designed to educate an audience of consumers who may be unfamiliar with National Grid. We want to include consumers identified as 'vulnerable' in terms of practical needs or budget.

We've learnt from others to make sure we're doing this in the right way. And we're using other types of research and engagement to make sure we have a full picture of what consumers value. This includes people who may be harder to reach or who may be classed as vulnerable.

Overall, this detailed level of consumer engagement goes beyond what we've ever done before.

"We also need to understand what consumers do (or don't) want from their energy system and how much they are willing to pay for it."

We want to be as inclusive and open as possible

To reflect stakeholders' needs in our business plan, we need to make sure a broad range of views are represented.

So, to tailor our engagement for each part of our business plan, we've mapped our stakeholders based on their interest in the topic and the impact our work has on them in that area. During our engagements, we ask stakeholders to gauge their own level of interest and impact in a topic to further validate our approach.

Finally, we evolve our engagement to make it as effective as possible, based on three factors:

- How stakeholders tell us they want to be engaged.
- What we're talking to them about.
- The type of insight we're seeking.



We welcome your views:

Chapter:
Stakeholder engagement

Question:
8. How would you like us to engage going forward as we build our business plan for the RIIO-2 period?

Submit your feedback online [here](#):

How to use this document

We want your feedback

Who is this consultation aimed at?

We are interested in the views of all stakeholders who are impacted by what we do and shaping the future of gas transmission. This includes the views of gas consumers, government and regulatory bodies, energy industry professionals and members of the public.

Tell us what you think

This consultation is open until 31 March 2019. You may give us feedback in the ways outlined below. We particularly seek your views in response to the specific questions we have posed. These are summarised on page 12. You may respond to all questions or just those relevant to your specific views.

Ways to feed back:

Make notes

Throughout the document, we have provided space for you to read and make notes at the start of each chapter (opposite). You can then type up your notes and send them in an email or submit them online.



Interactive pdf notes

Alternatively, we will be sending out editable pdf versions of this document with note fields for you to type directly into.

Email

We have a dedicated email address specifically for your feedback to this document. We welcome your thoughts at:

jennifer.pemberton@nationalgrid.com



Alternatively, you can put your thoughts in writing and send to: Jennifer Pemberton, National Grid House, Warwick Technology Park, Gallows Hill, Warwick. CV34 6DA.

Online

You can go directly to the website and submit your comments [here](#).



**Please share
your thoughts:**