



Northern Powergrid
Customer
Engagement
Group

Report 2022-23

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Introduction

This report covers the work of the independent Northern Powergrid Customer Engagement Group (CEG) from the beginning of 2022 until the end of March 2023.

April 2023 sees the start of the ED2 period and a new phase in the work of the CEG. The CEG will publish annual reports on its work during the five years of ED2.

This has been a transition period for the CEG as it has also been for Northern Powergrid (NPg) itself. NPg's final business plan for ED2 was submitted in December 2021 and the publication of the CEG's report on that marked the end of the first phase of our work. During the last 15 months we have been preparing for the next phase of our work, scrutinising and reporting on the company's delivery of its ED2 during the period 2023-2028.



Executive Summary

- The publication in January 2022 of our report on Northern Powergrid's final business plan for ED2 marked the completion of our initial role as mandated by Ofgem.
- Following discussions between ourselves and Northern Powergrid, we agreed that there would be added value to the company and its stakeholders in the CEG having an ongoing role to scrutinise the delivery of the business plan. We were pleased that NPg recognised the value in the continuation of our independent and transparent work during the delivery phase of ED2 (even though Ofgem has not mandated this).
- Over the last year we have observed the company making extensive preparations for delivering the commitments in its business plan. We have also observed much of the company's ongoing engagement work with customers and stakeholders, aimed at making sure that its plans remain aligned with their evolving needs.
- We have seen much evidence of the overall commitment across the company to refine plans and prepare for delivery. There are some areas where we have seen less evidence that the company is fully ready for the challenges of ED2. These include its innovation programme and its strategy for sustainability.
- We have been impressed by the scale of the company's work to improve its severe weather preparedness and response capabilities following the difficult Winter of 2021/22, when the company recognised that it let down some of its customers. An extensive improvement programme during 2022 culminated in a series of exercises which the CEG observed. These demonstrated that the company has made important improvements in its ability to restore power as swiftly as possible following any interruption, and also in its preparedness to communicate with and support affected customers while their power supply is affected.
- In our report on NPg's final business plan for ED2 we commented on the importance of the company developing a more outward looking, agile, and adaptable culture. We are pleased that the company is pursuing this agenda and has been developing a new approach to embedding stakeholders' priorities into its work. This is a substantial undertaking that requires ongoing commitment across the company to build on the progress made so far. The CEG is actively engaged in supporting this work by providing constructive feedback both on successes and where further improvement is needed.
- During the year we have also responded to a number of Ofgem consultations, seeking to use the experience we have gained in our work so far to inform Ofgem's decisions about the future of regulation.
- Our new role of monitoring Northern Powergrid's delivery of the commitments in its ED2 plan is just about to start and our next annual report will focus on that.

1 Completing our work on Northern Powergrid's ED2 Business Plan development

In January 2022 the CEG published its final report¹ on Northern Powergrid's business plan for ED2 (2023-28). This was the culmination of two years' work by the group on behalf of Northern Powergrid's customers and stakeholders. We were pleased that the company had acted on the recommendations in our report on their draft business plan and had included an extensive set of deliverables and associated customer benefits in their final plan, together with a commitment to report publicly on them during the plan period. We believe that the company's plan was significantly stronger and, if delivered, will provide greater benefits for many customers as a result of our intensive engagement with the company over the two years leading up to the publication of their plan and our report.

In addition to publishing our report, we discussed its main findings with Ofgem and its Challenge Group to help inform their ED2 Draft Determination. We also participated in Ofgem's Open Hearing on the company's plan in March 2022.

The publication of our final report and our participation in Ofgem's Open hearing marked the end of our role as formally required by Ofgem and as set out in our initial Terms of Reference.

1. <https://ceg.northernpowergrid.com/wp-content/uploads/2022/01/CEG-Report-Final.pdf>

2 Customer engagement group governance and membership changes

Following the completion of our final report on Northern Powergrid's business plan for ED2 in January 2022 we discussed our future role with the company. Northern Powergrid was clear from the outset that it wanted the CEG to remain active and to scrutinise the company's delivery of its ED2 plan and to report on it publicly, despite this role not being mandated by Ofgem.

We therefore agreed some revisions to our Terms of Reference to reflect this new role. The new Terms of Reference require the CEG to provide challenge to the Company's delivery of its business plan, and to focus on areas where there is a need to improve customer outcomes. Following the experience of Winter 2021-22 it was agreed that this should include the company's response to storm events. The complete terms of reference are attached as Annex A1 to this report.

Membership of the CEG was also reviewed following completion of our final report on the ED2 plan. The membership was reduced from nine to six when the initial (fixed term) appointments expired in 2022, reflecting the changed focus of our work and the reduced workload at the time. This has still left us with a spread of expertise wide enough to scrutinise delivery of all the company's business plan commitments. Annex A3 contains short biographies of all CEG members

The Chair's appointment runs until August 2023, and he is not seeking reappointment. Appointment of a new Chair will help to secure and reinforce the independence of the CEG from the company and mitigate any risk of the CEG losing its objectivity. An open process to find and select a new independent Chair is already underway.

3 Preparations for ED2 Monitoring Role

The period between the end of the CEG's work scrutinising the development of Northern Powergrid's business plan and the start of the ED2 delivery period (April 2023) has been a transition period for the CEG. In addition to refreshing our Terms of Reference and membership we have also scrutinised a number of aspects of Northern Powergrid's work preparing for ED2. This has included: the company's work to improve its storm response capability in the light of issues identified during the Winter of 2021-22; its overall approach to embedding stakeholder priorities into its plans; and issues that we had identified in our report on the company's final business plan.

Scrutinising the storm response improvement programme

Severe weather during the Winter of 2021-22 showed that infrastructure companies like Northern Powergrid need to be better prepared for extreme weather events in order to protect their customers from the worst effects of climate change. Over the Spring and Summer of 2022 Northern Powergrid has undertaken an extensive programme of work to strengthen its preparations for dealing with such events.

During September and October Northern Powergrid ran a series of exercises to test the company's readiness to respond to extreme weather of all sorts (storm, flood, and snow and ice), and members of the Customer Engagement Group observed each of these exercises. The exercises involved a substantial commitment of resource by the company, and our observations involved 11 days of our members' time.

The exercises demonstrated that the work done earlier this year has significantly improved the company's ability to restore power to people (and businesses), and to communicate with them in the meantime, if future extreme weather interrupts electricity supplies. The CEG has provided feedback to Northern Powergrid on our observations, which also included some suggestions for how the company might work together even more closely with others to keep people well informed and supported during such events. As a result of our observations, we made five recommendations to the company:

1. Working with Local Resilience Forums: The company should urgently review its arrangements for working with LRFs in order to ensure that mutually agreed arrangements are established for the coming Winter with each of the LRFs in its patch.

2. Customer Service: The company should assure itself that the capacity for providing appropriate customer service is in place in time for the coming winter.

3. Media handling: The plans to strengthen the company's capability in this area should be progressed without delay.

4. Internal coordination: Some aspects of the arrangements for internal coordination during major events should be reviewed in order to: reduce the time taken simply to share information; provide greater situational awareness to decision makers (e.g. to make it easier to see how issues with NPg facilities relate to issues with roads and other infrastructure); improve the coordination of communications activities and its links to operational work; and to ensure that action planning is informed by what customers and external commentators are saying.

5. Maintaining readiness: To maintain its readiness to respond effectively to this type of event, NPg should consider conducting similar exercises (ideally involving external parties such as suppliers and LRFs) periodically.

During the winter period 2022/23 the storms were less intense than the previous winter, but we saw encouraging evidence of improvement: the company demonstrated its readiness to react early to severe weather warnings and was more proactive in its communications with stakeholders and customers.

Embedding Stakeholder Priorities

As part of its preparations to deliver its ED2 plan Northern Powergrid has changed its monthly engagement forum to focus on areas of business change i.e., to not be about engagement itself. The overarching aim is to embed the translation of stakeholder priorities into business planning and delivery throughout the company by broadening substantially the number of people involved in engaging with stakeholders. This is a significant shift in the company's way of doing business.

In recognition of the scale of change an overarching group with a series of subgroups has been established in order to enable more focussed discussions in specific areas and also to include wider members of the business. This new group is called the Business Plan Engagement Group (BPEG). The stated aims² of the new group include:

- Ensuring that the consumer's voice is firmly embedded within the company's plans and decision making.
- Ensuring stakeholder feedback is captured and feeds into and drives the development of new services.
- Increasing business confidence in engaging with customers and stakeholders so that engagement is not dependent on a small group of specialists – it becomes a widely accepted business competence.

The CEG has observed both the overarching group discussions (which now occur quarterly) and discussions of the four subgroups (which occur monthly). Steady progress towards the objectives is being made but, like all changes in culture, the approach is taking time to become established, and progress is not even across the company. The CEG is providing constructive feedback to the company to help it to address issues as they are identified and to build on successes as they occur.

2. See page 7 of <https://www.northernpowergrid.com/downloads/11993>

Most of the substantive discussions take place in the four subgroups:



Members of the CEG have also spent considerable time observing and participating in stakeholder events and working groups.

For example, the Social Issues Expert Group whose members are involved in the development and delivery of the new and increased social programmes under ED2. The details are tabled in Annex A4.

Feedback has been provided to the Company following these engagement sessions on both the topics explored and the way in which they engaged, as we continue to monitor the effectiveness of the stakeholder engagement strategy in identifying better outcomes for customers.

Progressing Issues Raised by the CEG during Preparation of the ED2 Business Plan

During the year we have discussed with Northern Powergrid updates on a number of the areas where we had raised issues or concerns during the preparation of the company's ED2 business plan.

- **DSO**

We have been pleased by the progress the company has made in establishing its separate DSO unit. But we are concerned at the limited progress made in procuring flexibility and how this sits with the company's commitment to 'flexibility first'. Some of the prices used in recent tender exercises are unlikely to attract potential suppliers, and we need to be reassured that they accurately reflect the alternative cost of network reinforcement. This is something that we are planning to follow up with the company in the near future. The DSO's role in both local energy planning and flexibility market facilitation has recently been subject to consultation by Ofgem. The CEG is actively participating in these discussions (see below).

- **Data and Digitisation**

Northern Powergrid has an ambitious plan to invest in this area during ED2. We have discussed their plans for implementing the planned changes, which involve close working between IS experts and business leads. This work is also being informed by the company's engagement with (potential) data users such as local authorities, developers and flexibility providers. The company may be placed under growing pressures to provide data to such parties as their capabilities and appetite for data grow – we believe this will be good for transparency and engagement but may place additional stress on NPg's digitalisation programme.

The company recognises that people and their interactions are key to the success of the approach and is using external consultants to coach the staff involved. We have stressed the importance of user experience in the overall business process, and of avoiding creating new silos so that change is effected across the whole organisation rather than just in IS.

- **Diversity Equity and Inclusion**

We have twice discussed progress on delivering the company's DEI plan and are generally satisfied that steady progress is being made, although we understand that work on improving data availability has been significantly delayed. The company is actively looking for good practice in other sectors.

The CEG has given a number of suggestions to help progress the diversity agenda, and to ensure that undue prominence is not given to academic qualifications in selection criteria. We also encouraged the company to engage proactively with its trade unions in preparing next year's plan (including inviting them to write a foreword section to the document), and to continue giving DEI a high priority at senior level.

- **Customer Vulnerability**

Considerable activity has occurred since Ofgem's Final determination to review the work of all DNOs in preparing their business plans on this topic. The Centre for Sustainable Energy has developed a methodology for calculating PSR reach and SIA Partners, commissioned by Ofgem, developed a rulebook for calculating Net Present Value on initiatives. This has ensured that there has been a consistent approach used in developing targets and to allow Ofgem and the companies to benchmark and assess the Social Return on Investment of each initiative.

Using this methodology has led to Northern Powergrid restating its targets. The Priority Service Membership (PSM) reach is currently around 60%, and it is proposing targets of 75% at year 2 and 82% at year 5 of ED2. These targets are now in line with those of other DNOs.

We are acutely conscious of the impact of the current cost of living crisis on many people in vulnerable situations, particularly those in fuel poverty, and we have asked the company to be mindful of this in rolling out its plans.

Much of the planned support for vulnerable customers will be delivered via working in partnership with other more local organisations specialising in doing this type of work. Northern Powergrid has been developing its approach to partnership working in ED2, and we have given it advice on this, stressing the importance of being clear on the expected outcomes in terms of benefits to vulnerable customers; considering carefully the optimal number of partners to balance coverage and manageability; and leveraging central monitoring/management by NPg to deliver significant benefits in terms of sharing learning, identifying and addressing problems early, and helping to build capacity among partner organisations.

NPg has recognised the significant challenges in meeting the increased output targets and has been recruiting additional resource internally to help manage new partnerships and develop the new services.

- **Innovation**

The CEG has not been able to monitor effectively Northern Powergrid's progress this year on its innovation programmes due to a combination of reorganisations and personnel changes in the company. The Innovation Advisory Board and the Technical Panel which oversaw this work during the preparation of the ED2 plan have been replaced by a single Science and Technology Advisory Panel (STAP). While this may be sensible change for the longer term it appears to have led to a hiatus in the work programme and we have heard little of the work of the STAP or of progress on the overall innovation programme.

The Boston Spa Energy Efficiency project (one of the CVPs in Northern Powergrid's business plan) has been delayed for 12 months and live running is now not expected until Q3 2023.

On the other hand, we understand that Northern Powergrid has been successful in four of its five bids to the Strategic Innovation Fund and we look forward to learning more about these projects in due course.

- **Sustainability Strategy**

Northern Powergrid originally planned to publish a sustainability strategy alongside its business plan for ED2 in December 2021. It was to be designed to be read as a standalone document reflecting the company's ongoing commitments to sustainability, which extend beyond the scope of the ED2 business plan. It subsequently decided to decouple the sustainability strategy from the publication of the business plan and all its associated documents.

While this decision in itself made sense, progress since then on developing the strategy has been unsatisfactory. We understand that it has been delayed due to other priorities and staff absence.

The CEG has provided detailed feedback on the strategy on three occasions but has still not seen anything approaching a near final draft of the document. Our main concern is not the document itself, but what these repeated delays say about the company's commitment and ability to make the sustainability agenda an integral part of how it does business and so to deliver an appropriate strategy.

- **Connections Delays**

This topic, driven by a combination of congestion on the transmission system leading to very long (c 10 year) lead times to get new renewable generation projects connected, and historically unsatisfactory customer service from Northern Powergrid in dealing with individual connection requests, has become a matter of real concern.

Nationally, the topic of grid congestion is now receiving substantial attention. It is important that it is addressed in a timely and effective way if a just transition to net zero is to be achieved, and if national targets to decarbonise the grid by 2035 are to be met. NPg is actively engaged in a number of fora that are seeking to identify and progress suitable means of improving the situation. Changing the rules for prioritising and determining LCT connection applications will need to be part of the solution.

Locally, we had already raised concerns about the company's service to connections customers during development of the ED2 business plan. One of the CVPs in its ED2 plan was to introduce a new self-service analytics toolkit for connections customers. The first iteration of this has been met with mixed views from customers. We understand that the company is moving at speed to address the customer feedback and we will monitor progress on this carefully.

The CEG is monitoring Northern Powergrid's engagement, both with the industry and with its customers on this issue. We are also testing whether its work in other areas (DSO and flexibility, data and digitalisation) is taking account of the clear customer concerns in this area and whether plans are being adapting accordingly. This is now a common thread in many of our discussions.

4 Advice to Ofgem

While the CEG's Terms of Reference focus on our role to scrutinise Northern Powergrid's work, our work gives us insights into a number of the areas of Ofgem's work. The Chair has participated, alongside other CEG Chairs, in regular meetings with Ofgem officials. In addition, we have responded to four sets of consultation questions from Ofgem:

- **In May 2022 we responded to Ofgem's call for input on 'Future of Local Energy Institutions and Governance'**
- **We have just responded (in May 2023) to Ofgem's more recent follow up consultation on the same topic.**
- **In August 2022 we responded to a consultation on Ofgem's Draft Determinations for ED2**
- **We have also just responded (in May 2023) to Ofgem's recent consultation on frameworks for future systems and network regulation**

Future of Local Energy Institutions and Governance

We judged these consultations to be especially important and pertinent to our work because they address the issue of how energy system planning, and spatial planning can be better coordinated and so aligned. We see this as an absolutely crucial issue in achieving a just transformation to net zero, and one on which we have a valid perspective to offer.

In preparing our responses we reached out to Combined and Local Authorities in the area served by Northern Powergrid and shared our draft consultation response in advance with them to give them an opportunity to comment. We received positive feedback on it.

We also sought the views of the Northern Gas Networks CEG given the importance of whole systems planning and not just electricity.

In our response³ we stressed the importance of protecting citizens' interests by ensuring that energy system and spatial planning processes are fully aligned and coherent, by establishing appropriate governance arrangements to secure local accountability of energy planning work and implementing changes in a timely way in view of the urgency of reducing carbon emissions.

3. https://ceg.northernpowergrid.com/wp-content/uploads/2023/05/CEG-response-to-Ofgem-consultation-on-future-of-local-energy-institutions_FINALv2.pdf

ED2 Draft Determinations

This consultation sought views on a very wide range of topics, but we limited our response⁴ to the topics on which we have significant expertise and evidence for our views.

In addition to responding to a number of regulatory technical points, we stressed the importance of transparency, both in reporting the progress of DNOs in delivering the commitments in their plans and in Ofgem’s decision making (e.g. on the application of uncertainty mechanisms and re-openers). This is of paramount importance if consumer confidence in the industry and its regulation is to be maintained.

We also encouraged Ofgem to mandate an ongoing role for CEGs during the delivery of ED2 plans (along the lines we have agreed with Northern Powergrid) as this will support transparency in the industry and put a greater emphasis on local stakeholders’ priorities. Without a defined requirement by Ofgem companies will take different approaches stakeholder representation and transparency, and this would be a missed opportunity to enhance confidence in the industry.

Frameworks for future systems and network regulation

Again, we focused our response⁵ on the aspect of the consultation on which we have most expertise: the role of the ‘consumer voice’ and how should it be channelled.

We said that the ‘consumer voice’ should be an integral part of a process through which all plans are assessed and an ongoing input to monitor and assess how well delivery is meeting the continually evolving needs of customers and stakeholders. But it is important to recognise both that there is no single ‘consumer voice’ and that the needs of some other stakeholders – such as spatial planning authorities – must also be taken into account.

CEGs have been able to act as an impartial bridge between the many stakeholder groups with which the regulated companies engage and the specialist teams drawing up the business plans. In this way they have given a significantly stronger ‘consumer voice’ in such plans than was previously possible. Their scrutiny, and their direct line to Ofgem has provided an added check on the companies’ interpretation of the stakeholder feedback they receive.

We recommend that Ofgem mandate the continuation of such groups both to contribute to the business planning processes and also to add to the scrutiny of delivery of those plans.

4. <https://ceg.northernpowergrid.com/wp-content/uploads/2023/05/Response-to-Ofgems-DD.220822-vld.pdf>

5. https://ceg.northernpowergrid.com/wp-content/uploads/2023/05/230519-CEG-response-FSNR_FINAL.pdf

5 Proposal for Reporting on ED2 delivery

We have been in discussion with the company about what regular reports we need to receive during ED2 in order to discharge our responsibilities to scrutinise and report on delivery of the commitments in the company's business plan. We expect to receive monthly reports on progress from the company and will publish our summarised views on progress in our future annual reports.

Annexes

A1 Customer Engagement Group Terms of Reference

1. Background

Northern Powergrid has established an independent ‘Customer Engagement Group’. This group was formed in response to Ofgem’s requirements as part of the RIIO-2 price review process, and its role is to represent the interests of the customers and communities that Northern Powergrid serves. The CEG challenged the company to ensure that its developing plan for ED2 properly reflected customers’ interests and Ofgem’s guidance on priorities for the price review. The company has now decided to keep the Customer Engagement Group in place during the whole of the ED2 period (2023-28) to enable it to scrutinize and report publicly on the company’s delivery of the commitments in its business plan.

2. Role

- a. The independent Customer Engagement Group (“CEG”) will operate at arm’s-length, independent from both the Company and Ofgem, to scrutinize and provide challenge to the Company on the delivery of its business plan commitments for ED2 and report its own views on progress to Ofgem and the public.
- b. The CEG will assess and report on the quality and scope of the Company’s stakeholder engagement, and the extent to which its findings are reflected in the Company’s work.

3. Duties and scope

- a. In carrying out its purpose of providing challenge to the Company’s delivery of its business plan, the CEG will focus on areas where there is the need to improve customer outcomes, and where it has the expertise to scrutinise and challenge.
- b. The CEG will consider the following areas (including but not limited to):
 - i. the Company’s delivery of the commitments set out in its business plan for ED2 (including the commitment to Net Zero);
 - ii. the Company’s progress in addressing the issues highlighted by recent storms;
 - iii. the quality of stakeholder engagement the Company undertakes to inform its work;
 - iv. the Company’s appropriate recognition of the changing energy and social context, and the associated flexing of its year-on-year plans;
 - v. the approach and support that the Company provides to vulnerable customers;
 - vi. the Company’s approach to developing system operation and working with others to maximise the benefits for customers of the opportunities presented by more flexible use of the energy system;
 - vii. the Company’s progress in establishing itself as an outward looking ‘anchor institution’ in the communities it serves.

This list will be kept under review and amended as appropriate.

4. Outputs and deliverables

- a. The primary output from the CEG will be an annual public report on the Company's progress in delivering the commitments in its business plan.
- b. The CEG may also publish other reports on aspects of the company's performance from time to time.
- c. The CEG will observe the work of the Company's Business Plan Engagement Group (and its subgroups). It will provide feedback to the company on the working of this group with the aim of improving its effectiveness at keeping customers' needs at the centre of decision making in the Company.

The CEG will also:

meet regularly (at a frequency to be decided by the chair), and produce outputs from its meetings including minutes and actions for each meeting;

- d. receive input from other advisory groups established by the Company, such as the Social Issues Expert Group, the Stakeholder Panel, the Citizens Panel, the Future Fairness Panel, the Community Energy Stakeholder Panel, the Community Energy Forum, and the Science and Technology Advisory Panel.
- e. collaborate with any CEGs maintained by other DNOs, and with Ofgem, the Challenge Group, customer representatives and other stakeholders.

5. Chair

- a. The CEG has an independent chair, whose role will include leading discussions and chairing meetings of the CEG. The chair must act independently and not as a representative of a particular organisation or group of customers.
- b. The chair will be the principal representative of the group in contacts with other parties (including the Company, Ofgem, and the CCG).
- c. The chair is responsible for ensuring that members of the CEG have a good understanding of the main obligations, issues and priorities required to carry out their role as members of the CEG.
- d. The chair should seek to facilitate open, informed discussion and consideration of issues set out in paragraph 3 by the CEG.

6. Membership

- a. The CEG will be constituted in such a way that members between them have the range of knowledge, skills, and expertise necessary to scrutinise and challenge the Company's delivery of the commitments in its plan in all the areas set out in Section 3 of these Terms of Reference.
- b. Individual members will provide expertise relating to their discipline to the CEG, contributing their views as individuals and not seeking to represent any group, organisation or constituency other than the interests of current and future consumers.
- c. Members must ensure their contributions enable the CEG to function in a collaborative and cohesive manner.
- d. Members may be asked by the Chair to represent the CEG in meetings, including public open hearings in support of the Chair.

- e. Members must inform the Chair and Secretariat in advance if they are unable to attend any meeting.
- f. The chair shall work with the Company to recruit members of the CEG. The chair is responsible for notifying the Company if any member(s) of the CEG wishes to leave the CEG and for managing any such leavers whilst ensuring that the overall role of the CEG is not affected.
- g. A Member may be removed from the Group by the Chair, in consultation with the Company, if they have committed a serious breach of the standards of conduct laid down in the Terms of Reference.

7. Conduct of the CEG

- a. The independence of the CEG Chair and Members from the Company and Ofgem is essential. The CEG must scrutinise and challenge the delivery of the Company's business plan and, in doing so, seek to achieve the best possible outcomes for present and future consumers.
- b. The work of the CEG will be conducted in as transparent a manner as possible, without compromising either individual rights or the Company's commercially confidential information. The CEG will maintain webpages with an up-to-date record of its membership, Terms of Reference, and the progress of its work.
- c. The Chair and Members will observe the highest standards of integrity and independence and comply with the principles established by the committee on standards in public life (Nolan Principles – see Annex 2).

All members must declare any conflicts of interest that may be relevant to their role as a member of the CEG. A conflicts of interest register will be maintained by the CEG and kept available for public scrutiny. Members must also declare any conflicts of interest at the start of any meeting of the CEG.

- d. Members of the CEG may receive commercially sensitive data or personal data relating to named individuals in connection with their role as CEG members. Members of the CEG must agree to keep all such information confidential and to abide by all laws, regulations and legislation in respect of such information (including the processing of any such information).
- e. Members of the CEG must agree to enter into any separate agreements with the Company in respect of confidentiality, intellectual property and/or data protection as the Company may reasonably require.

8. Resources and information

The Company will provide the CEG with the following information and resources to assist the CEG in carrying out its role: secretariat support, meeting facilities, etc. All relevant information regarding progress in delivering the business plan, and its background (e.g., relevant government policies, regulatory requirements; planning scenarios).

9. Meetings with the Company

The CEG will meet formally with the Company at least once every three months.

10. Quorum

Four members of the CEG including a designated Chair.

11. Variations to terms of reference

Any changes to these terms of reference must be agreed in writing by the chair of the CEG and the Company. The terms of reference will be reviewed once a year.

12. Transparency

The CEG will have a webpage which will include:

- a. the membership of the CEG;
- b. a register of conflict of interests;
- c. the Terms of Reference; and
- d. a copy of all reports written by the CEG

13. Definitions

For the purposes of these Terms of Reference, the following terms have the following meanings:

“Company” means Northern Powergrid (Northeast) Limited (company number: 02906593) and Northern Powergrid (Yorkshire) plc (company number: 04112320)

“Ofgem” means the Office of Gas and Electricity Markets.

A2 The Nolan Principles

The 7 principles of public life apply to anyone who works as a public officeholder.

The principles also apply to all those in other sectors that deliver public services, so it is appropriate that CEG members, who are appointed to represent the interests of customers and communities, should adhere to them. They are:

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

A3 Biographies

Justin McCracken (Chair)

Justin brings a wealth of experience to the CEG with more than fifteen years' in a regulatory capacity in national public bodies: the Health and Safety Executive; the Environment Agency; and latterly as a Non-Executive Director of the Office of Rail and Road (ORR – the economic and safety regulator for the rail industry and economic regulator for Highways England). He has also served as Chief Executive of the Health Protection Agency and as a trustee of a charity, the British Safety Council and as a non-executive Director of Ombudsman Services (a company which runs a number of ombudsman schemes including the Energy Ombudsman)

Graham Oakes

Graham has a PhD in Satellite Image Processing and a background in tech, working with firms such as Cisco, Intel, Skype and Sony. In 2013, he created Upside Energy, a tech platform for managing flexibility on the grid. Upside raised £10m of funding and grew to 35 staff by the end of 2018, at which point Graham stood down to focus on enabling people to participate in the Energy Transition. Upside was subsequently sold to Octopus Energy, where it now forms the basis for its KrakenFlex platform. Graham now supports a number of EnergyTech startups and works on local and municipal energy projects across UK and EU. He was a member of BEIS' Engineering Standards Review and Ofgem's Design Advisory Board for Half Hourly Settlement, and is currently a board member of FlexAssure, the ADE's code of conduct for demand response aggregators. His book Project Reviews, Assurance and Governance is published by Routledge.

Henri Murison

Henri brings his expertise on the importance of electricity infrastructure and the transition to Net Zero in the wider economy to the CEG. Chief Executive of the Northern Powerhouse Partnership, he works across the wider infrastructure agenda, education, skills and wider industrial policy to drive the agenda on how to close the North – South divide. He has led work on the role of decarbonisation in driving economic growth, specifically focused on energy sector. Previously, he advised a financial services business on their government and international regulation interest as well as having wider roles in the voluntary sector and as Cabinet Member for Quality of Life at Newcastle City Council.

Jenny Saunders

Jenny Saunders is an independent consultant with over 30 years working in the energy and charity sectors. Previously Chief Executive at National Energy Action, based in the North East but operational across the UK, Jenny is currently Chair of the Customer Engagement Group for NGN and has experience of Ofgem's enhanced stakeholder engagement process for RII02. She was a member of the Government's Fuel Poverty Committee from 2016 to 2022 and sat on the Advisory Group from 2018 to March 2023 to Innovate UK's £200m PFER programme. Jenny is a Non-Executive Director of Affordable Warmth Solutions which delivers heating and energy efficiency programmes. She has previously sat on a number of energy industry stakeholder groups including Northern Powergrid's Social Issues Expert Group.

Mike Kay

Mike worked at Electricity North West for 38 years, the last eight of which he was Engineering and IT Director. He chaired the Distribution Code Review Panel for over a decade, and was a member of the Grid Code Review Panel for eighteen years. Since leaving Electricity North West in 2015 he has worked as an independent consultant on a number of projects for the regulated electricity network industries in the UK and internationally. He is a member-elected trustee of the Electricity North West pension fund.

Simon Pringle

Simon is Managing Director of Project Rome, a consultancy specialising in commercial strategy, campaign and communication. An Honorary Professor at University of Edinburgh Business School, Simon is also an Associate Fellow at Chatham House. He was formerly Head of Sustainability and Innovation at BDO LLP and has a background in Environmental Consulting and Change Management. He was author of the IMechE guide to commercialising clean technology and designed the CBI innovation model for medium sized businesses. A board member of the Leeds City Region LEP, he was formerly chair of the Green Economy Panel and co-founded the Yorkshire and Humber Climate Commission. Chair of the children's STEM skills organisation 'Solutions for the Planet', Simon is also a member of the Northern Gas Networks CEG.

Customer Engagement Group – Register of Interests

A4 Stakeholder Engagement events observed by the CEG

Date	CEG observed NPg engagement
2022	
10/03/2022	Social Issues Expert Group (SEIG)
04/05/2022	Social Issues Expert Group (SEIG)
08/06/2022	Social Issues Expert Group (SEIG)
19/07/2022	Taking Storm Response to the next level
02/08/2022	Storm Response workshop - Communications and customer support
23/08/2022	CEG Priority Service Membership subgroup session
13/09/2022	Storm Response workshop - second hot house session
26/09/2022	Storm Response - Scenario based Exercise 1
30/09/2022	Storm Response - Scenario based Exercise 2
03/10/2022	Storm Response - Scenario based Exercise 3
05/10/2022	Storm Response - Scenario based Exercise 4
10/10/2022	Storm Response - Scenario based Exercise 5
17/10/2022	Storm Response - Scenario based Exercise 6
17/11/2022	Social Issues Expert Group (SEIG) – Subgroup Deep Dive
30/11/2022	Northern Powergrid Social Issues Expert Group
28/11/2022	Cross Utility Partners - NPg 2022 Winter Readiness Briefing
30/11/2022	Social Issues Expert Group (SEIG)
13/12/2022	Northern Powergrid Community Energy Forum: Local approaches to tackling the energy crisis
08/12/2022	NPg Stakeholder Panel - Helping customers fairly transition using low carbon technologies
2023	
16/01/2023	Citizens Panels (LCT adoption, Voltage optimisation (BEET) and Priorities research)
19/01/2023	Citizens Panels (LCT adoption, Voltage optimisation (BEET) and Priorities research)
21/02/2023	Interview with SIA Partners to support SECV submission
27/02/2023	Citizens Panels (New contact channels to support in prioritising roll out)
01/03/2023	Social Issues Expert Group (SEIG)
02/03/2023	Citizens Panels (New contact channels to support in prioritising roll out)
02/03/2023	Interview with SIA Partners to support SECV submission
09/03/2023	Transmission Congestion Webinar
20/03/2023	Q2 Regional Forum Discussion - 'NPg Investment Plan Explained'
21/03/2023	Stronger Together Event (Community Partners Networking Forum)
29/03/2023	Capturing Your Data Needs & Data Sharing NPg Zoom Event
29/03/2023	Capturing Your Future Energy Priorities to Help Shape NPg Priorities Lunch Discussion

If you would like to pose any questions to the CEG or find out more about how it is helping to ensure Northern Powergrid's future plans reflect the needs of the customers, stakeholders and the communities it serves, email ceg@northernpowergrid.com