

**NEXT GENERATION
NETWORKS**

The transition from DNO to DSO

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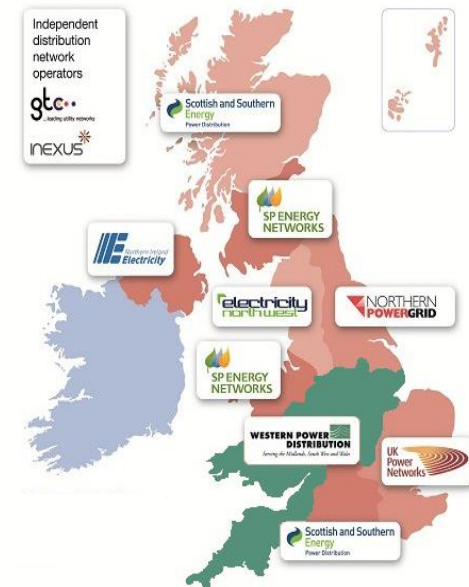


Outline

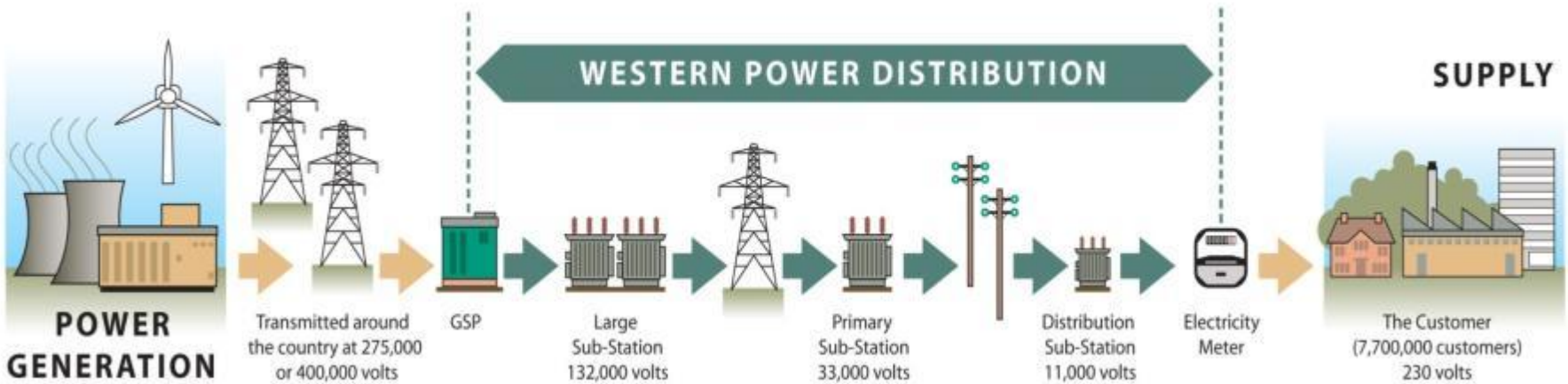
- Western Power Distribution – Who we are
 - How our role is changing
 - What does that mean for communities and what do communities think it means to them?
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Western Power Distribution – Who we are

- WPD is a Distribution Network Operator (DNO)
- We distribute electricity to 7.8 million customers
- We operate 4 of 14 distribution licence areas in the UK



Western Power Distribution – Who we are



Key Activities

- Maintain the network
- Connect new customers
- Fix the network

Providing a value for money service

- Customers pay for everything we do so they have a right to expect excellent performance and value for money.
- The average domestic customer in GB pays around £100 a year for distribution – around 27p a day. This figure is 43% lower in real terms since privatisation
- What do customers get for this money? Across UK networks as a whole:

Power cuts
halved in the
last 15 years

Customer costs
decreased by
17% since
privatisation

£100bn
invested since
1990s

Reducing carbon emissions – our role is changing...

- Government has ambitions to reduce carbon emissions by 50% by 2025.
 - The way we use, generate and distribute energy is changing to meet these reduction targets.
 - Therefore, in response to these changes, WPD is transitioning from a Distribution Network Operator to a Distribution System Operator.
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What does this mean for community groups?

**A smarter system
to enable
charging of cars,
heating homes,
generating and
storing energy
locally**

**New income
streams and
exciting
opportunities to
take part in
flexibility
services**

**Better value for
money by
avoiding costly
reinforcement
and using
network capacity
more
intelligently**

What do community groups think it means to them?

- We run a consultation where we asked communities what they think this transition means to them and if/how they'd like to participate.
 - This is because we recognise how important it is to involve communities in our strategic decisions.
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What do community groups think it means to them?

- Communities showed clear willingness to be part of the industry changes and participate in the areas they can.
 - But uncertainty was expressed to whether they would have the skills, knowledge and resource needed to participate in these changes (for example in future flexibility services).
 - Communities suggested changes to regulation that would enable them to take advantage of these opportunities, which we will forward to the regulator.
 - Open dialogue with the DNO is always appreciated, so we will continue and build on our community energy work based on the feedback we received.
 - You can have your say today!
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THANKS FOR LISTENING

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