

A coastal scene at sunset with sea stacks and glowing light trails. The sky is a mix of blue and orange, and the water is dark with reflections. Several glowing white light trails, resembling circles and loops, are overlaid on the scene. A semi-transparent dark blue triangle is on the right side of the image.

National Grid Stakeholder (energy transition) priority outcomes

DECEMBER 2023

Sample and method

In November 2023, Yonder Consulting conducted market research on behalf of National Grid.

The research involved online surveys among three audiences: general public, small and medium sized businesses, and impacted stakeholders.

General public

- + Nationally representative sample of 3,302 interviewed between 2-14 Nov 2023. Quotas and weighting placed on Gender, Age, Social Grade, Tenure, work status, ethnicity and region

Businesses

- + Representative sample of 1,098 from small and medium sized businesses interviewed between 2-17 Nov 2023. Quotas and weighting placed on business size

Impacted stakeholders

- + Sample of 280 National Grid impacted stakeholders interviewed between 2-23 Nov 2023. Made up of 148 Industry partners and peers, 110 Regional partners and communities

Yonder Consulting also carried out analysis of transcripts derived from the regional stakeholder events hosted by National Grid in Cardiff, Cambridge, Manchester, Exeter, Leeds and London between 25 September and 31 October 2023.

What follows is informed by both sources.

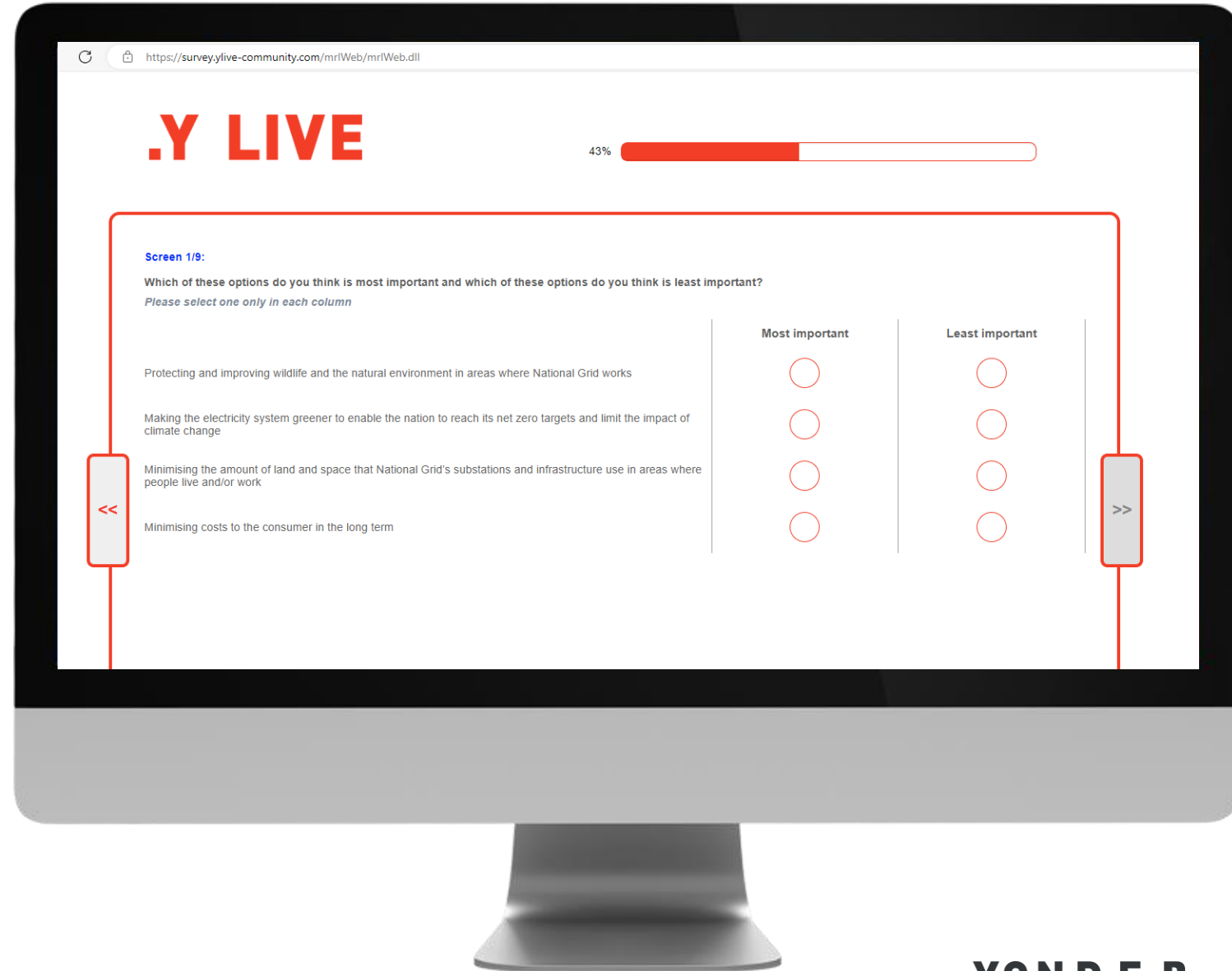
(Note to reader: This study was carried out in November 2023 and opinions and nuances may have evolved since.)

MaxDiff

A powerful survey tool for ranking preferences

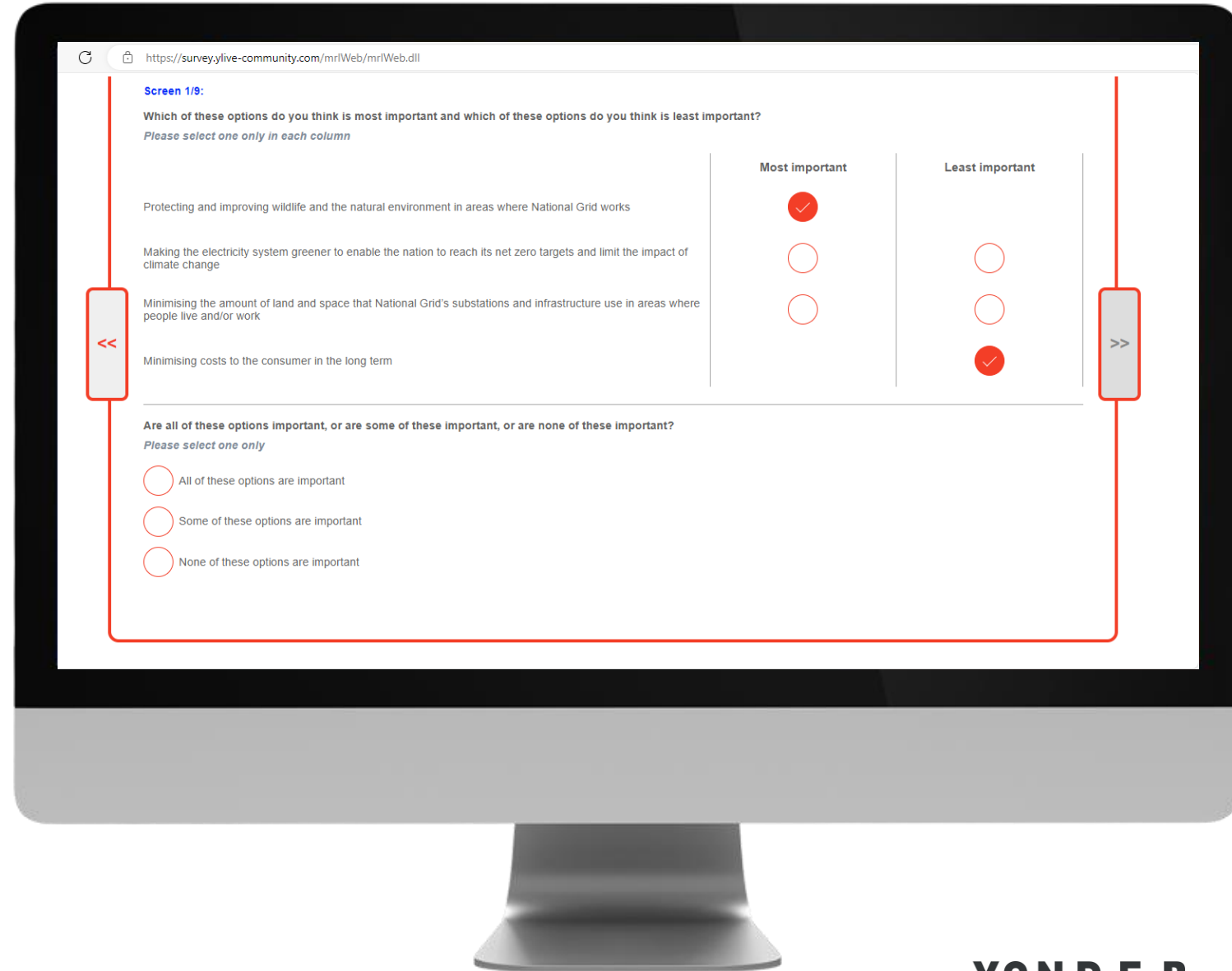
MaxDiff: a robust analytical exercise to reveal preferences.

Respondents are presented with various sets of statements, each time selecting the most important and the least important...



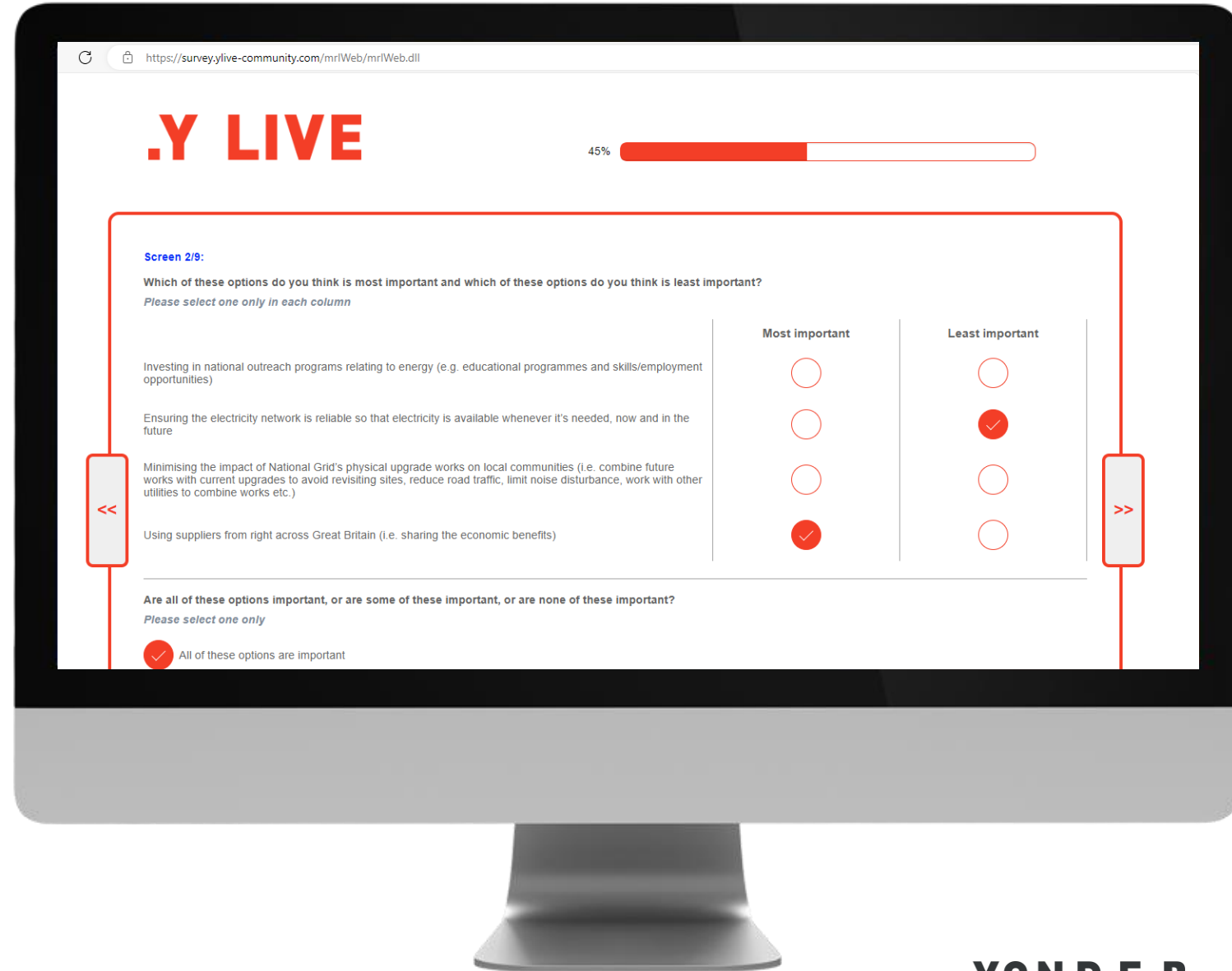
MaxDiff: a robust analytical exercise to reveal preferences.

Respondents are then asked if all, some, or none of the options are important...

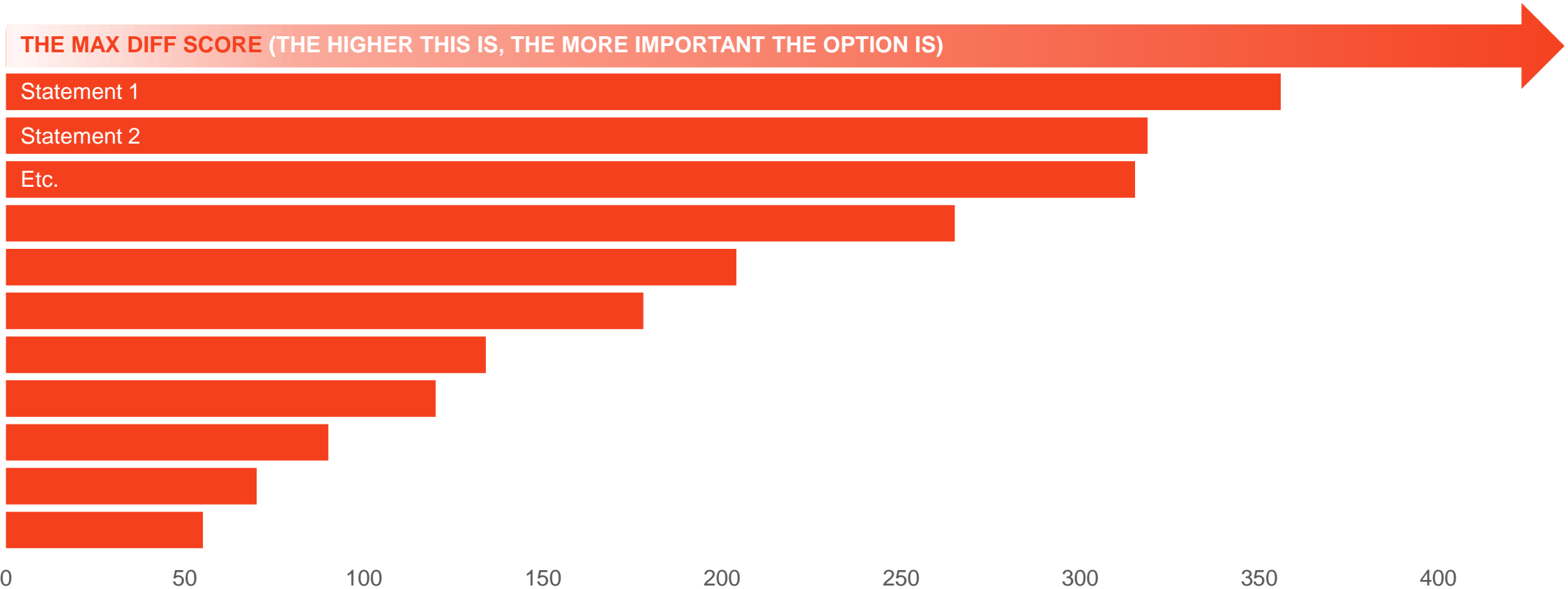


MaxDiff: a robust analytical exercise to reveal preferences.

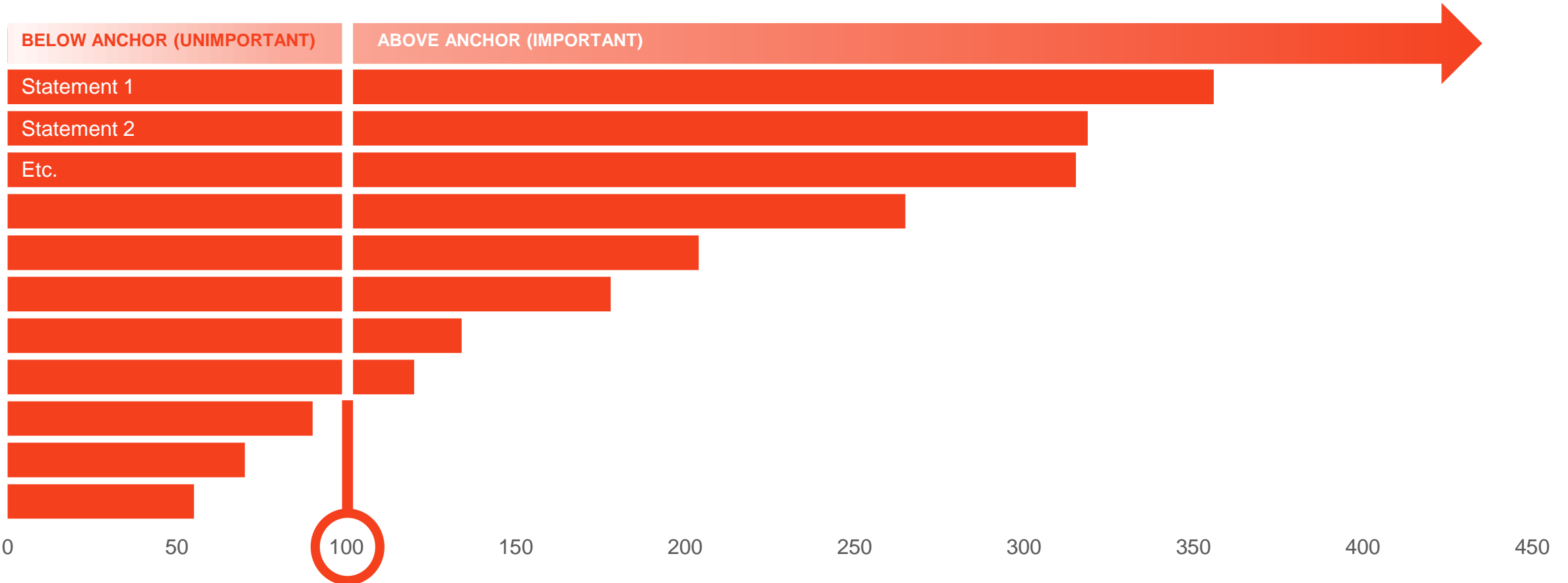
...this process is repeated with random combinations of statements.



This allows us to produce MaxDiff scores



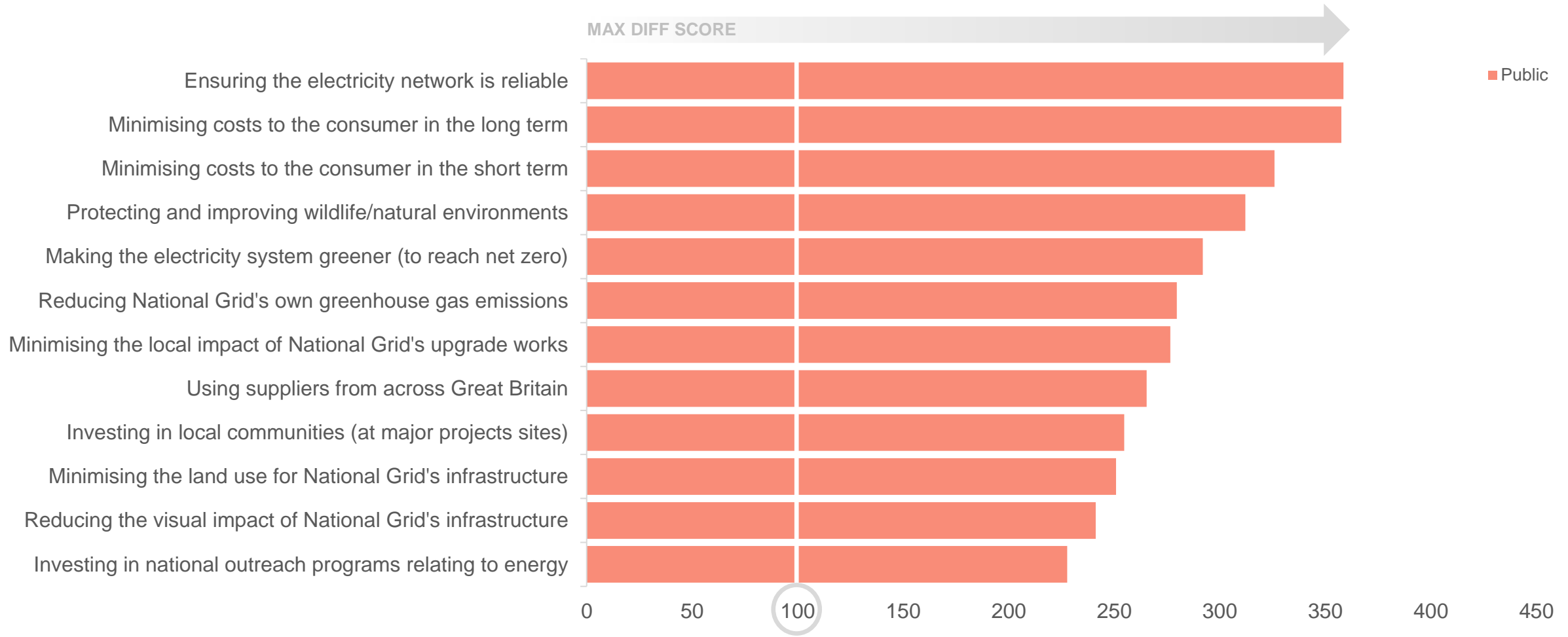
MaxDiff scores are anchored to 100



WE TESTED TWELVE EXCLUSIVE OUTCOMES ACROSS DIFFERENT ACTIVITY AREAS RELATING TO THE ENERGY TRANSITION

AFFORDABILITY	Minimising costs to the consumer in the short term
	Minimising costs to the consumer in the long term
COMMUNITY IMPACT	Minimising the amount of land & space that National Grid's substations & infrastructure use in areas where people live/work
	Minimising the impact of National Grid's physical upgrade works on local communities
NET ZERO	Making the electricity system greener to enable the nation to reach its net zero targets and limit the impact of climate change
ENVIRONMENT	Reducing National Grid's greenhouse gas emissions across its operations (e.g. buildings/fleet/substations) as early as possible
	Protecting and improving wildlife and the natural environment in areas where National Grid works
	Reducing the visual impact of National Grid's infrastructure
REALIABILITY	Ensuring the electricity network is reliable so that electricity is available whenever it's needed, now and in the future
SOCIAL VALUE	Investing in national outreach programs relating to energy
	Investing in local communities and regions where major infrastructure projects are being delivered
	Using suppliers from across Great Britain

The MaxDiff scores show that all are considered important...



This work outlines **three core take-outs** which build on one another and, if followed, provide a mandate to deliver on expectations that span different stakeholder/consumer groups.

Finally, a fourth section highlights some **key considerations** regarding connections and operations based on both the market research and the stakeholder regional workshops (Sep-Oct 2023).

Key Take-Outs

#1

Collapse the
trilemma

#2

Plan for the
long term

#3

Put core
delivery first

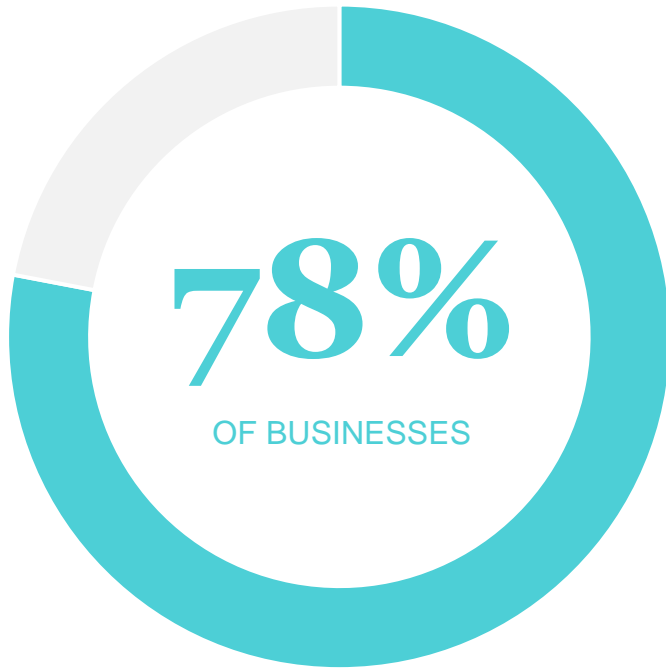
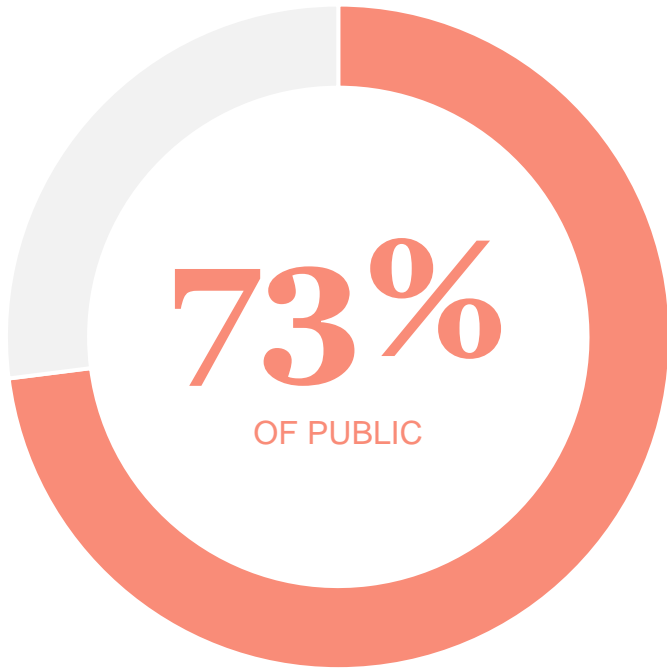
Take Out #1: collapse the trilemma

All activities should be justifiable on account of all three trilemma priorities

(but the degree of focus on individual trilemma components should be dialled up or down when engaging with different audiences).

Public, businesses, and impacted Stakeholders agree that it is important to invest in green energy to minimise the impact of climate change.

There is strong support in principle for investment in green energy & electricity across groups



...think it is important to ‘make the electricity system greener to enable the nation to reach its net zero targets and limit the impact of climate change’

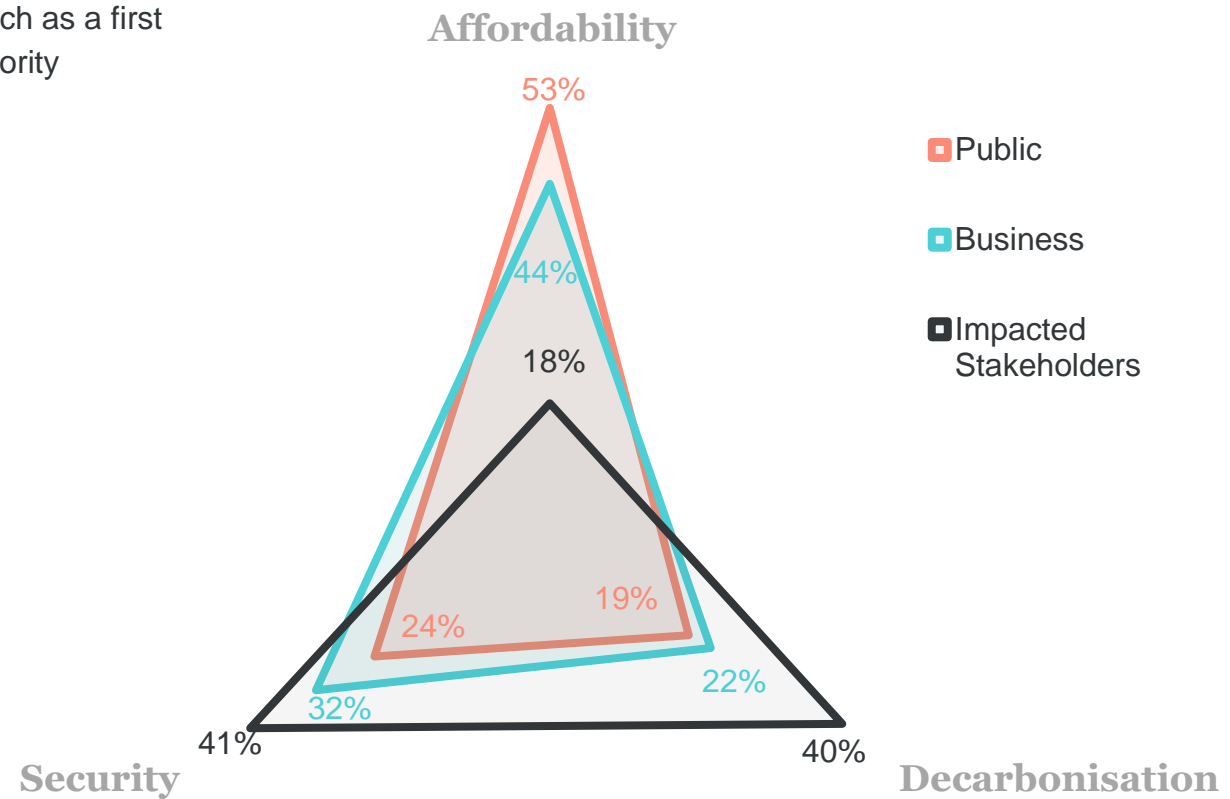
National Grid - audience outcome priorities
Q How important or unimportant do you think it is that energy network companies like National Grid take the following actions? [Making the electricity system greener to enable the nation to reach its net zero targets and limit the impact of climate change]. Base: Public (3,302), Business (1,098), Impacted stakeholders (280)

But when asked to prioritise between the trilemma components, the public and businesses choose affordability and security over decarbonisation.

This does not align with the perspective of impacted stakeholders. They continue to view decarbonisation as critical.

Over half the public rank affordability above security and decarbonisation

% who choose each as a first priority



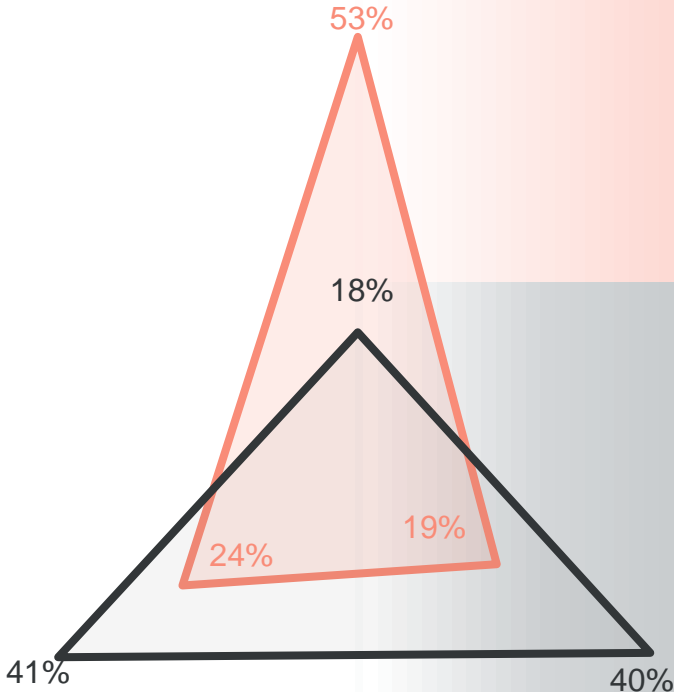
National Grid - audience outcome priorities

Q. Please rank the following priorities from 1 to 3 where 1 is the most important to you and 3 is the least important to you. Base: Public (3,302), Business (1,098), Impacted stakeholders (280)

When seen through the lens of the trilemma, public & stakeholder perspectives are at odds

The public

Tend to view decarbonisation as an investment that is necessary in the long term but that can be at odds with affordability (especially in the short term). If money is available, it should be passed directly to consumers.



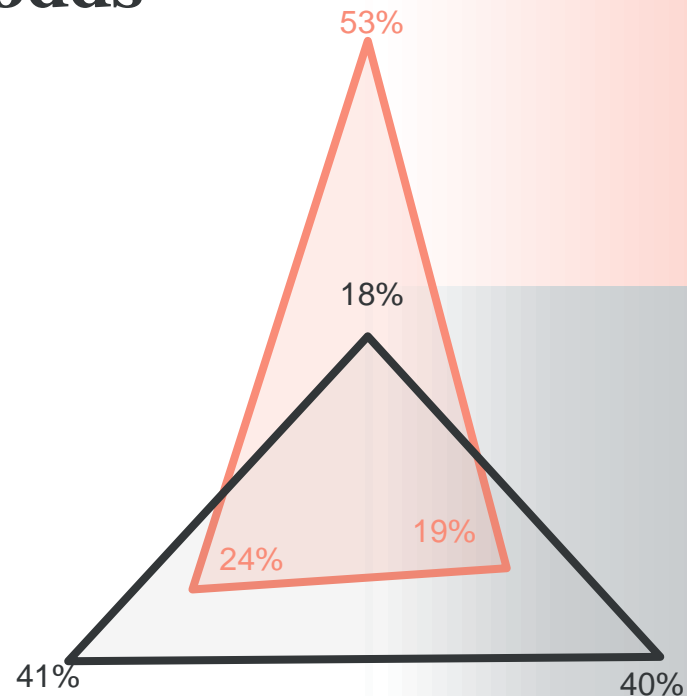
Impacted stakeholders

Tend to view decarbonisation as an investment that is necessary in the long term so that it can reduce bills and improve energy security.

National Grid - audience outcome priorities

Q. Please rank the following priorities from 1 to 3 where 1 is the most important to you and 3 is the least important to you. Base: Public (3,302), Impacted stakeholders (280)

When seen through the lens of the trilemma, public & impacted stakeholders perspectives are at odds



“We're already paying too much. Where does the huge profit go if all your ideas at some point involve adding to our bills?”

“We need companies willing to invest in the country in terms of environmental policies and energy security. These can be funded by slightly reducing the enormous bonuses paid to company bosses rather than taking more from consumers. If companies are not willing to do this, then energy needs to be re-nationalised.”

“Energy costs are far too high and no one is doing anything about it. Net zero has to take a back seat until this issue is resolved.”

“There's almost a danger in the triangle approach that you almost think of them as mutually exclusive. So if I want to be affordable, I can't really do energy security. But actually there are ways through that where it's win-win.”

“It's not so much a trilemma as a symbiotic relationship for me. We need to move beyond calling it a trilemma and say instead that they're all the same thing. We need sustainable energy to be cheaper and thus more affordable. It is geopolitically unsustainable to rely on foreign actors for energy sources who may not have our interests in mind. The more sustainable we are the more affordable and secure it is. It is a golden triangle.”

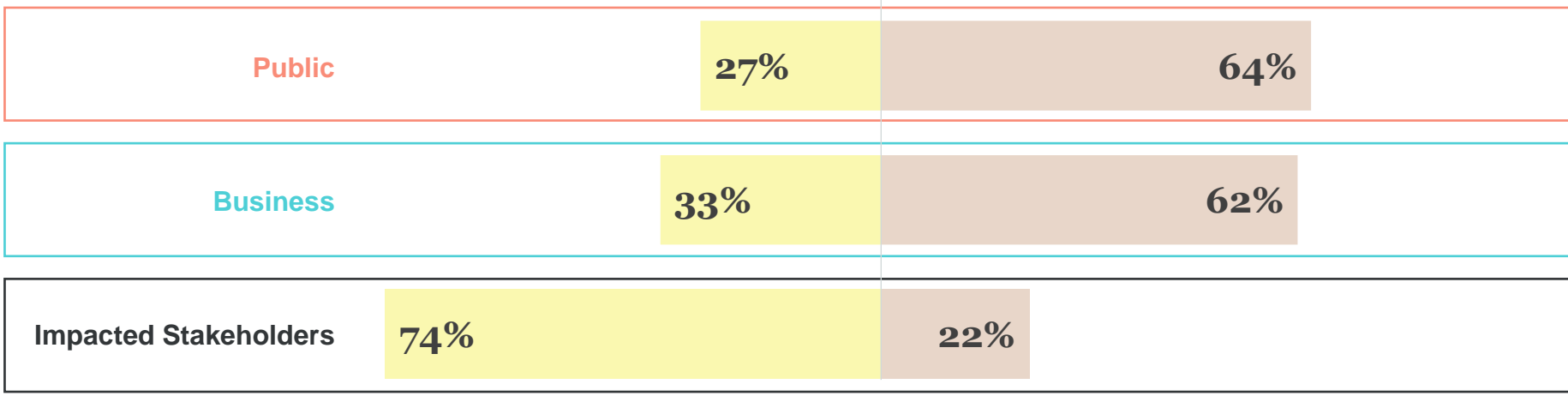
National Grid - audience outcome priorities

Q. Please rank the following priorities from 1 to 3 where 1 is the most important to you and 3 is the least important to you. Base: Public (3,302), Impacted stakeholders (280)

The core question is over how much space the need for lower bills leaves for investing in low-carbon technologies

As a country, right now, Britain should prioritise investing in **low-carbon technologies** to ensure we are able to meet our net zero carbon targets by 2050 and tackle climate change

As a country, right now, Britain should prioritise keeping **living costs & energy bills** for Britons as low as possible

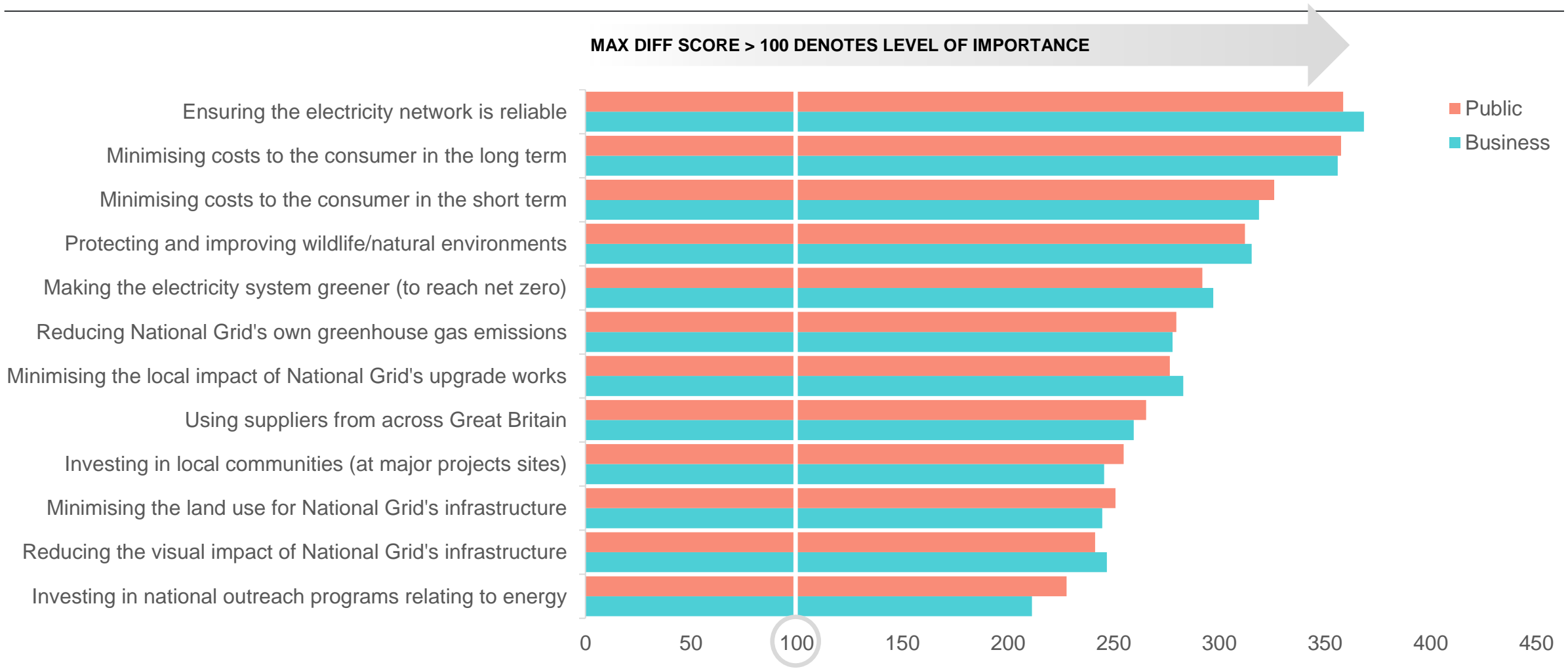


National Grid - audience outcome priorities

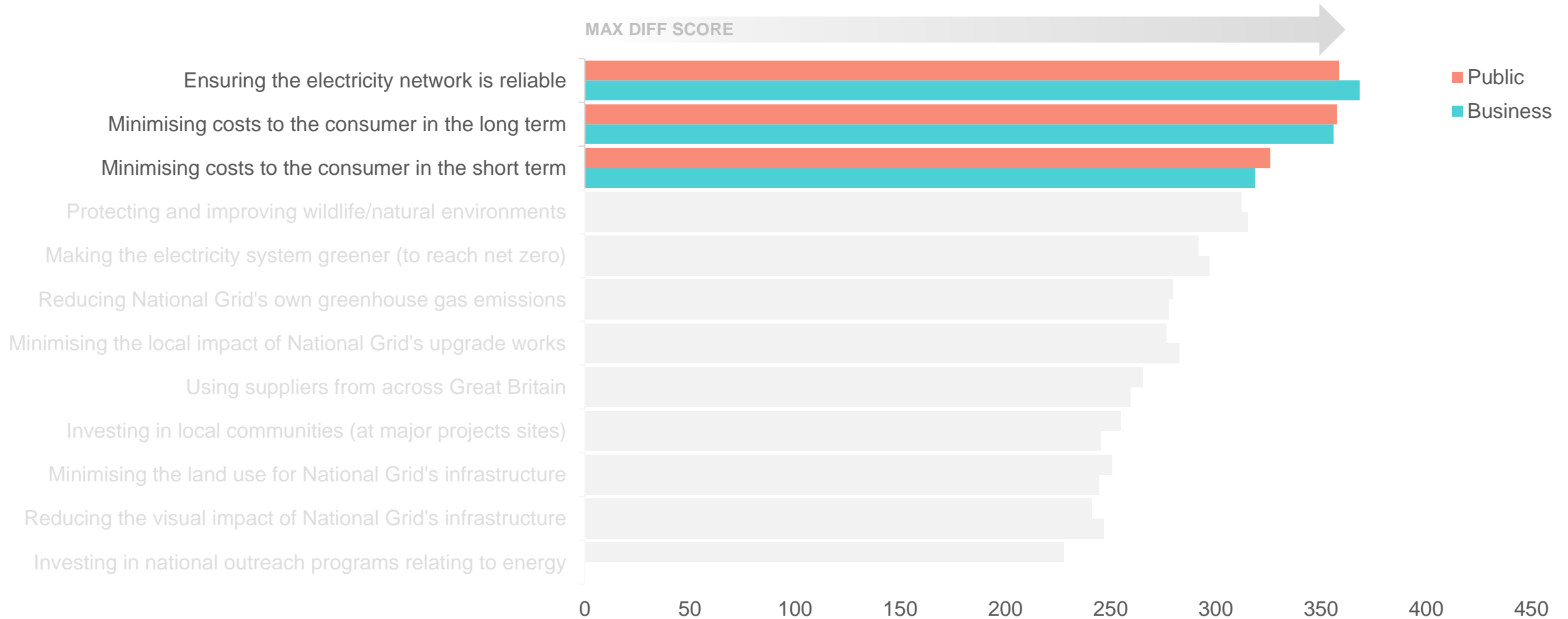
Q. Please rank the following priorities from 1 to 3 where 1 is the most important to you and 3 is the least important to you. Base: Public (3,302), Business (1,098), Impacted stakeholders (280)

**This picture is backed up by the
MaxDiff analysis, which gives a
more sophisticated view of
relative priorities.**

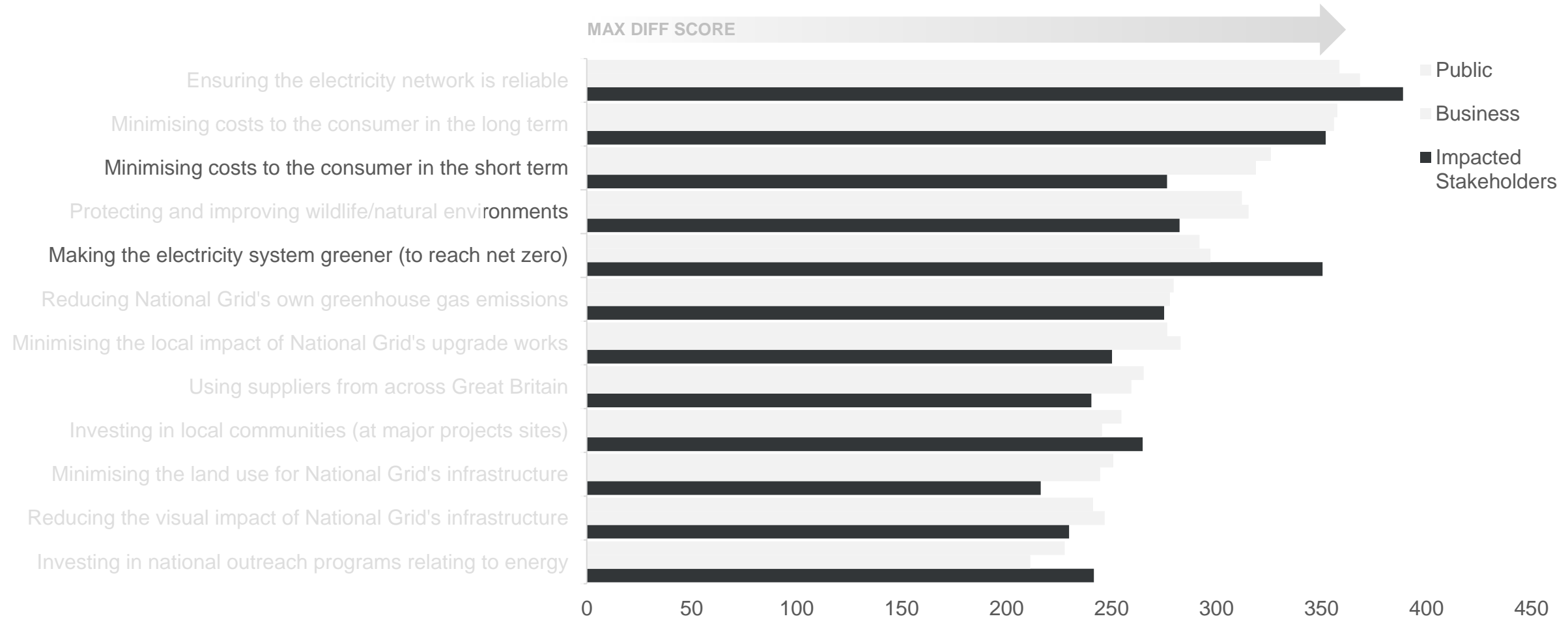
Consumer priority outcomes of the energy transition



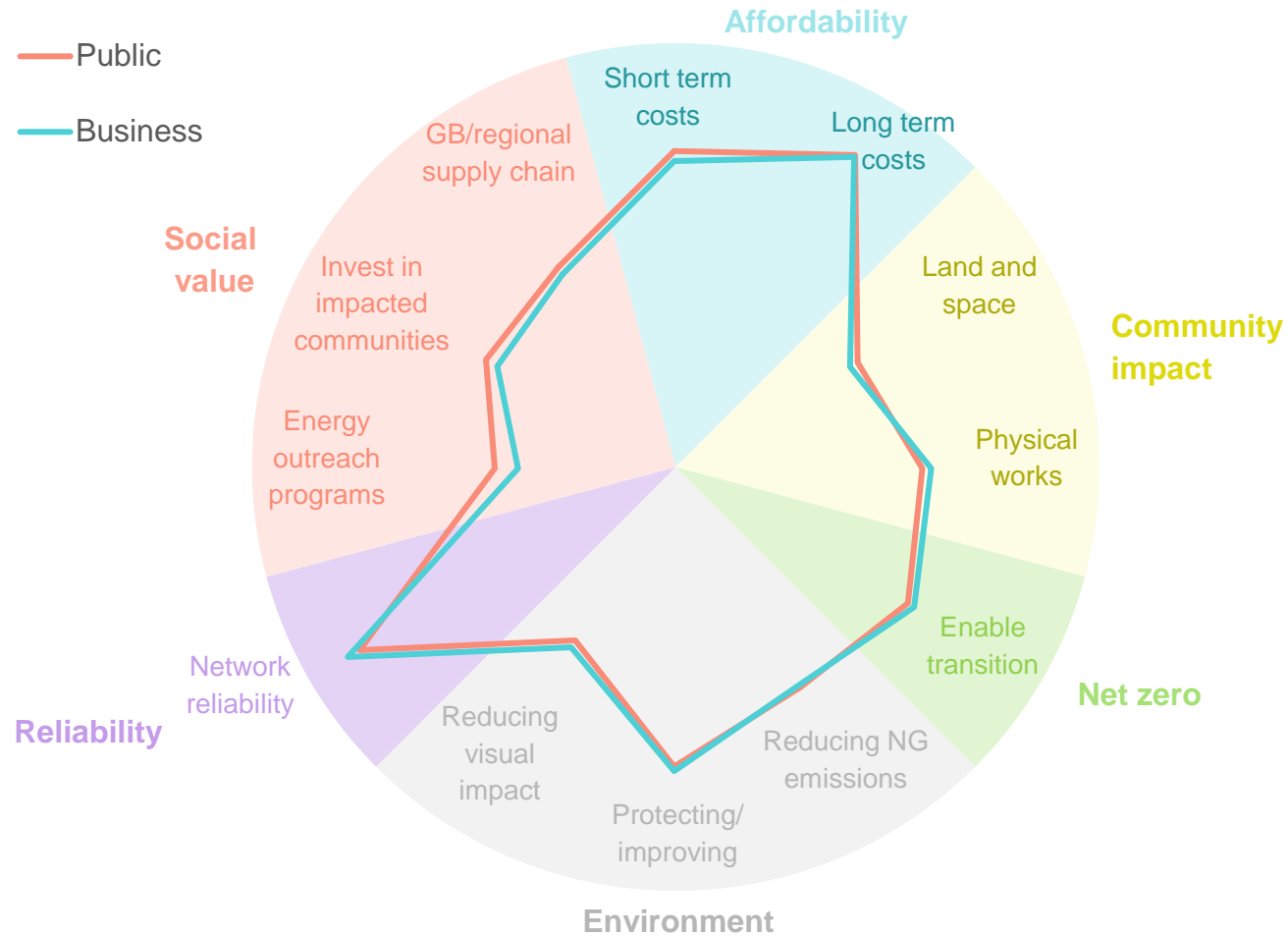
...but there is a clear prioritisation of reliability and cost among the **public** & **businesses**



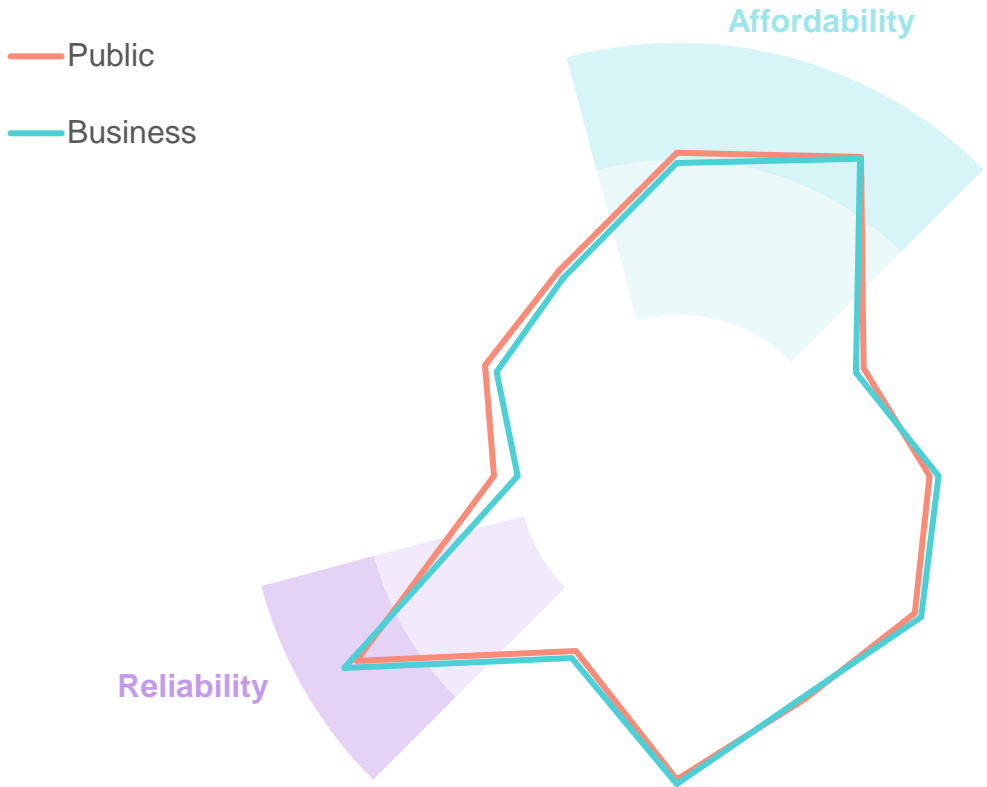
But again, impacted stakeholders deprioritise costs in the short term in favour of the drive to net zero



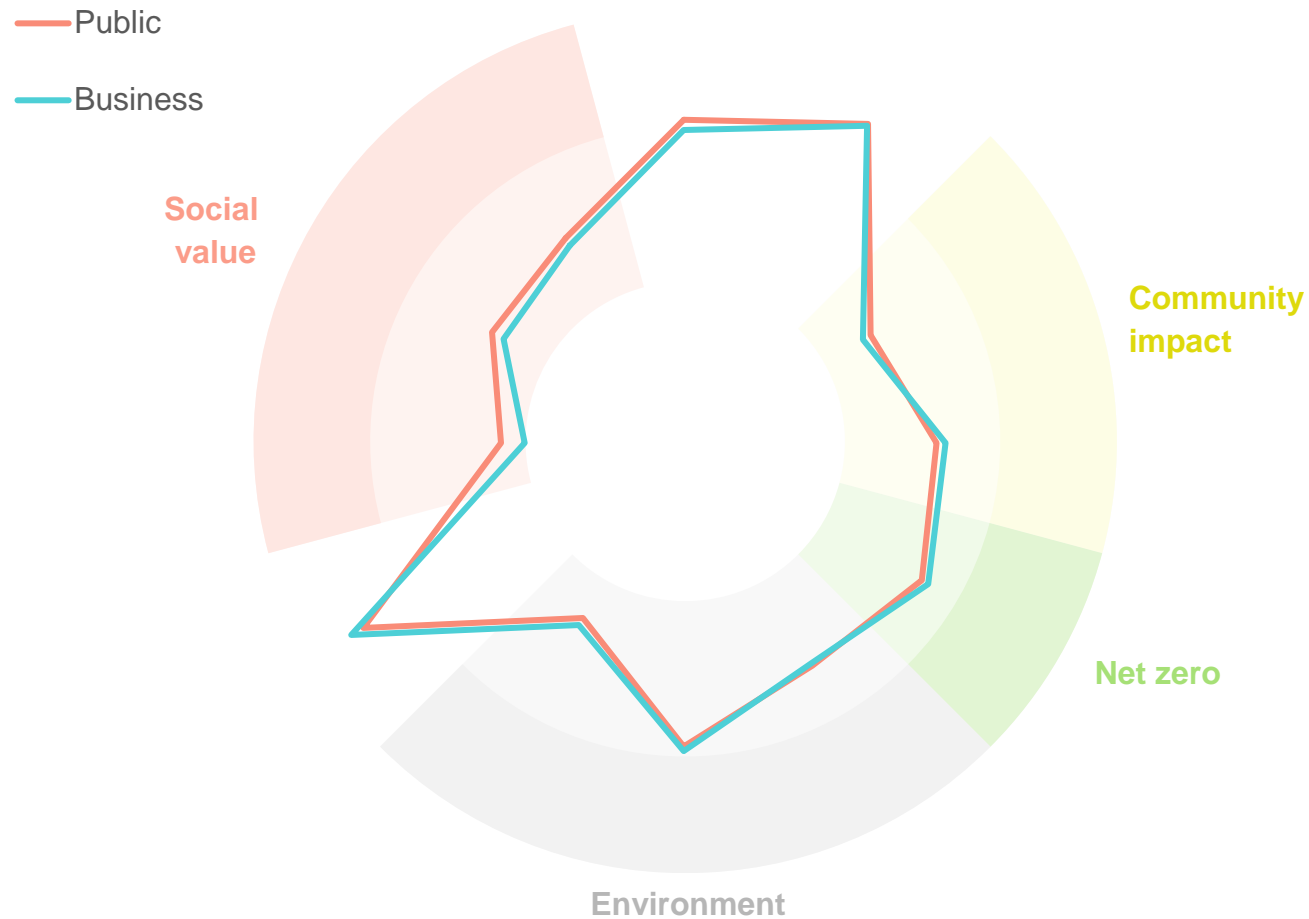
There is consensus among the public and business leaders, with affordability and reliability the stand-out priorities



Reliability and affordability are top tier priorities for the public & businesses



In contrast, **net zero** isn't viewed as immediately essential in the same way as **affordability** & **reliability**

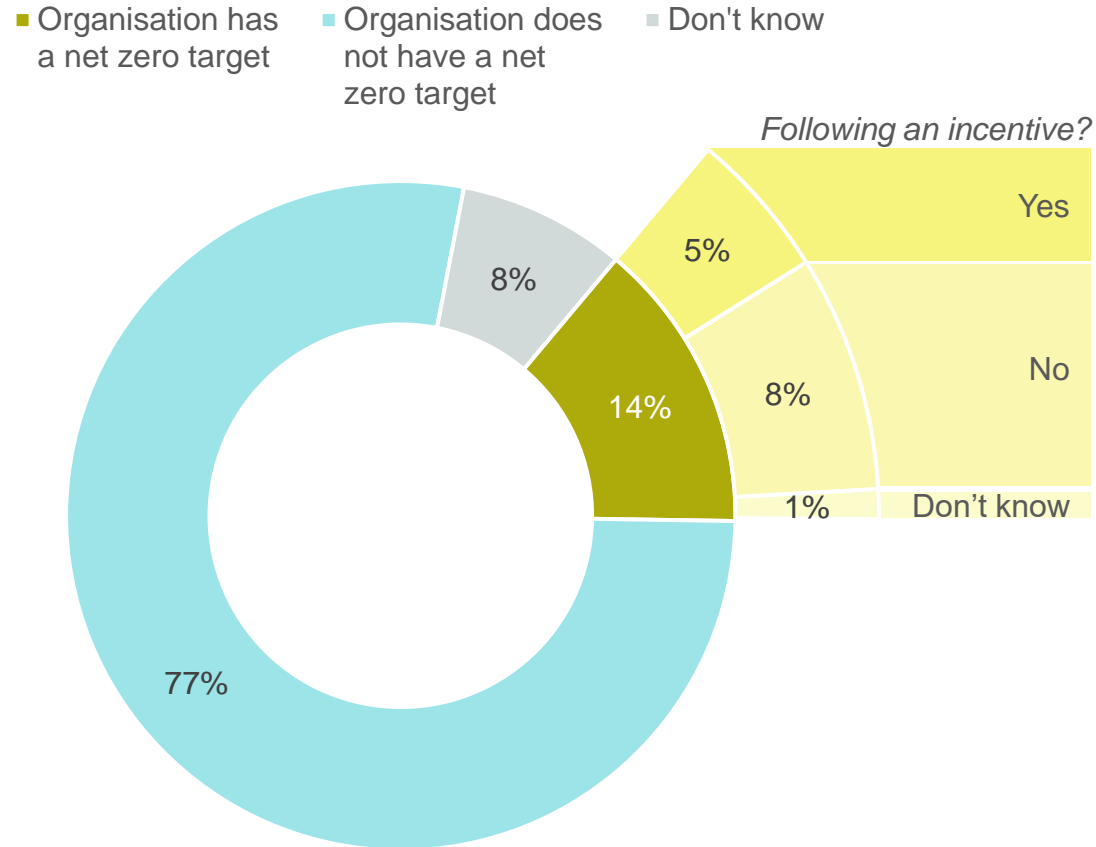


Decarbonisation, like many actions National Grid may take, will face objection to the degree it is perceived to be contributing to higher consumer bills.

***“Don't pass the cost of
achieving net zero on to us - the
consumers.” [General public]***

**This is reflected in the actual
action taken by businesses:
most do not have net zero
targets.**

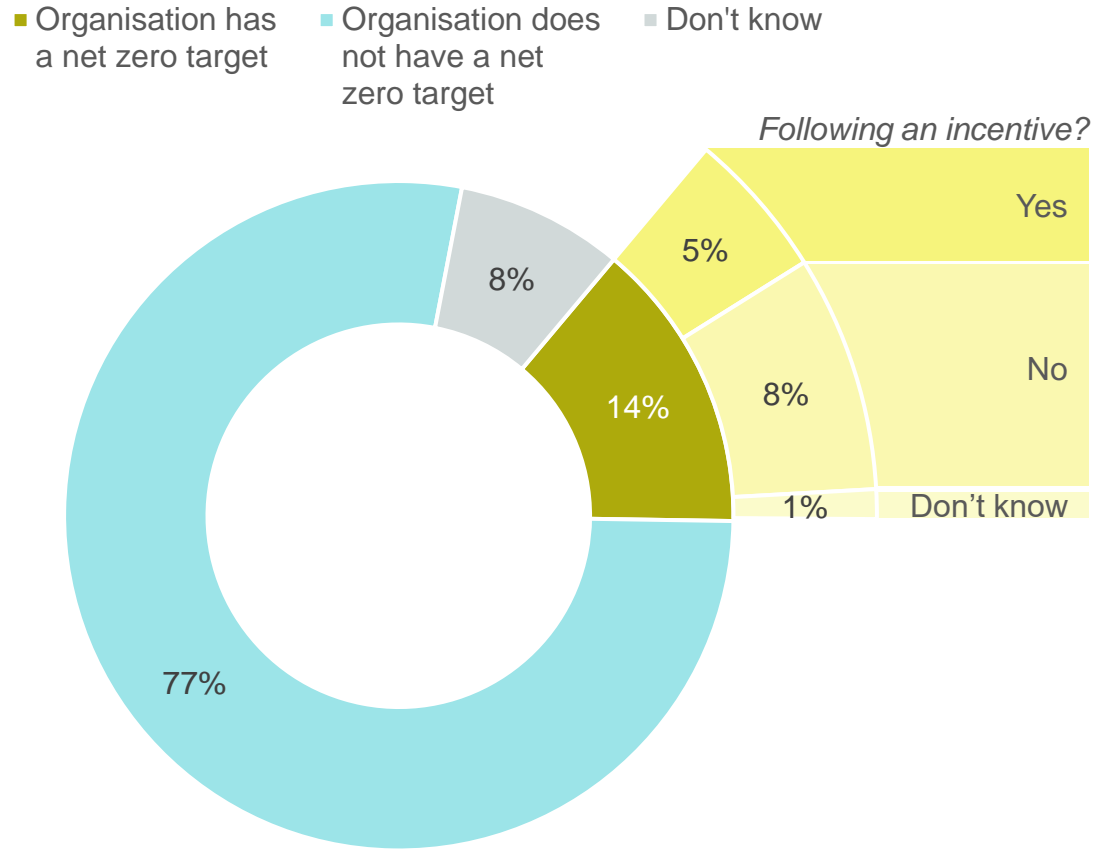
The low focus on sustainability among businesses can be seen in the low proportion of organisations with net zero targets



National Grid - audience outcome priorities

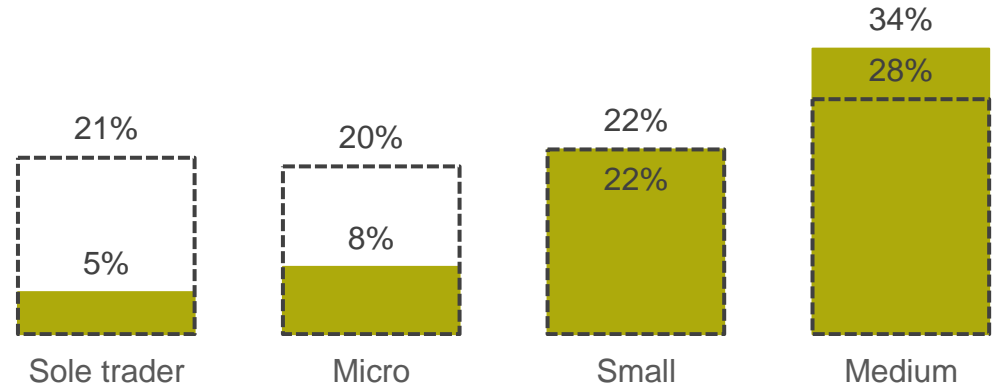
Q. Does your organisation have a Net Zero target? When is it set for? Are you following an incentive to reach this target (i.e. from Government)? Base: Business (1,098)

Smaller businesses lack the capability more than the motivation to implement net zero targets



*"It is hard for a company like mine to have a net zero target, however we are looking at ways to reduce our carbon footprint and environmental impact."
 [Business]*

- Organisation has a net zero target
- Prioritises decarbonisation

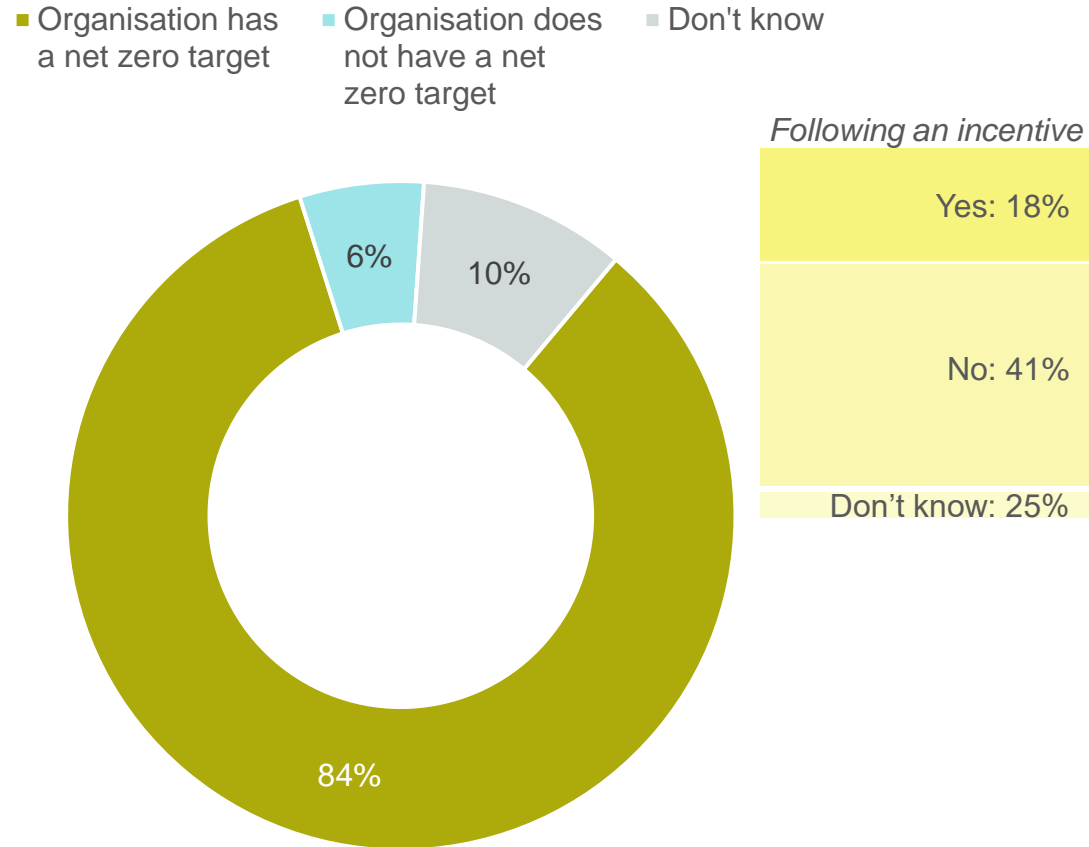


National Grid - audience outcome priorities

Q. Does your organisation have a Net Zero target? When is it set for? Are you following an incentive to reach this target (i.e. from Government)? Base: Business

(1,098)

By comparison, the vast majority of impacted stakeholders' organisations have a net zero target



National Grid - audience outcome priorities

Q. Does your organisation have a Net Zero target? When is it set for? Are you following an incentive to reach this target (i.e. from Government)? Base: Impacted stakeholders (280)

Key take-out #1

Collapse the trilemma.

While investment in the transition (decarbonisation) might be the mechanism, evidence the outcomes of **long-term bill reduction & security of supply and price** in your justifications.

Communication:
Adjust the narrative depending on the audience (decarbonisation for some stakeholders, bill reduction & security for the public & business)

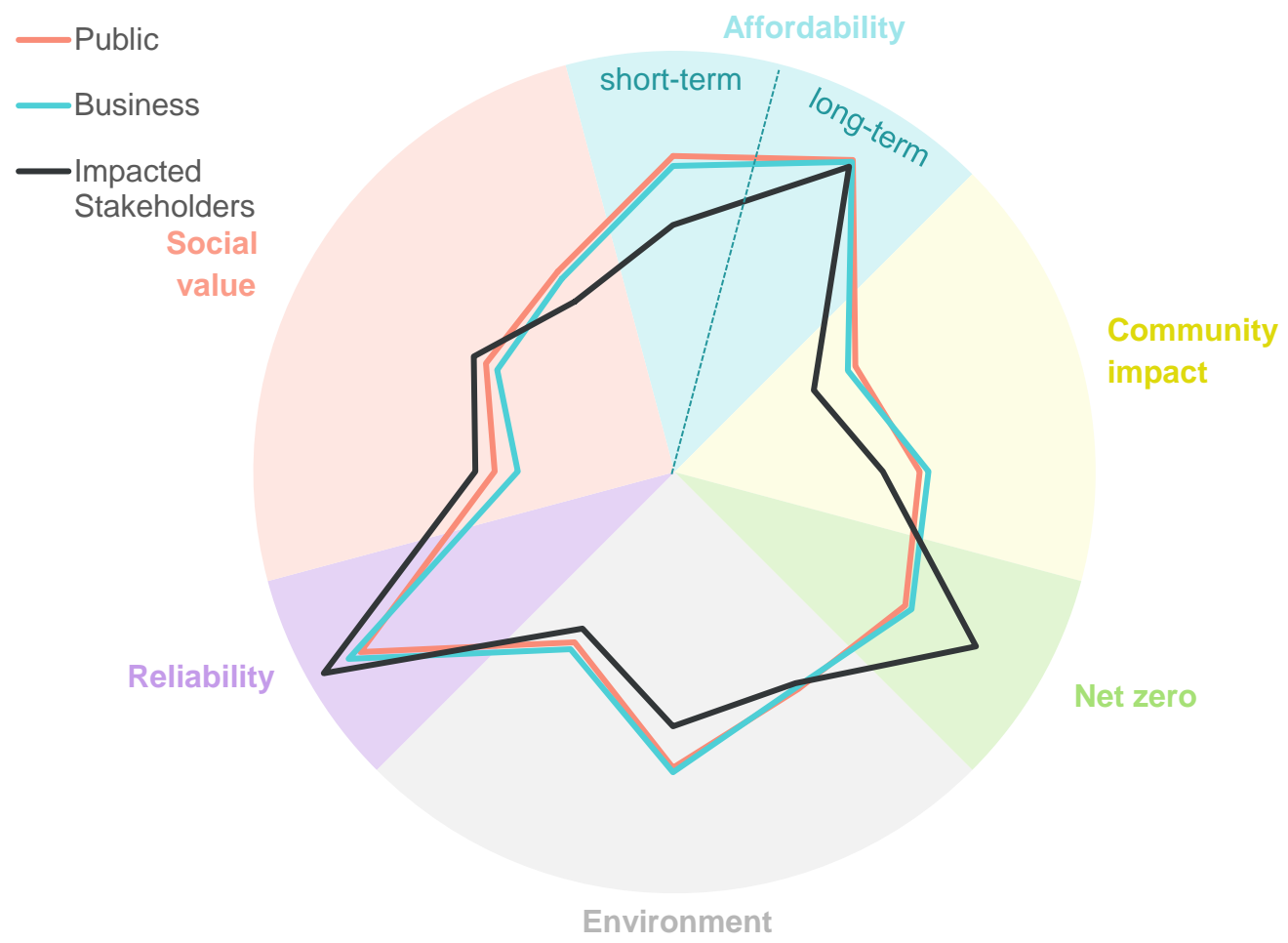


Take Out #2: plan for the long term

All decisions should demonstrate a long-term perspective without sacrificing short-term affordability.

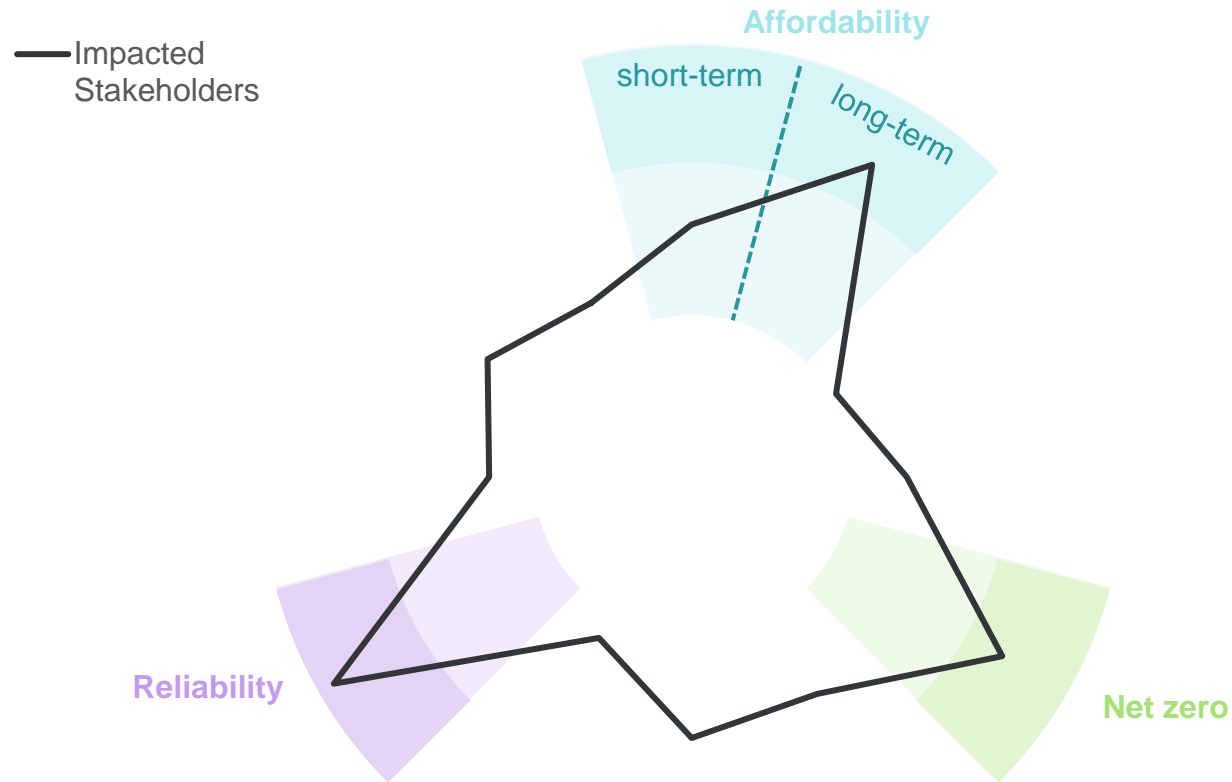
Impacted stakeholders see net zero as essential and are willing to sacrifice affordability in the short term.

Despite placing it below security and decarbonisation, impacted stakeholders also value long-term affordability



- + Stakeholders diverge from the other audiences in three main ways:
 - + **Reliability** has heightened importance for stakeholders, standing out above all other issues
 - + **Long-term affordability** matters a great deal but short-term affordability does not
 - + **Net zero** is far more important to stakeholders than to others

The timeframe of affordability is key to understanding many stakeholders' priorities



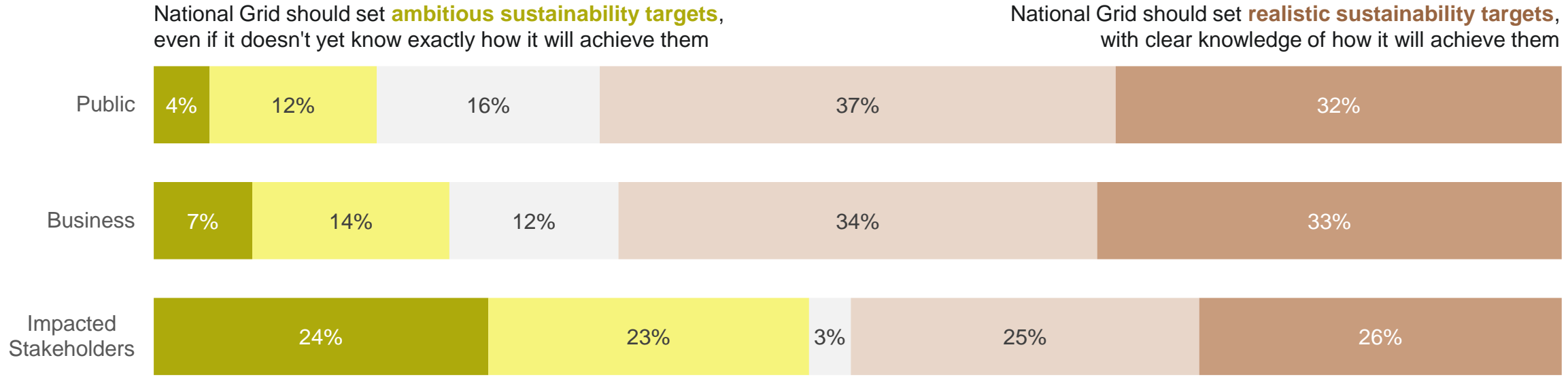
- + Energy stakeholders are broadly united in placing reliability, net zero, and long-term affordability well above any other concerns
- + Indeed, some within the industry now consider the trilemma to be outdated, with local renewable energy being the best way of achieving all three aims in the long term
- + But many see the prioritisation of short-term affordability as a threat to net zero goals

**Though short-term
affordability matters to the
public, long-term affordability
matters more.**

**This long-termism is key to
making the transition land.**

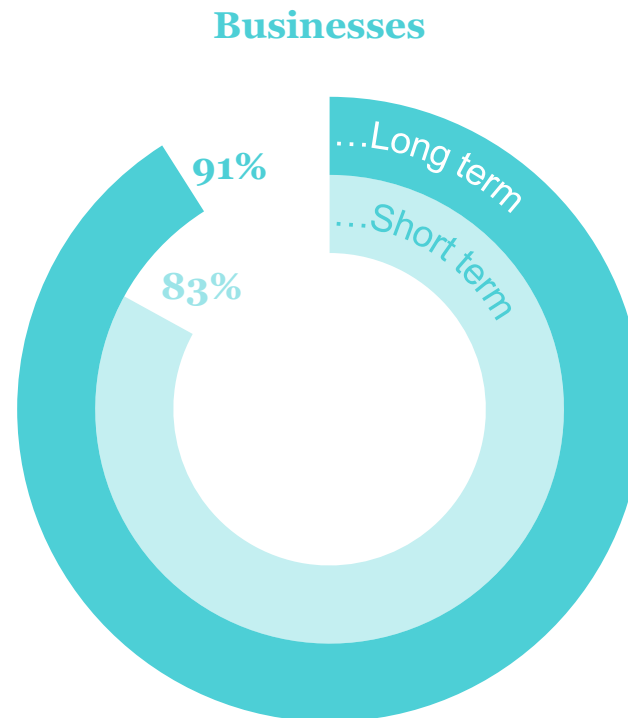
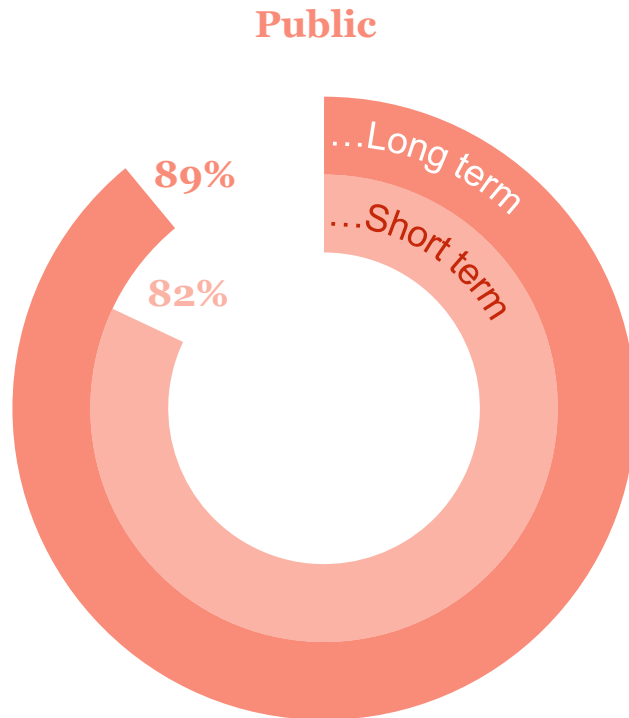
“I think reduction in cost to the consumer would be great but getting it right for the long term is more important. Do it once, do it well.” [Business]

Consumers, and about half of impacted stakeholders, want a realistic approach to setting sustainability targets



But that realism does not mean they are not interested in long-term thinking, such as with regard to consumer bills

Those saying it is very / fairly important to minimise costs in the...



9 in 10
Say that a long-term
minimisation of costs is
important (a higher
proportion than for short-
term reductions)

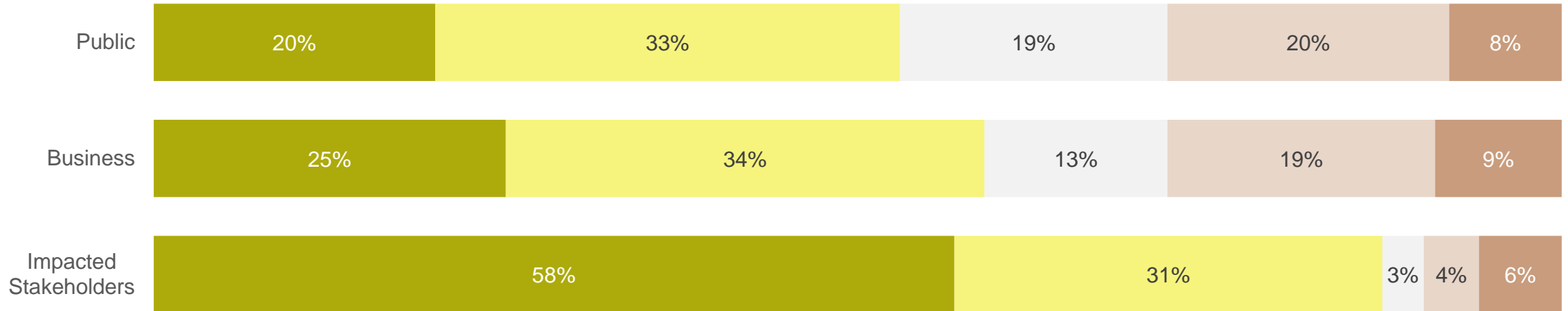
National Grid - audience outcome priorities

Q. How important or unimportant do you think it is that energy network companies like National Grid take the following actions? Base: Public (3,302), Business (1,098)

Indeed, all audiences demonstrate a clear preference for long-term thinking in network development

We should develop our electricity network based on **anticipated future needs**, so that we don't have to revisit and expand projects at a later date

We should only develop our electricity network based on **what we are sure we need**



Key take-out # 2: Plan for the long term.

Do it once, do it right.

(But don't actively contribute to financial difficulty in the short term.)

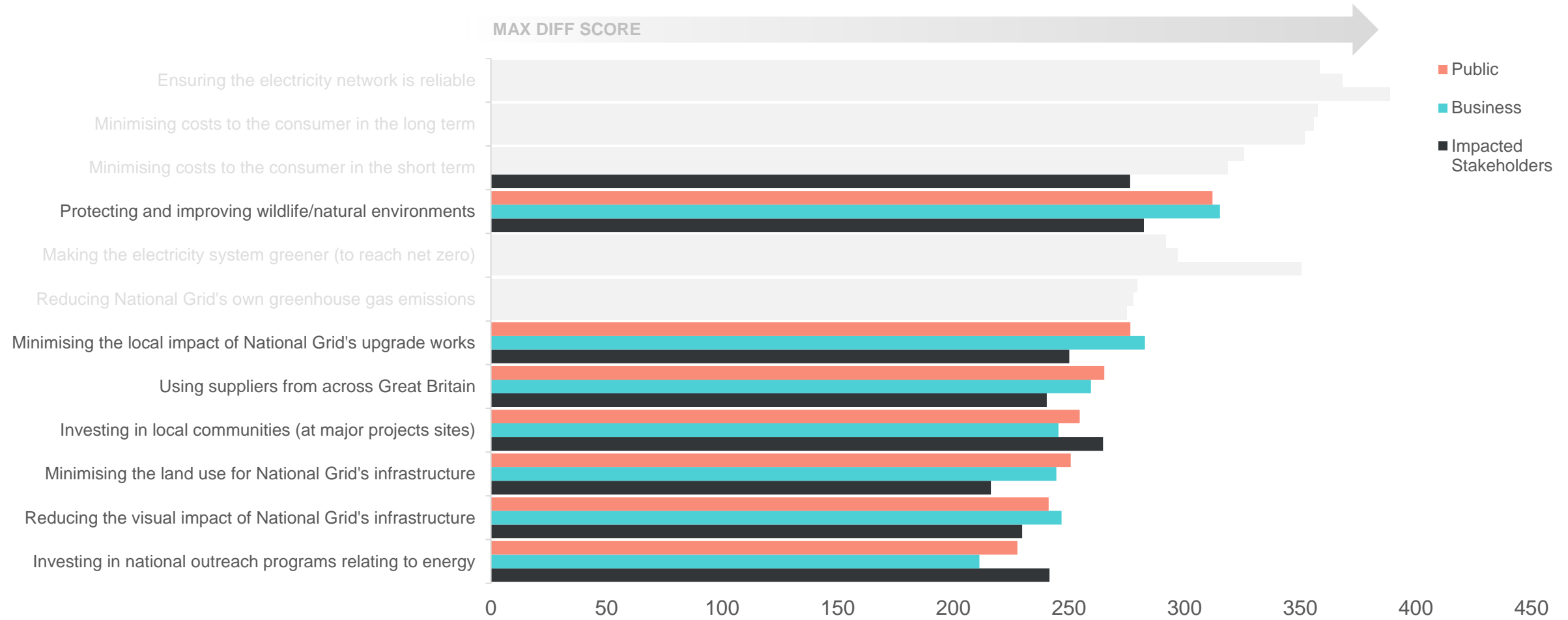
Communication:

Highlight that decisions are made for the long-term and, wherever realistic, give an indication of when benefits will be realised

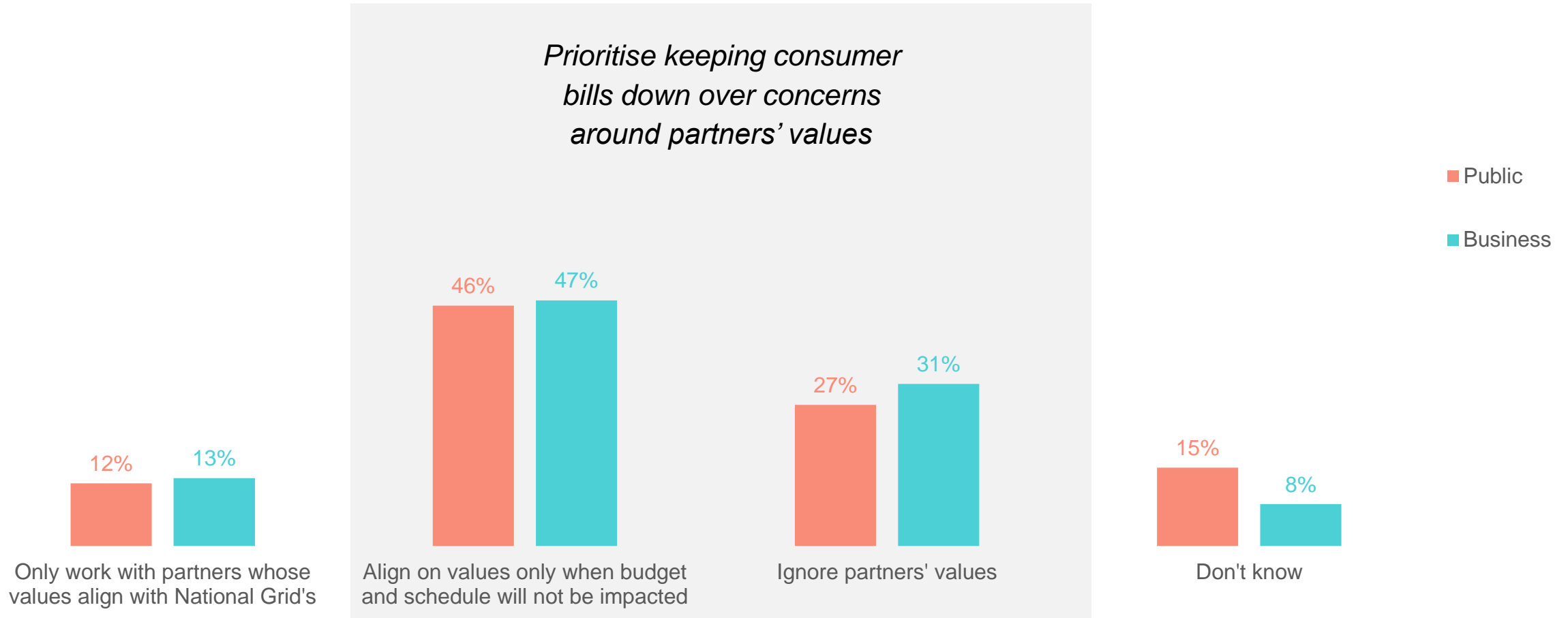
Take Out #3: Put core delivery first

Social value activities should focus on what is necessary to meet National Grid's obligations and achieve local consent to enabling the energy transition.

While still viewed as important, all audiences de-prioritise local initiatives and social value propositions



Very few are willing for concerns around partners' values to impact on core issues of budget and schedule



National Grid - audience outcome priorities

Q. Which of the following statements best describes your view of how National Grid should decide which organisations to work with? Base: Public (3,302), Business (1,098)

**Where National Grid does go
beyond its core service, the
core issue of affordability
remains a key consideration.**

The public broadly tend to be happy for vulnerable groups to be prioritised in initiatives among affected communities

Parts of affected communities to be prioritised

Choosing among their top three

Affordability

Vulnerable members of the community (e.g. energy customers eligible for the Priority Services Register, who have extra communication, access or safety needs)



Parts of the community more **affected by deprivation** (e.g. ranked high on the Index of Multiple Deprivation, using food banks or in fuel poverty)



The **community as a whole** (e.g. local projects etc.)



Young people (e.g. education and upskilling with a focus on Science, Technology, Engineering and Maths / Environment Education...)



Parts of the community **permanently impacted by National Grid work** (e.g. those who can see new infrastructure)



Parts of the community **temporarily impacted by National Grid work** (e.g. those who can hear construction or who might notice increased traffic)



National Grid - audience outcome priorities

Q. If National Grid could invest in local communities where it is developing major infrastructure, which parts of the community do you think should be prioritised?

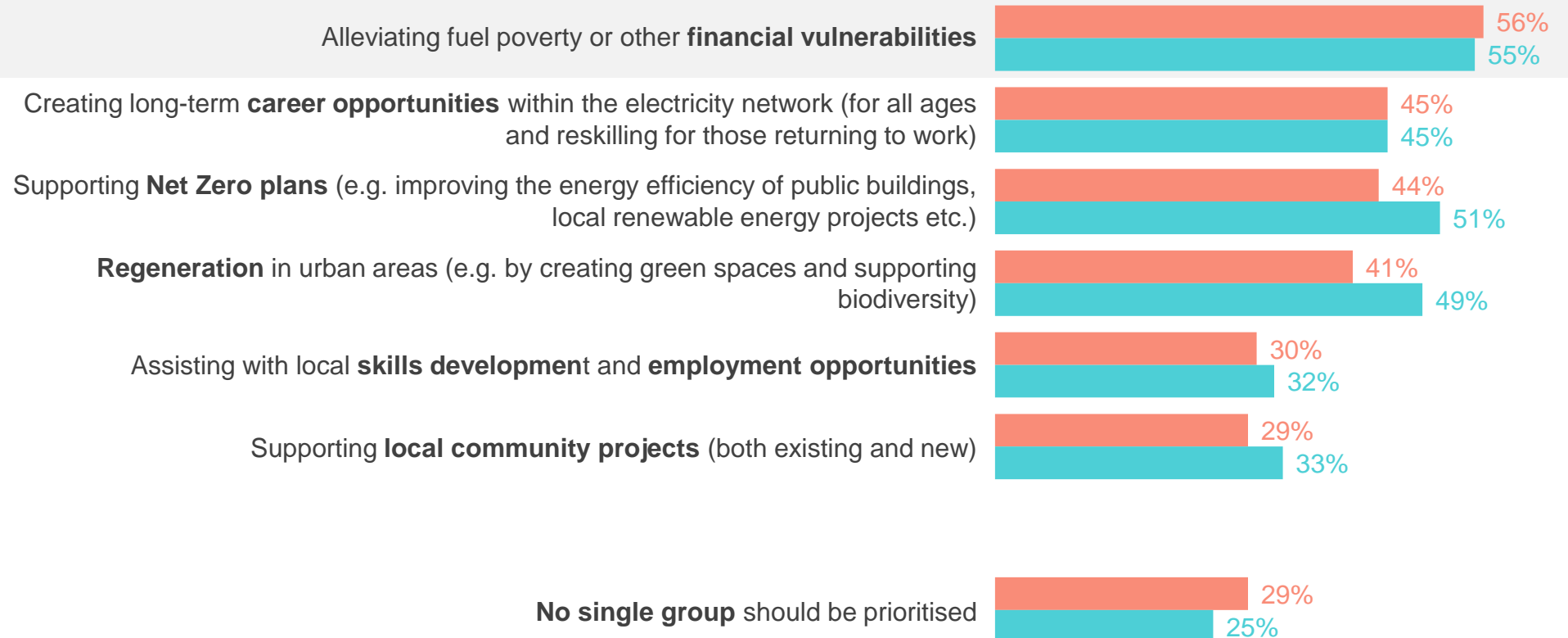
Please identify your first, second, and third highest priority where 1 is highest. Base: Public (3,302), Business (1,098)

And again, vulnerable groups are prioritised in terms of the types of actions people would have National Grid take

Actions to take in affected communities

Choosing among their top three

Affordability



National Grid - audience outcome priorities

Q. Please think again about those circumstances when National Grid is able to invest in local communities where it is developing major infrastructure. In those circumstances, what types of investment do you think should be prioritised? Please identify your first, second, and third highest priority where 1 is highest. Base:

Public (3,302), Business (1,098)

Key take-out #3: Core delivery first.

Consider what will
expedite/remove barriers from
delivering the energy transition...

Summary

Key take out #1:

Collapse the trilemma

While investment in the transition (decarbonisation) might be the mechanism, evidence the outcomes of **long-term bill reduction & security of supply and price** in your respective justifications.

Key take out #2:

Plan for the long term

Do it once, do it right.

(But don't actively contribute to financial difficulty in the short term.)

Key take out #3:

Core delivery first

Consider what will **expedite/remove barriers** from delivering the energy transition...

...Everything else can wait

This section looks at key considerations synthesised from both Market Research and the Regional Hybrid Stakeholder workshops (Sep-Oct '23)

Key considerations

Primary consideration theme from regional workshops

Industry partners & peers + regional partners & communities call for National Grid to **Connect Strategically**

Consideration themes from regional workshops

Genuine collaboration

Whole system

Transparency

Supply chain

Think with the end in mind

A construction worker in a high-visibility vest is working on a roof. The roof is covered with solar panels and has a metal scaffolding structure. The background is a clear blue sky.

Connect strategically

... an approach that considers value to transition and net zero goals.

**Many impacted stakeholders
have one practical concern
that stands out from all
others: reforming the
connections process.**

“The connections process is holding back the decarbonisation process as a whole.”

[Energy industry group]

There is strong appetite for a more dynamic approach that considers readiness and broader strategic value

Impacted stakeholders feel that the first-come-first-served model is blocking ready projects and undermining the energy transition

There is widespread support for instead prioritising...

... readiness

... and strategic value

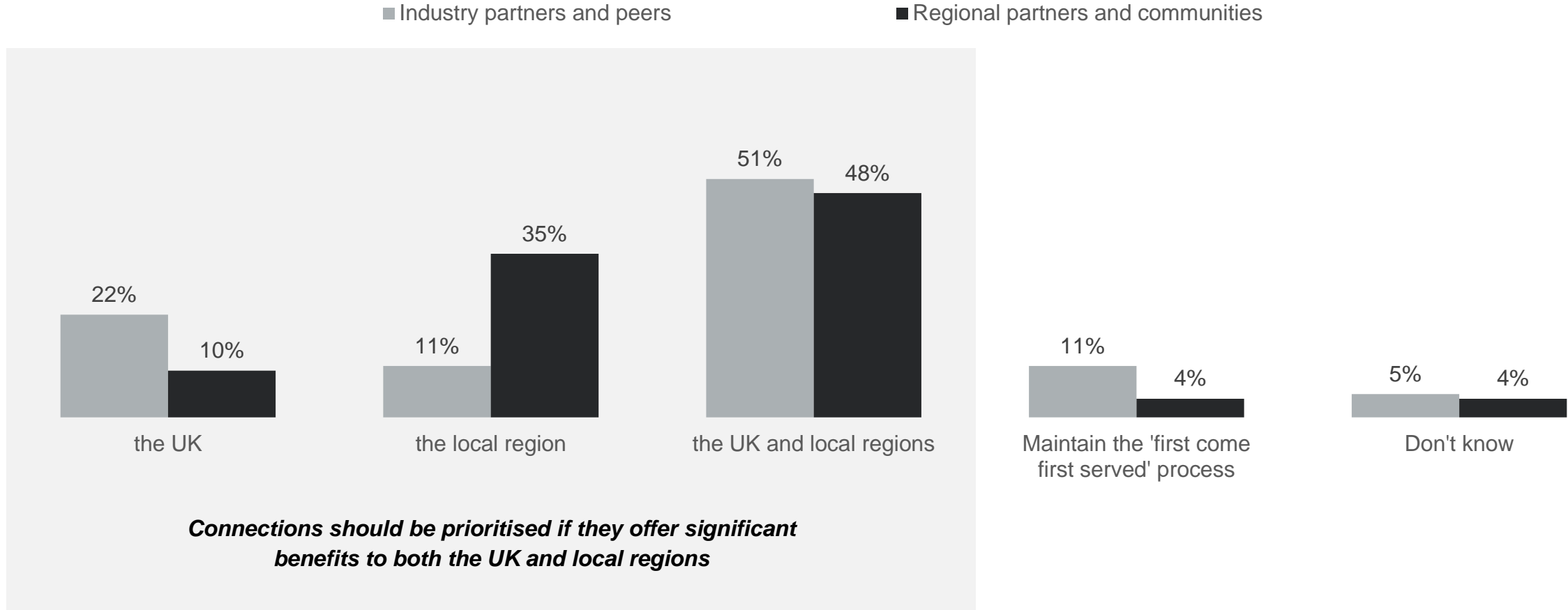
... without jeopardising security

"Once everyone is in the queue the movement towards first ready to connect would be better." [Energy industry group]

"All these projects that are waiting for connections, are they really what we need for net zero?" [TO/DNO]

"We need certainty of the grid and connection, that you're not going to get black outs." [Construction]

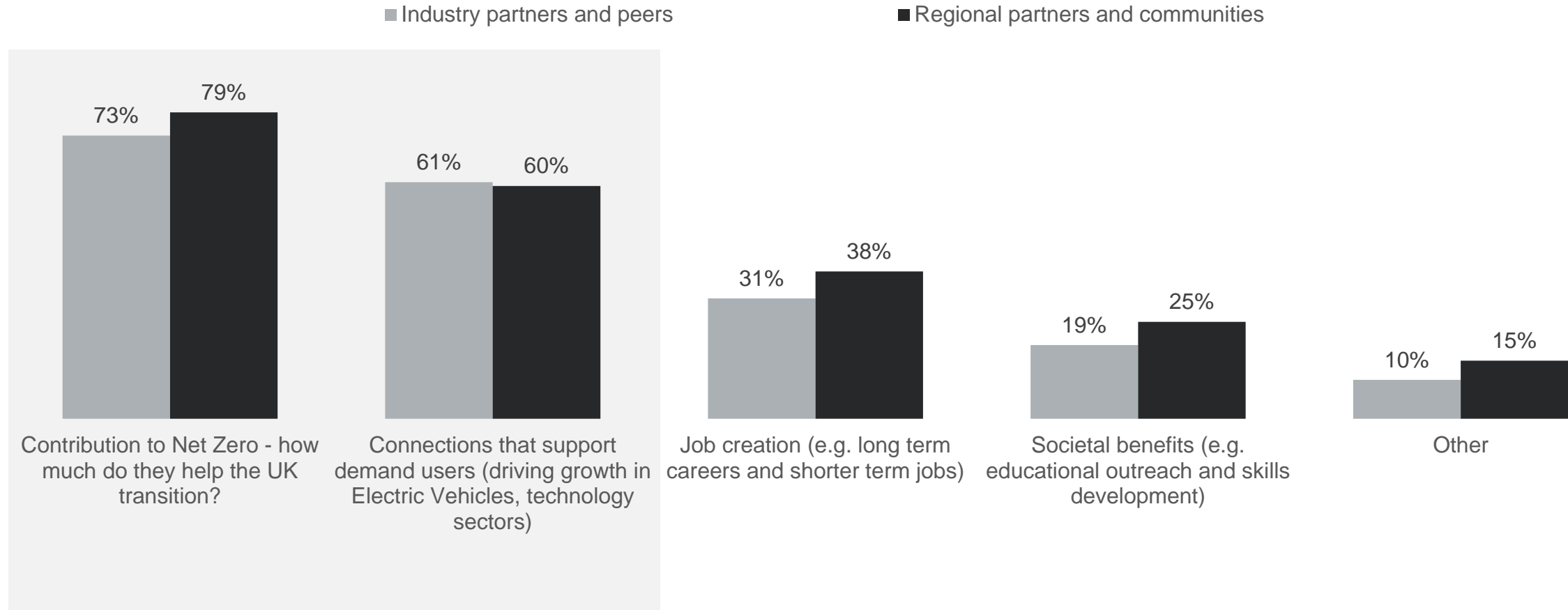
The greatest satisfaction will come with the prioritisation of connections that will benefit both the UK and the local region



National Grid - audience outcome priorities

Q. Do you think there should be exceptions made to the 'first come first served' connection process to prioritise specific connections that provide significant wider industrial, social or economic benefit? Base: Partners, peers, innovation (148), Local Authorities, Comm Energy and LO (110)

Stakeholders show broad support for prioritisation based primarily on connections that contribute to net zero

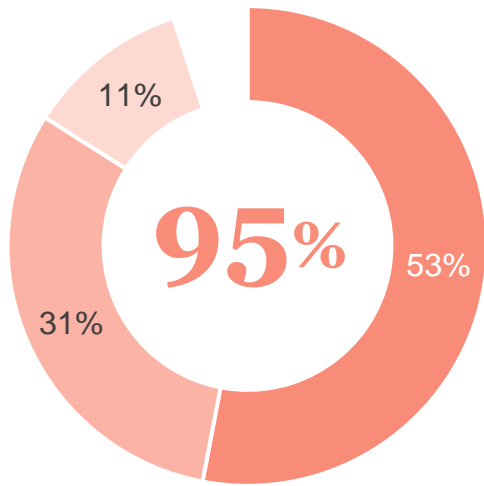
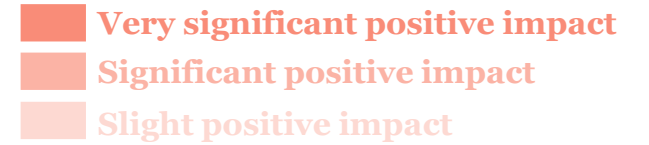


National Grid - audience outcome priorities

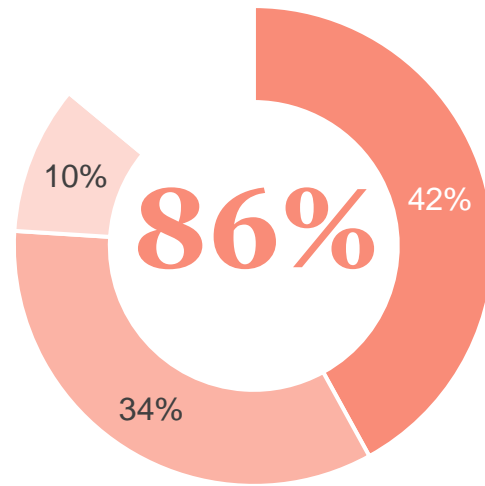
Q. Of the options listed below, which do you think should mean that a project gets prioritised? Base: Partners, peers, innovation (148), Local Authorities, Comm Energy and LO (110)

There is widespread support for proposed connection reforms

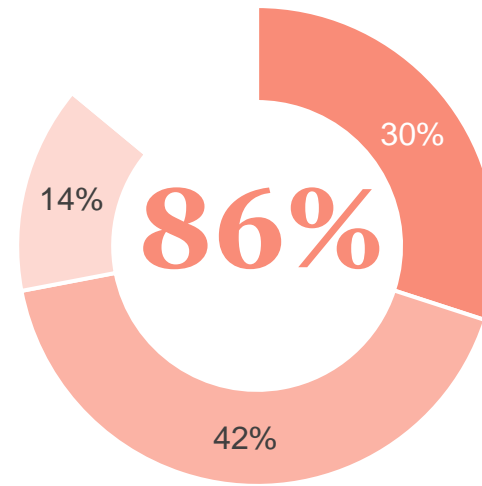
Perceived impact of...



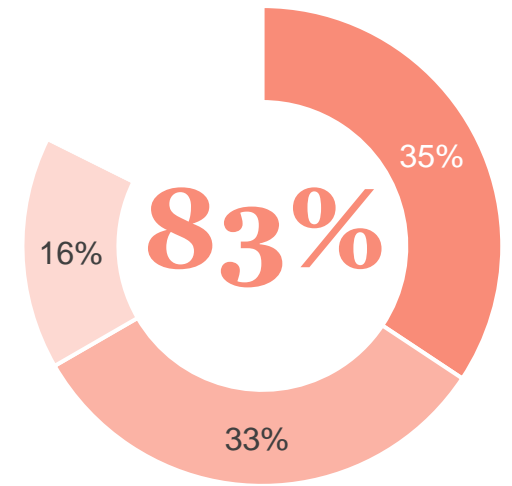
...investing in the network ahead of need, so that connection points and capacity are available for those ready to connect



...a 'connect or move' rule, to enable those progressing to connect, without being blocked by stranded developments



...developing a standardised connection product, which can be used for different customers, delivering flexibility and enabling etc.



...tighter entry requirements, to restrict non-viable connection projects, and reduce the volume of applications

***“Grid connection delay is probably now the number one risk in our project activities”
[Electricity (Licensed)]***

Some see greater transparency, but issues around connection and planning lead many to feel openness remains insufficient

Most stakeholders involved in project delivery do not see National Grid as transparent enough in terms of...

... the connections process

... network planning

“More needs to be done by Grid to make people aware. [...] Transparency is needed. People need to know where they are in the queue.” [Local authority (District)]

“At the distribution level there is no connection until a certain date but no transparency about why that is.” [TO/DNO]

“The transparency of [...] whether I am developing into areas of network that just won't have the potential for future connections. Our plans and your plans, and do they marry up?” [Local authority]

“We also need transparency and understanding of what's available and what's in process in terms of generation and demand.” [Large scale manufacturers]

National Grid should share more around connections and provide more opportunity for two-way communication

Perceptions of National Grid as transparent and trustworthy can be improved through specific efforts around...

... connections and planning

... and channels of communication

... with accessible language

*"A view of the connections queue would be most ideal in terms of planning generation and demand."
[TO/DNO]*

"There's no forum for us to understand what each other is doing [...] If this is whole systems, we should have regular dialogue with national grid to ensure this." [Local authority (Combined)]

"The National Grid website is helpful, but I struggle to take it down to my level of what is practical for me." [Water utility]

Summary

Connection reform must recognise **readiness** and **strategic value** without compromising on **security** of supply

While connection delays persist, National Grid must demonstrate a high degree of **transparency** and **openness** in its decision-making

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