

SP Energy Networks – Customer priorities / WtP

Household panel fieldwork

Interim topline findings [July 2018 update]

In October 2017, Explain was commissioned by SP Energy Networks to conduct independent research and provide actionable insights into the priorities of their customers. Building on the first phase of qualitative research conducted in winter 2017, the second phase took a quantitative approach. A bespoke digital tool was developed to educate users around key areas of service for SP Energy Networks, with exercises incorporated to gain an understanding of their perceived priorities and indicative willingness to pay.

This interim report details topline findings from the household strand of online panel fieldwork conducted in March 2018. SP Energy Networks (SPEN) customers were targeted using area postcodes, and demographic quotas were set to ensure a representative spread of engagement. In total, 999 household customers took part in the research this phase. Please note findings are subject to change upon completion of full analysis.

Respondent profile

- Customers were engaged across both SP Distribution and SP Manweb licence areas;
 - SP Distribution – 50%
 - SP Manweb – 50%

- A range of age groups were engaged as follows;
 - 18-25 years – 6%
 - 26-40 years – 23%
 - 41-55 years – 29%
 - 56-65 years – 20%
 - 66 years or over – 22%
 - Prefer not to say – 1%

- A breakdown of respondent gender;
 - Male – 50%
 - Female – 49%
 - Transgender male – 0.3%
 - Gender variant / non-forming – 0.2%

- Transgender female – 0.2%
 - Prefer not to say – 0.3%
- A majority of respondents (78%) had not experienced a power cut in the last 12 months, the remaining 22% had experienced an interruption

Priorities

Respondents were introduced to eight areas which had been identified as priorities for SPEN. Explanations of each were provided before respondents were asked to rank the areas in the order they felt SP Energy Networks should prioritise them, from 'most important' to 'least important'.

Overall, customers ranked these eight areas from 1st 'most important' to 8th 'least important' as follows;

1st Investing in innovation, to create a more efficient, sustainable electricity network with lower costs

2nd Investing to build a more sustainable electricity network and reducing environment impact

3rd Improving the resilience of the electricity network to major events (storms, floods, cyber-attack)

4th Improving service to customers who have the most power cuts

5th Taking a role in tackling household energy efficiency

6th Improving support to customers living in difficult circumstances

7th Investing to facilitate future needs, such as electric vehicles and more renewable energy

8th Mitigating the visual impact of overhead lines

Indicative willingness to pay

Respondents were asked to use sliders to allocate the total 'flexible' amount of their electricity bill across the eight priority areas, above, below or the same as current levels of spend. Average willingness to pay versus current spend values can be found below.

SP Distribution

Priority area	Current spend	Average customer willingness to pay
Investing to facilitate future needs, such as electric vehicles and more renewable energy	£4.13	£4.08
Investing to build a more sustainable electricity network and reducing environment impact	£0.13	£0.14
Improving the resilience of the electricity network to major events (storms, floods, cyber-attack)	£2.36	£2.37
Improving service to customers who have the most power cuts	£1.63	£1.64
Improving support to customers living in difficult circumstances	£0.12	£0.12
Taking a role in tackling household energy efficiency	(NIL)	£0.03
Mitigating the visual impact of overhead lines	£0.04	£0.04
Investing in innovation, to create a more efficient, sustainable electricity network with lower costs	£1.02	£1.03
<u>TOTAL SPEND</u>	<u>£9.44</u>	<u>£9.44</u>

On average, SPD customers:

- Reduced current spend on 'investing to facilitate future needs'
- Wanted spend on 'taking a role in tackling household energy efficiency'
- Kept total spend at the same level

SP Manweb

Priority area	Current spend	Average customer willingness to pay
Investing to facilitate future needs, such as electric vehicles and more renewable energy	£7.10	£7.04
Investing to build a more sustainable electricity network and reducing environment impact	£0.23	£0.24
Improving the resilience of the electricity network to major events (storms, floods, cyber-attack)	£5.44	£5.46
Improving service to customers who have the most power cuts	£1.13	£1.13
Improving support to customers living in difficult circumstances	£0.11	£0.11
Taking a role in tackling household energy efficiency	(NIL)	£0.03
Mitigating the visual impact of overhead lines	£0.08	£0.08
Investing in innovation, to create a more efficient, sustainable electricity network with lower costs	£0.59	£0.59
<u>TOTAL SPEND</u>	<u>£14.67</u>	<u>£14.69</u>

On average, SPM customers:

- Reduced current spend on ‘investing to facilitate future needs’
- Increased spend on ‘improving the resilience of the electricity network’
- Wanted spend on ‘taking a role in tackling household energy efficiency’
- Were willing to spend slightly more in total than current spend

Indicative willingness to pay, broken by demographic profile

AGE

	Priorities								
	Base size	Investing to facilitate future needs, such as electric vehicles and more renewable energy	Investing to build a more sustainable electricity network and reducing environment impact	Improving the resilience of the electricity network to major events (storms, floods, cyber-attack)	Improving service to customers who have the most power cuts	Improving support to customers living in difficult circumstances	Taking a role in tackling household energy efficiency	Mitigating the visual impact of overhead lines	Investing in innovation, to create a more efficient, sustainable electricity network with lower costs
SP Distribution	500	4.08	0.14	2.37	1.64	0.12	0.03	0.04	1.03
18-25	33	4.11	0.14	2.37	1.64	0.12	0.02	0.04	1.03
26-40	103	4.09	0.14	2.37	1.63	0.12	0.03	0.04	1.03
41-55	146	4.09	0.13	2.37	1.63	0.12	0.03	0.04	1.03
56-65	99	4.08	0.13	2.38	1.63	0.12	0.03	0.04	1.03
66 or over	117	4.07	0.13	2.37	1.64	0.12	0.03	0.04	1.03
Prefer not to say	2	4.13	0.14	2.39	1.60	0.12	0.01	0.03	1.04
SP Manweb	499	7.04	0.24	5.46	1.13	0.11	0.03	0.08	0.59
18-25	27	7.06	0.24	5.45	1.13	0.11	0.02	0.08	0.59
26-40	122	7.07	0.24	5.46	1.13	0.11	0.04	0.08	0.59
41-55	141	7.04	0.23	5.45	1.13	0.11	0.03	0.08	0.59
56-65	100	7.02	0.23	5.47	1.14	0.11	0.03	0.08	0.60
66 or over	106	7.04	0.24	5.47	1.14	0.11	0.03	0.08	0.60
Prefer not to say	3	6.98	0.23	5.40	1.14	0.10	0.04	0.07	0.59

Groups recommended for further engagement:

- 18-25 years, in particular in relation to ‘investing to facilitate future needs’ and ‘taking a role in tackling energy efficiency’

GENDER

	Priorities								
	Base size	Investing to facilitate future needs, such as electric vehicles and more renewable energy	Investing to build a more sustainable electricity network and reducing environment impact	Improving the resilience of the electricity network to major events (storms, floods, cyber-attack)	Improving service to customers who have the most power cuts	Improving support to customers living in difficult circumstances	Taking a role in tackling household energy efficiency	Mitigating the visual impact of overhead lines	Investing in innovation, to create a more efficient, sustainable electricity network with lower costs
SP Distribution	500	4.08	0.14	2.37	1.64	0.12	0.03	0.04	1.03
Female	246	4.08	0.14	2.37	1.64	0.12	0.03	0.04	1.03
Male	250	4.09	0.13	2.37	1.63	0.12	0.02	0.04	1.03
Gender variant / Non-conforming	1	4.18	0.13	2.36	1.55	0.12	0.05	0.02	1.02
Transgender male	1	4.13	0.13	2.36	1.63	0.12	0.00	0.04	1.02
Prefer not to say	2	4.05	0.13	2.39	1.64	0.12	0.05	0.04	1.02
SP Manweb	499	7.04	0.24	5.46	1.13	0.11	0.03	0.08	0.59
Female	240	7.03	0.24	5.46	1.13	0.11	0.04	0.08	0.59
Male	253	7.06	0.23	5.46	1.14	0.11	0.03	0.08	0.59
Gender variant / Non-conforming	1	6.94	0.22	5.54	1.10	0.12	0.03	0.09	0.60
Transgender female	2	7.05	0.24	5.44	1.12	0.12	0.02	0.09	0.60
Transgender male	2	7.06	0.24	5.41	1.14	0.11	0.02	0.09	0.60
Prefer not to say	1	7.10	0.24	5.39	1.15	0.09	0.00	0.07	0.59

Groups recommended for further engagement:

- Male, in particular in relation to ‘investing to facilitate future needs’