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NIA ENWL032
A Needs Based Segmentation of Low Income and Vulnerable Customers

Progress Report

31 July 2023

VERSION HISTORY

Version	Date	Author	Status	Comments
V1.0	31/07/2023	Elizabeth Pattison	Final	

REVIEW

Name	Role	Date
Geraldine Paterson	Innovation Manager	19/07/2023
Andy Howard	Innovation Programme Manager	19/07/2023
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APPROVAL

Name	Role	Date
Victoria Turnham	Head of Network Innovation	19/07/23

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GLOSSARY

Term	Description
DNO	Distribution Network Operator
ENWL	Electricity North West Limited
LIV	Low Income and Vulnerable

1   PROJECT FUNDAMENTALS

Title	LIV Segmentation
Project reference	NIA_ENWL032
Funding licensee(s)	Electricity North West Limited
Project start date	December 2022
Project duration	7 months
Nominated project contact(s)	Elizabeth Pattison

2   PROJECT SCOPE

The aim of this research is to provide Distribution Network Operators (DNOs) with a better understanding of the needs of Low Income and Vulnerable (LIV) customers in order to develop more efficient, targeted services that will help to deliver lower cost to service, higher social return on investments and a readiness for future vulnerabilities and changing energy markets. With energy being an essential service that affects people's comfort and health, it is imperative to ensure that the needs of all customers are met and that the most vulnerable are adequately protected for the future market, especially in light of the cost-of-living crisis, post Covid-19 and the war in Ukraine.

3   OBJECTIVES

To conduct a two-part customer engagement research programme on a nationwide scale, ensuring representation of all energy supply regions, to provide DNOs with a better understanding of the needs of LIV customers.

Part 1: Development of a common "lens" or group of "lenses" through which DNOs and Ofgem should view the needs of LIV customers and assess the solutions developed to meet those needs.

- Establish a working group of representatives from ENWL, Energy Systems Catapult and Impact Research.

- Compile an industry-wide report that establishes the different lenses through which to view the range of LIV customers, their different needs and the existing and planned initiatives designed to meet them.

- Create a "best practice" guide that draws together learnings from the above, common procedures for classifying LIV customers and their needs, a systematic way to establish realistic goals that DNOs can choose to pursue, and practical, objective measures of success.

- Validation of these findings through a large-scale programme of primary research (Part 2).

Part 2: Nationally representative engagement with LIV customers.

- Undertake qualitative research to gain depth of understanding, comprising 10 online focus groups with customers in vulnerable circumstances across GB and 50 In-depth telephone interviews with customers in vulnerable circumstances, or customers that are unable to participate in online focus groups.

- Undertake quantitative research with energy customers across GB, comprising a 20-minute online survey with 1,000 energy users, nationally representative across DNO regions, and 25-minute telephone/ face-to-face surveys with 100 nationally representative customers in vulnerable circumstances, or customers that are unable to participate in online panel surveys.

- Expansion of the Energy Systems Catapult's (ESC) Living Lab.

4   SUCCESS CRITERIA

The project will be successful if it delivers a practical set of tools/ reference materials enabling DNOs to:

- Better engage with LIV customers.

- Improve communications with LIV customers.

- Develop more efficient, targeted services to better support LIV customers on the route to net zero, for example through their adoption of new technology, changes in behaviour, improved support, etc.

5   PERFORMANCE COMPARED TO THE ORIGINAL PROJECT AIMS, OBJECTIVES AND SUCCESS CRITERIA

This progress report covers the period from January 2023 to March 2023. During this period, several significant project activities have been completed, in line with the original project aims, objectives and success criteria.

Project kick-off and establishment of the project working group took place in December 2022. This was followed by two working group meetings in January 2023, at which the group discussed the major customer vulnerability types and existing customer lenses to confirm the focus of the upcoming work, and established the project's moderation and approvals processes.

The project team produced the first deliverable report, "How LIV customers are currently defined", in February 2023. This is available on ENWL's website. This report is a literature review of work published by the electricity and gas sectors as well as third party work on issues surrounding LIV customers in the utilities sector. It establishes a range of different lenses through which network operators currently view customers and their diverse needs, and identifies the existing planned initiatives designed to meet them. It goes on to identify five lenses (Safety, Finance, Technology, Electricity & Gas Supply, and Customer Relations) and the vulnerabilities associated with each, reflecting the diversity of the consumers that network operators serve.

The second deliverable report, "[Best practice in engaging LIV consumers](#)", was produced in March and is available on ENWL's website. This report builds on the findings from the first report to recommend a best practice approach for the energy sector to define the different types of vulnerability. It reviews and consolidates the consumer types affected by each lens to identify key groups aligned with common industry classifications and prioritise them by breadth of the relevant lenses. It also recommends appropriate methods for engagement with people from each vulnerable group, drawing from a review of accepted best practice in research, trials and engagement with vulnerable consumers.

The third deliverable report, the "[Customer engagement plan and data protection statement](#)", was produced in March 2023 and is available on the ENWL website. This report outlines the customer engagement plan for the upcoming qualitative and quantitative research to establish how best to classify LIV customers and identify their needs through a programme of extensive customer research, and confirms the data protection requirements for this work.

The next steps are to finalise the customer engagement materials and carry out the qualitative customer engagement work. The project team will produce a report detailing the findings from this initial research, which will inform the remaining quantitative customer engagement materials and work. The final deliverable will be a report detailing the learning from all customer engagement work and, will include any findings and suggestions for engagement with LIV customers that have been identified through the project.

6   REQUIRED MODIFICATIONS TO THE PLANNED APPROACH DURING THE COURSE OF THE PROJECT

No modifications have been required.

7   LESSONS LEARNED FOR FUTURE PROJECTS

There have been no lessons learned at this stage.

8   THE OUTCOME OF THE PROJECT

Not applicable.

9   DATA ACCESS

Electricity North West's [innovation data sharing policy](#) can be found on our website.

10   FOREGROUND IPR

There is no foreground IPR associated with the project.

11   PLANNED IMPLEMENTATION

Not applicable.

12 OTHER COMMENTS

Not applicable.