



Local Energy **Oxfordshire**



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LEO Stakeholder Engagement Principles

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Executive Summary

This is a strategic document which outlines the high-level stakeholder engagement approach for the whole of Project LEO by setting out the 8 Engagement Principles which must be followed by the Project. The principles are:

- The energy system is understood as a socio-technical system.
- Engagement is informed by the needs and priorities of stakeholders.
- Engagement is evidence-based.
- Engagement is reflexive.
- Engagement facilitates learning and replication by others.
- Engagement is ethical and inclusive.
- Engagement is compliant with relevant statutory, industry and good practice requirements.
- Engagement is aligned with project needs.

Section 2 provides further detail on each Principle. These Principles are the framework which underpins, informs and guides more detailed work on stakeholder engagement (e.g. plans, mapping, rationale, theory and practical implementation etc). Documents arising from this more detailed work are referred to as supporting sub-documents and are expected to be developed throughout the lifetime of LEO and are not included here.

Stakeholders in Project LEO are considered to be individuals, groups or organisations who may affect, be affected by (or perceive themselves to be affected by) a decision, activity or outcome of the project. Project LEO uses the Accountability Standard's definition of stakeholder engagement as follows:

“Stakeholder engagement is the process used by an organisation to engage relevant stakeholders for a clear purpose to achieve agreed outcomes. It is now also recognised as a fundamental accountability mechanism, since it obliges an organisation to involve stakeholders in identifying, understanding and responding to sustainability issues and concerns, and to report, explain and answer to stakeholders for decisions, actions and performance.”

Reasons for engaging with stakeholders include:

- Raising awareness,
- Gaining support and direct/indirect participation,
- Encouraging investment,
- Understanding how stakeholders can impact on the project (and vice versa),
- Soliciting and acting on feedback about the project, and finally,
- Understanding that stakeholder engagement provides a learning opportunity for the project.

This document also outlines Project LEO's approach to creating an evidence base around the theory and practice of engagement. Existing stakeholder engagement guidance has been reviewed and a summary of key theories of engagement drawn from across the social sciences is given.

The document also briefly re-caps vision, values and narrative(s) for Project LEO, as these provide the context for stakeholder engagement.

We describe the main, high-level stakeholder groups noting that the boundaries between them may be blurred and that within these groups there will be further distinct ways of classifying stakeholders. Main groups are:

- Group 1. Wider energy system stakeholders
- Group 2: Local energy system stakeholders
- Group 3: LEO partners

The high-level stakeholder mapping exercises which have been carried out so far are also summarised, finishing with the most recent mapping exercise which was carried out in May 2020. This took a detailed look at the relevant stakeholders for each individual Project Partner and then mapped the differences in stakeholder interest and influence over Partner's LEO activities. This exercise has highlighted how complex LEO's stakeholder engagement needs are, and how variable they are between Project Partners.

Finally, this document recognises that engagement depends on good communication practices and recommends development of a communications strategy for the project.

1 Introduction

1.1 Purpose of this document

This document outlines the high-level engagement approach for the whole of Project LEO by setting out the Engagement Principles which inform all stakeholder engagement activity on the Project. These Principles create the framework which underpins, informs and guides more detailed work on stakeholder engagement (e.g. mapping, rationale, theory and practical implementation etc). Therefore, this framework essentially creates a strategic level and a detailed delivery level.

The strategic level (this document) contains:

- 8 key principles of engagement that must underpin all stakeholder engagement activity.
- The context of the LEO vision and main narratives.
- A high level description of the Project LEO stakeholders.

The 8 principles are:

- The energy system is understood as a socio-technical system.
- Engagement is informed by the needs and priorities of stakeholders.
- Engagement is evidence-based.
- Engagement is reflexive.
- Engagement facilitates learning and replication by others.
- Engagement is ethical and inclusive.
- Engagement is compliant with relevant statutory, industry and good practice requirements.
- Engagement is aligned with project needs.

The Stakeholder Engagement Principles are publicly available to ensure Project LEO is transparent in its approach to stakeholder engagement.

The delivery level consists of more detailed information on and implementation of engagement. The delivery level is referred to within this *Stakeholder Engagement Principles* document as “supporting sub-documentation”. These are mapped in Appendix A for reference but are otherwise not dealt with in detail. Consideration on a case-by case basis will be given on whether to publish this material to the public domain, emphasising publication is encouraged to increase dissemination and transparency.

This *Stakeholder Engagement Principles* document has been developed through a consultative process through workshops during May 2020 with the LEO Partners, to ensure that the development of LEO’s stakeholder engagement processes meets their diverse needs. Processes are and will be developed in an agile way, similar in approach to the technologies being developed using iterative Minimum Viable Systems, in order to allow rapid adaptation to meet LEOs changing needs as the project progresses. Consequently, this *Stakeholder Engagement Principles* document and the supporting sub-documentation may change as LEO evolves and should ideally be reviewed annually.

1.2 Purpose of stakeholder engagement

LEO is highly technologically innovative. But to ensure technological innovations are noticed, adopted, embraced and used as intended LEO must also be socially innovative - using strategies, processes and tools to identify and engage with relevant stakeholders. Without stakeholder support, it will be difficult (and in some cases impossible) to achieve project outcomes. Therefore, success in both the technological and social domains is crucial to achieving LEO's aims of transforming the local energy ecosystem in ways which are equitable and accelerate the transition to net zero carbon.

LEO's engagement activities have the following purposes:

- Raising awareness of LEO. LEO is a demonstrator project of national significance. It is important that regional, national and international stakeholders are aware of its activities.
- Generating support and direct/indirect participation in LEO. This includes engagement activities that encourage investment, input and co-design of LEO activities (such as the Smart and Fair Neighbourhood projects).
- Research. LEO needs to understand the socio-technical ecosystem into which a Smart Local Energy System becomes embedded. This entails research into the capacities, priorities and decision-making of key stakeholder groups.
- Evaluation. The project needs to understand its impacts upon stakeholders and, conversely, how stakeholders can impact upon LEO. This entails evaluation of the performance of the stakeholder engagement strategy itself as well wider project activities. As part of the fast loop learning approach adopted across the project, stakeholder feedback will be acted upon to improve LEO's delivery and outcomes.
- Influencing stakeholders through dissemination of learnings and creation of a legacy of tools, datasets and processes enabling replication and adaptation of LEO into other contexts.

1.3 Defining "stakeholder engagement"

It is expected that stakeholder terminology and definitions will continue to be developed throughout the lifetime of LEO and made publicly available as the project gains new knowledge and develops its processes. LEO's current definition of "stakeholder" is:

An individual, group or organisation who may affect, be affected by or perceive themselves to be affected by, a decision, activity or outcome of a project.

Project LEO uses the definition of stakeholder engagement set out in the Accountability standard¹:

Stakeholder engagement is the process used by an organisation to engage relevant stakeholders for a clear purpose to achieve agreed outcomes. It is now also recognised as a fundamental accountability mechanism, since it obliges an organisation to involve stakeholders in identifying,

¹ SSEN's existing stakeholder engagement is developed using Accountability's Stakeholder engagement standard, AA1000 SES 2015. <https://www.accountability.org/standards/>

understanding and responding to sustainability issues and concerns, and to report, explain and answer to stakeholders for decisions, actions and performance.

Project LEO considers stakeholder engagement as a two-way process: LEO can engage with stakeholders (determining who the project might affect), as well as stakeholders choosing independently to engage with the project themselves (self-determining that they are affected by the project).

1.4 Organising the framework

LEO has complex engagement needs. Consortium partners each have a variety of stakeholders and different engagement needs which will change as the project develops. Consequently, LEO stakeholders, their needs and priorities will need to be explored, profiled and documented using a variety of methods.

To address these dynamic and diverse engagement requirements a framework consisting of the 8 Principles of stakeholder engagement (see Section 2) at a strategic level has been developed. This provides a flexible approach to guide the development of supporting documentation and tools used in delivery or engagement activities. This differs from a traditional Stakeholder Engagement Strategy, usually structured as a single top-down document detailing all engagement activities to be undertaken. Given LEO's dynamic nature and complexity this approach would be impractical, too inflexible, and would be harder to align with LEO's principle of agile fast-loop learning. A decentralised approach is also intended to empower project partners and Work Packages to self-organise with respect to engagement, in a way which is flexible and meets their project needs.

During consultative workshops held with project partners in May 2020 information was gathered on information, processes and documentation at the delivery level of the framework that either already exists or needs to exist in order to more effectively undertake stakeholder engagement. This is shown diagrammatically in Appendix A, with information, processes or documentation broadly grouped according the themes of planning, communication/dissemination and ethics.

2 LEO's guiding Stakeholder Engagement Principles

2.1 Principle 1: Energy provision and use is understood as a socio-technical system

Project LEO's approach to development of stakeholder engagement is founded on understanding the Local Energy System as fundamentally "sociotechnical" in character. That means system activity is seen as an outcome of the stakeholders' interactions with social, economic, political, communications and material infrastructures.

A good analogy for this is an ecosystem: each stakeholder occupies a "niche" in the ecosystem and, to survive and replicate, must offer something of value to the system – i.e. an ecosystem "service". In return the stakeholder receives something of value allowing it to continue in existence. For example, Scottish and Southern Electricity Networks provides infrastructure to the ecosystem and in return receives payment and regulatory support for its infrastructure services which allow it to continue to provide infrastructure.

The nature of the service and how it is valued depends on the stakeholder role (or niche) within the system and the 'laws of the jungle' which determine the overall direction in which the system evolves. In this context, the laws of the jungle can be grouped into 4 domains:

1. Regulatory and policy context for local energy systems.
2. Material. Physical infrastructure, structure of the network, specifications of equipment, design of housing and buildings. Planning of buildings and infrastructure.
3. Market. Supply chain relationships, product and market characteristics, customer relationships.
4. Social and cultural. Institutional and personal 'ways of doing things', social norms, codes of practice, professional conduct, social practices, informal rules and rules of thumb, folk understandings.

The energy ecosystem is therefore understood as a mutually reinforcing network of technologies, ideas, norms, habits, rules and regulations. The energy related behaviours, decisions and practices that are the outcome of the ecosystem are typically repeated, engrained, unquestioned, enforced and sometimes unconscious.

When seen this way it becomes clear how difficult it can be to introduce innovative ideas and technologies once practices become established: it is not (usually) enough to change one aspect of the system and expect the whole system to change². Rather, various elements of the system need to change simultaneously to create a new viable niche where stakeholders can operate, survive and, ultimately, thrive.

² There are some disruptive technologies that have done this though – for example the internet, the smart phone, the washing machine, the combustion engine.

2.2 Principle 2: Engagement is informed by the needs and priorities of stakeholders

In order to design stakeholder engagement processes that will be noticed, influential and acted upon, LEO needs a clear understanding of who the relevant stakeholders are and how and why they may want to engage with the project³. Therefore, this principle ensures that the first step in stakeholder engagement is an exercise in profiling stakeholders to understand their needs and priorities. Profiling should consider the following dimensions⁴:

- Knowledge of the issues associated with the purpose and scope of the engagement,
- Expectations of the engagement,
- Existing relationship with the project (close or distant; formal or informal; positive or negative),
- Dependence on the project,
- Willingness to engage,
- Level of influence over the project,
- Type (civil society, government, householder, etc.),
- Cultural context,
- Geographical scale of operation,
- Capacity to engage (e.g. language barriers, IT literacy, disability),
- Legitimacy and representation; and
- Relationships with other stakeholders.

Profiling stakeholders also helps to identify what roles, skills and capacities are needed to create a local energy system elsewhere- critical information for replicating LEO in other contexts.

2.3 Principle 3: Engagement is evidence-based

Engagement activities will be informed by drawing on evidence of what works, for whom, in what context. Evidence and learnings will be captured from 4 main sources:

1. Learnings from LEO research activities⁵ (see principle 2),
2. Evaluation of LEO processes (see principle 4),
3. Review of existing engagement literature including social and behavioural theory and project evaluation reports and,
4. Assessment of existing engagement tools, guidance and materials.

An evidence-based approach ensures engagement builds on the social science base and breaks new ground with stakeholder engagement activity specifically tuned to engagement needs in a smart local energy system.

³ This approach is a key component of the AA1000 stakeholder engagement standard.

⁴ This list is taken from the AA1000 standard

⁵ Such as stakeholder workshops with a research focus.

Our approach to creating the evidence base is presented in Section 3. In summary, a Rapid Evidence Assessment (REA) will assess the latest thinking from the social sciences and learnings from evaluations of schemes attempting to engage SMEs and householders with local energy services. This review will be as supporting sub-document (see Appendix A).

Findings from the REA will be translated into a set of recommendations and guidance tailored for use in establishing smart local energy systems. The evidence review and the associated guidance will be important legacy documents for the project.

2.4 Principle 4: Engagement is reflexive

Stakeholder engagement should contain appropriate processes for self-evaluation: capturing whether engagement is achieving its objectives with different groups of stakeholders and whether the processes are replicable and proportionate. Consequently, engagement activities should be approached using the same iterative, agile approach to learning adopted for the project as a whole.

A reflexive, self-evaluating approach ensures continuous improvement of engagement processes and gathers learnings to be used by others as part of the legacy of LEO.

Independent evaluation of engagement processes (and all project activities) is also desirable to make impartial judgements that feed into the continual improvement loops but resource constraints mean this is not always possible.

2.5 Principle 5: Engagement facilitates learning and replication by others

Project LEO is, above all, a demonstration of the required arrangements for a smart local energy system. Therefore, wherever possible, documentation, reports, data and evaluation results become available to others as part of the legacy of the project. This principle requires partners to recognise that the engagement framework is purposed to:

- ensure that LEO's internal objectives are realised (e.g. by ensuring participation of a target group in a LEO Smart and Fair Neighbourhood) and
- allows third parties to learn from LEO, adapting and building on it as appropriate.

This principle ensures:

- LEO has a communications strategy in place,
- Dissemination is targeted and proportionate,
- High quality publishable material is produced that audiences will want to read,
- The project curates records of its activities, reports and other outputs for key stakeholders including Innovate UK, Ofgem and BEIS and
- Creates a body of new knowledge that is made as widely available as possible without compromising data protection and commercial confidentiality.

2.6 Principle 6: Ethical and inclusive engagement

As part of the Smart and Fair Neighbourhoods element of LEO, an Ethical Framework is being developed. This Ethical Framework is equally applicable to other areas of Project LEO and is considered to be the basis of Engagement Principle 6: Ethical and Inclusive Engagement. The draft Ethical Framework requires Project LEO to ensure that the design of energy system services are:

- Designed collaboratively
- Provide an inclusive offering
- Have a fair distribution of benefits and costs
- Minimise risk
- Have informed consent
- Allow for choice
- Respectful
- Fair with data

The draft Ethical Framework also requires Project LEO to ensure that delivery of energy system services meets the following:

- Has a clear scope
- Is collaborative
- Is inclusive
- Does no harm
- Provides a rewarding experience
- Enables informed consent
- Is respectful of participants
- Promotes continuous improvement through feedback

Principle 6 therefore ensures that engagement is aligned with the vision for Project LEO to both solve technical challenges associated with network constraints and the connection of more Distributed Energy Resources, whilst creating opportunities *for all* to benefit from the energy transition.

Fundamentally, unless a local energy system is considered to be fair and of benefit to society it will not be supported by politicians, funders, those wishing to learn from and replicate LEO, or potential participants. Fair and inclusive engagement is critical to the success of the project.

2.7 Principle 7: Compliance

Stakeholder engagement must be compliant with applicable statutory requirements, policy and good practice. Examples are given below, and are not exhaustive:

- Statutory requirements: various forms of stakeholder engagement are a requirement at particular stages of the planning and development process e.g. for new buildings and energy assets. Detail will be found in the local plans developed by local authorities. The National

Planning Policy guidance provides the framework for planning processes and sets the general expectations for stakeholder engagement⁶.

- Other key statutory requirements for LEO are RIIO requirements⁷ whereby DNOs are expected to determine who their stakeholders are, what stakeholders require, and to use stakeholder feedback to inform the annual business plan. In particular, DNOs are required to identify and proactively engage with their vulnerable customers. An annual report detailing stakeholder engagement activities is sent to Ofgem for appraisal. DNOs are incentivised to be innovative in their stakeholder engagement practices and are ranked by a panel each year accordingly⁸.
- Existing internal policy and protocols: each partner in the LEO consortium will have a general set of requirements for the management and engagement with stakeholders. Academic partners will follow the various procedures required to ensure research is conducted ethically.
- Compliance with policy and regulation for data management. LEO has set out an approach to data management through the Data Sharing Agreement and associated data management procedures within the project. There is also a website privacy notice under development to ensure that collection of data to facilitate stakeholder engagement is GDPR compliant.

2.8 Principle 8: Engagement meets project needs

Engagement must have a clear purpose and serve the direct and indirect needs of the project. This principle ensures that engagement for engagement's sake does not occur. Engagement that does not have a clear purpose and/or is not integrated into a clear plan for what happens once engagement has taken place can be damaging to the project. Therefore, engaged stakeholders should have a pathway mapped out through the project with initial engagement required to get the stakeholder to take the first step on the pathway and to support them as they continue on their journey.

Implementing this principle when planning engagement requires:

- Consideration of what the engagement is for. What is it trying to achieve? This question should be asked at the outset of developing a stakeholder engagement plan.
- Consideration of the stakeholder journey. What happens next after engagement has taken place?

⁶ National Planning Policy Guidance is found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

⁷ Guidance on stakeholder engagement for RIIO2 is found at:

https://www.ofgem.gov.uk/system/files/docs/2019/11/enhanced_engagement_guidance_final.pdf

⁸ Report of the panel for 18-19 is found at :

https://www.ofgem.gov.uk/system/files/docs/2019/09/stakeholder_engagement_panel_report_2018-2019_final_0.pdf

- That engagement activity, dissemination and publication align with the timing and scope of project activities. Consideration should be given to e.g. co-ordinating multiple Partners who wish to engage with the same stakeholder.
- Stakeholder engagement needs and delivery should become a standing item on project development agendas.

Timetabling of project activities will constantly evolve and consequently, the supporting sub-documents must ensure that they reflect this.

3 Vision and narratives for LEO

LEO is aiming to achieve transformation of a highly complex socio-technical system and is therefore operating across technical, social, cultural and economic domains. A project of this scale and scope requires a clear vision underpinned by shared values to ensure that the various project activities are pulling in the same direction.

Capturing how LEO is achieving its multiple objectives across the various domains in a single narrative is not easy but is nonetheless desirable as this clarifies the role of each partner in working together to achieve the long-term vision. Work is ongoing to develop a single holistic narrative.

Clear engaging narratives are important for two further reasons:

1. Stakeholder engagement. A clear narrative allows explanation of the mechanics of the project and clarifies the purpose of the project to third parties in an accessible and engaging form.
2. Development of hypotheses and evaluation. The narrative(s) are used to structure thinking about how the project is expected to have its effects across the various domains described above⁹. This helps in development of hypotheses to explain the causes of those effects which can then be tested using the MVS process. For this reason, the narratives should reflect the Theory of Change and, as the Theory of Change refreshed as learnings from the MVS are gathered, the narratives should change also.

This section provides a summary of current LEO thinking on its vision, values and narratives. For further information please refer to the [Annual Synthesis Report 2020](#).

3.1 Vision and values

Project LEO is about understanding the opportunities for households, businesses and communities from the transition to a smarter, flexible electricity system. For further details on the vision and aims of the Project, please refer to the [website](#). The following values have been identified and agreed¹⁰ as best representing the overall LEO vision:

1. **Creation of a local balanced energy system.** This value captures LEO's mission to demonstrate technical and market solutions to the challenges of managing the electricity network so that increased renewable generation at the grid edge and trends for electrification of heating and transport can be accommodated and encouraged. By solving these technological and market issues LEO will have succeeded in charting a path to net zero carbon emissions in the energy sector. But it must do so without compromising social justice or deepening inequity (see below).

⁹ The EnergyRev "meta" Theory of Change for Smart Local Energy Systems organises the operation of SLES across multiple domains. These are: 1. Data flows 2. Users 3. Skills 4. Business and Finance 5. Heating and cooling services 6. Mobility services 7. Ecosystem services. The whole is summarised in the "Technology and System" interactions layer. See:

https://www.energyrev.org.uk/media/1368/energyrev_organisingframeworkreport_202005_final.pdf

¹⁰ Identified at the LEO Inception Workshop (26th June 2019)

2. **Ecosystem benefits – CO₂ and beyond.** This value recognises that smart local energy systems can potentially bring a host of social, economic and environmental benefits to a local community. For example, a successful SLES will require active and passive participation of households, businesses and the public sector to effectively underwrite its own energy provision (by hosting low carbon generation and by flexing its demand to optimise use of local energy sources and provide services to the network). This transforms the relationships between energy users, energy suppliers and infrastructure providers. Energy users go from being passive consumers of energy to active prosumers or shareholders or investors - becoming stakeholders in their own energy system. This creates greater social capital and more resilient communities. Local Energy Systems also offer opportunities for more local economic activity through creation of local services that support the local energy system (including peer to peer trading) and through the financial benefits of energy efficiency and local energy generation and investments in local companies participating in the local energy system.
3. **Reducing inequalities - ability to afford energy to meet all needs.** This value recognises that reconfiguration of the energy system has the potential to create winners and losers – and that creation of an energy system in which some groups can disproportionately benefit at the expense of others is unfair and runs entirely counter to the ethos of the PFER programme which is that all groups should benefit and prosper from the transition to the new energy system. Self evidently, a local energy system that deepens inequities and puts essential energy services out of reach of low income and vulnerable groups will have fundamentally failed.

It is notable that these values for LEO have the welfare of people and communities at its heart, which is why the social domain (and associated stakeholder engagement) needs to have equal importance to the technical domain. The creation of a thriving Local Energy System is the mechanism to achieve this societal benefit and not necessarily an end in itself.

To become established and ultimately to thrive a local energy system needs national and local political and regulatory support and also, critically the buy-in of communities and businesses without whose participation the system will fail. Unless a local energy system is fair and of benefit to society, and seen as such, this support and buy-in won't be achieved.

3.2 Narratives

The design of a local energy system to support the values identified above is informed by theories of how ecosystem actors will respond to interventions (as well as contributing their own unprompted actions). The theory of how LEO will achieve its objectives (summarised as the Theory of Change for the project) can be used to develop one or more “narratives” for LEO. These narratives are concise and engaging summaries which tells the story of what the project is trying to achieve (including the benefits to stakeholders) and how it expects to achieve it.

A clear, communicable narrative is critical in engaging participants and audiences for LEO's work. It also helps in reminding project partners of their long-term objectives and the overall vision for LEO. As the project progresses the narratives will evolve and be retained as supporting sub-

documentation. However, at this stage there is substantial consensus around the idea that LEO is about:

“setting up and testing of a local, low-carbon energy system that uses market mechanisms and smart technology to bring value to the electricity network and the people connected to it”.

And that LEO is also about:

“creating a new ecosystem of people, to accelerate a low-carbon energy system using markets, with equity”.

The great complexity and range of LEO combined with slight differences in priorities amongst partners and stakeholders open up spaces for various sub narratives to emerge. These sub narratives have some things in common. For example, all share the assumption that LEO is about demonstration of the arrangements required for a Smart Local Energy System to survive and thrive and that therefore it must leave a legacy of carefully curated data, tools and comprehensive evaluation of its activities, founded on evidence gathered using robust methods. Nonetheless based on interviews with partners and subsequent analysis 4 distinct sub-narratives are evident. These are:

- People and communities,
- Network management and technology,
- Markets and
- Smartness/data

These are described further below.

1. People and communities. Some partners emphasise “people” as the motivating force behind the project through organisations and human networks, ownership of assets and via passive or active participation in provision of services to the network - either directly or through third parties such as aggregators. This narrative emphasises the need for a collective and grass roots response to building new green infrastructure (e.g. via share ownership in a local energy system or through ownership of distributed low carbon generation assets). Also, that a collective response is essential to resolution of technical issues on the network – flexibility sourced from domestic homes can only provide useful network services if lots of homes connected to a particular part of the network act together in a coordinated fashion. This idea aligns well with social and political objectives related to building stronger, more resilient communities. The narrative also focuses on the social, economic and environmental benefits of SLES and emphasises that these should be equitably and fairly distributed to all in a community - not just those who are able to be active participants by virtue of e.g. physical ownership of a solar roof, battery and electric vehicle or ownership of a financial stake in a community enterprise selling services to the local network. This fairness narrative is supported in various ways across the project including Principle 6: Ethical and Inclusive Engagement.
2. Network management for renewable generation and electrification of heat and transport. This narrative has a more technical focus with the story centred on solving the

technical issues associated with both increasing connection of distributed renewable generation and forecasts of hugely increased electricity demands resulting from electrification of heat and transport. The key is flexibility enabled by digitisation and smart control systems which avoids the need for costly hard engineering solutions, whilst also creating multiple social and environmental benefits.

3. **Markets.** This narrative emphasises LEO's role in demonstrating market structures, trading platforms and business models evolving out the DNO's transition to DSO. It emphasises LEO's role in the development of a local energy market that maximises the use of assets, supports carbon reduction, enables new business models which can profitably supply services to the network and does so whilst ideally stimulating local economic activity and without entrenching social, economic and energy inequity.
4. **Data and Smartness.** Smart Local Energy Systems cannot be established or operate without intensive and pervasive monitoring, control, data capture and analytics. LEO's narrative around how it uses data and information technologies therefore fits with a broader narrative around how pervasive computing and sensing, i.e. the Internet of Things, is transforming society. Smart Homes, Smart Neighbourhoods and Smart Cities are all enabled by smart energy systems. LEO can be understood as a project for its times demonstrating how information technology is transforming the energy system and the relationship that energy consumers have historically held with the organisations that supply and distribute their energy.

4 Theory and Practice of Engagement

Design and delivery of LEO stakeholder engagement is informed by standards, guidance and social and behavioural theory.

4.1 Engagement standards

The most commonly used standard for stakeholder engagement is Accountability's AA1000 SES (2015)¹¹. This standard sets out the minimum requirements of a high quality and effective stakeholder engagement strategy and includes consideration of governance, stakeholder identification, profiling and mapping, implementation of strategy and monitoring of impacts. It is the standard used by SSEN in its own regulated stakeholder engagement and therefore it is suggested that LEO should align with AA1000 SES wherever possible.

4.2 Engagement guidance

In addition to the standards there is a wide range of guidance available. The guidance is generally targeted at particular sectors, for example, engagement with local communities affected by development of renewable energy resources, although some more generic guidance also exists.

1. The National Consumer Council has produced guidance to encourage and support good quality deliberative¹¹ public engagement activities. This guidance was produced under the INVOLVE programme and describes 9 principles for effective and "deliberative" engagement¹².
2. PAS has produced a suite of engagement tools including the SP: EED tool to help communities get involved in the planning system in an impartial, open and inclusive way.
3. The Royal Town Planning Institute has produced a suite of tools and training programmes for engaging communities and other stakeholders in the planning process¹³.
4. The Government's Communications Office has produced a high-level guide to setting up a stakeholder engagement strategy.¹⁴

4.3 Engagement with Energy Systems guidance

1. The Centre of Sustainable Energy has produced tools and guidance for communities, planners and others to get involved in local energy planning and community energy schemes.

¹¹ Deliberative public engagement is a distinctive approach to involving people in decision-making in that it gives participants time to consider and discuss an issue in depth before they come to a considered and collective view.

¹² <http://www.involve.org.uk/wp-content/uploads/2011/03/Deliberative-public-engagement-nine-principles.pdf>

¹³ <https://www.rtpi.org.uk/>

¹⁴ <https://gcs.civilservice.gov.uk/publications/ensuring-effective-stakeholder-engagement/>

2. EnergyUK has produced guidance for energy suppliers on engaging with their customers, “The Rules of Engagement”.¹⁵
3. Carbon Trust have produced guidance for stakeholder engagement with heat networks.¹⁶

Generic and energy specific stakeholder engagement guidance will be reviewed and recommendations for use in LEO engagement activities described in a supporting subdocument.

4.4 Theories of engagement and behaviour

There are many theories of engagement and its role in behavioural and system change drawn from across the human sciences: economics, psychology, anthropology, sociology, policy science and marketing theory. Each of these disciplines has different perspectives on what motivates human behaviours and choice therefore each also have a different perspective on what is engaging, interesting and persuasive in any given context. The theories generally differ from one another in three fundamental ways:

1. The degree of emphasis that is placed on the possibility of individual choice versus perspectives that see choice as deeply structured by wider forces such as social networks and cultural meanings, the physical infrastructure around us that facilitates some behaviours and rules out others and indeed by the design of appliances and equipment that services our homes and workplaces and which can only be used in certain ways.
2. The degree to which it is thought that householders and organisations are primarily motivated by the desire to maximise personal benefit or utility where benefit or utility is usually interpreted as being achieved by financial gain.
3. The degree to which it is thought that householders, organisations and businesses use conscious, “rational”, and systematic processes to weigh up different options before coming to decisions and plans of action.

This range of theory has arisen partly because of fundamentally different assumptions about the drivers of human behaviour and also because different types of behaviour actually need different theory to explain them.

For example, habitual, sometimes unconscious behaviour such as turning lights off when leaving a room needs a different explanation from more conscious considered behaviour such as the decision to invest thousands in external solid wall insulation or a solar roof with battery or to actively participate in a Smart Local Energy Scheme. Different components of our psychology and our capacity to act are used in these two situations. Some theories have attempted to integrate the various views - producing accounts of behaviour which can be used in many contexts and many behaviour types.

¹⁵<https://www.energy-uk.org.uk/publication.html?task=file.download&id=6270>

¹⁶https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/717692/Stakeholder_Engagement_in_Heat_Networks_-_a_guide_for_project_managers.pdf

A rapid evidence assessment of the psychology and sociology of engagement with local energy systems will be undertaken. It will be linked to this document as a supporting sub-document, to provide an important resource for the project more widely. The rapid evidence assessment will make clear recommendations about which ideas from the research base are most useful in designing engagement and communications.

A further supporting subdocument will translate the findings from the rapid evidence assessment into evidence-based tools and guidance for LEO engagement work. Guidance will be in the form of decision trees, flow charts and clear context specific recommendations.

5 High level stakeholder context for Project LEO

5.1 High level stakeholder groups

There are numerous different ways which stakeholders can be categorised. As a starting point, it is useful for LEO to consider stakeholders within the following 3 groups:

1. LEO partners
2. Local energy system stakeholders
3. Wider energy system stakeholders

However, the boundaries between these groups may be blurred, with some stakeholder belonging to more than one group. Within these groups there will be further classifications, however that level of detail is better suited for inclusion in supporting sub-documentation where it is required for a specific LEO activity or process. The grouping below, and the subsequent section discussing the stakeholder context, are intended to be used as a starting point.

5.1.1 Group 1. Wider energy system stakeholders

This group comprises stakeholders who have influence over the wider energy system or who will be in a position to replicate LEO processes and activities in their own settings (including those who are able to do so rapidly, “fast followers”). These stakeholders are not needed to participate directly in LEO activities but remain the audience for LEO in its role as a demonstrator of smart local energy systems. Stakeholders in this group include Ofgem, BEIS, the Electricity Networks Association, the Open Networks Project, the Energy Systems Catapult, Local Authorities, Trade Associations and Energy Suppliers amongst others.

LEO’s purpose in engaging with this group is to ensure that lessons from LEO are used to transform the wider energy system. Learnings from LEO will include needed changes to the policy and regulatory landscape and a summary of conditions that will facilitate improvement of LEO, along with application of its methods and replication of its achievements in other settings. However, engagement with this group needs to be two way to ensure that stakeholders are also informing the development of Project LEO.

5.1.2 Group 2: Local energy system stakeholders

This group comprises LEO stakeholders who are generally Oxfordshire-based and who typically have a more direct engagement with the project. Examples include residents in the Smart and Fair Neighbourhood programme, politicians, or local businesses. Within this group will also be potential participants whose interest and commitment will need to be encouraged and who might participate directly in the SLES by, for example, selling excess solar generation to peers via the trading platform. In addition, future institutional investors (who are needed to demonstrate the future viability of LEO outcomes after InnovateUK funding ceases) should also be considered within this group, as well as how individual Consortium Partners can grow their investor base to support this work.

It is necessary to engage with this group widely in order to ensure that all those who are affected by the project, or are otherwise interested in it, have an opportunity to be involved, feedback and provide direction to the project where relevant. It is important to ensure that engagement with local

system stakeholders in particular is inclusive and fair, in line with Principle 6: Ethical and Inclusive Engagement.

5.1.3 Group 3: LEO partners

This group comprises LEO partners themselves. There needs to be consideration on how internal engagement within the project should function, as partners are both stakeholders in their own right and delivery team members. Some of this will be managed through the existing project management structures developed through Work Package 1, however as LEO has developed it has become clear that there are additional engagement and communication needs between partners. For example, ensuring that learnings are consistently captured across the project and disseminated, and understanding how Project Partners can work and communicate with each other in a flexible and agile way.

LEO's purpose in engaging with this group is to ensure that the needs and expectations of all Project Partners are clear within the consortium and that internal and external communication channels are utilised efficiently in a constantly evolving and increasingly complex project.

5.2 Stakeholder context and mapping

Stakeholder mapping work has already been carried out internally within Project LEO at different stages and at different levels within the project. Each mapping process uses different dimensions to position the stakeholders, hence each map is useful in different ways. Stakeholder mapping can be quite subjective, so each have value for LEO in different ways.

There have been three high-level stakeholder mapping exercises within Project LEO.

The first was carried out at the LEO inception workshop in June 2019, which considered stakeholders as groups of different types of actors based on their role or "niche" within the LEO ecosystem. This grouping is useful in describing the stakeholders needed for a Local Energy System to be sustained and also in suggesting the priorities and purpose of each stakeholder type. Please refer to section 6 of the [Year 1 Annual Synthesis Report](#) for further information on this.

The next mapping activity was carried out in December 2019 by representatives from Work Package 6, and it considered stakeholders based on the kind of relationship each has with the project versus the degree of change needed to take place in that stakeholders' practice to help ensure LEO objectives are met. It assessed stakeholders as "keyholders", "amplifiers" or "learners".

1. A "key holder" stakeholder has the power to make binary yes/no decisions/ permissions affecting project deliverables. Therefore, it is essential to enlist support from key holders otherwise the project objectives are likely to be blocked or frustrated.
2. An "amplifier" type of stakeholder is like a "volume control"- they can have an enhancing or dampening effect on the success of the project. This stakeholder is also needed to demonstrate aspects of the project and to disseminate information about it. The amplifier does this through their own networks of stakeholders.

3. A “learner” maintains an interest in the project. Learners track project activities and may ultimately become the organisations and groups that will replicate the project in due course. Ideally, learners feed back to the project partners, who can then amend project activities if need be. Learners can be internal or external to LEO.

The third mapping activity was undertaken during the workshops in May 2020, and each LEO Partner was individually asked to identify which specific stakeholders (in terms of named organisations or individuals) were relevant to achieving their LEO activities. This ensured that all partners had a voice in the assessment of the stakeholder context for the project. Although some stakeholders were common to a number of partners, unsurprisingly these Partners had differing views about the relevance, importance to and influence of these stakeholders over their LEO activities. This was expected, as each Project Partner has their own focus, role and activity within the project. Undertaking this activity highlighted the complexity of stakeholder management within the consortium.

Like all stakeholder mapping, these three exercises only provide a snapshot in time and should be periodically revisited as circumstances change, in order to ensure that it remains relevant and valid for the project. For example, they were all undertaken prior to the Covid-19 pandemic, and stakeholders could alter during the recovery.

6 Communication

6.1 Current context for communication

Communication is a fundamental process in stakeholder engagement; without communicating it is not possible to engage. Therefore, it is crucial that the Stakeholder Engagement Framework explores the interface between communication methods and engagement. A baseline assessment on how communication is being carried out currently in LEO was undertaken with Project partners, which will be used to inform the development of LEO's Communication Strategy as a supporting sub-document.

6.2 Communication Strategy

It is proposed that a Communications Strategy is developed as a matter of priority to aid stakeholder engagement and dissemination of project learnings. The strategy will need to:

- align with the Principles set out in this document,
- should include information on communication procedures and methods/channels,
- define what records/reporting of communication are required,
- give a high-level timeline of communication activities,
- define roles and responsibilities regarding communication activities, and
- give an understanding of the information needs for key stakeholders (e.g. types of information likely to be required, types of project narrative required, frequency of communication, means of communication and format of the communication).

At present, the main guidance on communication is the array of engagement channels and tools already stated in LEO's Project Plan, including:

- Website and social media – twitter, blogs, vlogs
- Hosting an annual conference and workshops
- Attendance and presentation at events / conferences / talks – (now including virtual as well as in person, as a result of Covid-19).
- The LEO Newsletter
- Reports
- Academic publications and using LEO in teaching
- News releases to local and national media channels as well as industry publications

This is not an exhaustive list of methods available. It is essential that there is a clearly defined and agreed approach used to communicate both about the project, within the project, and as a two-way process with project stakeholders. A communication strategy and also an effective approach to "customer" relationship management was raised by several LEO Partners during the May 2020 workshops as something which is currently lacking and that they felt would assist in the effective development and delivery of the Project. It was also recognised that the context within which LEO is operating is rapidly evolving due to the Covid-19 pandemic, and that it is important to consider how this has impacted communication processes (both positively and negatively).

7 Next Steps

Work Pack 6 will assess the structure map in Appendix A, in order to prioritise and allocate the delivery of the supporting sub-documentation in the most effective order. However very clearly there is a need to develop a Communications Strategy as a matter of priority.

The Smart and Fair Ethical Principles and Framework is already under development as part of the Smart and Fair Neighbourhoods work. The proposed sub-documentations will also need to be considered within this context, to ensure they align with both the Ethical Principles and the Engagement Principles.

There will need to be further gap analysis over time to ensure that the structure map shown in Appendix A continues to be reflective of the project needs, and whether additional sub-documentation needs to be scoped and delivered.

Appendix A: Map of the supporting sub-documentation

