SSEN DISTRIBUTION RIIO-ED2

ENHANCED ENGAGEMENT STRATEGY

RIIO- ED2 Business Plan Annex 3.1

Scottish & Southern Electricity Networks

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1. ENHANCED ENGAGEMENT STRATEGY

1.1 ENHANCED ENGAGEMENT OBJECTIVES

Our stakeholder engagement mission statement lies at the heart of our strategy. It sets out our vision for the role of stakeholder engagement in informing our decisions as we shape our business for a future in which we will power communities to net zero.

Our mission is to deliver engagement which is purposeful, accessible and dynamic, using insight and collaborative partnerships to achieve positive and tangible outcomes for customers, stakeholders and society.

We set three overarching objectives aligned to this mission for our RIIO-ED2 (ED2) Enhanced Engagement programme, laying out our ambition and how we would hold ourselves account:

1. To develop a Business Plan that is focused on, created with and, ultimately, trusted by our customers and stakeholders.
2. To ensure the Business Plan is rigorously tested by a wide range of stakeholders so that it meets customer needs, especially the most vulnerable, delivers value for money for consumers and a social return for communities and wider society.
3. To create a robust, ambitious and deliverable stakeholder engagement strategy for ED2 that is fully informed by customer and stakeholder input and is flexible to the needs of consumers in the energy transition.

1.1.1 GUIDING PRINCIPLES

Our objectives were supported by four principles that define how we engage and guide all our engagement efforts. These principles reflect the values embedded throughout our approach and embody the work of all stakeholder-facing staff:

- **Inclusive:** We take a considered approach to the format and timing of our engagement and think deeply about how we can reach 'seldom-heard' voices, ensuring a fair and accurate representation of our customers and communities.
- **Insightful**: We conduct thorough engagement in a way that generates meaningful discussion and debate. We structure our engagement activities and processes to allow us to capture clear and unambiguous feedback that leads to insight and actions.
- **Impactful:** Our engagement is transparent and meaningful, allowing participants to clearly trace the 'golden thread' from their input and challenge to genuine influence on our Business Plan.
- **Iterative**: We conduct frequent and enduring engagement which evolves in line with best practice and continuous improvement. We are flexible to change in the engagement process and incorporate learnings throughout the process.

1.2 A TRANSFORMED APPROACH TO STAKEHOLDER ENGAGEMENT FOR ED2

While our embedded Business as Usual (BAU) stakeholder engagement approach remains at the core of our approach, for ED2 we have transformed the quality of our engagement by incorporating several new features:

- Uniform planning across all topics (see Section 1.3.1).
- A process to segment our stakeholders (see Section 1.3.1 Step 3).
- Bespoke, thematic events with stakeholders, customers and consumers designed so we could co-create our Business Plan with them (see Section 1.3.1 Step 4).
- A methodology to synthesise and triangulate feedback from different sources when making decisions and to identify where the 'golden thread' from stakeholder opinion to Business Plan was missing (see Sections 1.3.3 and 0).
- Independent scrutiny and challenge throughout (see Section 1.3.4).
- Best-practice and innovative engagement methods such as ethnographic apps and a Citizens' Jury (see Section 3).
- A layered approach to Consumer Benefit Valuation (see Section 1.4).

We also made a step change in the quantity of engagements we conducted. As shown in Figure 1, over the 21 months of the ED2 business planning programme, we held more than twice the number of events compared with the previous two years of ED1.

ED2 strategic outcome	Topic	ED1 BAU 2 years	ED2 Business Planning Enhanced Engagement				
			Total for ED2	Phase 1 8 months	Phase 2 7 months	Phase 3 3 months	Phase 4 3 months
A valued and trusted service for our customers and communities	Customer experience and vulnerability	13	43	15	22	5	16
	IT and Digitalisation	6	14	0	7	0	7
A safe, resilient and responsive network	Safety and Compliance	0	17	0	3	6	8
	Reliability	7	30	9	12	2	7
	Supporting our remote communities	0	14	0	5	1	8
Accelerated progress towards a net zero world	Load & LNP	4	33	0	14	4	15
	Connections	6	38	1	22	2	13
	DSO	2	22	0	9	0	14
	EAP	7	30	2	10	4	14
	Whole systems	1	18	2	8	0	8

	Totex optimisation	0	3	0	2	1	0
Value for money for customers	Innovation	6	12	1	5	1	5
	Workforce resilience	5	29	2	10	5	12
	Supply chain	0	16	0	8	0	8
	Uncertainty mechanisms	0	13	0	5	0	8
	Public affairs and business planning	5	15	3	7	4	1
TOTAL events		**62**	**149**	**18***	**86***	**20***	**25***

**Please note: the total number of events in each phase may be less than the sum of all events in that column, as certain events may have covered more than one topic.*

Figure 1: ED1 vs ED2 business planning events

1.3 STEP-BY-STEP ENHANCED ENGAGEMENT APPROACH

The eight steps in our practical approach to Enhanced Engagement for ED2 business planning are set out in Figure 2.

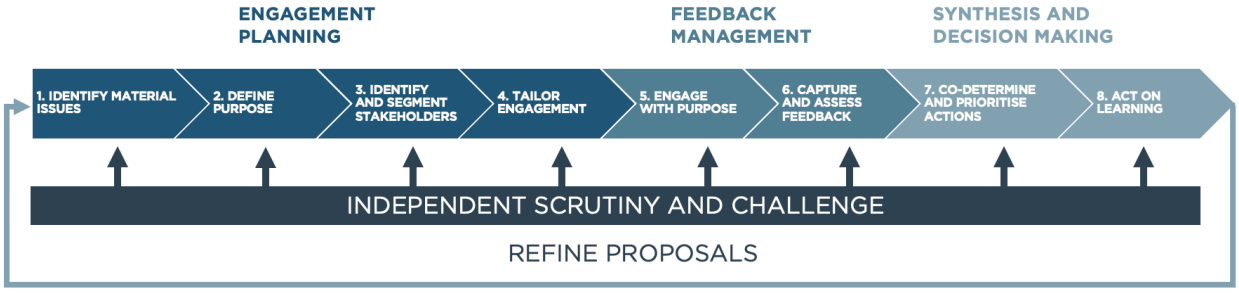


Figure 2: Our ED2 Enhanced Engagement approach

We designed our approach according to the AA1000 Stakeholder Engagement Standard. Our stakeholder engagement leads implemented it via the activities outlined in each of the four phases of our enhanced engagement (see Section 2), ensuring we delivered on our defined objectives as we developed the ED2 Business Plan. All stakeholder-facing staff had ongoing training to ensure that we effectively embedded this approach and its guiding principles.

1.3.1 ENGAGEMENT PLANNING

Engagement planning tool

To capture the outputs from the engagement planning stage of our approach (Steps 1 to 4 below), we devised a tool which workstream leads used for Phase 2 to ensure that every engagement was planned both thoroughly and consistently. This took the form of a multi-page spreadsheet template which captured:

- **Engagement programme summary:** Including number of events (by method), number of topics, number of questions, and number of stakeholders.
- **Level of effort:** The estimated number of working days to complete each proposed engagement event. This is broken down in terms of preparation of content, facilitation and logistics, and feedback management.
- **Engagement timeline**
- **BAU engagement**: Summary of key ED1/BAU engagement related to the workstream. including stakeholder feedback received and details of actions we took as a result.
- **Event – Workshop:** For workshop events only, **i**nformation on the number of stakeholder questions per workshop (not all workshops pose the same questions – they are tailored to specific stakeholder groups), the number of invitees per workshop, and a list of stakeholders to invite to each tailored engagement event.
- **Event – Survey**: For surveys only, the relevant engagement questions per stakeholder group (not all stakeholder groups within each workstream are asked the same questions), the number of surveys per workstream, and a list of stakeholders to send each tailored survey to.
- **Feedback template**: For capturing feedback on engagement and on topics provided by stakeholders.
- **Engagement assessment template**: For capturing stakeholder views on the quality of the engagement (to inform its validity).
- **Stakeholder list**: Segments and region/s.

Step 1: Identify material issues

The starting point of our engagement planning process was to identify topics and areas of interest on which stakeholders would be engaged. As an organisation that places stakeholders and customers at the core, it was imperative that we ensure our engagement was focused on issues directly affecting stakeholders, as well as colleagues and partners. During this step, we combined a variety of methods to identify the issues of mutual importance to both our stakeholders and our business before testing with these stakeholders as part of our engagement activities.

First, we assessed **regulatory and policy guidance** and academic research to identify particular areas where stakeholder engagement and customer insight was essential and/or would add value.

When determining topics to engage on, it was also important for us to capture the voice of our **partners** and give them the opportunity to raise any issues that may not be clear to us and to challenge our thinking in certain areas.

Finally, we recognised the value of **internal insights of our colleagues**. At a strategic level, we consulted senior members of our organisation to gain insight into issues facing the business (and customers) and to challenge our thinking of materiality and value. We also regularly sought insight from all colleagues, either on an ad-hoc basis or formally at internal meetings, to gather a wider point of view of key issues and topics we should engage our stakeholders on.

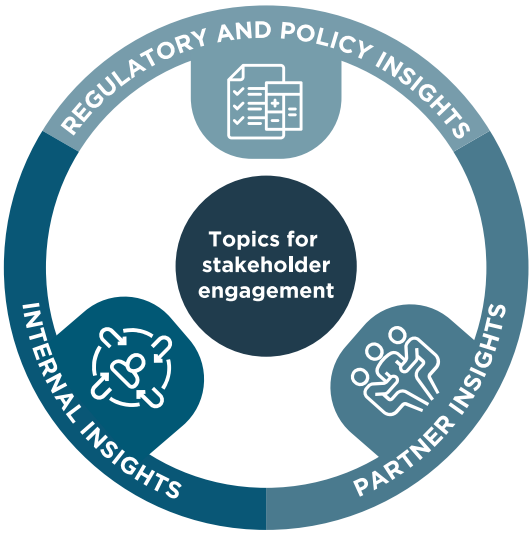


Figure 3: Sources used to identify material issues for stakeholder engagement

Step 2: Define purpose

An important element in planning a successful engagement is to define its purpose or objective clearly and to use this to design questions that will lead to meaningful feedback linked to this objective.

The questions we asked our stakeholders were identified through a combined effort from subject matter experts, who were tasked to take action based on the feedback received, and our stakeholder engagement team, who are best placed to ensure they are structured in a way that would lead to specific, unambiguous and actionable insight, as shown in Figure 4.

Topic	Strong question	Weak question
Customer service	'Do you find our education plan for supporting customers in using the digital customer service platform effective? How can we improve it?'	'Is digitalisation making some of our customers feel left behind?'
Net zero	'Do you agree with the net zero priorities presented today? Is there anything missing?'	'Is SSEN[1] playing a leading role in enabling net zero?'

Figure 4: Examples of strong and weak engagement questions

Step 3: Identify and segment stakeholders

In the past, we had taken an informal approach to segmenting stakeholders, and identified the best individuals to invite to engagement events on an ad hoc basis. For ED2, we transformed this process by creating a formal, systematic, two-level segmentation tool, as shown in Figure 5.

[1] Scottish and Southern Electricity Networks

Our final segmentation of six high level stakeholder groups and 44 sub-groups was iterated based on feedback received from workstream leads and the CEG, for example, research bodies were combined with policy forums and think tanks, while business advisors were added.

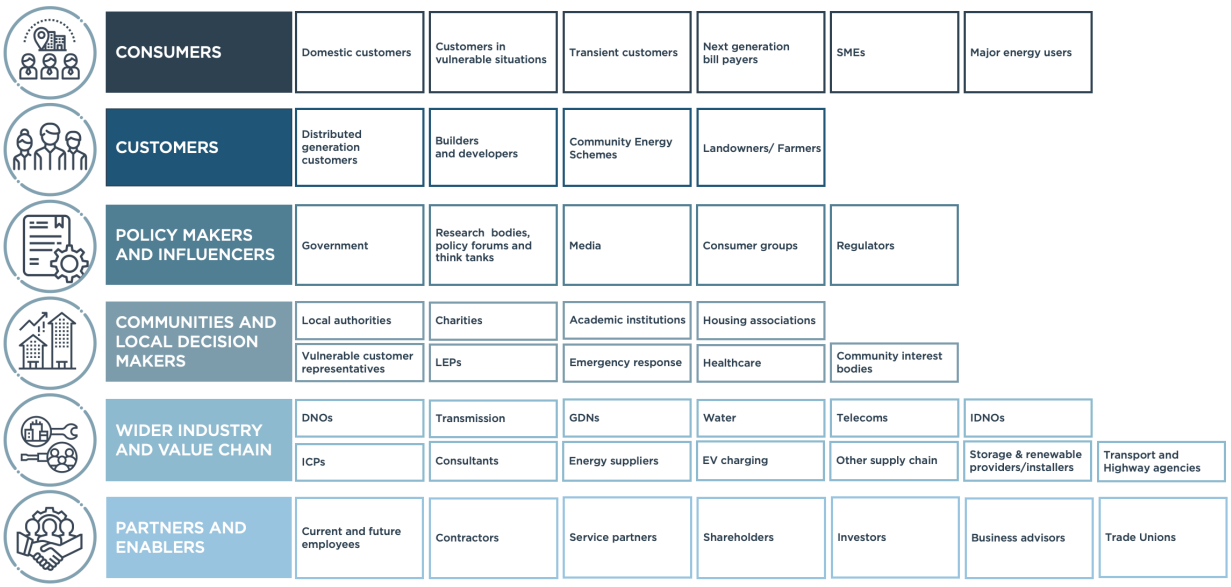


Figure 5: Our stakeholder segmentation

We mapped our stakeholder database to this segmentation, revealing many more sub-groups than we would previously have identified, and meeting our principle of being inclusive. This also identified gaps which we had not been aware of, for example, amongst local authorities, which we filled by purchasing data.

In our Open Discovery phase (Phase 1), while we were still developing our segmentation, we worked with the six high-level groupings; but from Phase 2 onwards we engaged across all 44 segments to ensure that the high-level priorities identified were built into outputs that consider the full range of our stakeholders' perspectives.

Terminology

We have used the term 'stakeholders' in two ways throughout this document and more widely in our Business Plan, either denoting all six of the high-level groupings shown in Figure 5 (e.g. 'stakeholder engagement') or referring to individuals from the four non-customer/consumer groups (e.g. a local authority). The meaning will be clear from the context.

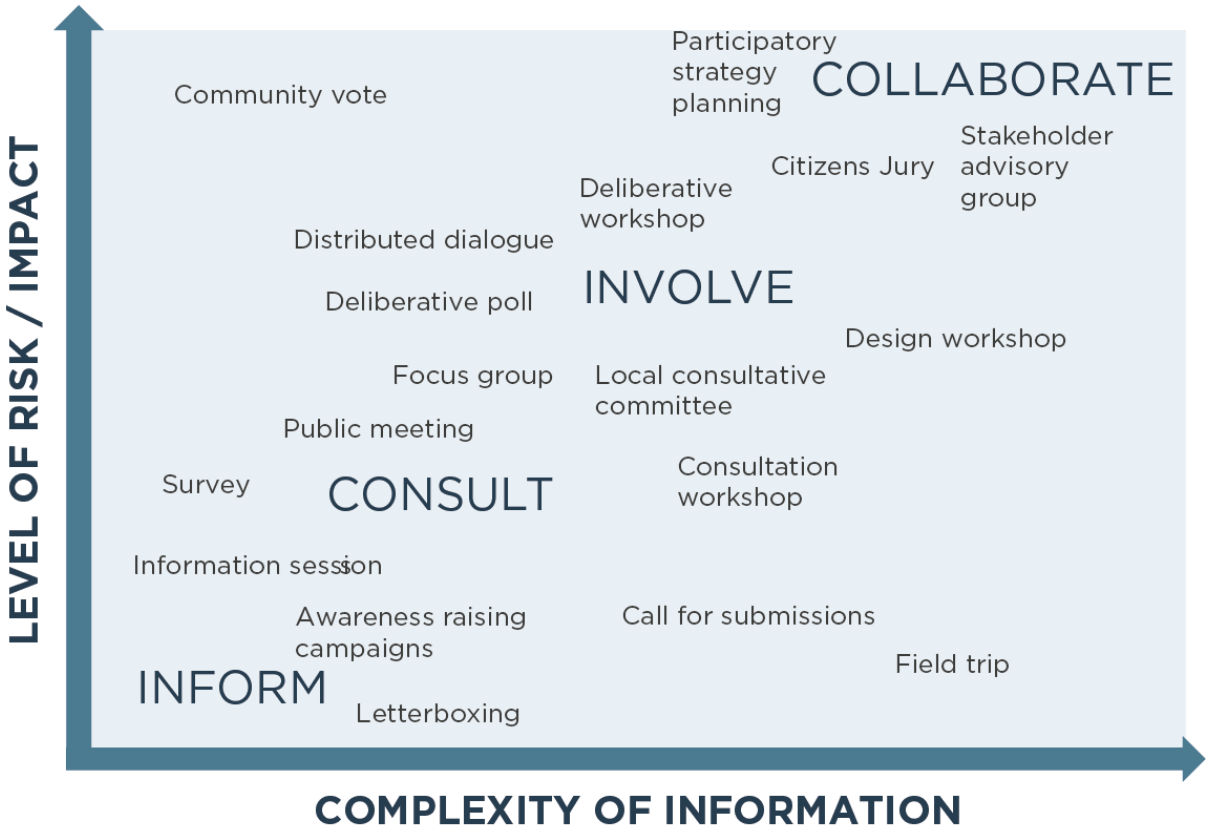
Engagement produces the most meaningful, actionable insight if there is a close fit between the level of knowledge stakeholders have about a topic and the complexity of engagement questions. So, for each topic we identified the stakeholder segments who would have the knowledge level required. For example, for our thematic customer engagement on connections, we engaged customers who had recently had a new or altered connection in the previous 12 months so they had good knowledge of why connections are requested and a fresh memory of the process.

Step 4: Tailor engagement

Defining the purpose of engagement, defining the questions, and identifying the suitable stakeholders to engage provide the basis for tailoring each event in a manner that serves the purpose and suits the audience. This involves customising both the method and content of each engagement to extract the maximum value for our efforts.

Method

When we set out our enhanced engagement strategy at the start of the ED2 business planning process, we planned to use the Citizens Advice model set out in Figure 6 to identify which method to use for each engagement event.



From this, we developed the matrix shown in Figure 7 to help us select the most appropriate method/s for each engagement, based on the volume of stakeholders we needed to engage and their knowledge-level of the specific topic being discussed.

		Limited knowledge	Some knowledge	Expert knowledge
Stakeholder profile		Stakeholders with limited knowledge of SSEN or the topic	Stakeholders we interact with regularly on the topic, or who have recent personal knowledge of the topic	Stakeholders we engage with closely or whose roles necessitate an interest in the topic
Recommend-ed methods	**High volume**	Survey Social media Website	Online consultation Survey	Stakeholder workshop Survey
	Low volume	Customer Panel Call/text/letter Customer/stakeholder workshop	Consultation Stakeholder workshop Focus group 1-1 depth interviews	Consultation Proactive calls Bilaterals Customer/stakeholder panels
Example stakeholder groups		Domestic customers Healthcare	Local authorities Major energy users	Builders and developers Academic institutions

Figure 7: Stakeholder volume/knowledge-based engagement method selection matrix

From the outset, we recognised that **involving** and **collaborating with** stakeholders would be key to co-creating our Business Plan with stakeholder by identifying outputs that they wanted and needed, and so we sought to use these approaches wherever appropriate.

However, during Phase 2, our CEG challenged us to demonstrate consistency in definition and application of 'co-creation' across the various stakeholder engagement activities.

In response, we defined co-creation as a process of mutual SSEN-stakeholder value creation, which generates an active form of interaction and sharing between our company and the stakeholders and transforms our contact with end consumers from transactional to a joint experience. To apply this, we developed the co-creation scale shown in Figure 8,which supported the tailoring of our subsequent events.

CO-CREATION SCALE	AUDIENCE RESEARCH	MODIFICATION	CO-DESIGNING	COLLABORATING
DESCRIPTION	The DNO asks stakeholders to answer predetermined questions and decides which ones to consider	Stakeholders propose modifications to an existing service based on criteria	The DNO puts forward several options for a new service and a large selection of stakeholders choose the best option	Stakeholders collectively develop ideas for a new service or improvements to an existing service without any criteria
CONTENT CONTRIBUTION	Fixed	Open	Fixed	Open
CONTENT SELECTION	DNO	DNO	Stakeholders	Stakeholders
EXAMPLE	Local Network Plans	Worst Served Customers	Regional factors: Shetlands cables	The new connections process
VALUE CREATION	All	Domestic customers	Shetland communities	Small and domestic customers

Figure 8: Co-creation scale (after 'Customer co-creation: A typology and research agenda', Matthew S. O'Hern, Aric Rindfleisch, 2010)

For all of our targeted ED2 engagement events, our workstream leads (i.e. our subject matter experts) co-designed the content with our stakeholder engagement team, ensuring that we tailored the information in a way that provided our stakeholders with necessary context (without being leading) that enabled them to provide feedback that is specific, unambiguous and actionable.

After engagement, we conducted a review to make sure stakeholders have been engaged in a manner that has enabled us to derive the most value. The findings from each review were fed back to the process to guarantee our continual improvement.

Content

The content of each engagement was adapted according to the knowledge level of our audience, for example new stakeholders who are not aware of our operations, or industry experts who are more familiar with our organisation. We need to consistently ensure we are communicating in the correct manner to derive the most valuable insights and this means adjusting the content before, after and throughout the engagement. Additionally, the level of detail we provided varied based on the purpose of our engagement and whether we are were educating, informing or gathering information.

Regional approach

Our two network regions – northern Scotland and central southern England – are quite different in terms of customer numbers, geographical area, and both their urban/rural and mainland/island proportions. During ED1, we realised that our traditional cross-Licence Area approach was too broad for meaningful collaboration with stakeholders. From 2019, we therefore tailored the content of our annual stakeholder workshops to address region-specific issues and tracked the number of events held in each region to ensure consistency. We have embedded this approach throughout our ED2 engagement and have added Licence Area as a further segmentation dimension to our stakeholder database.

We therefore went beyond individual Licence Area segmentation and identified three sub-regions that faced unique challenges: those served by Remote Island Generation (RIG), those reached by Submarine Cables, and Shetland. We held bespoke events to capture the voices of consumers and wider stakeholders on issues specific to these network areas.

1.3.2 FEEDBACK MANAGEMENT

Step 5: Engage with purpose

To deliver on our guiding principles and engage with purpose, we used a consistent, all engagement planner; a one page 'info sheet' providing guidance on key elements to consider when delivering an event.

Step 6: Capture and assess feedback

Given the greater volume and quality of engagement required for ED2 Business Planning, it was essential that we had an effective feedback collection and management process in place.

To store all of the feedback collected from our stakeholder engagement activities, we created an Insights Portal which was accessible to all stakeholder facing staff across the business as well as the external consultants who were supporting our Enhanced Engagement process. The stakeholder engagement team ensured that a consistent set of materials, participant lists and outputs were uploaded to this after each event, and liaised with the relevant engagement leads to fill any gaps in information following events.

Capturing feedback

We devised a standard form to capture feedback from all engagements. This minimised subjectivity and allowed our stakeholder-facing colleagues to capture feedback consistently. The form also ensured that, in addition to the detailed reports compiled, we had a summary of key points picked up from both our technical and stakeholder engagement experts.

Assessing engagement quality

Again, we used a standard form to understand participants' views on the engagement process itself. This asked them to score various aspects of the engagement (such as the appropriateness of the method used), as well as giving them the opportunity to provide comments.

1.3.3 SYNTHESIS AND DECISION MAKING

Step 7: Co-determine and prioritise actions

Feedback from engagement events only has value if actionable insights can be derived from it to inform decision making (and shape the creation of the Business Plan and our actions for ED2).

This can be complex, though, when gathering feedback from such a wide range of engagement channels. To simplify this process for decision makers, we produced synthesis reports to extract and share key insights from feedback throughout the ED2 engagement process.

These enabled supporting evidence for developing the Business Plan to be tracked, demonstrating the 'golden thread' of how stakeholder feedback from each completed engagement phase has shaped the Business Plan and informed the next phase of engagement**.** This process is outlined in Figure 9.

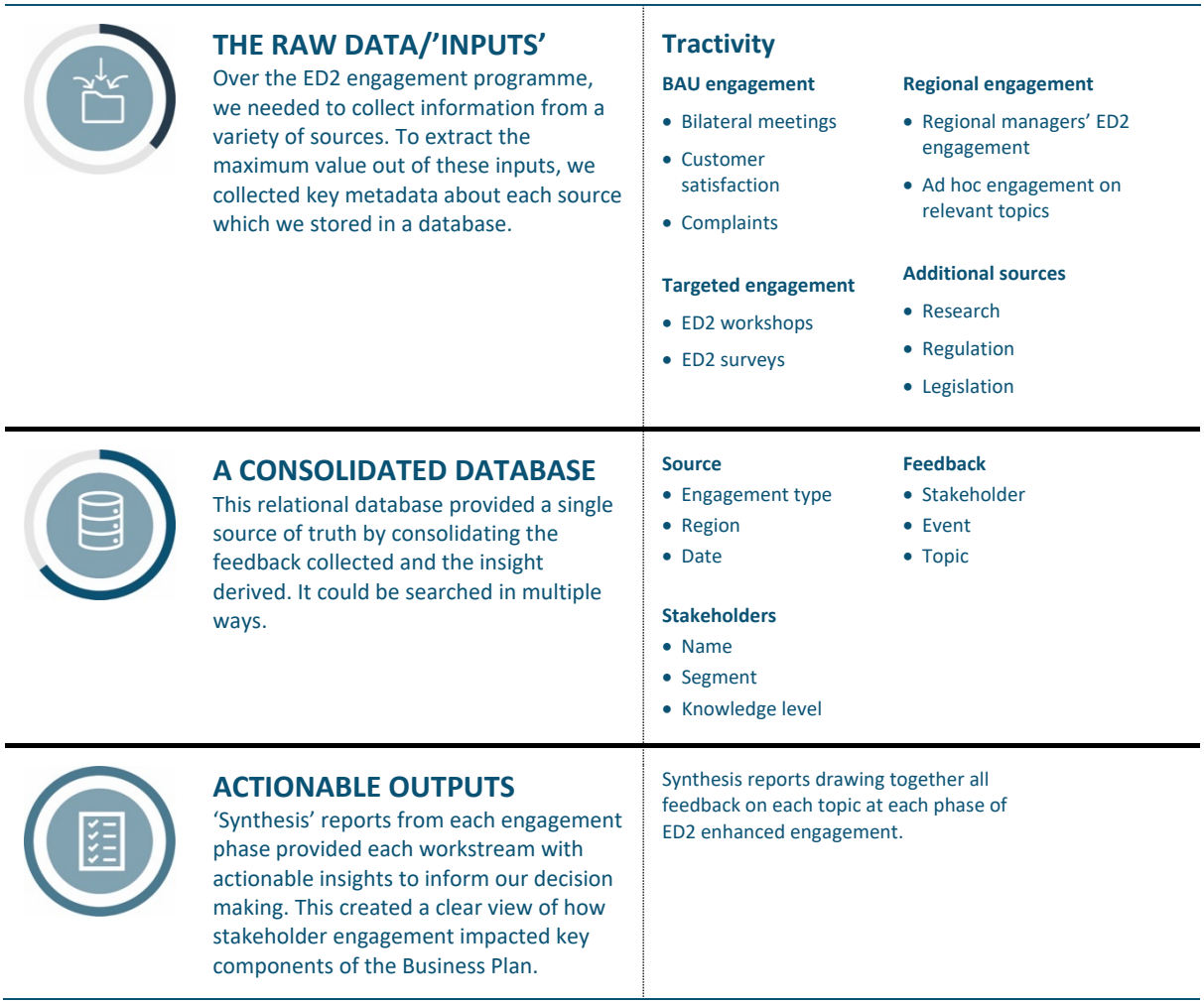


Figure 9: Synthesis reporting – gathering insights from feedback to inform decision makers

Step 8: Act on learning

Every stakeholder engagement event was also an opportunity for us to improve our delivery methodology for the future. To ensure that we 'closed the loop' by acting on what we learned, as part of our stakeholder engagement improvement programme in 2019 we developed a new Action Tracker tool and an associated process to ensure actions identified from BAU engagement activities are clearly identified and prioritised. The tool allows the stakeholder engagement team to assign action owners, escalate and monitor the progress of learning-informed actions through to delivery.

Our Central Stakeholder Engagement team ensured that learnings from both our own analysis of the event delivery and stakeholders' evaluation forms were incorporated into future events. For example, despite explaining the role of DNOs and SSEN, we consistently found that that domestic consumers and small and medium-sized enterprises (SMEs) confused us with SSE the energy supplier. To address this, we added a slide (Figure 10) to our stimulus pack which addressed this head-on. Consumers in subsequent groups stated that they found this clear.

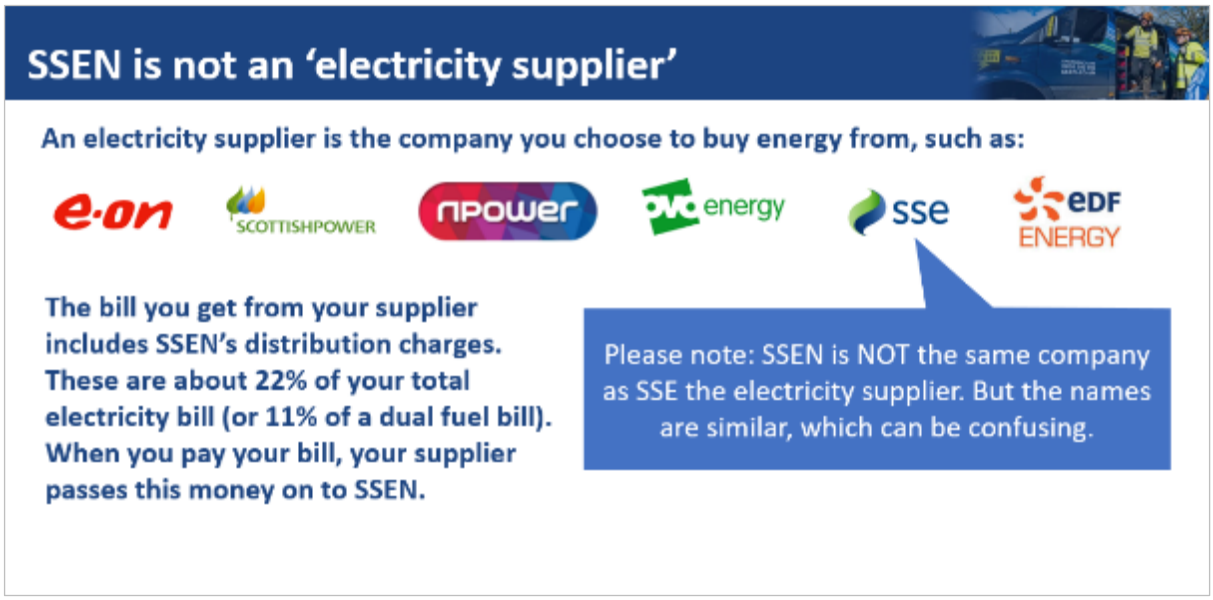


Figure 10: Stimulus slide to distinguish SSEN from the supplier SSE

For the ED2 Business Plan engagement programme, our central stakeholder engagement team and ED2 stakeholder engagement team held bi-weekly meetings to review any actions identified arising from learning gathered from all engagement and used this tool to identify priorities and synergies between BAU and ED2 engagement activities. The stakeholder engagement team also ensured that lessons learned were communicated across the business.

1.3.4 INDEPENDENT SCRUTINY AND CHALLENGE

Customer Engagement Group

As part of its Enhanced Engagement process for ED2, Ofgem required each DNO to establish an independent Customer Engagement Group (CEG) to add an additional layer of scrutiny and challenge so that both stakeholders and Ofgem can be confident that stakeholders' changing needs and expectations for ED2 have been properly understood, balanced and reflected in our Business Plan.

We created a CEG with a broad range of experience and expertise which enabled them to provide constructive, informed and objective challenge on the quality and robustness our approach and evidence. Our CEG secretariat recorded all challenges received from the CEG and transparently demonstrated how we responded, and the impact that each challenge had on the Business Plan. Further details of the work of our CEG are described in ***Enhanced Engagement Strategy (Chapter 3.1)*** of our Business Plan. The CEG's website is at **www.ssen-ceg.co.uk**.

Ofgem RIIO-2 Challenge Group

Prior to submitting our Business Plan, we met Ofgem's independent RIIO-2 Challenge Group on three occasions where we discussed key issues such as our track record, our priority areas for ED2 and feedback on our draft plan. We welcomed the constructive nature of this engagement and the feedback provided. A summary of how feedback from the Challenge Group has shaped our final business plan can be found in ***Key Changes Since Draft (Annex S 9)***

1.4 PROGRAMME EVALUATION PROCESSES

We conducted two programme-wide evaluation processes based on the Government's Magenta Book guidance towards the end of Phases 2, 3 and 4 of our Enhanced Engagement.

1.4.1 TRIANGULATION PROCESS

We created a four-step triangulation process based on best practice[2], as shown in Figure 11.

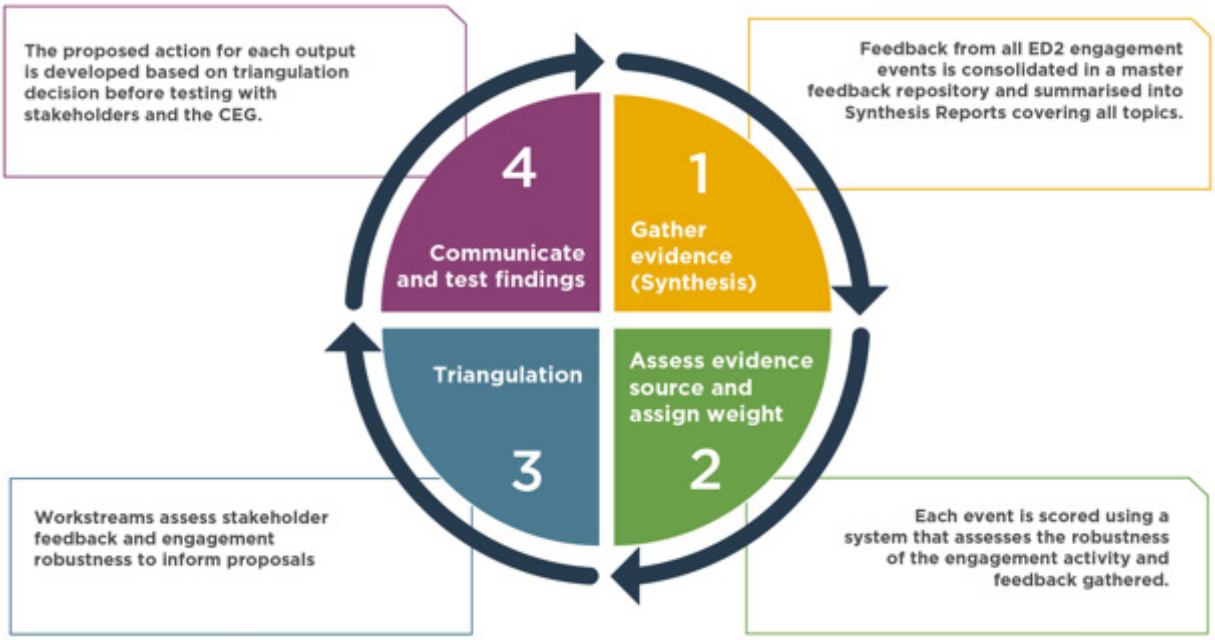


Figure 11: Our triangulation process

Step 1: Gather evidence (Synthesis)

Initially, potential sources of evidence are identified, reviewed and collated in central feedback repository based on topic and sub-topic. In addition to creating an effective feedback collection process, this step provides a layer of assurance where the central stakeholder engagement team can identify potential gaps in the documents and feed those back to the workstream leads. Thereafter, workstream leads can decide to provide supplementary evidence or plan more engagement activities to fill in the gaps.

[2] *The Magenta Book* (HM Treasury guidance on what to consider when designing an evaluation, 2021), *Defining and Applying Triangulation in the Water Sector* (CCWater, 2017) and *Quality in Qualitative Evaluation: A framework for assessing research evidence* (Cabinet Office, 2003).

Step 2: Assess evidence source and assign weighted score

Following the guidance laid out in the Cabinet Office's 'Quality in Qualitative Evaluation'[3], we check the extent to which each evidence source is **contributory (relevant to the topic), methodologically sound, rigorously gathered** and **credibly interpreted** using the evaluation principles set out in Figure 12.

Quality indicator	Description	Questions
Contributary evidence	**Contributory** in advancing wider knowledge or understanding about the topic	**How closely linked is the feedback to the specific output being evidenced?** • Is the information valuable for business planning purposes? • Does this information confirm what I already know about my customers? • If no, what explains the discrepancy? • If no, does it give me an alternative perspective? • If yes, how should I adapt my analysis of customer preferences? • Does the evidence support claims for wider inference?
Methodologically sound	**Defensible in design** by providing a research strategy that can address the evaluation question posed	**How well was the engagement/research conducted compared to best practice principles?** • What sorts of questions does this method answer? • Are any of the methods applied less well established, new or innovative? If yes do I need to establish how sounds these methods are? • Has the methodology been appropriately adapted and refined for the specific purpose for which it has been used? • Is it clear that good practice is followed?
Rigorous data collection	**Rigorous in conduct** through systematic and transparent collection, analysis and interpretation of qualitative data	**Did the engagement work with significant volume? Was the evidence captured effectively?** • How was data gathered? • Were best practice methods applied for gathering the data • Is the collected data detail rich and in-depth?
Credible analysis and interpretation	**Credible in claim** through offering well-founded and plausible arguments about significance of the evidence generated	**How credibly/independently was the evidence evaluated? How does the interpretation ensure the avoidance of bias?** • Was the context of the engagement provided? • Are there biases to be aware of which may not have been mitigated by the methodology? • Does the evidence provide multiple perspectives and alternative positions?

Figure 12: Evaluation principles

[3] https://www.gov.uk/government/publications/government-social-research-framework-for-assessing-research-evidence

After that, we assign a score to each evidence source based on the four metrics, according to the criteria set out in Figure 13. Each score is weighted equally in calculating an average for each evidence source.

Score	Evidence source scoring			Feedback scoring
	Methodologically sound	Rigorously gathered	Credibly interpreted	Contributory
1-1.66	Limited or no methodology, unplanned with no aim or objective.	Limited discussion of data collection technique, who collected the data, or the procedure for recording differing opinions.	Lack of credible interpretation with potential for bias. Limited or no discussion of feedback points in the conclusion.	Vague, high-level feedback with only a tangential relevance to the topic in question.
1.67-2.33	Some aims of engagement, but limited discussion of sampling, knowledge levels and stakeholder backgrounds.	Some discussion of data collection and the methods. Limited depth of feedback and range of opinions.	Some link and discussion of the engagement details in the event report, including some differing views.	Feedback not necessarily fully aligned to the topic and only provides a limited insight and thus moderately useful.
2.34-3	Clear aims, sound sampling methodology and consideration of barriers to inclusion.	Thorough discussion of data collection procedures, noted a range of perspectives and extensive detail of feedback.	Engagement work interpreted accurately and fairly with detailed outline of all perspectives and issues discussed.	Specific, clear and relevant information with clear link to the topic discussed. High value added.

Figure 13: Robustness scoring

The insights derived on each output are summarised in tables, alongside their respective weighted scores which are used by output owners to make decisions about the content of their Business Plan chapter.

Step 3: Triangulation

During this step, the Directors review each strategy and its associated outputs; the business subject matter expert presents the results of the triangulation; and the Directors then assess the most robust sources and the extent to which they impacted the Business Plan. For each key proposal area, this stage leads to one of three assessments:

- Findings converge to support proposals.
- Findings generate new insights that lead to further refinement of proposal.
- The proposed approach diverges from the findings.

The workstream leads responsible, documented the rationale for each decision and any the trade-offs in the triangulation document. In cases where the findings generate new hypotheses and changes to the plan, workstream sometimes choose to liaise with the central stakeholder engagement team to plan further engagement activities.

Step 4: Communicate and test findings

This step generates narrative around stakeholder evidence and relates back to hypotheses about stakeholders' values and preferences. Once the narrative is built, the findings were presented to the CEG for testing. Furthermore, findings were communicated and tested against a variety of viewpoints during acceptability testing.

We applied this process at the ends of Phases 2, 3 and 4. Results for the end of Phase 2 are in the Enhanced Engagement Appendix to each Strategy Annex.

1.4.2 EVIDENCE ASSURANCE PROCESS

Sia Partners conducted an independent third-party assurance review of our engagement programme and evidence. The first review was completed after Phase 2 of the engagement process, highlighting gaps which were addressed for the Draft Business Plan submission. A second review was completed on the evidence in the June 2021 Draft Business Plan, to indicate key areas that needed improvement before the submission of our Final Business Plan in December 2021. A third, and final, report is published alongside the Final Business Plan, and can be found the Appendix E.

1.4.3 SENIOR-LEVEL BUY-IN

Directors have been fully involved in every aspect of the creation of our Business Plan, with sponsoring Directors playing an integral part in shaping it in collaboration with their allocated workstreams as well as providing governance.

During the development phase, they actively engaged with stakeholders at events, attended CEG sessions, gave workstreams strategic direction, and ensured that decisions were well-justified by stakeholder evidence and that CEG feedback was addressed.

Areas of the Business Plan that they influenced included: methodology on LV/HV and subsea cable interventions; fluid-filled cable and asset volumes; tree-cutting; ash die back; PCBs; costing assumptions for load and non-load; insourcing; phasing of spend efficiency; challenging workstream leads to provide separate, costed business options for our two Licence Areas in more elements of the Business Plan; and ensuring that there would be a seamless transition from ED1 to ED2 for customers. For example, our Director of Asset Management, challenged the reliability workstream to deliver greater benefits to customers without increasing the overall budget by rebalancing their project portfolio.

Our Managing Director directly influenced – via the Steering Committee, weekly executive sessions and regular check-ins with the ED2 Programme leads – a number of elements across the Business Plan, particularly commercial strategy.

While our initial approach to this improved on what we'd done in ED1, he identified a clear opportunity to make a step change in our ambition through changing our capital delivery programme so that it yields more efficiency from our supply chain and ultimately provide benefit to customers.

Our Business Plan also benefitted from our position as a DNO within the wider SSE plc group, with the group Chief Executive and Finance Director providing feedback and ensuring the plan provided sufficient regional differentiation.

1.5 CONSUMER BENEFIT VALUATION

In recent years, utilities have widely used the values obtained from Willingness to Pay (WtP) stated preference surveys as equivalent to the bill impacts that consumers would be willing to accept for the delivery of outputs. Encouraged by Ofgem, DNOs now recognise that this is not appropriate, and that WtP measures are only indicators of the relative value consumers place on different levels of service, and therefore what their priorities are.

Consequently, we have taken a layered approach to establishing consumer benefit value, as shown in Figure 14, adding qualitative understanding to WtP and combining these findings with Social Return on Investment (SROI) research, and finding from deliberation our outputs testing with consumers.

Figure 14: Our Consumer Benefit Valuation approach

The results for Willingness to Pay and SROI assessment of key business plan outputs are set out in Appendix A and B, respectively. Details of the methodologies for each of our consumer benefits valuation mechanisms can be found in Section 3.

1.6 ACCEPTABILITY TESTING

The aim of Acceptability Testing is to confirm that an adequate proportion of customers and consumers agree that our Business Plan is acceptable and that they are prepared to pay for it. Acceptability testing measures customer and consumer opinions on both the acceptability and affordability of our plan.

Our approach differs from some of our peers as we communicate the cost of the plan clearly during this process and asked respondents to comment on both the acceptability and affordability of the plan and outputs simultaneously. While the consideration of costs may reduce the acceptability score, we believe it is important that stakeholders fully understand the costs and benefits of our plan to make an appropriate judgement.

The acceptability testing engagement is a two-phased process with consumers comprising:

1) **Qualitative Testing:** An in-depth exploration of key consumer groups' responses to our Draft Business Plan to identify areas for refinement
2) **Quantitative Testing:** A large-scale quantitative survey to quantify the acceptability and affordability of our Final Business Plan

This process was completed between September and November 2021 engaging a total of 1,127 stakeholders. We ensured that we engaged with key stakeholder segments that may be more sensitive to the affordability of our plan in fuel-poor customer, future bill payers and customers in vulnerable situations.

The full details of our Acceptability Testing results are presented in ***Acceptability Testing (Annex 3.3).***

1.7 THE IMPACT OF COVID-19 ON ENHANCED ENGAGEMENT

The Covid-19 restrictions, which came into force on 23 March 2020 and remained in place, at varying levels over time and across our two Licence Areas, impacted our Enhanced Engagement in three key ways.

First, face-to-face engagement was no longer possible. This meant that we were unable to run traditional focus groups, roundtables, workshops, Citizens' Jury sessions, or conduct computer-assisted personal interviewing for surveys (an established method for engaging digitally-excluded participants). As a result, all engagement took place online or over the phone. One unexpected benefit of the move online was that charities were more easily able to engage as the cost and time involved in travelling to meetings was eliminated. While online groups did produce valuable insight and were skilfully moderated, we recognise that the lack of informal opportunities to network before and during breaks in events may have reduced the quality of interactions and idea-sharing.

In order to ensure that digitally-excluded customers' voices were heard, we used telephone interviewing were possible, particularly in our qualitative customer engagement events with consumers in vulnerable situations. Some of these customers were no longer able to get online access because they could not access computers in libraries or invite younger relatives round to help them use their home IT equipment.

Alongside this, many SMEs in retail, hospitality and other sectors closed down by Covid-19 restrictions proved to be hard-to reach (as premises were closed) or unwilling to engage in qualitative events as they were focused on their business challenges.

Second, the impact of Covid-19 on daily life and the economy rapidly changed many customers' needs and priorities. For example, reliability of supply has always been important to domestic customers, but this took on a new proportion when they were working and learning from home and had school children at home during the day. More positively, future customers felt that empathy for others had increased. Many customers also saw their income reduced through furlough, redundancy, or freelance work drying up; UK-wide, 6 million have fallen behind on household bills because of Covid-19. This financial hit is made worse because they were no longer being able to stay warm in colder weather by visiting a public library, community centre or other 'warm hub' because they had to stay at home. Some types of business were also under heightened financial pressure, needing to make up for lockdown-induced losses. Young and future customers are aware that they will be 'paying for' the pandemic for many years to come. During power cuts, the key resilience option of going out for a meal or visiting a nearby friend or relative was unavailable. The loss of face-to-face interaction made communication harder for some customers with sensory impairment. Increased isolation has led to increased feelings of vulnerability and lack of confidence too.

Finally, many colleagues faced new challenges as they combined working from home with home-schooling and, in some cases, were unable to work as planned due to illness from Covid-19 itself or the side-effects of vaccinations.

2.RIIO-ED2 ENGAGEMENT PROGRAMME

We divided our RIIO-ED2 Business Plan Enhanced Engagement programme into four phases, as set out in Figure 15 starting with broad exploration that established high-level priorities before focusing in increasing detail to understand how consumers trade-off services and costs.

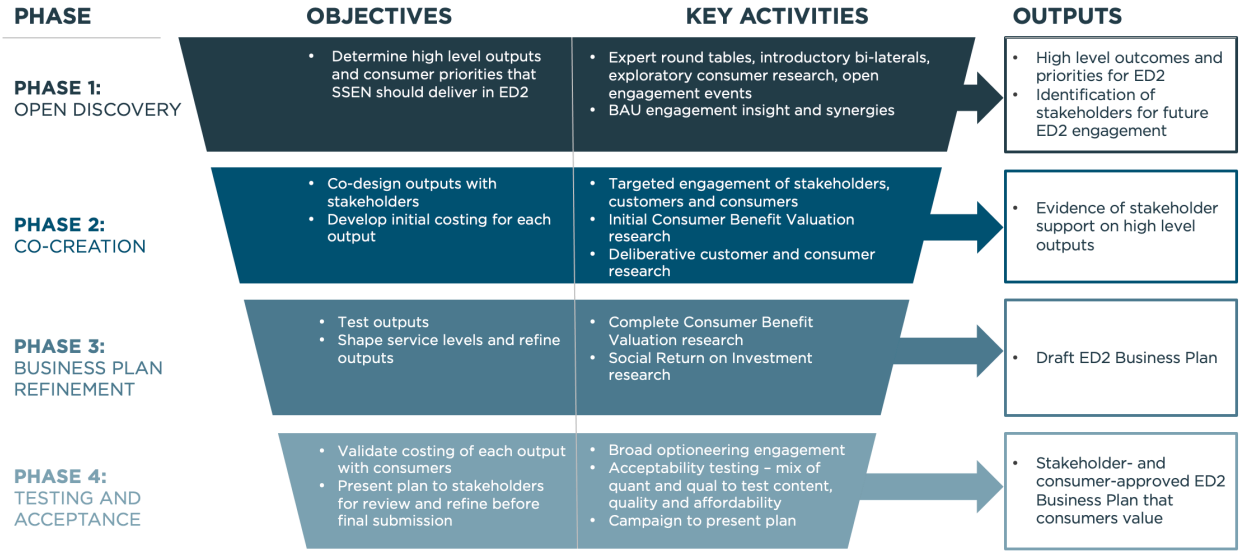
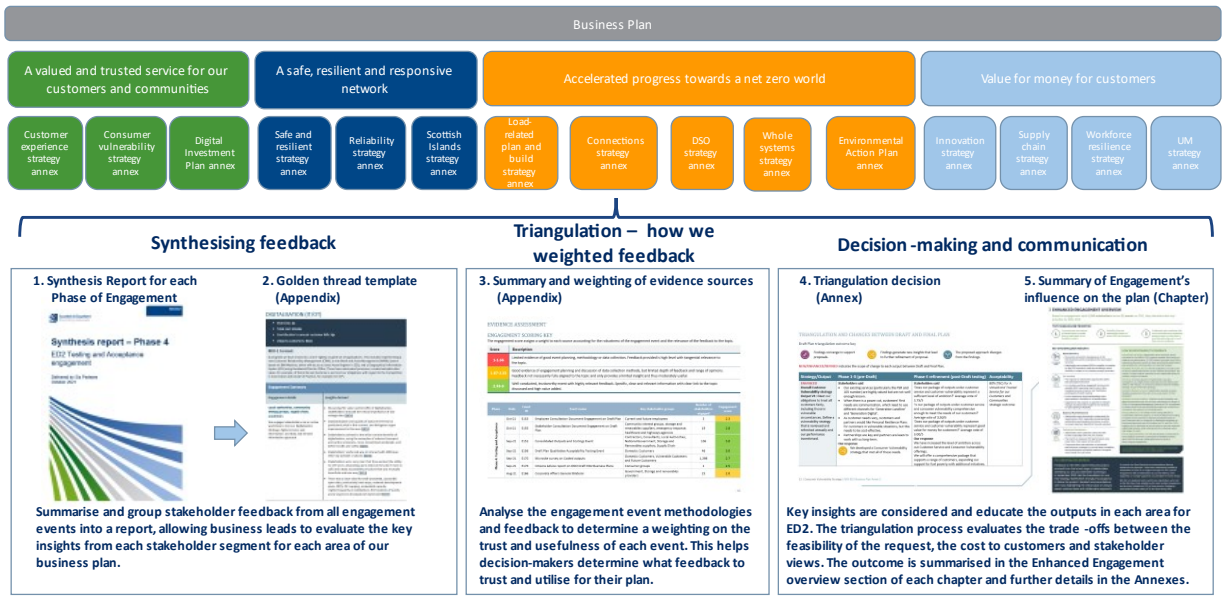


Figure 14: The objectives, key activities and outputs for each engagement phase

Using this phased design ensured that we shaped both our engagement approach and our Business Plan itself in collaboration with stakeholders from an early stage. It also allowed iteration, meaning that we drilled deeper into the topics that emerged as being the most important to them, with the aim of going beyond what they stated they want to identify what they really need. Individual actionable insights gathered are set out in the Enhanced Engagement Appendix for each strategy Annex.

Figure 15: Enhanced Engagement Annex structure for each Strategic Area

We provide a summary of key feedback for each topic across the 4 engagement Phases in Appendix C of this document.



2.1 PHASE 1: OPEN DISCOVERY (JANUARY-AUGUST 2020)

Phase	Engagement Inputs	Engagement Delivery	Engagement Outputs	Partners
Phase 1: Open Discovery January to August 2020	**19 engagement events** with **7,676 stakeholders** and consumers engaged across engaged across 6 key groups and 44 segments. **331 pieces of synthesised stakeholder evidence** collected. <u>Events included:</u> 8 x Regional Stakeholder Workshops 5 x Customer Surveys, including Prioritisation research for ED2 3 x Stakeholder Advisory Panels 1 x DSO Consultation on supporting a smarter electricity system 1 x Expert Academic Roundtable 1 x Research from Centre for Sustainable Energy	We began our engagement process with a high-level exploration of what priorities and outcomes stakeholders and consumers wanted us to focus on delivering during ED2. This feedback helped inform the targeted co-creation engagement in the next phase of business plan engagement.	• High level outcomes and priorities for ED2 • Identification of stakeholders and topics for further ED2 engagement	• Social Market Research • EQ Communications • Centre for Sustainable Energy • Impact Research

Summary Statistics

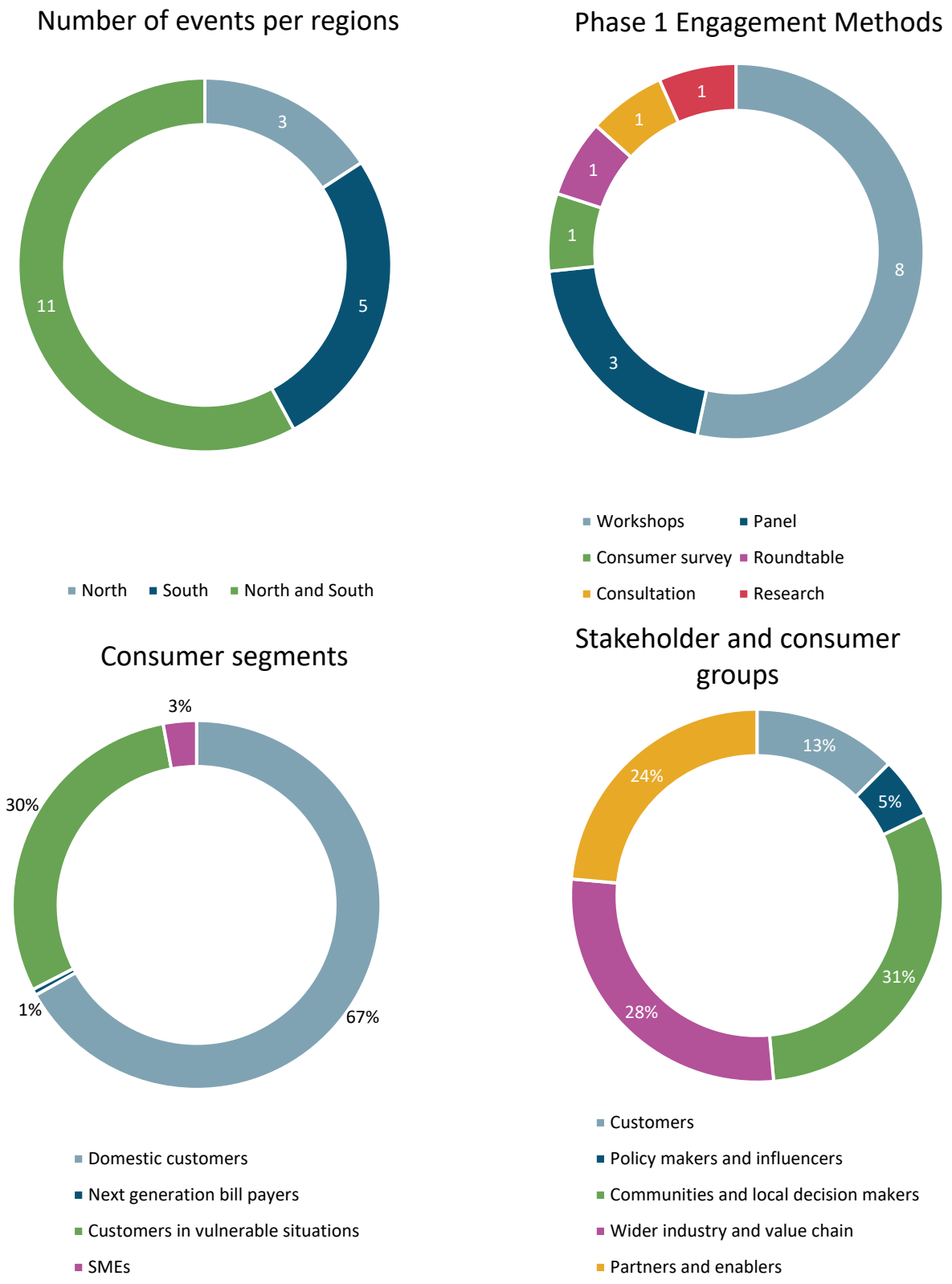


Figure 17: The regional distribution, methods used and stakeholder segments engaged during Phase 1

Stakeholder group	Sub-group	Number of stakeholders engaged
Consumers	Domestic customers	4945
	Customers in vulnerable situations	2193
	Next generation bill players	40
	SMEs	215
	Major Energy Users	3
Customers	Distributed generation customers	24
	Builders and developers	9
	Community energy schemes	4
	Landowners/farmers	1
Policy makers and influencers	National Government	0
	Research Bodies, Policy forums & think tanks	2
	Media	0
	Consumer groups	14
	Regulators	0
Communities and local decision makers	Local Authorities	38
	Charities	20
	Community interest groups	7
	Academic institutions	9
	Housing associations	2
	Vulnerable customer representatives	3
	LEPs	3
	Emergency response	3
	Healthcare	1
Wider industry and value chain	DNOs	2
	Transmission	1
	GDNs	0
	Water	3
	Telecoms	0
	IDNOs	1
	ICPs	18
	Supply chain	13
	EV Charging	1
	Storage and renewables providers/installers	2
	Highway agencies	4
	Energy suppliers	0
	Consultants	29
Partners and enablers	Current and future employees	4
	Contractors	21
	Service partners	2
	Shareholders	0
	Business advisors	37
	Investors	0
	Trade Unions	2
Total		**7,676**

Figure 18: Number of stakeholders engaged per segment in Phase 1

2.2 PHASE 2: CO-CREATION (AUGUST 2020-FEBRUARY 2021)

Phase	Engagement Inputs	Engagement Delivery	Engagement Outputs	Partners
Phase 2: Co-creation September 2020 to March 2021	**86 engagement events** with **11,131 stakeholders** and consumers engaged across engaged across 6 key groups and 38 segments. **3,220 pieces of synthesised stakeholder evidence** collected. **Over 80 potential Outputs identified** <u>Events included:</u> 4 x Stakeholder Co-creation workshops 38 x Stakeholder Workshops 8 x Customer Surveys 11 x Stakeholder Surveys 7 x Panels, including an expert panel 7 x Bilateral meetings with a range of stakeholders, including the Government and Local authorities 7 x Research projects with our delivery partners 3 x Stakeholder Roundtable events, focusing on Totex and Uncertainty Mechanisms 1 x Open-forum	This phase built upon insights derived from the first phase of ED2 business plan engagement by undertaking targeted engagement on key topics under each ED2 strategic Outcome area. The key objective of this phase was to co-create Business Plan strategies with stakeholders, customers and consumers and to identify potential outputs that they wanted us to deliver in ED2.	• Evidence of stakeholder support on high level commitments. • Initial costing and consumer benefits valuation on each strategic outcome area	• Explain Market Research • EQ Communications • Regen • National Skills Academy • Citizens Advice Scotland • Ipsos MORI • Imperial College London • Sustainability First • Social Market Research • Ecuity • Impact Research • Accent • ENA Committee • Explain Market Research • Baringa Partners

Summary Statistics

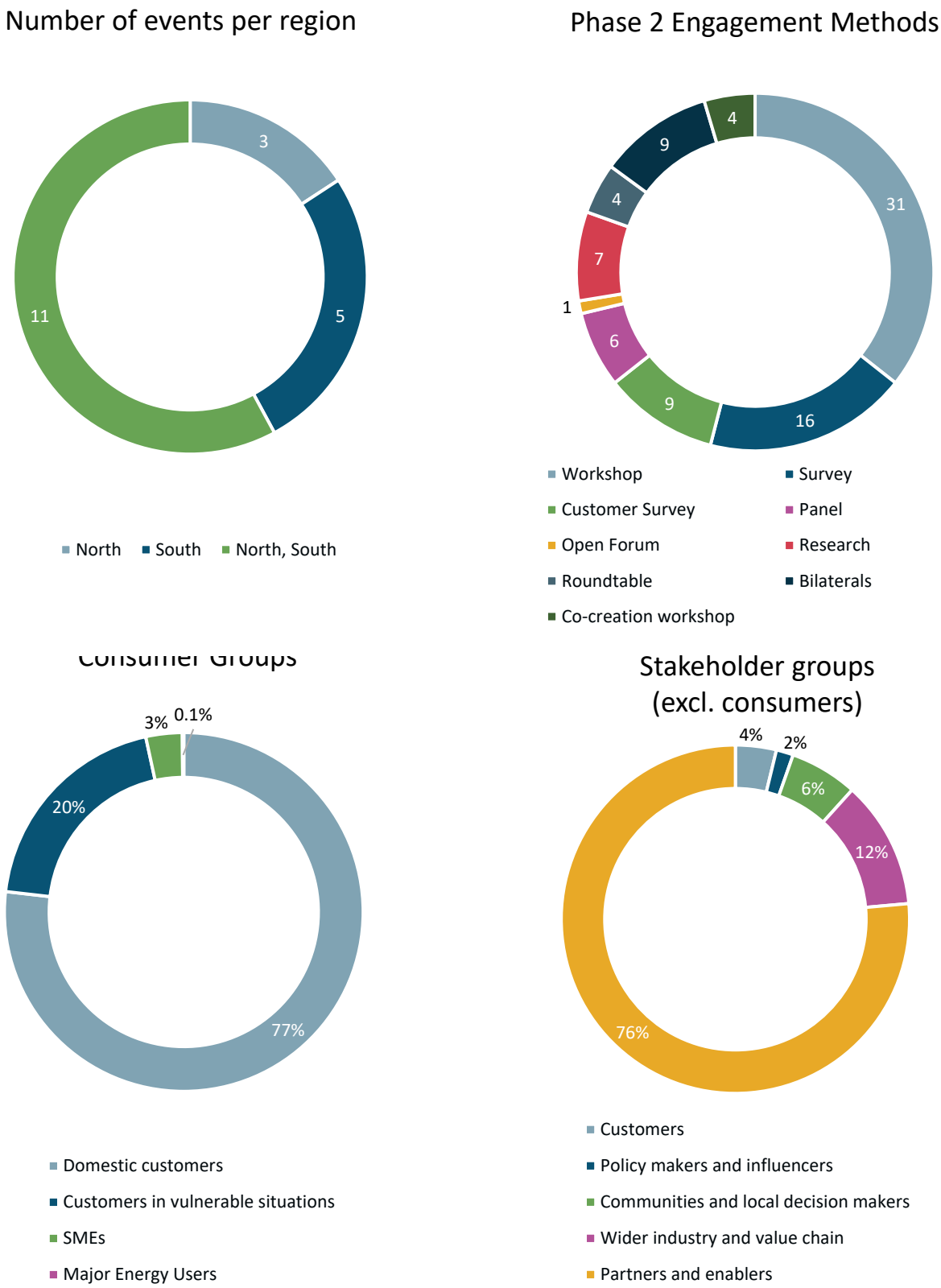


Figure 19: The regional distribution, methods used an d stakeholder segments engaged during Phase 2

Stakeholder group	Segment	Number of stakeholders engaged
Consumers	Domestic customers	4,825
	Customers in vulnerable situations	1,242
	SMEs	206
	Major Energy Users	8
Customers	Distributed generation customers	90
	Builders and developers	31
	Community energy schemes	48
	Landowners/farmers	15
Policy makers and influencers	National Government	31
	Research bodies, policy forums and think tanks	16
	Media	1
	Consumer groups	22
	Regulators	7
Communities and local decision makers	Local Authorities	165
	Charities	27
	Community interest groups	25
	Academic institutions	23
	Housing associations	21
	Vulnerable customer representatives	28
	LEPs	5
	Emergency response	2
	Healthcare	10
Wider industry and value chain	DNOs	31
	Transmission	16
	GDNs	9
	Water	20
	Telecoms	57
	IDNOs	13
	ICPs	45
	Supply chain	255
	EV charging – Installers and manufacturers	1
	Storage and renewables providers/installers	10
	Energy suppliers	7
	Consultants	112
Partners and enablers	Current and future employees	3,628
	Contractors	43
	Service partners	26
	Business advisors	8
	Trade Unions	2
Other / unspecified		8
Total		**11,131**

Figure 16: Number of stakeholders engaged per segment in Phase 2

2.3 PHASE 3: BUSINESS PLAN REFINEMENT (FEBRUARY-JUNE 2021)

Phase	Engagement Inputs	Engagement Delivery	Engagement Outputs	Partners
Phase 3: Business Options Testing March 2021 to June 2021	**20 engagement events** with **2,477 stakeholders** and consumers engaged across engaged across 6 key groups and 44 segments. **606 pieces of synthesised stakeholder evidence points** collected. **40 Outputs identified** <u>Events included:</u> 11 x Bilateral meetings with a range of stakeholders such as Consumer groups, EV Charging, Storage and renewables, Community energy schemes and other utilities. 4 x Stakeholder Workshops, including with other DNOs and the Regulator 1 x Employee Workshop 3 x Willingness to Pay Surveys 1 x Academic Expert Panel	This phase built upon insights derived from the first two phases of ED2 business plan engagement by undertaking Output refinement engagement and willingness to pay analyses on key topics under each ED2 strategic Outcome area. The key objective of this Business Plan Refinement phase was to understand stakeholders' Output prioritisation and appetite for our target ambitions. This informed the definition and refinement of the draft business plan Outputs.	• Refined costing for each commitment based on expert stakeholder and customer feedback • Outputs for Draft ED2 Business Plan	• EQ Communications • Prospect • Reynier Research • Accent • Explain Market Research • Savanta • Hopkins van Mil

Summary Statistics

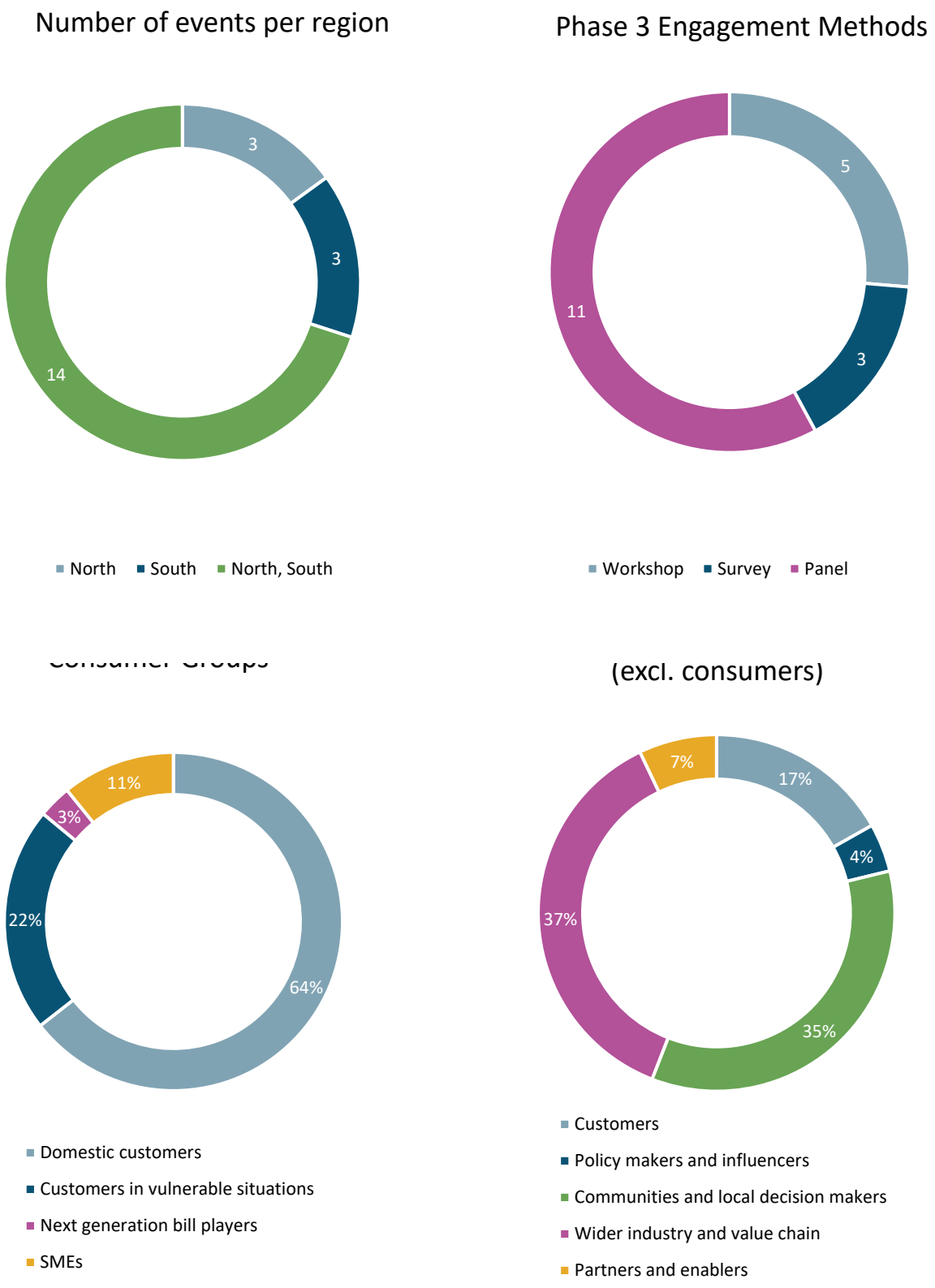


Figure 21: The regional distribution, methods used and stakeholder segments engaged during Phase 3

Stakeholder group	Segment	Number of stakeholders engaged
Consumers	Domestic customers	1404
	Customers in vulnerable situations	470
	Next generation bill payers	69
	SMEs	236
	Major Energy Users	1
Customers	Distributed generation customers	4
	Builders and developers	13
	Community energy schemes	18
	Landowners/farmers	15
Policy makers and influencers	National Government	4
	Research Bodies, Policy forums & think tanks	0
	Media	0
	Consumer groups	6
	Regulators	3
Communities and local decision makers	Local Authorities	19
	Charities	2
	Community interest groups	71
	Academic institutions	9
	Housing associations	0
	Vulnerable customer representatives	0
	LEPs	0
	Emergency response	2
	Healthcare	0
Wider industry and value chain	DNOs	21
	Transmission	0
	GDNs	0
	Water	3
	Telecoms	1
	IDNOs	0
	ICPs	2
	Supply chain	27
	EV Charging – Installers and Manufacturers	14
	Storage and renewables providers/installers	37
	Highway agencies	0
	Energy suppliers	2
	Consultants	3
Partners and enablers	Current and future employees	9
	Contractors	3
	Service partners	0
	Shareholders	0
	Business advisors	2
	Investors	0
	Trade Unions	7
Total		**2,477**

Figure 22: Number of stakeholders engaged per segment in Phase 3

2.4 PHASE 4: TESTING AND ACCEPTANCE (JULY-NOVEMBER 2021)

Phase	Engagement Inputs	Engagement Delivery	Engagement Outputs	Partners
Phase 4: Testing and Acceptability July to October 2021	**25 engagement events** with **5,027 stakeholders** and consumers engaged across engaged across 6 key groups and 44 segments. **4,719 pieces of synthesised stakeholder evidence** collected. <u>Events included:</u> 1 x Citizens jury 1 x Acceptability Workshop to collect Qualitative feedback 1 x Acceptability Survey to collect Quantitative feedback 1 x Workshop with Next Generation Bill payers 1 x Outputs and Cost Testing Workshop 4 x Stakeholder Surveys 4 x Bilateral meetings 3 x Consumer surveys 2 x Panels including an Academic Panel and Connections Customers 2 x Research projects with delivery partners 2 x Employee Surveys 2 x Stakeholder and Employee Workshops 1 x Roundtable	This phase built upon insights derived from the first three phases of ED2 business plan engagement, and the submission of our draft Business Plan to Ofgem, by undertaking engagement on costed outputs, further bespoke engagement to refine specific proposals and final acceptability testing of our overall plan. The documented feedback and consumer insights have been used to make final refinements to the draft business plan outputs and strategies prior to the submission of the final plan to Ofgem.	• Stakeholder views on the level of ambition of each output and their affordability • Stakeholders' overall acceptability of the ED2 Business Plan and its affordability	• EA Technology • Citizens Advice • EQ communications • Explain Market Research • My KindaFuture • Traverse • Savanta • Hopkins van Mil • Regen

Summary statistics

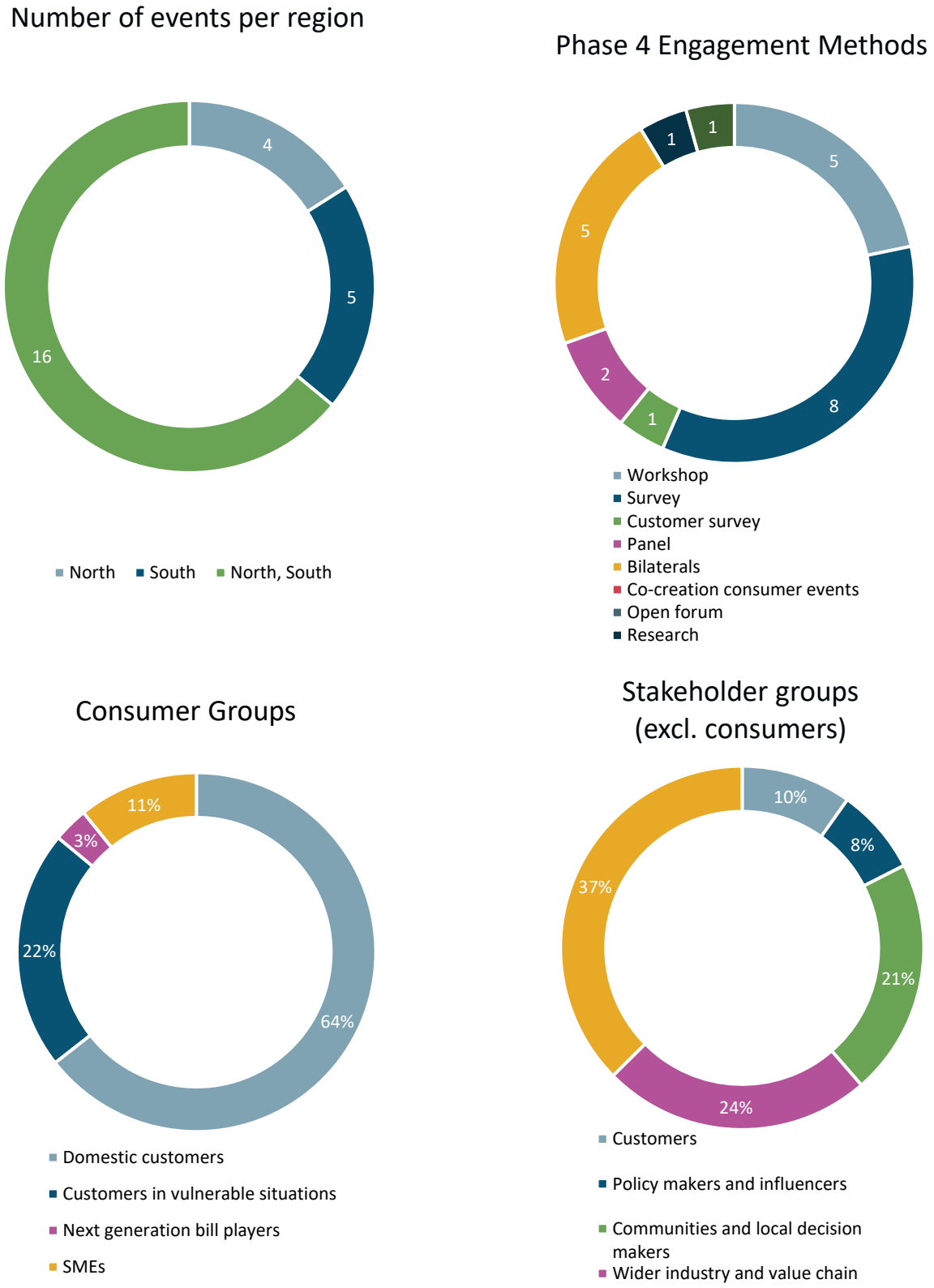


Figure 23: The regional distribution, methods used and stakeholder segments engaged during Phase 4

Stakeholder group	Segment	Number of stakeholders engaged
Consumers	Domestic customers	3,220
	Customers in vulnerable situations	752
	Next generation bill payers	193
	SMEs	211
	Major Energy Users	17
Customers	Distributed generation customers	27
	Builders and developers	2
	Community energy schemes	24
	Landowners/farmers	4
Policy makers and influencers	National Government	36
	Research bodies, policy forums and think tanks	9
	Consumer groups	6
Communities and local decision makers	Local Authorities	88
	Charities	4
	Community interest groups	15
	Academic institutions	9
	Housing associations	10
	Vulnerable customer representatives	15
	LEPs	2
	Emergency response	3
	Healthcare	6
Wider industry and value chain	Transmission	1
	GDNs	2
	Water	5
	IDNOs	9
	ICPs	13
	Supply chain	36
	EV Charging – Installers and manufacturers	13
	Storage and renewables providers/installers	53
	Energy suppliers	4
	Consultants	43
Partners and enablers	Current and future employees	95
	Contractors	83
	Service partners	1
	Investors	1
	Trade Unions	7
Others/unspecified		8
Total		**5,027**

Figure 24: Number of stakeholders engaged in Phase 4 by segment

3. DETAILED METHODOLOGY FOR KEY ENGAGEMENT MECHANISMS

This section describes the broad range of methodologies we used for our core engagement mechanisms in detail, as well as listing other mechanisms we used for minor engagements.

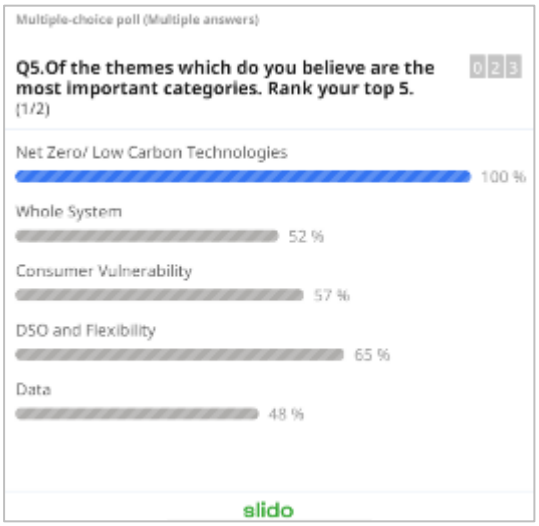
As we described in Section 1.5, the mechanisms we used were much more online than we had originally planned because of Covid-19 restrictions.

ED2 Consumer Priorities Survey

Description	A large-scale quantitative survey conducted online among domestic and SME customers covering an array of high-level topics. This was supplemented by qualitative research to explore their opinions in depth.
Purpose	To understand consumers' high-level priorities and needs and their expectations of SSEN for 2023-28 for the purposes of framing the Business Plan.
Timing	August-September 2020
Duration	Main survey: 20 minutes Focus groups: 90 minutes
Stakeholders engaged	Main survey 2,031 consumers 1,816 domestic and 215 SME Domestic customers included: • 930 customers in vulnerable situations • 59 fuel poor customers • 40 future bill payers. Regional split: 512 north of Scotland, 1,512 central southern England Qualitative focus groups 39 consumers from across two regions in 5 separate groups: • SMEs • Rural domestic consumers • Urban domestic consumers • Hard to reach domestic consumers • Future domestic consumers.
Method	Quantitative phase The survey used a MaxDiff design to rank and rate a set of priorities. 10 high-level outputs were tested, covering four strategic outcomes, as well as 3 further priorities for each high-level output. The survey also measured participants' knowledge of SSEN and their views on affordability, reliability, and decarbonisation, decentralisation (generating electricity at or near where it is used), digitalisation, and the impact of Covid-19. 8 cognitive interviews were conducted to test the questionnaire before launch, and there was a checkpoint after the first 200 interviews to confirm that it was functioning as expected.

	Qualitative phase The focus groups were conducted online. The moderator used a structured discussion guide supported by a set of stimulus showcards which presented information about SSEN, the results of the survey, and our purpose and vision. Participants were questioned on whether they agreed with the results of the survey, and what they thought the reasons were for each result. They also were also probed for their responses to our current purpose and vision and what they thought this should be for the future, and on how Covid-19 had affected them.

Stakeholder workshops

Description	An online meeting with stakeholders (not customers or consumers) to discuss SSEN's proposed Business Plan
Purpose	To gather detailed feedback from a broad range of stakeholders on multiple of topics that can be used to co-create local and regional Business Plan outputs
Timing	September 2020-January 2021-
Duration	1.5 hours to 4 hours on 1 or 2 days
Stakeholders engaged	Annual Stakeholder Workshops (2 days): 193 (84 North, 109 South) Worst Served Customers Resilience Workshop: 13 (7 North, 6 South) Local Network Plan Workshops: 17 (9 Tayside, 8 Thames Valley) Digitalisation and IT Workshop: 27 Uncertainty Mechanisms Workshop: 17 (9 North, 8 South)
Method	All workshops were conducted online. Presentation of our plans followed by breakout discussions so stakeholders could feed back their views on these plans. At some events, stakeholders were also invited to participate in electronic votes (via Sli.do) throughout the workshops to provide their views on the issues at stake.  Figure 17: Results of Sli.do polling during an Innovation webinar in December 2020

Stakeholder bilaterals

Description	Telephone or online engagement between SSEN and one or more representatives of a single organisation or community group
Purpose	To gather feedback, challenge and insight on our ED2 proposals from expert stakeholders and critical friends in one-to-one sessions. These sessions ensured that the specific views of stakeholders with high political or local importance were heard in detail, particularly for individuals whose diaries or status meant that participating in a longer, more general event was not possible, or where the agenda was specific only to that organisation.
Timing	September 2020-March 2021
Duration	Up to 60 minutes
Stakeholders engaged	Customer service and vulnerability Slough faith groups Scottish Commission for Learning Disability NHS Scotland Oxygen Therapy Service NHS Scotland Technology Enabled Care (TEC) Tayside Deaf Hub Deaf Scotland Highlands and Islands Council Resilience Team HM Passport Office Local Network Plan/DFES Dorset Council Corporate Affairs MPs Citizens Advice Reliability Marine Scotland Subsea cables Aquatera/Orkney Renewable Energy Forum Western Isles Group (Barra Vatersay, Western Isles Council, Community Energy Scotland, Storas Uibhist, Highlands and Islands Enterprises, North Uist Development Company) Highlands and Islands Enterprises Northern Lighthouse Board Orkney Islands Council Scottish Government Western Isles Council
Method	Phone calls or online meetings following a tailored agenda for each meeting, and with scope for the third party to co-create the agenda

Expert panels

Description	Consultation with a group of experts on a specific topic
Purpose	To gather informed opinion at a strategic level about or to co-create solutions for highly technical topics
Timing	Phases 1-4
Duration	90-120 minutes
Stakeholders engaged	Telecoms Expert Panel Academic Panels Consumer Vulnerability Expert Panel Connections Expert Panels: Housing Developers Panel, Distributed Generation Panel, Commercial, Industrial and Consultants Panel, Local Authorities and Community Energy Groups Panel, Unmetered Panel, ICP/IDNO Panel, Major Customer Panel
Method	Open discussions on set topics. Feedback is gathered directly and via open and closed questions on Sli.do.

1-to-1 Consumer/partner depth interviews

Description	An extended conversation with individual consumers or consumer-focused partner organisations
Purpose	To explore a particular theme in depth
Timing	March 2021
Duration	Up to 1 hour
Stakeholders engaged	20 consumers in vulnerable situations: • 10 in each Licence Area • 10 already on the PSR, 10 not on PSR • Range of medical, social and financial vulnerabilities (often multiple) including medical dependence on electricity, mobility issues, poor mental health, hearing loss, visual impairment, learning difficulties, elderly, new baby 10 partner/potential partner organisations
Method	For consumers, a mix of telephone and Zoom was planned but more interviews than expected were conducted on the phone as this segment is digitally excluded for various reasons such as not being familiar with technology, and not being able to afford it. For participants with hearing loss, a combined Zoom/phone approach worked best to allow lip reading and optimal sound. The 1-1 method gave customers the feeling of security necessary for them to speak freely. Partner organisation depths were conducted by phone or online. A structured discussion guide was used for both types of 1-1. For consumers, this took an ethnographic approach – starting with the customer and understanding lives, before exploring their awareness/understanding of the PSR and its benefits, and needs-based questions about how SSEN could help, particularly during power cuts. For partners, the interviewer began with existing, high-level knowledge of the organisation and then built on this by eliciting a more detailed understanding and exploring ways of working.

Online customer and consumer focus groups (Thematic customer engagement)

Description	A structured discussion on a particular theme involving approximately six participants
Purpose	To co-create improvements to existing services with customers or consumers
Timing	February-March 2021
Duration	Short pre-tasks over 2 days Calls/groups: sessions up to 90 minutes
Stakeholders engaged	Connections: 52 customers/prospective customers (10 SME and 18 domestic customers, 24 prospective domestic customers) Supply interruptions: 51 consumers (7 SME and 44 domestic customers including 10 customers with a health-related vulnerability) who had had at least 1 power cut of 3 minutes+ in the last year Worst-served customers (WSCs): 24 WSCs and customer in 'rogue' circuit areas, 11 other domestic customers
Method	Participants were recruited from SSEN customer/PSR lists or were free-found within our Licence Areas according to specific criteria that would ensure they had relevant knowledge of the topic (e.g. had experienced a power cut in the past year, or were in a vulnerable situation). All participants completed a pre-task to warm them up, provide information about SSEN, capture their experience or the topic in question, and promote initial thinking about the topic/s to be discussed in the group sessions. Each moderator-led online group focused on a particular topic or set of topics using a structured discussion guide. The level of co-creation in the outputs depended on the topic: co connections, participants collaborated to produce ideal customer journey maps for EV/LCH connection, new/altered connections, and microgeneration connections. The Supply Interruptions and WSC co-designed new service offerings.

Willingness to Pay

Description	A large-scale quantitative survey conducted online among current and future bill payers which asked consumers how much they value/ would be willing to pay for different service packages. This was preceded by a phase of qualitative research to understand customer priorities and to optimise the main survey questionnaire. 15 initiatives were selected for inclusion, based on the topics that Phase 1 and early Phase 2 stakeholder engagement had revealed were the most important to our consumers as a whole. Willingness to Pay (WtP) research is a useful engagement method for understanding stakeholders' appetite to see a change in service or operation by establishing the maximum price they would pay for it to be implemented. While WtP engagement provides a monetary value, it is best used to show the prioritisation between topics and the proportional difference between them rather than the exact amount in pounds.
Purpose	To provide a robust understanding of consumers' Business Plan priorities, and the relative strength of those priorities, that could be combined with other engagement findings to prioritise and value different levels of Business Plan outputs.
Timing	Qualitative research: February-March 2021 Quantitative survey: March-April 2021
Duration	Qualitative groups: Individual app-based pre-task over two days, followed by a 90-minute online group session Depth interviews: 60 minutes Survey: 20 minutes
Stakeholders engaged	Current and future domestic consumers, current SME consumers, current large-load consumers: <u>Qualitative phase</u> 10 groups (split evenly across Licence Areas) of 5-6 participants: • 4 groups of domestic consumers • 2 groups of customers in vulnerable situations • 2 groups of future bill-payers • 2 groups of SMEs. 6 online depth interviews with large-load consumers <u>Pilot survey:</u> 102 consumers (88 domestic customers, 4 future bill-payers, 10 SMEs) <u>Main survey:</u> 962 domestic consumers (including 904 current and 58 future bill-payers) 199 non-household consumers (range of industries, sizes and electricity usages). The North/South split of participants was 17%/83%; this was weighted to 20%/80% to be more representative of the division of our customer base between our two Licence Areas. 22% of domestic participants knew they were on our PSR (although another third were unsure if they were or not – our actual PSR is 30% of customers); 46% in the South and 53% in the North indicated that they or a member of their household met at least one of the PSR criteria. 34% indicated that paying electricity bills is a struggle at least sometimes.

	The sample was representative across our two regions with coverage of rural and urban households, and vulnerable and low-income groups to ensure that these consumers, whose voice could easily be missed, were heard. A recruitment screening questionnaire, which followed Market Research Society best-practice guidelines including for GDPR, was used to capture relevant demographic, lifestyle and attitudinal information in order to achieve the required profiles of participants.
Method	<u>Qualitative phase</u> Participants completed a pre-task using the LiveMinds app over two days. On the first day, they were asked to provide general information about who's in their home, and then watched a video about SSEN's role as a DNO. On the second day, they were prompted for their spontaneous priorities, and what SSEN should do in these areas. In the online group session that followed, these spontaneous priorities plus SSEN's proposed outputs under each of Ofgem's three strategic priorities were discussed. Depth interviews were conducted via Zoom with large businesses because these consumers have more unique needs and perspectives, as well as a better understanding of the role of DNOs and their transition to DSOs. <u>Quantitative phase</u> The survey used a combined design of a MaxDiff prioritisation exercise and a Contingent Valuation (CV) exercise. This approach is well-established and has been applied to DNO SECV studies, water company PR19 studies, and other RIIO-2 studies for GDNs and DNOs. The survey was conducted entirely online because of Covid-019 restrictions, but accessibility was built in through a facility to increase the font size on screen; colour coding used with consideration of those with visual impairments or dyslexia; and a keyboard-only (no mouse) option. A pilot tested the recruitment process, the questionnaire, the interview duration, and the survey hit rate. The prioritisation exercise tested 2 levels (basic and enhanced) of service/cost for each of 15 outputs within the Business Plan (e.g. PSR signup numbers). The methodology used a modified MaxDiff approach in that respondents were only asked to choose which of 3 proposals they liked most, rather than which they liked most and least from a set of 5; this derived from pre-testing in which participants fed back that they were uncomfortable selecting an option they "liked least" when all were attractive. The CV exercise measured WTP for a full package of improvements across all initiatives, from which WTP for each one was calculated.

Social Return on Investment

Description	An assessment of the SROI of key Outputs and CVPs across our Business Plan using the common DNO social value framework.
Purpose	To ensure that we are considering the holistic benefits to our business, customers and wider society when selecting Outputs and CVPs.
Timing	April – November 2021
Duration	8-week assessment for draft plan and an additional 4-week assessment for final plan
Stakeholders engaged	N/A (Internal and CEG engagement only)
Method	For ED2, Ofgem expects DNOs to measure the social value they expect to deliver and demonstrate how this has been used to inform its decisions. For GD2 Business Plans, the four GDNs used different methodologies, values and reporting structures to measure social value which led to results that were difficult to compare. In preparation for ED2, Sia Partners worked with DNOs and Ofgem to develop a common approach to measuring social value enabling straightforward assessment and comparison of initiatives. We engaged Sia Partners in February 2021 to support with measuring the social value of several proposed Outputs and CVPs to feed into our consumer benefit valuation and evidence triangulation process ahead of submitting our draft Business Plan to Ofgem. The following approach was followed: <u>Categorisation</u> • Screening of a list of over 80 potential Outputs and 9 potential CVPs using criteria set out in the DNO-wide social value framework • Initial categorisation of initiatives by measurement method and benefit type using a monetisation decision tree <u>Data gathering and workshops</u> • For the selected initiatives, SROI input data was gathered and validated from across our business (e.g. costs, stakeholders, assumptions, CBAs) through a series of workshops <u>Modelling</u> • Sia Partners then modelled the financial and social benefits using the common DNO social value framework over 5-year and 10-year periods (and beyond where appropriate) • Each model included a breakdown of the forecast financial and social benefits, input data, underlying assumptions and the net benefit per £ invested (SROI) for each initiative <u>Reporting, refinement and triangulation</u> • Findings were then incorporated into our triangulation process (alongside WTP and engagement feedback) to inform final selection of CVPs and Outputs. Financial and societal benefits were assessed across 17 Outputs and 5 CVPs for the final business plan.

Citizens' Jury

Description	An independently-facilitated, broadly-representative group of customers which meets on multiple occasions which allow 'education' and presentations from experts, followed by deliberation
Purpose	To reach an informed and considered conclusion, based on participants' 'lived experience', about what action we should take on the 'tricky issues' of investment in innovation and in our Environmental Action Plan.
Timing	July 2021
Duration	4 x 2 hour sessions
Stakeholders engaged	34 (18 in the Central Southern England Jury and 16 in the Northern Scotland Jury)
Method	• Workshop 1: Explanations: electricity network and citizens' jury purpose • Workshop 2: How innovation happens and why at SSEN; Future innovation projects • Workshop 3: Environmental action plan: science-based targets, natural capital, supply chain sustainability code and climate resilience • Workshop 4: Finalising views on SSEN's innovation and environmental plan Participants prepared for each workshop with a homework task involving material to review and question to consider. The material included: • A film about RIIO-ED2 and SSEN's business plan • Video clips of examples of SSEN's previous innovations • An introductory video to the environmental action plan • A video explaining what is meant by net zero.

Next generation bill payers engagement

Description	Virtual focus groups with school-age students aged 14-18
Purpose	To gather future customers' views on and priorities for specific topics to identify enhancements to the Business Plan
Timing	September 2021
Duration	2 hours per event
Stakeholders engaged	30 students in total at two schools (one in each Licence Area) with whom we have established strategic partnerships
Method	Pre-event 'education' via videos and other materials specifically designed for this audience to give participants the knowledge- levels necessary to enable them to engage effectively. Online sessions, facilitated by MyKindaFuture (experts at engaging with this age group) and supported by SSEN subject matter experts, allowing a deep dive exploration into the outputs that these stakeholders would like us to achieve between 2023-2028 in the Business Plan areas of: • Workforce resilience – the skills of the future. • Sustainability and what this means, including low carbon technologies and environmental target. • Net zero and the green recovery. • Vulnerable consumers – what their needs might be in the future.

Consolidated Outputs and Costs Event

Description	Stakeholder consultation event on our Draft Plan Business Plan
Purpose	To gather feedback from a broad range of stakeholders about the Plan's costed outputs
Timing	September 2021
Duration	1 hour 45 minutes
Stakeholders engaged	110 stakeholder from 83 organisations representing 24 stakeholder segments, particularly: • Contractors • Consultants • Supply chain • Local Authorities • Storage and renewables • National Government • Distributed generation customers • Service partners.
Method	Online workshop (run twice) with breakout sessions on: • Customer service improvements and enhanced support for customers in vulnerable circumstances • Network reliability and resilience • Scottish Islands Strategy • Increasing our network capacity to enable low carbon technologies • Delivering for the environment • Transition to being a Distribution System Operator. Sli-do voting was conducted during the plenary sessions. After the event, participants were sent a consultation document and online survey.

Acceptability testing

Description	A two-phased engagement with consumers comprising: 1) An in-depth exploration of key consumer groups' responses to our Draft Business Plan to identify areas for refinement 2) A large-scale quantitative survey to quantify the acceptability and affordability of our Final Business Plan
Purpose	To confirm that an adequate proportion of customers and consumers agree that our Business Plan is acceptable and that they are prepared to pay for it.
Timing	September and November 2021
Duration	Focus groups (1.5 hours and 2 hours sessions with 3x30minute homework tasks), 45 minute qualitative interviews, 20-minute survey
Stakeholders engaged	Qualitative: 46 customers comprising 14 fuel-poor customers, 12 future bill payers, 13 customers in vulnerable situations, 7 medium-large non-industrial business customers Quantitative: 1,060 total approx. • 900 domestic customers (320 North, 580) including future bill payers ▪ 160 SMEs

Method	Qualitative phase Reconvened focus groups with fuel-poor customers and future bill payers. 1-1 phone interviews with customers in vulnerable situations and business customers. Quantitative phase Survey administered mainly online via panels but with a telephone boost to ensure sufficient coverage in Scotland, where panel representation is lower, and capture hard-to-reach domestic customers such as those in SEG E and the digitally disenfranchised and SMEs.

Other mechanisms used

- Expert roundtables
- Forums
- Facebook surveys
- Small surveys (Supply chain, Employees, Major customers)
- 'Blueprint' priorities survey and Draft Outputs survey at **ssenfuture.co.uk/**
- Webinars/online presentations.

APPENDIX A: CONSUMER BENEFITS VALUATION – WILLINGNESS TO PAY

The results from the Willingness to Pay engagement carried out during Phase 3: Business Refinement are summarised in Figure 25, which visualises the different priorities which stakeholders placed on each initiative with the points nearer the edge of the circle being of higher priority. Colour coding by strategic outcome enables general comparison regarding which of these is of highest importance.

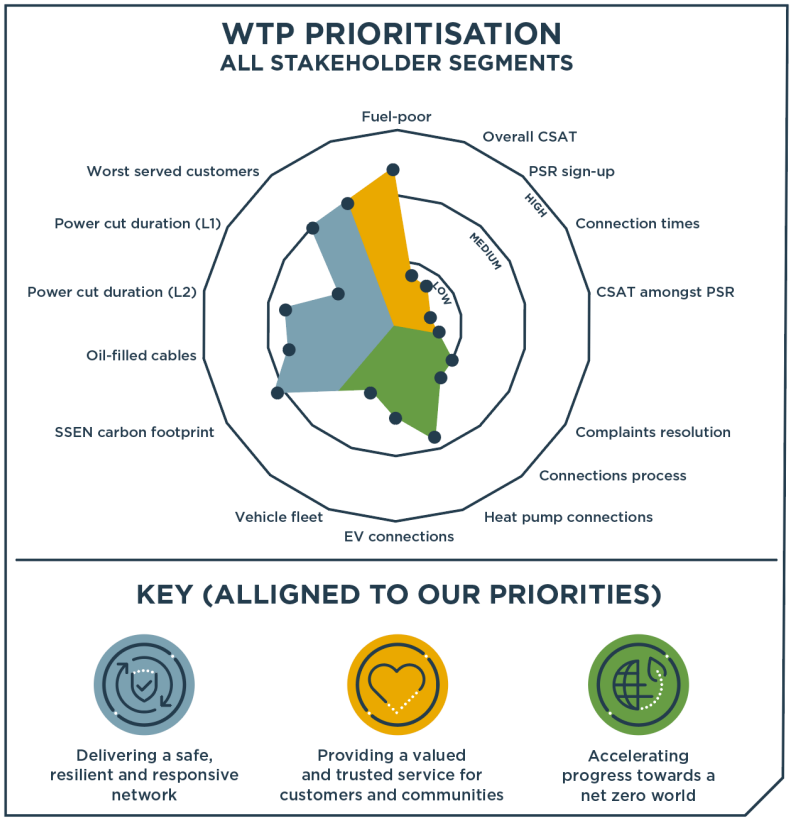


Figure 25: Summary of WtP prioritasation

Overall, the rankings were dominated by initiatives from the 'Environment' [marked E and highlighted in green in Figure 25]. 'Service to customers' [S, highlighted in gold] initiatives tend to be ranked in the bottom half ('Fuel-poor' being an exception, as the top-ranked initiative for domestic customers and second for non-household customers).

The same seven initiatives were the highest priorities across both customer types and in both Licence Areas.

Median WtP (what 50% of household customers are willing to pay) for a full package of improvement initiatives was £23 per household. Around 85% of household customers were willing to pay 1% (£7.70) at average bills. Priorities and package valuations varied in a plausible fashion according to household/non household characteristics. Package valuations are broadly in line with estimates from a 2019 joint WtP survey of the customers of all six DNOs in Great Britain and PR19 WtP estimates for packages of water service improvements.

Initiative	Basic level	Enhanced level	Household		Non-household		Impact on the Business Plan (July)
			South	North	South	North	
Fuel-poor households helped 2023-28 [S]	15,000	35,000	[1st] 12.2%	[1st] 13.6%	[2nd] 10.4%	[2nd] 12.8%	We will go beyond our original plans for fuel poor customers and increase the number of households we are supporting to 50,000 because of the high priority customers have given this initiative.
SSEN's business carbon footprint by 2028 [E]	28% lower than now	42% lower than now	[2nd] 10.7%	[4th] 9.8%	[1st] 10.9%	[4th] 10.5%	As consumers demonstrated that the environment is a high priority for them, this lent weight to our decision to adopt a 1.5-degree Science-Based Target.
Average duration of unplanned power cut (large improvement) [N]	North: 75 minutes[4] South: 90 minutes	North: 45 minutes South: 54 minutes	[3rd] 9.9%	[2nd] 10.0%	[6th] 7.1%	[5th] 7.2%	We have proposed targeted investment to reduce the time customers are off supply.
Replacement of oil-filled cables [E]	Replace 52km	Replace 92km	[4th] 9.0%	[6th] 7.7%	[4th] 9.6%	[6th] 6.6%	Even though there was considerable support for reducing the amount of oil-filled cables by 92km, we have decided to set a reduction target of 78km because of the high costs of this work.
Low carbon heat pump connections by 2028 [E]	235,000	800,000	[5th] 8.5%	[5th] 8.3%	[3rd] 10.3%	[3rd] 10.5%	These results supported our plan to use the enhanced level targets for heat pump and EV chargepoint connections. For EV connections, qualitative feedback emphasised that it is our role as a DNO to reduce this barrier to take up.
New electric vehicle connections by 2028 [E]	675,000	1,300,000	[6th] 6.9%	[7th] 6.4%	[5th] 8.1%	[7th] 6.3%	
Number of 'worst served' customers (remaining by 2028) [N]	North: 8,805 South: 4,077	North: 2,935 South: 1,359	[7th] 6.9%	[3rd] 9.9%	[7th] 6.3%	[1st] 16.9%	These results supported our plan to use the enhanced level targets (75% reduction on 2019/20).
Average duration of unplanned power cut (small improvement) [N]	North: 50 minutes South: 60 minutes	North: 45 minutes South: 54 minutes	[8th] 5.8%	[12th] 4.7%	[9th] 5.9%	[13th] 2.7%	We have proposed targeted investment to reduce the time customers are off supply.
Number of complaints resolved < 1 day [S]	85%	92%	[9th] 5.3%	[8th] 5.0%	[10th] 5.5%	[10th] 4.8%	We have chosen a target of 90%, which is slightly below the enhanced level tested, because the results showed that this additional improvement is not a high priority for customers
SSEN's core fleet of vehicles to be electric by 2028 [E]	80%	100%	[10th] 5.2%	[10th] 4.7%	[11th] 5.4%	[9th] 5.3%	Due to relatively low customer support for this initiative, we will electrify 80% of our core vehicle fleet by 2028, but also reduce our average road mileage by 15% (from pre-Covid-19 levels).

[4] NB 'Average duration of an unplanned power cut' is not the same as Customer Minutes Lost.

Connections process [S]	Application, design, quote, connection by phone or through website forms	New self-serve connections process via website portal	[11th] 5.0%	[11th] 4.7%	[8th] 6.3%	[8th] 5.4%	As this is a medium priority for customers, our solution is between the two levels tested: we will improve the connections process (application, design, quote and connection) for all our connections and introduce automated quotation services for domestic LCT and minor connections customers by 2025.
Overall customer satisfaction score [S]	North: 9 out of 10 South: 8.9 out of 10	9.4 out of 10	[12th] 4.4%	[9th] 4.8%	[12th] 4.7%	[15th] 1.9%	As this is not a high priority for customers, we have chosen to meet our targets through our plan and strive to further achieve a score of at least 9.2 from 2023 across all categories.
Customers signing up to PSR [S]	70% of all eligible customers	80% of all eligible customers	[13th] 4.3%	[13th] 4.2%	[13th] 3.8%	[11th] 3.3%	We will increase the number of customers registered on our PSR to 1 million by the end of ED2 from the 2020/21 level of 770,844. In line with the relatively low priority customers gave to enhancing this further, this represents an approximate PSR gap of 28% (the number of eligible customers can only be estimated).
Satisfaction score amongst PSR customers [S]	9.2 out of 10	9.5 out of 10	[14th] 3.5%	[14th] 3.3%	[14th] 3.1%	[14th] 2.6%	We have targeted 9.4 which is slightly below the enhanced level tested because it is not a high customer priority.
Connection times for small/minor connections (EVs, low carbon heating) [S]	North: 17 working days South: 28 working days	North: 16 working days South: 27 working days	[15th] 2.4%	[15th] 3.1%	[15th] 2.6%	[12th] 3.1%	As this is a low priority for customers, we will meet our targets through our plan and further aim to reduce time to connect by 2023 for small/minor connections

KEY: Median WtP priority scores/values relative to the highest in each segment

Very high	76-100%
High	51-75%
Medium	26-50%
Low	0-25%

Figure 18: Priority scores for delivering the enhanced level over the basic level for 15 initiatives

APPENDIX B: CONSUMER BENEFITS VALUATION – SOCIAL RETURN ON INVESTMENT

We have applied the industry standard joint social value framework and associated Social Return On Investment (SROI) model to quantify the benefits of our 5 CVPs and 17 additional Outputs.

SROI is a framework that enables the use of standardised industry proxies, network data and bespoke company research to calculate consumer benefits, societal benefits and network avoided costs.

During working groups in early 2020, DNOs discussed the (quantitative) measurement of social value, and how it could form a part of how the DNOs were reviewed. To prepare for the CVP process, DNOs decided to develop a common approach to measuring social value – a consistent mechanism that would allow for straightforward assessment and comparison.

Supported by Sia Partners and building on engagement with key industry stakeholders and Ofgem, the DNOs developed the Social Value Framework – a set approach that aimed to deliver consistent, comparable, and conservative values for consumer and societal benefits.

As part of our business planning process, we commissioned Sia Partners to independently measure, scrutinise and verify each of our SROI calculations, providing assurance and confidence that the values presented are conservative, comparable and consistent with the industry standard approach adopted across DNO's.

In this section we provide a summary of consumer benefits reported for the 5 CVPs and 17 additional Outputs across our RIIO-ED2 business plan Annexes and chapter.

Output	Consumer benefits
Consumer Value Propositions (CVP)	
Embedded whole systems support services for local authorities and community groups	**£22.7m customer financial benefits** delivered through improvements in efficiency and optimisation of expenditure on local area energy planning over RIIO-ED2 **£0.1m additional societal benefits** delivered to local authorities over RIIO-ED2 through upskilling resources at local authorities and community groups
Energy efficiency accelerator and local community flexibility	**£4.9m network benefits** delivered over RIIO-ED2 **£22.2m customer financial benefits** delivered through bill savings and behavioural change **£13.8m additional societal benefits** delivered through energy efficiency measures and LCT uptake
Protecting marine biodiversity: Life Below Water	**£5.8m additional environmental benefits** over RIIO-ED2 through planting seagrass, achieving carbon sequestration, increase in commercial fishery stocks and improved local biodiversity
Personal Resilience Plans	**£0.2m cost efficiency benefits** delivered by the improved process over RIIO-ED2 **£6.1m customer financial benefits** delivered by the improved process over RIIO-ED2 **£4.5m additional societal benefits** delivered to connections customers over RIIO-ED2 through saved time and increased satisfaction
Supporting broadband to island communities through our assets	**£0.3m network benefits** delivered over RIIO-ED2 **£34m additional societal benefits** delivered over RIIO-ED2

Output	Consumer benefits
Consumer Vulnerability	
Fuel Poverty Support	**£17.2m customer financial benefits** delivered through fuel poverty support and advice over RIIO-ED2 **£3.7m additional societal benefits** delivered to vulnerable customers and the environment over RIIO-ED2 through improvement in quality of life and reduction in carbon emissions
Energy Efficiency Enablement Fund	**£0.18m customer financial benefits** delivered by energy efficiency measures **£0.07m additional societal benefits** delivered by carbon reductions and improved customer wellbeing
Personal and Social Support Packs	**£1.1m customer financial benefits** delivered through behavioural change over RIIO-ED2 **£0.1m additional societal benefits** delivered to vulnerable customers over RIIO-ED2 through reduced stress during an outage
Educating on the benefits of energy efficiency and Low Carbon Technology, tackling digital exclusion	**£1.4m customer financial benefits** delivered to vulnerable customers over RIIO-ED2 through education and advice **£0.05m additional societal benefits** delivered through improved wellbeing over RIIO-ED2
Shareholder Fund	**£8.3m financial benefits** and **£1.4m societal benefits** enabled by ensuring customers in vulnerable situations can access energy transition benefits

Output	Consumer benefits
Environmentally Sustainable Network	
Reducing emissions from mobile diesel generation during interruptions	**£1.4m cost efficiency benefits** delivered through cheaper fuel costs over RIIO-ED2 **£1.5m additional societal benefits** delivered over RIIO-ED2 through a reduction in carbon emissions and improved air quality
Reduce the reliance on back up embedded diesel generation on our islands	**£0.4m cost efficiency benefits** delivered through fuel cost savings over RIIO-ED2 **£0.2m additional societal benefits** delivered to the environment over RIIO-ED2 through carbon emission reductions
Manage losses on our network	**£23.6m cost efficiency benefits** delivered through energy savings over RIIO-ED2 **£12.3 additional societal benefits** delivered to the environment over RIIO-ED2 through carbon emission reductions
Reduce SF6 emissions from assets	**£2.6m additional societal benefits** delivered over RIIO-ED2 through carbon emission reduction from SSEN's assets
Reducing travel-related emissions	**£1.9m additional societal benefits** delivered over RIIO-ED2 through reduction in carbon emissions
Reduced Leakage from fluid filled cables	**£15m additional societal benefits** delivered over RIIO-ED2 through reduced oil leakage from fluid filled cables

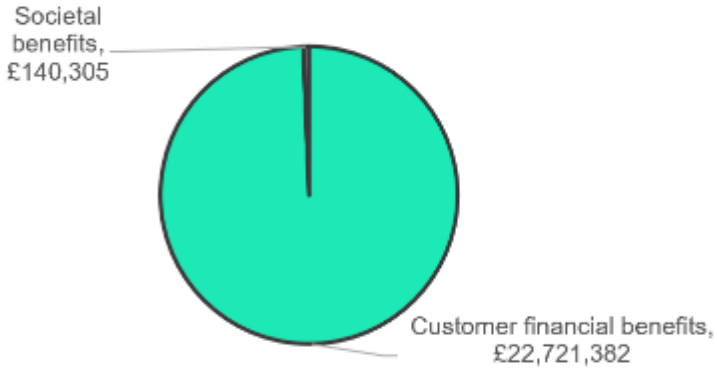
Output	Consumer benefits
Our Network as a Net Zero Enabler	
Ready the network for net zero with up to 1.3m Electric Vehicles and up to 800,000 Heat Pumps connecting by 2028	**£112m customer financial benefits** delivered through enabled electric vehicles over RIIO-ED2 **£100m additional societal benefits** delivered to the environment over RIIO-ED2 through the uptake of low carbon technologies
Improving our connection process	**£4.6m cost efficiency benefits** delivered through improved end-to-end process connections and introduction of automated quotation services over RIIO-ED2 **£3.8m additional societal benefits** delivered to customers over RIIO-ED2
Safe and resilient network	
Worst-served Customers	**£2m additional societal benefits** delivered to 12,000 vulnerable customers as a result of reduced stress during power cuts over RIIO-ED2

Embedded whole systems support services for local authorities and community groups (CVP)

£22.7m customer financial benefits *delivered through improvements in efficiency and optimisation of expenditure on local area energy planning over RIIO-ED2*

£0.1m additional societal benefits *delivered to local authorities over RIIO-ED2 through upskilling resources at local authorities and community groups*

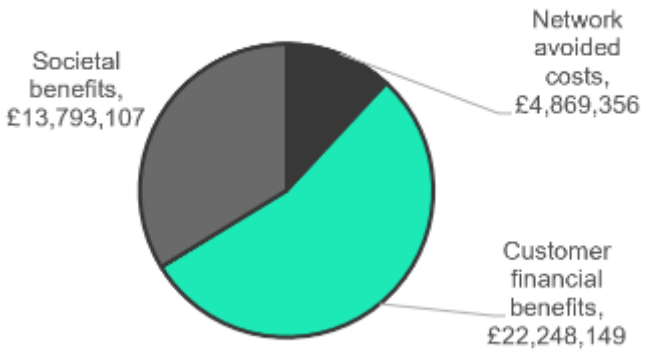
5-year reporting figures (ED2)	
Total cost	£11,670,540
Total gross present value	£22,861,686
NPV	£11,191,146
SROI	£0.96



Type	Benefit	ED2 Gross Benefit (PV)
Customer financial benefits	Avoided costs for LAs from Improvement in efficiency and optimisation of expenditure on Local Area Energy Planning	£22,721,382
Societal benefits	Value of upskilling resources at LAs and community groups	£140,305

Energy efficiency accelerator and local community flexibility (CVP)

£4.9m network benefits *delivered over RIIO-ED2*
£22.2m customer financial benefits *delivered over RIIO-ED2*
£13.8m additional societal benefits *delivered to the environment over RIIO-ED2 through the uptake of low carbon technologies*



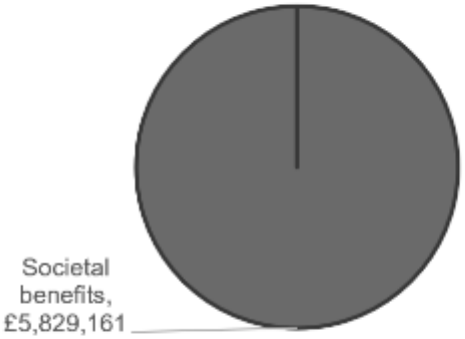
10-year reporting figures (ED2)	
Total cost	£33,753,868
Total gross present value	£40,910,613
NPV	£7,156,745
SROI	£0.21

Type	Benefit	10 year Gross Benefit (PV)
Network avoided costs	Network benefits	£4,869,356
Customer financial benefits	Customer bill savings from measures	£8,371,679
	Behavioural change	£3,697,110
	Customer bill savings from low carbon technology measures stimulated	£3,043,734
	Annual customer bill savings from flex tariffs	£419,743
	Annual value of market services stimulated	£6,715,884
Societal benefits	Carbon emission reductions from energy efficiency measures	£1,135,421
	Carbon emission reductions from low carbon technology measures stimulated	£440,766
	Customers feel in control of things	£358,121
	Reduction in negative impact of cold weather on customers' health (QALY)	£366,426
	QALY due to energy efficiency measures	£11,492,373

Protecting marine biodiversity: Life Below Water (CVP)

£5.8m additional environmental benefits *over RIIO-ED2 through planting seagrass, achieving carbon sequestration, increase in commercial fishery stocks and improved local biodiversity*

30-year reporting figures (ED2)	
Total cost	£2,462,713
Total gross present value	£5,829,161
NPV	£3,366,449
SROI	£1.37

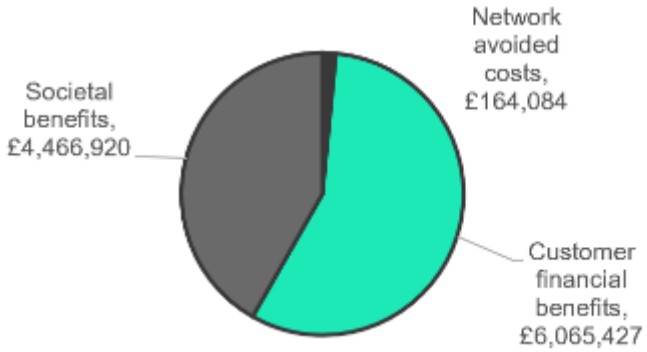


Type	Benefit	30 Gross Benefit (PV)
Societal benefits	Carbon sequestration	£101,892
	Water Nitrogen and Phosporus concentration	£5,556,033
	Increase in commercial fishery stocks	£104,815
	Biodiversity net gain	£66,421

Personal Resilience Plans (CVP)

£0.2m cost efficiency benefits *delivered by the improved process over RIIO-ED2*
£6.1m customer financial benefits *delivered by the improved process over RIIO-ED2*
£4.5m additional societal benefits *delivered to connections customers over RIIO-ED2 through saved time and increased satisfaction*

5-year reporting figures (ED2)	
Total cost	£6,795,675.47
Total gross present value	£10,696,431.19
NPV	£3,900,755.72
SROI	£0.57

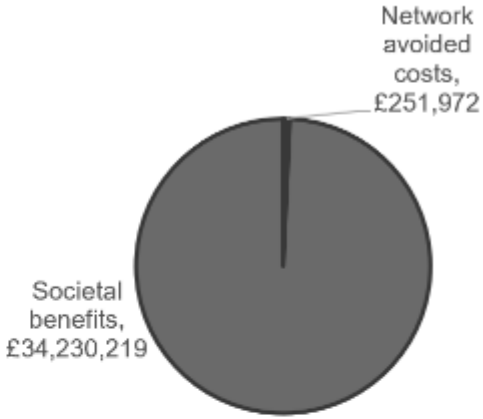


Type	Benefit	ED2 Gross Benefit (PV)
Network avoided costs	Avoided cost to SSEN - no longer supplying back up generation	£164,084
Customer financial benefits	Financial value of free back up generator	£6,065,427
Societal benefits	Reducing stress during an outage	£2,397,624
	Customers feel in better control of their lives	£2,069,296

Supporting broadband to island communities through our assets (CVP)

£0.3m cost efficiency benefits *delivered through planning over RIIO-ED2*
£34m additional societal benefits *delivered to over RIIO-ED2 through*

5-year reporting figures (ED2)	
Total cost	£7,499,818
Total gross present value	£34,482,191
NPV	£26,982,373
SROI	£3.60



Type	Benefit	ED2 Gross Benefit (PV)
Network avoided costs	Substation avoided costs	£251,972
Societal benefits	Financial (business) value of high speed internet	£1,783,872
	Social value to new internet users based on	£22,056,488
	Reduced hospital cost due to telehealth	£1,344,607
	Improved wellbeing surplus above bill payment	£2,035,632
	Avoided cost to council, telecoms providers	£7,009,619

Consumer Vulnerability: Fuel Poverty Support

£18.7m customer financial benefits *delivered through fuel poverty support and advice*
£9.3m additional societal benefits *delivered to vulnerable customers and the environment through improvement in quality of life and reduction in carbon emissions*

10-year reporting figures	
Total cost	£3,738,463
Total gross present value	£20,883,545
NPV	£17,145,082
SROI	£4.59

Type	Benefit	10-year Gross Benefit (PV)
Customer financial benefits	In depth support and advice	£9,548,038
	General support and advice	£6,570,693
	Energy efficiency measures	£2,630,142
Societal benefits	Reduction In negative impact of cold weather on (QALY)	£7,652,297
	Avoided cost of ambulance calls	£55,673
	Avoided cost of non-elective inpatient stays	£417,550
	Avoided cost of treating respiratory health issues	£26,542
	Carbon emissions savings	£1,157,670

Consumer Vulnerability: Energy Efficiency Enablement Fund

£0.18m customer financial benefits *delivered by energy efficiency measures*
£0.07m additional societal benefits *delivered by carbon reductions and improved customer wellbeing*

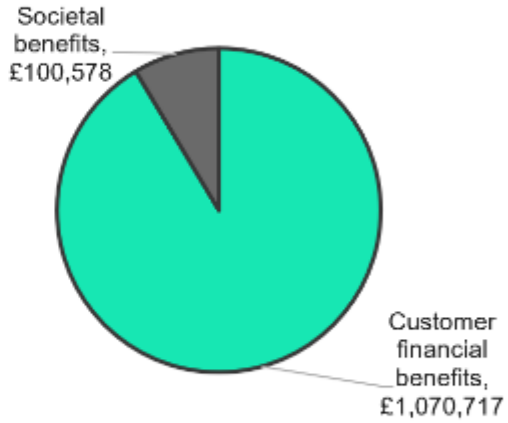
5-year reporting figures (ED2)	
Total cost	£233,653.96
Total gross present value	£249,944.26
NPV	£16,290.30
SROI	£0.07

Type	Benefit	ED2 Gross Benefit (PV)
Customer financial benefits	Bill savings from energy efficiency measures	£175,935
Societal benefits	Carbon emissions savings	£59,665
	Reduction in negative impact of cold weather on customers' health (QALY)	£13,470

Consumer Vulnerability: Personal and Social Support Packs

£1.1m customer financial benefits *delivered through behavioural change over RIIO-ED2*
£0.1m additional societal benefits *delivered to vulnerable customers over RIIO-ED2 through reduced stress during an outage*

5-year reporting figures (ED2)	
Total cost	£121,500
Total gross present value	£540,079
NPV	£418,579
SROI	£3.45

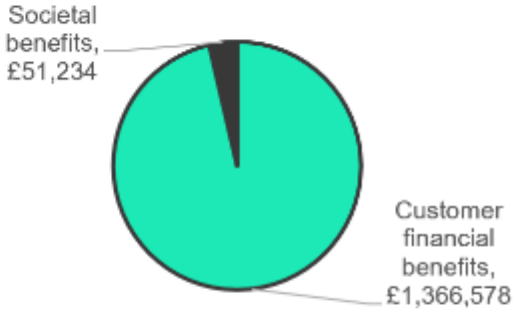


Type	Benefit	ED2 Gross Benefit (PV)
Customer financial benefits	Behavioural change	£1,070,717
Societal benefits	Reduced stress during an outage	£100,578

Consumer Vulnerability: Educating on the benefits of energy efficiency and Low Carbon Technology, tackling digital exclusion

£1.4m customer financial benefits *delivered by the improved process over RIIO-ED2*
£0.05m additional societal benefits *delivered to connections customers over RIIO-ED2*

5-year reporting figures (ED2)	
Total cost	£909,381.21
Total gross present value	£1,417,812.29
NPV	£508,431.08
SROI	£0.56



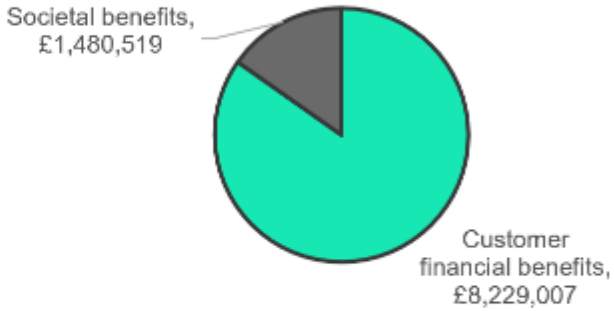
Type	Benefit	ED2 Gross Benefit (PV)
Customer financial benefits	Behavioural Change	£171,405
	Tariff switching	£474,661
	In-depth support	£720,511
Societal benefits	Customers are educated about online connectiveness	£51,234

Consumer Vulnerability: Shareholder Fund

£8.2m customer financial benefits *delivered through energy efficiency support and advice over RIIO-ED2*

£1.5m additional societal benefits *delivered over RIIO-ED2 through installation of low carbon technologies and ensuring customers in vulnerable situations can access energy transition benefits*

5-year reporting figures (ED2)	
Total cost	£2,336,540
Total gross present value	£9,592,722
NPV	£7,256,182
SROI	£3.11

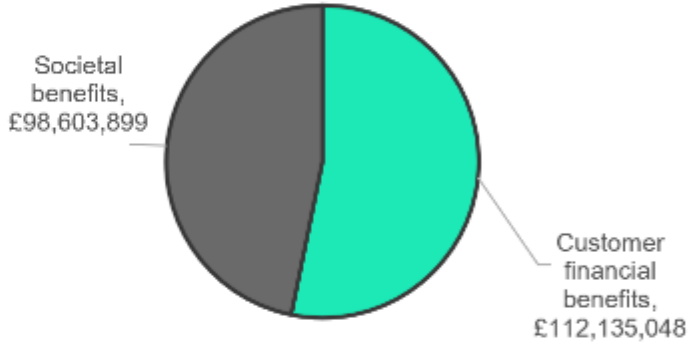


Type	Benefit	ED2 Gross Benefit (PV)
Customer financial benefits	Preventing malnutrition	£4,024,251
	In-depth support and advice	£3,992,833
	Energy efficiency measures	£211,922
Societal benefits	Planting trees	£8,099
	Low carbon technologies	£157,073
	Full day of volunteering	£1,315,347

Ready the network for net zero with up to 1.3m Electric Vehicles and up to 800,000 Heat Pumps connecting by 2028

£112m customer financial benefits *delivered through enabled electric vehicles over RIIO-ED2*
£99m additional societal benefits *delivered to the environment over RIIO-ED2 through the uptake of low carbon technologies*

5-year reporting figures (ED2)	
Total cost	£357,023,252
Total gross present value	£210,738,946
NPV	-£146,284,305
SROI	-£0.41

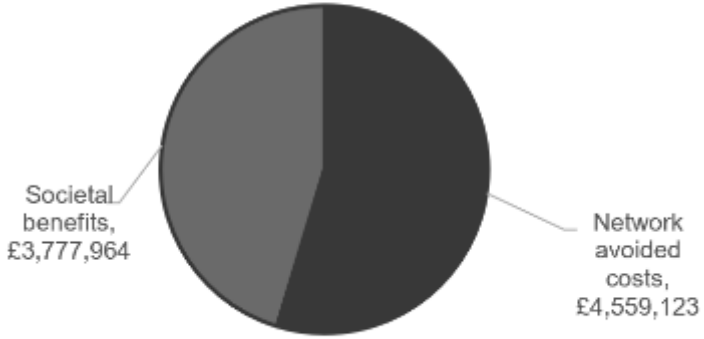


Type	Benefit	ED2 Gross Benefit (PV)
Customer financial benefits	Financial benefit of enabled electric vehicles	£112,135,048
Societal benefits	CO2 benefit enables from Low Carbon Technology uptake	£98,603,899

Improving our connection process

£4.6m cost efficiency benefits *delivered through improved end-to-end process connections and introduction of automated quotation services over RIIO-ED2*
£3.8m additional societal benefits *delivered to customers over RIIO-ED2*

5-year reporting figures (ED2)	
Total cost	£8,186,475
Total gross present value	£8,337,087
NPV	£150,612
SROI	£0.02

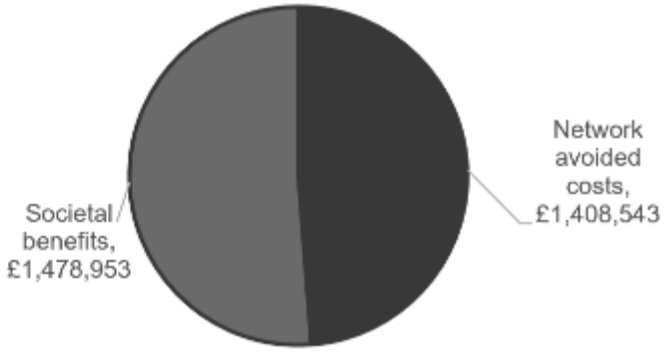


Type	Benefit	ED2 Gross Benefit (PV)
Network avoided costs	Automate minor connections- reduce the resource required	£1,660,236
	Avoidance of increasing staff costs to manually manage new Electric Vehicles and Heat Pump connections load checks	£2,391,592
	Offset additional resource required to manually provide low-carbon technology uptake information to stakeholders	£507,294
Societal benefits	Avoided cost of facetime with DNO per application	£3,575,206
	Customer feels in better control of their lives	£202,758

Reducing emissions from mobile diesel generation during interruptions

£1.4m cost efficiency benefits *delivered through cheaper fuel costs over RIIO-ED2*
£1.5m additional societal benefits *delivered over RIIO-ED2 through a reduction in carbon emissions and improved air quality*

15-year reporting figures (ED2)	
Total cost	£3,095,358
Total gross present value	£2,887,496
NPV	-£207,861
SROI	-£0.07

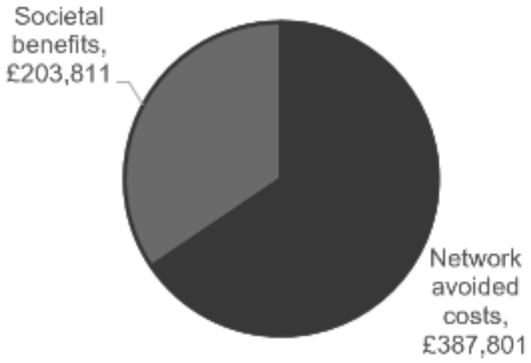


Type	Benefit	ED2 Gross Benefit (PV)
Network avoided costs	Avoided operational costs	£1,408,543
Societal benefits	Carbon emission reductions	£397,437
	Air quality benefits	£1,081,516

Reduce the reliance on back up embedded diesel generation on our islands

£0.4m cost efficiency benefits *delivered through fuel cost savings over RIIO-ED2*
£0.2m additional societal benefits *delivered to the environment over RIIO-ED2 through carbon emission reductions*

40-year reporting figures (ED2)	
Total cost	£4,500,000,000
Total gross present value	£591,612
NPV	-£3,908,388
SROI	-£0.87

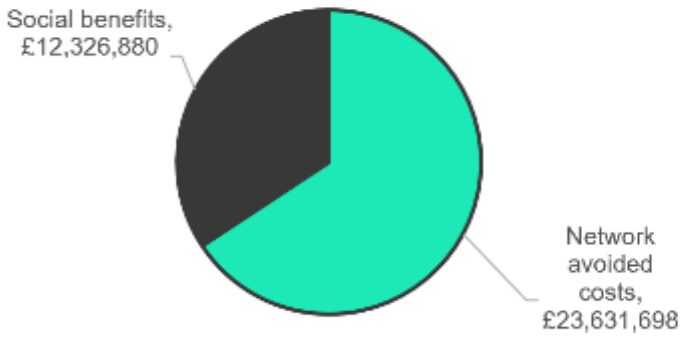


Type	Benefit	ED2 Gross Benefit (PV)
Network avoided costs	Fuel cost savings	£387,801
Social benefits	Carbon emission reductions	£203,811

Manage losses on our network

£23.6m cost efficiency benefits *delivered through energy savings over RIIO-ED2*
£12.3 additional societal benefits *delivered to the environment over RIIO-ED2 through carbon emission reductions*

40-year reporting figures (ED2)	
Total cost	£7,372,008.70
Total gross present value	£35,028,963.62
NPV	£27,656,954.92
SROI	£3.75

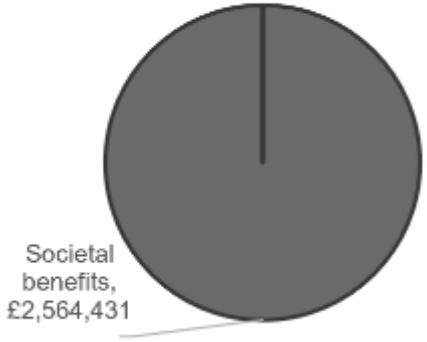


Type	Benefit	ED2 Gross Benefit (PV)
Network avoided costs	OPEX savings	£16,780,404
	Savings from reduced losses	£6,851,294
Social benefits	Carbon emission reductions	£12,326,880

Reduce SF_6 emissions from assets

£2.6m additional societal benefits *delivered over RIIO-ED2 through carbon emission reduction from SSEN's assets*

45-year reporting figures (ED2)	
Total cost	£2,953,264
Total gross present value	£2,564,431
NPV	-£388,833
SROI	-£0.13

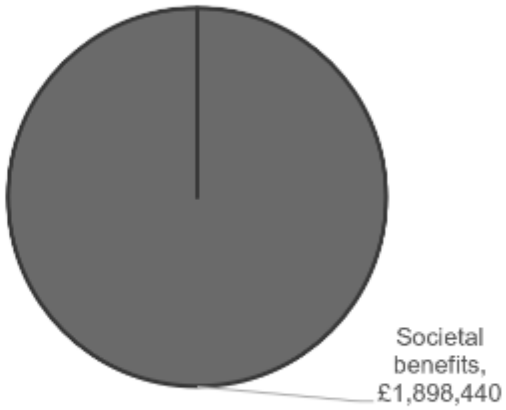


Type	Benefit	ED2 Gross Benefit (PV)
Societal benefits	Carbon emission reductions	£2,564,431

Reducing travel-related emissions

£1.9m additional societal benefits *delivered over RIIO-ED2 through reduction in carbon emissions*

5-year reporting figures (ED2)	
Total cost	£0
Total gross present value	£1,898,440
NPV	£1,898,440
SROI	£0



Type	Benefit	ED2 Gross Benefit (PV)
Societal benefits	Carbon emission reductions	£1,898,440

Reduced Leakage from fluid filled cables

£15m additional societal benefits *delivered over RIIO-ED2 through reduced oil leakage from fluid filled cables*

45-year reporting figures (ED2)	
Total cost	£38,345,505
Total gross present value	£15,031,620
NPV	-£23,313,885
SROI	-£0.61

Type	Benefit	ED2 Gross Benefit (PV)
Societal benefits	Reduced oil leakage	£15,031,620

APPENDIX C: ENGAGEMENT SUMMARY BY TOPIC

Our phased approach to engagement allowed the discussion and collaboration with stakeholders to develop our plan throughout the process, starting with broad exploration that established high-level priorities before focusing in increasing detail to understand how consumers trade-off services and costs.

The summaries below provide a brief overview of the discussion and progression in stakeholder feedback throughout the four phases which have helped shape the plan and outputs in each strategic area. The summaries to follow are:

- A Valued and trusted service for our customers and communities
- IT and Digitalisation
- Safety and Compliance
- Maintain a resilient network
- Supporting our Remote Communities
- Our network as a net zero enabler
- DSO
- Whole Systems
- Environmentally Sustainable Network
- Innovation

A TRUSTED AND VALUED SERVICE FOR OUR CUSTOMERS AND COMMUNITIES

We endeavour to provide the best customer service for all, including ensuring customers in vulnerable situations are given the support required. No customers should be left behind and we must evolve to meet their changing needs.

Phase 1 - Open Discovery

- Supporting vulnerable customers was a top priority for domestic and SME customers. Identifying and educating customers on the Priority Service Register (PSR) was viewed as a key enabler to deliver our strategic outcome here.
- While broadly satisfied with customer service and power cut communication, some wanted to see further improvement around informing customers during power cuts.

Evidence Assessment

ED2 ENGAGEMENT EVENTS	SOURCES OF INSIGHT	NUMBER OF STAKEHOLDERS
58	1540	19,046

Phase 2 - Co-creation

- Co-creation events encouraged a focus on increasing support for customers in vulnerable situations, including the suggestion to provide Personal Resilience Plans for those on the PSR.
- Affordability was key for all stakeholders, notably since the pandemic.
- It was felt that partnerships could enable us to better serve PSR customers, through improved communication and extending benefits to more PSR customers.

Phase 3 - Business Plan Refinement

- All stakeholder groups ranked this area high during the Willingness-To-Pay (WTP) event with 'helping fuel poor customers' being the highest priority for both domestic and non-domestic customers.
- PSR awareness was low and stakeholders strongly encouraged us to pursue dedicated bespoke fuel poverty and energy advice training for our employees to better serve those on the PSR.
- Stakeholders agreed with the Personal Resilience Plans but were concerned about the cost -effectiveness

Phase 4 - Testing and Acceptance

- Most stakeholders agreed that our outputs were ambitious, comprehensive enough and represented good value for money for customers.
- Helping those in fuel poverty was seen to have the highest impact and many suggested we could do more in this area, as well as addressing key barriers to low carbon technology (LCT) uptake

IT AND DIGITALISATION

Our digitalisation strategy will improve value for money by driving and delivering benefits across all our strategic outcomes through efficiencies, personalized customer propositions and the promotion of flexible services

Phase 1 - Open Discovery

- While stakeholders were concerned about data privacy and security, it was also seen as a potential blocker for increased collaboration between organizations. We should be at the forefront of overcoming these barriers
- It was suggested that innovative digital technology and data sharing could improve the identification of customers in vulnerable situations and improve customer service

Evidence Assessment

ED2 ENGAGEMENT EVENTS	SOURCES OF INSIGHT	NUMBER OF STAKEHOLDERS
14	124	1836

Phase 2 - Co-creation

- The Digitalisation strategy workshop brought several key insights including the need for collaboration to improve digital initiatives, to share best practices across the industry
- Stakeholders also wanted to see our data sharing capabilities improve, especially around the ease of use and personalisation of data for different applications

Phase 3 - Business Plan Refinement

- Data sharing and communication through digital technology and apps were noted as important for improved customer service as well as applications in reliability
- Not all stakeholders and customers will be comfortable with digital technology or communication and this needs to be considered in the strategy
- SSEN should be a 'data-led organisation' and maximising the amount of asset monitoring data available will ensure that the monetised -risk strategy is a success

Phase 4 - Testing and Acceptance

- Stakeholders wanted to see the use of data and cutting edge digital tools to improve asset and infrastructure visibility and ultimately help us in the transition to DSO and net zero
- Utilising digital technology around enhanced power cut information was also suggested
- 33% of stakeholders thought the existing products and services were the right ones to deliver benefits to them

SAFETY AND COMPLIANCE

We want to have a network with a low probability of failure and high reliability. Our strategy focuses on minimising the opportunities for injury and endangerment by educating consumers and stakeholders whilst also preparing for the risks of net zero.

Phase 1 - Open Discovery

- Stakeholders and customers were concerned about the safety of both the public and our staff, although not as important as maintaining a reliable supply
- A small proportion of customers wanted to receive safety advice on what to do in an accident and general safety around our assets, but interest was relatively low

Evidence Assessment

ED2 ENGAGEMENT EVENTS	SOURCES OF INSIGHT	NUMBER OF STAKEHOLDERS
17	318	2684

Phase 2 - Co-creation

- Employees felt that one of our strengths was ensuring staff safety
- Some stakeholders felt that safety and resilience should be higher priorities, whilst others thought safety should be a guarantee of any network company.
- 89% of those contacted by us during a power cut felt they received adequate information on staying safe, and 79% of those contacted by us during bad weather.

Phase 3 - Business Plan Refinement

- Key stakeholders felt that the threats to the electricity system coupled with a rise in society's increasing dependency meant that the safety and security of assets is a primary concern.
- The removal of equipment from unoccupied sites was also discussed at length with a variety of expected ambition levels.
- It was noted that a range of communication mediums should be utilised as to discuss safety with stakeholders, as well as improving the clarity around the tree felling process, timelines and financial implications of outages as well as utilising new technology such as LiDAR systems to improve safety.

Phase 4 - Testing and Acceptance

- Most stakeholders felt the outputs in this area were sufficiently ambitious and comprehensive to provide good value for money to customers
- 83% of stakeholders deemed targeting assets of highest probability of failure first as a high or medium priority
- Meeting all safety-related legal requirements was a high priority for ~59% of stakeholders
- The engagement on safety output was deemed a high priority by ~40% of respondents
- Removing redundant equipment from unoccupied sites within 3 months was a high priority for ~48% of respondents

MAINTAIN A RESILIENT NETWORK

We want to focus onimproving our network performance for at least 75% of customers who are deemed worst served, while also ensuring significant reductions for time offsupply for all customers. We want tominimisepower interruptions at a reasonable cost for our customers.

Phase 1 - Open Discovery

- Reliability was the highest priority for expert stakeholders relating to the energy trilemma
- Customers ranked the network's reliability as the second-highest priority, behind only the plan's value for money.
- The growing dependency of consumers and businesses on a consistent electricity supply means that network reliability as well as quickly restoring electricity after a power cut was stakeholders highest priorities

Evidence Assessment

ED2 ENGAGEMENT EVENTS	SOURCES OF INSIGHT	NUMBER OF STAKEHOLDERS
41	240	8483

Phase 2 - Co-creation

- Reliability will become increasingly important with the growing use of electricity and thus network investments should continue, even if outages are currently less frequent
- Improved service to worst served customers was deemed important, but there was no consensus on strategies to address this, other than to provide additional support to those customers.
- Climate resilience was noted as a key area of focus, as the network needs to be prepared for new challenges such as the increased risk of flooding

Phase 3 - Business Plan Refinement

- Stakeholders' willingness to pay differed greatly between the two regions and stakeholders. Customers in the south placed higher importance on improving power cuts generally, while stakeholders in the north place more emphasis on protecting and improving services to the worst served customers.
- Stakeholders suggested several criteria for prioritising schemes: total number of customers; the number of vulnerable customers or businesses; level and duration of outages; rural areas; islands; potential LCT take-up.

Phase 4 - Testing and Acceptance

- Most stakeholders believed the outputs were sufficiently ambitious, comprehensive and represented good value for money for customers.
- ~90% of stakeholders felt that network reliability and reducing unplanned outages were of high or medium priority, with over 77% feeling the same around improving service to worst served customers.
- Key areas of investment highlighted were around the automation of the network to reduce power interruptions
- Stakeholders placed a medium priority on an annual Climate Resilience Strategy and highlighted the likely increasing cost of climate change impact mitigation.

SUPPORTING OUR REMOTE COMMUNITIES

We want to make a step change in our investment levels in subsea cables to deliver greater reliability to our island customers through repair and replacement of subsea cables and the provision of adequate backup energy generation while continuing to invest in our worst served customers.

Phase 1 - Open Discovery

- Stakeholders noted the importance to have detailed targets specific to each island groups and its unique challenges, especially around network reinforcement for additional generation connections
- Investments should be undertaken to ensure there is sufficient network capacity to connect new renewables generation

Phase 2 - Co-creation

- The differences in geographies and issues between each island and the impact of lack of resilience necessitates a tailored approach to asset strategy and investment for each island
- All stakeholders were interested in how we plan to decarbonise the diesel -powered backup generation on the islands whilst maintaining a reliable supply
- Subsea cable replacement should be prioritised based on the impact a cable failure would have on communities, generators and the environment. Technology can be applied to monitor the condition of subsea cables
- Removing current constraints for local generation on the islands could reduce the dependence on subsea cable connections, as well as progress towards net zero

Evidence Assessment

ED2 ENGAGEMENT EVENTS	SOURCES OF INSIGHT	NUMBER OF STAKEHOLDERS
14	151	358

Phase 3 - Business Plan Refinement

- Stakeholders were keen to see an increase of storage and demand flexibility on the islands to make the best use of local renewable generation, while also reducing the need for network reinforcement and improving the reliability of supply.
- Stakeholders were highly encouraged with our increased investment in subsea connectivity between islands and mainland

Phase 4 - Testing and Acceptance

- Stakeholders thought the ambition and comprehensiveness of the Supporting the Scottish Islands strategy and outputs had built on the lessons from ED1 and represented value for money.
- Sought enhanced engagement on future network capacity and resilience of supply options, ensuring that local communities are part of the consultation process, including on innovation opportunities for reducing costs and replacing diesel generation.
- Uncertainty Mechanism to apply to ED2 expenditure supported and represented value for money. Sought further clarity on how the mechanism would apply, suggesting criteria could include cost -benefit and Net Zero Impacts.

OUR NETWORK AS A NET ZERO ENABLER

We aim to meet the increased demand on our network from low-carbon technologies (LCT) and ensure Local Authorities can develop their LCT plans for customer benefit. We will deliver a digitally transformed connections process, to provide customers with access to data, and simpler and faster services.

Phase 1 - Open Discovery

- Several large connections customers expressed that the current application process should be simplified and made more affordable to facilitate more renewable generation connections
- Stakeholders felt that enabling net zero should be focused on providing charging points for EV rollout and enabling local communities to reach their targets
- Decarbonising heat was less of priority for ED2 but stakeholders wanted this to be addressed

Evidence Assessment

ED2 ENGAGEMENT EVENTS	SOURCES OF INSIGHT	NUMBER OF STAKEHOLDERS
63	352	3995

Phase 2 - Co-creation

- Stakeholders discussed the barriers and limitations of the current connections process as well as co-created suggested improvements for ED2, both for Major and domestic connections customers
- Local Network Plans Workshops revealed a need for us to collaborate further with local energy agencies, local developers and local authorities to help develop local area energy plans.
- Targeting the barriers and communication around LCTs was a key focus for stakeholders
- Government and local authorities believed Consumer transformation was likely the most appropriate DFES scenario for us to adopt as our baseline

Phase 3 - Business Plan Refinement

- The WTP results showed that among customers that had interacted with the connections process, there was a high appetite for improving the process. In particular improvements should focus on more automation, more access to data and a reduced wait time
- Increasing the new EV connections from 675,000 to 1.3m was a high priority for stakeholders in the south, and a medium priority for those in the north
- Increasing the new heat pump connections from 235,000 to 800,000 was a high priority for all customer segments, and very high for non-domestic customers in the south

Phase 4 - Testing and Acceptance

- Stakeholders widely recognised the importance of EV charging, and supported our output
- Network support is needed for renewable generation as well as the demand already recognised
- Community energy and interest groups were pleased that engaging with local groups was part of the strategy to establish local network plans to deliver a sustainable and inclusive network
- Making the connections process easier and providing a full-function, self-service process was a high priority for over a third of stakeholders

DSO

We will define a DSO strategy that will be reviewed and refreshed annually with an action plan to deliver against it. Our puts will increase our progress towards net zero, increase flexibility and ensure connections are easy and accessible for everyone.

Phase 1 - Open Discovery

- Discussion around the transparency of the DSO functions and its neutrality in the new market structure
- Stakeholders encouraged us to establish a roadmap for the DSO transition, while also building in some flexibility to adapt to the changing energy landscape

Phase 2 - Co-creation

- The majority of stakeholders agreed with our DSO principles framework
- Co-creation workshop suggested the two most valuable DSO measuring metrics were 'data transparency and accuracy' and 'facilitating participation/market making'
- Lack of awareness and understanding of the opportunities in flexibility for all stakeholders
- Suggestions that analysis on appetite for lifestyle changes would provide insight for the tendency for participating in flexibility

Evidence Assessment

ED2 ENGAGEMENT EVENTS	SOURCES OF INSIGHT	NUMBER OF STAKEHOLDERS
22	218	5250

Phase 3 - Business Plan Refinement

- Stakeholders were interested to understand the investments in DSO, especially around spending optimisation and regulatory processes, in order to ensure maximum benefit for the end customer

Phase 4 - Testing and Acceptance

- Stakeholders were optimistic about the shift to DSO, especially in the net zero context
- The metrics to measure DSO performance were a key topic of discussion across events
- Communication and education of vulnerable and fuel poor customers is a crucial step to enabling their participation in flexibility markets, alongside overcoming the cost barrier Need to review this colour choice

WHOLE SYSTEMS

We want to develop coordination and cooperation between energy sectors and other stakeholders with the aim of overall enhancement in both quantifiable consumer benefits and/or societal outcomes.

Phase 1 - Open Discovery

- Endorsed our collaboration with ENA for enabling whole system solutions
- Stakeholders urged us to adopt a whole -systems approach, especially through collaboration with other DNOs, GDNs, Tos and suppliers to share data and standardise processes, thus providing the best outcomes for industry and customers

Evidence Assessment

ED2 ENGAGEMENT EVENTS	SOURCES OF INSIGHT	NUMBER OF STAKEHOLDERS
18	142	3314

Phase 2 - Co-creation

- 91% of attendees agreed with our vision for whole systems and the majority also agreed with the proposed actions to support whole systems
- 'Open data' and 'collaboration' were noted as the most important enablers for whole systems success
- The three initiatives believed to bring the greatest value was having DNO representation in local whole system initiatives, regional network constraint studies and a dedicated whole systems liaison officer

Phase 3 - Business Plan Refinement

- The whole systems approach should facilitate access to network data (including LV data and provision of interactive network impact assessment), flexibility as well as EV and LCT growth
- SSEN should be part of regional development and should have a local point of contact

Phase 4 - Testing and Acceptance

- Stakeholders were broadly positive about the strategy and package of outputs for whole systems, they considered it ambitious and comprehensive to meet customer needs
- Believed the most effective way to move to a whole systems approach is through facilitating access to network data
- Stakeholders supported the Whole Systems Support CVP's ability to help stakeholders deliver their net zero ambitions and whole system projects, but emphasised that it should have community and local input in how the CVP is delivered and evolves.

ENVIRONMENTALLY SUSTAINABLE NETWORK

We will produce an Environmental Action Plan (EAP) that will reduce carbon emissions, improve air quality, provide societal benefit, accelerate progress towards net zero and ensure we remain an industry leader in sustainability.

Phase 1 - Open Discovery

- Around half of our customers in the Priorities Survey stated that progressing the network towards a more sustainable future was important to them and should be a focus for us.
- We should prioritise climate change both through the mitigation of its effects, reduction of our emissions and by reinforcing infrastructure.
- We should work to reduce our emissions as well as assist others to do the same

Evidence Assessment

ED2 ENGAGEMENT EVENTS	SOURCES OF INSIGHT	NUMBER OF STAKEHOLDERS
37	340	9475

Phase 2 - Co-creation

- Around half of our customers in the Priorities Survey stated that progressing the network towards a more sustainable future was important to them and should be a focus for us.
- We should prioritise climate change both through the mitigation of its effects, reduction of our emissions and by reinforcing infrastructure.
  We should work to reduce our emissions as well as assist others to do the same

Phase 3 - Business Plan Refinement

- Reducing our BCF was given one of the highest priorities during the willingness to pay (WTP) surveys, particularly for southern domestic customers
- Starting the SBT accreditation process was welcomed but targets should be ambitious
- Despite the removal of incentives to reduce Scope 2 emissions related to losses, we should still aim to improve
- Offsetting emissions was deemed transparent although shouldn't replace abatement.

Phase 4 - Testing and Acceptance

- There was widespread support for our EAP and ambition towards reducing our carbon footprint, with stakeholders pleased with our commitment to set SBT and tackle scope 3 emissions
- Stakeholders focused on the importance of improved biodiversity and natural capital, particularly when looking at long term carbon removal
- Some questions remained about how we would demonstrate accountability for meeting targets with stakeholders

INNOVATION

We want to be seen as an industry leader in innovation through delivering products and projects which create significant benefits to our customers, reduce costs and provide a pathway to net zero

Phase 1 - Open Discovery

- Innovation should be utilised to make the current network more efficient and improve our service to vulnerable customers
- We should endeavour to learn from others both nationally and internationally
- Stakeholders were pleased with the track record of innovation at SSEN

Phase 2 - Co-creation

- 92% agreed with SSEN's five innovation principles
- Net Zero and low carbon technologies are considered the most important focus for innovation

Evidence Assessment

ED2 ENGAGEMENT EVENTS	SOURCES OF INSIGHT	NUMBER OF STAKEHOLDERS
12	47	1791

Phase 3 - Business Plan Refinement

- Stakeholders want more visibility on the progress of current and future innovation projects
- Innovation should aim to reduce costs and the bill impact for vulnerable customers
- Innovation should be directed to facilitate more renewable generation connections

Phase 4 - Testing and Acceptance

- Key role for innovation is to facilitate net zero, particularly in the Scottish islands to reduce the use of diesel generators.
- Innovation could also play a role in cost -cutting and improving the maintenance of subsea cables to the Scottish Islands
- Global collaboration is essential for success, including with customers and communities
- Stakeholders wanted more clarity on the benefits of innovation especially for the impact on consumers in vulnerable situations, as well as for enabling renewable generation

DELIVERABILITY

We want our diverse, engaged and highlyskilled workforce to feel empowered and motivated to deliver our strategic outcomes. We will also work with and support our supply chain to improve value and optimise the cost efficiency and service to stakeholders, customers, and consumers.

Phase 1 - Open Discovery

- Maintaining a skilled workforce was identified as an important challenge for us in ED2
- Engagement with youth and attracting them into the energy industry was recommended as a way to pursue a sustainable skilled workforce in the future
- We should work towards fairer pay and reducing gender inequalities
- Collaborating with the supply chain is important to ensure they are ethical and sustainable

Evidence Assessment

ED2 ENGAGEMENT EVENTS	SOURCES OF INSIGHT	NUMBER OF STAKEHOLDERS
36	317	7575

Phase 2 - Co-creation

- Lack of sufficient workforce resources and skillset could be a barrier to our ED2 ambitions
- Increasing the visibility of our projects as well as supporting innovation and new capabilities were deemed the top cost-efficiency opportunities
- Most suppliers in the Supply Chain Sustainability event were unfamiliar with the Science-Based Targets (SBT) and thus noted that we must support them to meet obligations

Phase 3 - Business Plan Refinement

- Attracting skilled talent and addressing key skill gaps (both by training internally and more competitive recruitment) was a key area of concern
- Engaging and attracting more new entrants, as well as being more inclusive and diverse were key long-term strategies noted for a resilient and sustainable workforce
- Assisting supply chain stakeholders towards net zero will be fundamental to help us reach our SBTs

Phase 4 - Testing and Acceptance

- Providing the opportunities for new entrants as well as upskilling current staff were both key priorities in improving workforce resilience during ED2
- Supply chain stakeholders noted the opportunities for cost efficiencies both through innovation and better strategic programme clarity and approach
- 35% of domestic customers in the South and 35% in the North said that signing up 80% of our supply chain (by value) by 2028 to our Sustainable Supplier code was a high priority.

UNCERTAINTY MECHANISMS

We hope to use Uncertainty Mechanisms (UMs) to ensure we can flexibly and seamlessly adjust allowances during ED2 to adapt to changing future demands while continuing to protect our customers.

Phase 1 - Open Discovery

- Stakeholders felt that uncertainty mechanisms (UM) should fully consider the cost of inaction and not moving towards a decarbonised world. They suggested the price control framework will need to adapt to cope with the uncertainty and need to be much more flexible in several areas

Evidence Assessment

ED2 ENGAGEMENT EVENTS	SOURCES OF INSIGHT	NUMBER OF STAKEHOLDERS
13	90	1641

Phase 2 - Co-creation

- Stakeholders generally supported the uncertainty mechanisms presented
- We should be clear about why items in UMs cannot be built into the baseline and our decision -making processes when designing the UMs. Furthermore, risk should be attributed equally between the business and its customers
- Stakeholders were keen to understand when the subsea cables UM would be applied, in particular, whether it would be for both maintenance and replacement
- Stakeholders were keen to see more done to help the reliability, decarbonisation and the available network capacity of the Scottish islands

Phase 3 - Business Plan Refinement

- Stakeholders wanted more transparency about land rights, suggesting that data should be more open, perhaps on a data -sharing platform. It was suggested that this may alleviate some Wayleaves issues and thus reduce the cost of this UM for customers.
- Once stakeholders understood the new wayleaves agreements, they were happy with our suggested approach
- While stakeholders supported the investment in subsea cables to improve island connectivity, it was noted that storage and flexibility should be considered to reduce the need for network reinforcement on Scottish Islands and improve the reliability of supply.

Phase 4 - Testing and Acceptance

- Discussion on UMs focused on their application and their role in reducing uncertainty. Stakeholders tended to be supportive of proposed UMs, especially around managing known unknowns.

APPENDIX D: OFGEM'S MINIMUM REQUIREMENTS

Ofgem minium requirement		Where and how this is addressed in narrative
2.7	We expect DNOs to work with their CEGs and the RIIO-2 Challenge Group to seek challenge and scrutiny of their Business Plan proposals.	The way we worked with our CEG is set out in ***Enhanced Engagement (Chapter 3)*** and summarised in **Section 1.3.4** above. Details of changes made to our Business Plan between Draft and Final submission as to respond to their challenge and scrutiny are set out in ***Key Changes since Draft (Annex S 9)***
2.8	As a minimum requirement under Stage 1 of the BPI, Business Plans must set out how they have been designed using the enhanced engagement processes. To do this, Business Plans must include evidence of:	
(a)	appointment of CEGs – including timely appointment of groups, governance arrangements at appointment and on an ongoing basis, among other things as described in the enhanced engagement guidance document	Our approach is set out in ***Enhanced Engagement (Chapter 3)***, with further detail in this Stakeholder ***Enhanced Engagement Strategy (Annex 3.1).*** For each key area of our business plan, we have included an **enhanced engagement section in each chapter and annex,** and an **appendix in each annex** detailing how we have co-created our plan.
(b)	robust and high-quality engagement with stakeholders by the company in designing the plan	
(c)	robust and high-quality engagement with stakeholders by the company in designing the plan.	
2.9	In order to facilitate stakeholder engagement ahead of the planned open hearings, each company must publish its final Business Plan on its website. In doing so, companies should ensure maximum transparency by publishing the plans in as full form as possible. Where companies redact information from the published plans on grounds of commercial confidentiality (or any other reason), the reasons for such redactions must be clearly and comprehensively set out in an explanatory statement published alongside the plan. For example, if information is redacted on grounds of commercial confidentiality, we would expect to see an explanation of the particular commercial interest that the company considers would be prejudiced by disclosure.	Our Final plan is available on our RIIO-ED2 website **ssenfuture.co.uk**

Ofgem minium requirement		Where and how this is addressed in narrative
2.10	In assessing the company's compliance with the minimum requirements on enhanced engagement set out in paragraph 2.8, Ofgem will take into account stakeholder feedback it receives on the level of transparency demonstrated by companies and reasoning given for any redactions amongst other relevant considerations.	Details of stakeholder feedback received are set out in the **Enhanced Engagement Appendix to each strategy Annex**. This has not been redacted.
2.11	Separately, as a minimum requirement under Stage 1 of the BPI, the Business Plan must set out the company's approach to ongoing stakeholder engagement in RIIO-ED2, including a strategy for engagement as well as a set of proposed commitments to deliver the strategy within RIIO-ED2. This must recognise the changing demands on the local grids expected from users and consumers in line with Government's climate change ambitions. Each company's strategy must:	
(a)	be strategic and proportionate, including through setting out how the company's approach reflects the particular circumstances of the company's geographic regions and its various network users, both domestic and industrial.	
(b)	be inclusive of all stakeholders, including through a consideration of the needs of both existing and future consumers as well as vulnerable and hard-to-reach groups.	
(c)	be responsive to stakeholder needs, including through setting out how the company will maintain an up-to-date understanding of stakeholders' needs as well as how it will ensure views are captured and incorporated into the day-to-day operation of the business	
(d)	include clearly defined performance commitments (relating to stakeholder engagement) which are appropriate, well-evidenced and stretching.	How this has been done is set out in ***Future Stakeholder Engagement Strategy (Annex 3.2)*** **(Section 6).**
(e)	be transparent, including through setting out how the company will measure progress against its stakeholder engagement commitments as well as any consequences of non-delivery of commitments.	
(f)	demonstrate senior-level buy-in and that engagement runs through all levels of the organisation.	
(g)	incorporate and build on the best practice methods learned in RIIO-ED1 and consider best practice methods employed in other industries.	
(h)	include effective RIIO-ED1 engagement initiatives as business as usual (BAU) activities.	

APPENDIX E: ENGAGEMENT ASSURANCE REPORT

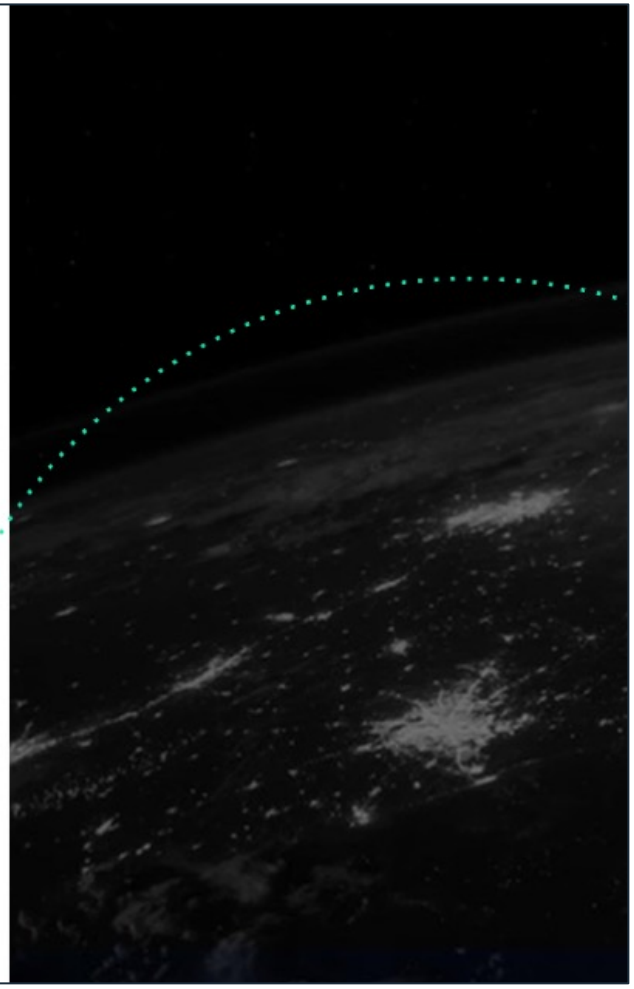
SIAPARTNERS

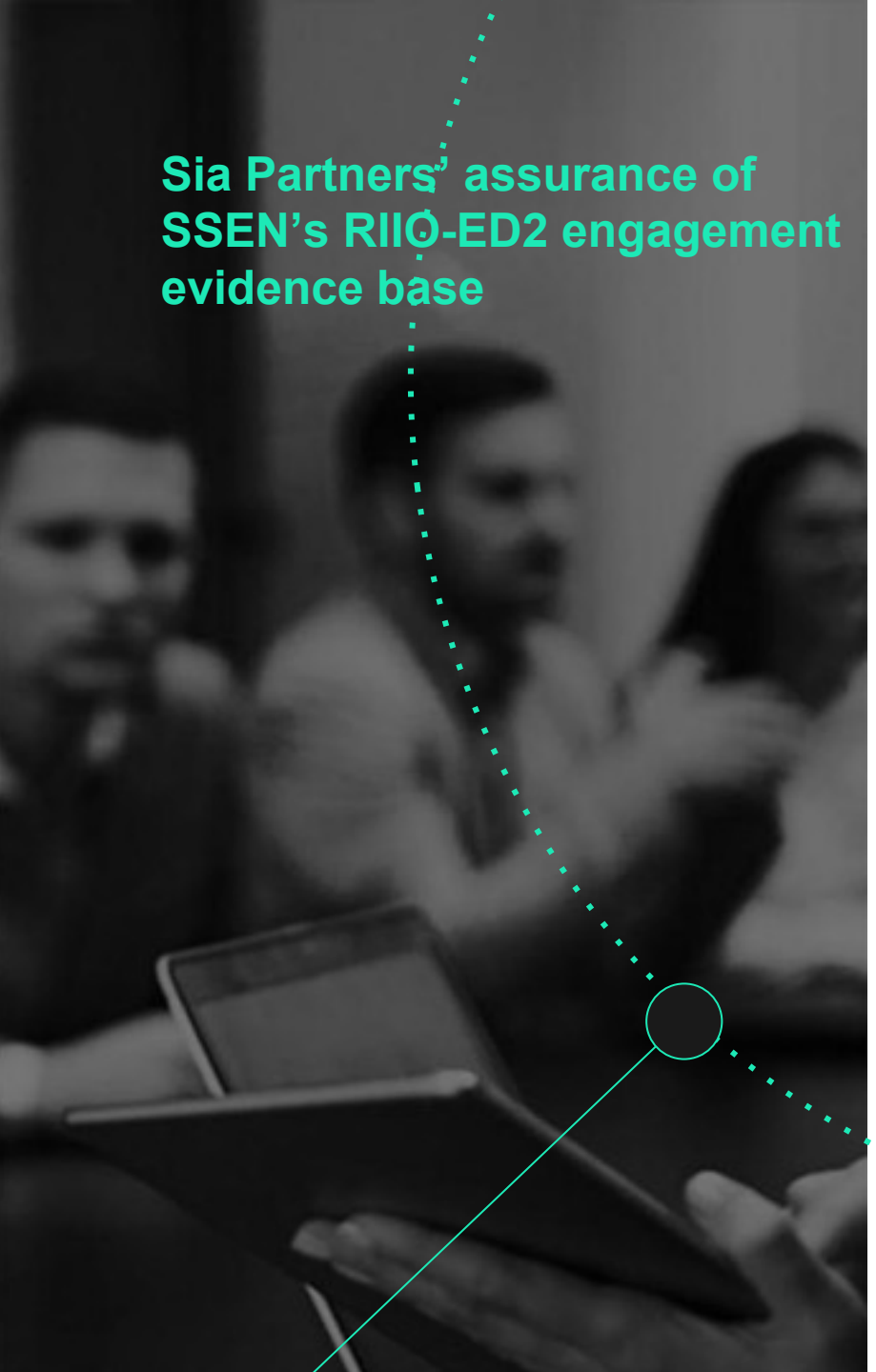
Scottish & Southern Electricity Networks

November 2021

RIIO-ED2 Engagement Assurance Report

3rd Assurance Report – Final RIIO-ED2 Business Plan





Sia Partners' assurance of SSEN's RIIO-ED2 engagement evidence base

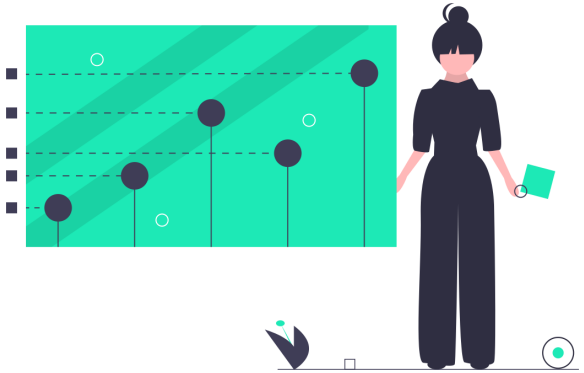
1. Introduction
2. Summary of findings
3. Detailed findings
4. Appendix
   a) Evidence scores by Output

Introduction

SSEN recently completed an extensive engagement programme to inform its RIIO-ED2 business plan. While the overall programme has been ambitious and aligned to best practice, in early 2021 SSEN's CEG challenged the business on how it was using stakeholder feedback to inform specific proposals and how well this is evidenced across the plan.

To provide assurance to the CEG and Ofgem that its engagement programme is robust and has driven the development of its business plan, SSEN engaged Sia Partners in early 2021 to undertake an independent review of its engagement evidence against its business plan proposals.

Three reviews have now been undertaken based on SSEN's engagement evidence – the 1st in April 2021, a 2nd in June 2021 ahead of draft plan submission, and a 3rd review in November 2021 to accompany the final business plan submission in December 2021.



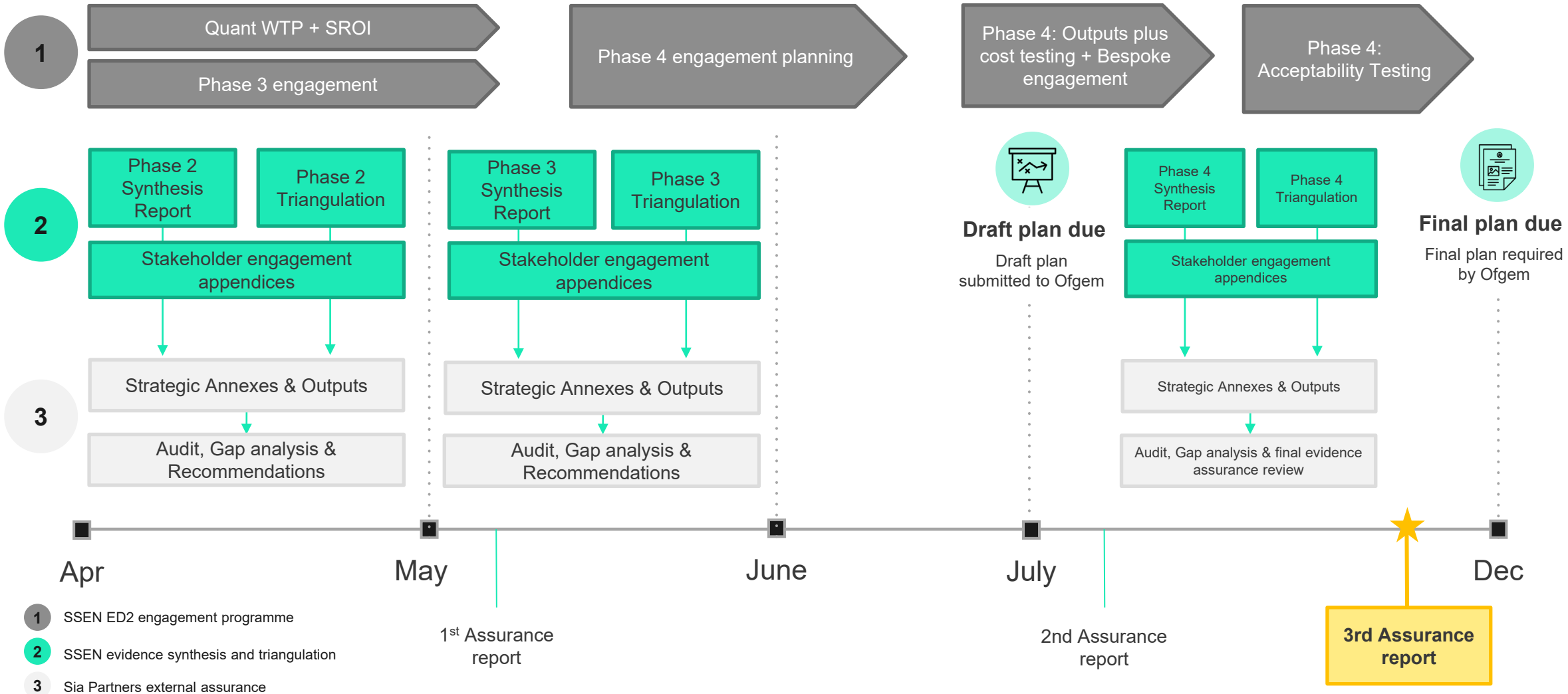
Our Approach

In order to assess SSEN's ED2 engagement programme, Sia Partners:

- Assessed the engagement robustness and coverage of 14 of SSEN's key strategic business plan areas, using an engagement scoring methodology based on Ofgem's requirements, best practice across utilities and HM treasury Magenta book ratings.
- Carried out a gap analysis across 59 Outputs, assessing how well each is supported by engagement evidence and whether this has accurately informed decisions.
- Developed recommendations for each strategic area in the first and second assurance review, offering a pathway for further engagement and improvement between draft and final business plan submission in December.
- Provided a final robustness assessment in November 2021 to accompany the final business plan submission in December 2021.

This presentation contains the key findings from Sia Partners' 3rd assurance review of SSEN's RIIO-ED2 business plan stakeholder engagement evidence

Timeline



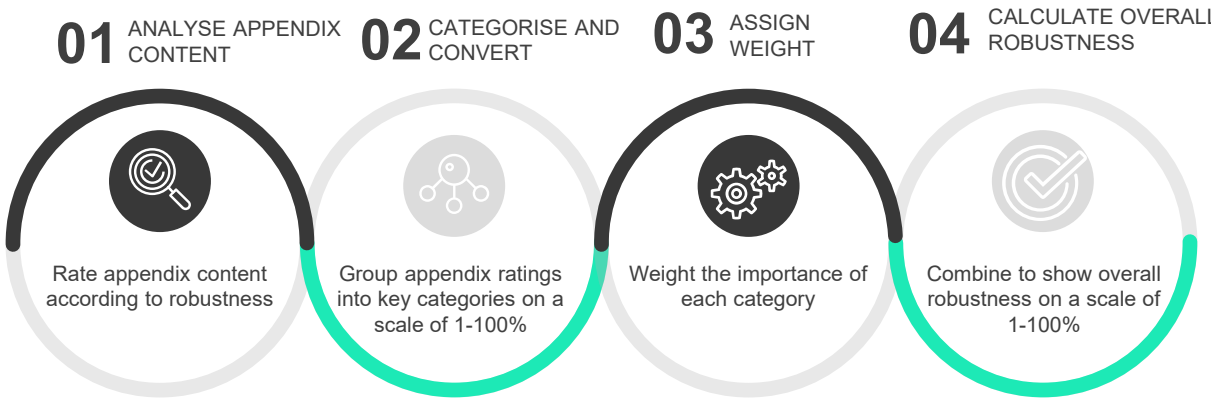
1 SSEN ED2 engagement programme

2 SSEN evidence synthesis and triangulation

3 Sia Partners external assurance

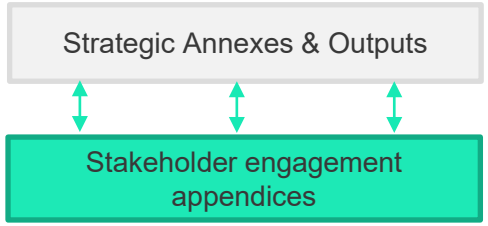
How we reviewed SSEN's engagement evidence

a Engagement evidence robustness assessment



- Provided recommendations across each strategic area to inform further engagement across key indicators including: breadth and depth of engagement, stakeholder segments and regions covered.

b Strategy and Outputs assessment



- Reviewed the evidence in the business plan engagement appendices / synthesis reports and the proposals in each Strategic annex.
- Assessed whether the engagement undertaken for each Output is communicated in a clear and structured way and whether it is an accurate representation of findings.
- Identified if/where there are tensions on each proposition, between what is being proposed and what the engagement evidence suggests.

Methodology for evidence robustness assessment

Step 1: Initial rating of topics		Step 2: Convert to 5 key categories
Scored by the # of events related to the topic and their quality	RIIO-ED2 specific engagement Average source robustness score (Magenta book)	**Engagement robustness and relevance**
Scored by the # of specific feedback, methods, research / BAU insights	ED2 specific insights Engagement Methods Research/legislative insights BAU/ED1 engagement	**Engagement depth and breadth**
Scored by the relative # engaged across regions	Regional coverage Stakeholders engaged Consumers engaged	**Regional and stakeholder coverage**
Scored based on key segment coverage	Engagement coverage of key segments Engagement coverage with vulnerable customers	**Engagement with key segments**
Scored by strength of engagement incl. costs	Affordability testing and consumer benefit valuation	**Engagement on costs and benefits**

Step 3: Weight importance of each category

Weighted equally across each area

Step 4: Combine all

Combine all categories to show overall score, expressed as a percentage, to identify gaps and areas for improvement.

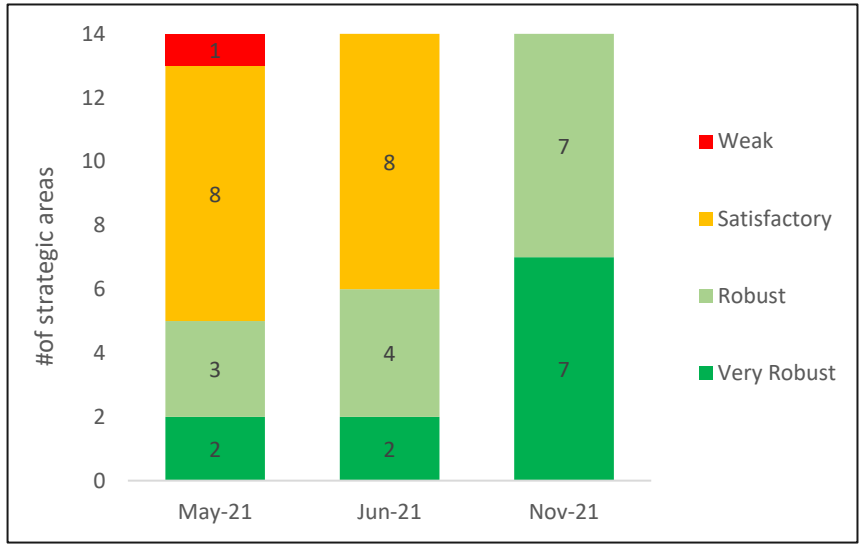
KEY	
Very Robust	>75%
Robust	60% - 75%
Satisfactory (minor gaps)	40% - 60%
Weak (Major gaps)	<40%

Summary of findings

KEY	
Very Robust	>75%
Robust	60% - 75%
Satisfactory (minor gaps)	40% - 60%
Weak (Major gaps)	<40%

Summary of findings

Strategic area	Overall robustness score
Customer service	93%
Vulnerability and fuel poverty	93%
IT and Digitalisation	63%
Maintaining a Resilient Network	81%
Supporting our Remote Communities	72%
Safety and Compliance	72%
Our Network as a Net Zero Enabler	89%
Environmentally Sustainable Network	89%
Connections	87%
DSO	82%
Whole systems	74%
Innovation	66%
Workforce resilience	73%
Procurement and supply chain	64%



Summary of findings

- Overall, **SSEN have conducted a robust RIIO-ED2 engagement programme** with a sound approach to planning engagement, and triangulating stakeholder and consumer insights.
- Ofgem's mandatory topics are well covered and there has been considerable engagement across all areas of the business plan
  - The overall assessment has shown that 7 of the topic areas are considered very robust and 7 robust
  - There was a **clear improvement in engagement robustness scores between draft and final plan**, largely driven by the high quality **costed Outputs events and final plan Acceptability Testing**
  - While all areas demonstrated generally sound engagement evidence, those with lower scores would have benefited from further bespoke engagement, better recording and evidencing of feedback supporting outputs and earlier affordability testing ahead of the final business plan submission.
- The strategic areas that have the highest overall scores have demonstrated evidence of best practice engagement both in terms of depth & breadth of engagement, quality of insights and synthesis of feedback to inform decisions.
  - **Customer service, vulnerability, net zero, environment and connections were found to be particularly strong** across all the assessment criteria.
  - Planned expenditure and bill impacts were presented clearly and transparently to stakeholders on both the overall and specific outputs in these areas, which enabled stakeholders and consumers to provide meaningful feedback on the level of ambition and plan acceptance.
- The **strategic areas with lower scores tend to be those where there has been less focused engagement** (with engagement rather undertaken via other workstreams)
  - Several of these (e.g. IT and Digitalisation, innovation and procurement) are perhaps less accessible, not well understood (or not relevant) to consumers, potentially explaining why there have been fewer direct events and insights relating to them.

KEY	
Very Robust	>75%
Robust	60% - 75%
Satisfactory (minor gaps)	40% - 60%
Weak (Major gaps)	<40%

Improvement of robustness scores across the three assurance reports

Strategic outcome	Strategic area	1st assurance review	2nd assurance review	3rd assurance review	Change since draft plan
A valued and trusted service for our customers and communities	*Customer service*	77%	84%	**93%**	+9%
	Vulnerability and fuel poverty	77%	84%	**93%**	+9%
	IT and Digitalisation	42%	42%	**63%**	+21%
A safe, resilient and responsive network	*Maintaining a Resilient Network*	57%	70%	**81%**	+11%
	Supporting our Remote Communities	43%	52%	**72%**	+20%
	Safety and Compliance	24%	45%	**72%**	+27%
Accelerated progress towards a net zero world	*Our Network as a Net Zero Enabler*	67%	72%	**89%**	+17%
	Environmentally Sustainable Network	61%	75%	**89%**	+14%
	Connections	64%	75%	**87%**	+12%
	DSO	46%	46%	**82%**	+36%
	Whole systems	52%	54%	**74%**	+20%
Innovation, Deliverability and Cost Efficiency	*Innovation*	42%	42%	**66%**	+24%
	Workforce resilience	46%	58%	**73%**	+15%
	Procurement and supply chain	43%	43%	**64%**	+21%

Summary of final robustness scores across topics - November 2021

KEY	
Very Robust	>75%
Robust	60% - 75%
Satisfactory (minor gaps)	40% - 60%
Weak (Major gaps)	<40%

Strategic Outcome	Strategic area	Robustness and relevance	Engagement depth and breadth	Regional and stakeholder coverage	Engagement with key segments	Engagement on costs and benefits	Overall robustness score
A valued and trusted service for our customers and communities	*Customer service*	88%	100%	100%	100%	75%	**93%**
	Vulnerability and fuel poverty	88%	100%	100%	100%	75%	**93%**
	IT and Digitalisation	68%	61%	67%	67%	50%	**63%**
A safe, resilient and responsive network	*Maintaining a Resilient Network*	88%	83%	100%	67%	67%	**81%**
	*Supporting our Remote Communities**	71%	72%	78%	73%	67%	**72%**
	Safety and Compliance	72%	67%	89%	67%	67%	**72%**
Accelerated progress towards a net zero world	*Our Network as a Net Zero Enabler*	87%	94%	89%	100%	75%	**89%**
	Environmentally Sustainable Network	88%	83%	100%	100%	75%	**89%**
	Connections	88%	83%	89%	100%	75%	**87%**
	DSO	82%	78%	100%	83%	67%	**82%**
	Whole systems	68%	72%	100%	67%	67%	**74%**
Innovation, Deliverability and Cost Efficiency	*Innovation*	67%	61%	67%	67%	67%	**66%**
	Workforce resilience	86%	83%	89%	67%	40%	**73%**
	Procurement and supply chain	69%	67%	78%	67%	40%	**64%**

*Scores for Supporting our Remote Communities have been adjusted to account for regional impact

Detailed findings

A valued and trusted service for our customers and communities

Area	1st assurance review	2nd assurance review	3rd assurance review	Change since draft	Status	Comments
Customer service	77%	84%	93%	+9%	Very Robust	• Robust engagement has been undertaken with strong coverage across key segments, with over 36 engagement sources evidenced. • The overall score has improved as a result of engagement on costed outputs and Acceptability Testing, where consumers showed strong support for SSENs proposals in this area (particularly the ambition around reducing complaints and faster response time).
Vulnerability and fuel poverty	77%	84%	93%	+9%	Very Robust	• Consumer vulnerability is one of the most robust areas across the plan with almost 50 engagement events and over 1,300 sources of synthesised insights. The various engagement methods utilised, including co-creation workshops, have provided high-quality stakeholder evidence with strong coverage across regions and stakeholder groups. • The score increase since the previous review was driven by high-quality bespoke engagement on the personal resilience plan CVP, costed outputs engagement and Acceptability Testing. • SSEN enhanced (and added) several Outputs in this area between draft and final plan and demonstrated clearly how this was driven by stakeholder feedback.
IT and Digitalisation	42%	42%	63%	+21%	Robust	• Despite an increase of 21% in the score since June 2021, Digitalisation is the lowest scoring area across the plan due to relatively limited direct engagement. • The improvement since draft was as a result of a significant increase in the engagement events conducted as well as engagement during the acceptability testing events. • While consumer views on the digitalisation strategy may have been captured in tangential events, there is limited evidence of support for proposals from consumers (including vulnerable, hard to reach and future customers) who are likely to be highly affected by digitalisation and are at risk of 'being left behind' during the transition.

A safe, resilient and responsive network

Area	1st assurance review	2nd assurance review	3rd assurance review	Change since draft	Status	Comments
Maintaining a Resilient Network	57%	70%	81%	+11%	Very Robust	• This area has improved since June with several new events which have helped to fill the gaps in the depth and breadth of the engagement. • The most significant influence on the improved score is the engagement on costs and benefits, including the acceptability testing for specific outputs. • While the engagement alongside costs was positive, it was noted that SSEN could have been clearer in explaining what composed the overall expenditure in this area, which could have led more meaningful feedback on ambition and value for money. • While there was a reasonable coverage of the stakeholder segments for this topic, engagement with certain customer groups and communities and local decision makers was relatively light compared with other areas.
Supporting our Remote Communities	43%	52%	72%	+20%	Robust	• While the low number of events is not necessarily indicative of the robustness, the lack of diversity in stakeholder groups, use of primarily traditional engagement methods (limited use of external research) and the evidence from vulnerable customers have weighed down the overall score in this area. • The overall robustness score has increased by 20% between June and November 2021, driven by the increased engagement which particularly improved the depth and breadth element as well as some feedback gathered on costs and benefits.
Safety and Compliance	24%	45%	72%	+27%	Robust	• This has been the second most improved area since June 2021 with several new events substantially improving the robustness and stakeholder coverage of the engagement on this topic. • Additionally, the most significant change has been addressing the lack of engagement on costs and benefits through the Costed Outputs and Acceptability Testing events, where several specific safety outputs were tested and refined following feedback. • Certain key segments have not been engaged as comprehensively as desired in earlier phases such as consumers and the wider supply chain which has weighed on the 'engagement with key segments' score.

Accelerated progress towards a net zero world

Area	1st assurance review	2nd assurance review	3rd assurance review	Change since draft	Status	Comments
Our Network as a Net Zero Enabler	67%	72%	89%	+17%	Very Robust	• A strong level of engagement overall in terms of number of events, stakeholders engaged, and feedback gathered. However, several of the findings evidenced in certain areas are quite high-level due to the broad nature of the topic. • The addition of a new Output (renewable DER capacity) in response to stakeholder feedback received at the costed outputs events was very positive, as well as the high quality testing in both the qualitative and quantitative Acceptability events.
Connections	64%	75%	87%	+12%	Very Robust	• Connections is one of the strongest areas of the plan in terms of evidence robustness due to the delivery of many targeted events, utilising various methods and covering a wide range of stakeholder groups. • The overall score has increased by 12% since June 2021, most notably due to testing of initiatives as part of the Acceptability Testing and costed Output events
Environmentally Sustainable Network	61%	75%	89%	+14%	Very Robust	• There is a high volume of feedback from a broad range of stakeholder segments on this topic. As with other areas, the increase in the score since the 2nd review has been driven by the engagement on costed outputs and acceptability testing • While the additional events have also improved the coverage of key stakeholder segments that was lacking in the June review, the other scoring areas have not changed.
DSO	46%	46%	82%	+36%	Very Robust	• This is the most improved area since the June 2021 review with 11 new events (bespoke and cost testing) significantly improving the robustness and depth of engagement as well as the coverage of key stakeholders. • DSO was discussed with a good proportion of key stakeholder segments, although it is worth noting that while discussion with EV charging, Storage and renewables providers, community energy groups was covered, it was not extensive. SSEN has mentioned that they aim to continue to engage with these stakeholders in regular forums following business plan submission.
Whole systems	52%	52%	74%	+20%	Robust	• Whole systems was discussed in an additional 8 events between June and November 2021 which has helped to increase its stakeholder coverage. However, most discussions occurred during non-topic specific events, with mostly tangential feedback gathered which limits its overall robustness. • Some discussion around the costs and benefits also helped boost the score, in particular around the Whole Systems CVPs. • Given the complexity of the topic, it can be challenging to gather meaningful feedback from consumers, however, the lack of consumer testing weighed on the overall score.

Innovation, Deliverability and Cost Efficiency

Area	1st assurance review	2nd assurance review	3rd assurance review	Change since draft	Status	Comments
Innovation	42%	42%	66%	+24%	Robust	• Innovation has one of lowest engagement robustness scores of topics across the plan, due to the high-level nature of the feedback evidenced and limited number of events. • The score has increased by the third largest margin since the June 2021 report, mostly due to the engagement on costs and benefits which has subsequently also improved the engagement robustness and depth while better covering key stakeholder segments. • While there was mention of engagement with consumers and engagement on the Innovation output during Acceptability Testing, the evidence of feedback driving proposals was limited compared to other areas of the plan. • Insufficient engagement with some consumer groups, community interest groups, local authorities and wider supply chain stakeholder segments limit the score of this topic.
Procurement and supply chain	43%	43%	64%	+21%	Robust	• Supply Chain has been discussed tangentially in several events, but the feedback is generally high level and there are a limited number of specific events which constrains the insightfulness of the feedback. • Improvement from the 2nd assurance review is as a result of the engagement on costs and benefits as well as improvements to the engagement depth and breadth and coverage of key segments. • Engagement with local authorities and evidence of further work with wider industry and value chain required further engagement to comprehensively cover all key stakeholder segments
Workforce resilience	46%	58%	73%	+15%	Robust	• Several new events focused on workforce resilience between the draft and final business plans which has substantially increased the robustness of the engagement, as well as enhanced the coverage of key stakeholders. • Additionally, the discussion on the cost and benefits in the draft outputs testing events helped boost the score, but the lack of direct testing during final Acceptability weighed the score down. • Workforce resilience was discussed relatively extensively with a small number of key segments, however, some additional engagement with the wider industry and value chain group would have been required to sufficiently cover all key segments comprehensively

Appendix

Summary of engagement evidence strength per Output

A safe, resilient and responsive network		
Topic	**Output**	**Engagement Score***
Safety & Compliance	Intervene in Assets	
Reliability Strategy	Frequency and duration of power cuts	
Reliability Strategy	Network performance for WSC	
Reliability Strategy	Outage duration	
Reliability Strategy	Climate Resilience Strategy	
Safety & Compliance	Removing redundant equipment	
Safety & Compliance	Community engagement on asset safety	
Reliability Strategy	Cyber Resilience IT and OT strategy	
Safety & Compliance	Safety-related legal requirements	

A valued and trusted service for our customers and communities		
Topic	**Output**	**Engagement Score***
Customer Vulnerability	PSR CSAT score	
Customer Vulnerability	LCT Education for vulnerable	
Customer Vulnerability	Personal Resilience Plans	
Customer Vulnerability	Energy efficiency support for fuel poor	
Customer Vulnerability	Improved CSAT in all areas	
Customer Vulnerability	Complaints reduction	
Customer Vulnerability	Household energy efficiency measures	
Customer Vulnerability	Energy efficiency and Power cut packs	
Customer Vulnerability	Vulnerability strategy	
Customer Vulnerability	PSR customer target	
Customer Vulnerability	Vulnerability champions and Energy efficiency training	
Customer Vulnerability	Powering Communities to net zero fund	
Customer Vulnerability	Digitalisation Strategy and Action Plan	
Customer Vulnerability	Targeted education on fuel poverty and LCTs	
Customer Service	Business Support Register	
Customer Service	Telephone & social media response times	
Customer Service	Digital CSAT score	
IT and Digitalisation	Data Best Practice Guidance	

Our Network as a Net Zero Enabler		
Topic	**Output**	**Engagement Score***
Environmental Action Plan	Science-based targets	
Environmental Action Plan	Diesel back-up generators	
Environmental Action Plan	Afforestation initiatives	
Environmental Action Plan	Oil filled cables and leakages	
Environmental Action Plan	Electrify core vehicle fleet	
DSO	Accessible DSO Data	
DSO	Constrained Managed Zones	
Connections	Connection times for SHEPD and SEPD	
Connections	Connections CSAT score	
Connections	Connections process	
Connections	Major connections CSAT score	
Connections	Connections obligations	
Load Strategies	Network planning for EVs and heat pumps	
Environmental Action Plan	Network losses and Scope 2 emissions	
DSO	Energy efficiency & network capacity	
DSO	Forecast information for flexibility markets	
Whole Systems	Collaboration to deliver Net zero	
Environmental Action Plan	Marine Environment	
Load Strategies	8GW distributed energy resource	
Environmental Action Plan	Environmental Action Plan	
Environmental Action Plan	Sustainable Supplier Code	
Whole Systems	Annual meetings with Local Authorities	
Environmental Action Plan	Low carbon mobile generators	
Environmental Action Plan	Underground cables	
Environmental Action Plan	ETR138 Flood Defence works	
Environmental Action Plan	Emission reduction from assets	
DSO	Flexibility Providers forum	
DSO	Partnerships for flexibility	
Whole Systems	Community access to fibres in assets	
DSO	DSO Strategy	
Whole Systems	Tracking stakeholder feedback	

Innovation, Deliverability and Cost Efficiency		
Topic	**Output**	**Engagement Score***
Innovation	Innovation Deployment Customer Report	

*Outputs have been scored based on the relative strength of engagement evidence thread

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