

## SSEN Distribution Response to RIIO ED2 - Draft Determination

### SSEN Annex, 2. Setting outputs

<b>Question ID</b>	SSEN-Q1.
<b>Question</b>	What are your views on the company specific parameters we have proposed for the common outputs that are set out above?
<b>Response</b>	
<p>Our views relating to the different company-specific parameters for the common outputs are set out below:</p> <p><b>Interruptions Incentive Scheme (IIS)</b> We agree with Ofgem’s proposals relating to unplanned CI and CML target setting, subject to the feedback we provide in our responses to CORE-Q44 to COREQ-49.</p> <p><b>NARM PCF and ODI-F</b> We fundamentally disagree with Ofgem’s proposed NARM baseline network risk output for RIIO-ED2, for the reasons outlined in our response to CORE-Q54.</p> <p><b>Consumer Vulnerability Incentive (ODI-F)</b> Our responses for COREQ33 and CORE-Q34 outline our concerns around this incentive and the ongoing issues with calibration. Our understanding is that the Fuel Poverty and LCT metrics are measured against baseline targets, which is slightly different from the NPV values outlined within Tables 12 and 13 of SSEN Annex DD document (page 16), which are the stretch targets. However, we note that the proposed role of an Independent Assuror will allow Ofgem to have confidence in our targets and allow confidence that all DNOs have used the same methodology. We will work with Ofgem to agree baseline targets for both measures, both in terms of customers and NPV.</p> <p><b>Major Connections Incentive (ODI-F)</b> Ofgem’s calculation of the maximum penalty rate for each of our two regions reflects the proposed methodology. Please see our response to CORE-Q39 and CORE-Q40 for further details of our position on the Major Connections Incentive.</p>	

<b>Question ID</b>	SSEN-Q2.	
<b>Question</b>	What are your views on our proposals for SSEN’s bespoke ODIs?	
<b>Associated Evidence</b>		
<b>Title</b>	<b>Link to Evidence</b>	
Annex 10 - North of Scotland	n/a	
Annex 2 - Outputs Summary	n/a	
<b>Response</b>		
<p>We note Ofgem’s position on our proposed bespoke ODIs and have no significant concerns. We note that our digital satisfaction proposal was not intended as an ODI-F and was incorrectly described in our plan. With regards to the DSO and whole systems proposals, we always intended for these to be wrapped into other requirements and mechanisms introduced in the RIIO-ED2 framework.</p> <p>We note that Ofgem has also rejected a number of our bespoke PCDs and license obligations. While there is no specific question in the DDs seeking our views on Ofgem’s proposals, we have outlined our position below (further details of the impact of Ofgem’s Draft Determination on our stakeholder-led outputs can be found in Annex 2):</p>		
<b>Output name and summary of Ofgem view</b>	<b>SSEN position</b>	<b>Link to other consultation responses</b>
Worst-served customers – common UIOLI	Agree	CORE-Q52, CORE-Q53, CORE-Q83, CORE-Q87,
Subsea cables – targeted intervention on 15 subsea cables with greatest needs case rejected	We do not agree with Ofgem’s proposal, or that these cables are covered under the NARM mechanism	North of Scotland Annex 10, CORE-Q54, Outputs summary Annex 2
Subsea cables – strategic upgrades on three new cables rejected	We do not agree with Ofgem’s proposal, or that these cables are covered under the NARM mechanism	North of Scotland Annex 10, CORE-Q54, Outputs summary Annex 2
Distributed Embedded Generation - rejected	We do not agree with Ofgem’s statement that SSEN is best placed to manage this risk going forward	SSEN-Q8, Outputs summary Annex 2
Reducing SF6 emissions from our assets – rejected	We do not agree with Ofgem’s proposals, and this puts our 1.5 degree SBT, which we have publicly committed to, at risk. We have provided additional information in our response.	CORE-Q13, Outputs summary Annex 2
Nature-based solutions for carbon removal – reject	We do not agree with Ofgem’s proposals, and this significantly compromises our ability to meet a credible and net zero or ensure biodiversity net gain. Which are both legal requirements under eth	CORE-Q13, Outputs summary Annex 2

	Climate Change Act 2008, and the Environment Bill 2021. We have provided additional information in our response.	
PCB – accept as a common UM	Agree, subject to feedback provided in relevant response	CORE-Q16
Reduced leakage from fluid-filled cables (FFC) – reject	We disagree with Ofgem’s assessment of our EJP, noting the significant potential environmental impacts and strong stakeholder support for action on FFCs. We do agree with Ofgem’s position stated in CIA1.35 to accept baseline funding subject to further information being provided. We have provided further information as requested. We are open to discussion on a PCD approach.	CORE-Q13, Outputs summary Annex 2
Shetland bespoke license obligation - accept	Agree	Outputs summary Annex 2

<b>Question ID</b>	SSEN-Q3.
<b>Question</b>	What are your views on our proposals to reject SSEN’s CVP relating to Embedded Whole Systems Support Services for Local Authorities and its CVP relating to supporting broadband to island communities through DNO assets?
<b>Response</b>	
<p>We are disappointed that these two CVPs were not accepted as such by Ofgem. We believe that both offered a credible pathway to addressing two significant whole system issues.</p> <p><b>Embedded Whole Systems Support Services for Local Authorities</b></p> <p>Whilst our CVP proposal to work with local authorities has been accepted as an activity to be funded through baseline, we do not agree that this is the same as what is expected as a business as usual (BAU) activity. We set out a clear distinction between what our BAU baseline was and how our CVP sought to deliver further value, which in the absence of the CVP would not be delivered. Our CVP responded to the increasing requirements from Local Authorities and attempted to deliver an increased level of service by filling the gap, for which consumers would derive wider societal benefits. We disagree that this should be wrapped into BAU as it is in excess of the minimum requirements as presented by Ofgem. We do not agree with the decision to retrospectively adjust baseline expectations to a higher level and to remove the possibility of a reward.</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p><b>Stakeholders' feedback from our engagements since June:</b></p> <p><i>We have received significant support from local authorities in the North of Scotland and Central Southern England for our Whole System Support CVP to provide additional local support and technical expertise as they develop ambitious decarbonisation plans. Several our local authorities have stretching 2030 targets and have welcomed the opportunity to benefit from SSEN’s expertise to help design and implement projects, providing information on the most efficient and cost-effective locations.</i></p> </div> <p><b>Supporting broadband to island communities through DNO assets</b></p> <p>We note Ofgem’s proposal to fully reject this CVP, which we consider represents a true whole system solution and would have delivered significant additional benefits to our most remote communities, enabling greater participation in the energy system transition. We will look to explore ways in which we can address this genuine whole system issue in other ways, thereby maintaining our ambition. We will utilise all avenues we can to ensure that our rural communities are not left behind. We had stressed that we believed the acceptance of this CVP would potentially unlock wider investment and that we were confident that this could be undertaken at little to no extra cost to electricity consumers. Our proposal was strongly supported by our stakeholders, including by Scottish Government. We had hoped that we could use this as a launch point to emphasise the importance of joint working between utilities and even in the face of rejection, we believe we can work in that spirit to help unlock future opportunities as they arise in new innovative ways.</p>	

<b>Question ID</b>	SSEN-Q4.
<b>Question</b>	What are your views on our consultation position to accept SSEN's CVP to protect marine biodiversity (life below water)?
<b>Response</b>	
<p><i>Protecting marine biodiversity: Life Below Water</i></p> <p>We are pleased that Ofgem recognise the value in our CVP proposal. We are delighted that we will be able to undertake this ambitious project to deliver meaningful and long-lasting benefits for our island and coastal communities, pending a final decision from Ofgem. We recognise the challenges that this project will bring, but the opportunity it provides both SSEN and to other companies more widely to improve the environment we have an impact on. We continue to believe that this CVP will open up a wider conversation on the environment, not just within our sector, but beyond, as companies are encouraged to go further than they have ever before. We were encouraged by our stakeholders to look beyond our typical activities and this CVP pushes those boundaries and challenges SSEN in new ways. We are excited by this acceptance.</p> <p>We note that Ofgem have provided feedback on our proposal, and we recognise the importance of addressing these questions in order to secure CVP funding at final determinations. We have continued to engage with Ofgem on the project and our progress in addressing uncertainties before we commence the project. In particular, we have engaged with Ofgem to understand concerns around benefits calculations. Further updates on this are provided below setting out how we have directly responded to these concerns. We have also considered how the CVP mechanism can be designed to ensure that consumers are protected in the event of under delivery.</p> <p><i>Long-term commitment</i></p> <p>We reiterate our commitment to long-term investment in support of marine biodiversity. We believe this CVP is the start of a long-term commitment to improving how we interact with our 'less visible' environments. We genuinely believe that this small project (in relative financial size) has the potential to really unlock future consumer value, not only within our sector, but far beyond as the full scale of damage on our ecosystems becomes better understood. We are looking to reverse the damage we collectively have caused on the wider environment and look to invest positively in the future.</p> <p>Seagrass restoration produces a plethora of benefits of the longer term, most notably: (i) modification of physical environment, (ii) creation of living habitat, (iii) foundation of coastal food webs, (iv) carbon sequestration, (v) improved protection from coastal erosion, and many other benefits, including disease control, reduced ocean acidification, sediment stabilisation, bird food provision (e.g. Brent Geese, Swans, Wigeon), etc. The work carried out under this CVP will improve the understanding and research into these benefits and we are committed to these schemes over the longer term.</p> <p><i>Research</i></p> <p>Seagrass research continues across the UK, and our experts tell us that we are at a critical phase and nearing the point where they think mass planting at scale could be a reality. There are many exciting projects underway across the UK seeking to understand how we can implement successful seagrass planting. Knowledge and understanding of this area will continue to develop over time. Our ongoing stakeholder engagement demonstrates that the activity in this space is intensifying.</p>	

We understand there is a difference in success rates between seeds and seedlings and that certain varieties are more successful in one approach or the other. Within this context, we ask Ofgem to consider whether the funding could be used to develop the route to planting activities, within our license areas, if this was a mechanism to reduce planting costs and increase the scale of planting that we could undertake, therefore delivering overall greater value for consumers. This research will not only improve the germination rates but will also ensure we choose the most appropriate locations to carry out the work.

Our CVP will build on the research that is already underway, partnering beyond the research community to deliver projects on the ground. This is one of the reasons why we forecast that the cost per hectare to plant will likely reduce even during RIIO-ED2, but an enabler to that is targeted work to plug the research gaps, which will be built into our CVP projects, we anticipate that this work will bring us more in line with other nations on seagrass science and as a result will have a clear multiplier effect, not just for the projects under this CVP but for projects across the UK. We hope overall that this CVP will help encourage other organisations to become more active in this space. Whilst this funding will be targeted to our eventual projects in our license area, the findings will benefit UK wide projects so all UK consumers will benefit.

#### *Stakeholder Support*

We have continued to work with our stakeholders to gather further evidence of stakeholder support for and consumer benefits associated with this CVP.

At our sustainability and environment webinar held on 27<sup>th</sup> July 2022, 93% of delegates agreed/strongly agreed that seagrass restoration is a worthwhile initiative that will deliver benefits to consumers and the planet. Our CVP proposal was viewed as worthwhile and cost-effective, with 65% of delegates supporting Ofgem's consultation position to reward SSEN's Life Below Water CVP. We were encouraged to be ambitious and look to restore seagrass beds and to create links with local communities.

Since holding the above webinar, we have met with key stakeholders to further discuss the impact of Ofgem's Draft Determinations, when discussing our Life Below Water CVP stakeholders told us;

- *'I fully support your ambition and that you are trying something difficult and new, it is a good idea for us to keep talking.'* Project Seagrass
- *'We certainly feel very positive towards your Life Below Water being awarded and will support that'* Nature Scotland
- *'We have always supported this initiative.'* CEG Member

#### *Benefit Calculation*

We have continued our engagement with seagrass experts to determine if our benefit calculation continues to represent best practice. We have asked SIA Partners to provide a review of the methodology and whilst this has resulted in an update to the calculation to reflect updated carbon values (offset slightly by inflation adjustments), there has been no significant change in the values of expected benefits that our proposal will deliver. The updated results are shown below and confirm the robustness of our initial analysis:

## Updated valuation - August 2022

Total cost, PV	Gross Benefit, PV	NPV	SROI
£2,462,713	£5,862,866	£3,400,153	£1.38

SIA Partners' analysis uses the latest version of the Common Social Value framework and used updated carbon prices from the HM treasury Green Book data.

Ofgem noted that it intended *'to engage with SSEN to develop a sufficiently robust methodology for calculating the value that consumers place on biodiversity ahead of RIIO-ED2 Final Determinations'* (para 2.26). In our environmental bilateral we explained how we would ensure the benefits calculation was up to date. We have undertaken this additional assurance through SIA Partners to make sure our benefits calculations continue to follow best practice.

### *Deliverability*

We note the Challenge Group concern around risks to deliverability, including costs (para 2.25). We acknowledge that our plans are larger in scale than any project currently underway. However, seagrass activities are intensifying and we believe through this CVP we will contribute to the learning and research that will bring the UK closer to other more progressed nations on this topic, we will help plug the research and development gaps and remove the barriers to mass planting at scale. We also hope that this award will encourage wider seagrass support and enable different funding sources to be leveraged. We need to be supporting the development of a more sustained nursery infrastructure and wider research. We believe that in developing seagrass meadows of up to 17 hectares, we will create economies of scale and reduce costs for future projects. In this context, and given general increases in activity, we consider that costs will reduce significantly during RIIO-ED2. We set out a firm position that if costs are lower, and there is capacity and scope for further projects, we will look to extend beyond our original 17-hectare proposal.

### *Performance Metrics*

As part of our response, we have also considered the wider performance metrics required to be considered as part of this proposal. We know that this is a developing space and through these metrics we believe we can show how the pipeline of activity could develop over RIIO-ED2 to deliver consumer value. We note that there will be multiple reports in this space potentially, including our Annual Environmental Report and the Regulatory Reporting Packs. We will engage with stakeholders and Ofgem to make sure the right level of reporting is undertaken and that it remains focused and easy to access.

Whilst we will work with Ofgem further on this, we believe that the following metrics warrant inclusion in reporting to allow for stakeholder visibility on how we continue to engage and look for opportunities, and transparency on the activities and benefits we deliver.

- Research projects supported
- Number of potential sites identified through survey
- Number of sites active
- Forecast seagrass planting (hectares) to be undertaken

- Actual seagrass planted
- Communities engaged

We would also like to develop a metric that in some way records how many other projects we have inspired through this CVP, and also input to the societal benefits and metrics that the experts are trying to establish and prove for UK waters, but more thought is required on how these would be suitable metrics to report against given that most benefits are realised over the longer term, this could be an area of development to include in ED3 and beyond. These could focus on the environmental benefits like improved water quality, improved fishery population, coastal erosion improvements and carbon sequestration.

#### *Claw back approach*

Our proposed delivery model is focused on building meaningful partnerships with organisations and local communities where these meadows have the greatest likelihood of impact and highest chance of success and viability. In our draft business plan (July 2021) we sought to draw the link to areas close to our subsea cable locations. However, in our final submission (December 2021) we recognise and understood that physical location is paramount to enhancing the success of seagrass projects. We are therefore proposing to retain the commitment to addressing the scale of the ambition but widen it out across our license areas at locations where the benefits are strongest. The proposed license drafting seeks to identify the distance from our subsea cables and in specifying this precisely it might inadvertently restrict planting opportunities. We seek to discuss this further with Ofgem.

Ofgem wants to understand how a claw back mechanism could work in the event of under delivery or non-delivery. We believe that a mechanistic review and comparison to the total hectarage planted (as measured) to the overall 17 hectare target would be the simplest and most transparent approach to measuring our performance.

We seek to engage further with Ofgem on the mechanics behind this. Please see our response to Overview Q8 for further details.

Once again, we agree with your decision to award this CVP. We, along with our stakeholders, believe it is a very exciting area that has endless opportunities to improve our marine ecosystems. The consequential impact that this will have if done well - will provide value to the UK consumer and of course the planet.



<b>Question ID</b>	SSEN-Q5.																									
<b>Question</b>	What are your views on our consultation position to accept and partially reward SSEN's CVP for personal resilience plans?																									
<b>Response</b>																										
<p>We are pleased that Ofgem recognise the consumer value that can be unlocked by our CVP and has accepted part of our original proposal. We are disappointed that Ofgem does not feel that our Personal Resilience Plans goes beyond business as usual (BAU). We believe it does and we outline our rationale below, noting that we have engaged with Ofgem on this through a number of means, and feel we have been clear on the different nature of our PRPs and indeed why this goes significantly beyond the current level of service a PSR customer receives.</p> <p><i>Updated SROI analysis</i></p> <p>We commissioned SIA Partners to recalculate our SROI values associated with the CVP, to reflect the updated methodologies and to ensure that our calculations reflected best practice and are robust. These updated values are shown below:</p> <table border="1" data-bbox="203 724 1070 1024"> <thead> <tr> <th colspan="5">Updated valuation - August 2022</th> </tr> <tr> <th></th> <th>Total cost, PV</th> <th>Gross Benefit, PV</th> <th>NPV</th> <th>SROI</th> </tr> </thead> <tbody> <tr> <td>PRPs + Battery packs</td> <td>£6,337,944</td> <td>£10,022,879</td> <td>£3,684,936</td> <td>£0.58</td> </tr> <tr> <td>Battery packs only</td> <td>£5,918,614</td> <td>£7,513,444</td> <td>£1,594,830</td> <td>£0.27</td> </tr> <tr> <td>PRPs only</td> <td>£419,330</td> <td>£2,378,230</td> <td>£1,958,900</td> <td>£4.67</td> </tr> </tbody> </table> <p>We reiterate that the value from this CVP is enhanced by both aspects, personal resilience plans and battery pack provision being undertaken jointly. We believe that by removing the PRP element, this will diminish the overall package in terms of consumer value, that we know can be unlocked. As shown in the table above, PRPs on their own deliver an SROI of £4.67. While we note that the cost of this activity is relatively low, we consider that this can still deliver significant value and a truly personalised approach to resilience. We believe we can introduce a step change in service levels for our PSR customers.</p> <p><i>Personal Resilience Plans: Beyond BAU</i></p> <p>We have engaged with Ofgem since the publication of the Draft Determination. We do not accept that our Personal Resilience Plan (PRP) is a business as usual (BAU) activity. We do not currently offer this level of service and we have not seen firm evidence that any DNO carries this enhanced level of detailed and personalised service. We fundamentally believe this proposition creates great value and benefits to customer, even more so now where we recognise the need to help customers create robust resilience home plans to protect them in predicted harsher winters and extreme heat summers.</p> <p>Ofgem have also asked us to clarify the difference between baseline services and PRPs. We would like to sign-post Ofgem to our final business plan and response to SQ SSE099 that was raised to us in March 2022, to which we provided a clear articulation of the difference. We note that Ofgem recognise the</p>		Updated valuation - August 2022						Total cost, PV	Gross Benefit, PV	NPV	SROI	PRPs + Battery packs	£6,337,944	£10,022,879	£3,684,936	£0.58	Battery packs only	£5,918,614	£7,513,444	£1,594,830	£0.27	PRPs only	£419,330	£2,378,230	£1,958,900	£4.67
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need to establish what level of service was being undertaken by other DNOs as baseline in ED2. We are confident that when compared against both the baseline expectations and where other DNOs are in terms of support to PSR customers that our PRP proposition is above and beyond what is currently or proposed to be delivered in ED2. If Ofgem was to determine that our PRP was baseline, we would be expecting all other DNOs to be required to undertake the same level of service as our proposal in ED2 and therefore implemented from April 2023. We would therefore also require dedicated baseline funding. We do believe this should be baseline from ED3, however feel we need to transition over time.

#### *PRP Stakeholder Feedback*

At final submission we provided strong evidence of customer and stakeholder engagement and support, to demonstrate the customer need and appetite to implement PRPs. We have provided Ofgem with Customer feedback through survey testing and would like to re-iterate that out of the 400 PSR customers we tested concept with, over 85% welcomed this initiative. We are aware of the challenges with the cost of living crisis and increased bills, and we also provided Ofgem with data to demonstrate a similar exercise carried out with Non PSR consumers, to ensure that people who were not accessing the services, were still happy to pay for such services, which was positive with over 80% of customers in agreement. We would encourage Ofgem to re-visit the engagement section of our CVP.

#### **Stakeholders' feedback from our engagements since June:**

*Our stakeholders have welcomed Ofgem's acceptance of our Personal Resilience Plans CVP, recognising the enhanced benefits that battery packs will bring to our most vulnerable customers. However, stakeholders are unclear on Ofgem's reasoning behind prioritising some customers on the PSR for personal resilience plans over others, particularly in relation to new PSR customers, raising concerns over fairness. When drawing comparisons across DNOs, stakeholders from Consumer Groups have been pleased to see our ambitious plans to extend our PSR reach to 1 million customers alongside our commitment to use shareholder funds for our 'Powering Communities to Net Zero' fund*

#### *Ensuring sufficient funding for the battery pack component*

We also have provided information to Ofgem regarding the importance of having the resources in place to deliver our CVP. We separated our CVP activity from other areas of our plan, and there is no cross over in current headcount, and the Draft Determination failed to consider the headcount required to undertake this activity and systems we required. We believe we have made this clear to Ofgem, outlining the IT investment and headcount required to deliver against the battery pack CVP element. It is important that this is allowed for to enable the full costs required to deliver the CVP.

Ofgem have asked us to clarify why we believe we would require headcount funding to support this proposal. We agree to offering a battery pack provision to 20,000 customers during RIIO-ED2. However, customers can only be identified as having a required need for a battery, through the PRP process.

We flag that our PSR1+ customers are fully medially dependent and prefer more in-person interactions rather than using digital platforms. We forecast that each individual tailored call on average will last 25 minutes. We have then anticipated that the referral process to our partner will average 10 minutes of activity. Each FTE will be able to handle an average of 12 calls a day. We have asked 3 dedicated FTE to support this, to enable us to speak to 20,000 customers, to then issue 20,000 batteries.

We have also had to consider the skill level required and believe different skills set and experience is required, compared to employees who provide support on our data cleansing programmes. We would be looking for individuals who are passionate about addressing vulnerability, have a history of working with customers in high-risk situations, experience in crisis management, and experience in dealing with medically dependent consumers. This is estimated to be a higher grade than our current PSR team advisors.

### *Performance Metrics*

The following performance metrics would provide clarity and transparency on what we are delivering against our battery pack objective.

The performance metrics we see value in developing are:

- Delivery Status – relative to agreed baselines
- Explanation on variances observed – whether ahead, on or behind target
- Actions planned in next 12 months – scope to detail future work in each area.
- Feedback received from stakeholders, including surveys.
- Modifications proposed to approach, if applicable

This additional visibility would give stakeholders sight of the pipeline of activity in this CVP.

### *Claw back Mechanisms*

We reiterate that in the event of under-delivery we will, in accordance with the license, return the proportionate element of the reward and funding. We believe there could also be scope for doing more or reinvesting in other vulnerability activities.

### *Comparison to other DNO battery pack activities*

We have previously discussed with Ofgem the cross over between our plans and other companies BAU activities. We continue to draw the distinction between other seemingly similar activities involving battery services associated with outages. Our proactive action ensures customers are prepared ahead of time and across RIIO-ED2 and beyond, whereas other activities we believe are reactive and temporary. We believe ours to be progressive and offer our most vulnerable customers peace of mind and reduce stress.

[Confidential – As shared at our Vulnerability Bilateral, we believe that NPg has two good CVP proposals, but we have requested that our Tailored Insights project is compared on a like for like basis. Our funding for this project has been rejected at Draft Determination. We are working with Ofgem to understand what additional information could be required to support our project, but we see strong similarity in the outputs NPg have put forward and had accepted as CVPs. We are considering getting SIA Partners to independently value the consumer value that our Tailored Insights project could bring, so that it could be compared on a like for like basis against NPg's CVPs. We anticipated that this information, in addition to whatever additional evidence is requested, would help review the business case and our ambition around Tailored Insights again.]

<b>Question ID</b>	SSEN-Q6.
<b>Question</b>	What are your views on our proposal for SSEN's 'Energy Efficiency Accelerator for Smarter Networks' and 'Local and community flexibility market stimulation' CVP?
<b>Response</b>	
<p>We are disappointed that this joint CVP was rejected. Given the concurrent energy and climate crisis the case for work of this kind has never been stronger</p> <p>Energy efficiency is clearly a huge factor in achieving net zero and it featured prominently as a topic in our stakeholder engagement and bilateral. Energy efficiency considerations are increasingly relevant as we face a cost-of-living crisis and rising energy bills, and flexibility markets require renewed impetus to encourage new market participants to supplement the existing incumbents, to ensure liquidity and an increase in cost effective alternatives to network reinforcement.</p> <p>SSEN genuinely believes this CVP to be innovative and value-adding. We understand that Energy Efficiency is a nascent area for DNOs, and that there is a lack of clarity around roles and responsibilities (the Challenge Group argued this is part of a DSO remit whilst the CEG suggested this was not part of the DSO role). In this context we took a cautious approach to assessing social return. Recent events would, we suggest, enhance the opportunities, and present a very different end figure.</p>	