



On the journey to a Network for Zero

Annual Report 2023



[ssen-transmission.co.uk](https://www.ssen-transmission.co.uk)

About the Network for Net Zero Stakeholder Group



On completion of the RIIO-T2 Business Planning process, Ofgem set out its intention to consider whether there was an enduring role for User Groups to monitor delivery of the Business Plans.

Notwithstanding the decision on an enduring independent scrutiny role, SSEN Transmission decided to set up an independent group, the Network for Net Zero Stakeholder Group, to focus on scrutinising, challenging, and advising on the delivery of RIIO-T2, with a particular focus on Net Zero and stakeholder engagement commitments. This Group was established in August 2020.

In establishing this group, SSEN Transmission wanted members with the expertise to represent stakeholders to support the Net Zero energy transition challenges and/or knowledge of the regulatory processes to provide a level of continuity from the development of the RIIO-T2 business plan.

The Network for Net Zero Group has six members*

- Tracey Matthews (Chair)
- Claire Mack
- Doug McAdam
- Julian Leslie
- Geoff Aitkenhead
- Rachel Grant

*Group biographies can be found on page 11.





The purpose of this report is to:

- Provide a summary to the SSEN Transmission Executive Committee and business leaders of the delivery topics considered, and the advice given. The objective is to support the Board and Committee's work in ensuring scrutiny and delivery accountability; and
- Be transparent about the work of the Network for Net Zero Stakeholder Group for the benefit of customers and stakeholders.

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The first thing I'd like to do is thank Maxine Frerk for all her contributions to the group and give her all our best wishes as she takes up her non-executive role with SSEN Distribution. And secondly, I would like to extend the warmest welcome to Rachel Grant. We are privileged to have Rachel join us. Her extensive regulatory, policy, stakeholder engagement and communications expertise is exactly what we hoped to add to our Group. I am confident that we have the best mix of knowledge and experience available to support our work. This work will be dominated by scrutinising and supporting the challenges of completing RIIO-2 delivery, the planning of the RIIO-3 work programme and understanding the delivery challenges of the Accelerated Strategic Transmission Investment programme approved by Ofgem in 2023, referred to as the ASTI programme.

Our objective, ensuring that sufficient and appropriate engagement is done by the SSEN Transmission team, remains a priority. Given the scale of the work programme, the need to engage with communities, customers and the full range of stakeholders is so important. We are encouraging the business to strike the right balance between listening and informing as they deliver engagement events. We are confident that the business teams value these engagements and remain committed to a comprehensive engagement programme. The resources dedicated to stakeholder engagement have increased to match the increasing scale of the capital delivery programme.

We visited the north east of Scotland in April. This area is a hub of activity, supporting both onshore and offshore transmission network development. Understandably, communities in this area have a number of concerns about the impact of the ongoing and planned work. As far as is reasonably possible, SSEN Transmission is delivering a number of mitigating actions to reduce disruption from construction activity as well as investing in local community activities to provide lasting benefits to people in the area. Our group will continue to scrutinise this work and provide insights that can help achieve positive results for both the communities and the delivery of this critical infrastructure. We spent some time with the offshore teams during the visit. The extent of their work programme is easy to overlook as it's not so obvious, but they are achieving fantastic results, and their projects are a huge part of the strategic plan for Scotland and the UK's Net Zero commitments.

This coming year will be just as, if not more, demanding on delivery. The SSEN Transmission team continues to grow to achieve these demands and we will be supporting activities that provide high quality employment opportunities both in SSEN Transmission and its extensive supply chain. This is a real legacy opportunity for communities as the north of Scotland leads the Net Zero Transition.



This coming year will be just as, if not more, demanding on delivery.

Tracey Matthews | Chair



We've had a positive year and continue to build our transmission infrastructure at pace.

Rob McDonald | Managing Director, SSEN Transmission

As well as keeping the lights on for the communities our network region serves, it is also our role to connect and transport large quantities of renewable electricity to where it's needed. The north of Scotland's abundance of renewable resources means we have a vital part to play in helping deliver energy independence, securing future electricity supplies with homegrown low carbon energy.

We are now just over the halfway point of the RIIO-T2 price control period, and I'm delighted that we have made great progress on our journey to deliver a network for net zero. With another year of strong performance in 2022/23, we are delivering as planned on our RIIO-T2 outputs and making progress against our five ambitious goals for 2026. We've had a positive year and continue to build our transmission infrastructure at pace; with some notable highlights including the first energisation of Kintore 400kV substation; the successful tower installation on the Inverary-Crossaig 275kV project; as well as our Shetland HVDC link striding forwards, with the entire 260km subsea cable now laid and on track for energisation later this year. This is testament to the hard work of our dedicated colleagues, supported by our customers and stakeholders, and with the help of our excellent Network for Net Zero Stakeholder Group.

To help achieve energy independence and net zero ambitions, we are also taking forward over £20bn of planned investment in new electricity transmission infrastructure this decade. These investments, which consist of new overhead lines, substations and HVDC subsea links and converter stations, form part of a major upgrade of the electricity transmission system across Great Britain that is required to meet interim 2030 Government targets, but the benefits go way beyond energy.

Our investments will enable thousands of skilled, green jobs across the region, placing multi-million-pound contracts with local supply chain partners and investing in community funds - creating billions of economic value for Scotland. The benefits are compelling, but as with any major infrastructure programme, we need to ensure that we continue to effectively consult and act on the views of our stakeholders wherever possible.

We now look forward to further engagement with the members of this group, who I'm sure will continue to provide invaluable insight to enhance the delivery of our ambitious Pathway to 2030 investment programme and help shape our lasting and positive economic legacy in the north of Scotland.



SSEN Transmission's RIIO-T2 Business Plan was co-created to meet the expectations and needs of energy consumers, customers, and stakeholders in the north of Scotland and across Great Britain. The focus of the plan reflects the ambition of stakeholders to tackle the climate emergency, to ensure there is a reliable and available transmission network, to improve resilience and security of supply, to act sustainably and earn the trust of stakeholders; and to do this cost effectively.

The purpose of the group

The purpose of the group is threefold:

- To hold SSEN Transmission to account on delivering the commitments made in the RIIO-T2 Business Plan settlement; in particular, performance against targets and outputs;
- To provide independent scrutiny, challenge and advice on key decisions beyond the 'certain view' business plan scenario; and
- To discuss any other matters that the Network for Net Zero Stakeholder Group identify, in agreement with the business, including preparation for RIIO-T3.

To plan ahead for future meetings, topics for discussion are identified at each meeting. Agenda items are built into a meeting schedule for the year ensuring that the most salient issues are discussed. The quarterly meeting agenda is set by the Chair alongside the Secretariat.

It is noted that in October 2023, Ofgem, in their 'Future Systems and Network Regulation: Framework Decision Overview', made three decisions directly relevant to the Group:

- The RIIO format for the regulatory period 2026-2031 will be retained;
- The commitment to keep stakeholders at the heart of business planning and decision making is re-confirmed as a core element of RIIO-3 preparation; and
- The role for an independent group is confirmed to continue. Ofgem will refer to these groups as 'Independent Stakeholder Groups (ISGs)'. The SSEN Transmission Network for Net Zero Stakeholder Group is recognised by Ofgem as the ISG.

In April 2021, SSEN Transmission entered into a new five year price control period known as RIIO-T2.

The Business Plan, titled 'A Network for Net Zero', covers the period from April 2021 to March 2026 and follows substantial consultation with national and local stakeholders, as well as SSEN Transmission's independent expert RIIO-T2 User Group. It aims to support both the UK and Scottish Governments' net zero emissions targets and meet the needs and expectations expressed by stakeholders through five clear, ambitious goals:



Transport the renewable electricity that powers 10 million homes

Our RIIO-T2 Certain View will deliver an electricity network with the capacity and flexibility to accommodate 10 GW renewable generation in the north of Scotland by 2026



Aim for 100% transmission network reliability for homes and businesses

By investing in new technology and ways of working, when cost effective for customers to do so, we will strive for 100% transmission network reliability for homes and businesses by 2026



Every connection delivered on time

By 2026 we will provide every network connection, tailored to meet our customers' needs, on time, on budget and to our customers' satisfaction



One third reduction in our greenhouse gas emissions

Reduce the controllable greenhouse gas emissions from our own operations by 33% by 2026, consistent with a net zero emissions pathway



£100 million in efficiency savings from innovation

Our RIIO-T2 Certain View includes £100 million of cost savings through productivity and increased innovation, and we aim to go further to save more

PATHWAY TO 2030

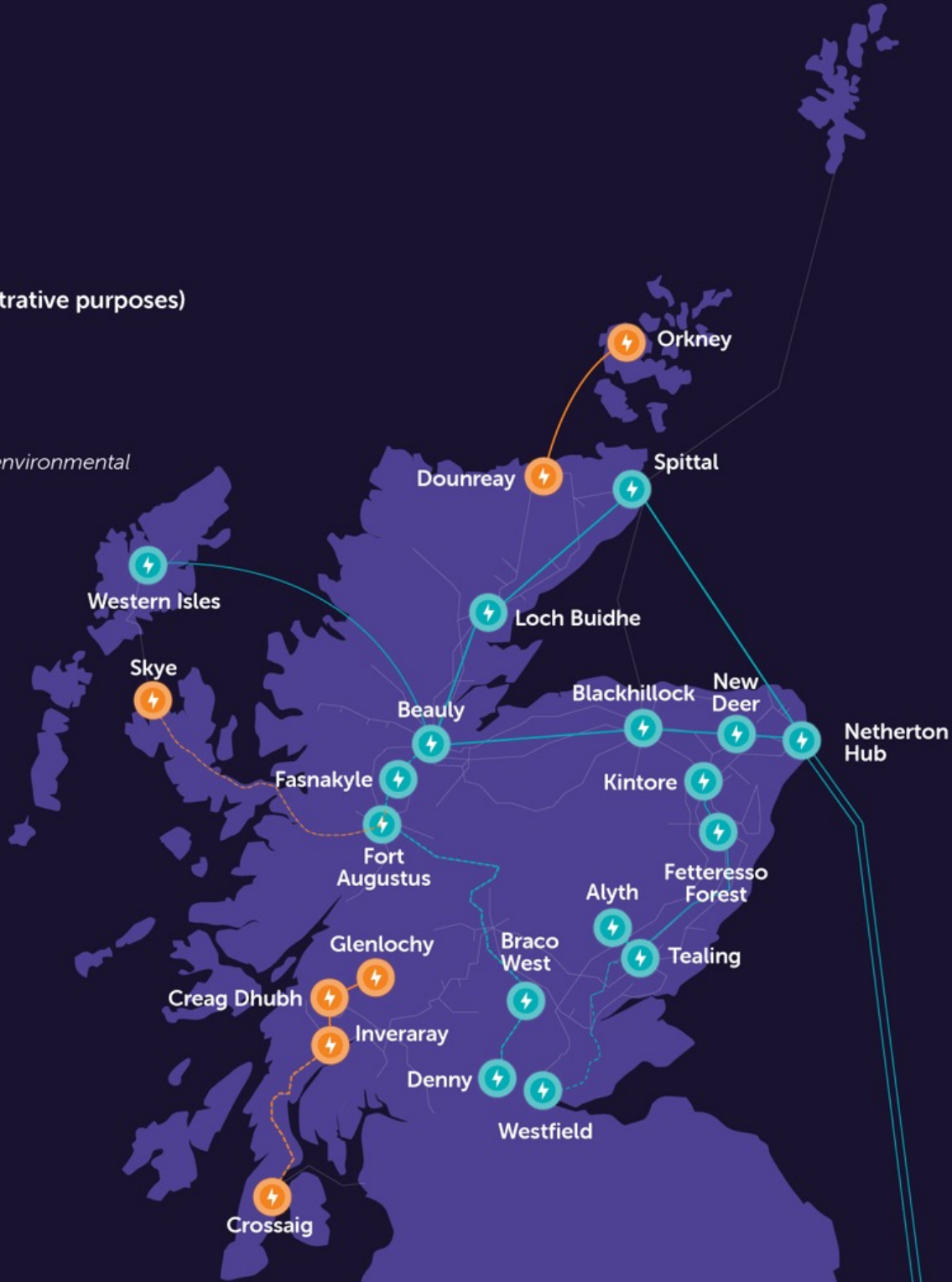
- In-flight Investments
- Pathway to 2030 Investments

- New Infrastructure (Routes shown here are for illustrative purposes)
- Upgrade/Replacement of Existing Infrastructure
- Existing Network

All new reinforcements remain subject to detailed consultation and environmental assessments to help inform route and technology options

The 'Pathway to 2030' sets the blueprint for the electricity transmission network infrastructure required to enable the forecast growth in renewable electricity across Great Britain.

This includes delivering the UK and Scottish Government's 2030 offshore wind targets of 50GW and 11GW respectively, making tangible progress towards net zero commitments.

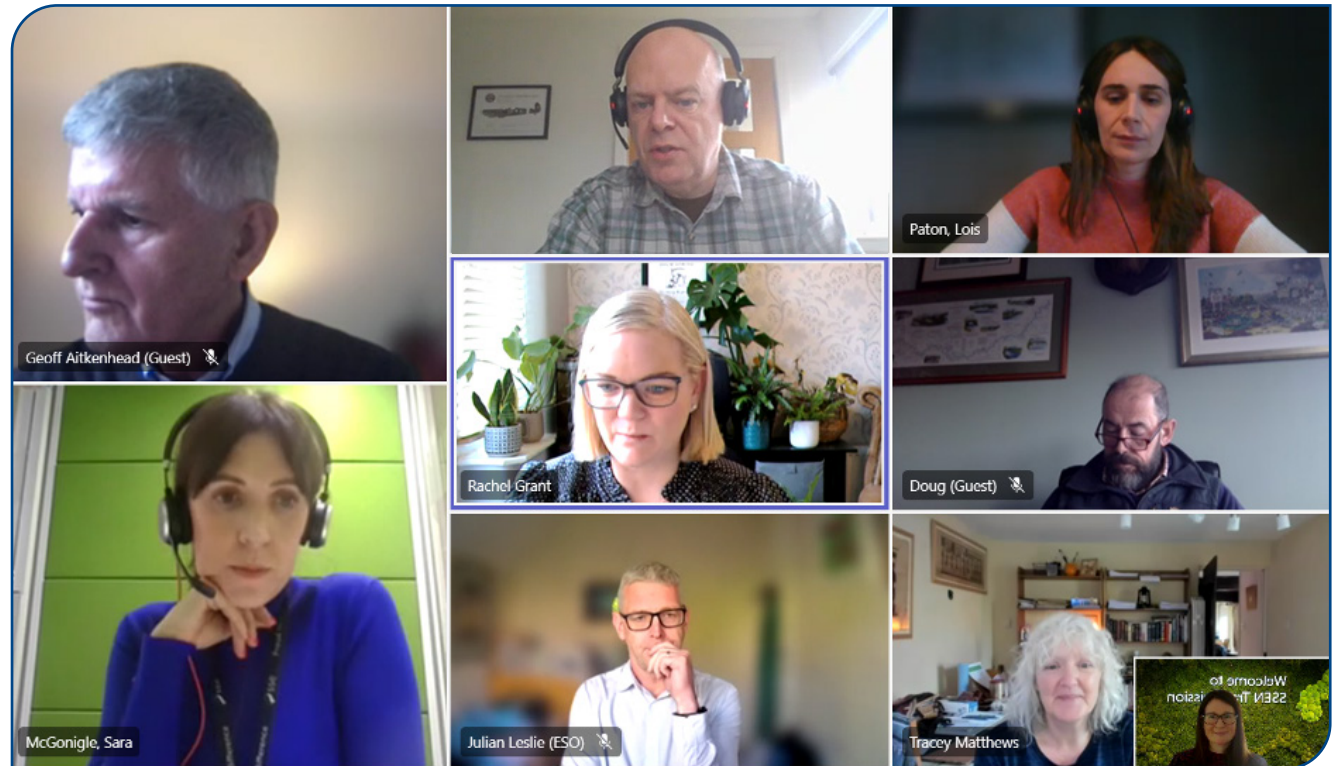




Following the departure of Maxine Frerk from the Group, a position was available for a new member to join the Network for Net Zero Stakeholder Group.

We were keen to ensure our regulatory expertise was maintained, as well as enhancing our stakeholder and community engagement knowledge and experience. As well as delivering the RIIO-2 business plan commitments and consulting on the development of the RIIO-3 business plan, the scale and scope of the additional Accelerated Strategic Transmission Investment (ASTI) capital programme is placing significant demands on stakeholders, customers and communities.

We are delighted to announce that Rachel Grant accepted the offer to join us. Rachel has already attended her first Network for Net Zero Stakeholder Group meeting, which took place in December. Read more about Rachel on page 11.





In April 2023, the Group joined SSEN Transmission on a tour of some of the key projects in the north east of Scotland. The business is developing a significant number of projects in this location to strengthen the network serving the region to enable developers of onshore and offshore renewable electricity to connect to the grid.

The Group experienced the challenging environmental and geological landscape that the infrastructure would be crossing. At Peterhead Substation, the site team explained how the site works are a critical element in the 'Pathway to 2030' programme. The site was moving from construction phase into the stage 1 commissioning phase, for the new Peterhead 400kV GIS Substation as part of the wider North-East 400kV upgrade scheme.

Following a site safety briefing, a tour of the site was given. There were visible construction and early commissioning activities taking place, as well as a 275kV cable being connected to the existing 275kV substation site.

The SSEN Transmission offshore team joined the Group and took them to the landing point identified for the EGL2 (Eastern Green Link 2) subsea infrastructure to come on land and connect to the onshore transmission network. The design for the site showing the cable and converter was explained to the Group where the scale of the project being carried out was truly appreciated.

The next site visit was to Kintore Substation. Following a safety induction and explanation of the works taking place, the Group was given a tour of the site. The project was transitioning from the main civil works to the installation and pre commissioning of key equipment, which is a key element of the wider North-East 400kV upgrade scheme.

The Chair of the Network for Net Zero Stakeholder Group added:



Being 'on the ground' is crucial to our understanding of the extent of the programme being undertaken. It helps us to support the enhanced engagement programme being undertaken when we see the extent of people and equipment involved in delivering these projects and continue to press for sympathetic approach to community engagement.



Kintore construction project site visit

Throughout the last year, the Group were kept informed with projects within the Offshore Directorate including Shetland, Orkney and the Spittal to Peterhead HVDC link, increasing insight into the strategic objectives of future years. The Group recommended that project achievements and community engagements needed to be made a bigger part of social channels and publications content, as stakeholders and customers want to know this.

The Group remain focused on how legacy opportunities are developed and delivered across the full programme of work. Connections Reform has been a topic of ongoing consultation throughout the year with major changes being introduced. The Group have been keen to understand the potential for these changes to support a clearer, quicker process for renewable generation customers wanting to connect to the network given this is a crucial element for achieving the Scottish and UK's Net Zero aims.

The Group have stressed that listening as well as informing is an equally important outcome when communicating with stakeholders and customers. During a workshop with the Group, the strategic context of RIIO-T3 was discussed and views sought on an appropriate approach to stakeholder engagement. This discussion affirmed the role RIIO-T3 will play in maintaining energy security and feedback from the Group has directly informed the approach to be taken in communicating and engaging with stakeholders on RIIO-T3.



Peterhead construction project site visit



In the coming year, the Group will focus on the work SSEN Transmission is doing in the areas of:



Preparing the RIIO-3 business plan



Delivering the RIIO-2 programme and progress towards achieving the 5 Goals of RIIO-2



The value and impact of stakeholder, community and customer engagement across the full programme of work



Progress on delivering the ASTI capital programme Development of the Community Benefit Fund



Group biographies



Tracey is an experienced Executive within the utilities industry. She is highly skilled in Business Planning, Operations Management, Business Transformation and Programme Management. Tracey is the independent Chair of the SSEN Transmission RIIO-2 Network for Net Zero Group and is Chair of the SSEN Distribution RIIO-2 Powering Communities to Net Zero Group providing independent scrutiny of the delivery of RIIO-2 price control business plans and development of the RIIO3 period business plans. This scrutiny has a particular focus on the enhanced stakeholder engagement programmes and the value being delivered to customers and consumers. Tracey has a non-executive portfolio and is currently a non-executive on the Board of the Office for Nuclear Regulation, Energy and Utility Skills Group Ltd., and Transport for Greater Manchester.



Geoff was the Asset Management Director at Scottish Water for 14 years to July 2016. Since then, Geoff has maintained his involvement in the field of asset management, including investment delivery through nonexec roles with Scottish Water International and Southern Water. Geoff was a well-respected member of the RIIO-T2 User Group and was an active member on the SSEN Distribution Customer Engagement Group who provide independent scrutiny of the value of enhanced stakeholder engagement in preparing business plans for the ED2 price control period.



Claire is currently CEO of Scottish Renewables, a member organisation dedicated to strengthening business relationships, and utilising Scotland's abundant natural resources to secure a future that will deliver on jobs, investment, energy security and climate change. Claire has a wealth of experience in Stakeholder Management and Engagement, Business Strategy, Policy and Change Management. Claire was former Director of Policy and Place at Scottish Council for Development and Industry (SCDI), and Regulatory Affairs Manager at Ofcom, the communications regulator in the UK.



Director of Strategic Energy Planning and Chief Engineer - National Grid Electricity System Operator. Julian is a chartered engineer with nearly 30 years' experience of transmission system operation, planning and investment. Julian's current accountabilities include managing customer connections, making recommendations to the TOs regarding which boundary and large transmission investments should proceed through the NOA process, granting access to the transmission network, managing the interfaces with other network owners and for developing an operability strategy to enable the GB system to be operated with zero carbon by 2025.



Doug has spent the last thirty years in private commercial businesses across the aviation, utilities/facilities management, and land management sectors, both internationally and in the UK. From 2006 to 2017 he was CEO of Scottish Land & Estates representing land owning and rural businesses across Scotland. Doug now owns and runs his own company operating in the consultancy, property, and tourism. Doug also currently sits on a number of public and private boards including Cairngorms National Park Authority, Wild Scotland and Countryside Learning Scotland and is also Chairman of Wild Deer Best Practice and the South Grampian Deer Management Group.



Rachel is Director of Policy and Communications at the Office for Nuclear Regulation (ONR), having previously worked as ONR's Head of Policy. Rachel is responsible for a multi-site team of policy and communications professionals to ensure effective policy advice and influence across ONR and with government departments, agencies, and international regulatory bodies. Rachel has worked in a variety of policy, strategy, and programme management roles across government and regulators including the Cabinet Office, Home Office, and the Health and Safety Executive, and holds an LLB law honours degree.



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