Stakeholder Annual Engagement Plan 2022/23

June 2022



TRANSMISSION

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Introducing our Annual Engagement Plan

There is an increasing recognition of the role that business can and should be playing in addressing customer, societal and environmental issues that deliver long-term value creation for businesses and their stakeholders.

In early 2022, we reviewed the feedback we gathered from stakeholders during 2021, both through direct engagements and from measuring satisfaction in our Quality of Connections, and Infrastructure Engagement Surveys.

From this feedback, we then developed a Draft Annual Engagement Plan 2022/23, which illustrated the key themes that we concluded that we should be engaging with our stakeholders on. We then consulted on this draft document with our stakeholders to ensure that we are engaging on the correct initiatives. Following this consultation, we have considered and incorporated stakeholder feedback into this - our Annual Engagement Plan 2022/23.

Our initiatives are grouped into eight overarching themes. We have included more detail on each of these themes, and our engagement priorities for the initiatives within them, later in this plan.

How to provide feedback on our Annual Engagement Plan

If you have any queries or comments on our Annual Engagement Plan, please contact us at transmission.stakeholder.engagement@sse.com

Accessibility

Please let us know if you require information in an adapted format such as a paper copy, large print or braille and we will work with you to accommodate your preferences. We are happy to accommodate all reasonable requests for adapted communications and if you are unable to reach us online or by email, you can also write to us at SSEN Transmission, Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ

The five clear goals of our Business Plan

Five Years – Five Clear Goals

We continue to intensify our efforts to engage with our stakeholders, operate and advocate on their behalf and deliver our co-created five-year business plan.

Our Business Plan, titled 'A Network for Net Zero', covers the period from April 2021 to March 2026.

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:

The following pages summarise the key common themes and corresponding initiatives which stakeholders are encouraging us to engage on and areas where they want us to implement improvements or play a more active role in industry change.

While many of the initiatives we seek to engage on remain the same as previous years, given the long-term nature of these projects, there has been significant progress made during the past year.

Each theme and initiative outlines why we are undertaking this engagement and how it is linked to at least one of our Five Clear Goals. They also contain a summary of our planned engagement for 2022/23.

Five years Five clear 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

Stakeholder Engagement – Summary of our Annual Plan

The Pathway to Net Zero

- Net Zero Advocacy
- ScotWind
- Onshore Transmission Capital Investment
- Emissions Reduction
- End Consumer Engagement

Supporting Communities

• Communities Engagement

Supply Chain

- Local & Sustainable Supply Chain
- Workforce Growth and Recruitment

Grid Connections - Customers

• Grid Connections - Customers

Sustainability and Land

- Sustainability
- Land Assembly
- Consents & Environment

Whole Energy Systems and Future Energy Scenarios

- Whole Energy Systems
- Future Energy Scenarios

World Class Asset Management

Energy Networks Information Management: Data & Digitalisation
World Class Asset Management

Energy Market Reform

- Role of the Electricity System Operator (ESO)
- Fragmentation
- Transmission Network Use of Service (TNUoS) Charging

We believe that regulatory and government policies should align with and enable delivery of the UK and Scottish Government's net zero targets and that any policy or changes to the regulatory or legislative frameworks must complement wider policy aims and not impede the delivery and ambition to reach net zero.

Our Five Clear Goals

We look to provide the solutions and infrastructure to deliver a pathway to net zero – including taking responsibility for our own impacts. We will do this by reaching our goal of a one-third reduction in our greenhouse gas emissions, in line with our commitment to a science-based emissions reduction target consistent with a pathway to net zero.

Objectives of Engagement

Our stakeholders have made it clear that net zero is a top priority. We will continue to liaise with our stakeholders, including Ofgem, and the UK and Scottish Governments to ensure that we advocate for regulatory, planning and policy certainty, within an environment that facilitates our net zero ambitions. We will be making the strong case that any potential market reform accelerates, not hinders, onshore and offshore wind target delivery, ensuring the pathway to net zero.

What it Will Deliver

- Helping encourage certainty of network investment, including who is delivering it, between now and 2030 is critical to unlocking renewable energy and decarbonisation targets at the scale and pace required for net zero
- We hope that our ongoing advocacy strategy can help to deliver and accelerate a streamlined pathway to our net zero ambitions

When & How it Will Happen

Throughout 2022/23, we will:

- Continue to hold regular bilaterals with our stakeholders to progess net zero delivery
- Ensure that we are engaging at conferences to emphasise the need to accelerate net zero, as well as work closely with our stakeholders in regard to onshore and offshore wind advocacy engagement through several bilaterals, webinars, and face to face engagement opportunities
- Lead through partnerships with our stakeholders, ensuring that our messaging extends beyond our industry, and promote net zero best practice across our sector



ScotWind

The Pathway to Net Zero

Background

In January 2022 we welcomed the ScotWind c.25GW leasing announcement by the Crown Estate Scotland, which marked a significant step towards realising the UK and Scotland's 2030 Offshore Wind targets of 50GW and 11GW respectively. This announcement was a gamechanger in terms of increasing the offshore wind capacity beyond expectations.

We are supportive of a coordinated approach to the connection of offshore wind and continue to work collaboratively with industry partners on the Offshore Transmission Network Review, working closely with National Grid Electricity System Operator and the other two Transmission Operators (TOs) to develop a Holistic Network Design (HND).

This HND aims to ensure the network infrastructure needed, both offshore and onshore, is designed and delivered in a more coordinated manner, ensuring an appropriate balance between social, environmental, and economic costs.

Our Five Clear Goals

Mindful of this, and the fact that the initial HND will facilitate the connection of an additional 10.7GW to that currently in progress, we recognise the need to accelerate the additional requirements beyond this to unlock the full ScotWind capacity and to provide certainty to developers through this process. By doing so, we will ensure we meet our goals to deliver every connection on time and transport the renewable electricity that powers 10 million homes.

Objectives of Engagement

To enable the connection of ScotWind generation, and the onward transportation of that power to areas of demand, significant reinforcements in the main electricity transmission network will be required

What it Will Deliver

This year's Network Options Assessment (NOA), which will be updated in June 2022 to ensure alignment with the HND outputs, sets out the strategic reinforcements for onshore investments necessary to enable the forecast growth in renewables, including ScotWind. These reinforcements are required under all credible future energy scenarios for net zero and are necessary to underpin the delivery of the UK and Scottish Governments' emissions reduction targets.

When & How it Will Happen

Throughout 2022/23, we will:

- Engage with stakeholders and local communities to help shape the development of these reinforcements; as well as exploring with the UK and Scottish Governments, industry and wider stakeholders the significant supply chain opportunities and associated economic growth these investments present across Great Britain
- Continue to work collaboratively with key stakeholders to deliver the network designs necessary to enable the timely and efficient connection of ScotWind generation; engaging timeously with 7 developers, communities and wider stakeholders as plans evolve throughout the year



The Pathway to Net Zero

Background

Over recent years the number of development projects across our transmission network area has increased and will continue to do so over the coming years. This has been driven by the need for network reinforcement and the connection of new and future renewable generation as the UK delivers its pathway to net zero, along with asset replacement as assets near end of life.

On behalf of our stakeholders, we are currently developing and progressing a range of strategic, critical investments in our network to deliver a pathway to net zero but have yet to be approved by Ofgem.

Under the RIIO-T2 Price Control period, these projects must apply for funding and approval under the Uncertainty Mechanisms, either as Large Onshore Transmission Investment (LOTI) projects, or Medium Size Investment Projects. You can view details on our Medium Sized Investment Projects on <u>our website here.</u>

Our Five Clear Goals

These projects will deliver increased renewable energy and, in some cases, improved network reliability, contributing to our goals of transporting the renewable electricity that powers 10 million homes and our aim for 100% transmission network reliability for homes and businesses.

Objectives of Engagement

Aiming to deliver mutually acceptable outcomes in the design and delivery of over 100 projects in construction and development.

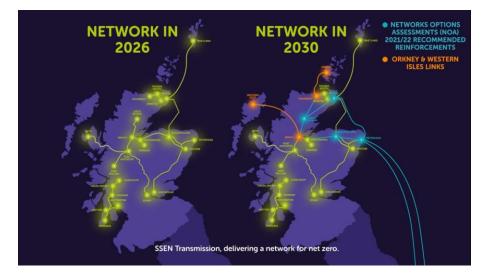
What it Will Deliver

- Understanding and support for project delivery
- Local value and stakeholder participation

When & How it Will Happen

Throughout 2022/23, we will:

- Increase holistic overview engagement, giving our stakeholders regional context of where our capital investment projects sit within the wider net zero goal
- Engage early with our stakeholders regarding our capital investment projects



Our current LOTI projects are:

- East Coast HVDC Subsea Link
- <u>Skye Reinforcement</u>
- Argyll and Kintyre 275kV Strategy Upgrade
- <u>Beauly Blackhillock Peterhead 400kV Reinforcement</u>
- Beauly Loch Buidhe 275kV Reinforcement
- Western Isles
- Orkney

Emissions Reduction

Background

Delivering net zero emissions and preventing the worst effects of climate change is at the heart of our business. As we journey towards delivering a network for net zero and supporting our science-based target commitments, we continue to further explore how we can reach our goal of one third reduction of our greenhouse gas emissions across our network.

The emissions reduction case for avoiding sulphur hexafluoride (SF6) is clear, but the introduction of new technology poses many technical challenges. We are playing a crucial role in actively influencing the global switchgear industry, with the aim of making the transition away from SF6 as fast and as easy as possible, not only for ourselves but for the whole industry.

At the end of last year, we marked an important step in that transition, with the culmination of more than two years of work to remove an important barrier to SF6 alternatives. Working alongside Scottish Power Energy Networks and UK Power Networks, we formed a group on behalf of the Energy Networks Association (ENA) to demonstrate to the Health and Safety Executive (HSE) that alternative gas switchgear has the same safety features as SF6 switchgear.

Our Five Clear Goals

Whilst the most material impact that we have is through connecting and transporting clean, renewable electricity to homes and businesses across the north of Scotland and beyond, we are also taking responsibility to reduce our own impact on climate change. We are providing a clear call to action to our employees, our peer group, our customers, and our supply chain.

Avoiding the installation of SF6 is key to meeting our Science Based Target, and our business plan goal of reducing greenhouse gas emissions by one third in our transition to net zero.

Objectives of Engagement

Through engagement with our supply chain and industry experts we aim to develop and promote SF6 alternatives which contribute to emissions reduction.

What it Will Deliver

- Development of SF6 alternatives by engaging with world leading manufacturers of gas handling equipment
- Identification of innovative solutions for gas mixtures in all future projects

When & How it Will Happen

Throughout 2022/23, we will:

- Continue working with suppliers on product development roll out to ensure our technology fulfils our ambition for SF6 avoidance
- Work with the ENA to roll out the standardised design requirements across the UK, support the assessment of other products to improve diversity of suppliers, fill more technical applications, and address technical and regulatory constraints associated with SF6 alternatives
- Engage with stakeholders and industry experts across the world stage. As an early adopter of SF6 alternatives, we will continue to present our experiences and help other Transmission Operators understand the challenges and opportunities of adopting SF6 alternatives

Greener grid at Glen Kyllachy



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The Pathway to Net Zero

GB end consumer engagement, which includes domestic and business consumers, is important to electricity utilities in normal times.

Transitioning to net zero requires more electricity infrastructure to be built and maintained. Engagement with the GB consumer is essential because consumers ultimately pay for this investment through their bills, and we are rightly under significant scrutiny to ensure we invest consumers' money in the right way.

Our Five Clear Goals

It is the support from the GB consumer that enables us to make the investment required to build and maintain a network for net zero and ensure we meet our goal of transporting the renewable electricity that powers 10 million homes.

Objectives of Engagement

We have a key role to play by ensuring projects that enable net zero are supported and understood by wider society, and the GB consumer

What it Will Deliver

- Increased awareness of the investment required by consumers to deliver net zero
- Increased awareness of investment decision-making methodology

When & How it Will Happen

- Ongoing collaboration with other industry Transmission Owner's to develop and enhance our approach to end consumers
- Continue to develop and grow our end consumer engagement strategies in preparation for RIIO-T3



Attendees at the RIIO-T2 stakeholder engagement event

Communities Engagement



Public Consultation event for <u>Eastern HVDC Link</u> held in Peterhead, April 2022

Dates and venues for our upcoming engagement activities will be published on our <u>website</u> and emailed to those on our email distribution lists.

Please email:

transmission.stakeholder.engagement@sse.com to be added to our engagement email distribution list.

Background

Our dedicated Communities Team lead on all community-focused engagement activities for projects in development through to energisation and will continue to do so for the coming year. Although some of this engagement is defined by statutory pre-planning guidelines, we take the approach of ensuring that Communities affected by our infrastructure projects can input their views at an early stage of development and influence each iteration of project design.

Our Five Clear Goals

Early engagement with communities affected by infrastructure projects supports us to deliver projects on programme and budget, helping to ensure we reach our goal of every connection delivered on time.

Objectives of Engagement

Facilitate meaningful, inclusive and accessible community engagement to ensure all stakeholder views are represented throughout the lifecycle of our projects

What it Will Deliver

- Inclusive and accessible Community Engagement
- In-person and online consultation events, event times to accommodate busy lives, one-to-one appointments for people in vulnerable situations and complex cases
- Provide a platform for meaningful engagement between SSEN Transmission, our principal contractors and local communities to maximise local benefits
- Provide opportunities for us to support local initiatives

When & How it Will Happen

- To compliment project specific in-person and online public consultation events, we will continue with our series of regional webinars, with a focus on areas hosting clusters of projects, including Argyll, and the North of Scotland
- Implement actions identified from our independent Stakeholder Survey Infrastructure Stakeholder Engagement Survey
- Actively engaging with our 12 dedicated Community Liaison Groups and continue to review if there is an additional requirement to create new groups across our region as more projects come on stream

Local and Sustainable Supply Chain

Background

This year's Network Options Assessment (NOA) confirms the need to progress with additional strategic reinforcements in SSEN Transmission's network. This onshore reinforcement will optimise power-sharing between the West and East corridors of the SSEN Transmission network under periods of high north to south power transfer which will accommodate earlier customer connections.

The strong local supply chain is key to us meeting our goal in a way that delivers on our <u>Sustainability Action Plan</u>. By integrating sustainability in our procurement policies and practices, we can manage risks and opportunities for sustainable environmental, social, and economic development across our value chains.

Our Five Clear Goals

Our supply partnership will deliver on our commitment to transport the renewable electricity that powers 10 million homes as this will require substantial capital projects in development and construction, including investment highlighted in the Network Options Assessment. A strong supply chain is key to delivering on our Sustainability Action Plan and meeting our goal of £100 million in efficiency savings through innovation.

Objectives of Engagement

- Support delivery of over 100 projects in construction and development
- Work with our supply chain to ensure that we advocate sustainable procurement as well as innovation and efficiencies in the interest of consumers

What it Will Deliver

Increased participation of local supply chain

When & How it Will Happen

- We will be working closely with our suppliers to ensure we have a robust, sustainable supply chain.
- We will provide a platform for collaboration with our supply chain on new opportunities and benefits through our new Sustainability Forum which will convene throughout the year
- Ensure direct engagement with our supply chain stakeholders and an increase in the frequency of our 'Meet the Buyer 'events in the year ahead



Supply Chain Roadshow, 11 March 2022

In order to meet the goals defined in our five-year Business Plan, and our net zero ambitions, we must ensure that we have the right people working in the right place in our business. We are conscious of the magnitude of the projects necessary to meet the goals we have outlined, as well as meet our ambitions toward net zero, and to achieve this we must attract the best people to join our teams. We are always looking for ways to improve our engagement to attract the best talent in our sector. That's why we have various programs for recruiting new colleagues.

Our Five Clear Goals

Ensuring that we engage appropriately regarding workforce growth and recruitment supports us to deliver projects on programme and budget, helping to ensure we reach our goal of every connection delivered on time.

Objectives of Engagement

To ensure that we have the correct people in place to successfully deliver against the objectives in our business plan, and that our colleagues are in the position to excel at their role through appropriate training opportunities.

What it Will Deliver

- Help us to meet the goals in our five-year business plan
- Upskilling of colleagues
- Expansion of our teams to deliver our projects

When & How it Will Happen

- We're looking to expand our workforce throughout 2022/23 by:
- An enhanced recruitment campaign including advertising roles through a variety of platforms
- 'Earn and learn' placements, such as <u>apprenticeships</u> and trainee/graduate schemes
- Engaging with schools, colleges, universities to promote career opportunities
- Developing pipeline programmes with specialist partners such as <u>STEM returners</u>

For our current workforce, we will:

• Demonstrate our commitment to continuous improvement, with all Transmission colleagues undergoing our dedicated stakeholder engagement training and being offered the opportunities to upskill

• We will continue to conduct a new starter survey twice per year, so that we can identify areas for improvement identified by our newer colleagues





March 2026

1368 people

Grid Connections – Customers

Grid Connections

Background

To deliver on UK and Scottish government renewable energy and decarbonisation goals, the renewable energy connected to our network needs to at least triple by 2050. In order to deliver this in time, it is critical that strategic network investment is accelerated, and the current lengthy delays including timescales for regulatory approval are overcome.

Customers commend us on our advocacy work on industry policy issues such as Transmission Network Use of Systems charges and have asked us to take up this role of customer champion on other policy areas where they are struggling to be heard. They have also asked for greater transparency, collaboration and consistency in our engagement. Using this feedback, we have drafted a new customer strategy that seeks to address these points through targeted actions.

Our Five Clear Goals

Continued improvements to the customer strategy will enable better connections planning and delivery to meet customer connection dates, supporting our goal of every connection delivered on time. Conversion of connection offers into successfully delivered connections projects will provide the additional renewable energy generation required to deliver our goal of providing the renewable energy to power 10million homes.

Objectives of Engagement

- Further refine the customer strategy to ensure it encompasses and appropriately prioritises customers' needs
- Ensure that the strategy initiatives are co-created with stakeholders and delivered in line with their needs, including new digital solutions
- Ensure our employees understand the role of the customer in achieving net zero goals, and appropriately considers our customers in their decision making

• To build the base of evidence needed to support advocacy positions pushing for policy and regulatory change and strategic network investment

What it Will Deliver

- Better service to our customers
- Increased certainty of developer connection and need for strategic network investment
- New digital systems including for customer account management and providing visibility of network capacity
- Evidence based advocacy with policy makers and regulators

How & When

- Consult in Summer 2022 to refine the customer strategy; encompassing and appropriately prioritising customers' needs
- Collaborate with customers on the design of new products, services and systems to ensure they address identified challenges and achieve improved consistency of service
- Host a workshop to discuss how we are improving access to data for our customers and how we can use digitalisation to improve the experience for our connections customers
- Gather from customers, the evidence needed to support advocacy positions pushing for policy and regulatory change and strategic network investment
- Continue to provide input and insight into industry and code changes to support advocacy work relating to Transmission Network use of System (TNUoS) charges, ScotWind and Competition in Transmission. This includes the need for policies that deliver timely approaches to network development and does not delay the connection of renewable electricity that is essential to meeting net zero targets



Sustainability

Sustainability and Land

Background

As we build our network for net zero to support the UK and Scottish Government's world leading climate targets, we are also led by our own commitment to being a responsible business; by being environmentally conscious, supporting our people and creating benefit for the communities and the environment that we work and live within.

Our Five Clear Goals

SSEN Transmission are committed to reducing our business carbon footprint through our Science Based Target (SBT) which includes a requirement to reduce our operational emissions by one third by the end of March 2026.

Objective of Engagement

- Continue to develop our Sustainability Strategy this year, following stakeholder feedback
- A better understanding of our stakeholder and consumer needs will allow us to build on our ambition to be an industry leader in sustainability
- To look at environmental and social sustainability to ensure we are being ambitious and meeting stakeholder expectations in areas such as climate change, circular economy, biodiversity net gain, social value; how we impact communities and how we can ensure a just transition to net zero
- Continue to target operational emissions reduction as well as further improving our ability to assess wider carbon impacts of our investment decisions
- Ongoing collaboration with stakeholders allows us to analyse our supplier performance against our sustainability targets

What it Will Deliver

- An updated longer term Sustainability Strategy that will deliver the objectives above
- Near term operational emissions reduction at our sites and a better understanding of how continue to quantify the whole-life carbon impacts of our projects
- Recognise value and enduring benefits beyond capital investment to help inform decision making

How & When

During 2022/23 we will:

- Ongoing engagement with stakeholders with events planned for the coming year, on the review of our Sustainability Strategy development, including best practice across the industry
- Transmission Owner collaborations focused on consistent approach and methodology on carbon assessment, natural capital and social return on investment assessments
- Ongoing collaboration with infrastructure organisations and suppliers on best practice sustainability assessment and transparency of reporting



Land Assembly

Background

To be able to meet connection customers' future needs over the next decade and beyond, expand our network for net zero to support the UK and Scottish Government's world leading climate targets, we are also led by our own commitment to delivering projects on time and to the highest standard.

Our Five Clear Goals

Reasonable access to land, both to build new and to maintain our current assets is vital if we are to meet our goals of transporting the renewable electricity that powers 10 million homes, and our aim for 100% transmission network reliability for homes and businesses.

Objective of Engagement

- To promote best practice when accessing private land and streamline engagement with third parties over land rights
- To streamline communications with landowners, developers and local authorities in relation to proposed development adjacent to SSEN Transmission assets

What it Will Deliver

- Through working with our external stakeholders, we will develop a further land management document in the form of a Land Access Protocol guidance which is a "terms of entry agreement" between SSEN Transmission and our grantors
- We will continue to roll out the guidance document: "Developing Near SSEN Transmission Assets: Guidance for Local Authorities on Notification" which supports local authorities in planning applications

How & When

Throughout 2022/23 we will:

- Continue to engage with key stakeholders on our land access protocol on a regular basis
- Continue to monitor the processing of third-party enquiries and planning notifications
- Hold regular portfolio workload planning and liaison review meetings with our key statutory stakeholders



SSEN Transmission plays a critical role in the transition to a low carbon future, developing, building, maintaining, and operating a network for net zero. Our Consents & Environment, Sustainability and Communities teams work alongside each other which ensures a more holistic approach to stakeholder engagement around our construction and development projects. It is not possible to deliver our plans without taking a long-term, sustainable view of our projects, both individually and combined, considering the impact on the environment, communities, and the wider economy. This involves focused engagement activities with local communities, statutory consultees, landowners, and local authorities at all key stages of our projects.

Our Five Clear Goals

Gaining consents to transport the renewable electricity that powers 10 million homes and managing the environmental impacts of our assets is a key aspect of our transmission network. By creating infrastructure in the right place and delivering projects on time, we work towards our goal to deliver a 100% transmission network reliability for homes and businesses.

Objective of Engagement

- To further understand key statutory stakeholders' priorities, improve communication and allow portfolio workload planning across the business
- Ensure that our decisions are reflective of stakeholders' views
- Improving visual impact on existing sites via our VISTA projects

What it Will Deliver

- Delivering environmentally focused projects
- Ensure all initiatives taken forward as part of the VISTA projects are led by our stakeholders

How & When

Throughout 2022/23 we will:

- Host regular portfolio workload planning and liaison review meetings with our key statutory stakeholders
- Engage with key stakeholders on our VISTA initiative
- Actively engage with the National Planning Framework 4 consultation process
- Engage stakeholders on our plans for delivering biodiversity no-net-loss and net-gain outcomes on our project portfolio, including delivery of compensatory planting strategies



Sustainability and Land

Whole Energy Systems

Background



Local Area Energy Planning

Due to the current political and social climate, local authorities have focused their resources on other priorities. Local Heat and Energy Efficiency Strategies (LHEES) and Local Area Energy Plans (LAEP) remain key initiatives and so we will continue to check in on a regular basis regarding any potential restart of our engagement activities Currently, the GB energy system operates largely as standalone elements, arranged by either energy vector (gas or electricity), industry type (networks or generation), or voltage / pressure levels (distribution or transmission). This isolated approach is enshrined in our longstanding industry structures, regulations, and ways of working.

Our interest is in identifying and working with those other elements that impact on the economic development of the north of Scotland electricity transmission system. We published our <u>Whole System Annual Report</u> in April 2022

Our Five Clear Goals

Local energy planning will be a key enabler for the transition to net zero and our aim to transport the renewable electricity that powers 10 million homes. The initiative adopts a whole-system approach to ensure that local developments are enabled without risking reliability of the transmission network, ensuring 100% transmission network reliability for homes and businesses.

Objectives of Engagement

Our Whole Energy System Strategy is currently being refreshed. Engagement priorities for the year will focus on the outcome of this refresh, but specifically around supporting the team on two aspects:

- Establishing whole system practices with electricity network licensees and with non-electricity entities
- Understanding the impact of hydrogen, electrification of heat and transport on the network

What it Will Deliver

- Help to deliver a pathway to net zero in the most technically resilient and economic way
- Ensure that local developments are enabled without risking reliability of the transmission network

How & When

Throughout 2022/23 we will:

- Deliver the Whole Energy System Strategy refresh
- Reach out to key stakeholders across other utilities and industries, such as transport, to explore whole energy system plans
- Host regular engagement with Local Authorities regarding local energy planning

Future Energy Scenarios

Whole Energy Systems and Future Energy Scenarios

Background

As the electricity network owner in the north of Scotland, our focus in the last decade has been on delivering the additional capacity and connections required for increased renewable energy generation in an economic and efficient way, while ensuring reliability of supplies for our network users and consumers.

We need to be mindful of how the energy system could develop in the future which will influence what network developments are required in the north of Scotland. We published our latest analysis in our North of Scotland Future Energy Scenarios Summary Report in May 2022.

Our Five Clear Goals

To be able to meet customers' future needs over the next decade and beyond, ensuring we can meet our goal to transport the renewable electricity that powers 10million homes, we must understand which technologies are likely to impact generation and demand profiles.

A better understanding of our customers' future requirements will also help us to meet our goal of delivering every connection on time. **Objective of Engagement**

We have identified four key priorities for the coming year:

- 1. Hydrogen Assessing the latest ambitions and potential, especially around ScotWind
- 2. Re-Powering Determining the appetite by developers for re-powering onshore windfarms
- 3. Land use Working with Local Authorities and the Scottish Government to assess the remaining capacity for onshore wind projects

4. Pump Storage - Engaging with industry to understand the potential effects on our network of recent and potential future connection applications

What it Will Deliver

- A better understanding of our customers' future requirements
- An understanding of which technologies are likely to impact generation and demand profiles

How & When

- Engaging directly with customers and developers throughout summer 2022 regarding re-powering
- Assessing industry ambitions for Hydrogen developments as ScotWind proposals become clearer throughout the year
- Ongoing engagement Local Authorities and Scottish Government to assess onshore capacity for wind projects
- Engaging with customers and the industry to understand the potential effects of pump storage on our network
- A potential Future Energy Scenarios stakeholder event later in the year, if ongoing engagement suggests it would be useful



Energy Networks Information Management: Data and Digitalisation

Background

We are strong believers in innovation and seek to introduce innovative ways to digitalise our operations. We are currently reviewing our data initiatives to ensure alignment with Ofgem's <u>Data Best</u> <u>Practice Guidance</u> published in November 2021. It is important that we identify the products and service requirements of data users and develop and deliver services to meet our data users' requirements.

We have actively engaged in industry initiatives which support the development of interoperable data standards and platforms including the Energy Networks Association Data and Digitalisation Steering Group National Energy System Map, Data Triage and Common Information Modelling initiatives, Centre for Digital Built Britain, and Icebreaker One Open Energy.

Our Five Clear Goals

By improving the Data and Digitalisation of our Network, we will have more timely interventions to network faults developing, helping us towards our goal of 100% transmission network reliability, while also contributing to our goal of £100m in efficiency savings from innovation. Our website redevelopment will allow for a better experience for our users and connections customers, contributing to our goal of every connection delivered on time.

Objective of Engagement

- To better understand our stakeholders' needs in terms of our data
- To improve efficiency through continued digitialisation and digital improvements

What it Will Deliver

- Capabilities to develop and communicate a sustainable and collaborative vision for data
- Easier access to the data you need and ensure adherence to Ofgem's Data Best Practice Guidance
- We recently produced a refreshed <u>Digital Strategy</u>, led by stakeholder feedback
- We will launch a more reliable, scalable and user-friendly website and two add-on systems to enhance the customer experience and allowing easier access to the data our customers need

How & When

- We will hold regular targeted bilaterals throughout the year
- We will work with industry as we investigate what data and information should be displayed as part of future developments of the National Energy System Map



- By Autumn 2022, we will launch our new website
- Furthermore, we invite our stakeholders to engage with us this year on our digitalisation of the network and update to our Digital Strategy

Our approach to Asset Management is underpinned by our commitment to maintain the highest industry standards through our certification to the BS ISO 55001 standard.

We have set ourselves a target to become world class in asset management and will demonstrate our progress towards this by achieving top quartile performance through benchmarking our performance against that of others in the assessment of international Transmission Operators.

Our Five Clear Goals

Our commitment to invest in new technologies and ways of working, along with our collaborative approach with planning authorities and preventative measures with regards to risks such as wildfires, deliver a level of asset performance that will significantly contribute towards our goal to aim for 100% network reliability for homes businesses by 2026. We are using technology to better understand risks to our network from climate change and weather events. This will deliver efficiency savings in managing the network which is integral to our goal of aiming for £100m in efficiency savings from innovation.

Objective of Engagement

Everyone working within SSEN Transmission, whether an internal employee or external contractor, has a part to play in managing our assets. As we aim to be world class in asset management by 2026, our collaborative engagement with our stakeholders to mitigate risks and improve asset performance is integral to achieving this objective.

What it Will Deliver

- Increased collaboration with other organisations and shared data on our assets and network risk
- Reliability and certainty of our network through world class asset performance
- Advocation for SF6 alternatives throughout the energy industry

How & When

- Continued engagement with planning departments
- Publish third-party guidance document for landowners and developers
- Collaborate with industry and partners, sharing data and insights
- Continue to engage with stakeholders and industry experts on adopting SF6 alternatives



Role of the Electricity System Operator (ESO)

Energy Market Reform

Background

As a Transmission business we have a proven track record in planning and delivering major reinforcements. The scale of the current challenge is significant, as is the pace needed.

Therefore, to deliver the collative ambition we must ensure any change helps not hinders our goal to deliver every connection on time. This includes any changes to the role and structure of the Electricity System Operator (ESO) to ensure we can work together to deliver a coordinated approach to network planning.

Our Five Clear Goals

In order to meet our goals to transport the renewable electricity that powers 10 million homes, and that every connection is delivered on time it is important that we have certainty within the energy market, and clarity on the role of the system operator will be integral to this.

Objective of Engagement

To collaborate with government, Ofgem, and our wider stakeholders to ensure that there is clear alignment between government policy and the regulatory framework required to create an environment capable of achieving our targets with an emphasis on urgency.

What it Will Deliver

Ensure that energy market reform and the role of a Future System Operator enables the acceleration of net zero.

How & When

During 2022/23 we will:

- Engage holistically, advocating with our key stakeholders including public speaking opportunities, consultation responses and networking
- Host bilaterals with key stakeholders and direct engagement with market regulator and Government officials



Fragmentation

Background

The current RIIO model delivers significant benefits for GB consumers and SSEN Transmission contributes significantly to the local and national economy. The RIIO model is well established and already has a framework for competition in the market – "native competition" - that works well, and within this model we've built our Business Plan to meet net zero targets.

While we are not opposed to introducing competition, we believe it must be introduced in a way which accelerates not delays the delivery of the UK binding emission reduction targets, ensures we maintain security of supply and demonstrates net benefits for consumers, communities, the environment, and electricity generators. There is an opportunity to take the lessons learnt from the Energy Retail Market, so we do not repeat the mistakes made previously and risk fragmentation of the national infrastructure at a critical time for the delivery of net zero.

Our Five Clear Goals

Renewable power from the north of Scotland is critical to the national decarbonisation effort to achieve net zero and an important part of our role is to provide timely and cost-effective connections for renewable generators. Any reforms to the energy market must be considered within this context, ensuring we meet our goals to transport the renewable electricity that powers 10 million homes, and that every connection is delivered on time.

Objective of Engagement

- To highlight any potential risks and ensure these have been fully assessed and mitigations are considered ahead of the any changes to the current RIIO model
- To avoid any changes which might delay the development of the critical infrastructure required to deliver legally binding net zero targets
- To encourage Ofgem to demonstrate the benefits to consumers, businesses and industry of the reforms being proposed

What it Will Deliver

- Due to the essential and unrivalled role electricity transmission provides in supporting the transition to net zero, we are keen to work closely with Ofgem to ensure any market reform is considered within the context of our national net zero targets
- Our aim being to ensure that any potential changes to the onshore electricity networks framework does not lead to fragmentation of the market

How & When

Throughout 2022/23 we will:

- Deliver holistic advocacy engagement with our key stakeholders including public speaking opportunities, consultation responses and networking
- Engage directly with Ofgem, BEIS, the Scottish and UK Governments to advocate our position

ofgem Making a positive difference for energy consumers

Consultation

	transmission		Competition in onshore
Publication date:	03/08/2021	Contact:	Thomas Johns, Senior Manager
		Team:	RIIO Electricity Transmission Development
Response deadline:	14/09/2021	Tel:	020 7901 7046
deadime.		Email:	RIIOFlectricityTransmission@ofgem.gov.ul

We are consulting on our views on the development of early competition in onshore electricity transmission networks. We would like views from people with an interest in the development of electricity network solutions, technical and commercial innovation, and competing for the design, construction and operation of solutions to solve network problems. The consultation closes on 14/09/2021. We particularly welcome responses from potential bidders in early competition processes and network companies. We would also welcome responses from other stakeholders and the public.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at <u>Ofaem.gov.uk/consultations</u>. If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

We believe that institutional reform must be proportionate and evidence-based, avoiding any disruption to the delivery of net zero and provide certainty of investment. The policy and regulatory framework is evolving quickly and it's important that any changes are considered within the context of 2030 targets and the requirement to deliver net zero. Our stakeholders share our vision that energy market reform must help enable the acceleration and enhance the certainty of delivery of decarbonation of the energy network.

As a facilitator in the connection of renewable energy, generation customers and wider stakeholders have consistently told us that wider charges for transmission access in the north of Scotland, known as Transmission Network Use of Systems (TNUoS) charges is adversely affecting the investment of new and existing renewable generation projects required to meet both offshore and onshore wind targets due to high, volatile, and unpredictable costs.

Our Five Clear Goals

Certainty of system investment needs, is vital to meet our goal to transport the renewable electricity that powers 10 million homes and deliver every connection on time.

Objective of Engagement

To engage with our stakeholders and advocate for their views on any potential reform(s) of industry codes

What it Will Deliver

Enhance the certainty of delivery of decarbonisation of the energy network

How & When

During 2022/23 we will:

• Continue to work closely with Ofgem to understand the scope of its Task Force and ensure stakeholder feedback is considered in their proposed long-term review

• Work with wider industry stakeholders to ensure TNUoS reform is considered in the context of wider industry codes reform and advocate for an agile regulatory regime which provides certainty for stakeholders

TNUoS Information Hub

For more information on our Transmission Network Use of Systems (TNUoS) charges stakeholder advocacy, visit the dedicated <u>TNUoS Hub</u> on our website.

Our Stakeholder Engagement Strategy

Working with external specialists, we created our Stakeholder Engagement Strategy which has been built on our stakeholders' input, alongside extensive research into best practice.

The strategy sets out our clear aim and ambitions, the objectives for achieving these, and our principles which guide how we engage.

Clear Stakeholder Governance

There is increasing recognition of the role that business can and should be playing in addressing customer, societal, environmental, and economic issues.

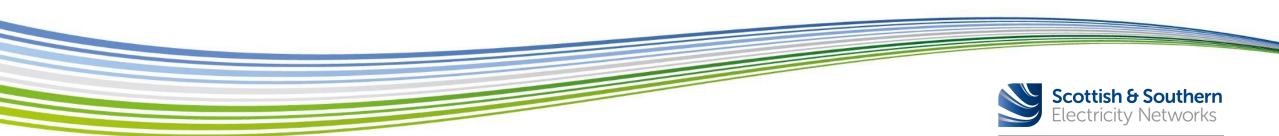
We have clear governance and rigorous processes which are thoroughly embedded in its business, across all teams.

You can read our full Stakeholder Engagement Strategy, which was refreshed in April 2022, and find out more about our stakeholder engagement governance <u>on our website here</u>.

Achieving the AccountAbility AA1000 Stakeholder Engagement Standard

SSEN Transmission engages with stakeholders in line with AccountAbility's AA1000 Stakeholder Engagement Standard, considered the 'gold standard' in stakeholder engagement accreditation.

You can find out more about the AccountAbility AA1000 Standard, and our latest scores, on our website here.





SSEN TRANSMISSION

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Prioritising our Engagement Activities

Prioritising our stakeholder initiatives and deciding which to start, stop or scale up are based on the following factors:

- Stakeholder feedback including relative prioritisation against other initiatives and risk of engagement fatigue
- Strategic alignment initiatives which align with our strategic vision, goals and objectives will be prioritised
- Scale of potential benefits we apply the most appropriate quantitative or qualitative measures for assessment of initiatives based on the nature of the initiative and its intended outcomes
- Scale of investment we generally target a positive return on investment
- Availability of resource to ensure effective project management and delivery of the initiative
- Initiative risk or level of confidence in achieving target benefits

Decisions to scale up generally require evidence of proven success, positive return on initial investment and potential to increase benefits further in future, and strategic importance to SSEN Transmission, the wider sector or society.

It is clear from our materiality assessment (including our engagement with stakeholders) that net zero continues to be a high priority for most of our stakeholders and that supporting the delivery of UK and Scottish Governments net zero targets requires seismic change over several decades. Supporting the delivery of net zero is multifaceted and interrelated with all 19 engagement initiatives we have committed to in our engagement plan.

While we will continue to engage on all the initiatives outlined as we deliver our 'Network for Net Zero' business plan, our near-term engagement focus is on:

- Supporting the communities in which we operate;
- Continuous improvement in supporting our grid connection customers; and,
- Working with all stakeholders to deliver the vast onshore transmission investment required to enable the delivery of net zero.





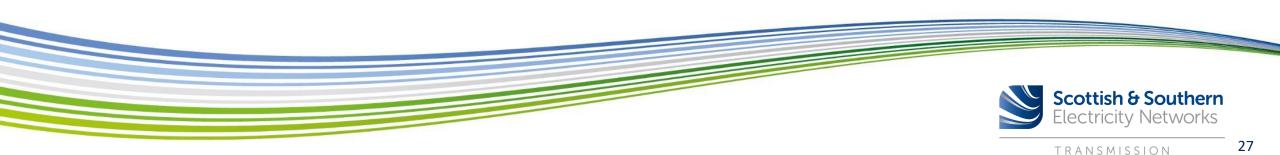
Everybody in SSEN Transmission works hard to encourage and demonstrate transparency around our projects, proposals and plans. All information and content in this Plan, provided by us, can be shared with others.

However, any feedback received on our Annual Engagement Plan will not be associated with you specifically. As one of our contributing stakeholders, we may publish your feedback in any reports or submissions we subsequently produce, **but we will anonymise this**.

Instead of quoting specific stakeholders, we will describe the origin of feedback using broad categories, such as "Local Resident" or "Landowner" as examples. We will also take care to avoid 'jigsaw identification'.

Thank you in advance for your honest feedback and constructive participation.





Contact Us

Keeping in Touch



General queries transmission.stakeholder.engagement@sse.com



Generation customer connection enquiries transmission.commercial@sse.com



Supply Chain enquiries – transmission.procurement@sse.com



in

Communities and Landowner enquiries – https://www.ssen-transmission.co.uk/

FOLLOW US: SSEN-Transmission



Visit our website
 www.ssen-transmission.co.uk

If you have any queries or comments regarding our Annual Engagement Plan, you

transmission.stakeholder.engagement@sse.com, or alternatively please respond

can contact the Stakeholder Engagement Team at:

directly to your SSEN Transmission contact.

Scottish & Southern Electricity Networks







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