SSEN Transmission Annual Engagement Plan 2021/22







i About us

We are SSEN Transmission (the trading name for Scottish Hydro Electric Transmission), and we are part of the SSE plc Group. We are responsible for the electricity transmission network in the north of Scotland maintaining and investing in the high voltage 132kV, 220kV, 275kV and 400kV electricity transmission network.

Our network consists of underground and subsea cables, overhead lines on wooden poles or steel towers, and electricity substations. It extends over a quarter of the UK's land mass, crossing some of its most challenging terrain and powering our communities by providing a safe and reliable supply of electricity. We do this by taking the electricity from generators and transporting it at high voltages over long distances through our transmission network for onwards distribution to homes and businesses in villages, towns and cities.

Scotland's transmission network has a strategic role to play in supporting delivery of the UK's Net Zero target. We're already a mass exporter of renewable energy, with around two thirds of power generated in our networks area exported south. By 2050, the north of Scotland will need 33-35GW of renewable energy capacity to support net zero delivery. For context, we currently have just over 6GW of renewable generation connected in the north of Scotland. We are committed to inclusive stakeholder engagement, conducting regular external assurance audits on both our Stakeholder Engagement Strategy and delivery plans and were recently awarded 'Accomplished' status by AccountAbility, the international consulting and standards firm.

Find out more: www.ssen-transmission.co.uk





Five years Five clear goals

In April this year, we entered our new five year price control period known as RIIO-T2, having actively consulted with our stakeholders on the development of our Business Plan for the RIIO-T2 period.

This 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

i Table of contents

- 4 Introduction to our Annual Engagement Plan
- 5 Our Stakeholder Engagement Strategy
- 6 Our Stakeholder Engagement Process
- 8 Stakeholder Themes We Will Engage On

8 Net Zero

- i. Net Zero Advocacy
- ii. Offshore Wind supporting a co-ordinated approach to delivering ScotWind targets
- iii. Industry Structure Reform
- iv. North of Scotland Future Energy Scenarios
- v. Sustainability Strategy Review

11 Supporting Customers, Communities and Consumers

- i. Connection Customer Engagement
- ii. Transmission Network Use of System (TNUoS) and Charging
- iii. Communties Engagement
- iv. Procurement Engagement
- v. End Consumer Engagement

14 Sharing Best Practice for Positive Change

- i. Interrupting and Insulating Gas (SF6)
- ii. Local Area Energy Planning

16 Co-Creating World-Class Asset Management

- i. World Class Asset Management
- ii. Data & Digitalisation
- iii. Wildfires

18 Large Onshore Transmission Investment (LOTI)

- i. Needs Case Engagement
- 20 Stakeholder Engagement Panels
- 20 How to Get in Touch
- 21 Appendix Our Planned Upcoming Engagement



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. We continue to intensify our efforts to engage with our stakeholders, operate and advocate on their behalf and deliver our co-created Network for Net Zero business plan.

In early 2021, we reviewed the feedback we gathered from stakeholders during 2020, both through direct engagements and from our annual Stakeholder Satisfaction Survey. From this feedback we identified the common themes that stakeholders encourage us to engage on and areas where they want us to implement improvements or play a more active role in industry change.

While most of the themes we seek to engage on remain the same, given the long-term nature of these subjects, there has been significant progress made during the past year. We have grouped these topics into five overarching themes:

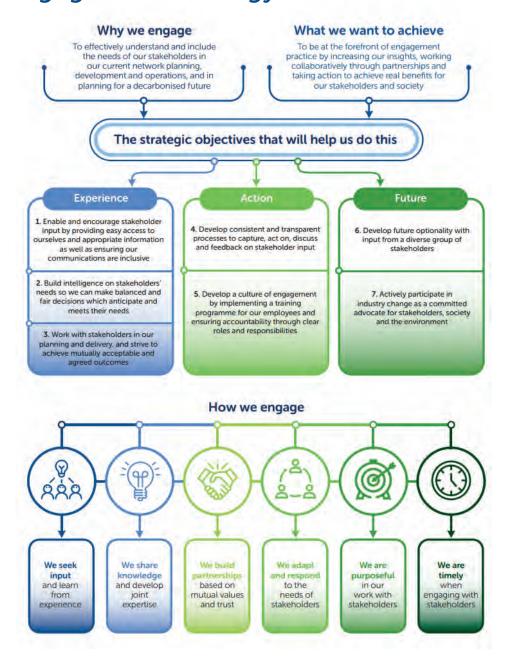
- 1. Net Zero
- 2. Supporting Customers and Consumers
- 3. Sharing Best Practice for Positive Change
- 4. Co-Creating our World Class Asset Management
- 5. Large Onshore Transmission Investment (LOTI)

Our Stakeholder Engagement Strategy

During the year we have continued to embed our engagement strategy, ensuring that it is applied consistently across our business to meet stakeholder needs and deliver real benefits for our stakeholders and society. The strategy, shown here, sets out our clear aim and ambition, the objectives for achieving these, and our principles which guide how we engage.

In December 2020, we updated our strategy to make clearer its alignment with AccountAbility's AA1000 Stakeholder Engagement Standard.

In their May 2021 review, AccountAbility also suggested we identify how our RIIO-T2 Business Plan's Five Clear Strategic Goals are related to the engagement themes in our Annual Engagement Plan; and we have done this throughout this report.



Enablers

Colleagues, regulators, governments, National Grid ESO, supply chain, investors, innovators, landowners

Specialist influencers

Industry partners, network owners, local authorities, NGO's, campaign groups, media, academia

Members of the public

Business and domestic end users, future end consumers, GB public



Infrastructure and emergency response

Resilience and emergency response, utility companies, transport

Customers

Electricity generators, large demand customers, distribution network owners, some distribution network customers

Our Stakeholder Engagement Process

We recognise the importance of engaging our own people in our Stakeholder Engagement Strategy. Our business has grown significantly this year to support the increased investment that we are making to deliver the infrastructure required for net zero. Since stakeholder engagement is essential to successful delivery of our all our activities, we have equipped our teams with the tools they require to deliver excellent stakeholder engagement.

Our new tools support improved structure and coordination in our stakeholder engagement process:



Our established directorate brings together the teams that lead on our community, customer, strategic, internal and political engagement. Our cohesive directorate comprises of:

Stakeholder Engagement: Managing and delivering strategic engagement initiatives and supporting teams across the business in delivering high quality operational engagement that meets our principles and objectives.

Communities: Building partnerships and working with key Transmission teams to engage with local communities on the potential impacts, design and delivery of infrastructure development projects.

Communications Policy: Driving our business and sparking change to excel in our strategy, ensuring a holistic approach to engagement is taken through the development of processes, tools and training.

Internal Communications: Gathering employee insights, engaging employees in our strategy and initiatives like 'Great Place to Work', and delivering key business messaging to our people.

Customer Experience: Working closely with customers and key technical teams to deliver new connections on time, accommodating modifications to existing connections and delivering continuous improvement to enhance our customers' experience.

Corporate Affairs: Maintaining our relationships with Government and political contacts, contributing to policy development, promoting advocacy priorities and leading media engagement.



AA1000 Stakeholder Engagement Standard

This year we undertook the AA1000 Health Check for the second time, in association with the international consulting and standards firm, AccountAbility. We are pleased to report a total score of 73% for their 2020/21 \assessment and hope that this will give our stakeholders confidence in the quality of our stakeholder engagement. This score means we continue to sit within the Accomplished stage of the AccountAbility Stakeholder Engagement Maturity Ladder, increasing our score by 11% from 2019/20. Separately, we also maintained our 'Exceed' score in the audit of our compliance with RIIO-T2 stakeholder engagement commitments.

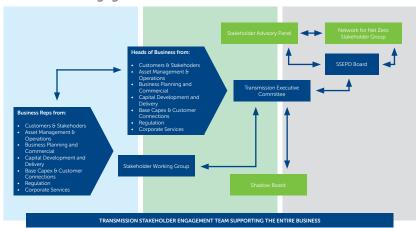
Clear stakeholder engagement governance

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

SSEN Transmission is a stakeholder-led business which continues to intensify its efforts to engage with stakeholders, operate and advocate on their behalf and deliver the co-created Network for Net Zero business plan.

SSEN Transmission has clear governance and rigorous processes which are thoroughly embedded in its business, across all teams.

Stakeholder Engagement Governance



More details on our stakeholder engagement governance and decision-making framework can be found on our website here -

www.ssen-transmission.co.uk/media/5742/ssen-transmission-stakeholder-engagement-governance-and-integration-v10.pdf

Prioritising Our Engagement Initiatives

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 is both an overarching priority and supporting the delivery of the UK's 2050 net zero targets requires seismic change over several decades. Supporting the delivery of net zero is multifaceted and interrelated, even across the 16 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 supporting the communities in which we operate; supporting a co-ordinated approach to the delivering ScotWind targets; and working with all stakeholders to deliver the large onshore transmission investment required to enables the delivery of net zero.

Stakeholder Themes We Will Engage On

1. Net Zero

By 2050, the north of Scotland will need 33-35GW of clean, green renewable capacity to support net zero delivery. For context, we currently have just over 6GW of renewable generation connected in the north of Scotland. Here we outline the topics we are currently seeking to engage on as part of our role in delivering net zero and are supportive of doing so while adhering to a just transition.



Net Zero Advocacy One third reduction in our greenhouse gas emissions

As we look to provide the solutions and infrastructure to deliver a pathway to net zero, including achieving our goal of a one third reduction in our own carbon emissions through the establishment of our Science Based Target, we see a major part of our role as being an advocate for net zero ambition.

We are one of the Principal Partners of the UK Government for COP26, and as such are already working with government and other stakeholders to support the delivery of a successful and impactful COP26 later this year.

We continue to work with our stakeholders, who have clearly told us that net zero is a top priority. We will lead through partnerships and engagement with our supply chain, continue promoting net zero best practice across our sector, and ensure our net zero messaging extends beyond our industry to the general public, consumers and future consumers.

Offshore Wind – Supporting a Co-ordinated Approach to Delivering ScotWind Targets



Transport the renewable electricity that powers 10 million homes



Every connection delivered on time

During 2020 it became clear that delivery of the UK and Scottish Government's 2030 offshore wind targets of 40GW and 11GW respectively would require significant grid infrastructure to be delivered at pace. Concurrently, we received applications for nearly 25GW of offshore wind connections which are simultaneously competing to secure seabed leasing rights under the ScotWind leasing round. With the development and construction timeline on projects of the scale required to transport this capacity being up to ten years, we knew that action was needed now to identify requirements and propose an efficient approach to planning, development and delivery. Identifying the challenges and subsequent solutions is key for us to ensure renewable energy connections and the supporting infastructure which will deliver increased renewable energy and contribute to our goal to transport the renewable electricity that powers 10 million homes.

Multiple stakeholders were aware of these challenges and initiating projects to identify co-ordinated solutions for offshore wind connections. This includes the Department for Business, Energy and Industrial Strategy (BEIS) led Offshore Transmission Network Review (OTNR) and the ESO's Offshore Co-ordination. Concerned that silos could develop across the industry, counter to the co-ordination that was required, and having identified that OTNR was very England and Wales focused, we set up an internal cross-business project that ensures a co-ordinated, stakeholder-led response across all activities, known internally as Project OTtER (Offshore Transmission that Enables Renewables).

We propose to continue working with our industry partners through Project OTtER to identify co-ordinated solutions for offshore wind connection. This includes full participation in the OTNR and associated working groups and advocacy with government, regulators and other specialist influencers. Engagement is also planned with developers on their potential offshore grid connections and local communities where ScotWind related infrastructure is likely to be required.

Industry Structure Reform

Transport the renewable electricity that powers 10 million homes



Every connection delivered on time



Aim for 100% transmission network reliability for homes and businesses

The energy market continues to evolve, including focus on market reform and the role and structure of the Electricity System Operator (ESO). We continue to engage on this and other key functions of the electricity transmission network, including Transmission Use of System (TNUoS) charges, industry codes and licenses that may require amendments to ensure these functions and roles of key stakeholders are effectively taking a whole system approach and accelerating the journey to net zero. These key stakeholders include the electricity regulator Ofgem, the Department for Business, Energy & Industrial Strategy (BEIS), the ESO, and other electricity network Transmission and Distribution Operators.

Another important part of our role as the Electricity Transmission Network Operator is to provide timely and cost-effective connections for renewable generators; ensuring we meet our goals to transport the renewable electricity that powers 10 million homes, and that every connetion is delivered on time. Renewable power from the north of Scotland is critical to the national decarbonisation effort to achieve net zero. The theoretical debate that competition delivers benefit under any circumstance, must be considered in the new context of Net Zero targets. It is important to consider these benefits alongside the potential shortcomings and trade-offs of early competition. Principled policy making requires underlying robust analysis, to develop thorough and complete policy options, to assess the best regime that optimises benefits for consumers.

Fragmentation of responsibilities potentially risks security of supply, which is vital as we move towards our goal of aiming for 100% transmission network reliability for homes and businesses.

We seek to engage with stakeholders to further explore the potential benefits and consequences of early competition on the transmission network. This includes impacts to our connection customers to enable renewable generation to connect to the GB transmission network and to the homes of GB consumers in a timely and cost-effective way as we race to net zero.

North of Scotland Future Energy Scenarios



Transport the renewable electricity



Every connection delivered on time

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 10 million 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. In February 2021, we published an updated North of Scotland Future Energy Scenarios paper outlining potential electricity generation and demand necessary to meet UK and Scottish net zero emissions targets.

Hydrogen and electrification of rail are two areas where further analysis will be required to identify the potential impact on the electricity network in the north of Scotland.

The use of hydrogen and the electrification of heat have been identified as means to enable further decarbonisation across the country. The UK Hydrogen Strategy, published in August 2021, sets out the UK Governments aim to develop 5GW of low carbon hydrogen production capacity by 2030. The Scottish Government in their update to the Climate Change Plan, outlined that £180 million would be made available for an Emerging Energy Technologies Fund which would support the development of hydrogen. Additionally, the Scottish Government detailed that they would be publishing a Hydrogen Action Plan in 2021.

For the electrification of the rail network, Transport Scotland outlined that Scotland's rail services would be decarbonised by 2035. A large extent of the rail network in the central belt of Scotland has been electrified. The remaining parts that require to be electrified are in the Borders and in our area in the north of Scotland.

We will be carrying out research during 2021 to give us the required inputs to model the impact of hydrogen production and the electrification of the rail on our network. We continue to seek to engagement with stakeholders, giving them the opportunity to provide information and input into the development of our annual North of Scotland Future Energy Scenarios.

Sustainability Strategy Review One third reduction in our greenhouse gas emissions



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 responsibility to be environmentally conscious, creating benefit for the communities and the environment that we work and live within.

In March 2021, Ofgem published their Environmental Discretionary Reward (EDR) decision, an annual incentive for transmission owners to demonstrate a strategic environmental focus in helping support the transition to a low carbon economy. For the third year running we are delighted to be awarded a 'Leadership' rating; achieving our highest scoring to date and making us the first transmission operator to achieve EDR leadership status for three consecutive years.

Building on our leadership in sustainability rating, and to ensure continue moving towards our goal of one third reduction in our greenhouse gas emmissions, we are working with 3Keel - the renowned sustainability advisors - on ways to continue our best practice sustainability strategy. With our sister company SSEN Distribution, we are also participating in the Sustainability First 'Sustainability Principles Project 'which aims to develop, test and embed a robust set of practical sustainability principles which economic decision-makers in essential services can readily adopt and apply.

Over the next year, we propose to continue to engage with our stakeholders on our Sustainability Strategy, while also looking at practices from outside of our sector, aiming to ensure that it continues to be fit for purpose for our Net Zero ambitions.



2. Supporting Customers, Communities and Consumers

We are committed to engaging with our connection customers, the communities we operate in, our supply chain partners and the GB end consumers we work on behalf of, so that society continues to benefit from our strategic investments.



Our main focus on supporting our customer stakeholders is currently on the advocacy work we are engaging on relating to TNUoS, ScotWind and Competition in Transmission; with further details of this work outlined in this document.

This advocacy work helps us to better understand our Connections Customers' requirements and to present these to policy and regulatory decision makers to ensure that industry decisions are made in a way that supports the needs of our customers. This includes the need for policies that deliver timely approaches to network development and don't delay the connection of renewable electricity that is essential to meeting net zero targets. Policies that allow timely network development contribute towards our goal of every connection delivered on time.

As the licence holder for the transmission network in the north of Scotland, each year we also set out our charges (i.e. our allowed revenue) for investing in and maintaining transmission infrastructure. We will be seeking input from our stakeholders regarding developing a guidance document to support our customers understand these charges better.

In the past year we have delivered an application fee review and we continue to develop early engagement on a new "Renew" service for customers whose connection needs are changing. We continue to engage with our connection customers to better understand the new products and services they are looking for, including increased customer advocacy.

Transmission Network Use of System (TNUoS) & Charging



Our generation customers and wider stakeholders have told us that charges for transmission access in the north of Scotland, known as Transmission Network Use of Systems charges (TNUoS) are considered one of the biggest bariers to renewable deployment in our network region and pose challenges to renewable generators across GB due to volatility in costs. The charges for a single generator can swing dramatically from year to year - and this is near impossible to predict. This, in turn, is making it difficult for us to determine system investment needs, which is vital if we are to meet our goal to transport the renewable electricity that powers 10 million homes.

This results in Scottish generators paying a higher cost for use of the transmission network compared to other areas in GB. With Scotland boasting the greatest wind resource to meet the UK's net zero targets, this creates a huge barrier for further low carbon investment. After extensive engagement with stakeholders, we published a TNUoS charges discussion paper earlier in 2021 and then published a follow up summary report in May which outlined the key feedback received from stakeholders on the paper's findings.

We are proposing to continue pushing for TNUoS reform. We are seeking feedback from all interested stakeholders (for or against) to further explore this issue and seek viable solutions to support net zero ambitions. Our final recommendations based upon this stakeholder feedback will be published in towards the end of 2021.

Communities Engagement – Construction & Development Projects

Transport the renewable electricity that powers 10 million homes

Every connection delivered on time

Our Communities and Stakeholder Engagement Teams work alongside each other, under the same SSEN Transmission Directorate. This ensures a more holistic approach to stakeholder engagement around our construction and development projects, as requested by our stakeholders last year.

This in turn will help build stronger, closer and more meaningful relationships with our consumers, communities and consumers. Acceptance and support from these stakeholders for the construction of the network required to deliver renewable electricity that powers 10 million homes is essential to achieving that goal as these stakeholders have an influence in planning and regulatory approvals.

Resistance and objections from local communities can significantly impact the timeline for planning approval abd project construction so working with these stakeholders to achieve mutually acceptable outcomes will help deliver our goal of every connection delivered on time.

There are over 70 SSEN Transmission projects in construction and development, which we continue to engage on over the coming year. This engagement is primarily led by our Communities, Environmental and Land Teams with a focus on engagement with our local communities, statutory consultees, landowners and local authorities.

For projects at the development stage, a milestone in this engagement is often the Public Consultation events; and it is anticipated that in the next year at least 15 projects will host multiple virtual or face to face public consultation events, with that number likely to increase.

For projects in construction, our Communities Team facilitate and support the work of Community Liaison Groups, delivering our commitment to local stakeholders and providing a platform for meaningful engagement between ourselves and nominated local community members. These groups give an opportunity to provide local input and updates, raise concerns and answer questions over a project's lifespan. Our Communities Team currently engage with 9 Community Liaison Groups and again, we expect this to rise over the course of the year as more projects enter the construction stage



Last year, stakeholders in North East Scotland and Argyll & Bute areas of our network asked us to engage on the total development planned for the region over the next decade, not just one project at a time. This is to help them better understand the reasons for the scale of work across the region, how this helps deliver the UK and Scotland's net zero targets and how they can help shape our plans. We will continue to use this approach, with similar events planned for each region over the next year including updates in the North East and Argyll and initial holistic engagement planned for the Highlands and Islands area.



Procurement Engagement Transport the renewable electricity that powers 10 million homes

Delivering renewable energy for 10 million homes will require substantial capital projects in development and construction which will deliver in partnership with our supply chain. The strong Local Supply Chain is key to us meeting our goal in a way that delivers on our RIIO-T2 Sustainability Action Plan.

To deliver each of our sustainability ambitions we are collaborating and working in partnership with our supply chain and wider stakeholders. By integrating sustainability in procurement policies and practices, organisations can manage risks and opportunities for sustainable environmental, social and economic development across their value chains.

A key proposal to deliver these objectives and drive value is to revitalise our commitment to our 'Meet the Buyer' initiative, which allows us to promote opportunities and engage with the local economy.

We will be working with stakeholders to create and implement new processes and guidelines around SSEN Transmission Meet the Buyer events and to agree a detailed plan for our approach to local supply chain engagement. This will include the development of guidelines and documentation for events hosted by staff and suppliers, which will ensure consistency and improve our relationships with suppliers and local contractors, and greater visibility of our RIIO-T2 project pipeline. The aim is to increase our use of local suppliers, increase local spend on projects using agreed measurement tools, and increase the number of contractors taking part in our Meet the Buyer events.

End Consumer Engagement



Transport the renewable electricity that powers 10 million homes

Direct engagement with GB end consumer

GB households and businesses are the final electricity end consumer and we are rightly under significant scrutiny to ensure we invest consumers money in the right way.

Transitioning to net zero requires more electricity infrastructure to be built and maintained. We have a key role to play by ensuring projects that enable net zero are supported by and continue to benefit communities, wider society and the GB consumer. It is this support that enables us to make the investment required to meet net zero targets and ensure we meet our goal of transporting the renewable electricity that powers 10 million homes.

When we operate in areas, we have an opportunity to identify and maximise the local economic benefits created through our development projects and the benefits to wider GB society and consumers.

We have a key role to play in a just transition by ensuring projects that enable net zero are supported by and continue to benefit communities. As part of our commitment to a Just Transition, our definition of vulnerable consumers will expand to include vulnerable consumers in the Just Transition to net zero and also vulnerable consumers in a crisis (including during the pandemic).

3. Sharing Best Practice for Positive Change

As an industry leader, we recognise that we have the ability to influence others within and outside our sector to provide even more benefit to customers and society. We will continue to share our sector leading and progressive work, to promote the adoption of best practice within our sector and others.

Interrupting and Insulating Gas (SF6) One third reduction in our greenhouse gas emissions



With our specialist supplier partners, we have co-created a new strategy and specifications for avoiding the use of sulphur hexafluoride (SF6) gas on our network, with an aim to meet our goal of a one third reduction in our greenhouse gas emissions. We have adopted a policy of SF6 avoidance, while also investigating ways to reduce SF6 leakage in plant we have already installed.

In one recent example, in 2020/21 we appointed GE Grid Solutions (GE) to develop and install the world's first 420 kV SF6-free Gas Insulated Switchgear at Kintore using their Green Gas for Grid (g3). In doing so, we provided demonstration of market need, as well as a viable trial site, which were critical to the success of GE's application to the European Commission's LIFE climate action program. Our q3 420 kV, 63 kA gas-insulated substation circuit-breaker will demonstrate that q³ technology can be applied to all other high-voltage levels of Europe's electrical networks.

We will continue to promote SF6 alternatives, nationally and internationally, through collaboration with other transmission and distribution network owners, via the Energy Networks Association (ENA), switchgear suppliers, the British Electrical and Allied Manufacturers Association (BEAMA) and CIGRE, the global community committed to the collaborative development and sharing of power system expertise. With these partners, we are engaging with the Health and Safety Executive (HSE) to extend the exemption for SF6 filled apparatus currently contained with the Pressure System Safety Regulations 2000 (PSSR) to all apparatus, i.e. to include alternatives to SF6. This exemption, which we believe is firmly valid on technical grounds, will remove a significant operation and maintenance barrier to introduction of alternative to SF6 across the UK.



Local energy planning will be a key enabler for the transition to Net Zero and our aim for 100% transmission network reliability for homes and businesses. Both the Scottish and UK governments recognise the role of local energy and the need to bring stakeholders together using Local Area Energy Plans (LAEP) and Local Heat and Energy Efficiency Strategies (LHEES). Our Local Area Energy Planning initiative will adopt a whole-system approach to ensure that local developments are enabled without risking reliability of the transmission network, contributing to our goal of aiming for 100% transmission network reliability for homes and businesses. This will likely also contribute to the goal to transport the renewable electricity that powers 10 million homes.

Our stakeholders have told us that as a result of subsidies being withdrawn, customers are more focussed on a whole system approach to address local energy needs. Stakeholders have also highlighted that they want us to tailor our engagement with individual Local Authorities and ensure localised community messaging.

Based on local development plans and our network development plans, we had been engaging with Dundee City Council and Aberdeenshire Council to understand how we might work in partnership with them. This work, and our engagement on Local Area Energy Plans with other local authorities, was put on hold due to the COVID-19 pandemic.

This year, we will engage with all local authorities in the North of Scotland on an individual basis to explain our ambition in supporting local area energy planning. We will build on our experience of collaboration to expand our existing relationships, acting as a trusted partner to local authorities as they develop LAEP and LHEES. These partnerships also include the local electricity distribution network operator and the gas distribution network operator. We will support local and community energy development by drawing on the policies across our business plan to address barriers that local communities have told us they face when taking a project from concept to delivery.

4. Co-Creating Our World-Class Asset Management

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. 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.



World Class Asset Management

Aim for 100% transmission network reliability for homes and businesses
£100 million in efficiency savings from innovation



We have set ourselves a target to become world class in asset management by 2026, 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.

Over the last year we have been preparing external policy and guidance documentation for landowners and developers, on what to do when a development is planned near to one of our assets. This work will continue this year, while we are also formalising internal processes to ensure we work collaboratively with developers to find mutually acceptable solutions.

In addition, we have developed a proposal for sharing data on infrastructure locations (while ensuring security of supply) which we are passing to Local Authorities for discussion, so that we can automatically see their Local Plan data. Early sight of local development plans; planning authority awareness of our network; data sharing and our inclusion in planning discussions will reduce infringements on our assets, providing better reliability and efficiency savings from avoided cost of repairs. This contributes to our aim for 100% transmission network reliability and £100million in efficiency savings from innovation.

Our focus for the 2021/22 period will be very much on internal engagement across the Transmission business as we seek to build upon the excellent work undertaken to develop the RIIO-T2 business plan and start to embed all of the learning gained from this work into new and improved Asset Management processes. These processes will define our 'Business as Usual' activities and be applied to give us a clear picture of what forecasting we need to deliver in future regulatory periods across our existing asset base.

Data & Digitalisation



Aim for 100% transmission network reliability for homes and businesses £100 million in efficiency savings from innovation



Digital is a key enabler for our stakeholder-led strategy, and the drive to a Network for Net Zero. Our focus remains on efficiency, and therefore value for consumers and stakeholders, and on the reliability, resilience and sustainability of our network. We are mobilising to deliver a more fully digitalised and data-driven business, on the path to becoming a world class digital utility.

All functional areas in Transmission will be enhanced though digitalisation. Over the last year, we have concentrated on upgrading our core asset register, which is foundational for our plans to improve efficiency and reliability. The next 5 years will see us integrate the asset register with other technical and commercial platforms, generating efficiency and value.

Better data and digitalisation of our network and the increased visibility of asset conditions due to automation will result in more timely intervention prior to faults developing. This increases reliability, helping us towards our goal to aim for 100% transmission network reliability for homes and businesses, while also resulting in efficiency savings, contributing to our goal of £100m in efficiency savings from innovation.

Through the Energy Networks Association and building on the recommendations of the UK Government's Energy Data Taskforce, we have joined with partners to launch a ground-breaking proof-of-concept project to build an in-depth digital system map of the UK's energy system. Network data from all Britain's electricity and gas network operators will be pulled into an integrated map covering the entirety of Great Britain. The map will provide customers with information about energy network assets, where those assets are located as well as who owns them. Making this information available will significantly improve investment decisions, support new markets, and help bring new renewable connections to the energy networks. A fully integrated, scalable and secure data sharing platform is also the first step towards developing a National Energy System Map.

Throughout 2021, we will work with stakeholders to identify the parties who could make the most use of our data, learn their current and prospective data needs and confirm their product and service requirements. We will also look to determine that the products and services to be delivered within our Digital Strategy and Action Plan are the right ones and deliver the right targeted benefits for our stakeholders.

We will also work with stakeholders to investigate what would be useful to be included as part of the National Energy System Map, using the power of data to support a more efficient pathway to net zero.



Wildfires Aim for 100% transmission network reliability for homes and businesses

The increasing prevalence of wildfires across our area, due to the changing climate, is a rising threat to our networks and assets. To achieve world class asset management, we will need to collaborate with other organisations and share data on our assets and network risk. This will deliver efficiency savings in managing the network and reduce faults which will provide good service, meaning that these initiatives contribute to our goal of aiming for 100% network reliability and £100m in efficiency savings from innovation.

We asked the Scottish Fire and Rescue Service (SFRS) for a coordinated approach in responding to wildfires near our assets. We requested and received data from our partners at the SFRS, which detailed all the wildfires they had been called to in the last 10 years. Our Geographic Information System (GIS) and land teams analysed this data to create maps which show the highest wildfire risk areas. We are using these maps as an important tool for assisting operational staff during wildfire incidents, and also when we review proposed substation locations. We have since shared these maps with the SFRS so they can use them for their own risk assessments.

Employee safety is a high priority for our business. Since rolling out use of the wildfire risk maps and utilising the Scottish Wildfire Notification Service, discussions with wildfire experts and internal stakeholders representing operational staff have highlighted a requirement for internal training on wildfire process.

This year we will utilise the expertise of our partners to examine and tailor training and support for our operational and control centre staff, including risk assessment and protocol. Alongside this, we will work with stakeholders to strengthen the wildfires partnership, collaborating to improve processes and communications in wildfire situations, helping to realise benefits for safety, security of supply, ecology and the environment.

5. Large Onshore Transmission Investment (LOTI)

Needs Case Engagement

Transport the renewable electricity that powers 10 million homes

Every connection delivered on time

(表) Every connection delivered on time

On behalf of our stakeholders, SSEN Transmission are developing a number of projects which are essential to achieving net zero but have yet to be approved by Ofgem. Under the RIIO-T2 Price Control period, these projects must apply for funding under the Uncertainty Mechanism as Large Onshore Transmission Investment (LOTI) projects, and each project requires a Needs Case.

The LOTI projects themselves 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.

• East Coast HVDC Subsea Link

The East Coast HVDC electricity transmission project is a proposal to construct two High Voltage Direct Current (HVDC) subsea links, each with capacity of 2GW down the east coast from Scotland to the north-east of England. One project is from Sandford Bay at Peterhead to Drax in England; the other is between Torness in East Lothian and Hawthorn Pit in County Durham. These projects are being developed between the three Electricity Network Operators, SSEN Transmission for northern Scotland, Scotlish Power Transmission (SPT) for the central belt and south of Scotland, and National Grid Electricity Transmission (National Grid) for England and Wales. The Initial Needs Case (INC) was submitted to Ofgem in October 2020, who are currently hosting a six-week consultation period until 23 June 2021. We will continue our collaborative engagement with stakeholders on the project, including a planned Communities event for the Peterhead area later this Summer and hope to submit the Final Needs Case late 2021.

• Skye Reinforcement

The Skye Reinforcement project aims to maintain security of supply and facilitate renewable generation by replacing the existing overhead line between Fort Augustus and Ardmore on Skye. Our Initial Needs Case for the Skye Reinforcement project is due to be submitted to Ofgem this Summer (2021). We continue to engage with key stakeholders to discuss the submission, anticipated timelines and next steps and recently hosted a developer webinar to better understand their project needs. Stakeholder consultation continues throughout 2021, where statutory stakeholder workshops are currently being undertaken and wider virtual consultation sessions will be held later this year following publication of the Overhead Route Alignment Consultation Document. At this stage we will seek stakeholder views in relation to the overhead line route alignment process and action taken in response to feedback thus far. This work follows on from the Overhead Route Options Consultation Document published in March 2020 and virtual consultation sessions carried out in June 2020.

• Argyll and Kintyre 275kV Strategy Upgrade

The Argyll and Kintyre 275KV Strategy aims to reinforce the transmission network in the region by changing the existing 132kV network to 275kV operating voltage to increase MW capacity to facilitate an increase in renewable generation.

Earlier this year we held our first Argyll and Bute Region Information Sharing Webinar, sharing updates with local stakeholders on both current construction projects alongside our development plans for the future. We also held a developer webinar to better understand their project needs. Following continued targeted meetings and stakeholder consultation throughout 2021, our Initial Needs Case is due to be submitted to Ofgem in Autumn 2021.

Similarly to Skye, we will ensure stakeholders are kept updated as to the progress of the submission and are informed as to how their feedback has helped to shape the submitted proposals. Project refinement will continue throughout 2022, allowing for meaningful stakeholder influence on decision making with robust and transparent processes for decisions on trade-offs and provision of stakeholder feedback. Where there are competing interests, we will clearly explain how we have considered the views of stakeholders and the potential hierarchy of how the various factors influencing decisions have been considered.

• Western Isles & Orkney Subsea Links

We will continue to engage to ensure that they can be taken forward in a timely manner once developer commitment is confirmed.

Throughout 2021/2022, we will continue working closely with stakeholders to ensure our LOTI projects take account of stakeholder views during the development process and we will continue seeking to understand stakeholder positions to ensure as far as reasonably practical that all stakeholders views are represented in the design of the project solution, achieving consensual decision making.

Stakeholder Engagement Panels

We sincerely value the stakeholder feedback we receive as part of our quarterly engagement with both our **Network for Net Zero Stakeholder Group** and from the **Stakeholder Advisory Panel**, the latter we share with SSEN Distribution. Both groups were recently given an update on the key themes being included in this draft plan, are being invited to participate in the consultation feedback and will be updated on the overall stakeholder feedback outcomes.



Stakeholder Advisory Panel meeting pre-pandemic

How to get in touch

We always welcome feedback from our stakeholders, either on the details of the Annual Engagement Plan or any other subjects you wish to discuss with us.

To contact us, or if you want to request a copy of this plan in a different format, please contact transmission.stakeholder.engagement@sse.com. You can also request a member of the team call you back.

Accessibility

We are mindful that stakeholders may have a range of backgrounds, knowledge, and digital accessibility. We are offering a range of ways for different audiences to speak to us about both our Annual Engagement Plan and the wider engagement work that we do; including sending out hard copies of publications when requested, ensuring our contact details are readily available, and that publications are included on our **website**.

Planned upcoming engagement activities

October 2021

Strathy South Customer Connection - Public consultations in October 2021 then further events in 2022 for routing and alignment

Strathy Wood Customer Connection - Public consultations in October 2021 then further events in 2022 for routing and alignment

Argyll and Kintyre substations - Alignment consultation in Autumn 2021.

Highlands, Islands and Central

Highlands, Islands and Central

West Coast

Late 2021

Killen Vista - Project newsletter to be created to help promote/communicate key activities during construction

Quoich substation - Public consultations starting late 2021 with more early 2022

Abernethy Substation Extension - Communication on construction works commencing by the end of 2021

Aberarder Windfarm Connetction - Communication on Section 37 determination by the end of 2021

Coire Glas - Public consultation event to be held by the end of 2021, awith another scheduled for 2022

Kinardochy - Communication on planning determination by the end of 2021

Shetland LT216 - Consultations September and November 2021 and January 2022

East Coast 132kV Overhead Line - Project update to be communicated to key stakeholders by the end of 2021. Potential for an alignment consultation in 2022

East Coast 275kV Overhead Line - Key construction activity updates to be issued on lot 1 works until end of 2021 and then on lot 2 works throughout 2022.

Highlands, Islands and Central

North East and East Coast

North East and East Coast



2022

Armadale Wind Farm Connection - Public consultations Jan 2022 then further events in 2022 for routing and alignment

Sallachy Customer Connection - Section 37 public consultation to update and advise of submission

Western Isle subsea connection - Public consultation potentially held in March/April 2022.

Balallan Switching Station and Overhead Line - Public consultation potentially will be held in March/April 2022.

Muaithebheal/Uisenis Windfarm Connection - Public consultation potentially will be held in March/April 2022.

Stornoway Windfarm Connection - Public consultation potentially will be held in March/April 2022.

Drumim Leathann Wind Farm Connection - Public consultation potentially will be held in March/April 2022.

Lochay - Communication on planning determination in 2022

Bhlaraidh Wind Farm Connection - Section 37 Public consultation to update and advise of submission, expected August 2022

East Coast 400kV Overhead Line - Communication on Section 37 determination in 2022

Clash Gour Windfarm Connection - Communication on Section 37 submission in 2022

Sloy Power Station Transformer Replacement - Proposal of Application Notice consultation event to be held early 2022

Highlands, Islands and Central

North East and East Coast

North East and East Coast

West coast

Ongoing engagement

Fort Augustus – Fort William project - Bi-monthly Community Liasion Group meetings

Lairg substation - Bi-monthly newsletter and regular Community Liasion Group meetings

Fort Augustus substation - Bi-monthly Community Liasion Group meetings

Creag Rhiabhach Customer Connection - Ongoing updates when required through the established Community Liasion Group for Lairg substation

Beauly 132kV Re-development - Quartlerly Community Liasion Group meetings

Shetland LT09 - Quarterly Community Liasion Group and Council meetings. Quarterly joint newsletter with VEWF. Mail drops and individual contact with residents and landowners. Progress update meeting with Local Council Directors. Regular meetings with elected representatives and their teams

Shetland LT216 - Quarterly Community Council meetings. Quarterly joint newsletter with Viking Energy Wind Farm. Mail drops and individual contact with residents and landowners. Progress update meeting with Local Council Directors. Regular meetings with elected representatives and their teams

Kinardochy and Lochay Substations - If planning granted, Community Liaison Groups created and Meet the Buyer events to be held

Tealing and Kintore Substations - Quarterly Community Liasion Group meetings

Alyth Substation - Quarterly Community Liasion Group meetings. Project newsletter issued quarterly via local magazine to all households in the area. This will continue for the duration of the project

Inveraray to Crossaig Phase 2 - Monthly Community Liasion Group meetings. Monthly Community Enhancement Plan Partnership meetings. Quarterly newsletter

Glen Falloch and Sloy VISTA projects - Continued engagement with Strathfillan Community Development Trust

Highlands, Islands and Central

North East and East Coast

North East and East Coast

West Coast

West Coast











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