Welcome
James Garland, Managing Director
EQ Communications
# Agenda

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<td>Coffee break</td>
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Introduction
Ross Fenton, Head of Region
South Caledonia
Safety

Safety is our number one priority, from our teams of people to the communities and customers who rely on a safe and reliable supply of electricity.
Distribution in Great Britain

- **Over 4,000** employees working from 85 depots and offices in the heart of the community
- **130,000km** of overhead lines and underground cables
- **106,000** substations
- **Over 100** submarine cables, powering island communities
- **3.8m customers** served by our networks across central southern England (over 3m) and the north of Scotland (over 780,000)
The area we cover

South Caledonia

- 293 staff in our depots
- 7,100km underground cables
- 11,200km overhead lines
- 175,000 poles
- 3,700 substations
- 309,000 customers
Investing to maintain a safe and reliable electricity network

We inspect, maintain and invest in our electricity network throughout the year to ensure it is the most reliable it can be.
Continually improving our service by investing in our network

Islay – Jura reinforcement
Circa £1 million

New Inveralmond Substation
Circa £2.8 million

Upgrading Friockheim Substation
Circa £600,000
Helping our customers and communities

build resilience

Building relationships with Emergency Planning Groups, community councils and blue light responders to enhance community resilience.
Informing our decisions and actions through stakeholder engagement

In a region of 309,000 connected customers stretching across 9 local authorities and 174 community councils, we are always looking for new ways to engage with our customers and stakeholders.
Local news and updates

Find out about local activity in your area by following our regional twitter account or by joining one of our Facebook Community Groups

Twitter: @SSEN_SouthCal

www.facebook.com/ssencommunity/groups/
ED2 Shaping Electric Futures
Shirley Robertson, RIIO ED2 Programme Manager
OUR VISION, PURPOSE AND STRATEGY

SSE’s vision is to be a leading energy company in a low-carbon world. Its purpose is to provide the energy needed today while building a better world of energy for tomorrow. And its strategy is to create value for shareholders and society from developing, operating and owning energy and related infrastructure in a sustainable way. This strategy, which is underpinned by a commitment to strong financial management, is built on four pillars.

- Focusing on the core
- Developing, operating owning
- Creating Value
- Being sustainable
Our CORE PURPOSE is to safely deliver electricity that powers communities, now and in the future.

Our Primary Network Objectives:

1. Reliability  
2. Inclusive Affordability  
3. Sustainability
**Incentives**
- A series of performance targets set by Ofgem that the DNO must achieve to either gain additional revenue allowances, or to minimise poor performance for relief of penalties

**Innovation**
- Revenues awarded by Ofgem to DNOs developing approved innovative solutions that will improve the network efficiency for the benefit of consumers

**Outputs**
- Revenues awarded by Ofgem reflecting the DNO’s performance in delivering a number of measurable outputs designed to benefit the consumer e.g.
  - Network Reliability
  - Providing Network Connections services
  - Customer Service
  - Social Obligations
  - Environmental Matters
  - Safety – keeping the networks safe
▪ Five years: 1 April 2023 to 31 March 2028
▪ We submit Business Plan; Ofgem reviews and approves
▪ New Business Plan means potential new targets, funding mechanisms, and incentives
▪ Requires ‘Enhanced Engagement’ with customers and stakeholders note
  ▪ We need to set up our own CEG
  ▪ Does not replace BAU engagement
  ▪ Focus and record all engagement to ED2
▪ All DNOs follow the same process
  o Gas distribution and transmission being reviewed currently, no alignment on Price Control timelines
RIIO – ED2 Regulatory Timeline

- **Relevant Phases of the Timeline:**
  - Identify Stakeholder Priorities
  - Develop Business Plan Requirements
  - Validate with Stakeholders
  - Refine with Stakeholders
  - Develop ED2 Business Plan with Stakeholders
  - Customer Engagement Group

- **Key Dates:**
  - Ofgem RIIO-ED2 Open Letter: August 2019
  - Ofgem RIIO-ED2 Framework Decision: Q4 2019
  - RIIO-ED2 Sector Methodology Consultation: June 2020
  - RIIO-ED2 Sector Methodology Decision: Nov 2020
  - First Business Plan submission to Challenge Group: May 2021
  - Final Business Plan submission, to Challenge Group: December 2021
  - Initial Determinations: June 2022
  - Licence Decision: Feb 2023
  - Final Determinations & Statutory License Consultation: November 2022

- **Additional Notes:**
  - Ofgem have indicated that this could move out to August or September 2019
  - Challenge Group: December 2021

- **Business Plan Submission Dates:**
  - First Business Plan submission: May 2021
  - Final Business Plan submission: December 2021

- **Decision Points:**
  - Open Hearings: Q1
  - Final Determinations: November 2022
  - Licence Decision: February 2023
  - RIIO ED2 Starts: April 2023
A changing energy system

Reliability. Affordability. Sustainability are **ALL** essential to a well functioning society

Ofgem expect the electricity distribution networks to see the greatest impact arising from the forces of decarbonisation, decentralisation, and digitalisation

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<th>Decarbonisation</th>
<th>Digitalisation</th>
<th>Decentralisation</th>
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<td>New sources of demand, including electric vehicles and the potential further electrification of heat, putting greater demands on local grids</td>
<td>The use of networks will also change with reforms to network access and charging arrangements, with users facing more accurate price signals about their impacts on network costs across transmission and distribution networks</td>
<td>A growing amount of distributed energy resources could offer non-build alternatives that may lead to a smarter, more flexible energy system</td>
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Delivering effective community grid solutions by being the DSO of preference. Enabling connections, and neutral facilitation of local market solutions.

Decentralisation

Leading the way in company wide Sustainable Operations. Enabling the Electrification of heat & transport to ensure our contribution to Net Zero.

Decarbonisation

An intelligent Operator Using data and systems to drive efficiency. Data analysis that can identify trends and solutions to the changing ways our networks are used.

Digitalisation

Working in the best interest of the consumer and our people. Fairness built in. Legitimacy & transparency are core to the greater good of GB.

Democratisation

Primary Network Objectives

Providing a reliable, affordable & sustainable energy network that addresses current network issues day to day.

Core Purpose

Stakeholders

Agile Regulation, ambitious incentives and fair uncertainty mechanisms

Agile, skilled, innovative and inspired workforce
**ED2 Strategy Development Exercise**

**Affordability**
Focus on delivering low customer prices (or minimising any increase) - primarily through reduction in total expenditure (TOTEX)

**Environmental sustainability**
Promote the long-term health and well-being of the network and society to support the UK’s broader climate change objectives and the transition to a low-carbon economy

**Reliability**
Focus on short-term improvement in network reliability through identification and investment in poor-performing network assets and improvement in operational fault restoration practices.
Stakeholders’ Strategic Drivers
Customer Priorities ED1

- Reliability
- Environment
- Customer Service
- Network Safety
- Vulnerable

RIIO ED2
ED2 Emerging Stakeholder Priorities

- Prioritised work pathways
- Strategy Development
- Early policy positions emerging
- Identify potential partnerships
Supporting Consumers in Vulnerable Situations
Simon O’Loughlin, Stakeholder Engagement Manager
Where we are with consumer vulnerability

We have four core themes to help customers in vulnerable situations:

- Drive forward PSR provision and promotion
- Expand on fuel poverty and energy efficiency activities
- Widen our partnership network and collaborative activities
- Ensure our services are inclusive and accessible now and in the future

These have been consulted and challenged by stakeholders, including at these workshops in 2018.
Supporting more PSR customers

707,198
Total households on our PSR
Estimated 66% of eligible households on our register.

Total domestic households in our licence areas 3,533,818*

1,070,579
are estimated to be eligible for PSR.

133,151 new registrations this year, up 23.2%.

27,527 new PSR households signed up directly, this is 20.5% of the overall increase

Overall 2023 target for registration: 1,000,000

*Centre for Sustainable Energy data
Addressing fuel poverty in England

National Coverage

Targeted interventions

• Groundworks Green Dr – Selsey and Slough – 9.5% fuel poverty and 11% and PSR Gap
• Centre for Sustainable Energy – Wiltshire and Dorset – Rural fuel poverty and finding hard to reach
• Action Hampshire WarmHubs – Rural fuel poverty, PSR Gap and elderly
• LSX - London and Thames Valley – 14.5% fuel poverty and ethnic diversity
• Water company collaborations – Thames Valley, Wessex and Isle of Wight – 11.3% fuel poverty

Fuel Poverty 9.2% SSEN
The average for England is 10.9%
Addressing fuel poverty in Scotland

National Coverage

Targeted interventions

- HES Homecare in Moray – with Energy Saving Trust helping people with cold-related illness
- Citizens Advice Scotland specialist energy advisors from 2019:
  - Shetland – 44% fuel poverty
  - Western Isles – 56% fuel poverty
  - South West Aberdeenshire - 37% (All Aberdeenshire)
  - East and Central Sutherland – 42% fuel poverty

Fuel Poverty 40% SSEN
The average for Scotland is 24.9%.
Growing fuel poverty help for customers

Households helped with energy efficiency

Households helped up 437% in 2018/19

Financial benefit PA for Customers £’s

Financial help up 239% in 2018/19
## Working with partners to promote the PSR

When we promote the PSR we do so to everybody and specifically target those who are most affected and who are hard to reach or underrepresented. We do this by working with trusted intermediaries, third parties, partners and targeted promotion.

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<th>We’ve learned that...</th>
<th>So we ...</th>
<th>Results</th>
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| Trusted partners help find hard to reach customers | Created a number of partnerships inc. 3 way data sharing with water companies | • An increase from 5 to 8 in data sharing partners, 3,791 customer referrals  
• 39 new partnerships resulting in 2,804 PSR registrations |
| Customers expect to hear about the PSR through medical professionals and previous methods had not worked | Promoted the PSR directly to GP surgeries and in hospital discharge units | • Reached 700 healthcare locations  
• We have worked in Great Western Hospital in Swindon and Royal Berkshire Hospital in Reading |
| Certain groups on our PSR are underrepresented nationally | Trained frontline colleagues on mental health issues and awareness including 53 mental health first aids | • The mental health category **by 83.48%**  
• The developmental condition category **53.2%** |
| Certain groups on our PSR are underrepresented locally | Take a data and insight driven approach in each location | **Thames Valley**  
• Under 5 category **91.04%**  
• Unable to communicate in English category **160.71%** |
Improving Accessibility

Changes this past year include:

• Recite Me website accessibility toolbar
• First DNO to introduce Easy Read
• Facebook Messenger launch
• Inclusive Service Panel progress
• Most accessible UK energy website
• Multi language social media messages
• Translation cards to use during power cuts
• New training, including Dementia bus tour
Supporting vulnerable customers now and in the future
Progressing regulation to support vulnerable consumers

From 1943 –
We’ve had a strong culture of helping all customers, particularly more vulnerable members of our communities

1980’s and 90s –
Licence conditions such as “The Provision of Services for Persons who are of Pensionable Age or Disabled or Chronically Sick” are seen

2000’s onwards -
The Priority Services Register (PSR) as we know it today became a licence condition for the whole energy industry
Ofgem Consumer Vulnerability Strategy Consultation

Five themes of the CVS to 2025

1. Improving identification of vulnerability and smart use of data.
2. Supporting those struggling with their bills.
3. Driving significant improvements in customer service for vulnerable groups.
4. Encouraging positive and inclusive innovation.
5. Working with partners to tackle issues that cut across multiple sectors.
Reaching all of our customers and stakeholders
Eligibility for Priority Services

We all rely on electricity day to day for various things, but for some, a power cut can be particularly distressing and difficult.

That’s why we offer extra help and support during a power cut. We encourage customers to join our PSR if they:

• Are deaf or hard of hearing
• Have a disability
• Live with children under five
• Are blind or partially sighted
• Have a chronic illness
• Use medical equipment/aids reliant on electricity
• Are over 60
• Would benefit from support, even if temporarily
Not missing anyone out!

We need to ensure all of our customers are aware of how to report a power cut and stay safe as well as knowing about the PSR.

We currently have an estimated 66% of eligible households on our Priority Services Register.

In addition to what you’ve already heard, we use TV and radio advertising, door drops, events and work with partners in our communities.
Underrepresented PSR customer groups

Across our PSR we have registered approximately 66% of eligible households

Data suggests the top five criteria which are underrepresented are:
1. Post hospital recovery
2. Hearing and speech difficulties
3. Unable to communicate in English
4. Careline and telecare users
5. Developmental conditions
Operating in a sustainable world

Andy Huthwaite, Director Connections
Bethan May-Freire, Group Sustainability Reporting Manager
A climate emergency

We have 12 years to limit climate change catastrophe, warns UN

Climate change: UK government to commit to 2050 target

UK Parliament declares climate change emergency

Justice in the transition to a low carbon economy
A working paper by the Cambridge Institute for Sustainability Leadership
Poverty crisis in the UK

UK poverty set to rise in next three years

Food bank use hits record high as emergency supply packages surpass 1.5 million in 12 months, figures show

Child poverty in the UK rising to record levels

Record 60% of Britons in poverty are in working families – study
Lack of trust in business

Survey: People’s Trust Has Declined in Business, Media, Government, and NGOs

Public trust in business hits five-year low

Beyond the bottom line: should business put purpose before profit?
How are businesses responding?

• Recognising the benefits of good management of environmental, social and governance issue.
  • Better financial performance in the long-run
  • Rebuilding trust with consumers and society
  • Businesses as part of the solution, rather that the problem

• The United Nations Sustainable Development Goals as a framework for creating and sharing value
SSE Group

SSE has a key role to play in supporting the low-carbon transition and helping to address the challenge of climate change.

Sustainability is at the core of its strategy.

Our vision
To be a leading energy company in a low-carbon world.

Our purpose
Provide the energy needed while building a better world of energy for tomorrow.

Our strategy
To create value for shareholders and society from developing, owning and operating energy and related infrastructure and services in a sustainable way.
SSE Group’s 2030 Goals

Cut our carbon intensity by 50%
Reduce the carbon intensity of electricity generated by 50% by 2030, compared to 2018 levels, to around 150gCO₂/kWh.

Help accommodate 10m electric vehicles
Build electricity network flexibility and infrastructure that helps accommodate 10 million electric vehicles in GB by 2030.

Treble renewable energy output
Develop and build by 2030 more renewable energy to contribute renewable output of 30TWh a year.

Champion Fair Tax and a real Living Wage
Be the leading company in the UK and Ireland championing Fair Tax and a real Living Wage.
UN Sustainable Development Goals
Wrap up and next steps
Ross Fenton, Head of Region
South Caledonia
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Register for Priority Services today.
Fill in the form or call FREE 0800 294 3259
textphone 0800 316 5457
Find out more at ssen.co.uk/priorityservices
Report a power cut in a flash!

**Report it**
Report new power cuts as and when they happen

**Search it**
Search for power cuts in your area

**Updates**
Receive power cut updates

**Capture it**
Take photos to report any damage near you

Available now for download on Apple & Android

Your **free** mobile app

More information: www.ssen.co.uk/powertrack
Keep in touch

Email us – stakeholder.engagement@sse.com

Look out for future events – visit ssen.co.uk/stakeholderevent

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