Stakeholder Engagement Workshop
18th September 2019
Welcome
James Garland, Managing Director
EQ Communications
## Agenda

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Introduction
Simon Dobson, Deputy Head of Region, Thames Valley
Accidental contact with overhead lines

29% believe we should prioritise our Look Out, Look Up campaign

- 23,000 stakeholders engaged on Look Out, Look Up campaign
- 750 tractor cab stickers distributed
- Work with HSE, National Farmers Union, Freight Transport Association and machinery contractors

Injuries involving agricultural machinery have declined over the past year from four to one

School Safety

Use schools and universities to extend the reach of your safety messages

Regional Campaigns to promote awareness of electrical assets in the public domain

Helped over 3,200 school children learn about the importance of staying safe near our equipment

Underground Cable Damage

18% believe we should prioritise working with DIY supply chains

Provided safety information to individuals engaged in excavation
Provided advice and guidance to domestic property owners on safe digging practices

The number of injury incidents linked to underground cables reduced by 15%
You Said

Reliability & Availability

Reducing the overall number of power cuts, and how long they last, are key aspects of our work as cited by 33% of our stakeholders*

Transition to Distribution System Operator

76% of stakeholders agree or strongly agree with the statement ‘Investing beyond the meter (in communities) is the right thing to do to help us manage the network more efficiently’.

Work with Local Authorities and other stakeholders to help deliver community-level benefits from smart grids
We Did

Reliability & Availability

Over a three year period we are investing c.£35m across our network with over 800 circuits fitted with the latest automation technology.

Over 320,000 customers are already benefitting from this investment.

Transition to Distribution System Operator

We have progressed our Social Constraint Managed Zones to provide additional weighting to services that provide local flexibility and wider societal benefits.

We have partnered with National Energy Action to deliver a targeted engagement programme.
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)
Thames Valley

The area we cover

With nearly a million customers to serve across the Thames Valley, Scottish and Southern Electricity Networks (SSEN) works around the clock – no matter the weather – to look after the overhead lines, underground cables, poles and substations that deliver the electricity to your homes, businesses, schools and hospitals.

From Woodley to Windsor, Sonning to Slough and all along the River Thames into West London, we maintain a safe and sustainable power supply for our 980,000 customers by designing and building the new infrastructures and connections that enable our communities and the amenities that serve them to grow and develop. Because we also live and work in these communities we know how important it is to have a strong, resilient network; this year alone, we'll be investing £12 million in the network serving Thames Valley through a series of projects to upgrade and improve the local infrastructure.

Throughout the year we work with partner agencies, parish councils, elected members and charity organisations, so we’re always in touch with the needs of our customers. And as Thames Valley is uniquely situated to serve some of the most rural and urban areas in central southern England, those needs can vary from region to region.

Danielle Royce, Head of Region

<table>
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<tr>
<th>303</th>
<th>5,266km</th>
<th>3,200km</th>
<th>53,000</th>
<th>10,634</th>
<th>943,063</th>
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<tr>
<td>staff in our depots</td>
<td>of underground cables</td>
<td>of overhead lines</td>
<td>poles</td>
<td>substations</td>
<td>customers across the region</td>
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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

- 11.8m Capital investment in refurbishing & upgrading networks
- 61m Investment across the South on Strategic schemes = of which £17.5m being spent in Thames Valley Region

**Reading Main & Reading Town**
Circa 5.09m

**Yattendon**
Circa £730k

**Automation Schemes**
Circa £3m Thames Valley
Stakeholder Engagement

Stakeholder engagement across our 1 million customers is vital to ensure we make informed decisions based on our unique customers demographic based on vulnerability mapping data.

Network of local places of worship partnering on PSR & fuel poverty.

102% Increase in PSR registrations from ethnically diverse backgrounds over the last 12 months

Mr Channi Singh – Director Hounslow Multicultural Centre
‘I am impressed to see that SSEN have the PSR leaflet translated into different languages, this is very helpful to an organisation that serves people from diverse backgrounds’.

Richard Benyon – MP Newbury
‘My constituents, who feel they may need extra help, can access this through registering on the Priority Services Register, for free. This provides extra help to those who need it most during adverse weather conditions, or faults’
Working with Partner Agencies

Joint PSR promotion with other utilities, local councils and specialist vulnerability groups

Engaged with over 1300 children this year on safety

Ethnically Diverse customer service workshop with London Sustainability Exchange
If it’s not safe, we don’t do it

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.
Local news and updates

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

www.facebook.com/ssencommunity/groups/
ED2 Shaping Electric Futures
Shirley Robertson, RIIO ED2 Programme Manager
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
SSEN Distribution

CORE PURPOSE
To safely deliver electricity that powers communities, now and in the future.

PRIMARY NETWORK OBJECTIVES
What is RIIO?

Revenue = Incentives + Innovation + Outputs

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 performance in delivering measurable outputs e.g.
  • Network Reliability
  • Network Connections services
  • Customer Service
  • Social Obligations
  • Environmental Matters
  • Safety
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
  - Gas distribution and transmission being reviewed currently, no alignment on Price Control timelines
RIIO – ED2 Regulatory Timeline

- **RIIO ED2 Starts April 2023**

**2019**
- Ofgem RIIO-ED2 Open Letter

**2020**
- Ofgem RIIO-ED2 Framework Decision
- First Business Plan submission To CCG
- Final Business Plan submission to CCG
- Open Hearings

**2021**
- Initial Determinations
- Final Determinations

**2022**

**2023**
- Final Determinations
- Licence Decision

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**CUSTOMER ENGAGEMENT GROUP**

- IDENTIFY STAKEHOLDER P Priorities
- DEVELOP BUSINESS PLAN REQUIREMENTS
- VALIDATE WITH STAKEHOLDERS
- REFINEMENT WITH STAKEHOLDERS
- REF Ine

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**Ofgem RIIO-ED2**

- **Open Letter**
- **Framework Decision**
- **First Business Plan submission To CCG**
- **Final Business Plan submission to CCG**
- **Open Hearings**
- **Initial Determinations**
- **Final Determinations**
- **Licence Decision**
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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Providing effective community grid solutions by being the DSO of preference. Enabling connections, and neutral facilitation of local market solutions.

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

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.

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

Agile Regulation, ambitious incentives and fair uncertainty mechanisms

Agile, skilled, innovative and inspired workforce

Stakeholders

PRIMARY NETWORK OBJECTIVES

CORE PURPOSE
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

The Clean Growth Strategy
Leading the way to a low carbon future

Scotland: Net Zero by 2045

UK: Net Zero greenhouse gas emissions by 2050

Wales: -95% by 2050

A vision for Scotland’s electricity and gas networks
Customer Priorities ED1

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

RIIO ED2
ED2 Emerging Stakeholder Priorities

- Prioritised work pathways
- Strategy Development
- Early policy positions emerging
- Identify potential partnerships
Electronic Voting

What are your top three priorities for SSEN Distribution to address?
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.

**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.

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

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

**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
Growing fuel poverty help for customers

Households helped with energy efficiency

Financial benefit PA for Customers £’s

Households helped up 437% in 2018/19

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 aiders** | • The mental health category **↑ 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
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
Andrew Roper, Director, DSO
Bethan May-Freire, Group Sustainability Reporting 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.
A climate emergency

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

UK Parliament declares climate change emergency

Climate change: UK government to commit to 2050 target

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

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

1. No Poverty
2. Zero Hunger
3. Good Health and Well-Being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace and Justice, Strong Institutions
17. Partnerships for the Goals
Wrap up and next steps
Simon Dobson, Deputy Head of Region, Thames Valley
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• Have a chronic illness
• Use medical equipment/aids reliant on electricity
• Are over 60
• Would benefit from support, even if temporarily
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](http://www.ssen.co.uk/powertrack)
Keep in touch

Email us – stakeholder.engagement@sse.com

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

Tweet us @ssencommunity

Follow us on Facebook ‘Scottish and Southern Electricity Networks’