Placing stakeholders at the centre of our business
Our engagement in 2013/14 has been carried out against the background of a programme that will see us invest around £2bn in our network, with the potential to increase this significantly in response to the needs of large scale electricity generators. Working effectively with stakeholders is critical to the successful delivery of a programme driven by the demand for connections for renewable energy sources in the north of Scotland. This is, in turn, driven by UK and Scottish Government carbon targets and we are very conscious that the effectiveness of our engagement strategy with stakeholders could have a significant impact on our country’s ability to meet highly important renewables objectives.

Perhaps more important than the way we have engaged, is the way in which we have changed as a result of that engagement. This year we’ve introduced a wealth of change that will deliver real benefits for our stakeholders and allow us to deliver our business plan commitments in an efficient and sustainable way. Our change highlights are:

- Becoming the first Transmission Owner to offer compensation for power cuts caused by problems on our network
- Establishing new practices for protecting wildlife and, with Ofgem’s approval, sharing those practices with other companies
- Working with the Scottish Government to develop clearer documents for necessary wayleaves
- Establishing a set of Principles of Written Consultation
- Making our quarterly Major Transmission Projects Update more accessible
- Trialling new speed camera technology to improve driving standards around our sites
- Working with SEPA to introduce new approaches to managing construction activities around seasonally variable streams
- Making it much easier to talk to our connections team
- Committing to stakeholder service training for every member of the SHE Transmission team

We are ever conscious that everything we do has an impact, directly or indirectly on energy bills. So this year, once again, we have sought to engage with our stakeholders in a way that is as effective as it is efficient.

We have tried not to reinvent the wheel – where there are existing groups and communication routes, we use them. We have worked to make the most of each engagement activity, avoiding ‘single issue’ engagement and engaging alongside our sister company, Scottish Hydro Electric Power Distribution, to keep costs down and our demands on stakeholders’ time to a minimum. That said, we have also introduced some carefully considered and innovative ways to engage with our stakeholders, including our extremely well received academically-facilitated Risk Workshop and our highly rated innovation ‘Speed Dating’ event, which paired innovators with SHE Transmission colleagues to find solutions to technical challenges the business is facing.

We’ve also significantly increased our profile at key industry events, including the UK’s largest free-to-attend energy event, All Energy, and we use these events to ever widen our stakeholder base to include new audiences with whom we have not previously engaged. My thanks to everyone who came to see us at these events.
Our performance

SHE Transmission operates under a ‘price control’ set by the industry regulator Ofgem. The current price control, known as RIIO-T1, is different to our previous arrangements in the way that it offers a wide range of new incentives to encourage high levels of performance in important areas of our business.

Stakeholder engagement is one area that is incentivised, through the offer of a reward for well-managed stakeholder engagement that leads to improvements in the way we do business. Our approach to stakeholder engagement is assessed by way of two submissions, one of which is analysed by Ofgem to ensure our engagement meets a set of minimum requirements, the other by an independent expert panel who assess the overall quality of our stakeholder engagement.

On the following pages you’ll find the submission that the panel assessed; it sets out the rationale for the engagement we undertook, the activities we carried out, and the changes we implemented, or plan to make, as a result. I hope you find this a useful summary of our engagement activity this year. If you would like to know more about what we have done, please contact my stakeholder engagement team at stakeholder.engagement@sse.com or on 01463 728109.

How we are rewarded

For us, the real value of engaging with our stakeholders is the way in which that helps us evolve and change to play our part in providing the energy people need in a reliable and sustainable way. However, we are also rewarded by Ofgem for our performance. The financial reward we will receive for our stakeholder engagement performance is around £200,000. This reward was decided by the independent panel of stakeholder engagement experts who are appointed by Ofgem.

Continual improvement

We aim to continually improve our engagement performance. We have reviewed our activities and will publish our plans for the coming months shortly. We would be delighted to hear from you if you have ideas about how we can engage more effectively with stakeholders. I do hope you feel that our engagement in 2013/14 was valuable and I hope you will continue to take an interest in SHE Transmission this year.

Innovation ‘Speed Dating’
March 2014

Contact us:
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01463 728109.

Transmission Stakeholder Engagement Manager
Scottish Hydro Electric Transmission plc
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ
2013/14 Ofgem Stakeholder Engagement Incentive Scheme

Placing stakeholders at the centre of our business
Engaging with stakeholders every step of the way

As Director of Transmission, I’m very conscious of the responsibilities that Scottish Hydro Electric Transmission has as the licensed Transmission Owner for the north of Scotland. As well as being in charge of keeping power flowing through the area’s highest voltage power lines, we must also make sure that we invest in our network to provide connections for generators who wish to connect their developments to our network. And most importantly, we need to do all that safely. To achieve this, and more, it’s vital that we engage our stakeholders in the planning and delivery of our business activities. 2013/14 was a year of intense activity for our business, and we were privileged to continue working closely with our stakeholders every step of the way, establishing and nurturing Long-term relationships.

Planning and managing our engagement

Our Stakeholder Engagement Strategy and Implementation Plan sets out, stakeholder group by stakeholder group, what we have learned are the key issues for them and for us. In it, we clearly state how we will engage with our stakeholders on those issues, and the kind of changes we hope to deliver as a result. Our 2013/14 performance was independently assessed by ERM CVS and we were delighted that they confirmed that we had indeed complied with our plan. See Part 1 Appendix 5.

Delivering diverse and substantive changes

The changes we’ve delivered are diverse both in terms of their nature and the stakeholders they benefit.
- We’ve re-vamped our quarterly Major Transmission Projects Update to help stakeholders better understand the progress we’re making on investing up to £5bn in our Transmission network.
- We’ve introduced compensation payments for householders and businesses affected by major power cuts caused by faults on our Transmission network.
- We’ve doubled the size of the team who look after connections to our network and made sure they are much easier to contact and much more active in supporting connecting customers.
- We’ve changed our standard contracts to make sure our contractors stick to the rules we agreed with landowners when they are building on their land on our behalf.
- We’ve established forums to allow issues of regional importance to be explored by our stakeholders.
- We’ve established that our stakeholders like to engage via new mechanisms as well as established channels and forums. Positive feedback from stakeholders involved in innovative engagement activities such as our Speed Dating event and our academically-led Risk Workshop has encouraged us to further explore new ways to engage.
- We’ve established a social media presence to encourage stakeholders to engage with us, providing both important updates and more lighthearted content to keep the conversation flowing.

Within this document, I firmly believe we give the strongest indication that we – myself, my management team and our colleagues throughout SHE Transmission – are absolutely committed to delivering a comprehensive programme of stakeholder-driven change, which is innovative, inspiring and ultimately beneficial to those we serve.

Overview and key highlights

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Strategy and implementation plan

Our SSEPD Board-approved Stakeholder Engagement Strategy and Implementation Plan for 2013/14 (our Plan) has been central to the way in which we have delivered a programme of effective, innovative engagement and business change.

Our Plan, which we review and update each year, sets out our simple but effective strategy. It considers our stakeholders, group by group (see left), and presents the issues we have learned are of greatest mutual importance, stating the mechanism through which we will engage on these issues and the type of change we are working to deliver.

In addition to declaring the specific activity we will undertake, our Plan also brings together the general activity we will undertake to ensure that we work with our stakeholders in line with our strategy – for example, carrying out an annual review of stakeholders, understanding our stakeholder groups by mapping them on an interest/influence matrix and making a commitment to communicating in plain English. Our Plan also sets out how we will ensure that we engage with stakeholders in a variety of ways, depending on the nature of the issue to be explored and the preferences of our stakeholders.

Our annual Stakeholder Survey

Our annual Stakeholder Survey is an effective way of monitoring the service we provide to stakeholders. In autumn 2013 we contacted all of the stakeholders on our database and invited them to take part in our annual survey. 51 people agreed to take part. The aim of the survey was to establish how satisfied our stakeholders are with us and to identify ways in which we can improve the service we provide. The questions we asked in our survey were influenced by the seven Customer Commitments (see left) which we adopted, following stakeholder consultation, in 2013.

Stakeholder service training

Providing a high level of service to stakeholders is important to us. From making sure we pay invoices in good time, to managing complaints effectively, many key aspects of good service have been enshrined in policies and procedures, and supported by internal communication campaigns to make sure all our colleagues are aware of the role they have to play.

However we are conscious that policies and procedures alone are not enough to deliver the level of service our stakeholders deserve. That’s why, in 2013/14, we committed to ensuring that, by the end of 2014/15, all members of the SHE Transmission team would have received face to face training on stakeholder service and all teams would be tasked with developing a plan for improving the service they provide to their stakeholders. In March 2014, we delivered a pilot training session to assess whether the proposed training course would achieve the objectives of increasing colleagues’ commitment to providing excellent service and helping teams create action plans.

Our outline strategy

1. Identifying our stakeholders
   We have developed a list of stakeholders who we felt could add particular insight into our business. We have in place a Stakeholder Engagement Database, a contact and record management system to enable us to actively manage engagement across the business. This is managed in accordance with our Data Protection Standard.

2. Understanding our relationship with our stakeholders
   We have categorised our stakeholders based on our existing relationships with them; the level of influence they have over our business; and their interest in helping us shape it.

3. Actively engaging our stakeholders
   We offer a range of ways to engage with us, tailored to the wishes of our stakeholders. We aim to continually monitor and evaluate our mechanisms of engagement to ensure they sustain constructive engagement. We also aim to increase the number and diversity of stakeholders with whom we engage.

4. Informing our stakeholders
   Reports on our business will be made publicly available in a range of formats. We will regularly update our documentation in line with feedback from our stakeholders.

5. Listening and responding to stakeholders
   We aim to publish key themes arising from our stakeholder consultation processes and our response to them so that our stakeholders know what action we will be taking to improve our business.

6. Being accessible to our stakeholders
   We are committed to being open and easy to talk to. We want to make sure our stakeholders can contact the right person easily. We will write in plain English and avoid jargon.
Communities and elected representatives

Residents, community councils, local businesses and elected representatives (local authority councillors and members of the Scottish, UK and European parliaments)

Investing in our communities
Providing a safe, reliable transmission system to the communities we serve is our primary responsibility. And while our sister company, Scottish Hydro Electric Power Distribution, is ultimately responsible for dealing with power cuts, we work very closely with SHEPD and our community stakeholders to help plan for the rare occasions when power is interrupted due to a fault on the Transmission network.

We intend to invest up to £5bn in our network between now and 2021 and have a responsibility to be a good neighbour as we plan, construct and commission our new assets. Our investment programme brings a wealth of business opportunities to local people for training and long-term employment, so we actively engage with local education, enterprise and employment authorities to ensure these opportunities are well publicised and easily accessible.

Our engagement highlights

### Depot Open Days

**Supports stakeholder issues:** Communities: Supply reliability; Project matters; Economic development

Open Days at our main depots helped people with a relatively low interest in our business to understand its relevance to them. 97% want to attend events in future.

**Improved project communications**

**Supports stakeholder issues:** Communities: Project matters; Elected representatives: Project specific issues, Communications

We continued to engage via events in local venues timed to accommodate people’s different lifestyles; we highlighted plans for, or progress on, nearby construction projects and provided project-specific plain English newsletters and updates. We also committed to a set of Principles of Written Consultation which include using written consultation only where it is the best approach; ensuring timescales are appropriate; encouraging participation; presenting our consultations consistently; making our consultations easy to understand; and reporting back.

### Community resilience planning

**Supports stakeholder issues:** Communities: Supply reliability

In July 2013, we checked with a representative survey of domestic customers, from both our network areas, that they agree with our approach to resilience planning. Our survey confirmed 93% agreed that we should be working with communities, and vulnerable customers, to help them become more resilient during power cuts. Accordingly we accelerated our programme of engagement, inviting more people to visit our depots and becoming more active in local Resilience Planning Partnerships.

### Combating metal theft

**Supports stakeholder issues:** Communities: Supply reliability

Metal thieves who target power infrastructure endanger their own lives and other people’s. We helped tackle this by providing resources and training to police officers to help them recognise our materials. We attended a national summit on the matter and we continue to work with related agencies on this.

### Key changes implemented

#### Compensation for power cuts

**Supports stakeholder issues:** Communities: Supply reliability

Having asked over 200 stakeholders for their views, and involved consumer representatives in round table discussions, in 2013 we became the first and only Transmission Owner to offer compensation to customers affected by a power cut caused by a fault on the Transmission network.

<table>
<thead>
<tr>
<th>Short-term outcome</th>
<th>Long-term outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implemented</td>
<td>Committed to conducting a survey of affected customers to refine and improve the compensation procedure.</td>
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</tbody>
</table>

### Speed camera trial

**Supports stakeholder issues:** Communities: Project matters

Our complaints database showed the most common cause for complaints to be the behaviour of our site traffic.

<table>
<thead>
<tr>
<th>Short-term outcome</th>
<th>Long-term outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trailing a new-to-the-UK speed camera to manage vehicle speeds.</td>
<td>If trial successful, will install this type of speed camera at other sites.</td>
</tr>
</tbody>
</table>

### Priority Services leaflet

**Supports stakeholder issues:** Communities: Supply reliability

SHE Transmission teams are being encouraged to promote Distribution Priority Services leaflets to local communities.
Developers and trade bodies

Individuals, communities, organisations and their representatives

### Developers

<table>
<thead>
<tr>
<th>Key stakeholder issues in 2013/14</th>
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<tbody>
<tr>
<td><strong>Developers</strong></td>
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<tr>
<td>Ease of access and information</td>
</tr>
<tr>
<td>Explaining the process</td>
</tr>
<tr>
<td>Speed of delivery of connections</td>
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<tr>
<td>Trade bodies</td>
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</tbody>
</table>

### Our engagement highlights

#### Learning from our stakeholder survey

**Supports stakeholder issues:** Developers: Ease of access and information

The results of our 2013/2014 Stakeholder Survey encouraged us to implement a range of improvements. Key changes include developing a comprehensive communications plan to support developers throughout the connections process.

#### Our Guide to Connections

**Supports stakeholder issues:** Developers: Explaining the process

Following analysis of the results of our Stakeholder Survey, we have created a new Guide to Connections to help developers better understand the Transmission connections process.

#### Key changes implemented

**Improving service standards**

**Supports stakeholder issues:** Developers: Ease of access and information; Explaining the process

Informed by surveys and general feedback, we have made several changes to help provide consistently high standards of service to developers.

- **Short-term outcome**
  - Doubled the size of the team
  - Recruited people with extensive experience of providing high levels of customer service

- **Long-term outcome**
  - Established stakeholder engagement objectives for team members
  - Committed to reviewing all aspects of communication with developers

**Boosting our presence at industry events**

**Supports stakeholder issues:** Developers: Ease of access and information; Explaining the process

During 2013/14 we continued to increase and improve our presence at key industry events including at All Energy in Aberdeen in May 2013 (the UK’s biggest energy exhibition and conference) where we engaged with around 40 Transmission connections customers, explaining the connections process and discussing progress on individual projects. Through a prize draw, we increased our stakeholder contact base by around 25%.

At February’s National Grid Customer Seminar event we invited delegates to review our presence and suggest improvements. This resulted in National Grid increasing our event profile and introducing a conference session dedicated to the progress of our construction programme.

### Our engagement by stakeholder group

<table>
<thead>
<tr>
<th>How we’ve engaged</th>
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<tbody>
<tr>
<td>26 portfolio meetings</td>
</tr>
<tr>
<td>30 pre-application meetings</td>
</tr>
<tr>
<td>147 construction meetings</td>
</tr>
<tr>
<td>71 industry meetings</td>
</tr>
<tr>
<td>Developer-specific questions in our survey</td>
</tr>
<tr>
<td>Depot Days</td>
</tr>
<tr>
<td>Strong presence at major industry events</td>
</tr>
<tr>
<td>Creation of Guide to Connections</td>
</tr>
<tr>
<td>Post-connection satisfaction checks</td>
</tr>
</tbody>
</table>
Industry regulators and political stakeholders

Ofgem, UK Government, Scottish Government and the Electricity Networks Strategy Group (ENSG)

Key stakeholder issues in 2013/14

| **OFGEM** | Regulatory compliance | Responsibility for regulatory compliance rests entirely with the boards of directors of the companies that it regulates. Ofgem's role is to ensure that regulatory obligations are clear.
| **STRICTER WORKS PROJECTS** | Strategic Wider Works Projects | Ofgem review and approve the funding for large capital projects (which are not pre-approved) on a case by case basis through this mechanism.
| **RIIO-T1 BUSINESS PLAN** | RIIO-T1 Business Plan | Ofgem review the implementation and delivery of our commitments in accordance with our Business Plan submitted under the RIIO-T1 framework, including performance against incentive mechanisms.

**UK and Scottish Governments**

- **Timescale of delivery of infrastructure projects**: We must address this group’s concerns about the effect of any delays in our investment programme on economic development and our ability to meet renewable energy targets.
- **Providing sufficient capacity to meet future demand**: We need to strike a balance between providing capacity for generation we know is going to be built, and for generation that we have good reason to believe is very likely to be built.
- **Effect of the cost of infrastructure projects on generation developers and consumers**: We need to strike a balance between the impact of our construction projects on customer bills, and the benefit for the UK as whole of allowing new generation to connect to the Transmission network.

**ENSG (jointly chaired by the Department of Energy and Climate Change (DECC) and Ofgem)**

- **Effectively sharing information with interested parties**: Information from the ENSG is very valuable to stakeholders who are not part of the ENSG itself.
- **Lack of common understanding of future generation scenarios**: A lack of a common understanding on future energy scenarios makes it difficult for the industry as a whole to make informed decisions and contributes to delays in progressing new transmission projects.
- **Island affordability**: The ENSG is the main industry forum for discussion on Government research, including DECC’s Scottish Islands Renewables Project, which considers whether the development of renewable energy generation on the UK’s outlying islands represents value for electricity customers.

Our engagement highlights

**Engagement in relation to island energy matters**

- **Supports stakeholder issues**: UK and Scottish Governments: Effect of the cost of infrastructure projects on generation developers and consumers; Providing sufficient capacity to meet future demand.

Outlying Scottish islands* have some of the best wind resources in Europe, but building generation infrastructure and connecting to the mainland network is both costly and logistically challenging. This has implications for customer bills and is also subject to some uncertainty about economic viability, making island energy development a complex and sensitive issue. We work closely with a range of stakeholders to both explain the regulatory system and explore every option as a whole to make informed decisions and contributes to delays in progressing new transmission projects.

*RIIO stands for Revenue + Incentives, Innovation and Outputs: T1 indicates that it is the first price control of its kind for Transmission Owners. The price control restricts how much money a Transmission Owner can make from its business and requires the company to meet certain standards of performance.

**How we’ve engaged**

**Ofgem**
- Bilateral meetings
- Working groups
- Site visits
- Project-specific updates on website

**UK and Scottish Governments**
- Face to face meetings
- Project-specific forums
- Quarterly Projects Update mailed to key stakeholders, published on website and publicised via social media
- Site visits

**SHE Transmission**

<table>
<thead>
<tr>
<th><strong>Assessment Criteria Key</strong></th>
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<tbody>
<tr>
<td>✓ Outreach</td>
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<tr>
<td>✓ Innovative</td>
</tr>
<tr>
<td>✓ Embedded in our business</td>
</tr>
<tr>
<td>✓ Robust management</td>
</tr>
<tr>
<td>✓ Repeatable</td>
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**Part 2 Submission**

**Ofgem Stakeholder Engagement Incentive Scheme 2013/14**

**Improved project updates**

- **Supports stakeholder issues**: UK and Scottish Governments: Timescale of delivery of infrastructure projects.

A review of our quarterly Major Transmission Projects Update publication, of which UK and Scottish Government representatives are a key audience, showed that the content was in some places too technical, requiring the reader to have a sophisticated understanding of the regulatory and economic landscape as well as a background knowledge of the projects to which the publication referred.

**Outcome**

Quarterly Major Transmission Projects Update made more accessible and engaging; content, language and layout reviewed, making it simpler to understand and more informative. Promoting Update via social media to extend its reach.
Industry colleagues

Transmission Owners and Operators, SHE Transmission employees

Key stakeholder issues in 2013/14

Transmission Owners and Operators

- Operational information sharing
  As a TO, we have a responsibility to communicate effectively with the two GB TOs and the SO to ensure that we all deliver on our operational responsibilities.

- Delivering an effective programme of stakeholder engagement
  TOs and SOs have many stakeholders in common and, in some instances, the performance of one party may affect stakeholder perception of the other.

- Strategic planning
  TOs and SOs must work effectively together to help meet the long-term energy challenges of tackling climate change and ensuring secure, clean and affordable energy.

SHE Transmission employees

- Ensuring that all colleagues understand our aims and priorities
  Our colleagues need to be kept informed about the issues that matter to our stakeholders and how they, as employees, can contribute to the success of our business.

- Knowledge and learning
  We want to capture the knowledge and learning generated by our colleagues to help us continually improve and run our business more efficiently.

- Innovation
  We actively listen to and support our colleagues’ ideas for new and better ways of running our business and bring those ideas into play as quickly as possible.

Our engagement highlights

The ‘Working Together’ group

Supports stakeholder issues: TOs and SOs: Delivering an effective programme of stakeholder engagement

We worked with National Grid and Scottish Power Energy Networks to establish a ‘Working Together’ group to act as “a means to pursue opportunities for enhanced communication to improve the overall level of service provided to customers and stakeholders within GB”.

The group meets to generate informed discussion on outcomes from surveys and other engagement activities and to provide an opportunity for all parties to openly and frankly discuss progress in relation to improving overall customer and stakeholder satisfaction. The scope of the group includes:

- outcomes from surveys and other engagement activities
- development of shared action plans
- development of shared seminars, materials and other initiatives.

Outputs have included a commitment to improve communication with developers seeking network connections as well as, in response to stakeholder feedback, more information at National Grid Customer Seminars on Scottish Power Energy Network’s and our own activities.

The ‘Great Place to Work’ survey

Supports stakeholder issues: SHE Transmission employees: Ensuring that all colleagues understand our aims and priorities

Every year, across the SSE Group, we invite our colleagues to take part in the ‘Great Place to Work’ survey, the results of which are distilled into an Employee Engagement index which measures respondents’ commitment to SSE – defined as the level of our colleagues’ willingness to invest personal effort in the success of the business. The three key measures are:

- Say: Strongly advocating the organisation
- Stay: An emotional commitment to the organisation and a desire to stay
- Strive: Providing sustained additional effort in line with organisational goals

Our colleagues’ overall responses to all three of these key questions was scored as ‘positive’ (ie 5% or more greater than the overall score). An additional 40 detailed questions allow managers to better understand the opinions of their teams. All line managers receive a personalised report and must create and deliver an action plan aimed at improving their team members’ scores.

Key changes implemented

Bringing our work to life via film

Supports stakeholder issues: Insert SHE Transmission employees: Ensuring that all colleagues understand our aims and priorities

With a large proportion of our colleagues working in office-based support functions, many staff members rarely have the chance to see at first hand the scale and complexity of the work we are undertaking to build new power lines and substations. The importance of helping people understand what our investment programme is all about contributed to our decision to commission a suite of videos which bring to life the story of our construction activity.

Short-term outcome

16 videos produced with topics including: key technologies we use; how we look after the environment; how we engage with communities; how we support local economies.

Long-term outcome

Videos will be promoted via social media and shared with a range of stakeholder groups in various forums.
Innovation community

Engineering and technology companies, academic institutions, business experts, other network operators

Applying innovation to meet new challenges

In Transmission, the need for innovation is driven by a change in the demands being placed on our extra high voltage networks which, in turn, places an increasing and urgent demand on SHE Transmission to provide the capacity required for the development of renewable energy generation. Our innovation stakeholders are people and organisations with an interest in new solutions to these challenges who are working or wish to work with us, who are expert in areas relating to our business or who face similar challenges. To deliver benefits for both the innovation community and our own business, we aim to be accessible, approachable and facilitating.

Key stakeholder issues in 2013/14

<table>
<thead>
<tr>
<th>Access to the right people</th>
<th>Visibility of ideas</th>
<th>Access to third party funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>We want to hear from people in the innovation community who have relevant ideas, products or services – and they want to speak directly to the right people in our business.</td>
<td>Many innovation community members have specific ideas that they wish to promote to us and, similarly, we are seeking solutions to specific challenges. As well as looking for the right people, we are looking for the right ideas.</td>
<td>Many European and UK funding streams require projects to involve several types of organisation including, for example, academia, commercial, public sector and SMEs. By engaging with the innovation community, we can identify opportunities for collaborative working to access such funds, leading to cost-saving or service-improving innovations for our business, as well as new business for innovation community stakeholders.</td>
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</tbody>
</table>

Our engagement highlights

Innovation ‘Speed Dating’

Supports stakeholder issues: Access to the right people; Visibility of ideas

In March 2014, a rapid-fire event, styled on speed-dating, allowed 64 focused conversations to take place in a single day between representatives from our own business and companies involved in innovating for the energy industry.

Conceived by SHE Transmission, and organised in conjunction with the Energy Innovation Centre (EIC), the event (held in the new Power Networks Demonstration Centre) aimed to accelerate the development of innovative solutions to Transmission challenges.

Our colleagues provided advance notice of key challenges to which they were seeking solutions and the EIC ensured that the delegates they were fielding represented a relevant range of technologies and approaches. Each participant rated each ‘date’ for compatibility and identified common ground and potential areas for innovation. Over the following month, each participant was contacted to assess what future innovation projects were worth pursuing and decisions will be made in Q1 of 2014/15.

Feedback from delegates was extremely positive:
- 94% of delegates said they identified potential innovation projects
- 100% enjoyed the event
- 100% were satisfied with the event overall

Improving our website

Supports stakeholder issues: Access to the right people; Visibility of ideas; Access to third party funding

In our Stakeholder Engagement Plan we committed to delivering improvements to our website to allow stakeholders to contact us more easily to discuss potential innovation projects and achieved this through:

- better navigation
- a dedicated ‘Contact Us’ function
- more details on our innovation projects and how individuals and businesses can get involved

Stakeholder survey scores relating to our website were 100% satisfied with the event overall

Our engagement by stakeholder group

Innovation community targets

We run a programme called ‘Licence to Innovate’ which encourages colleagues to develop new ideas. This year, we implemented 21 ideas and surpassed our targeted annual savings threefold with £3.4m worth of savings realised.

Assessment Criteria Key

✓ Outreach
✓ Innovative
✓ Embedded in our business
✓ Robust management
✓ Repeatable

Part 2 Submission

SHE Transmission

Ofgem Stakeholder Engagement Incentive Scheme 2013/14

Short-term outcome

We brought together a wide range of stakeholders in partnership and supporting roles, including Scottish Enterprise, ABB, Alstom, Siemens, Power Network Demonstration Centre (PNDC), Electric Power Research Institute (EPRI), University of Aberdeen, Imperial College London, University of Nottingham, University of Southampton, University of Strathclyde and University of Warwick.

Long-term outcome

We are working with our partners to ensure we meet the final project direction agreed with Ofgem.
Landowners

People or organisations in whose land our assets are situated or through whose land we must move

<table>
<thead>
<tr>
<th>Key stakeholder issues in 2013/14</th>
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<tbody>
<tr>
<td>Understanding wayleaves agreements</td>
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<tr>
<td>Equitable payments</td>
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<tr>
<td>Contractor compliance with wayleaves agreements</td>
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</tbody>
</table>

Our engagement highlights

Working with Grantors: Our revised code of practice

In 2012/13, we issued a preliminary Grantors’ Charter, a Code of Practice setting out the standards of care that landowners who have granted wayleaves can expect from us and people working on our behalf. We asked key stakeholders – in particular the two biggest landowner representative bodies in Scotland, the National Farmers Union Scotland (NFUS) and Scottish Land and Estates (SLE) – to review the charter and give us their feedback.

As a result, we developed a new publication, Working with Grantors, in 2013/14 as a collaborative publication, approved by NFUS and SLE.

The changes that were implemented following this engagement with NFUS and SLE focused on setting out more clearly who we are and what our equipment looks like. This will help landowners understand who, in our organisation, they should talk to about matters of concern.

Key changes implemented

Necessary Wayleaves

A Necessary Wayleave is a statutory right which confers powers on the licence holder to install their electricity lines and associated equipment on, over or under private land, to keep the electricity line there and to have access to that land for the purposes of inspecting, maintaining, repairing, adjusting, altering, replacing or removing the electricity line or equipment.

We generally attempt to negotiate a Voluntary Wayleave with landowners but, in cases where no agreement can be reached, we may opt for a Necessary Wayleave, as we are permitted to do under the terms of our Transmission Owner licence. In 2013/14, the Scottish Government carried out a consultation on Necessary Wayleaves.

We were closely involved in the development of this consultation with our legal team providing extensive input to key aspects of the proposal. And we were broadly supportive of the principles the consultation sought to establish, including the development of a standardised Necessary Wayleaves template to replace the individually written documents that have been used in the past.

Short-term outcome

The intention of the standardised agreement is to:

- increase the efficiency of the process
- decrease costs for Transmission Owners, wayleaves grantors and other stakeholders
- make the documentation easier for all stakeholders, including contractors, to understand.

Employing experts

To deliver our services in the most cost effective way, thereby minimising the effect on customer bills, we employed two specialists in 2013/14 – a Land Settlements Manager and an Acquisitions and Disposals Manager – after an assessment indicated that in-house provision would be more effective and cost-effective than out-sourcing.

Outcome

Our new colleagues provide expertise in assessing the impact of our infrastructure on land and property values, making it easier to agree equitable payments with landowners.

Our engagement by stakeholder group

Making landowner agreements clear, equitable and fair

Landowners are an important group of stakeholders with whom we wish to positively engage. In our day-to-day business, we aim to comply with all the conditions of our agreements with landowners, to be responsible when working on their land and to be responsive to any concerns they may have regarding our activities or those of our contractors. Wayleaves – the means of providing rights for us to install and retain our wires and cables across private land in return for annual payments to the landowner – are a critical aspect of our engagement with this group.

Supports stakeholder issues: Understanding wayleaves agreements; Equitable payments; Contractor compliance with wayleaves agreements

Employing experts

Supports stakeholder issues: Equitable payments

Outcome

Our new colleagues provide expertise in assessing the impact of our infrastructure on land and property values, making it easier to agree equitable payments with landowners.
Statutory consultees

Historic Scotland (HS), Scottish Environmental Protection Agency (SEPA), Scottish Natural Heritage (SNH), Local Authorities, Transport Scotland and National Parks Authorities

Engaging with specialists to protect our environment

Statutory consultees are the organisations with whom we are required to consult when we propose developments to our network which may impact on the natural and built landscape, and on the wildlife whose natural habitat we are disturbing. By engaging with specialists in the associated fields we can ensure that we are treating our past, present and future with respect and due care and attention.

Key stakeholder issues in 2013/14

<table>
<thead>
<tr>
<th>Historic Scotland</th>
<th>Scottish Natural Heritage</th>
<th>Scottish Environmental Protection Agency</th>
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<tr>
<td>Awareness of historic issues</td>
<td>Species protection plans: developing best practice for construction projects</td>
<td>Controlled Activities Regulations (CAR)</td>
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<td>HS have advised us to approach historic environment issues with the same rigour and passion that we apply to the natural environment. We are equally keen to achieve this in order to reduce delays in the planning and construction phases of projects by ensuring adequate attention is given to historic matters from the outset.</td>
<td>SNH have advised us that they’d like to share the knowledge we gained from our species protection work on the Beauly–Denny transmission line as they recognise that it represents best practice for construction projects.</td>
<td>These Regulations govern activity around watercourses and are stringent and detailed. Ensuring compliance requires substantial resource from ourselves and SEPA, who enforce the Regulations, and discussions have confirmed that we are both keen to make the relevant processes and procedures quicker and easier.</td>
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Our engagement highlights

**Preserving General Wade’s Road**

Supports stakeholder issues: Historic Scotland: Awareness of Historic Issues

Following the failed Jacobite rebellion of 1715, General Wade was sent to restore order in the Highlands and is famed for building 250 miles of road which are now part of the fabric of Scotland’s cultural and historical landscape. During the Beauly-Denny transmission line build we uncovered several stretches of road, lost for hundreds of years. We worked closely with local authorities and specialists, including Northlight Heritage, to both investigate and preserve this find.

**Enhanced awareness of archaeology**

Supports stakeholder issues: Historic Scotland: Awareness of Historic Issues

When building any new infrastructure, we need to have an archaeologist on site for areas with known archaeological remains. However, in some places there is ‘unknown archaeology’ where the history or landscape suggests there may be archaeology that has not yet been uncovered. Although it is not a legal requirement, to ensure we do not damage what may be a significant find, we choose to always have an archaeological consultant on site who can halt operations if archaeology is discovered.

Key changes implemented

**SNH: Species Protection Plans**

Supports stakeholder issues: Scottish Natural Heritage: Species protection plans: developing best practice for construction projects

Species protection plans determine how an organisation will carry out work in areas where certain designated animals and plants are present, to avoid causing them harm. We have worked with SNH to develop a number of these plans and included them in our construction handbook for the Beauly-Denny project, covering otters, badgers, bats, pine martens, wild cats, freshwater pearl mussels, red squirrels, water voles, reptiles and birds. These plans will be used for all our future construction projects.

**Controlled Activities Regulations (CAR)**

Supports stakeholder issues: Scottish Environmental Protection Agency: Controlled Activities Regulations (CAR)

Regulations to avoid any negative impact of construction on watercourses are typically based on watercourse characteristics which vary little from day to day or across the seasons. However many of our projects take place in areas where there is huge variety – wild torrents after rain or as snow melts but only a tiny trickle of water in a dry summer. As a result, compliance with CAR is extremely challenging, but failure to comply can result in sites being closed down.

Outcome

We shared our plans with Scottish Power Transmission who have recognised our species protection plans as best practice and have adopted them for use in relation to their own transmission construction plans.

Regional projects meetings

To complement our project-specific meetings with statutory consultees, we have, at their request, instigated regional project meetings which bring together statutory consultees to discuss matters which span multiple projects occurring in the same area.

Assessment Criteria Key

✓ Outreach
✓ Innovative
✓ Embedded in our business
✓ Robust management
✓ Replicable

How we’ve engaged

Regular bilateral meetings
Site visits

Part 2 Submission

SHE Transmission

Ofgem Stakeholder Engagement Incentive Scheme 2013/14
Supply chain participants

Main contractors, small businesses

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<td>Resource availability</td>
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<td>Contractor safety</td>
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<td>Tender process concerns</td>
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How we’ve engaged

- Meetings
- Forums
- Facilitated events
- Publication of quarterly
- Major Transmission Projects Update
- Survey
- Exhibitions

Our engagement highlights

An engaging academic approach to managing project risks

Supports stakeholder issues: Keeping costs down; Resource availability

Major construction projects are delivered on our behalf by a number of main contractors and we agreed with them that it would be helpful to apply some academic rigour to risk identification and mitigation. To achieve this, we employed two University of Strathclyde professors to facilitate a Risk Workshop using their specialist Group Explorer system which allows concerns to be raised anonymously and to be discussed in a constructive, non-confrontational way. 90% of attendees found the day beneficial and said they were ‘very satisfied’.

During the workshop, a risk map was produced that contained 183 risk statements, structured around eight risk themes and establishing 286 links between the risks.

Interim outcome

As a result of the workshop, we identified 32 possible actions against those risks that were believed to have the most significant effect on the success of our future projects.

Long-term outcome

We will review in depth the possible actions and implement those which offer the most efficient way of managing risks.

Key changes implemented

Open4Business

Supports stakeholder issues: Keeping costs down

Open4Business is an SSE Group initiative that provides a platform for us to promote transmission business opportunities originating in the region, and allows local suppliers to view SSE opportunities, register as a supplier and respond to notices free of charge. Users of the site can advertise their own opportunities (including sub-contracting work for SSE projects) to the local supplier base. The site, which also connects to other regional supply chain initiatives, is promoted via a range of media including social media and local events.

Outcome

31 opportunities advertised, nine contracts awarded totalling £190k.

Frameworks for sustainability

Supports stakeholder issues: Resource availability, Keeping costs down, Contractor safety

We have established a new framework approach for the delivery of some of the major works which form our investment programme.

Outcome

Joint ventures appointed under framework approach are committed to:
- ensuring the necessary material and human resources are available
- providing a training and development plan that shows that local communities will have a legacy of skills as a result of the projects
- supporting community initiatives by donating time, skills or other resources
- promoting all subcontracting opportunities through our Open4Business portal
- demonstrating their unerring commitment to environmental and safety matters.