SSEN Distribution

DSO CONFLICT OF INTEREST REPORT

A stakeholder overview of our Distribution System Operation conflict of interest register and how we mitigate these risks

March 2026

Scottish & Southern Electricity Networks

DSO Powering Change

DSO CONFLICT OF INTERESTS REPORT

This report sets out where conflicts of interest (COIs) may arise in the delivery of our DSO Services, including at the interfaces between our DSO and DNO activities and between our DSO Services and external parties.

A COI is a competing priorities, whether perceived or evidenced, and whether internal or external, that risks leading to a sub-optimal outcome for customers or the wider system.

The report explains how such tensions are identified, recorded and managed, and describes the risk management approach we apply to mitigate potential impacts and support fair, transparent and efficient outcomes. Where conflicts are perceived or actual, SSEN acts to identify, manage and, where possible, remove the associated risk. We have expanded our conflict identification process to explicitly capture potential conflicts between our DSO Services and external parties.

The following sections present key conflict themes, drawing together our internal conflict register into overarching groups. Our approach continues to evolve through the application of established risk management practices and ongoing feedback from internal stakeholders. This document builds on our DSO Service Statement, which sets out our governance arrangements and the capabilities we have in place to deliver effective and customer-focused DSO services.

Find out more

Our conflicts of interest definition

- Competing priorities between our DSO services and other parties which risk a suboptimal outcome.
- These can be perceived or demonstrated and internal or external conflicts of interest.

Engaging with our stakeholders on conflicts of interest.

If you see Conflicts with us we want to here about them! Reach out to stakeholder.engagement@sse.com and we can support you in resolving conflicts with us.

Explanation of our PEAR framework

PEAR is a standardised risk management framework applied across industry to mitigate risks. We have applied the **PEAR** framework to quantify the impact and likelihood of different risks.

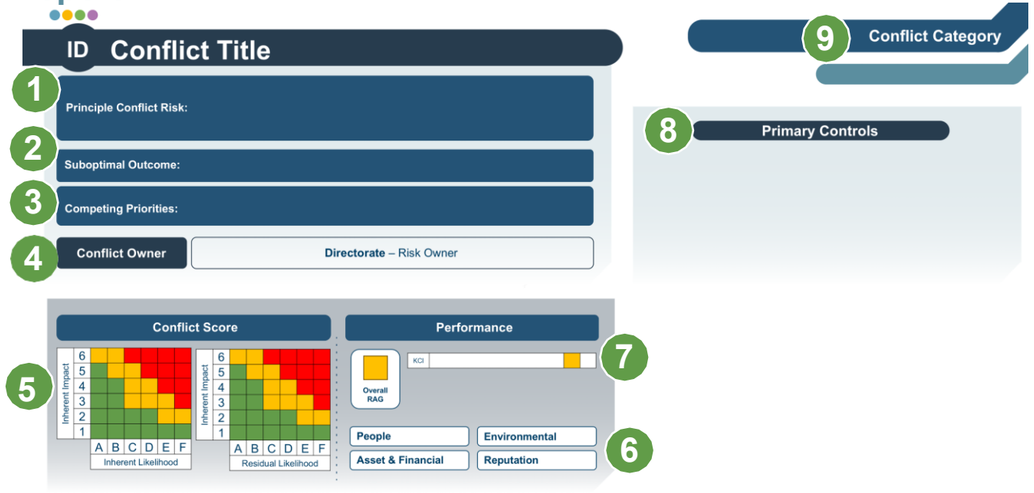
Each element of **PEAR** measures the following:

- **People & Culture:** Danger to people and resource ranging from minor injuries to fatalities.
- **Environment:** Impact on the environment ranging from long-term wide scale effects to incidental and minor short-term damage.
- **Asset & Financial:** Damage to our assets and financial effects on our business.
- **Reputation & Obligations:** Potential political reaction, and media coverage.

The above breakdown is not an exhaustive list of criteria.

How to view this report

The following guidance note can be used to help navigate each outcomes report



1 Principle Conflict Risk:

- The highest impact risk associated with the conflict in accordance with our DSO conflict definition.

2 Suboptimal outcome:

- This section describes the suboptimal outcome between the key parties involved that could occur without primary controls implemented to mitigate the risk of the conflict.

3 Competing Priorities:

- An outline of the priorities of the parties involved highlighting how each priority is conflicting or competing against another.

4 Conflict Owner:

- The internal team who are responsible for managing the conflict and delivering primary controls.

5 Conflict Score:

- This table applies standard risk practices to score the conflict risk. The impact rating is scored from 1-6 using the PEAR framework where PEAR stands for People, Environment, Asset & Financial, and Reputation. A score of 1 would denote an incidental impact on SSE and a score of 6 would denote a catastrophic impact on SSE.
- On the horizontal axis of the table letters A-F denote the likelihood of the event which is applied to the highest impact rating of the four PEAR categories. Each letter for likelihood corresponds to the following: **A – Rare, B – Hardly ever, C – Unlikely, D – Possible, E – Likely, F – Almost certain.**
- Using the impact rating and likelihood SSEN can categorise conflicts using a traffic light system to denote the inherent and residual conflict scores:
  - The **inherent impact/likelihood** is the severity of conflict risk before taking current controls into account.
  - The **residual impact/likelihood** is the severity of conflict risk after taking current controls into account.

6 PEAR RAG Status:

- We provide a RAG status for each of the elements of PEAR showing areas of elevated or lower risk.

7 Key Conflict Indicators:

- The Key Conflict Indicator (KCI) are key metrics that indicate the severity of the conflict risk and/or effectiveness of controls.

8 Primary Controls:

- Any rule or action that stops a risk from occurring or reduces its impact. This includes policies, procedures, standards, meetings and business practices. Must be in place right now and actively reducing likelihood and/or mitigating impact.

9 Conflict Category:

- This shows whether the conflict is between our DSO and DNO services (internal) or between our DSO services and external parties (external).
- It highlights if a conflict is perceived meaning it is not a current risk or existing meaning it is currently a risk to SSEN-D.

SSEN DISTRIBUTION DSO CONFLICTS MAPPING

	Conflict Theme	Inherent Risk	Residual Risk	Internal	External	Existing	Perceived	Risk Owner
Forecasting and planning future needs	Connections Pipeline			-	Y	Y	-	System Planning
	Transmission Congestion			-	Y	Y	-	System Planning
	National Infrastructure			-	Y	Y	-	System Planning
Developing an inclusive market	DSO-Supplier coordination			-	Y	Y	-	Network Operations
Delivering network flexibility at scale	DSO-NESO operational coordination			-	Y	-	Y	Network Operations
Data and Insights	Data Exchange			Y	Y	Y	-	Network Operations
Transparency and Coordination	Innovation Portfolio			Y	-	Y	-	Future Networks
	Distribution System Optimisation			Y	Y	Y	Y	Network Operations
	Distribution Investment Optimisation			Y	-	Y	-	System Planning
	Local transition at pace			-	Y	Y	Y	Network Development

Conflict Themes

We have collated key themes of our internal conflict register highlighting areas where there are competing priorities between Distribution Network Operator (DNO) responsibilities and Distribution System Operation (DSO) services. We have expanded our recording of conflicts to capture interactions between our DSO services and external parties.

1 Connections Pipeline

Principle Conflict Risk: SSEN-D must balance network safety and resilience with delivering connections at pace. Changes in the connections pipeline alter queue positions, scope and network upgrade requirements. Customer outcomes and network investment plans may change, requiring re-prioritisation and re-assessment.

Suboptimal Outcome: Project scope and timescales change as our connections pipeline and network changes.

Competing Priorities: Managing delivery, the scope of our network upgrades, and accelerating new connections whilst providing customers with the ability to alter or withdraw connection requests.

Conflict Owner — **DSO** – System Planning

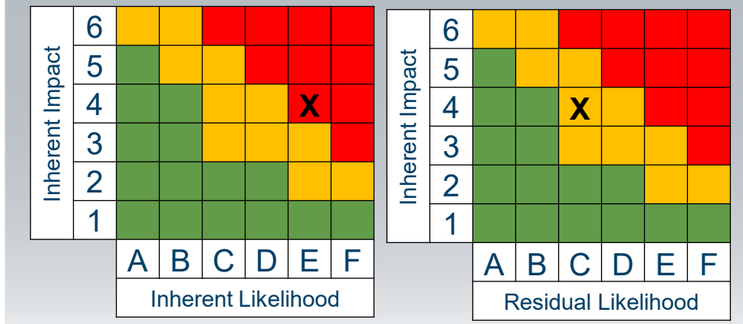
Conflict Category

External Existing

Primary Controls

1. **Early access products:** Range of Early Access products enable faster connections ahead of reinforcement.
2. **Strategic planning:** Forward-looking planning ensures network upgrades are delivered ahead of need.
3. **Flexibility dispatch:** Dispatch of flexibility services relieves EHV and HV constraints and manages power flows.
4. **Customer engagement:** Regular connection surgeries support customers through the connections process.

Conflict Score



Performance

Overall RAG

KCI	MW of connections accelerated using early access products (in MW)

People

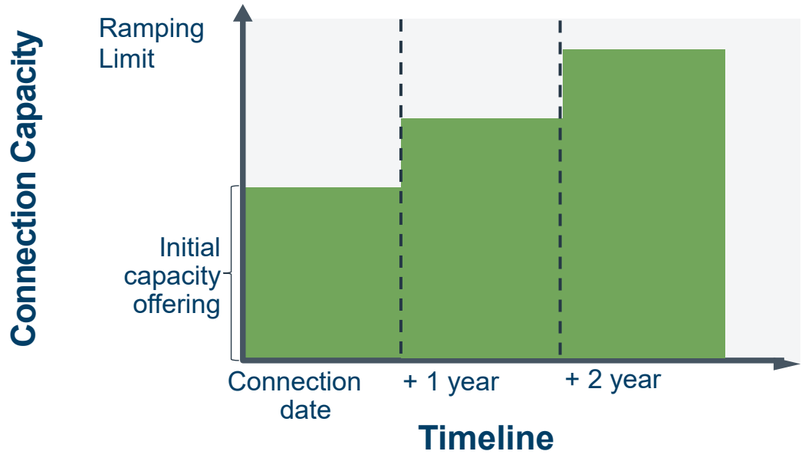
Environmental

Asset & Financial

Reputation

Connection Surgeries

We have deployed ramping agreements within our West London Licence area enabling earlier access for demand customers connecting on the 11,000 Volt Network.



2 Innovation Portfolio

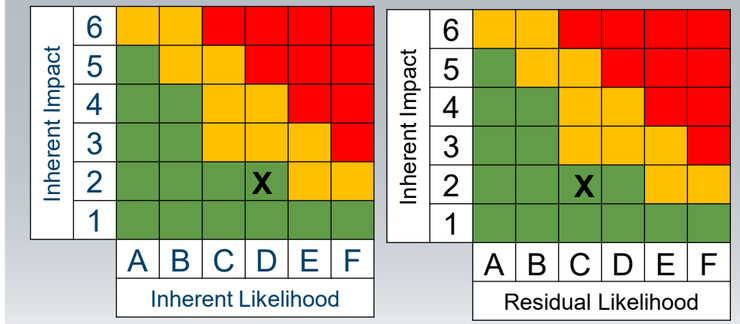
Principle Conflict Risk: SSEN-D has a significant portfolio of innovation projects targeting £120m over the RIIO-ED2 price control period. It is critical to balance projects across our DSO and DNO business functions to ensure projects deliver our strategic goals.

Suboptimal Outcome: Improper management of our innovation portfolio could favour specific internal stakeholders.

Competing Priorities: DSO and DNO business functions are in direct competition for innovation funding to accelerate development of business activities.

Conflict Owner	**DSO** – Future Networks

Conflict Score



Performance

Overall RAG

KCI | Innovation Investment Award

People	Environmental
Asset & Financial	Reputation

Conflict Category

Internal Existing

Primary Controls

1. **Innovation governance:** Structured governance assesses opportunities before progressing innovation projects.
2. **Challenge and alignment:** Innovation challenges ensure proposals align to four priority focus areas.
3. **Strategic alignment:** Innovation delivery aligned to strategic goals through five guiding principles – collaborative & open, agile, relevant, data driven, innovation culture.

Find out more

3 Data Exchange

Conflict Category

Internal/External Existing

Principle Conflict Risk: Data may be delayed, selectively shared or insufficiently accessible, or prioritised for one stakeholder use over another, creating real or perceived advantages for different parties – this risk is shared across the entire energy system with stakeholders including system and network operators, independent and private operators, suppliers, agents and customers.

Suboptimal Outcome: Reduced transparency and stakeholder confidence, constrained competition and innovation, inefficient flexibility or investment decisions leading to higher costs for consumers.

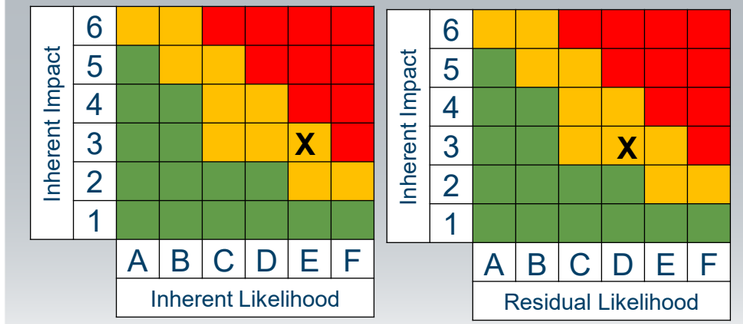
Competing Priorities: Objectives for timely, high-quality and accessible data to enable connections and innovation, alongside operational priorities to protect system security, assure data quality, and maintain legal compliance.

Conflict Owner | **DSO** – Network Operations

Primary Controls

1. **Open data and triage:** Data published via data.ssen.co.uk, with all datasets assessed through a formal data triage.
2. **Clear data request process and SLA:** Single, auditable request process with defined roles, triage and a 20-day SLA.
3. **Roadmap and engagement:** A published data roadmap and prioritised data improvements, informed by stakeholder engagement.
4. **Legal compliance:** Data exchange is governed by GDPR, Utilities Act s105, and SSEN cyber and data governance standards.
5. **Data Visualisation:** Improving the accessibility of our data through delivering a multi layered mapping capability to the data portal, the Centralised Network View.

Conflict Score



Performance

Overall RAG

KCI	Number of data discovery workshops, events and engagements

People

Environmental

Asset & Financial

Reputation

Centralised Network View

4 Distribution System Optimisation

Conflict Category

Internal/External Existing Perceived

Principle Conflict Risk: Voltage optimisation can influence network losses, increase hosting capacity and encourage energy conservation. Voltage changes can provide system support to NESO. Managing voltage, losses and network resilience and requires balance and optimisation and must meet statutory requirements.

Suboptimal Outcome: It is not possible to maximise all voltage related objectives at the same time.

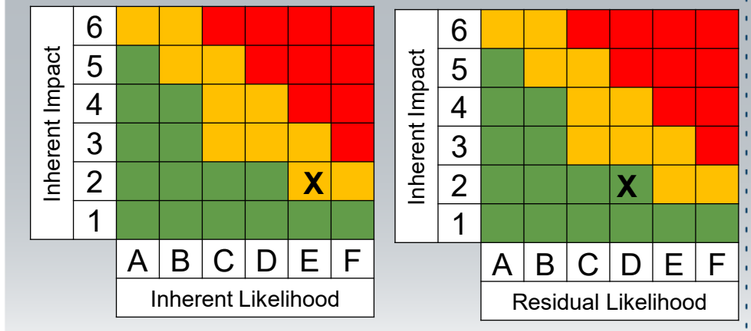
Competing Priorities: Optimising our network losses, network voltage, network resilience across voltage levels, hosting capacity and NESO support..

Conflict Owner — **DSO** – Network Operations

Primary Controls

1. **Enhanced network monitoring:** Use of LV monitors, primary substation measurements and smart meter data to identify voltage headroom, footroom and emerging issues in near real time.
2. **Automatic voltage control:** Deployment of Automatic Voltage Controllers (AVCs), on-load tap changers and tap staggering to actively manage voltage within statutory limits.
3. **Targeted operational interventions:** Identification of problem feeders and application of focused solutions (e.g. regrading of regulation, reconfiguration etc.) to unlock voltage headroom.

Conflict Score



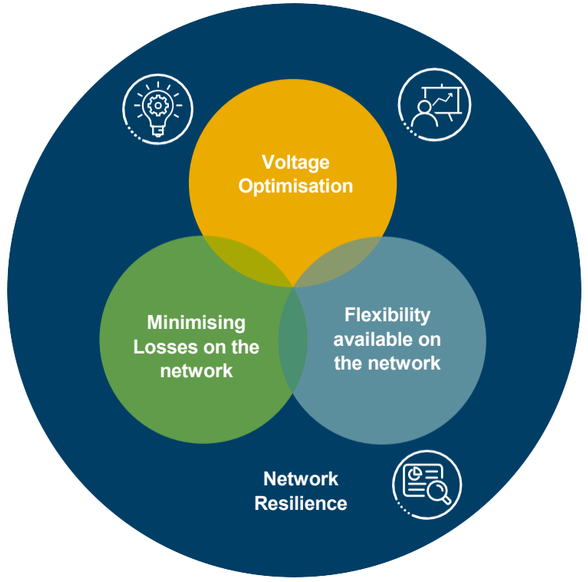
Performance

Overall RAG

KCI | Events beyond target range

People | Environmental

Asset & Financial | Reputation



Did you know?

Domestic Voltage is 230 Volts, and statutory requirements allow a tolerance of ±10%.

On the **High Voltage** network, we are required to keep Voltage within ±6% during normal operating conditions.

5 DSO-NESO Operational Coordination

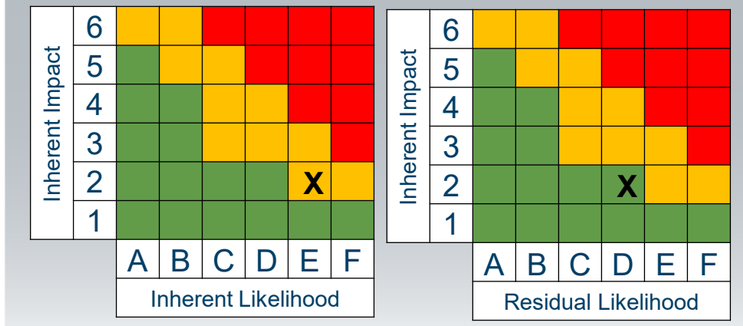
Principle Conflict Risk: Managing the Distribution Network increasingly requires coordination with NESO to maximise the benefits for all of deploying flexibility on the network. Conflict may arise where flexibility is needed in multiple markets in different power directions. Specific conflicts arise between Active Network Management (ANM) and NESOs services where the ANM may unwind the action.

Suboptimal Outcome: Potential to impact our flexible customer connections, flexibility markets, network security, or counteracting NESO Services.

Competing Priorities: National Flexibility; Distribution Network Flexibility and tooling to manage local network constraints.

Conflict Owner — **DSO** – Network Operations

Conflict Score



Performance

Overall RAG

KCI | Risk of conflicts assessed

People | Environmental | Asset & Financial | Reputation

Conflict Category

External Perceived

Primary Controls

1. **Primacy framework:** Active engagement in Primacy Rule development and deployment to prioritise flexibility between NESO and DNO.
2. **Operational decision-making:** Established ODM ensures safe management of customer access rights and activities.
3. **Conflict visibility:** Formal data exchange and tracking of NESO–SSEN risks of conflict via reporting.
4. **Operational data exchange:** Structured real-time data exchange supports coordinated NESO–SSEN operational actions.

HIERARCHY OF PRINCIPLES

- We ensure the network operates within safe working limits
- We adhere to the security of supply requirements
- We operate the network in a fair and cost-effective manner
- We operate our network sustainably
- We coordinate with the NESO and other DSOs to ensure DER can operate in wider markets

Find out more

6 DSO-Supplier Coordination

Conflict Category

External Existing

Principle Conflict Risk: Conflicts may arise where supplier tariff structures, incentives or customer offerings, perhaps driven by wholesale market signals, encourage similar customer behaviours at the same times or locations and exacerbate coincident demand patterns on the distribution network.

Suboptimal Outcome: Increased coincidence of demand, higher local network loading, could lead to inefficient operational interventions or reinforcement, and higher long-term costs for consumers.

Competing Priorities: Suppliers' commercial objectives to offer attractive, tariffs linked to wholesale price signals or system conditions; DSO responsibility to manage local network constraints.

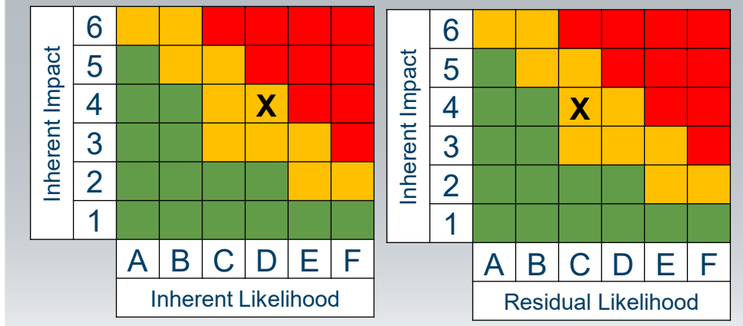
Conflict Owner

DSO – Network Operations

Primary Controls

1. **Network visibility:** Real-time monitoring via NeRDA and street-level smart meter data.
2. **Supplier engagement and collaboration:** Structured engagement to understand tariff impacts on network demand.
3. **Flexibility signals:** Development of implicit and explicit signals to manage coincident behaviour.
4. **Regulatory framework:** DCUSA Schedule 8 for load management and coordination.

Conflict Score



Performance

Overall RAG

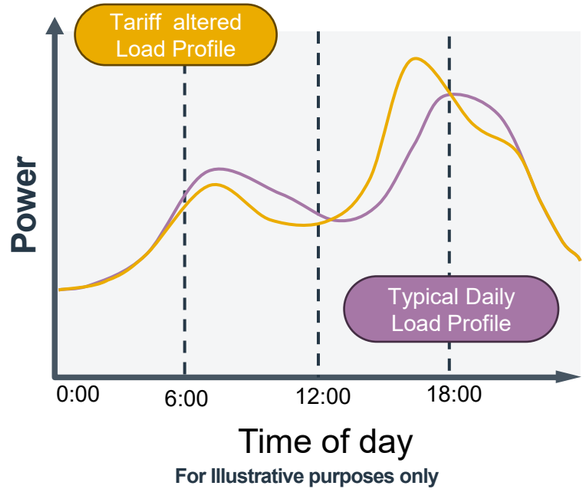
KCI		
	DSO-Supplier engagement and collaboration	⇧
	Realtime street level data availably	⇧

People

Environmental

Asset & Financial

Reputation



For Illustrative purposes only

Did you know?

Tariffs can reshape how our network is loaded. For example, tariffs can influence heating and hot water loading which has historically been controlled by the remote tele-switching system (RTS). During decommission of RTS SSEN-D have worked with suppliers to introduce new load control schedules that maintain diversity on the network.

7 Distribution investment optimisation

Conflict Category

Internal Existing

Principle Conflict Risk: Internal teams consistently seek to balance investment decisions between long term future capacity, deliverability, general optioneering and varying scheme triggers. Ensuring that the optimal outcomes are reached across our investment portfolio requires rigorous assessment and strict governance.

Suboptimal Outcome: Without mitigation SSEN could not make informed and optimal decisions across our DSO and DNO teams.

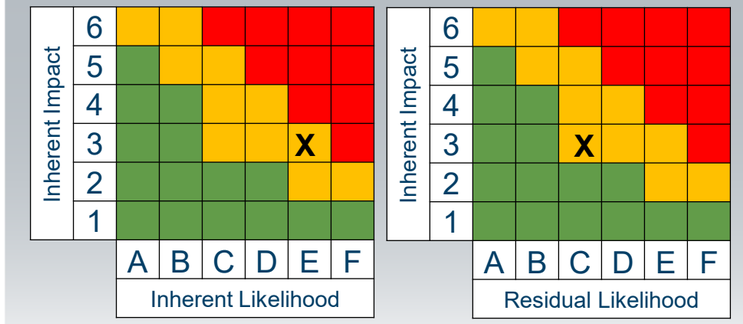
Competing Priorities: Non-load business units and load business units triggering reinforcement; Further competing priorities to balance decisions to optimise delivery and future network needs.

Conflict Owner — **DSO** – System Planning

Primary Controls

1. **DGIF governance**: Distribution Governance Investment Framework ensures rigorous, transparent DSO–DNO decisions.
2. **Strategic development planning:** SDPs integrate non-load drivers to identify and optimise multi-driver investment opportunities.
3. **Options assessment:** Comprehensive CBAs and independently assured **Distribution Network Options Assessment (DNOA)** inform decisions.
4. **Cross-team coordination:** Ongoing DGIF engagement ensures effective and efficient project delivery.

Conflict Score



Performance

Overall RAG

KCI DGIF management practice performance

People	Environmental
Asset & Financial	Reputation

CASE STUDY

Asset sizing & Deliverability

Smaller cables can be easier to deliver depending on the site and location. This is balanced against the need to efficiently meet long term capacity needs of the network and losses management.

8 Transmission Congestion

Conflict Category

External Existing

Principle Conflict Risk: Coordination with the transmission network directly affects offerings for our customers. This is a necessary step to design an efficient whole system network, and we endeavour to mitigate conflicts with the transmission operator.

Suboptimal Outcome: Increased timescales and costs for distribution connected customers who need to be visible to the transmission operator.

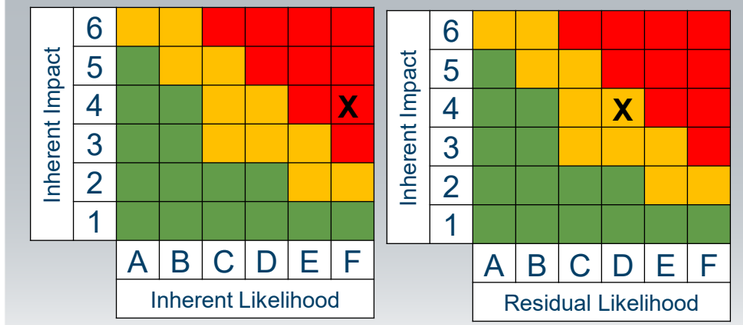
Competing Priorities: Transmission operators need visibility of the distribution network, but each referral introduces complexity and delay.

Conflict Owner — **DSO** – System Planning

Primary Controls

1. **Cross-network coordination:** Ongoing engagement with DNOs and Transmission Operators through working groups and bilaterals.
2. **Technical limits visibility:** Development of GSP technical limits to enable access and improve transmission visibility.
3. **Access and flexibility:** Early Access products and flexibility services provide interim and enduring connections.
4. **Connections reform:** Implementation of Connections Reform to improve queue management and customer outcomes.

Conflict Score



Performance

Overall RAG

KCI	Capacity in Connections Queue		↓

People	Environmental
Asset & Financial	Reputation

9 Local transition at pace

Conflict Category

External Existing/Perceived

Principle Conflict Risk: The scale of the local transition means a targeted and programmatic approach is necessary to ensure the network is upgraded as and when need arises. Proactive delivery is necessary but cannot be done to the entire network ahead of need.

Suboptimal Outcome: Network upgrades may not match network growth in all cases.

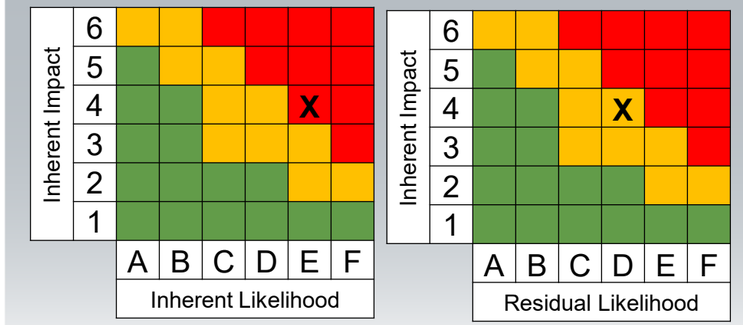
Competing Priorities: Distribution Network Operators upgrading the low voltage network where need arises; Customers requiring fair and equal access to the network.

Conflict Owner — **DSO** – Network Operations

Primary Controls

1. **Geospatial forecasting:** DFES forecasts map load growth to network assets using geospatial analysis.
2. **Self-serve connections:** Digital connections portal improves customer experience and upgrade visibility.
3. **Connection readiness:** CRI innovation enables customers to check fuse sizing pre-application.
4. **Local energy engagement:** Active engagement with local authorities, community energy and industry to shape innovation and delivery.
5. **Enhanced network monitoring :** Use of LV monitors and smart meter data to identify headroom, footroom and emerging issues in near real time.

Conflict Score



Performance

Overall RAG

KCI	Number of self serve connections	⇧
	Realtime street level data availability	⇧

People

Environmental

Asset & Financial

Reputation

10 National Infrastructure

Conflict Category

External Existing

Principle Conflict Risk: As the nation decarbonises, major national infrastructure works need increasing access to our Network. To unlock economic growth, we need to enable projects accelerating towards net zero provided we give fair and equal access to all our customers.

Suboptimal Outcome: National Infrastructure is essential in accelerating progress towards net zero. Untimely connections applications can lead to connection delays for critical national projects.

Competing Priorities: DNOs must prioritise all connections equally; national infrastructure is needed to support the nation and wider economy.

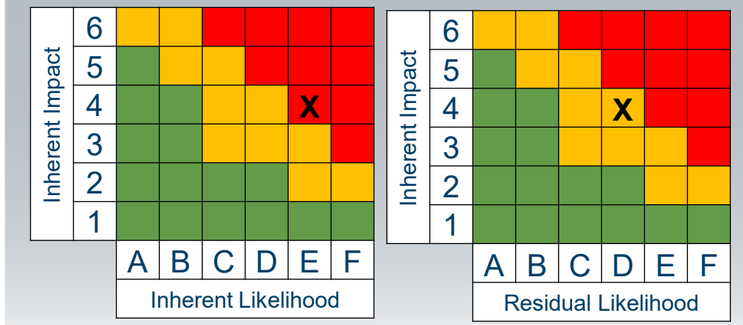
Conflict Owner — **DSO** – System Planning

Primary Controls

1. **Customer engagement:** Active engagement and connection surgeries support bespoke customer connections.
2. **Early access products:** Early Access products enable faster connections ahead of reinforcement.
3. **Strategic planning:** Joint tRESP development with NESO identifies need for proactive investment.
4. **Advance applications:** Centralised Network View supports early applications and informed customer decisions.

Centralised Network View **Connection Surgeries**

Conflict Score



Performance

Overall RAG

KCI	Capacity in Connections Queue

People

Environmental

Asset & Financial

Reputation

FOLLOW US

Website
ssen.co.uk

Bluesky
@ssencommunity

Facebook
/ssencommunity

LinkedIn
/ssencommunity

Sign up for our DSO newsletter

SCAN ME

Scottish & Southern Electricity Networks

DSO Powering Change