Meeting	Independent Stakeholder Group
Date	1 December 2025
Location	Microsoft Teams

Attendees – Panel Members	
Sharon Darcy (SD) **(Chair)**	Barry Coughlan (BC)
Chris Watts (CW)	Tamar Bourne (TB)
Andrew McMunnigall (AM)	Claire Whyley (CWh) **(Vice Chair)**
Gareth Miller (GMi), Chair of the DSO Advisory Board, SSEN Distribution (By invitation: Partial Attendee)	

Attendees – SSEN, Distribution	
Hollie Wilson (HW), Stakeholder Engagement Manager, SSEN Distribution	Chris Burchell (CB), Managing Director, SSEN Distribution
Lyndsey Stainton (LS), Head of Stakeholder Engagement, SSEN Distribution	Louis Waters (LW), Head of IT Transformation, SSEN Distribution (Partial Attendee)
Clothilde Cantegreil (CC), Head of Strategy, SSEN Distribution (Partial Attendee)	Micheal Downey (MD), Connections Stakeholder Manager, SSEN Distribution (Partial Attendee)
Sam Roberts (SR), ED3 Project Manager, SSEN Distribution (Partial Attendee)	Patrick Erwin (PE), Director of Commercial, SSEN Distribution (Partial Attendee)
Andrew Roper (AR), Director of DSO, SSEN Distribution (Partial Attendee)	Patrick Cassells (PC), Head of Regulation and Commercial Operations, SSEN Distribution (Partial Attendee)
Alasdair Muntz (AMu), Regulatory Strategy Manager, SSEN Distribution (Partial Attendee)	Charlie Thompson (CT), Stakeholder Engagement Manager, SSEN Distribution (Partial Attendee)
Nigel Bessant (NB), Head of Network Operations, SSEN Distribution (Partial Attendee)	Michael Ricketts (MR), Head of Data and Analytics, SSEN Distribution (Partial Attendee)
Rory Brown (RB), DSO Programme Manager, SSEN Distribution (Partial Attendee)	Gavin Smart (GS), ED3 Programme Manager, SSEN Distribution (Partial Attendee)
Georgina Spence (GSp), Regulatory Strategy Analyst, SSEN Distribution (Partial Attendee)	

Apologies	
Fayza Benlamkadem (FB)	Graeme Keddie (GK), Director of Corporate Affairs, SSEN Distribution

Minutes

Item No.	Agenda Item
1.	**Welcome and Introductions – Sharon Darcy** Barbara Whiting appointed as a new ISG member; will join in March 2026 to strengthen expertise and continuity for ED3 planning. **Challenge Log**

	Chair requested expansion of the challenge log to include internally funded innovation, not just external projects. Business-as-usual innovation initiatives can significantly influence regulatory development and long-term strategy. **Action Log** Progress updates provided on open actions. Three candidates identified to address the asset management expertise gap; Chair to review candidate details within the week. CC to present full advocacy position at next ISG session, including policy cost and strategic stance. Future ISG sessions will include a slot on affordability, ensuring proposals are evaluated against bill impacts. CReDO tool: Technical review completed; assessing fitness for ED3.
2.	**ED3 Strategy and Regulation Update – Clothilde Cantegreil** **Cost Assessment** SSEN chose not to change one technical area of cost assessment; requires careful justification to avoid misalignment with Ofgem. **Ofgem Bilateral** SSEN shared its SSMC response and early business plan structure. Discussed operations incentive scheme (reliability, interruptions) and cost assessment methodology. Ofgem to issue further guidance on **3 December**, influencing next-stage development. **Early Business Plan Proposals** Key deadlines: • **30 Jan** – Early proposals submission • **20 Feb** – Ofgem initial assessment • **6 Mar** – Publication of findings Ofgem guidance will focus on vulnerable customers, digitalisation, low-carbon technologies (LCT), and energy efficiency. **Proposal Limit Challenge** Ofgem suggested a cap of three proposals per licence. SSEN challenging this, arguing caps should apply per DNO, not per licence. **Regulatory Capacity & Sector Growth**

	Ofgem and DESNZ under resource pressure; SSEN submitting more detailed material to reduce back-and-forth. Sector growth plan being developed to accelerate consenting and infrastructure deployment. **Forward-Looking Investment** Investment ahead of need must align with affordability and clear outcomes. Ofgem considering rebalancing cost assessment to account for future system needs. ED2 rates may inform forward-looking assessments.
3.	**Stakeholder Engagement Update – Lyndsay Stainton** **Research Projects** Unlooping Project: Delivered with Create Clarity; engaging looped customers with no plans to adopt LCTs to understand barriers, attitudes, and incentives. Climate Resilience Project**:** Out to tender; interviews completed; aims to assess customer perceptions of resilience and network response to extreme weather for ED3 planning. **Value of Lost Load (VoLL)** Joint DNO research shows VoLL values broadly align with previous studies; suggests a value for a single VoLL and options for a dynamic one, leaves open to Ofgem to choose what to use. Large sample: 3,500 domestic and 550 non-domestic customers and significant variation across customer types makes a single metric challenging. Ofgem currently uses literature review rather than fresh data, dynamic VoLL may be more accurate. VoLL results graph and Unlooping outputs will be shared with ISG. **Consumer Priorities Research** Headline findings presented, evolving expectations across customer groups. **ISG Engagement and Templates** Upcoming Q1 2026 engagements will embed ED3 themes. New standardised presentation template introduced for January 2026 to ensure consistency.
4.	**ED3 Programme Update – Sam Roberts** **Five-Month Forward Plan** SR outlined the high-level five-month plan, covering upcoming workload, critical regulatory milestones, and internal governance structure. Parallel workstreams underway on Business Plan drafting and Storyboard development. CC confirmed this plan will serve as SSEN’s baseline delivery plan for ED3.

	ED3 deadlines are fixed so teams must work backwards to meet them and adjust priorities or resourcing as needed. Aligning the organisation around this timeline helps identify pressure points early. **Governance** Programme aims to establish a repeatable rhythm of engagement with: • SSEN D Board • ISG • Distribution Executive Committee (DEC) Goal is to ensure all governance forums share the same information and understanding at every stage, reducing risk of misalignment. SD supported sequencing (issues to ISG before Distribution Board) for clarity and timely decisions. **Golden Threads** Golden Threads must be durable, scenario-proof, and rooted in consumer evidence and strategic priorities. SR emphasised anchoring all governance activities, including ISG engagements, to the key dates in the forward plan.
5.	**Quarterly Business Update – Chris Burchell** **Safety** SSEN Distribution on track to meet annual Safe Days target with fewer injuries recorded compared to last year. Renewed internal campaign to relaunch SSE's Golden Rules. **Operational Performance** Overall KPIs strong, but network reliability behind plan. IIS (Interruptions Incentive Scheme): Performance in South slightly worse than peers but customer interruptions trending positively. ISG suggested broader discussion on improving reliability; CB noted automation and low-voltage data analytics as next frontier. **Group Half-Year Results** SSE announced £33bn investment plan, 80% for Transmission and Distribution. Positive market reaction: Transmission (T3) price control confirmation expected soon. **Tranformation Programme** Transformation programme includes: • Amazon Connect rollout (positive feedback, scaling planned).

	• New processes for Large Capital Delivery, General Enquiries, Minor Connections. • Programme is 50% technology, 50% people; Oracle systems underpin complexity. Training programme required; expected major improvement in data accessibility and reliability. • Current data limitations remain a challenge.
6.	**ED3 Workstream 8: Cyber Resilience, IT and Telecoms – Michael Ricketts and Gavin Smart** **Workstream Overview** LW outlined remit: SSEN's digital ambition, ED2 transformation progress, and role of digital tools in workforce confidence and customer trust. Cybersecurity included due to high stakeholder interest, despite no formal ISG deep-dive requirement. **Technology & Data Drivers** • Additional drivers identified: • Regulatory focus on data sharing (Ofgem). Interoperability as customers rely on third-party services. Emphasis on trust frameworks and consistent privacy/security standards. Cyber risks evolving rapidly; secure-by-design approach required. Integration of IT and OT functions critical, cultural alignment needed. Digitalisation should be viewed as an industry-wide ecosystem, not isolated to SSEN. **Roadmap & Vision** Need for clearer link between Business Digital Vision and expected outcomes. ISG requested visibility of SSEN's position at end of ED2 and vision for ED3. MR committed to producing a clearer ED2–ED3 roadmap and expanding external engagement, including international examples. Customer-centric framing suggested: "Automate to Elevate human interactions where it matters most." **OT Strategy** Industry OT systems span ~93 technology types, ED3 focus on modernisation, orchestration, and resilience. Regulatory clarity essential; SSEN to articulate counterfactuals and efficiency comparisons. Clear end goal and compelling investment case needed. **IT Strategy Themes**

	Digital change will impact customer groups differently, vulnerable customers must be explicitly considered. Inclusive Services Panel (ISP) should review strategy. Mapping data interventions along customer journeys recommended. Inclusivity and customer value must remain central. **Cybersecurity** Stress-testing and external challenge highlighted as priorities. Cyber is a major strategic focus across SSE Group; resilience-by-design approach in place. AI-driven threats broaden complexity; industry-wide collaboration ongoing. Data Strategy ISG raised need for: • Stakeholder-led prioritisation of datasets. • Benchmarking against other DNOs. • Greater transparency on usage volumes and assurance metrics. Suggested measuring Customer Satisfaction/NPS for data portal users. Co-creation of data products with partners recommended to build trust. SSEN to reflect ED2 progress explicitly in future documentation.
7.	**ED2 Uncertainty Mechanisms: Load Related Expenditure – Andrew Roper and Patrick Cassells** **Overview** LRE Uncertainty Mechanisms allow SSEN to revisit allowances during ED2 if load growth diverges from forecasts. Specific load reopener for Scottish Islands; further detail expected in the new year. Mechanism critical for responding to demand changes. **Links to ED3** Efficient ED2 delivery underpins ED3 planning. Strategic investment choices now (reinforcement, constraints, large new demands) shape long-term trajectory and reduce risk of stranded assets. **Future Need for LRE** Additional load-related investment likely needed throughout ED2 to avoid delays in customer connections.

	Accelerated demand growth in some areas not anticipated during ED2 settlement. **Stakeholder Engagement & Demand Pressures** Engagement with GLA, Oxford Corridor, water treatment facilities, and large-scale data centres highlights sharp demand increases. Continuous dialogue with stakeholders to understand timing and scale of needs. **DFES Forecasting Accuracy** EV uptake accelerated, heat pump adoption slower. DFES underestimated data centre growth; utilisation in some areas moved from 60% to oversubscription. Spatial constraints limiting traditional expansion options. **Performance Against ED2 Allowances** SSEN behind funding trajectory but has substantial committed costs. Contracts in place with suppliers (3 South, 4 North); ramp-up expected June–Sept. Ofgem engagement ongoing to ensure cost-effective, evidence-led submissions. **Planning Reform & Ofgem Engagement** SSEN exploring new approaches with Ofgem, including strategic development zones. Scenario-based planning remains key; resilience to disruptive load events is a major design principle. **Regulatory Evidence & Cost Justification** Evidence provided includes: • Asset end-of-life justification. • Rationale for abandoned assets. • Load-sharing strategies. • Comprehensive scheme submissions. Early feasibility work, consents, low-regret civil works, advanced orders, and skills planning reduce long-term costs. **Cost Basis & Market Conditions** Global supply chain pressures risk benchmark underfunding. SSEN using competitively tendered, market-reflective cost data. Preparing for March 2026 determination; delays could create funding risks. **Supply Chain Readiness**

	High readiness confirmed; suppliers engaged and designs complete. Risk: work may pause if Ofgem delays funding approval. Letters of reassurance sent to Ofgem, continuity critical to maintain skills and capacity.
	ED3 Workstream 2: Load and DSO – Alastair Muntz, Rory Brown and Nigel Bessant **Whole System Approach** ED3 planning adopts a whole-systems perspective, not automatically “flexibility-first.” **Customer Satisfaction Survey** Surveys mandated by Ofgem, covering specific customer groups. Delivered by an independent third party, Ofgem assesses methodology with transparency and trust highlighted as essential. **Flexibility: Policy, Economics & Localisation** Uncertainty around demand turn-up funding; SSEN engaging DSOs for alignment. SSEN supportive of flexibility; exploring alternative justifications for ED3. Challenges include unlocking localised flexibility and linking to specific assets. Initiatives underway: • Local Energy Allowance. • Accelerating housing connections. • Collaboration with NERA on pricing and P411 scheme. Flex markets shifting toward day-ahead procurement; SSEN exploring implicit flexibility. **Community Energy & Skills** Skills gaps identified among local authorities, housing associations, and community groups. Work underway to build competencies. Need for longer contract lengths (e.g., 5-year terms) to secure value for asset owners. Community benefit spans multiple ED3 workstreams, complicating placement. **Stakeholder Engagement** DSO Advisory Board role outlined; alignment with ISP emphasized. ISG raised concerns about engagement quality and clarity of purpose. SSEN prioritizing personalised, targeted engagement over generic approaches. Strong links with innovators (e.g., Octopus Energy); flex-focused trials ongoing.

	DSO Storyboard & Outcomes Storyboard and theory of change presented; feedback sought on outcomes and values. Network capacity identified as critical for LCT adoption. Single storyboard may not suit all stakeholders; need for tailored narratives. Coordination with NESO and RESP highlighted as essential. **Sustainability & Long-Term Vision** Sustainability not fully addressed; SSEN to strengthen alignment with 2050 vision. Suggested framing through consumer priorities and community benefit. Metrics under development to measure outcomes. **Energy Efficiency & Place-Based Planning** Energy efficiency, voltage optimization, and losses flagged as priorities. Place-based approach recommended; SSEN committed to action. International benchmarking suggested (Germany, Portugal). **Culture & Data** Embedding a culture focused on durable stakeholder benefits emphasised. Levers: performance management, leadership behaviours and transparency. Pilot underway with NESO, UKPN, and SSEN to improve data sharing and coordination. Need for a single data repository accessible to all stakeholders.
9.	**AOB, Reflections and look forward - All** Discussion with Chairs of DSO Advisory Board (DSOAB) and Inclusive Service Panel (ISP) highlighted need for a clearly defined assurance process across groups. Proposal for a three-stage assurance model to improve consistency, transparency, and alignment. LS provided a summary of all actions captured during the session, confirming clarity on ownership and next steps.