



Scottish & Southern
Electricity Networks



2019-20 | **Part 2**

Delivering with impact

Overview of Evidence

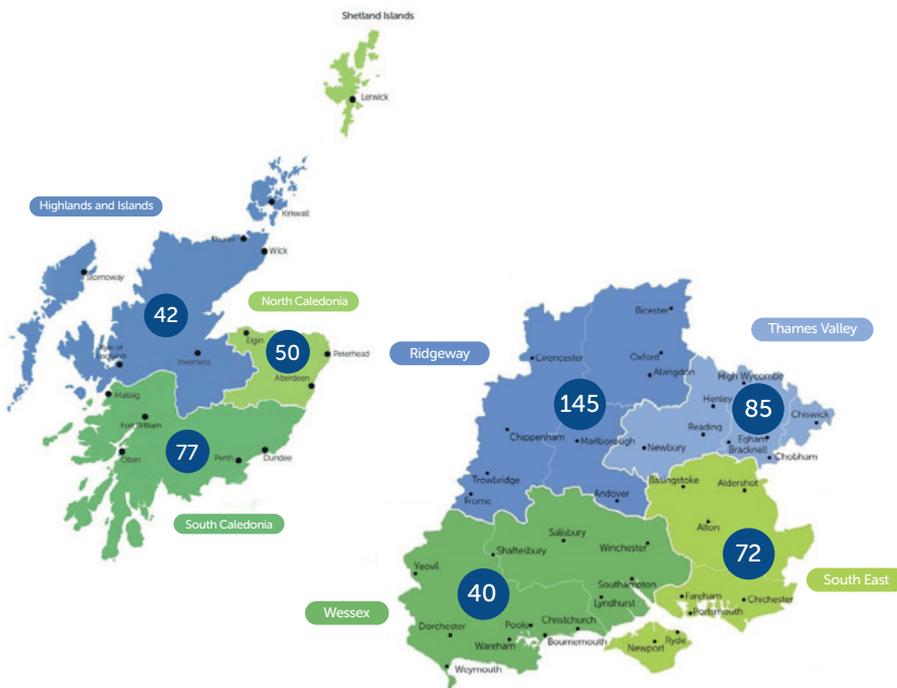
Stakeholder Engagement and Consumer Vulnerability Submission



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Engaging across our regions



Over **500 events** and proactive engagements at a regional level.
342 in our **SEPD** licence area and **169** in our **SHEPD** licence area.
Over 200 events or proactive engagements at a national level.

- 

£2.35
average net benefit per £1 spent on 5 initiatives measured
- 

Over £1.53m
social value delivered on 5 initiatives measured
- 

1st
EV partnership between DNO and Government
- 

1st
DNO to launch WhatsApp for power cut communications
- 

1st
DNO to deliver a zero carbon CMZ
- 

1st
DNO to sign up to EV100
- 

£9.85
for every £1 spent on inclusion initiatives

2.1 Engaging with purpose and impact



Stakeholder engagement is *integral to* our business. It influences our plans, drives better decision-making and helps ensure bill payers' money is invested in the right way and at the right time. It also helps develop a mutual understanding of the challenges we face, nurturing positive working relationships built on trust and common goals.

As a result, stakeholder engagement is also *integrated in* our business. It happens daily, touches every part of our operations and is everyone's responsibility. Our central team provides the necessary framework, tools and expertise, but it is colleagues across our business who are **delivering meaningful stakeholder engagement** at a strategic, organisational and operational level.

During 2019-20, we acted on feedback from our core stakeholder groups, and the strong steer we received from the SECV process, to make real improvements to how we prioritise and manage stakeholder engagement in our business, ensuring it has both a **clear purpose** and delivers measurable benefits.

We have engaged with a refreshed focus, working with core internal and external groups to identify the **strategic themes** that have driven our engagement during 2019-20.

Feedback from all our engagement is now tracked using an enhanced action tracker and the introduction of SROI modelling helps us put a figure on the **positive social value** of our stakeholder-led activities, measuring the tangible impact for customers and communities.

The current COVID-19 crisis has brought challenges, and while we remain fully focused on continued delivery for our customers, we will also remain **agile to changing needs and priorities** as the impact of the pandemic develops.

We are proud to be a stakeholder-led business that has listened and **responded to the challenges our stakeholders have set**, to deliver an improved and accountable service to the customers and communities we serve.

Colin Nicol, Managing Director
Scottish and Southern Electricity Networks

Our strategic themes for 2019-20

Driving innovation in core services

Working with stakeholders to shape the development of innovative solutions that are relevant to customers' needs and deliver tangible benefits.

Delivering in the public interest

Engaging widely to understand and improve public legitimacy, taking bold, collaborative steps to demonstrate delivery in the public interest.

Enabling the net zero transition

Supporting the shift to a decarbonised, decentralised, digitalised and democratised net zero energy system, adapting to stakeholder feedback so 'no one is left behind'.

Supporting safe and resilient communities

Using stakeholder views to improve our support for community resilience, particularly for those most remote, and play a leading role in public safety partnerships.

An agile and holistic approach to stakeholder engagement

A key indicator of the maturity of stakeholder engagement in a business is its ability to react in a crisis, ensuring stakeholders are fully informed and have an influence on the decisions that affect them. Although the impacts of the COVID-19 pandemic only materialised late in the reporting year, we wanted to highlight areas where we had taken an agile, stakeholder-led approach to supporting the customers and the communities we serve.

Making early customer-led changes to the way we work **FIRST**

A week prior to the announcement of the lockdown, we recognised that due to social distancing and self-isolation measures, many more of our customers would be at home, including the elderly, those following strict shielding guidance and individuals involved in the COVID-19 response. Prompted by customer feedback, and insight from our community-based teams, we quickly took an operational decision to adjust the way we worked, **cancelling all non-critical planned supply interruptions** where we needed to interrupt customer power supplies.

Agile switch to digital engagement **NEW**

In response to social distancing measures, we replaced two stakeholder events scheduled in March, with a series of **virtual workshops** to seek feedback from our stakeholders on our emerging business plan, sustainability strategy and local energy plans. Replicating roundtable discussions, **13 Skype sessions** ran simultaneously, enabling us to capture rich feedback from over **75 stakeholders**.

It was the first time SSEN has undertaken this form of 'digital focus groups' and, given its success, we intend to build this into our engagement

programme for 2020-21, sharing our approach with other utilities. At the workshops, we opened up our COVID-19 fund proposal for feedback and the response helped shape its structure and reach.

Creating a COVID-19 community resilience fund **FIRST ENHANCED**

Stakeholders, including our independent fund panels, SAP and virtual workshop attendees, helped shape a proposal to repurpose our annual Resilient Communities Fund, with **£350,000** made available to local organisations for specific support in the community response to the pandemic.

"I can think of no other initiative of this type that delivers so much into the heart of communities. Invaluable work that not many people see, this is a hidden light from one of our major energy network companies."

Norman Kerr,
Energy Action Scotland



The fund launched in March 2020, with grants of up to £3,000 available to projects specifically supporting community members in vulnerable situations, including those self-isolating or social shielding, targeting support where it is needed most.

Expanding our PSR to support those most vulnerable and isolated **NEW**

Given the increase in people who may require additional support during the coronavirus pandemic, we've temporarily expanded eligibility criteria for our Priority Services Register to include customers categorised at 'high risk' and 'extremely high risk', including those self-isolating and shielding. We engaged with Citizens Advice and our stakeholder panels through this process, which led to the adoption of this change and the rejection of other ideas such as extending the PSR to frontline key workers.

Supporting those in social isolation **NEW**

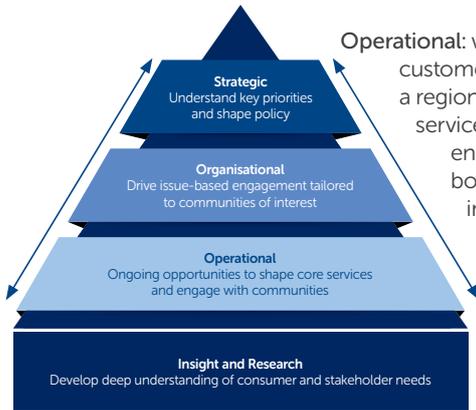
From our representation on local and national resilience forums and engagement with charitable groups we understood that social isolation was an increasing problem. In late March, we used data and metrics from our Customer Mapping Tool to identify 25,000 PSR customers at a higher risk of social isolation, using a team of volunteers to conduct welfare calls and signpost to further support if required. We also shared our PSR data with key resilience partners, where legislation allowed.

2.2 A clear strategy for engagement

At SSEN, we adopt a three-tier approach to stakeholder engagement to ensure our activities are holistic and embedded across our business:

Strategic: we undertake targeted stakeholder engagement to help identify and assess areas of strategic importance, such as energy policy, which is then reflected in the priorities and strategy for the business.

Organisational: our business units develop plans to engage with stakeholders who may be impacted by our actions in relation to core services, the direction of future energy or service provision.



Operational: we engage with customers and stakeholders with a regional focus regarding service provision and enhancement, taking on board their feedback and improving local services as a result.

How we engage with stakeholders

We continue to work to the AA1000 Stakeholder Engagement Standard. This six-point approach underpins how we plan, conduct and act on stakeholder engagement, ensuring transparency and accountability at all times

More details can be found in [Part 1, page 2](#).



Improving our measurement of benefits and value

Measuring customer and social value is a challenge for all DNOs. At SSEN, we have overcome this challenge by first understanding what customers value the most and recognising the wider impact of our engagement on society as a whole. We have devised a systematic approach, with three distinct valuation methods, to help us ensure we are delivering benefits to our stakeholders. This enables us to match the most appropriate method of valuation for each initiative. **Willingness to Pay (WTP)** and **Social Return on Investment (SROI)** are discussed below. The third method, qualitative

feedback, comes from capturing stakeholder feedback on the benefits they received and is provided in the description of each initiative later in this section.

Willingness to Pay (WTP): ENHANCED

WTP is used to measure benefits when customers save or gain money as a direct result of our initiative. We are now using WTP values to prioritise projects. In 2019-20, we collaborated with four DNOs and have improved our WTP research by focusing on estimating how much customers are willing to pay

for specific services as opposed to high-level initiatives. The study outcomes are being used as a means of prioritising projects.

The table below shows the outcomes of four segments from the 2019-20 WTP research, details of all 13 attributes tested can be found on [Part 1, page 7](#).

Segments Tested	WTP (£/HH/Yr)
Customer Service	£3.19
Education	£1.32
Smart Networks	£0.77
Sustainability	£1.59

Social Return on Investment (SROI): NEW

In addition to a collaborative approach to WTP, we also identified a need to **better quantify the impact** of our spending on community initiatives and engagement. As a result, we have introduced Social Return on Investment (SROI) research, which is a principles-based method that quantifies the wider social benefits of initiatives (see also [Part 1, page 7](#) and [Part 3, page 3](#)).

Combined with traditional cost-benefit analysis, SROI allows us to demonstrate the total economic value, including both financial and social impact of initiatives that we have undertaken based on stakeholder feedback. SROI is used to measure benefits when, as a result of our initiatives, customers save or gain money or society avoids a cost.

In 2019-20 we have measured five initiatives in Part 2 using SROI.

Theme	Initiative name	Total Financial Benefit	Total Social Benefit	Net Present Value (NPV)	SROI
Driving innovation in core and future services	WhatsApp	£63,000	£140,000	£166,377	£5.59
Enabling the Net Zero transition	Isle of Wight Collaboration	£0	£39,000	£23,961	£1.75
Supporting safe and resilient communities	Islay CMZ	£990,000	£153,550	£378,068	£0.52
	Child Safety Programme	£0	£78,458	£54,318	£2.53
	Not Worth the Risk	£0	£70,959	£39,922	£1.39

Financial Benefit = all financial benefit before costs are deducted. Social Benefit = all social benefits before costs are deducted. Net Present Value (NPV) = the sum of all benefits minus all costs. SROI = total of all benefits in the year divided by the total cost. Where we work with partners, appropriate sharing factors have been applied.

"Understanding the social value of our activities undoubtedly helps drive better decision making. We have learnt from this approach and intend to make it a feature of the way we plan in SSEN."



Andrew Roper, Director of DSO and ED2

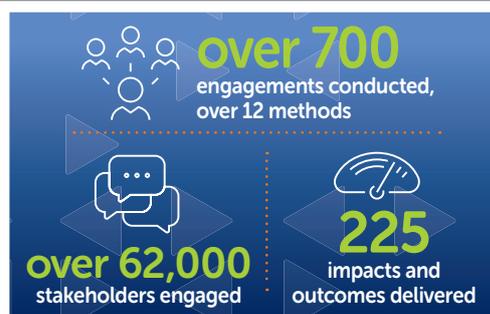
Total benefits measured

Financial	£1,053,000
Social	£481,967

2.3 Our enhanced delivery in 2019-20

Responding to stakeholder needs, and the feedback of the SECV panel, we engaged with a refreshed purpose in 2019-20, driving improvements and delivering impactful outcomes for our customers and stakeholders.

Key initiatives driven by our stakeholders during 2019-20 are grouped below by strategic theme. To learn more about our engagement methods or delivery, please see Part 1, page 5. In addition, our full impact and outcomes tracker is available at www.ssen.co.uk/StakeholderEngagement/KeyEngagementOutputs.



Theme	Initiative name	First	New	Enhanced	Innovation	Hard to reach	Collaboration
Driving innovation in core services	Improving connections communications		✓		✓		
	Improving routes of customer contact – WhatsApp	✓	✓		✓	✓	
	Adapting to the needs of our network users			✓	✓		
	Accelerated Loss of Mains change programme		✓		✓		✓
	Use of datasets in low voltage monitoring			✓	✓		
Delivering in the public interest	Putting sustainability front and centre of our business		✓				
	Improving legitimacy through engagement and awareness			✓			
	Championing Fair Tax and a real Living Wage	✓	✓	✓			✓
	Creating an inclusive and diverse workforce of the future	✓	✓			✓	✓
Enabling the net zero transition	Demonstrating flexibility progress and a 'real life' DSO		✓		✓		✓
	Smart and Fair? Initiative	✓	✓			✓	✓
	Understanding alternative pathways to decarbonise heat		✓		✓		
	Strategic action to enable the EV rollout	✓	✓		✓		✓
	Leading by example on the road to net zero	✓	✓				
	Supporting communities in their net zero ambitions		✓		✓		✓
Supporting safe and resilient communities	Progressing low-carbon resilience for island communities	✓	✓		✓	✓	
	Safety training for next generation			✓		✓	✓
	Not Worth the Risk campaign			✓	✓		
	Stay Five, Stay Alive, Call 105			✓			✓



Responsibility and action tracker

NEW

In 2019-20, we improved our governance approach by embedding an Action Tracker and associated process that assigns **clear responsibility and governance for stakeholder-led actions**. This new approach allows us to co-determine actions across our business, assigning business sponsors at Director level and has led to an increase in positive impacts and outcomes.

“The assessment indicates strong commitment and involvement from the organisation’s leadership and senior management in not only setting a strong tone at the top and steering the stakeholder engagement vision and direction, but also actively participating in the planning, preparation, implementation and monitoring of engagement activities.”

AccountAbility AA1000 2019-20 Assessment



Customer and stakeholder first

NEW

To further embed customer and stakeholder views into our planning and decision making, we introduced a new governance step in our senior decision-making forums. All papers to the Executive Committee and Board now have a mandatory section to demonstrate what stakeholder and consumer engagement has been undertaken or is planned. This has driven significant engagement which we expect to report on for 2020-21.

2.4 Driving innovation in core services

From our engagement with customers and network users, we know that they expect and value improvements to our core services. We are committed to working with stakeholders to develop innovative, smart solutions that deliver lasting benefits, such as greater efficiency, improved service or increased choice.

"Innovation is something you've done extremely well. Ofgem deserve credit as they supported and funded companies to develop innovative ideas. It's important that you keep doing that whether Ofgem tell you to or not."
Stakeholder workshop attendee, 2019

 23 outcomes and impacts delivered	 £5.59 net benefit per £1 spent on initiatives measured	 First DNO to launch WhatsApp as a customer contact channel
851 ALoMCP applications, largest number per size of network	Broad Measure score up from 8.69 to 8.9	

Improving connections communications

NEW INNOVATION

Stakeholders said: Through feedback from our Connections Customer Steering Panel (CCSP) we identified that connections customers found the process for connecting to the network overly complex and frustrating, and they encountered problems they were not able to resolve.

We acted: In September 2019, we introduced touchpoint surveys to provide insight in connections. Our connections customers now receive a survey at three separate points during the connections process. This allows us to identify problematic points in the process and resolve issues in real-time as well as allowing us to take the learning and build improvements into our operations for all our customers.

Our surveys allow us to be agile in identifying customers who report poor outcomes during their connection journey and respond to them directly to resolve any issues.

Impact and outcomes:

- Providing **real time interventions** for customers when problems emerge.
- Comprehensive dataset of our connections customers' experiences enabling us to **identify trends and improve our processes** for future connections customers.
- Introduction of a tracking mechanism for feedback which allows us to **capture lessons learned** from individual customer experiences and apply them across business.
- Increase in Broad Measure scores from **8.69 in April 2019 to 8.9 in March 2020** confirms this approach is effective.
- We have now rolled out additional touchpoint surveys in power cut situations, leading to procedural improvements.



"I love the fact that our staff are encouraged to offer improvement ideas and they are acted upon. As part of the team that deliver customer touchpoint surveys, I'm able to identify and help customers at the point they really need us. It's made such a difference to our customers."

Jody Westbrook, Customer Service Improvement Manager



Expanding routes of customer contact – WhatsApp

FIRST INNOVATION HARD TO REACH

Stakeholders said: In 2018-19, 27% of phone contacts during power cuts were repeat calls made by customers seeking an update. Through analysing customer feedback, we learned this caused, younger customers in particular, significant frustration and, as part of a wider review of ease of contact, we looked at alternative methods for customers to communicate quickly and easily with us.

We acted: We looked at the learnings from our successful implementation of Messenger Webchat in 2018-19 and partnered with social contact experts Conversocial to review emerging communication channels. Through this partnership, we became the first DNO to launch customer support via WhatsApp, the most popular messaging channel.

This enables an improved digital experience and greater protection of our telephony service for customers who are not digitally enabled. As a result, we were able to address our customers' frustration by providing updates within the first hour of a power interruption and a direct link to communicate with us on WhatsApp. If customers start their engagement journey on the phone, they can continue through WhatsApp without being required to re-explain the situation.

Impact and outcomes:

- Received over **20,000** customer contacts on WhatsApp since launching in July 2019, which equates to **12%** of all our digital contact.
- **93%** customer satisfaction score from social channels, up from **91%** previous year.
- Reduced repeat contact on core telephony lines.
- Adaptation of our service to changing customer preferences, especially younger digitally-enabled customers.
- Promotes digital inclusion through better support for customers with hearing difficulties See Part 3, page 6.

Project NPV	£166,377	Project SROI	£5.59
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see page 2 for NPV/SROI definition

"SSEN has led the market with the introduction of WhatsApp. By recognising its value as a service and communication channel, they were ahead of all others in the industry in its implementation. Since then others have followed suit, but SSEN continue to recognise market trends and act on these as market leaders rather than followers."

Mo Mahar, Customer Success Director at Conversocial



Adapting to the needs of our network users

ENHANCED INNOVATION

Stakeholders said: Distributed generators (DGs) attending our biannual distributed generation forum expressed dissatisfaction with limits to the maximum export capacity (50kW for DGs) in the event of abnormal or outage conditions. Stakeholders questioned the fairness of this policy, and whether it is consistent with fully utilising network capacity.

We acted: We established an internal working group last year to investigate potential alternate ways of managing constraints and allocating any capacity available above 50kW in the event of an outage.

Impact and outcomes: In March 2020 we published a consultation tabling options which, once complete, will drive an action plan to effect the changes requested by our stakeholders. This consultation will close on 31 May 2020.

Next steps:

- Progress the stakeholder option for allocating capacity available above 50kW in the event of an outage.
- Publication of a comprehensive access policy, working closely with National Grid ESO to facilitate whole system outcomes.

2.4 Driving innovation in core services cont'd

Accelerated Loss of Mains Change Programme

NEW INNOVATION COLLABORATION

Stakeholders said: A change in the distribution code will become compulsory in 2022 to require all connected generators to review their Loss of Mains protection to ensure compliance and avoid unnecessary outages.

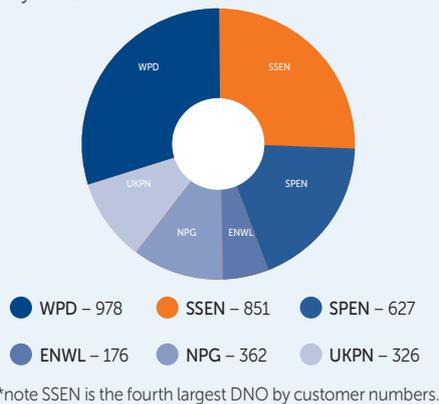
DNOs, working with the system operator, are tasked with informing generation customers about this change and encouraging take up of a funding mechanism to modify their protection equipment for free. Stakeholder interest in this programme increased significantly following the major system event of 9 August 2019 where loss of mains was an issue.

We acted: Between April and December 2019 we hosted a number of face-to-face workshops, and helped generators to understand the changes required to their equipment to ensure safe balancing of the grid and security of supply. This was complemented by a dedicated webinar attended by **over 100 stakeholders**. During this session SSEN's industry expert led the discussion on actions generators can take to reduce the risk of generators 'tripping out' unnecessarily. A **dedicated communications channel** was set up with queries received and prioritised.

In addition, we have continued to promote the message whilst attending and participating in a number of industry events. We have engaged with key stakeholders at the British DG Asset Owners Forum, Hydro Association, Solar Trade, and Scottish Renewables conferences.

Impact and outcomes:

851 applications progressed, best DNO performance relative to customer numbers
High quality applications, **89.5%** selected by the ESO



Use of datasets in low voltage monitoring to inform network decisions

ENHANCED INNOVATION

Stakeholders said: Making more effective use of our network is a critical part of what our customers want us to deliver. At our workshops, 62% of stakeholders told us that SSEN should deliver a resilient network by prioritising innovative solutions at the expense of more traditional reinforcement. In 2019-20, we engaged on options for new LV monitoring solutions to make more effective use of the network.

We acted: Following successful trials in Thames Valley and northern Scotland, in 2019-20 we installed an **additional 350 monitors** across our substations in England and Scotland to provide near real-time and historical demand data. They allow us to generate alerts when the network is nearing its limits, identify the best way to optimise capacity, monitor power quality and understand imbalance and losses. The system will also allow us to better prioritise investment in our networks.

Impact and outcomes: We have a **greater understanding** of our network and demand and the data has been used to **analyse customer issues** and **COVID-19 impact** on demand. We are **sharing findings** across DNOs.

Stakeholder-led approach to driving innovation in core services:

- **Leading**, the first DNO to launch customer support via WhatsApp.
- **Responding** quickly to stakeholders' needs through the innovative use of touchpoint surveys.
- **Informing** cost-effective investment decisions through enhanced capturing of LV substation data.
- **Delivering** a fairer access policy for distributed generators.

2.5 Delivering in the public interest

The first obligation of a network operator is to deliver, safely and reliably, the electricity that households and businesses need. Ensuring that task is undertaken with the widest public interest in mind should support the creation of wider social and environmental value, to be shared with people in the places we operate.

That means putting the public interest first goes beyond a notion of 'corporate social responsibility', rather it's about being an organisation that aligns business and social purpose, placing long-term social and environmental sustainability front and centre of its strategy and core business operations.

Addressing stakeholder feedback and challenges of public perception, we set out to further

understand our societal impacts, taking bold and collaborative action to meet the public interest in its widest sense.

"The Panel has been firm in recommending to SSEN the important role it can play to lead the industry in ensuring the public interest is met."
The Stakeholder Challenge, SAP Report 2019

27
outcomes and impacts delivered

First
DNO to pilot Living Hours initiative

Fair Tax Mark
accredited for the fifth year in a row

£9.85
for every £1 spent on inclusion initiatives

Putting sustainability front and centre of our business

Stakeholders said: With the rising significance of the United Nations Sustainability Development Goals (SDGs) as a framework from which businesses can align their business to social impact goals, key engagements in early 2019, including with Citizens Advice, Sustainability First and the SAP led us to consider our material social and environmental impacts against the SDG framework.

We acted: In Summer 2019, we introduced the UN SDGs to **163 stakeholders representing 120 organisations** across our network areas. We asked

stakeholders to rank the 17 UN SDGs against our business priorities, seeking feedback on importance. In total, eight goals were selected as priority with SDG 7 Affordable and Clean Energy and SDG 9 Industry, Innovation and Infrastructure ranking highest.

Stakeholders were re-engaged in a series of virtual workshops in March 2020 to re-test thinking. At these sessions, SDG 13 Climate Action and SDG 8 Decent Work and Economic Growth were identified of increased importance, in light of the coronavirus pandemic, and the need for an infrastructure-led recovery.

An approach to developing a social contract was endorsed and will form part of an enduring Sustainability Strategy to be developed and tested with customers in 2020.

Impact and outcomes:

- Core SDGs for SSEN Distribution defined and materiality assessment conducted.
- Kickstarted development of an enduring Sustainability Strategy.

Improving legitimacy through engagement and awareness ENHANCED

Stakeholders said: Our stakeholders told us that as an industry, we needed to take steps to understand and improve public perception and understanding in light of challenges to our legitimacy. They saw SSEN as having a central role in this process.

We acted: Comprehensive consumer polling was commissioned, and tracked, demonstrating significant support for energy outcomes, such as investment in low carbon technologies, but a lack of awareness of the role networks play in this. Furthermore, it highlighted a clear expectation that network companies should meet high standards of corporate conduct and social impact.

This polling was reinforced by extensive engagement: with our panels; in stakeholder workshops; and through a programme of one-to-one engagement with more than **60 key policy shapers, NGOs and political stakeholders** from across the political spectrum.

Based on this research, we created an awareness

and public engagement campaign consisting of online messages, short videos supported by editorial content and a 'leave-behind' booklet. The campaign highlighted the industry track record on investment, climate action, creating secure jobs and the critical role of electricity networks to delivering net zero.

We conducted over **100+ regional engagements** with elected officials, and a regional pack was created and posted to all elected members in our regions.



Impact and outcomes:

- Regional booklets produced and engagement with over **100 MPs and MSPs**.
- Follow on site visits arranged for c. 25 MPs; Early Day Motion tabled.
- **280,000** interactions from digital campaign.
- Creation of 'Expert Round Table' programme for future engagement with targeted groups.
- Engagement led to SSEN joining Sustainability First's Fair for the Future initiative.

"SSEN strikes me as an organisation that really wants to learn from its stakeholders and understand its societal impact."

Anneliese Dodds, Shadow Chancellor and Oxford East MP



Championing Fair Tax and a real Living Wage ENHANCED COLLABORATION FIRST NEW

Stakeholders said: A progressive approach to tax and the creation of decent work is considered a central component of the social contract between network operator and the society it serves.

While SSEN has consistently championed the values of Fair Tax and a real Living Wage since 2014 and 2013 respectively, stakeholders, including the Stakeholder Advisory Panel expressed views that more could be done to encourage peers to adopt a similar approach.

We acted:

Promoting a culture of pride in paying tax

In 2019-20, we worked alongside other Fair Tax Mark accredited companies to promote the importance of fair tax and its contribution to vital public services. We shared our experience of becoming accredited in bilateral meetings with several companies and ESG investor groups and supported Fair Tax Fortnight, alongside Pennon. This included co-sponsoring the parliamentary event, where SSEN Chairman, Gregor Alexander, delivered a keynote speech.

We are also represented on the Fair Tax Mark board through Chief Sustainability Officer, Rachel McEwen

Impact and outcomes:

- In 2019 **three further FTSE100 companies** achieved accreditation.
- Ofgem included reference to adherence to Fair Tax principles in its RIIO2 framework statement.
- We have committed to **share our experience** through the Fair for the Future project, supporting other utilities.

that accurately reflects hours worked. This initiative applies to directly employed people and, crucially, those contracted to SSEN, for example, in canteens, facilities management and security.

Impact and outcomes:

- Following the pilot, SSEN expects to become one of the **first, formally accredited** Living Hours employers in the UK.
- SSEN's experience will provide a **replicable model** for other employers.

Living Hours initiative

In June 2019, we were **one of four organisations** to pilot the "Living Hours" initiative, which holds employers to a series of commitments to tackle insecurity over working hours, including four weeks' notice of shifts, and a contract



"The Fair Tax movement is a positive movement seeking to create a culture of pride in tax. I believe it is hugely important it grows and develops. Values, such as those espoused through Fair Tax Mark accreditation, give a signal of the sort of economy and society we want to be."

Gregor Alexander, Chair of the SSEN Board, Fair Tax Mark Parliamentary Reception, July 2019



Creating the inclusive and diverse workforce of the future FIRST COLLABORATION HARD TO REACH

Stakeholders said: Putting the public interest first also means recognising when your organisation needs to better reflect the society it serves. Stakeholders have encouraged us to address the significant diversity challenge in energy and become more inclusive of difference in its widest sense.

We acted: We undertook a strategic review of Inclusion and Diversity activity and introduced a dedicated **inclusion and diversity working group** for SSEN and a long-term action plan. Working with inclusion specialists, Equal Approach, we've

measured the impact of our existing 'IN, ON and UP' activity, quantifying the financial return on investing in inclusion.

Impact and outcomes:

- Equal Approach shows a financial return **£9.85** for every pound spent on inclusion.
- Pledged commitment to the **Equal by 30**, galvanising action on equal pay and the **Social Mobility Pledge**, committing to accessing and promoting talent from all backgrounds.
- Removed minimum qualification or entry requirements for 'pipeline' roles and e-learning programme on inclusive recruitment.

Stakeholder-led approach to delivering in the public interest:

- **Rebuilding** trust and legitimacy in our industry through an extensive bilateral engagement programme.
- **Acting** to place sustainability front and centre of our business, with stakeholders shaping our emerging Sustainability Strategy.
- **Demonstrating** clear delivery in the public interest through proactive awareness and public engagement campaigns.
- **Leading** by example with a progressive approach to tax and the creation of decent work, providing a replicable model for others.

2.6 Enabling the net zero transition

Action to reduce carbon emissions and fight climate change is an increasing priority for our customers and stakeholders. SSEN strongly supports the UK and Scottish Governments' target to achieve net zero emissions by 2050 and 2045 respectively and is committed to play an active role in progressing the necessary delivery in RII0-ED1 to keep pace with this ambition.

Central to this is an equitable transition to a smart and flexible system, where electrified heat and transport and the facilitation of flexibility services become the norm rather than the exception. In consultation with our stakeholders, we have made significant progress during 2019-20, looking beyond innovation incentives to understand and act on the priorities of our customers and stakeholders.



"Energy networks are critical to all decarbonisation efforts. 2035 is the real deadline for zero carbon for the energy system. You need to act now."

Academic, SSEN energy expert roundtable

31
outputs delivered on this theme

£1.75 net benefit per £1 spent on initiatives measured

1st EV partnership between DNO and Govt

1st partnership on 'fairness' in DSO transition

Most holistic smart grid trial in UK (Project LEO)

Demonstrating flexibility progress and a 'real life' DSO NEW INNOVATION COLLABORATION

Stakeholders said: At our events and engagements, stakeholders said that the transition to a smart, flexible system at a distribution level was a fundamental shift for DNOs but they felt it needed to move from **theory into action** and more must be done to illustrate this new operation in a 'real life' scenario.

We acted: We published *Delivering DSO: A progress update* in November 2019 detailing how SSEN has put its DSO priorities in place, the actions we have already taken to deliver flexibility and the building blocks that will create a strong foundation for ongoing transition. Details of all key priorities can be found on the project portal (www.ssen.co.uk/ourtransitiontoDSO).

We used our flagship project, Project Local Energy Oxfordshire (LEO) as a platform for engagement on what a future local flexible system will look like. With 9 project partners, Project LEO is the **most ambitious and holistic smart grid trial conducted in the UK**. It is trialling the matching of renewable generation and demand at a local level. The trials are based around three key themes; technology, local markets and community. The first year of the project has focussed on reviewing what technologies will be viable to participate, and to create a replicable process for decarbonising other counties and further steps for the transition to a net zero Oxfordshire beyond the end of LEO.

We hosted several visits and events related to LEO, including from the Science and Technology Committee and established a steering group for the Project.

Impact and outcomes:

- **Improved understanding** of how the low-carbon transition can facilitate local markets.
- Delivering DSO update informed stakeholders of SSEN's progress, giving **opportunity to feedback and shape** SSEN's transition.
- Project LEO steering board created with key learnings disseminated through **comprehensive awareness programme**.



"I was fascinated to find out more about SSEN's initiative in Oxford. I think part of the solution of how we decarbonise our whole economy will come down to local action. Oxford clearly is leading the way in this nationally and it is immensely impressive – other areas can learn from this."

Norman Lamb MP, Chair of the Science and Technology Committee



Smart and Fair

FIRST DNO COLLABORATION HARD TO REACH

Stakeholders said: Stakeholders, consumer advocates and our Stakeholder Advisory Panel all challenged us to ensure the 'principle of fairness' is embedded into the energy transition. One stakeholder stated we must "continue to ensure that it is a focus of your company that the less affluent are not left behind by the transition to a smart network." This need was further endorsed by Ofgem in its Consumer Vulnerability Strategy for 2025.

We acted: Working with WPD, we co-partnered with the Centre for Sustainable Energy to undertake research on the **impact of the energy transition on vulnerable consumers**. The purpose is to establish a picture of the financial, intellectual and technical capabilities consumers will need to 'keep up' in a smarter energy system and of which types of consumer are at risk of being left behind. An initial round of stakeholder workshops has been held with **over 70 participants**.

Impact and outcomes:

- A "capability lens" was created to assess how different households can **realise opportunities** in the transition to a smarter system.
- A **greater understanding** of the challenges and the ways in which unfairness could be generated in the transition to DSO.

Next steps: Based on a methodological approach, a further two rounds of research and engagement are proposed with the final report scheduled in Summer 2020.

Understanding alternative pathways to decarbonise heat NEW INNOVATION

Stakeholders said: Our stakeholders understand that the decarbonisation of heat poses a significant challenge. Echoing stakeholder feedback, our SAP asked us to look more deeply at all alternative options for decarbonising heat, especially where traditional renewable heat systems are not practicable.

We acted: In response, SSEN worked with Maxine Frerk of Grid Edge Policy to produce a report to: stimulate public debate on heat energy policy; and understand the opportunities of flexible heating demand. The report, which challenges the presumption that any electrified heat pathway is exclusively related to the use of

heat pumps, considers the barriers and challenges relating to appliance, building standards, consumer information, regulation and funding to support vulnerable customers.

Impact and outcomes: The report, and related dissemination webinar, made **several recommendations to SSEN, policy makers and the wider community** including that storage heating with smarter controls could offer an effective alternative for many properties where heat pumps are unsuitable.

- The conclusions were **tested at two expert roundtables** hosted by Citizens Advice and National Energy Action.

- We have shared the findings more widely through two webinars attended by **over 200 stakeholders**.
- We will use the report to **shape the development** of our Heat Decarbonisation strategy in 2020.

"I welcome SSEN's support for this emergency policy area. It is clear that in the transition to decarbonisation heat, there will be no one-size-fits-all solution and all options must be explored."

Maxine Frerk, Grid Edge Policy



2.6 Enabling the net zero transition cont'd

Strategic action to enable the EV rollout

FIRST INNOVATION COLLABORATION

Stakeholders said: Around half of all stakeholders attending our workshops in September 2019 cited the rollout of EV charging as the most significant challenge for the electricity network in their area. In October 2019, 66% of attendees at our Future Networks event called for the prioritisation of network capacity for EVs to facilitate net zero.

We acted: Following engagement at the Low Carbon Technology Workshop in Glasgow in 2019, and recognising the accelerated net zero and EV targets in Scotland, we launched a strategic partnership with SPEN, Transport Scotland and the Scottish Government to help co-ordinate and plan the EV rollout. The Partnership is governed by a Steering Board and working groups to oversee the delivery of a series of initiatives to roll out the network infrastructure necessary to support electrification of transport in Scotland, enabling the country to achieve its net zero ambitions by 2045. The partnership is creating detailed plans, seconding

a planning engineer and maintaining a programme of co-ordinated activity to share best practice.

Impact and outcomes:

- Innovative partnership delivering projects to support the efficient and effective transition to EV's across Scotland by establishing best practice; strategic decision making; increasing resilience to seasonal tourist demand, storm response and remote community resilience.
- SSEN contribution of **£1m funding** to Strategic EV Partnership in 2019-20.
- SSEN secondment to Scottish Government avoided costly third party support.
- Key learnings from the project shared with industry and UK Government stakeholders.
- A separate **Strategic Heat partnership** has also been created between three of the parties.



"The partnership is a brilliant example of government and network companies working together to solve a challenge. SSEN and SPEN have helped us to understand the engineering and regulatory perspective and together we are testing new models for delivering a coordinated public EV charging network. It works due to our close relationships and open discussions on challenges, opportunities and ideas."

Simon Gill, Scottish Government



EV case study: Proactive engagement on the Electric A9

NEW INNOVATION FIRST

The A9 in Scotland is the main route to the Highlands and will be the country's longest EV-ready road. With the cooperation of our project partners, Transport Scotland, the Scottish Government and local councils, we seconded a SSEN design engineer to work with the team at the start of the project, to advise on the connection options for the proposed charging hub locations.

This collaboration **avoided expensive reinforcement** and made the connections more economically viable. In total, **80%** of connection applications for 14 sites were successfully progressed. This demonstrates a **significantly improved customer experience** as typically, under half of connection applications are taken forward.

Leading by example on the road to net zero

NEW FIRST

Stakeholders said: In addition to enabling the country's transition to EVs, stakeholders said we should 'walk the talk' in accelerating progress in decarbonising our own extensive fleet of vehicles.

We acted: We joined The Climate Group's global EV100 initiative, which aims to make EVs 'the new normal' by 2030, **committing to switch 3,500 of our vehicles to full electric** and installing charge points for our employees to use. We were the **first DNO** to join this initiative and make such a commitment.



In February 2020, we took delivery of our **first six operational electric vans** which are now being trialled in various locations to serve communities

across the country. Unlike other EV trials, these are the first purpose-ready vans to be used for core operational duties.

"Leading by example, these companies joining EV100 are sending a clear message that the direction of travel for transport is electric, inspiring their millions of staff and customers to follow – every major business must do the same."

Helen Clarkson, Chief Executive of The Climate Group



Impact and outcomes:

- Commitment will **inform SSEN's decarbonisation action plan** for RII0-ED2.
- Sharing commitment across industry to encourage others to join pledge.

Supporting communities in their net zero ambitions

NEW INNOVATION COLLABORATION

Stakeholders said: As part of a stakeholder-led project with Regen to create tailored Future Energy Scenarios (FES) for each of our licence areas, we engaged with both Local Authorities (LAs) and Local Energy Partners (LEPs) to understand the specific challenges and potential impacts that low carbon technologies, electric vehicles and housing may have.

We acted: Following completion of the bespoke FES reports, we have now shared relevant insight with several LEPs and LAs including Oxford, Swindon and Wiltshire. Upon further

discussions with Isle of Wight (IoW) Council, it was found that they had a unique set of requirements that they felt could not be met from our original research brief. We subsequently held a number of bilateral meetings with IoW Council to discuss their specific needs, with the original project scope being increased to ensure their needs were fully considered in the research.

Project NPV	£23,961	Project SROI	£1.75
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see page 2 for NPV/SROI definition

Impact and outcomes:

- Driven **enhanced scenario planning** within SSEN.
- Informed decision making of LAs and LEPs in the **development of climate action plans**.
- Bespoke IoW report used in support of innovation projects and developments.

Next Steps: We are now conducting an extensive and focused engagement programme with local authorities and LEPs during 2020, to understand their needs and co-ordinate development of Local Area Energy Plans (LAEPs).

Stakeholder led approach to enabling net zero

- **Leading** in the transition to EVs, through strategic partnerships and EV100 pledge.
- **Supporting** Local Authorities to have a greater say through sharing of data, and the development of Local Area Energy Plans.
- **Collaborating** to deliver the UK's most ambitious smart trial, demonstrating how local markets and technology can be supported in the transition to net zero.
- **Empowering** the most vulnerable in the DSO transition through the Smart and Fair? research programme.

2.7 Supporting safe and resilient communities

Our core purpose is to provide a safe and resilient supply of electricity to our customers, but our commitment doesn't end there. Acting on stakeholder feedback, we are working beyond our obligations to ensure we play an active role in enabling community resilience and promoting public safety in the communities we serve, including some of the most remote and diverse communities in the UK.

"Resilience is more important than ever. Right now, we are more reliant on energy than we ever have been."

Stakeholder workshop attendee, 2019


16,500
children education of safety around our assets



54
outputs delivered


£1.48 average net benefit per £1 spent on 3 initiatives measured



£990,000
fuel-cost saving from deployment of low-carbon resilience scheme

Progressing low-carbon resilience for island communities

INNOVATION FIRST HARD TO REACH

Stakeholders said: Through stakeholder panels, regular bilateral engagement and surveys, our stakeholders told us they want us to focus on increasing the resilience of our services, leaving no communities behind and providing a comparable service regardless of location. Due to the nature of the network on Islay which, along with Jura and Colonsay, is connected to the mainland by subsea cables, we rely on diesel generation to ensure security of supply during upgrade works and faults.

At engagement events on Islay and Jura in April 2019 to discuss our network investment proposals, stakeholders challenged us to develop innovative solutions to enable renewables to connect to our network and greener alternatives to reduce the reliance on carbon-intensive diesel power during upgrade works or fault situations.

We acted: We undertook an in-depth study to establish that flexibility could be used, bespoke to the islands, to alleviate constraints on the network and reduce the reliance on diesel generation. We then conducted a public procurement process for smart grid flexibility services from local generators.

Impact and outcomes:

- We introduced our first zero carbon Constraint Managed Zone (CMZ) contracts, for a total of **6MW** worth of services on the islands.
- Contracts with a locally-owned hydro generator have been deployed successfully several times this year during faults and upgrade works, providing almost **5GWh of renewable generation** and avoiding **£990,000** in diesel fuel costs.
- The carbon saving equates to the removal of **971 cars** from the road for a year.

Project NPV	£378,068	Project SROI	£0.52
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see page 2 for NPV/SROI definition

Next Steps: We are actively identifying opportunities for CMZ contracts across other remote communities, including the Western Isles and Skye and are on track to secure 20MW of contracted services by end of April 2020, with the aim of achieving 120MW by the end of August 2020.

"The CMZ has been a great success, ensuring we made a significant contribution to keeping the islands' lights on over the winter with low-carbon generation. It clearly demonstrates the role of embedded generation like small hydro in delivering the integrated energy networks solutions of the future."

John Lithgow, Inver Hydro



"We've got a good relationship with the local communities on Islay, Jura and Colonsay and it's rewarding to be able to respond quickly to a challenge and deliver workable solutions. It helps build real trust and credibility."

Samantha O'Connor, CRM, South Caledonia region



Safety training for next generation

ENHANCED HARD TO REACH COLLABORATION

Stakeholders said: The 2018 WTP exercise told us that customers valued educating the public on how to stay safe around electricity. This was tested again in 2019-20, where the education of school children was the most favoured initiative of the attributes tested against "Safety". To us, this is a clear indication that our customers see value in educating future generations.

We acted:

Power Pack Pals: We expanded our interactive learning programme which helps children understand the potential dangers of playing near power lines and substations. During 2019-20, **144 Power Pack Pals sessions** were delivered to over **16,500 children**. In September 2019, we installed an interactive game at our Pitlochry Dam Visitor Centre which has since welcomed **44,000 visitors**.



We acted:

Safewise: Working with Dorset Skills-for-Life, a charity which provides enhanced educational programmes for children, SSEN volunteers installed a mock decommissioned substation and overhead power lines at the Weymouth site to raise awareness about electrical safety in time for the Centre's Junior Safety Inspector family tours in August.

"The new substation and power lines at SafeWise Weymouth is a fantastic new safety scenario for visitors to experience and learn from. SSEN's support will help SafeWise continue its essential skills for life education programme."

Rob Hattersley, Chief Executive of Safewise



Impact and outcomes: **500 students** visited the Safewise site to experience safety scenarios at first hand, enhancing their understanding of situations that might otherwise be difficult to envisage. The partnership has also increased awareness of PSR, Power Track App and the 105 emergency number.

Project NPV	£54,318	Project SROI	£2.53
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see page 2 for NPV/SROI definition

2.7 Supporting safe and resilient communities cont'd

Not Worth the Risk Campaign

INNOVATION ENHANCED

Stakeholders said: Research from StayEnergySafe, a crimestoppers organisation, found £400m worth of electricity is stolen every year which increases customers' bills and causes high risk of serious injury to those involved. As this type of theft is very difficult to identify, we rely on customers and our staff on the ground to tell us about suspected activity.

We acted: We asked our stakeholders to shape the messaging for the week long "Not Worth the Risk" campaign during a session at the Emergency Services Show at the NEC Birmingham. Testing revealed that stakeholders were more responsive to messages around safety, rather than the collective cost of electricity theft, so we tailored and refined key messages. The 2019-20 campaign utilised social media to enable a more precise and targeted reach. In addition to the campaign, we redesigned our electricity theft webpage, signposting customers to anonymous reporting methods.

Impact and outcomes: Not Worth the Risk Campaign reached **225,000 customers** across our network areas, resulting in a **10% reporting increase** at the end of the campaign. This has now been embedded within our social media content strategy.

Project NPV	£39,922	Project SROI	£1.39
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see page 2 for NPV/SROI definition

Stay Five, Stay Alive, Call 105

ENHANCED COLLABORATION

Stakeholders said: Scottish Fire and Rescue Service (SFRS), a key stakeholder for SSEN, identified a gap in knowledge on who to call in the event of emergency incidents involving electricity. Through proactive discussions, Police Scotland were also unaware of the potential hazards when dealing with traffic collisions involving electricity. It was concluded that we needed to promote our safety message to all blue light responders across our licence area.

We acted: SSEN teams devised a training programme, visiting fire crews across the north of Scotland to promote the 'stay five, stay alive, call 105' message, referring to the five metre distance crews should maintain from live electricity whilst out on a job. We also joined forces with the SFRS Training Centre, to reach Operations Control Training and Employee Development Teams for Scotland.

"I would like to thank our partners at SSEN for taking the time to meet our staff and highlight this vital safety advice for crews on the ground. The safety of our firefighters is of paramount importance, so this presentation, which will help keep crews working in potentially hazardous environments safe, is most welcome."

Morven McDonald,
SFRS Operations Control Station Commander

This approach was replicated for Police Scotland where SSEN teams delivered a presentation and workshop to four Police control rooms shifts in Dundee.

Impact and outcomes:

- During 2019- 20 we held 14 workshops and presentations reaching over **150 retained fire fighters** and **240 control room operators**.
- We delivered four sessions to Police Scotland Control Room, attended by **95 personnel**.
- Electrical safety messages are promoted on Police Scotland's intranet, **reinforcing the "stay five, stay alive, call 105" message**.
- Working in collaboration, a handout has been **developed for Police Scotland's call centre** staff to relay vital safety messaging to members of the public.



Stakeholder-led approach is improving customer resilience and safe outcomes:

- **Leading** flexible solutions to deliver low-carbon resilience for our island communities, through innovative Constraint Managed Zones.
- **Supporting** emergency responders to stay safe near electrical equipment, raising awareness to reduce serious incidence.
- **Driving** awareness of electricity theft through targeted campaigns, reducing safety risks, increasing incident reports and saving customers' money.
- **Empowering** the next generation by expanding reach and impact of interactive learning programmes.

2.8 Future focus of engagement

The strategic themes our stakeholders helped us set for 2019-20 continue to provide a solid framework for engagement and delivery in 2020-21. However, we remain ready to adapt as stakeholder priorities change, and find new ways of engaging during COVID-19.

Driving innovation in core services

Making our core services better for our customers is a constant. In 2020-21, we will work in each area of our business to understand how input from customers and stakeholders can help drive **increased outcomes for customers and network users**.

Delivering in the public interest

Action on legitimacy is not dictated by an election cycle. We will engage with stakeholders and customers on how we can further meet the public interest in RIIO-ED1, seeking input and feedback on our emerging **sustainability strategy and social purpose**.

Enabling the net zero transition

Working with our stakeholders, we will collaborate and innovate to ensure swift progress in ED1 is delivered as required. We also intend to **develop further strategic partnerships**, particularly in our southern region, on electrification and flexible networks.

Supporting safe and resilient communities

Resilience and safety are in ever sharper focus. We will continue to work collaboratively to identify ways we can improve local resilience and seek to support **communities of interest** as well as communities of place.

Improving, adapting and collaborating

We remain committed to continual improvement in the way we engage with our stakeholders and we will adapt our programme to meet their changing needs during COVID-19. We are also committed to delivering early benefits in ED1 from our ED2 enhanced engagement programme including a shared programme of extensive consumer engagement.