

Making a Difference

Our activities and outcomes following stakeholder engagement

Ofgem Electricity Distribution Stakeholder Engagement and Consumer Vulnerability Incentive Scheme **Part Two**



Contents

Making a Difference

Our activities and outcomes following stakeholder engagement

Foreword from Frank Mitchell, CEO	01
Our strategy	02
Our activities and outcomes	
Anglesey Energy Island – integrating plans to match ambitions	03
Getting clever with Smart Meters	04
Striking the balance with small community renewables	05
Protecting endangered bird species – Ospreys	06
Digging deep to solve pothole problems	07
If there's a fault then it's SP Energy Networks you need	08
Helping young people find a positive future	09
Focused on the Future	
Becoming a system operator	10
Reaching out for innovation	10



479 separate engagements with over 2000 stakeholders



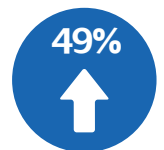
100% stakeholder panel meetings Director-led



senior managers and staff directly owning plans and initiatives



different engagement plans by business unit and theme



49% awareness of SP Energy Networks (up 12%)



73% logo recognition (up 20%)



121% increase in Facebook likes, 66% increase in Twitter followers 2015-16

'Overall, we continued to see improvements in SPEN's approach to stakeholder engagement. We have noted a more systematic approach to stakeholder engagement, which was primarily driven by the introduction of dedicated Stakeholder Engagement Managers. Their role has helped to ensure the stakeholder engagement strategy is delivered consistently across the business.'

'Stakeholder Engagement is considered a key activity for the business. The process and outcomes provide key information to help meet business strategic objectives, find solutions to existing challenges and build stakeholder trust'

DNV GL Assurance

Giving us an overall 8.1/10 for stakeholder satisfaction, up from 7.5/10 in 2014-15, our stakeholders commented:

'The level of engagement has increased quite dramatically'

'Since they have reorganised the business... I have found them incredibly useful for our work and programme development'

'They engage, and more importantly, they also deliver'

Stakeholder Survey Respondent '2015/16'



PUTTING stakeholders at the heart of what we do is central to our organisation; it's part of our culture.

But we're always looking for ways to re-emphasise that commitment, so last year we made a bold decision. We reorganised all our business structures to ensure that engaging with our stakeholders - making sure they were heard and were

influencing our actions - was not just part of a strategy or process, but was in fact the starting point for everything we do.

It was a leap forward which has changed our values, our practices and our behaviours and one which, I'm sure you will see in this submission, means that business for SP Energy Networks is no longer just as usual.

What has been so encouraging on a personal level is how open our organisation has been to these changes: from executive level to the front line.

The progress made in embedding our engagement planning process within day-to-day business is remarkable. Everyone in our business is party to our plans and has a role in shaping as well as delivering them.

These changes have brought us closer to stakeholders and consequently, we are seeing more innovation and tailoring in how we engage in different situations. We are leading the way in areas which in the past we would have left to others - such as the implementation of Smart Meters - and we are far more flexible, as you will see in the way we work with small community renewable energy schemes to get them connected to the network.

Our changes mean we are also engaging many more of our customers who previously were considered 'hard-to-reach', such as vulnerable and elderly customers in rural communities. This has made a big difference when it comes to getting important messages to them, like who to call if they experience a power cut.

And our new approach means we are engaging with many more community organisations - such as Friends of the Ospreys who were concerned about deaths of the rare birds, or schools who need big employers to help their pupils find positive destinations when they leave.

Using our stakeholder strategy and tools to deliver our engagement means that we are always looking for best practice, scaling and replication. Taking these great initiatives and sharing the learnings across our business has been extremely beneficial to those that we impact, by extending tailored engagements to more stakeholders who were previously considered 'hard to reach', such as vulnerable and elderly customers in rural communities.

We are also improving the ways in which we set goals for our engagement activities, and how we measure and track whether these goals have been met. Investing effort in applying Cost-Benefit Analysis to our engagement activities is a part of this but I believe there are many more qualitative benefits to our stakeholders and our business which are immeasurably valuable.

Of course, at the root of our business is how we work with our stakeholders - and we are vigilant in trying to broaden and deepen our engagement with them. It's our culture.



Frank Mitchell
CEO

Independent opinion statement – DNV GL

Overall, we continued to see improvements in SPEN's approach to stakeholder engagement. We have noted a more systematic approach to stakeholder engagement, which was primarily driven by the introduction of dedicated Stakeholder Engagement Managers. Their role has helped to ensure the stakeholder engagement strategy is delivered consistently across the business.

The strategic stakeholder panels have continued to be an important forum for dialogue with stakeholders. Importantly, the broadening of participation to include specialist non-members has increased the quality and level of feedback on specific strategic issues.

The prioritisation of stakeholders has also become more systematic this year, supported by the engagement plan tool which requires prioritisation by stakeholder category. The Internal Stakeholder Action Group (ISAG) has encouraged internal discussion between engagement plan owners which has helped evolve engagement plans and identify synergies.

The introduction of the Cost Benefit Analysis (CBA) model is an important step in tracking the outcomes of engagements. As it becomes embedded, we expect SPEN to be able to demonstrate further the benefits of its stakeholder engagement activities. However, as would be expected, quantifying the social returns on

investment has been more challenging. The business is still working on viable ways to develop this important tool.

The implementation of the database to manage stakeholder engagement data will be an important milestone, and should provide more real-time and consistent information to support the stakeholder engagement programme.

Conclusion taken from full opinion statement.

“ ” During our interviews with SPEN management and external stakeholders, we observed that stakeholder engagement is considered a key activity for the business.

DNV GL





'They engage, and more importantly, they also deliver' *Stakeholder Survey Respondent 2015/16*

The aim of our stakeholder engagement strategy is simple: to understand what our stakeholders need and to deliver it in a sustainable way. We count businesses, small energy generators, individual consumers, public bodies, third sector organisations and a continually broadening range of other parties as our stakeholders. The strategy provides a framework that allows stakeholders to influence, guide and steer our business to make **a resilient and sustainable service for all – protecting our customers and business from vulnerabilities now and in the future. We have made significant changes, greatly increasing the scope and diversity of our engagement and deeply embedding it in the culture of our business.**

These changes have been driven by our stakeholder engagement strategy, which ensures we are **inclusive** – enabling engagement at all levels, **tailored** to prioritise the issues that our stakeholders value most, ensuring we are **responsive** and delivering real **action and outcomes** for our stakeholders. Our comprehensive strategy has been in place since 2013, and is updated and reviewed by our Executive Team annually. It is externally assessed as part of our annual assurance against the AA1000 Stakeholder Engagement Standard. This year, our auditors said:

'Stakeholder Engagement is considered a key activity for the business. The process and outcomes provide key information to help meet business strategic objectives, find solutions to existing challenges and build stakeholder trust' DNV GL, 2016

WHAT MAKES OUR STRATEGY WORK?

Giving us an overall 8.1/10 for stakeholder satisfaction, up from 7.5/10 in 2014–15, our stakeholders commented:

'The level of engagement has increased quite dramatically'

'Since they have reorganised the business... I have found them incredibly useful for our work and programme development'

Stakeholder Survey Respondents 2015/16

Holistic and embedded engagement and responsibility

Our transition from a central to a district business model has delivered positive impact, empowering on-the-ground staff to engage in more direct ways

with local stakeholders and giving greater voice to those who have traditionally been harder to reach, allowing them more influence upon us as a business.

Governance and Senior Management Commitment

Our governance structure allows feedback and information to flow through all levels of our operation to the very top, and back down again. This formal structure ensures that our engagement is firmly embedded throughout the organisation. At the core of this governance is our Internal Stakeholder Action Group (ISAG) – the hub of discussion that facilitates the sharing of our engagement feedback and learnings, and cross pollination between our 14 licence and topic engagement programmes.



100% stakeholder panel meetings
Director-led



different engagement plans by business unit and theme



senior managers and staff directly owning plans and initiatives



479 separate engagements with over 2000 stakeholders



INCREASE in customer awareness

WE KNOW WE ENGAGE ON THE RIGHT THINGS

We work together with our stakeholders to define our priorities – and we shape our engagement to serve these priorities.



Safety



Environment



Reliability



Customer Service



Connections



Social Obligations



Innovation



Jobs and Skills

OUR STRATEGY IN ACTION

Engagement Plans

Our 14 licence and topic-specific engagement plans – each owned and managed by a senior manager – enable us to identify all of our strategic issues and risks, map stakeholders accurately – crucially, this is done in terms of their **interest and influence** in each topic area – and plan and carry out tailored engagement that meets the needs of our stakeholders. This helps us to deliver tangible responses to the most material strategic issues and risks.

Innovative initiatives resulting from stakeholder feedback

During 2015–16, **479 engagements** with **over 2000 stakeholders** across all of our

licence and topic specific engagement programmes have resulted in **625 pieces** of feedback to improve the service we deliver.

The initiatives we have chosen to highlight in this part 2 document demonstrate our **commitment to reaching challenging and harder to reach stakeholders**, such as community energy groups and vulnerable consumers, and show the **breadth of innovative thinking that we have leveraged with the help of our stakeholders**. As well as delivering substantial benefits to our stakeholders, each of these initiatives represents an opportunity to deliver extended benefit when replicated across the industry.

Our comprehensive engagement plans:

LICENCE

- SPD licence strategic plan (inc. Connections, Supply Chain and Community)
- SPM licence strategic plan (inc. Connections, Supply Chain and Community)
- SPT licence strategic plan (inc. Supply Chain and Community)

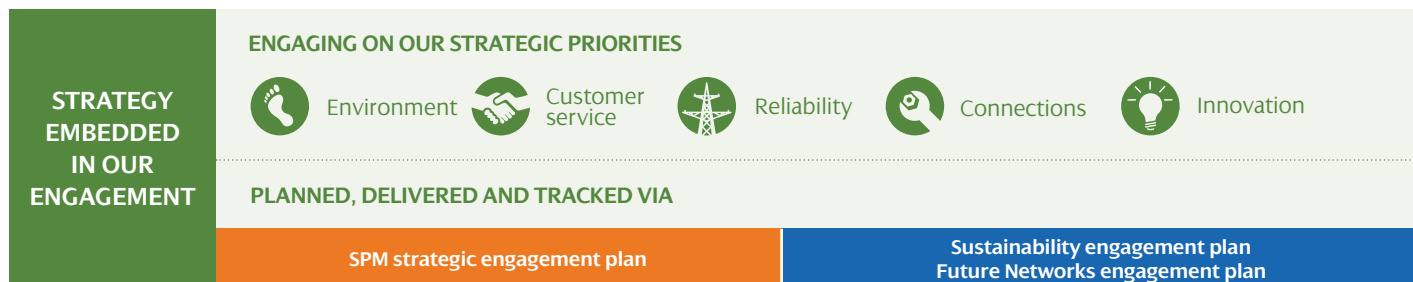
TOPIC

- Customer and emergency preparedness plan
- Future networks plan
- Land and planning plan
- Public safety plan
- Recruitment plan
- Regulatory plan
- SPT connections plan
- Smart metering plan
- Social issues & vulnerability plan
- Streetworks plan
- Sustainability plan

Anglesey Energy Island – integrating plans to match ambitions



OFF the north-west coast of Wales sits the Isle of Anglesey, home to 69,000 people. Historically, Anglesey has been a tiny point of demand at the end of our distribution network, but now there are ambitious plans to transform the island from a small user to a significant and diverse producer and exporter of electricity. We wanted to help make this happen and ensure our network would meet that need.



OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

ANGLESEY Energy Island (AEI) is an ambitious programme involving public and private sectors working together to put the place firmly on the energy map. More electricity generation is planned through harnessing more tidal, wind, biomass and solar power.

Through sharing our investment plans with stakeholders it became clear that the ambitions of Anglesey Energy Island would mean significant reinforcement of our network to cope and we needed to plan differently to ensure our network could meet the demand of the huge increase in generation connections.

ENGAGEMENT ACTIVITIES

OUR STAKEHOLDERS TOLD US:

- The success of the strategic plans of AEI – including innovation in renewables and local development – is reliant on us.
- AEI and developers need to understand the connections process and the charging methodology to understand the options available to them.
- Plans to massively increase the amount of renewable electricity generated on the island rely on having the capacity to export electricity to the mainland.

SO WE SET A GOAL OF:

- Collaborating to discuss how to secure strategic investment in the network on the island
- Ensuring developers understood the options available to them, the connections process and charging methodology.

WHICH WE PURSUED THROUGH TAILORED ENGAGEMENT ACTIVITIES:

Councils, Large Demand Customers and Developers: Full collaboration as partner in Anglesey Energy Island Programme, enabling genuinely integrated investment planning.

Renewables developers requiring connection: Major participant in AEI/Anglesey Enterprise Zone developer forums, aligned with our existing connections engagement channels.

Government: Culminating in establishment of dedicated Welsh Government Distribution Network Enhancement Project Board, to discuss how strategic investment could be funded – if not from individual developers. Involving Welsh European Funding Office (WEFO).

Public bodies: Advised, then became a Board Member on Anglesey Enterprise Zone (AEZ), collaborating to understand investment need and options, and supporting the development of funding applications.

Innovation funding application: Built case and submitted application for ANGLE-DC link to mainline, a technological first in GB at this voltage level.

Communities: most generation on Anglesey has been subsumed by large developers. Engaged with local community to educate how to connect community generation so they could take advantage of capacity left.

KEY OUTCOMES AND IMPACTS

120

RESIDENTS ENGAGED
to learn about community renewables and how to connect



20 – 25%*
capacity increase in the connection to the mainland



£5MILLION
installation of new transformer at Caerheillog, investment plans accelerated and amended to facilitate generation earlier



STRONG RELATIONSHIPS
have led to genuinely integrated energy planning, enabling the expansion of Coleg Menai, Gaerwen and Llangefni Industrial Estates and the connection of Menai Science Park and further generation



BEST PRACTICE
approach adopted by Deeside enterprise zone – SPEN learning leveraged in advisory capacity

BUSINESS IMPACTS AND LEARNINGS

The strong local links established are enabling us to deliver an enhanced service through more integrated planning. Our new district structure is enabling us to roll out this type of approach across our whole business.

*predicted capacity increase as a result of current Angle-DC Network Innovation Competition project
Making a Difference Our activities and outcomes following stakeholder engagement

Getting clever with Smart Meters

No-one likes having to take a day off work to wait in for an engineer. Never mind potentially three days to have a Smart Meter installed as part of a national roll-out programme. But that was the inconvenient problem faced by thousands of customers because of connection issues – one we are determined to resolve.

STRATEGY EMBEDDED IN OUR ENGAGEMENT	ENGAGING ON OUR STRATEGIC PRIORITIES Customer service Environment Social obligations	
	PLANNED, DELIVERED AND TRACKED VIA	
	Smart metering engagement plan	

OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

Smart Meters will make a real difference to customers in making homes more energy efficient. They are fitted by energy supply firms – but if there’s a cable problem our engineers also have to visit. We discovered there is high likelihood of homes in the same streets having the same installation issues – which could mean three different visits by engineers to one home.

So how could we reduce engineer visits to our customers and make the process more efficient and less inconvenient?

DETAILED DESIGN OF ENGAGEMENT ACTIVITIES	
<p style="text-align: center;">OUR STAKEHOLDERS TOLD US:</p> <p>Our engineers advised that customers would be frustrated by the installation approach and want us to work together with all suppliers to minimise inconvenience and costs.</p> <p style="text-align: center;">SO WE SET A GOAL OF:</p> <ul style="list-style-type: none"> To raise awareness with suppliers and The Department of Energy and Climate Change (DECC) regarding the scale of the issue and to take the lead in developing collaborative solutions to minimise disruption and costs, within a supplier led rollout scheme. Finding a practical, robust solution to support the rollout of smart meters by suppliers in our area – which kept overall costs down, and did not favour any single supplier. This means being able to change service termination cables proactively ahead of smart meter rollout where we identify a need. 	<p style="text-align: center;">WHICH WE PURSUED THROUGH TAILORED ENGAGEMENT ACTIVITIES:</p> <p>Our 11 district operations: To understand the range, scale and locations of specific issues that might create a problem for a smart meter installation.</p> <p>Government, Ofgem and other DNOs: Active participation in the DECC-sponsored Operational Delivery Group (ODG); bilaterals with DECC and Ofgem.</p> <p>Suppliers: Joint design of operational processes, and communication channels. Workshops with three largest suppliers in our areas and engagement with all other suppliers through Energy UK.</p> <p>Customers and Smart Metering Consumer Bodies: Engagement with Smart Energy GB, the Energy Networks Association, Citizens Advice Scotland, and most critically, our customers themselves.</p> <p>Strategic Stakeholders: Detailed discussion of Smart Metering opportunities and issues at Strategic Stakeholder Panels – both North and South.</p>

KEY OUTCOMES AND IMPACTS				
Best Practice First DNO to recognise and tackle this issue for the benefit of consumers	Positive National Impact Bringing about a change to the regulatory framework with potential for positive impact across whole of UK	70–175k Estimated number of households who will benefit from 2, instead of 3 appointments	£850 Estimated joint Household/ DNO/Supplier saving per affected household, compared to existing delivery model.*	Over 100 Suppliers Engaged in design of proactive intervention solution

BUSINESS IMPACTS AND LEARNINGS

Engaging with such a breadth of energy suppliers, large and small, can be challenging, but the potential UK-wide benefits are far-reaching. Currently updating SPEN working practices to concurrently upgrade service terminations in multiple houses.

*Based on cost benefit analysis of 50 households when compared with business as usual approach

Striking the balance with small community renewables



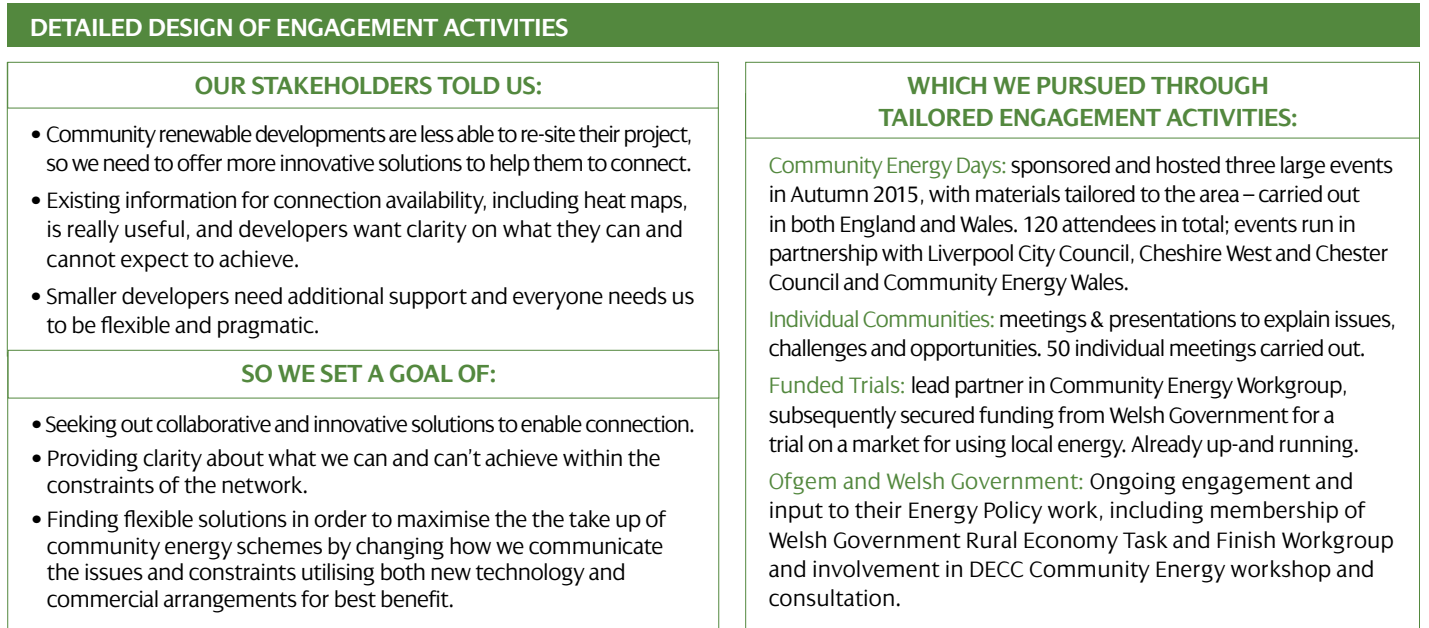
COMMUNITY renewable energy schemes can really give customers a sense of ownership about their electricity. But getting these small schemes onto our distribution network can prove costly if there is little network capacity to accommodate them. We needed to help communities understand the issues and to work together to develop solutions.



OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

WE want to help communities get their energy projects up and running but our network is congested in some areas – in Wales it is almost completely full. While some larger renewable developers can be flexible in the location of their project in order to connect, many community renewable projects are not able to do this, and building new capacity into the network can be costly for community projects.

Discussions with the Welsh government showed we needed to find a way to let communities know about these issues so we could strike the right balance between stakeholder desires and what is manageable.



BUSINESS IMPACTS AND LEARNINGS

Stakeholders told us that the connections process can be daunting for those who have not done it before. In response to this, we piloted a buddy system, where a named person within the SP Energy Networks connections team is available to explain, assist and encourage the community group as they make their application.

We have produced a community energy booklet, and collaborated with other DNOs to produce an ENA branded UK-wide booklet, and we have plans in place to create a dedicated 'Communities' area on our website to provide more information for the community groups to understand the steps towards making a connection request.

Protecting endangered bird species – Ospreys



OSPREYS are one of Britain's rarest birds of prey, with just 200–250 breeding pairs seen every year. As a result they are a protected species. But when one landed on our power lines last year and was electrocuted we realised we needed to do more to ensure the survival of this species.

STRATEGY EMBEDDED IN OUR ENGAGEMENT	ENGAGING ON OUR STRATEGIC PRIORITIES	Environment Reliability Social obligations	
	PLANNED, DELIVERED AND TRACKED VIA		Bird protection measures added to poles and nesting platforms installed
	SPD strategic engagement plan SPM strategic engagement plan	Sustainability engagement plan	

OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

IT was May last year when 20 homes in Denbigh, Wales, were suddenly without power. The reason? An osprey had landed on an overhead line and was killed.

While most birds are unaffected by landing on the lines, ospreys' large wing spans make them more vulnerable to electrocution. The Friends of the Ospreys group wondered if more birds might be put at risk – something we wanted to avoid. How then could we help protect these birds?

DETAILED DESIGN OF ENGAGEMENT ACTIVITIES

<h4>OUR STAKEHOLDERS TOLD US:</h4> <p>We need to work together to reduce the risk that our network poses to wildlife – in this case, large birds such as ospreys.</p>	<h4>WHICH WE PURSUED THROUGH TAILORED ENGAGEMENT ACTIVITIES:</h4> <p>Private individuals: Gail Edgley, an osprey enthusiast from the local area who contacted us in response to the event – and who we met regularly, and supported in her engagement with relevant interest groups.</p> <p>Interest Groups and Public Bodies: Such as Friends of the Osprey, the RSPB, and Snowdonia National Park, through meetings and via Gail Edgley. Including discussions to identify existing osprey nesting areas, designing solutions to make our lines safer and the creation of alternative nesting and perching sites.</p> <p>Our own district staff: To emphasise the importance of being sensitive to the environments in which we work, and to be flexible and constructive when the unexpected occurs.</p> <p>Communities: Publicising our Osprey protection activities via our presence at regional agricultural shows and through social media.</p>
<h4>SO WE SET A GOAL OF:</h4> <ul style="list-style-type: none"> Understanding where the osprey nesting sites were in relation to our network Increasing bird protection measures in these areas Providing substitute perches to encourage birds away from power lines 	

KEY OUTCOMES AND IMPACTS

<h4>Original Programme</h4> <p>6 Osprey breeding areas identified near power lines in North Wales... → ...and 6 nesting poles erected</p>	<h4>Scaling</h4> <p>4 Osprey breeding areas identified in Mid Wales... → ...and plans to erect 4 further nesting poles</p>	<h4>Replication</h4> <p>Transferred this approach to an Osprey area in our SPD licence, providing 2 dummy poles, a perch on the pole above our equipment, and installing bird protection on our lines.</p> <p><i>Purpose-built perch to encourage birds away from powerlines</i></p>	<h4>Business as Usual</h4> <p>Osprey hot spots mapped onto our network diagrams, so that we automatically add nesting sites when we upgrade the network.</p>
---	--	--	--

BUSINESS IMPACTS AND LEARNINGS

Increased staff awareness of the options available to protect large birds from our electrical equipment and greatly strengthened links with local conservation groups and interested individuals.

Digging deep to solve pothole problems



POTHOLES are a blight on roads across the country. When we dig up a road we have to reinstate it to high specifications set down in law to avoid potholes occurring. But we were concerned many tests on reinstated roads were excessive – making the road surface worse and causing unnecessary disruption to residents.

STRATEGY EMBEDDED IN OUR ENGAGEMENT	ENGAGING ON OUR STRATEGIC PRIORITIES				
	Safety	Customer Service	Reliability	Environment	
	PLANNED, DELIVERED AND TRACKED VIA				
	SPM strategic engagement plan		Streetworks engagement plan		

OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

Councils care for our roads and inspect utility repairs – even going back to those carried out 25 years ago. But some inspection tests can actually cause road surfaces to fail. We questioned whether the tests were fit for purpose or if we were being asked to repair roads unnecessarily. We were concerned about the impact on communities of streets being repeatedly dug up and wanted to avoid the operational, financial and environmental risks to our customers, staff and business.

DETAILED DESIGN OF ENGAGEMENT ACTIVITIES

<p>OUR STAKEHOLDERS TOLD US:</p> <ul style="list-style-type: none"> Minimising disruption when we undertake work is a top priority. A similarly affected contractor was actively questioning whether the inspection regime was consistent, and whether it was causing unnecessary disruption and cost. We realised that there were a number of parties who were affected by current practice. 	<p>WHICH WE PURSUED THROUGH TAILORED ENGAGEMENT ACTIVITIES:</p> <p>Our contractors: Collaborating to deepen our evidence on the reinstatement works being re-done, following each inspection – through existing channels and meetings.</p> <p>Other utilities: Active DNO participant in the National Joint Utilities Group consortium working collaboratively to understand and lobby for change on the issue.</p> <p>Technical experts: Initiating and funding a study by John Moores University on whether the testing specification and regime were fit-for-purpose. Peer-reviewed and validated by consortium of international experts.</p> <p>Government: Progressing issue through Department for Transport (DfT) working group involving other utilities and road authorities. Including examining alternative and testing regimes.</p>
<p>SO WE SET A GOAL OF:</p> <p>Analysing the cause and scale of potentially unnecessary work – and working together to provide practical ways to help avoid it.</p>	

KEY OUTCOMES AND IMPACTS

<p>£438k p.a. Current average annual cost to SPEN in England</p>	<p>£200–300k p.a. Potential SPEN saving if testing specification is update or duration of coring liability is reduced.</p>	<p>National interest</p> <p>Joint report with Liverpool John Moores University has attracted national interest and has been a catalyst for a review of standard specifications.</p>	<p>National impact</p> <p>Department for Transport have launched a consultation to review the Inspections Code of Practice including testing regime specification which has potential for national impact.</p>
---	---	--	---

BUSINESS IMPACTS AND LEARNINGS

As a result of this initiative, we learned that we needed to be smarter at gathering the right data and processing it so it could be used effectively. We now collect and analyse coring test data systematically to understand more about our areas and the reasons behind reinstatement failures. We are also currently investigating innovative solutions to rectify failed reinstatements without the need to re-excavate – minimising disruption, environmental damage and cost.

If there's a fault then it's SP Energy Networks you need



RAISING awareness about who maintains the electricity supply is vital so people know who to call if there's a power cut, a fault in the system, or a safety hazard. That means ensuring people know about the work of SP Energy Networks: who we are, what we do, and how we can help them when they need us. We needed to make ourselves more visible.

STRATEGY EMBEDDED IN OUR ENGAGEMENT

ENGAGING ON OUR STRATEGIC PRIORITIES

Customer Service

Reliability

Social Obligations

Jobs and skills

PLANNED, DELIVERED AND TRACKED VIA

Customer and emergency preparedness engagement plan
Public safety engagement plan

Shut that door! Amy and Ella's tips on how to save energy #SmallChanges

OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

THERE'S a power cut, so who do people call? Too many automatically dial the number of the firm which bills them for their electricity – but if you live in our distribution network area it is SP Energy Networks you should call.

We are responsible for maintaining the electricity supply and we need to get that message across loud and clear to stop delays in getting problems resolved. In particular, we need to let those especially reliant on electricity supply – the sick and elderly – know there are special safeguards in place for them.

DETAILED DESIGN OF ENGAGEMENT ACTIVITIES

OUR STAKEHOLDERS TOLD US:	WHICH WE PURSUED THROUGH TAILORED ENGAGEMENT ACTIVITIES:
<ul style="list-style-type: none"> Strategic panel told us to collaborate more to widen our reach. 63% of consumers were not aware of SP Energy Networks. 47% of consumers were not aware of who to call in a power cut. 	<p>Netmums competition: How does mum use electricity in your home? best entries converted into infographics for use on SPEN social channels. Competition viewed by 284,516 people</p> <p>"Power Champions": reached 3,000 local primary schools, and 323 schools entered the drawing competition.</p> <p>Viridis Winter Warmth Campaign: promoted our Priority Services Register, winter readiness and general awareness messages to 3,000 elderly people in the Merseyside Area.</p> <p>Young Scot: 300 young people completed energy attitudes quiz on the website, and 150 shared energy-saving tips. Prize: win a day in the life of an apprentice and visit a windfarm</p> <p>Trusted Partner Network: partnering with over 20 organisations, outcomes so far include our contact cards being displayed in all police stations in Central and Southern Scotland.</p> <p>Single Emergency Number: collaborating with DNO communications teams from across UK to develop awareness and branding of the single emergency number – 105</p>
<p style="text-align: center; font-weight: bold; color: #4CAF50;">SO WE SET A GOAL OF:</p> <ul style="list-style-type: none"> Delivering a significant and sustained increase in awareness across a broad cross-section of the community. 	

KEY OUTCOMES AND IMPACTS

Our trusted partner network enables us to extend into harder to reach audiences

49%
↑

49% awareness of SP Energy Networks (up 12%)

73%
↑

73% logo recognition (up 20%)

👍

121% increase in Facebook likes, 66% increase in Twitter followers 2015-16

Young Scot – One winner of our competition was inspired to apply for our apprenticeship scheme, and started his career with SPEN in March 2016.

Our innovative Trusted Partner approach – enabled us to display contact cards at all Central and Southern Scotland Police stations for the first time.

BUSINESS IMPACTS AND LEARNINGS

Our distribution stakeholders rate 'Awareness of who to call in a power cut' and 'Supporting vulnerable individuals and communities' both 8.2/10 in terms of importance, giving us mandate to further develop our year-round approach to raising awareness.

Helping young people find a positive future

FOR some young people from disadvantaged backgrounds, thinking of a future beyond school is too difficult to contemplate. Further education could seem beyond reach, while a lack of job opportunities could leave them unemployed. We worked with a school in Alloa to try and help such youngsters find their way to a positive future.

STRATEGY EMBEDDED IN OUR ENGAGEMENT	ENGAGING ON OUR STRATEGIC PRIORITIES	<p>The pupils were able to experience a day in the life of an apprentice</p>
	Social Obligations Jobs and skills	
	PLANNED, DELIVERED AND TRACKED VIA	
	SPD strategic engagement plan	Recruitment engagement plan Social issues & vulnerability plan

OPPORTUNITY IDENTIFIED THROUGH OUR STAKEHOLDERS

LORNSHILL Academy in Alloa is in an area of major deprivation. As a result, many of its pupils are at risk of restricted educational and job opportunities and many youngsters don't have a plan for life after school. Through existing links between SPEN and the local Forth Valley College we were asked to help find practical solutions for pupils which would not only benefit them, but give a boost to the school and college as well as giving us the chance to be a good, proactive member of the community.

DETAILED DESIGN OF ENGAGEMENT ACTIVITIES

<p>OUR STAKEHOLDERS TOLD US:</p> <ul style="list-style-type: none"> We need SPEN's help to raise aspirations in the pupils who do not currently have positive destinations planned for after leaving school. Our Strategic Stakeholder Panel discussed third generation unemployment and the opportunity to leverage our trusted and respected SPEN brand to help young people in the disadvantaged communities we serve. 	<p>WHICH WE PURSUED THROUGH TAILORED ENGAGEMENT ACTIVITIES:</p> <p>Lornshill Academy: A series of meetings with dedicated SPEN staff to design and deliver a "Taster Day" in Dec 2015 – covering key work skills, e.g. CVs, further education and the world of work.</p> <p>Forth Valley College: As a partner in supporting and delivering the initiative – and as the host of a follow-on Taster Day in Feb 2016. Initiated by one of our local managers being a volunteer on the college Board.</p> <p>Our own staff: Championing the importance of volunteering, in particular on boards, leading by example, and backing it up with the necessary time off.</p> <p>Teachers and College students: SPEN staff have spoken at a conference attended by around 100 teachers and made presentations to Forth Valley College students to share learnings.</p>
<p>SO WE SET A GOAL OF:</p> <ul style="list-style-type: none"> Developing and implementing sustainable, practical steps to support local schools and colleges, initially offering 14 pupils a programme of individual CV, interview and work skills training, culminating in: <ul style="list-style-type: none"> A college Engineering Faculty tour, presentation and chance to speak to a current student An individual 20 minute interview using CV, panel of 3 interviewers from SPEN Practical test involving climbing poles, wiring plug and speaking to SPEN trainers 	

KEY OUTCOMES AND IMPACTS

<p>100% of participants from original programme went into apprenticeships, employment, college or returned to school.</p>	<p>What happened to the pupils who took part:</p> <ul style="list-style-type: none"> 1 gained SP Energy Networks foundation apprenticeship 5 gained other apprenticeships 4 returned to school 3 went to college 1 went in to other employment 	<p>Best practice</p> <p>Scaling up this successful approach in schools in Buckhaven and Cumbernauld</p>	<p>Replication</p> <p>Extended this programme into 4 schools in North Wales and 1 in Cheshire</p>	<p><i>The company is now our key business partner and this partnership is setting the standards for Scottish Schools in terms of addressing the Scottish Government Wood Commission report recommendations and helping the school develop their young workforce strategy.</i></p> <p>Lorraine McGee Career & Employability Co-ordinator Lornshill Academy</p>
--	--	--	--	--

BUSINESS IMPACTS AND LEARNINGS

Learnings shared throughout our business to deliver similar programmes in Wales and England. Partnerships now extending to allow other local businesses to support and we are planning to further tailor to encourage more girls to take part – building on our recent #notjustforboys social media campaign. Working in partnership with Strategic Stakeholder Panel members to develop broader long term programmes for disadvantaged children in our territories. Staff involved in the project report feeling motivated by their work with the students.

Focused on the Future

Becoming a system operator

THE growth in renewable energy means the way we balance supply and demand is changing rapidly and radically, with the need for a more localised approach. This is breaking down the traditional roles of suppliers, network and system operators, and we need to be ready to adapt.



STRATEGY EMBEDDED IN OUR ENGAGEMENT

ENGAGING ON OUR STRATEGIC PRIORITIES



Reliability



Environment



Innovation

PLANNED, DELIVERED AND TRACKED VIA

SPM strategic engagement plan
SPD strategic engagement plan

Future Networks
Engagement Plan

WE ARE TELLING OUR STAKEHOLDERS:

There is a pressing need for change and we believe that we are at the forefront of developing a working Distribution System Operator model in the UK. This reflects the sheer scale of generation connected to our network, combined with our ambition to innovate.

This is about working with stakeholders to develop a new, potentially pan-European, market model, that allows our stakeholders to achieve their low carbon ambitions.

STAKEHOLDERS ARE TELLING US:

The timing is right – because the constraints of the existing model are stifling our stakeholders ambitions.

We need to be ready – to support the technical delivery of future community energy markets, in line with expected government ambitions.

SO WE ARE ENGAGING TO BUILD THE FOUNDATIONS:

- **Industry Bodies:** Meetings with Scottish Renewables and other industry bodies to discuss the issue in detail.
- **DSO Steering Group:** SPEN Board Directors, representatives from National Grid, Smarter Grid Solutions, Strathclyde University, RES and Elexon, meeting quarterly to develop our DSO vision and drive progress. Soon to include representation from another DNO and creation of supporting subgroups.
- **Ofgem DSO Working Group:** Influencing forward-looking policy and engaging with other DNOs.
- **Broader Future Networks stakeholders:** Presentation at 2015 Low Carbon Network Innovation conference.
- **EURELECTRIC's Distribution System Operator (DSO) Committee:** SPEN CEO Frank Mitchell appointed Chairman of committee, representing the common interests of the electricity industry at pan-European level.

OUTCOMES PLANNED FROM ENGAGEMENT

- **Releasing capacity:** allowing customers to connect earlier and at lower overall cost.
- **Publishing our Vision:** Clearly set our aspirations around becoming a DSO.
- **Collaborate:** With industry and government to arrive at the most effective DSO model for UK customers.
- **Road map:** clear and transparent timelines outlining our journey to DSO.

Reaching out for innovation

IF NASA technology for rockets can go on to be used in health care or car industries, then there must be innovations developed by our stakeholders which could help us find answers to recurrent problems which make us inefficient and for which solutions have yet to be found within the industry.



STRATEGY EMBEDDED IN OUR ENGAGEMENT

ENGAGING ON OUR STRATEGIC PRIORITIES



Innovation

PLANNED, DELIVERED AND TRACKED VIA

Future Networks
Engagement Plan

WE ARE TELLING OUR STAKEHOLDERS:

MANY of our employees come across day-to-day problems which might not seem worthy of attention, but which may ultimately make us inefficient.

Or they might find larger problems but with no obvious solution within the company or from the usual external sources, so they get sidelined.

We realised we needed to go further afield to find answers to these issues. When our Strategic Stakeholder Panel discussed innovation with Scottish Enterprise we found there might be a way.

STAKEHOLDERS ARE TELLING US:

- **At September 2015 Strategic Stakeholder Panel:** Innovation is a priority, and our focus should be broader.
- Following initial discussions, with Scottish Enterprise (SE), SPEN selected to participate in the SE Open Innovation Programme, facilitating widening of perspective and deeper engagement with Small to Medium Enterprise (SME) population.

SO WE ARE ENGAGING TO BUILD THE FOUNDATIONS:

- **Scottish Enterprise:** Series of meetings and discussions to get the open innovation programme off the ground. Sharing of resources and communication channels between both organisations to share best practice and industry learnings.
- **SMEs, universities and other research bodies, and individuals:** Series of meetings and discussions to explore the practicalities of making smarter, more effective use of (potentially quite small-scale) innovation.
- **Our own teams:** Communication and discussion through existing management channels, to get a 'pipeline' of problems flowing, enabling SPEN to move towards an embedded culture of innovation.
- **Other sectors:** To share learnings and understanding models being used, e.g. NHS.

OUTCOMES PLANNED FROM ENGAGEMENT

- **Crowd sourcing solutions:** An open process is being designed to include a innovation competition/challenge where SPEN and other partners can present problems and issues with the aim of getting innovative ideas from a wide range of sources.
- **Benefits for stakeholders:** Research and development opportunities through tackling real industry problems, more jobs created and a chance to develop commercial opportunities with a large company.
- **Benefits for SPEN:** Solutions to everyday business problems, efficient problem solving at better cost, access to and engagement with a wider range of external stakeholders to encourage new ways of thinking and a greater pool of potential contractors to work with.



SP ENERGY NETWORKS

SP Energy Networks

Ochil House
10 Technology Avenue
Hamilton Intl Technology Park
Blantyre
GLASGOW
G72 0HT