

RIIO-ED2 Customer Engagement Group (CEG) Challenge Log

SP Energy Networks

Item No.	Date raised/ adopted	Summary of challenge or action	Action Taken / Response or Outcome
C1	06/03/2020	SPEN to consider how to: incorporate major users of the network into customer research plan; and how to incorporate existing RIIO-ED1 stakeholder feedback and industry research into RIIO-ED2 engagement plan and triangulation process	We have updated our approach based on this feedback. We have made it clearer that initial proposals will be informed by existing stakeholder feedback and industry research. We have also extended our initial first phase of research with Taylor McKenzie to include commercial customers (major users). An updated stakeholder engagement strategy was circulated to the group on 20 April 2020.
C2	02/04/2020	The company should make appropriate provision for Welsh language in the consumer market research programme.	The customer segmentation interviews have been translated into Welsh for both domestic and commercial interviews. This will be an option at the start of the interview, customers will be able to choose which language they prefer. This will be replicated in the engagement phase
C3	02/04/2020	For SPEN to set out how their RIIO-2 Business Plan allows them to make appropriate progress against a/the longer-term strategy for their networks	An ED2 'Future of Networks' workshop was held with managers and directors in Feb 2020 which informed the company's initial thinking. A follow-up meeting was due to take place at the end of March to progress this, however had to be cancelled due to operational pressures because of COVID-19. SPEN then commissioned a seven-week project on its strategic view SPEN presented on ED2 strategy at the October 2020 CEG meeting. Agreement from all to close this action.
C4	24/04/2020	For SPEN to make transforming their business to achieve net-zero emissions central to their RIIO-2 Business Plan by including a section on net-zero in its business plan	This item was presented and discussed at CEG meeting October 2020. Agreement to close action. Net Zero was central to the Final Business plan and was clearly included in plan.
C5	24/04/2020	SPEN should add 'democratisation' to the list of drivers affecting its strategic vision	This was discussed at CEG meeting 26 Oct 2020. SPEN confirmed democratisation had been added to SPEN's list of drivers i.e. giving customers the opportunity to participate in electricity markets via changing consumer behaviours and making informed choices via incentives.
C6	24/04/2020	When presented with SPEN's initial outline business plan structure in March 2020, the group was concerned to see that innovation subsumed within 'competition' and 'finance', rather than meriting more prominence, or a standalone section. The group challenged SPEN to ensure that innovation has its own section in the business plan	SPEN confirmed intention to give innovation due prominence in business plan, however, innovation will also be embedded throughout the plan. There was a specific section on innovation within the final plan and associated annex.

C7	24/04/2020	<p>The CEG has challenged SPEN to re-assess the validity of customer segments (& associated priorities) resulting from market research, once COVID-19 restrictions have lessened. The original segmentation exercise was within the context of COVID-19. This seems likely to affect consumers' priorities and concerns.</p> <p>The group also challenged SPEN to consider whether planned stakeholder/customer engagement using the original segmentation remains a valid and reliable basis for the work, given that this engagement is central to the business planning process. What contingency plans can be used to check robustness?</p>	<p>The analysis sessions for domestic customers conducted by Taylor McKenzie has shown a relatively low impact relating to COVID on participants energy sector and environment attitudes. COVID was rarely brought up after the initial discussion, other than perhaps not being able to recycle as much due to bins not being collected or being less wasteful with food due to not getting to the shops as much. The long-term financial impact of the pandemic was not being felt by many households, of course this and other behaviours could potentially evolve along with the pandemic.</p> <p>With commercial customers, the financial impact was much more acute. With the commercial survey to launch on 20/5/2020 we expect the feedback will very much include these attitudes. We believe this will be to the benefit of the segments as their needs will be developed against this backdrop. We will be mapping segments (household and commercial) using their level of engagement and interest in the sector on one axis and their level of energy activity/interaction on another axis.</p> <p>We expect of the personas (segments) we create, there is unlikely to be a brand-new persona appearing on our map because of the COVID pandemic. The beauty of our approach means we can monitor the volume of participants in each segment over time using our golden questions. For example - We have a segment called (working title) (cost is king) – it may be we see volume of customers in this group grow due to financial constraints, their needs will be well documented, and it means SPEN will be able to better cater for a changing customer base as a result of this piece of work.</p> <p>Our segmentation exercise will be conducted every 4 years, however in the intervening period we will ask the golden questions whenever we engage customers to understand how views of these customer segments evolve and if priorities, wants and needs change. This way we will be able to see how COVID impacts customers views long term and continually adapt our strategy, making sure it is always relevant to our customers.</p>
C8	20/05/2020	<p>Please justify the lack of income band of less than £10k pa in the On-Line Domestic Survey. We believe that this will lead to under-representation of a major vulnerability category (notably the growing numbers on basic Universal Credit).</p> <p>Therefore the customer segments will inadequately represent the needs and preferences of these customers, also feeding through into engagement strategy</p>	<p>No hard quotas were set on income level, this was not used to define our segments. Our quotas were on gender, age, location, and socio-economic grouping. We have cross checked our data and % on tenure and education level with census data for our regions and are confident the dataset we have is representative of SPEN customer base. Our overview of each segment will include average income, and to ensure this is as accurate as possible we are in process of going back out to our participants to clarify income band of those who answered under £20K. This updated data will be incorporated into final report. See also Question 93. Additional information provided 24/07 to CEG.</p>

C9	26/05/2020	<p>Please justify the decision not to include any qualifications such as 'O' levels, CSE and GCSE's (those included within Levels 1 and 2 of the categories used for creating official labour market statistics) and apprenticeships in the response frame for Q56 of the On-Line Domestic customer segmentation survey. We believe that this decision will make it difficult to validate the representativeness of the survey responses on this dimension, for example by reference to external and public datasets on educational attainment in England, Wales, and Scotland. Additionally it will not be possible to analyse the responses according to educational attainment because the customer segments resulting from this question will not be fully representative and therefore not fully represent the needs and preferences of customers, also feeding through into the engagement strategy</p>	<p>As level of highest academic qualification in household is not one of our hard quotas, and not one that we have used to define the segments, the exact definition of different qualification levels can vary, this will not affect segmentation outputs.</p> <p>By grouping our sub-groupings into categories to match 5 qualification levels and comparing percentages in each group; we see the data we have gathered is almost exactly matched to census data. (see question 92)</p>
C10	28/08/2020	<p>How will SPEN make engagement more public, rather than simply writing and reaching out to stakeholders it is already in touch with, suggesting SPEN could look to utilise social media for this purpose.</p>	<p>This year we focused our main communications on our core, engaged RIIO-ED2 stakeholders – promoting our activities and engagement opportunities throughout our engagement programme. The focus of our communications programme in the first half of this year has utilised our Social Media channels to promote open events and encourage participation from stakeholders and customers who might not normally be included in our other targeted communications.</p> <p>A main example of this was the development and publication of our 'Enabling the path to Net Zero' document which we published across all our social media channels, website, stakeholder communications and leverage for some press activity. This document gained a 70%+ engagement rate across LinkedIn audiences who may not have traditionally engaged through our stakeholder communications and allowed both customers and stakeholders to gain a clear understanding of our strategic direction for ED2 in an easy to understand and read format. We also leveraged press activities – with opportunities like features on BBC Reporting Scotland looking at the Net Zero challenge and how our ED2 plan will build into this and encouraging more awareness of both the challenges and the process that is being followed by RIIO-ED2. This couples with editorial press coverage which mentions/covers ED2 and helps to further increase awareness of a process which may be alien or unknown to a lot of our customers. Following extensive external coverage of the publication of our Draft ED2 plan – we are working on plans to share key aspects of our plan – plus direct stakeholders and customers towards our open online consultation. This will take place across social media, press and website to encourage understanding of the key points from our plans and also to increase awareness of the RIIO-ED2 regulatory process for other audiences who might not be traditionally engaged in the process.</p> <p>We plan to continue this promotion across all our available channels – including Social Media across the rest of the year and next. We'd welcome any specific input or feedback from the CEG on messaging and approaches for our ongoing communications programme.</p>

C11	24/11/2020	<p>SPEN has expressed an ambition that the significant new investment required during ED2 to meet net zero targets should drive a green recovery through the creation of local jobs. However we note that increased investment will not automatically generate local economic opportunities.</p> <p>We therefore challenge SPEN to explain its intended revisions to its procurement practices to ensure that all spend delivers the maximum possible local benefit, and includes a transparent process for how SPEN will weigh the relative merits of increased local benefit against marginally lower cost.</p>	<p>Whilst we acknowledge that increased investment will not automatically create local opportunities. However, 50% of our current suppliers are solely locally based within our licence and 98% of our suppliers have a local base, albeit with a presence elsewhere in the UK and in some cases internationally. Therefore a 28% increase per annum in expenditure will clearly benefit our local communities.</p> <p>Our Environmental Action Plan (EAP) includes the enhanced environmental requirements that will be required in contracts. Section 5.4.3 RIIO-ED2 Plans: Supply chain sustainability.</p> <p>As part of our procurement strategy, during ED1 we moved away from tier one to tier two suppliers. This meant moving away from large UK/multi-national companies to more local suppliers by developing what were previously sub-contractors into direct contractors, as demonstrated by the stats above. Through this model we increased competition and grown businesses locally. We are continuing this approach and are engaging extensively with our supply chain to ensure no one gets left behind as we move to be more sustainable. Through bench-marking during tender processes we can demonstrate this strategy is cost effective, as well as being an effective community based approach, it is also one that is supported from a commercial perspective</p> <p>The benefit of local suppliers is well understood and embedded in our current procurement practices, for example, having our overhead line contractors living in the licence area so that during a storm response it is easy to react quickly and effectively for the benefit of our customers. We see the benefit of that in our storm performance over recent years (System Performance, BCSM).</p>
C12	01/10/2020	<p>Finally, we have not undertaken a check on every organisation in the list, but sufficient oddities catch the eye of members to prompt queries about the integrity of the underlying database. For example, are you sure the Public Utilities Access Forum (PUAF) still exists? One CEG member was involved in founding this group in 1989 but has not been aware of it for about 10 years – a website for it still lives on the internet but it has been colonised by adverts for roofing contractors and the person given as the contact for it left the host organisation, NEA, some years ago. This contact is unlikely to be of any benefit to include in the engagement exercise. Our general recommendation on auditing mailing lists applies.</p>	<p>This point has been addressed by the stakeholder team in response to general feedback across all workstreams. To summarise, the initial list shared with the CEG on 11 September, illustrating all stakeholders we proposed engaging with, was out of date and circulated in error. In terms of specific list of stakeholders being used by Customer Service, we are comfortable the list has been cleansed thoroughly, however as we go through the process to contact stakeholders both by email and phone we will continue to cleanse and update the list. The PUAF is not in our list of stakeholders. All NEA contacts for workshops are up to date but will be confirmed as we go through the process.</p>

C13	01/10/2020	<p><i>Approach to framing of questions</i> - As we have noted in our general point 2 and general challenge 5 above (which apply to all SPENs stakeholder engagement workstreams) the approach to questions on Customer Service would be improved with more open questions. In relation to Customer Service this particularly applies to the questions proposed for Workshops, the questions for the survey are generally more open – asking ‘How’ SPEN should do things whereas the workshop questions tend towards asking ‘Do you agree that SPEN should do X’. Stakeholders could also be asked to rank proposals for new services as a way of getting more meaningful insight. Members have made a number of comments on the way specific questions are framed which are listed under ‘Comments on specific draft questions’ below. We challenge SPEN to review ALL of the questions as drafted for engagement with stakeholders to ensure the questions are framed in an open way, which is more likely to produce evidence on what stakeholders want, rather than simply support, or otherwise, for what SPEN is considering doing.</p>	<p>We recognise need to ask open and unprompted questions to allow customers to truly share views on the services and support they need. At the same time, we must also ask specific questions to test initial ideas developed based on engagement with customers and stakeholder over ED1 period. These more specific questions give us a sense of whether we are moving in the right direction. As a result, we will ask an open unprompted question about our customers’ and stakeholders’ needs first. Only when this has been fully discussed will we test more specific ideas and ask questions on specific solutions that may or may not address these needs.</p>
C14	01/10/2020	<p>Business stakeholder questions – SPENS proposed new services include some services of primary interest to business customers and there are some business customer organisations on the stakeholder list. However, it is not clear from the approach to the questions how SPEN is engaging on those proposals relevant to the interests of business/commercial customers who account for around half of all revenues. For example, the one general question relating to ‘fair price’ for services SPEN delivers presents the price paid per day by domestic customers. The business service questions are mixed up together with the questions about potential services for domestic customers. Whilst business organisations might express a view on the domestic services and price there is not obviously a space for them to comment on the costs for business users. We challenge SPEN to review the appropriateness of the design of the engagement exercise for business stakeholders. An approach which targets business stakeholder groups with only those questions – whether in a survey or workshop – of most relevance and interest to them may be more effective and reduce fatigue. Similarly, business stakeholder questions are not likely to be of interest to organisations providing social welfare support to consumers.</p>	<p>The list of stakeholder questions presented on the CEG pack is not segmented according to specific groups. As part of our stakeholder engagement we will cover a broader range of topics due to mix of stakeholders in the room. When we do so, we will specify type of customer each potential service is considered for.</p> <p>Separate to stakeholder engagement we are also asking specific customer groups questions appropriate to them as part of the customer engagement plan.</p>

C15	01/10/2020	Ease of understanding questions - Some questions are drafted in an abstract way that assumes a level of respondent understanding of not only what services SPEN currently offer but also the detail of what is being proposed as a new service. For example, a question on 'new services to offer' asks 'Do you agree SPEN should fit monitoring equipment pre-connection to ensure the connection delivered is optimised?' It is not clear that the many local and community organisation stakeholders listed will have knowledge of this scenario or what the issues may be to 'optimise' new connections. We challenge SPEN to review all the questions they have drafted for clarity and relevance from an external stakeholder perspective. In addition – as suggested above in relation to business stakeholders - more targeting of the deployment of questions according to the primary interests of stakeholders would help reduce confusion amongst stakeholders who are not, for example, interested in new connections issues.	We will provide pre reading material ahead of the workshops to give context for the day, as well as this we will provide an explanation and context as part of the workshops on the day, ahead of asking any questions. SPEN subject matter experts will also be on hand to support at the sessions.
C16	01/10/2020	Question approach/method used – some of the questions proposed for the online survey are drafted in a discursive way. It is not immediately clear the approach to drafting these questions is appropriate for an online survey – unless the responses are all free space/text – which will make analysis quite difficult. We challenge SPEN to consider how the online survey could include questions which are better suited for that method and which will generate responses which are straightforward to analyse.	We have reviewed the list of questions to ensure the wording is appropriate to each channel. Broadly speaking, workshop questions open to discussion are designed in a discursive way whereas survey question elicit a more direct answer. This is not always the case as we wish to gather more general feedback on specific questions posed within surveys.
C17	01/10/2020	Open questions on stakeholder wants from SPEN - We challenge SPEN to consider including questions within the workshops and the online survey which simply enable stakeholders to set out what they would expect SPEN to deliver in terms of customer service in future and what is important to them. At present there does not seem to be space for stakeholders to do this within the surveys.	As described above, we will first ask open and unprompted questions to ask what customers need from SPEN before asking more specific questions.

C18	24/09/2020	It is not clear to the CEG whether the bulk of stakeholder engagement on the DFES has already taken place, or if not what else is proposed. It would be helpful to have this clearly set out.	<p>The bulk of DFES stakeholder engagement for this year has already taken place – the text below explains why that is the case. However, we will undertake further engagement this year based on gaps identified by yourselves (please see our response to 129). The production of the DFES is an annual process, so our next major round of DFES stakeholder engagement will be with the production of next year’s DFES.</p> <p>The DFES is a major input to the ED2 business plan – specifically, the DFES forecasts are a key input to the ED2 network analysis. This network analysis is where we identify need for additional network capacity, and additional network investment, in ED2 period. This investment need is then included within our ED2 business plan submission.</p> <p>This network analysis is fundamental to the business plan submission; we can’t start this analysis without DFES forecasts. Given this and the ED2 timescales, we had to publish our DFES in May this year and start the DFES stakeholder engagement shortly after. Our DFES forecasts were then updated to reflect stakeholder feedback received and were re-published at the end of July. We couldn't wait until later in the year, as that would not have left sufficient time to do all the analysis for which the DFES is an input.</p> <p>Given ED2 timescales and process, the bulk of DFES stakeholder engagement has therefore already had to have taken place.</p>
C19	24.09.20	The representation is appropriate from the engineering and technologist perspective in the aspects of GRID/network operation. However, there is significant repeat representation from the same companies e.g. EA technology, ABB etc. This will create significant bias in your feedback.	Feedback is summarised at sector level, therefore a larger representation of stakeholders from a specific sector will only impact the views attributed to the specific sector and not the results of engagement. In most cases, we have only engaged one stakeholder from each organisation in a live workshop setting.
C20	24.09.20	Given the complexity and flexibility in digital services SPEN need to create representative sub-groups for each stakeholder type. For consumers, consideration should also be shown towards the use of commercial feedback tools, moving beyond stakeholder workshops/meetings.	The engagement designed on Digitalisation in Phase 2 of our engagement programme aims to gather stakeholders views on broader topics such as 'our digital vision' and 'guiding principles' as well as their feedback on how we can better understand power flows or communicate the benefits of digitalisation to customers. This feedback allows us to inform our initial proposals not only in the space of digitalisation but across workstreams (i.e. from Future System Strategy, to Customer Service). We will perform more in-depth engagement on digitalisations proposals on key themes in Phase 3 of our engagement programme.
C21	24.09.20	Potential bias in over representation from certain commercial vendors should be removed.	Seven out of seventeen stakeholders attending the workshops could be considered commercial vendors. We will continue to engage stakeholders from other stakeholder groups through surveys and bilaterals to ensure we gather feedback from a balanced and inclusive range of stakeholders. Our efforts will focus on think tanks and the transport sector.

C22	24.09.20	Leading questions must be altered and highly specialists' questions e.g. training, do not belong within general stakeholder forums and should be removed.	<p>We ask a wide range of open and closed questions depending on the purpose they satisfy as well as the engagement channel we'll use. Open questions are most appropriate in stimulating discussions and gathering feedback on broader areas such as desired outcomes, needs with respect to new connections or views on SPEN's DSO vision. Closed questions are most useful when seeking specific views on technical matters when gathering evidence to weight mutually exclusive options.</p> <p>We do take this point on board, however, and have re-visited some of the questions to see if an open style would be more appropriate. For example, for online surveys, we will not only ask stakeholders why they have chosen 'no' to a particular question, but also the reasons why they have chosen 'yes'.</p>
C23	24.09.20	SPEN need to highlight that after preliminary feedback from consumers, there will be ongoing engagement based on the data collation and digitalisation program.	<p>As part of the 'Feedback & Triangulation' loop we will provide 'Synthesis Reports' to workstream leads.</p> <p>These summarise the views of stakeholders and customers on each engagement question within the leads' engagement plan. Based on this document, we expect workstream leads to explain how they weighted (qualitatively) the feedback provided along other forms of evidence to determine the evolution of the ED-2 commitments they are responsible for. We will publish a stakeholder friendly version of these reports to demonstrate how feedback has actively shaped our views and summarise the outcomes at the start of engagement events at each subsequent phase of the programme.</p> <p>We will start all Phase 3 engagement by reflecting upon feedback received in Phase 2 and how this has been interpreted. This will be a perpetual process at each stage/phase.</p>
C24	24.09.20	With respect to data protection e.g. GDPR., SPEN should give assurances about being compliant to the UK law, and should explain through further assurances how your data working group will safeguard privacy and only permit ethical access to data e.g. no distribution to third parties, unnecessary/unjustified data access. Etc. [Recall that functional, operational and compliance needs are very different for each subgroup.]	This has been considered as part of our Data Strategy which will be published in due course.

C25	24.09.20	<p>The format of this engagement, being broken down by work stream, is very confusing because multiple topics (e.g. DSO, Digitalisation, DFES) have a high degree of overlap. What actions are SPEN taking to mitigate this?</p> <p>a. How is SPEN avoiding overburdening stakeholders who should be consulted on more than one workstream?</p> <p>b. How is SPEN helping stakeholders to understand the remit of the workstream they are being consulted on?</p> <p>c. How is SPEN capturing and incorporating feedback from stakeholders given at one workshop which falls within the remit of another workstream?</p>	<p>a) The stakeholder engagement team has oversight of all the RIIO-ED2 stakeholder engagement plans. This includes the stakeholders each workstream is proposing to engage and when they plan to engage them. This allows us to identify any stakeholders that are part of multiple workstreams' target engagement lists. Where such stakeholders are identified, we consider where it is appropriate to combine multiple engagements on various topics into one, bi-lateral meeting. Indeed, we have a regular programme of bilaterals with all key stakeholder groups, e.g. government, local authority, and consumer groups. For key contacts we are in regular discussion with them and we specifically state that our contacts can delegate attendance at engagement events to colleagues as required, based on expertise or resource constraints.</p> <p>b) All stakeholder engagement activity is preceded by stakeholders being provided briefing material. This includes sufficient background information on the topic/s being discussed. This provides background on the topic within the context of the price control and other elements of the business plan.</p> <p>c) A member of the price control stakeholder engagement team is involved in all engagements, to ensure we can spot information gathered at one engagement which can be assigned to a different workstream. This will also form an important element of the triangulation process.</p>
C26	05.10.20	<p>We challenge SPEN to include those questions in the customer service strand too as many more support organisations, in touch with vulnerable consumers, are being consulted there.</p>	<p>At the time, we agree that the contact list was under-developed with regards to Innovation. This feedback is addressed further within the response to the challenge below regarding broadening our stakeholder list.</p> <p>With regards to innovation for vulnerable customers, all our support organisations will be given the opportunity to feed into questions. The innovation questions will be signposted during the Customer Service session that is focused on Consumer Vulnerability, to ensure awareness is raised about this key component of the innovation strategy. The support organisations will then be contacted separately for input into the innovation strategy. We will ensure that this approach is implemented in a cohesive manner.</p>

C27	05.10.20	We challenge SPEN to broaden its stakeholder list as indicated above. Targeting organisations like this is important and a weighting system could be used?	<p>We have extended the contact list, with a particular focus on ensuring we engage with a broad range of key stakeholders. This includes Consumer Groups, Community Energy Groups, and representatives from Scottish, English and Welsh Government in addition to academia, transport, manufacturers, and other Utilities. Large users have also been added with a focus on the Network Performance and Network Risk areas.</p> <p>A specific contact has been added for the Power Networks Demonstration Centre (PNDC), to complement two contacts for the University of Strathclyde, of which PNDC is a subsidiary. Further contacts from the Universities of Glasgow, Newcastle and Liverpool have ensured an even representation from both English and Scottish academia. The Offshore Renewable Energy Catapult has also been added.</p> <p>The additional contacts have addressed the balance between both Scotland vs England/Wales representation, and public sector / academia vs industry representation. We have taken feedback on the technical nature of some of the questions and developed the questions to make the objectives clearer.</p>
C28	05.10.20	We challenge SPEN to involve stakeholders directly involved with issues around flooding of assets.	Following CEG feedback, we have extended the list of stakeholders invited to engage on our Flooding strategy to include the water companies who operate across both of our licence areas, increasing the range of stakeholder feedback and opinions we expect to receive. This will ensure feedback on our Flooding strategy is as comprehensive as possible.
C29	05.10.20	SP Manweb Company Specific Factors has had 'limited engagement' to date. We challenge SPEN to explain how it does intend to catch up in this area? Is this related predominantly to legacy network design?	<p>We are planning targeted engagement on the SP Manweb Company Specific Factors to gain stakeholder input on our plans to maintain, enhance or transition areas of legacy network. This engagement will be with relevant stakeholders and organisations, including local government, industry working groups, and other DNOs.</p> <p>There has been past and ongoing work with consultants on our SP Manweb specific network, weighing up the costs and benefits of maintaining different sections of the network. This work can now be shared during our engagement sessions to ensure stakeholders understand the specific factors we must consider and so can provide meaningful input on our strategy.</p>
C30	05.10.20	Some questions come with a preamble – it would be good to see some examples of the preamble to see the level of detail presented beforehand, and to get feedback from respondents on how useful they thought it was.	<p>To provide sufficient context prior to stakeholders being asked questions, we will be presenting a short slide pack at our workshops. This will ensure stakeholders understand the necessary background information and can give well-informed opinions and answers to our questions.</p> <p>For our targeted engagement pieces, informed stakeholders with some prior knowledge will be contacted, and introductory information will be provided to give sufficient background ensuring we receive useful and detailed feedback.</p>

C31	05.10.20	The CEG believes a meaningful consultation would quantify the cost of maintaining network risk at current levels (with reference to historic and total spend), then ask whether the current level of risk in the network should be maintained, reduced, or allowed to increase.	Our stakeholder engagement ensures our proposed strategies and plans are informed by our stakeholders. Proposing future costs to stakeholders would not be possible due to the volume of work necessary to calculate these figures, plus the technical and sensitive content that would be produced would not be suitable to present in this situation. Our FSS workstream is currently in phase 2 of the engagement programme. The main purpose of phase 2 is to understand the high-level priorities of our stakeholders for each workstream. In phase 3, which starts in January 2021, we will be asking our stakeholders more detailed questions around specific commitments to meet these priorities, including performance metrics, and we will also be conducting Willingness to Pay research in order to understand the trade-offs in service levels and bill impacts.
C32	05.10.20	How would SPEN know without benchmarking? And how would a respondent be able to make a sensible judgement? Is this comparison information available?	Due to years of experience ensuring the safe and reliable running of the electricity distribution network in both our licence areas, the company's internal knowledge is invaluable when making investment and strategic decisions which affect our own network. Combining this with external expert opinions should create a well-informed and justified Business Plan. We have adapted this engagement question to change what we are asking stakeholders, now confirming we have correctly identified factors that will affect our strategy with these factors being discussed in the slide pack prior to the question.
C33	05.10.20	We challenge SPEN to provide a more understandable definition of 'Multiple short interruptions' including duration, number of interruptions, and context i.e. how common are such events within SPEN's license area?	As mentioned in our response to a previous challenge - 'SPEN to provide background information to questions so context is better understood, and show it is relevant to the question' -, sufficient content is provided prior to all stakeholder questions to provide context. This includes for the question on Multiple Short Interruptions.
C34	05.10.20	There are many closed questions that should be opened up e.g. Q46, 'do you feel there are any key areas of innovation that are missing from our broader innovation themes.... 'could be rephrased by adding 'and if so, what do you think is missing?'	Following feedback from the CEG, our stakeholder engagement questions have been opened to encourage discussion and more detailed feedback from stakeholders. These discussions will be recorded, and key points noted down by consultancy research analysts present at the session. We have also created additional closed questions alongside the discussion questions, which have answers in the range of strongly agree to strongly disagree to quantitatively understand our stakeholders' stances on key approaches. These responses are provided using Mentimeter, a survey tool which will be used throughout the engagement sessions.

C35	24.09.20	We challenge SPEN to produce target figures for the number of stakeholders who engage in a meaningful way with each work stream and explain what steps it will take if the target is not reached for a particular work stream	<p>We believe this challenge relates to the CEG wanting SPEN to have in place a series of success criteria, or quantitative measures, from which to judge whether we have been successful in achieving our engagement objectives. In building our stakeholder engagement strategy, we considered four main measures of quality and effectiveness:</p> <ul style="list-style-type: none"> • Quality of evidence - Evidence should be scored on the principles set out in HM Treasury's Magenta Book (i.e. contributory, methodologically sound, rigorously gathered and credibly interpreted). • Relevant – A wide range of informed and relevant stakeholders should be engaged. Customer Engagement should provide a comprehensive view of preferences and needs of each segment of the customer base. • Geographically representative – Where relevant, stakeholders from all areas of SPEN's network should be engaged on each topic. • Traceability – Evidence of the impact that stakeholder feedback has on the final proposals proposed by SPEN. <p>Ultimately, we believe in meaningful engagement that delivers, first and foremost, high-quality, informed and actionable feedback. We do however appreciate that securing a breadth of stakeholder input from various organisations and sectors is important in achieving a rounded response to our plans. We will provide in the next version of the stakeholder engagement packs in December, a range of success criteria which shows how we are monitoring the effectiveness of engagement activities at each stage of the progress against our objectives.</p> <p>The CEG will also be able to see in the packs who we invited to take part in its phase 2 engagement activities, and who took part. As a matter of course, workstreams approach stakeholders individually where relationships already exist, to encourage attendance. We also conduct a gap analysis after each event to check the adequacy of representation, and follow-up with surveys or recordings if stakeholders are unable to attend.</p>
C36	24.09.20	We challenge SPEN to provide the CEG with a list of “key witnesses” or “strategic stakeholders” who it is essential to hear from in each work stream	As outlined in the stakeholder engagement packs, part of the mapping exercise that each workstream has undertaken involves categorising stakeholders against their perceived interest and influence. Those stakeholders in the top right quadrant - high interest and high influence - are the 'key witnesses' who it is essential to hear from in each workstream.

C37	24.09.20	<p>We challenge SPEN to audit its full list of stakeholders to remove duplications and those who have left their job and adds their successors. SPEN also adds any other relevant stakeholders not already listed.</p>	<p>The initial master spreadsheet that was issued to the CEG on 11 September, illustrating all of the stakeholders we propose engaging with, was out of date and circulated in error.</p> <p>As has been noted - albeit in this out-of-date spreadsheet - there were a handful of errors, normally relating to 'out-of-date' contacts. This issue generally stems from our existing stakeholder list taken from our stakeholder database. This database has 70 users across the company, and it is users' responsibility to ensure these records are accurate and checked regularly.</p> <p>Outside of the RIIO-ED2 project, we have since undertaken a significant piece of work to review all of the contacts and update our stakeholder database as a BAU function of stakeholder engagement.</p> <p>In terms of our RIIO-ED2 Business Plan engagement activities, our RIIO-ED2 stakeholder list is approximately 30% existing contacts (from our Tractivity database) and 70% 'new' contacts which have been collated by the business, feedback from the CEG and our consultants, SIRIO, in the form of industry-wide desktop studies.</p> <p>Again, there is a possibility for error in the data that we collate in this way – i.e. out of date contact information found online, but the list that was originally shared had not yet been sense checked by SPEN or by our stakeholder database, which is able to highlight errors (e.g. invalid email addresses) before communications are issued.</p> <p>Regarding duplication, we had already identified duplicates in our stakeholder lists. We do this to both highlight key stakeholders who need to attend more than one area, or to highlight those stakeholders we need to 'pre-engage with' – i.e. to advise – a CEO for example - that we will be getting in touch about multiple events and pre-warn them /book their time in.</p> <p>We also do this to highlight potential areas of stakeholder fatigue and assess if where finding another sector representative would be best. Given the breadth of the engagement and overlap between our ED-2 workstream areas, there are activities where we invite some of our stakeholders (either the individual or the organisation they represent) to more than one event.</p> <p>Feedback from the CEG regarding missing or incorrect stakeholders has and will continue to be taken on board.</p>
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C38	24.09.20	Stakeholder lists are signed off internally, including giving the internal team responsibility for identifying any gaps. We challenge SPEN to obtain external validation of the list (not by the CEG) otherwise SPEN risks becoming too internally focussed.	<p>Our stakeholder lists are compiled using a mixture of desk-top research to identify new stakeholders, as well as drawing upon stakeholders whom we already have an existing relationship with, as recorded on our stakeholder engagement database. As subject matter experts, with extensive knowledge of the key organisations and individuals working in their respective areas, each list is verified and shaped by workstreams. We also work closely with external consultants who have extensive experience of advising clients across the gas and electricity networks industries.</p> <p>Naturally, as with any engagement programme, some gaps either do exist at the start or start to materialise after engagement starts to take place, however we regularly review our lists with our workstreams, and after engagement events/phases, so that any gaps in representation can be filled.</p> <p>We also ask our stakeholders if there are any additional organisations that we should be speaking to, for example at our recent Strategic Stakeholder Engagement Panel meetings we asked attendees for their thoughts on who else we should be engaging for RIIO-ED2.</p> <p>We believe that part of the external review of our lists has and should continue to be within the CEG's remit, and we have added numerous stakeholders to our lists on the back of CEG feedback thus far, and will continue to do so over the course of the engagement programme.</p>
C39	24.09.20	We challenge SPEN to produce a breakdown of stakeholder input in the two licence areas to demonstrate that any regional differences of view are fairly reflected.	<p>Following the positive feedback received on the format of the stakeholder engagement packs at the CEG's September meeting, we will continue to use the various workstream 'packs' as the main means of illustrating how we propose to engage with stakeholders, and how stakeholders' ongoing feedback is influencing our proposals at each stage. This will include how stakeholder feedback is being triangulated and synthesised, including across our two licence areas, and this will become apparent in the next CEG stage gate in December 2020.</p>
C40	24.09.20	The CEG Challenges SPEN to outline in what way its research is innovative	<p>When producing and implementing our ED2 stakeholder engagement strategy, we carefully consider different types of engagement methods that will allow us to reach out and engage our stakeholders in the most effective and efficient manner. The ongoing Covid-19 pandemic and resulting physical distancing rules has restricted the variety of engagement methods which we would have ordinarily hoped to have use. We remain confident of achieving our engagement programme objectives using the digital engagement techniques that are available to us.</p> <p>As a monopoly company, the cost implications of our decision making, given costs are ultimately borne by GB consumers, is of utmost importance. Therefore, when planning engagement activity, we consider the costs against the benefits of any piece of research, before taking a decision.</p> <p>Within the current programme, we believe the following proposed engagement methods to be particularly innovative:</p> <p>The Chatter Tool: The Chatter Tool uses Big Data analytics and Artificial Intelligence to provide SPEN with unprecedented volumes and granularity of our customers' and stakeholders' views.</p>

			<p>The Chatter Tool is a first of kind in its application to Stakeholder Engagement.</p> <p>The tool gathers tens of thousands of customer and stakeholder chatter information on social media websites as well as regional and national news outlets. These mentions are analysed through bespoke language processing algorithms to identify views on a wide range of topics ranging from EV charging points, to decarbonization and fuel poverty. The resulting insights are visualised on a dashboard that allows SPEN’s staff to drill down into specific topics, across local areas, customer segments and different timeframes. Since its development in January 2020 the tool has already gathered over 175k mentions of relevant topics from customers and stakeholders.</p> <p>Mentimeter: We use this software during online workshops as a means of getting instant feedback on set questions. Attendees use their smartphones to connect to the presentation where they can answer questions and visualize their responses in real-time to create an engaging and interactive experience.</p> <p>We would also consider the framework for stakeholder engagement in SPEN as particularly innovative, given that each individual workstream takes full responsibility for their own engagement activities, with the help of the stakeholder team. This ensures engagement is organic, genuine, and not superficially imposed by a central team only considering broad engagement themes, and translates to detailed and meaningful engagement, led by specific individual experts in the business, who can act on the feedback given.</p>
C41	24.09.20	<p>Workshop and survey questions often follow the format ‘Do you agree with our plan, or is there anything we have missed out?’ The first part of this question presents the plan as a pre-decided entity, giving no visibility to the stakeholder of the challenges and trade-offs implicit within the plan. It will thus promote yes/no answers rather than actionable feedback.</p>	<p>We have undertaken a comprehensive review of all stakeholder questions on the back of CEG feedback to ensure they are balanced. We do not believe our question set overall is closed. On the contrary, questions provide ample opportunity for stakeholders to explain why they feel a particular way. For example, questions give a statement which ask for stakeholders to agree or disagree on, then provide further open response as to why they either agree or disagree. This is a common method of research where, for example, there is an obvious assumption (i.e. creating more jobs is good).</p> <p>Adequate context is always provided at the start of each piece of engagement. It would be detrimental to the session, and the usefulness of the feedback, not to do so. Context can be provided in the form of slides being spoken through by the workstream leads at each session.</p> <p>As noted previously, BAU stakeholder engagement in RIIO-ED1 acts as the backbone, and the engagement we are undertaking as part of the RIIO-ED2 programme compliments and builds on this work. This in effect means we are not 'starting from scratch', rather our plans have already been subject to external scrutiny, and although some of the questions may appear to be asking for validation of pre-conceived plans, we are in fact checking back with stakeholders to ask whether previous feedback remains relevant and valid within the current operating environment.</p>

C42	24.09.20	<p>The second part ('has anything been omitted?') is important to ask, but only rarely will result in multiple stakeholders returning the same answer. In addition to this type of question, for example, valuable feedback might be gathered by presenting an issue and asking for opinions on where to prioritise action.</p>	<p>We have elected to take a more pure form of research by not pre-setting priorities but rather inferring them from the collated and triangulated feedback provided from our stakeholders, but we agree with this feedback and have therefore added high-level stakeholder prioritisation questions, and over-arching ambition statements, to workstreams' engagement workshops and surveys.</p> <p>For example at our finance workshops, we asked stakeholders for feedback on a high-level ambition statement for RIIO-ED2, as well as asking for priorities around the funding of electricity Network Operators i.e. is to see lowest possible cost to consumers or support a least regrets level that can act as a catalyst to accelerating investment to support the realisation of net zero.</p>
C43	24.09.20	<p>There is an over-riding sense of 'this is what we (SPEN) want to do and what do you think about it?', rather than starting with a blank sheet of paper to really drill into wants and preferences. Some questions are worded it seems to ensure SPEN gets the answers it wants.</p>	<p>Initial proposals act as the starting point of our ED-2 engagement approach; these are influenced by a wide range of evidence which includes BAU engagement and research. The initial proposals being developed are based on extensive engagement with stakeholders during RIIO-ED1 as well as the other forms of evidence noted below. In certain instances, we aim to verify that our understanding of the preferences and needs of stakeholders are in line with what we have learned over the past months and years.</p> <p>Insight and feedback gathered through stakeholder and customer engagement will shape the list of commitments that SPEN will make on its ED-2 Business plan as well as inform the level of service it proposes on each of these. In other words, engagement feedback will shape the investments that SPEN makes and the amount it proposes to spend in ED-2 and beyond.</p> <p>Engagement feedback is only one of the sources of evidence taken into consideration by workstream leads when shaping commitments. As such, it will have to be weighted alongside other forms of evidence such as Cost Benefit Analyses, Engineering Justification Papers, health and safety or standard/minimum regulatory requirements that are set by Ofgem.</p> <p>We expect that through successive rounds of engagement it will become clear whether these initial proposals reflect the outcomes that customers and stakeholders want SPEN to achieve and therefore meet their preferences and needs.</p>

C44	24.09.20	We Challenge SPEN to review the list to make questions more open in format.	<p>We ask a wide range of open and closed questions depending on the purpose they satisfy as well as the engagement channel we'll use. Open questions are most appropriate in stimulating discussions and gathering feedback on broader areas such as desired outcomes, needs with respect to new connections or views on SPEN's DSO vision. Closed questions are most useful when seeking specific views on technical matters when gathering evidence to weight mutually exclusive options.</p> <p>Even where we ask relatively closed questions, these are not solely yes/no - participants can give a rated scale of how much they agree or disagree and can provide additional feedback alongside.</p> <p>We do take this point on board, however, and have re-visited some of the questions to see if an open style would be more appropriate. For example, for online surveys, we will not only ask stakeholders why they have chosen 'no' to a particular question, but also the reasons why they have chosen 'yes'.</p>
C45	24.09.20	Can the workshops be recorded to give stakeholders the opportunity to respond should they not be able to meet the event specific time?	<p>We had taken a decision not to record and publish previous stakeholder engagement events as we feel as though this could inhibit attendees' participation and result in less meaningful feedback.</p> <p>Instead, we had each workstream to pre-record a version of their presentation, which would then be sent to stakeholders who were unable to make the workshop, allowing them to feedback in their own time, and ensuring stakeholders have another opportunity for involvement.</p> <p>We soon realised that this approach would demand too much of our workstream leads' time in re-recording. i.e. the FSS team (which includes innovation) has 4 x 2hr workshops. We are therefore managing the trade-off between recording and having workshops to show to wider stakeholders on our website whilst ensuring stakeholders are participating as much as possible.</p>

C46	24.09.20	<p>The format of this engagement, being broken down by work stream, is very confusing because multiple topics (e.g. DSO, Digitalisation, DFES) have a high degree of overlap. What actions are SPEN taking to mitigate this?</p>	<p>The RIIO-ED2 Price Control is arguably the most complex ever to have faced our business, with unprecedented levels of change happening right across the industry. As such, the business plan project team in SPEN has been split into various workstreams which align with certain sections and/or chapters of the Business Plan. From a functional, project management perspective, it is necessary for the project team to be sub-divided into different teams, each with its own focus and responsibility for a particular area, and we believe aligning our stakeholder engagement programme to this structure helps to create a degree of simplicity for our stakeholders and colleagues alike. Indeed, engagement isn't always necessarily communicated as DSO engagement or digitalisation engagement for our stakeholders, but rather we focus on the distinct elements that underpin each of these topics, and where necessary we will draw upon the required support from one or more workstreams as appropriate.</p> <p>Overlaps in topic areas is an unavoidable consequence, however we believe the structure and various interfaces in and between workstreams is effective, with various touchpoints ensuring our plans are being developed in a coordinated manner.</p> <p>While there are distinct workstreams, there are also teams, such as the stakeholder engagement team, and governance bodies, such as the ED2 Executive Steering Group, that transcend all aspects of the project.</p> <p>From a stakeholder engagement point of view, we believe engagement is best carried out in a de-centralised manner by experts in their field, but with strategic oversight and guidance from the centralised RIIO-ED2 stakeholder engagement team, meaning engagement plans are fully integrated and take into account the interdependencies of each topic area.</p> <p>Triangulation of stakeholder feedback will play a vital role. All feedback will be triangulated centrally and disseminated out across the workstreams. Feedback will be considered on both an individual level and a programme level so that any feedback applicable to one or more workstream will be fully considered and synthesised where appropriate.</p> <p>While it is right to compartmentalise the plan in its early stages of development, each workstream's individual chapter and narrative will come together in the form of a draft business plan in Q1/2 2021, and we will be using that document, once drafted, to engage holistically with key stakeholders, as well as on a more targeted basis on individual sections and chapters.</p>
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C47	24.09.20	How is SPEN avoiding overburdening stakeholders who should be consulted on more than one workstream?	As noted above, the stakeholder engagement team has oversight of all the RIIO-ED2 stakeholder engagement plans. This includes the stakeholders each workstream is proposing to engage and when they plan to engage them. This allows us to identify any stakeholders that are part of multiple workstreams' target engagement lists. Where such stakeholders are identified, we consider where it is appropriate to combine multiple engagements on various topics into one, bi-lateral meeting. Indeed, we have a regular programme of bilaterals with all key stakeholder groups, e.g. government, local authority, and consumer groups. For key contacts we are in regular discussion with them and we specifically state that our contacts can delegate attendance at engagement events to colleagues as required, based on expertise or resource constraints.
C48	24.09.20	How is SPEN helping stakeholders to understand the remit of the workstream they are being consulted on?	All stakeholder engagement activity is preceded by stakeholders being provided briefing material. This includes sufficient background information on the topic/s being discussed. This provides background on the topic within the context of the price control and other elements of the business plan.
C49	24.09.20	How is SPEN capturing and incorporating feedback from stakeholders given at one workshop, which falls within the remit of another workstream?	A member of the price control stakeholder engagement team is involved in all engagements, to ensure we can spot information gathered at one engagement which can be assigned to a different workstream. This will also form an important element of the triangulation process.
C50	24.09.20	SPEN should demonstrate to participants how previous feedback has directly impacted development of the plans. Beginning a workshop with this would help to show stakeholders the impact they could have by engaging.	<p>As part of the 'Feedback & Triangulation' loop we will provide 'Synthesis Reports' to workstream leads. These summarise the views of stakeholders and customers on each engagement question within the leads' engagement plan. Based on this document, we expect workstream leads to explain how they weighted (qualitatively) the feedback provided along other forms of evidence to determine the evolution of the ED-2 commitments they are responsible for.</p> <p>We will publish a stakeholder friendly version of these reports to demonstrate how feedback has actively shaped our views and summarise the outcomes at the start of engagement events at each subsequent phase of the programme.</p> <p>We will start all Phase 3 engagement by reflecting upon feedback received in Phase 2 and how this has been interpreted.</p>
C51	24.09.20	Several workstream packs have suggested a limited number of online workshops. It would be beneficial to think about how attendees at these sessions are provided with information prior to the event to ensure that they can enter the workshop and add value and contribute.	We provide the context and information required within the workshop materials. We are targeting well informed stakeholders who have the necessary background knowledge and experience from their sector to contribute. Where these are outside of traditional energy stakeholders, they are selected based on where they can add value. Our invitations provide material which set the scene for stakeholders.
C52	24.09.20	Real thought needs to be given to webinars to educate and inform since there is a real danger that if these happen in the workshops themselves then attendees may be more likely to give an 'off the cuff' rather than well reflected and thought through response.	We provide the context and information required within the workshop materials. We are targeting well informed stakeholders who have the necessary background knowledge and experience from their sector to contribute. Where these are outside of traditional energy stakeholders, they are selected based on where they can add value. Our invitations provide material which set the scene for stakeholders.

C53	24.09.20	Workstreams rely on workshops and an online survey rather than a consultation and or bilaterals. This seems to limit the opportunity to harvest high quality feedback and insight.	<p>Alongside workshops and surveys, bilaterals are very much an important part of our engagement mix, albeit remotely rather than face-to-face.</p> <p>We are fully aware of the merits in various engagement methods and seek to ensure the method chosen for any engagement activity is suitable and tailored to the audience and is the most effective mechanism for eliciting meaningful feedback. Workshops and surveys do have an important part to play and are useful tools when gathering large quantities of quantitative feedback from disparate groups of stakeholders. On the other hand, bi-laterals are more suited to detailed, qualitative feedback, and can be more conducive to obtaining candid comments that might not otherwise be made in a more public forum.</p> <p>Our surveys do resemble traditional online consultations, particularly where we have published draft strategies and are seeking further stakeholder input.</p> <p>We're always happy to take any additional ideas from the CEG on additional channels for in-depth engagement with stakeholders.</p>
C54	24.09.20	We Challenge SPEN to re-prioritise bilaterals by combining the requirements of several work streams into a single meeting with one stakeholder, such as Citizens Advice or key stakeholders/strategic stakeholders.	As noted above in the response to the question 'How is SPEN avoiding overburdening stakeholders who should be consulted on more than one workstream?', we agree with the approach being proposed here, and will seek out opportunities for bi-laterals with key stakeholders on this basis.

C55	25.09.20	<p>We would challenge SPEN as to why they have not included the following on the list:</p> <p>Citizens Advice, National Energy Action, NEA Cymru, Network rail (especially with HS2 impact), Welsh Government Head of Ecosystem Management & Implementation, Head of Circular Economy and North Wales delivery Officer</p> <p>NHS – Sustainability leads,</p> <p>More Academic representation e.g. Zero Carbon Research Institute, DecarboN8</p> <p>Defra</p> <p>Environmental Agency/Scottish Environment Protection Agency (SEPA)</p> <p>Extinction Rebellion (Voice of youth and customers of the future)</p> <p>The British Youth Council (Voice of youth and customers of the future)</p> <p>Scottish Renewables,</p> <p>Solar Trade Association,</p> <p>Heat Pump Association,</p> <p>Hydro,</p> <p>Battery Storage,</p> <p>WWF,</p> <p>CBI</p> <p>Zero Waste Scotland, Resource Efficient Scotland, ClimateeXchange charity SNIFFER (which runs Adaptation Scotland)</p>	All stakeholders have now been added.
C56	25.09.20	<p>We also challenge SPEN to produce an honest critique of the use of online stakeholder engagement due to Covid on the quality of stakeholder engagement. For instance, how does this under-mine the ability for some stakeholders to have their voice heard?</p>	<p>The effects of Covid-19 have impacted on the operations of business across the UK, and we are no exception. Given the Government's guidance on physical distancing, engagement via online/digital means is the only option available to us at this moment in time (November 2020), and we try to make our engagement as interactive as possible. In our experience, stakeholders are generally well-equipped to engage in a digital space. Furthermore, the removal of geographic boundaries has served to increase accessibility in some respects, as stakeholders are no longer required to travel in order to attend engagement events.</p> <p>That being said, we do regularly ask stakeholders if they have any additional needs or would like to engage with us in a different way.</p> <p>Digital exclusion is more likely to impact on our customer engagement programme but again, we have tried to supplement online research with other means of research whilst adhering to Covid-19 restrictions at all times. For example, we have augmented online research with face-to-face surveys, where possible to do so.</p>
C57	24.09.20	<p>This requires a target figure for the number of stakeholders with whom SPEN should meaningfully engage in each category (work stream) and the CEG would like to see the numbers of completed questionnaires by category and attendance figures for workshops by category.</p>	See response to C34. All relevant engagement detail will be included in the Triangulation records

C58	06/05/2021	<p>Challenge on Engagement for Novel Connections - Based on information supplied to the CEG so far it appears that although local stakeholders have been consulted in advance of the roll out of individual ANM schemes in Dumfries and Dunbar, there has been no strategic level consultation of generation stakeholders on SPEN's RIIO business plan proposals to significantly expand the prevalence of ANM, Flexible and non-firm connection agreements to cover a very large part (possibly the majority by MW) of new generation connections by the end of ED2. Nor has SPEN put forwards any discrete commitment for the type and quality of engagement with generation stakeholders which will precede the rollout of ANM in each local area during ED2.</p> <p>Although we regard SPENs proposals in this area as innovative and potentially very positive, it is essential that stakeholders are aware of, and have a chance to shape, any proposals which would lead to a significant shift in the nature of their contractual relationship with the DNO – especially where this shift brings them into territory largely unregulated by Ofgem, including an apparent lack of any regulatory incentive on DNOs to minimize non-firm generation curtailment losses. We therefore challenge SPEN to ensure that affected stakeholders are aware of and have a chance to shape its proposals on Flexible Connections, CMZ and ANM rollout:</p> <ul style="list-style-type: none"> • This should include consultation with both (a) individual generation owners & developers, particularly those with experience of operating under ANM and non-firm connection agreements and who have encountered issues, and (b) groups representing generation stakeholders (including Scottish Renewables, Renewables UK, Solar Energy UK and Community Energy Scotland, England and Wales). • We would like to see questions to be asked of stakeholders in advance, and expect these to include discussion of appropriate sharing of curtailment risk between generator and DNO, and potential impact of such contractual arrangements on generator bankability. • We further challenge SPEN to include detail on planned ANM & flexible connections engagement within its business plan, in the form of a timescale and clear commitments for ongoing local engagement alongside and in advance of the roll out of these proposals during ED2 	<p>We consult with our connection's customers regularly through BaU routes and have presented through all phases our approach for RIIO-ED2 and taken that feedback on board in the development of our plans. Engagement will cover both Connections and DSO and more detail is in their respective areas. Examples of BaU engagement includes: The ARC Project, D&G engagement, our stakeholder newsletter July 2019, The ANM Good Practice guide, our stakeholder questionnaire in March 2020, a stakeholder focus group in April 2020, and numerous bilaterals.</p>
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C59	27/05/2021	<p>We would like to form an appropriate challenge in relation to your baseline view for DFES and as such, request some further information and clarification as follows:</p> <p>Can SPEN expand on what Ofgems requirements are please in calculating your baseline scenario? Are there any specifics? Which “informed” stakeholders have you engaged with? At the open network’s forum, the DNOs committed to preparing the DFES using the same scenario framework as the ESO GB FES. Did this approach change after the CCC 6th Carbon budget report was issued? Did the DNOs make any commitment to following the CCC report at all? Within uncertainty mechanisms, you mention “LV services and upgrades of the cable and termination into customers properties”. Does this include businesses and is this not covered outside the price control for connections? How do you decide which is which? You have displayed the CCC pathway when referencing HP and EV but not with other LCTs. Is there any reason why? Are you able to display this? Have you made any allowances for hydropower and hydrogen as nothing is mentioned? Can you confirm the split of the 5GW of generation expected on your network. Can you confirm the calculation when looking at national scenarios and converting them to SPD and SPM scenarios.</p>	<p>A dedicated response paper was prepared for the CEG detailing the DFES scenario framework, creation of the baseline scenario, further detail of stakeholder engagement carried out, generation forecasts and LV service upgrades within the price control.</p>
C60	02/06/2021	<p>Upon reviewing the draft ED2 business plan, the CEG questions whether SPEN should consider developing SMART (Specific, Measurable, Achievable, Relevant, and Time Bound) criteria for setting its objectives for all sections of the ED2 business plan. This will help Stakeholders to understand all key deliverables and initiative targets.</p>	<p>We are continuing to review the suite of commitments, a process which will continue between draft and final submission and will seek to ensure these are appropriate. Smart objectives can be found in the full list of commitments, with key initiatives included throughout the document and timelines noted.</p>
C61	02/06/2021	<p>The ED2 draft business plan is largely narrative, lacking data and metrics which lends ambiguity to some sections. The CEG challenges SPEN to clarify the business plan by documenting specific commitments, specifying deliverables such as energy efficiency and providing a minimum threshold or qualifying metric to support its narrative. The findings from customer research should be documented within the business plan to show it is the basis for developing the ED2 plan.</p>	<p>A focus on monetising benefits is underway. Findings from our customer research has now been included within our section heading pages which have been in development. These pages also signpost where further detail is contained within the annexes for customer research, triangulation etc.</p>

C62	02/06/2021	The CEG welcomes the approach taken in the Customers and Communities section to set commitments in the context of long-term outcomes (see page 89), as these provide clarity about what SPEN is seeking to achieve and how long it will take. The CEG believes this focus will help stakeholders engage with plans and help stimulate ambition and innovation. The CEG challenges SPEN to take a similar approach elsewhere in the business plan where practical.	As outlined, we are taking a longer-term view of our business plan development across many aspects and are forecasting beyond RIIO-ED2. For example, our asset management strategy is required to take a long-term approach in managing and accessing the condition of our asset base, and the optimal intervention timing and nature, and this is a continuation of our RIIO-ED1 approach. We have already commenced our digitalisation journey during RIIO-ED1 and will seek to continue this into RIIO-ED2 and beyond, however remaining agile to developments in technology and innovation along the way. We must also always take a long-term view of our workforce planning, and internally we manage our business on a long-term plan which, on an annual basis, looks 10 years ahead in many aspects of our business. We will continue to refine the detail of our longer-term strategy included within our business plan between draft and final submissions.
C63	02/06/2021	SPEN's baseline view for DFES underpins the draft business plan. The CEG remain concerned that in the fast-changing context of policy to address global warming this could risk becoming quickly outdated. We are concerned the Plan does not reference all significant Low Carbon Technologies, while the 5GW of generation expected on your network does not appear to match other estimates. If investment in the network is not sufficiently ahead of need there is a risk customer may become discouraged from adopting LCTs, hindering society's move to net zero. The CEG therefore challenges SPEN to set out the evidence for its baseline view from its stakeholder base and further to set out how it will swiftly be able to increase its pace of investment to support a faster move to LCTs should that prove necessary.	<p>We have submitted a paper on this and will continue to liaise with the CEG and sub-group on the development of our baseline scenario, including how we have arrived at the credible range by ensuring this is deliverable and in the best interests for customers.</p> <p>The move to Net Zero will be supported by regulatory uncertainty mechanisms. We will continue to work with the CEG and Ofgem to ensure uncertainty mechanisms are functional and accessible.</p> <p>We will continue to engage with stakeholders on an ongoing basis for the future to ensure we are fully informed of stakeholders changing needs and requirements.</p>
C64	02/06/2021	The CEG challenges SPEN to explain how learning from RIIO ED1 interventions have informed SPEN's community energy commitments for RIIO ED2, such as support through the Green Economy Fund and the Zero Carbon Communities Hub.	This is set out in the Community Energy Strategy annex and incentive annex.
C65	02/06/2021	SPEN should document the metrics used to gauge the success of its community energy commitments, as part of its Output Delivery Incentive (ODI) reporting. The CEG challenges SPEN to explain the rationale for the selected metrics.	Full details of this are included within the incentive annex
C66	02/06/2021	The CEG challenges SPEN to explain the role it sees community energy filling towards both delivering on its wider KPIs (as outlined in the business plan) and in supporting net-zero and Just Transition objectives in its license areas. This will largely revolve around what environmental, economic, and social benefits SPEN anticipates will be delivered by its community energy commitments.	This is set out in the Community Energy Strategy annex and incentive annex.
C67	02/06/2021	The CEG challenges SPEN to explain in its draft business plan how the evidence SPEN has collected through its stakeholder engagement has informed its community energy commitments.	This is set out in the stakeholder engagement annex, front pages of the Community Energy chapter of the business plan, CE triangulation record and summarised in the CE annex.

C68	02/06/2021	The CEG challenges SPEN to undertake further research with a wider range of non-traditional stakeholders who have an interest in workforce resilience to inform further iterations of the plan.	Discussions have taken place in the sub-group on this topic, with a requirement for further regional engagement to be undertaken between draft and final submission. This has been completed with Local Authorities through several interactive workshops. We have had positive feedback on our contribution to cultural sustainability and constructive feedback on further improvements to our Diversity and Inclusion plans which have been incorporated into the final submission.
C69	02/06/2021	The CEG challenges SPEN to consider the importance of ensuring that its workforce resilience commitments, plans, and strategies apply across both SPEN itself, and its wider supply chain, in particular to support the sector-wide transition to Net Zero.	We have been engaging extensively with our supply chain on our strategy and plans so that no one gets left behind as we move to our Net Zero goal. This approach has incorporated many elements of our plans and strategy from Environmental and sustainability goals to our workforce resilience strategy. We also support through our work on the NSAP Transmission and Distribution Group an industry wide approach to workforce, driving best practice and policies within the industry.
C70	02/06/2021	The CEG challenges SPEN to develop more stretching and ambitious workforce targets to highlight its passion to deliver ED2 (and beyond) through a diverse workforce, that is better representative of the communities in which it operates.	We have worked with the cross DNO group to develop metrics around workforce resilience. This has now evolved through EU Skills and NSAP to a suite of proposed measures in the areas of attraction, skills, and retention, incorporating diversity in these areas, which are to be trialled in early 2022. We have also developed further internal measures and targets which have been incorporated into the final December submission.
C71	02/06/2021	The CEG challenges SPEN to widen its stakeholder engagement base to understand their issues and aim to resolve them with actionable commitments. We question whether SPEN needs to look outward to understand its customer's needs, and set the business plan objectives accordingly.	As part of our ED2 business planning, we have undertaken an extensive programme of customer and stakeholder engagement to fully understand our customer needs. The CEG have been provided with our triangulation records. These show how we interpreted stakeholder and customer evidence, along with other evidence (e.g. Ofgem guidance, cost benefit analysis and existing engagement carried out on an ongoing business as usual basis) to design our business plan commitments. We have incorporated new introductory pages within each section of the plan which details our stakeholder engagement with specific 'You said, we did' information which provides more clarity and detail. Further detail will also be included in the stakeholder engagement, customer research and triangulation annexes.
C72	02/06/2021	Data protection and consent – The CEG challenges SPEN to explain whether or not it will document its strategy for ensuring continuity of customer acceptability in the access of their data and provision of digital services.	References have been added to compliance with Data Best Practice, cross referenced to Data Strategy annex, providing more detail, and included new content within Governance and Risk to describe our approach at a high level.
C73	02/06/2021	Data Governance – The CEG challenges SPEN to clarify the roles and responsibilities which outline the means of engagement, explaining how this will ensure compliance with Ofgem minimum requirements and provide clear processes and associated assurances as to how agencies e.g., government, regulators, private sector etc. access customer data.	Compliance with Data Best Practice has been drawn out more in the revised narrative. We have also strengthened the points around customer and stakeholder engagement and how this will be used to inform our plans.
C74	02/06/2021	Justification for Resources – The CEG challenges SPEN to provide quantitative data to support the resourcing of e.g., infrastructure, talent development etc. aligned to the significant demands of Big Data Analytics (BDA).	The alignment of CBAs relevant to data/digitalisation is being undertaken. Our big data and reporting/analytics solutions and the workforce capabilities and skills to drive benefit from them underpin much of our data/digitalisation plans. We will provide details in our Data Strategy annex and update the final draft narrative.

C75	02/06/2021	We challenge SPEN to explain how digitalization can support UK Whole System policy.	Whole system explanation now added to the narrative: Data is fundamental to the delivery of our Whole System Strategy. The sharing of energy data will facilitate the coordination required to transition the UK energy system to a low carbon system. We will adopt a collaborative approach to supporting the development of a digital ecosystem for energy that will underpin the delivery of the UK's Net Zero ambitions
C76	02/06/2021	The CEG challenges SPEN to provide an evidence based cost benefit analysis of digitalization versus network reinforcement, taking into consideration costs associated with risk mitigation of BDA.	CBA's have been undertaken against various elements of our RIIO-ED2 plans and a number of these are reliant on data and digitalisation deliverables. The CBA work for digitalisation is ongoing. There have been some significant changes to be accommodated in our submission because of new Ofgem business plan guidance issued on 30 September 2021. Principally, we have now split our submission into two parts: the first showing our "business as usual" plan (the things we will do to maintain and evolve our existing solutions) and the second capturing our digitalisation plan (our plans to undertake a digital transformation of our business and to extract maximum value from data). As a result, it is no longer possible or sensible to create a separate CBA for a big data platform. In terms of analysis of digitalisation versus network reinforcement as per this challenge; the option is actually flexibility vs reinforcement and the evidence based justification for that is covered in our DSO CBA. Digitalisation is the enabler to support and underpin our DSO plan and we have provided the costs of the digital DSO platform to be included in the DSO CBA. Flexibility is covered in its own EJP and CBA within the Load plan. The DSO EJP and CBA cover the roll out of CMZs that also avoid reinforcement.
C77	02/06/2021	The CEG challenges SPEN to demonstrate how the ED2 stakeholder engagement completed through business-as-usual channels (BAU) has allowed them to identify ED2 requirements, tested SPEN's ED2 principles, and followed SPEN's ED2 methodology as set out in the ED2 Stakeholder Engagement Packs. We also challenge SPEN to demonstrate how ED2 feedback collected through BAU channels has informed SPEN's ED2 strategy and proposals.	We have updated all triangulation records with a new section up-front to cover off the point about BAU feedback, demonstrating how this was captured, interpreted and how it has influenced our 100 commitments.
C78	02/06/2021	The CEG believes there is value in collecting data of customers who receive quotations but do not proceed to full connection. The CEG would like to challenge SPEN to record this data to assist in identifying barriers to the deployment of EV, heat pumps and generation projects.	Included a section in annex, reference in narrative to conversion rate
C79	02/06/2021	The CEG welcomes the Supporting Disadvantaged Customers CVP, which commits to installing technological solutions to reduce the energy bills of fuel poor customers. The CEG challenges SPEN to demonstrate A). Whether technological solution do reduce energy bills of fuel-poor customers? And does those solutions take up SPEN's responsibility to help the vulnerable customers? or is it outside their remit? B). Whether its stakeholders consider the target of 40,000 customers receiving such solutions during ED2 is sufficiently ambitious, particularly given the £14m cost is significantly lower than the upper CVP limit and the level of need that SPEN has identified needs to be addressed.	We have evidence of different technological solutions already on the market that have a direct impact on customers' bills. We also have rationale for the unique role we can play with these solutions as there is a network and customer benefit. In terms of the comments relating to the CVP value, whilst there is no specific upper value on a single CVP as per SSMD (there was at SSMC), this CVP is at the upper end of this. We have stakeholder & customer support for this ambition.

C80	02/06/2021	<p>Clear evidence of customer support is needed - As drafted these two sections of the business plan do not yet include any detail about or evidence to show or prove customer, or stakeholder support for the specific proposals. Therefore, it would be quite difficult for the CEG to provide a positive opinion – based on this draft - that the proposals are driven by, or supported by, customers and stakeholders. In part this is because the CEG has not yet seen the Phase 3 research outputs – and is unlikely to do so before the draft ED2 business plan goes to the Challenge Group. The CEG challenges SPEN to show clearly within the draft business plan how specific proposed performance commitments are supported by customers and stakeholders.</p>	<p>This has been addressed on new introductory section pages and engagement annexes</p>
C81	02/06/2021	<p>More evidence is needed to show proposals are stretching/leading edge compared to other similar organisations. As drafted these two sections of the draft ED2 business plan include some information and evidence which could help the CEG to see that the proposals represent ambitious service levels, compared to previous achievements and by reference to comparisons with other similar organisations. Notably the evidence on customer satisfaction - both the BMCS and ICS measures are helpful as they refer out to what is being achieved by other companies. It is also helpful to see how the proposed take up of the priority service register compares to Ofgem’s baseline expectations. However, more evidence is needed to prove that the proposals are stretching. The CEG challenges SPEN to show clearly within the business plan evidence that proves its proposals are ambitious and stretching by comparison to other similar organisations/operations.</p>	<p>We will add ambition in detail into the annexes and will reference where we can in the main narrative itself (e.g. we are showing ED1 support services vs ED2 projected, BMCS scores etc).</p>
C82	02/06/2021	<p>Visibility needed of linked proposals. Reviewing sub-sections on Customer Service and Vulnerability there is some duplication for example, proposed 10 sec response time applies across both sections, and some aspects of customer service package are clearly about vulnerable customers, so the vulnerability section does not include everything you are proposing for vulnerable customers. It is more unified in the ‘Full suite’ section (page 175 onwards) where commitments are organised in relation to the 3 business plan objectives. There are some aspects of performance for customers which don’t appear in these sections e.g. incidence of supply interruptions which sit in other sections. It is difficult to see whole picture of proposed services and performance for customers. We challenge SPEN to consider whether the way the BP main narrative is presently organised is the most effective at presenting the proposals in a clear and complete ‘joined up’ way for stakeholders to be able to see clearly what is being proposed that relates to their interest, in addition to the evidence for it and how it represents a change to current performance and activities.</p>	<p>We have changed the layout of this section to set out our approach to Customer Service, followed by our vulnerability, community energy, net zero fund and connections proposals.</p> <p>We have also made all our commitments more apparent in individual introductory sections and in a detailed annex to accompany the plan.</p>

C83	02/06/2021	<p>Long term vision for customer relationship management? - It would be helpful for the longer-term vision around TP4 (page 181) which relates to developing a customer registration function, potentially for all/any customers -not just those who are vulnerable, to be articulated more clearly. The proposals to provide three new service offers, which customers can register to receive seems, in effect, to be creating a customer account system where any customer can register preferences, needs and where you might be also be keeping information about 'segmentation' and lifestyle and potentially other issues going forward. That seems to be very powerful as a tool for managing insight, interactions and service and goes beyond having a register of specific requirements of vulnerable customers to an all singing/dancing customer account system, albeit without regular household billing. It raises lots of questions, however, about likely take up and use of these services, how services might be developed on the back of this investment, expected benefits and benefits realisation, governance of data – including data sharing and issues around potential 'cross selling' and, in due course, ethical issues around introducing customers to 'recommended' suppliers of various possible LCT and energy efficiency kit. This could be a potentially significant operational change and direction although only a few specific features of this are listed in the BP at this time. We challenge SPEN to outline its long term vision for the 'customer registration' service proposal – i.e. how far is the company seeking to take it in terms of scope, and what the building blocks to successfully achieving it are so that those are described in this BP.</p>	<p>This will be addressed within Customer Service annex. Long term outcomes are now clearly defined</p>
C84	02/06/2021	<p>Nexus partnership (vulnerability) and future CEG - It would be helpful to understand in a bit more detail how the Nexus partnership 'organisation', or board, is expected to operate and how it relates to future CEG body and proposals for independent assurance (of services). Nexus is presented as a collaboration method, but it is also involving contractors as partners who will be commissioned to deliver certain things and also expected to influence you and represent service users in some way. Will there be conflicts of interest in that? How will you or it deal with partners who fail to deliver what is required? How will it relate to future CEG type body which perhaps has more of a customer/stakeholder advocacy brief, and how will both relate to the board. In significantly increasing its internal 'scrutiny' landscape it will be helpful if early consideration is given to roles, governance and accountability type questions and how these bodies relate to each other, and how they add value. We challenge SPEN to outline in more detail the roles and responsibilities, including any intersections, between the proposed Nexus partnership and future CEG type organisation.</p>	<p>Agree, currently working on terms of reference for coalition of partners (formally known as Nexus). As per Subgroup, we will engage directly with CEG in Q3 this year.</p>

C85	02/06/2021	The CEG challenges SPEN to outline exactly how its proposed £30M Net-Zero Fund will be spent. For instance, it is referenced as one of SPEN's community energy commitments, yet it is not clear how much of this fund will be channelled into community energy. Will a specific proportion of the fund be set aside for community energy projects? If so, how much will be set aside and if no funds are being ring-fenced, why?	These key points have now been incorporated into our narrative.
C86	02/06/2021	The CEG welcomes the comprehensive definition SPEN has adopted for the long-term net-zero target, which includes all Scope 1, 2, and 3 emissions and embodied carbon. However, the CEG challenges SPEN to revise its Sustainable Business Strategy, and therefore the final draft of its business plan, consistent with the expectation of stakeholders that there should be a more ambitious long-term net-zero target date (earlier than 2040).	Sustainable Business Strategy will be updated with new carbon and waste targets and published before the end of the year. A further update will take place in 2022 to include wider sustainability aspects.
C87	02/06/2021	Building on its initial Environmental and Sustainability Reviews, the CEG challenges SPEN to demonstrate ambition and innovation by committing to ensuring that all the investment it undertakes will be consistent with its net-zero objectives.	In the environmental chapter we have stated that all Engineering Justification Papers and the Cost Benefit Analyses have had independent expert review by leading sustainability analysts. All our engineering investment activities consider innovation and sustainability where appropriate.
C88	02/06/2021	The CEG would like SPEN to demonstrate its strategy to meet different governmental targets for net-zero in Scotland and Wales, whilst also meeting the aspiration of Combined Authorities and Local Enterprise Partnerships	Our stakeholder engagement for DFES has focused heavily on engagements with informed and influential stakeholder groups such as policy makers who set the wider context within which the energy system evolves. This engagement included the Scottish and Welsh Government, BEIS, and local authorities. Our DFES informs our network planning process to ensure we provide the relevant network capacity to achieve regional targets. In RIIO-ED2, we are proposing to set up a team of Strategic Optimisers who will work directly with Local Authorities on the development and deployment of their Local Heat and Energy Efficiency Strategies (LHEES) and Local Area Energy Plans (LAEP). This will support stakeholders to identify opportunities for economical LCT connection and energy efficiency that will most benefit customers. We will continue to engage with stakeholders on an ongoing basis for the future to ensure we are fully informed of stakeholders changing needs and requirements.
C89	02/06/2021	The CEG challenges SPEN to set a more ambitious target for carbon neutrality in Scope 1 and 2 emissions, as compared to Iberdrola's Group policy of 2030.	Following stakeholder engagement, our Carbon Neutrality Target has been brought forward to 2023 - supported by stakeholders. Additional cost of £2.5m across whole ED2 period. 101,315 tCO2e will be offset.
C90	02/06/2021	The CEG challenges SPEN to demonstrate that its stakeholders consider commitments to divert 100% of waste (excluding compliance waste) from the landfill by 2030, and zero waste by 2050, to be sufficiently ambitious.	The 2050 target will be updated when the sustainable business strategy is refreshed, our new target will align with Net Zero target. Further stakeholder engagement will take place between draft and final plans.
C91	02/06/2021	The CEG challenges SPEN to understand its customers' expectations regarding improvement of the visual amenities of its assets (such as substations) in their communities and make commitments to meet those expectations.	We will liaise directly with the CEG subgroup on our proposed Visual Amenity policy between draft and final submission.

C92	02/06/2021	There appears to be a lack of clarity about the role of stakeholder engagement in the plan. To what extent is the research tied to the plan? For example, it appears that stakeholder demands are not reflected in the draft. The CEG would like SPEN to elaborate on its strength by covering topics such as fairness of the plan, rate of return, ethics and standards; all anchored to research and stakeholder demand.	Findings from our dedicated customer research and stakeholder engagement have been added to introductory pages of each section, providing a 'you said, we did' and signposts to full details in annexes (customer research, triangulation reports etc.)
C93	02/06/2021	There is currently no information within the plan on the headline, increase in bills changes to customer bill value; the CEG would like to challenge SPEN to provide the breakdown of forecast changes to expenditure and spend drivers and the split between OPEX and CAPEX between ED1 and ED2 and the impact this will have on a range of customer bills (including domestic and commercial, and with different levels of consumption). SPEN needs to consider whether its current approach will result in significant increases to bill value in ED3 and beyond.	The impact on customer bills is included in the next version of the draft business plan, however as we have previously briefed this is the final stage in our business plan development process, and was dependent on confirmation of final totex and financial assumptions such as CoE. We will prepare an indicative sensitivity analysis on the bill impact for a range of customer bills. Based on our current assumption, proposed investment levels and financing inputs we do not project a material increase in bills however there is an active Significant Code Review (SCR), led by Ofgem, which has the potential to impact customers' bills.
C94	02/06/2021	The CEG challenges SPEN to clarify its position regarding the cost of capital, versus the position of OFGEM.	SPEN are proposing a 6.21% cost of equity in comparison to the 4.65% proposed by Ofgem in its 11 March Sector methodology decision for finance. This SPEN proposal is consistent with the recent appeals to the CMA for the RIIO-2 final proposals to date. It is also in the middle of the range proposed in the independent expert economic report prepared Oxera on behalf of the ENA. The 6.21% is to be confirmed by the SPENH board when it meets later this month.
C95	02/06/2021	The CEG challenges SPEN to identify how its financial and expenditure proposals have been informed through stakeholder engagement and insight.	The financing chapter incorporates a page titled co-creating our RIIO-ED2 plans and sets out how our proposals are and will continue to be consulted on with stakeholders. Between now and the plans submission we plan additional activity. An extract from this section is below: Over the period to December 2021, when our ED-2 plan is to be submitted, we will be using various qualitative and quantitative workshops, interviews and online tools to establish the 'willingness-to-pay' of GB bill payers for delivering in these areas. Also, we plan to conduct a consumer and business acceptability survey to outline each aspect of our plan and the associated bill impact.
C96	02/06/2021	The CEG suggests that SPEN should present its best practices and lessons learned from RIIO ED1 on customer engagement, and how those experiences will shape the ED2 strategy.	Narrative has been strengthened and examples now included in future engagement section in Chapter 6C.

C97	02/06/2021	<p>Given the ambitious targets for net zero ready network, CEG would like to know how SPEN will work to ensure that its definition of 'stakeholders' remains relevant and materially significant in the context of changing network businesses?</p> <p>We agree that SPEN have provided detail of approach to stakeholder landscape and mapping in the narrative section, as part of the engagement strategy step. p.197 does include some text, but does not offer a clear sense of how SPEN will map an evolving stakeholder landscape. The annex does not offer significantly more detail. Could this be expanded in an annex? The stakeholder landscape could change dramatically as systems become smarter, electric and less centralised.</p>	<p>We have provided detail of our approach to this in our narrative section, as part of the engagement strategy step of stakeholder mapping.</p>
C98	02/06/2021	<p>SROI – the CEG challenges SPEN in relation to the changing network business, does SPEN need to develop strategy for moving from 'stand-alone' social value initiatives towards integration of social value across the business?</p> <p>We have a question about wording here: the intention of this challenge was to ask why social return is apparently a subordinate/ring-fenced business item, rather than central/essential to the business of any utility provider. Minimally, SPEN's response could be reworded to make explicit how SROI has been integrated more widely into the ED2 Plan: what difference has it made to commitments? Ideally we recommend a stand-alone annex with a clear statement of the current SROI methodology and a worked example. (SIA Partners provided an example to the CEG but we cannot at present assess whether SROI might be a useful tool for measuring SPEN's progress against a Just Transition, as stated in the Log. For future applications of SROI, we also challenge SPEN to review recent developments in creating and measuring social value, such as exemplified in the National Social Value Measurement Framework https://www.nationalsocialvaluetaskforce.org/ and in the use of socio-economic metrics to prioritise infrastructure spending for buildings such as https://www.gov.scot/publications/guidance-strategy-level-socio-economic-assessments-draft-methodology/pages/2/</p>	<p>As part of our narrative on supporting tools and processes of our Stakeholder Engagement Strategy, we have highlighted wider use of SROI in ED2 and how this supports a just transition as part of our future Sustainable Business Strategy</p>

C99	02/06/2021	<p>The draft Plan for future stakeholder engagement focused mainly on process rather than substance, including metrics such as AccountAbility Standards. CEG members had challenged SPEN to provide a clearer, sign-posted structure with less PR content and increased explanation of what was learned from ED1 engagement, which has changed SPEN's work/investments and an honest appraisal of what was good/bad about past stakeholder engagement practice, which has informed ED2 Engagement Plans.</p> <p>Learning from ED1 engagement. The table now included in annex 8.1 is valuable. But in the final column, rather than ticks to say that lessons have been embedded, this would ideally note what lessons were embedded and why. We wish to keep this open with a request for more information here.</p>	<p>Our narrative has now been strengthened to incorporate lessons learned from ED1 and how these have influenced our approach for ED2. Specific examples of engagement and outputs have also been added to support our processes as add substance.</p>
C100	02/06/2021	<p>The CEG challenges SPEN to consider whether its proposals to address capacity and safety issues with looped services could be more ambitious, given the risks highlighted.</p>	<p>We are confident our approach will adequately manage the risk associated with service positions and cut-outs for two reasons.</p> <ol style="list-style-type: none"> 1. 43,400 is for our baseline scenario. Providing Ofgem enable uncertainty mechanisms, we will be able to deliver up to 70,000 interventions. 2. Our looped service strategy is only one part of our broader strategy to target cut-outs. We will also be targeting under-sized and unsafe cut-outs through our condition-driven intervention plan, Category A and B smart meter interventions, and our industry leading rising and lateral main interventions. <p>In total, we will be targeting up to 70,000 looped services and quarter of a million cut-outs in RIIO-ED2.</p>
C101	02/06/2021	<p>The CEG acknowledges that SPEN is often unaware of future changes to customer demand on its network. The CEG challenges SPEN to consider targets around ensuring that customers are aware of the need to engage or notify SPEN when planning to purchase technology or equipment that will result in additional material demand.</p>	<p>We would propose further discussion on this as part of Future System Strategy sub-group between July and December. This needs to be at an industry level. We will continue to engage with BEIS and the ENA, alongside developing technology (such as us identify project) to assist with the identification of LCTs.</p>
C102	02/06/2021	<p>The CEG challenges SPEN to set its proposal for replacing 43,000 looped service cables during RIIO-ED2 in the context of a long term strategy for managing the journey to net zero for all 500,000 of its customers with looped services. Ideally, this would include providing clarity on whether and when all looped services will ultimately need to be replaced; whether and how customers whose cables are not replaced during ED2 will be able to access low carbon technology; and what the just transition implications of the proposed policy are.</p>	<p>We will meet Ofgem DSO baseline expectations regarding our DSO activities 2.1, 2.2 and 3.1. We will also be including our Data Strategy within the business plan as an annex.</p>

C103	02/06/2021	The CEG challenges SPEN to complement its vision for open data access with SMART commitments setting out quantifiable metrics and targets for harnessing open data access to maximize participation in flexibility and energy efficiency services	Our long-term strategy will be included in the LV service annex and will be signposted within the relevant narrative.
C104	02/06/2021	The CEG challenges SPEN to provide further detail on its strategy for the evolution of DSO services within its planned CMZ zones; including how its neutral market facilitator role will be harnessed to enable third party trading, and how it plans to integrate demand flexibility services and ANM zones within CMZs. The CEG further challenges SPEN to link this narrative to SMART deliverables in section 6 of its report.	<p>Within the DSO Strategy Annex (specifically section 5.3.2), we discuss the evolution of the CMZ and its functionality, with respect to DPCR 5 to ED1 to our ED2 proposals. We are in the process of updating our DSO Narrative and Strategy Annex for final business plan, this will incorporate further detail following feedback which we have summarised below:</p> <p>CMZs – what they are and why we need them. We operate the network in real-time to keep power flows within safe network limits. This involves our control team monitoring the network 24/7 and making operational interventions where needed.</p> <p>Network operation is becoming considerably more complex:</p> <ul style="list-style-type: none"> • Power flows are becoming more dynamic, it's harder to predict where and when they will exceed network limits and severity of the resulting constraint. • Greater whole system interactivity, as ESO will increasingly rely on services from distribution-connected providers. • Our control team's toolset is becoming bigger and more complex – some tools can only be used at certain times of day or year (e.g. voltage control), or certain durations (e.g. flexibility services), or have knock-on effects (e.g. reconfiguration). An increasing number of customers are involved (flexible connections & flexibility services) and tools have varying costs. <p>In short, there are an increasing number of scenarios where our control team need to intervene, often at short notice, a larger and more complex toolbox of solutions, and an increasing number of parties impacted by our intervention decisions – the complexity of operating the distribution network is significantly increasing.</p> <p>If we are to continue to save customers time and money by getting most of existing network capacity and offering flexible connection arrangements, rather than always reinforcing the network, we need to help our control team.</p> <p>To do this, we will deploy a control architecture to co-ordinate and dispatch operational solutions. Using network models, live data from network monitors, and automated analysis, it can make better decisions quicker than humans can.</p> <p>Deploy new control architecture in areas of the network where it's needed most, Constraint Management Zones (CMZs).</p> <p>The concept of automated control is not new, we delivered our first ANM scheme in DPCR-5. However, these RIIO-ED2 CMZ schemes are more sophisticated and have far greater functionality than what has gone before.</p> <p>Our Flexibility Services approach in RIIO-ED2 - Flexibility service use in RIIO-ED2 is not confined to areas in which CMZ functionality is deployed. We will tender for flexibility services, and contract where they are the best solution to a constraint. Flexibility services may be from generation, demand, or storage customers, either directly or via an aggregator.</p> <p>Flexibility services will be scheduled and dispatched through our Flexibility Platform (we use Flexible Power at present in ED1), our flexibility service scheduling, dispatch, and settlement platform, which uses an API to send the dispatch signals.</p>

			The CMZs and Flexibility Platform will coordinate with each other, to avoid situations where they might dispatch conflicting actions (e.g. the Flexibility Platform instructing a generation increase from within a CMZ, which the CMZ then counters by instructing another ANM managed generator to reduce output).
C105	15/12/2020	Our general view on questions included in surveys is that some of the language used would be inaccessible to some sections of society without explanation and that the high level of 'Don't Know' or no answer responses in some workstreams is evidence of this. We challenge SPEN to spell out all acronyms in questions and simplify language as far as possible, if other assistance is not provided to respondents.	We consider that most stakeholders understood the content presented in the surveys and, as a result, provided informed and valuable feedback. This is evidenced by the finding that 86% of stakeholders agreed that the surveys covered topics relevant to their area of work and/or expertise. Among the 14% of stakeholders who did not agree with this statement, 22 were 'neutral', and only one disagreed. We also note that most of the 'no answer' responses are due to stakeholders providing verbal feedback during the workshop but not answering the live multiple-choice questions gathered via Mentimeter.
C106	15/12/2020	We challenge SPEN to seek advice and learnings from other DNOs and comparative sectors to gather information on best practice to inform its plans	<p>We share learnings and best practice with other DNOs and Industry companies on an ongoing basis through established organisations and forums such as the National Skills Academy for Power (NSAP), Skills Development Scotland (SDS), ENA Open Networks Workstream.</p> <p>We have been working collaboratively through the EU Skills Diversity & Inclusion subgroup with Scottish and Southern Electricity and UK Power Networks to share our experiences and innovation in this field.</p> <p>We have also undertaken benchmarking with the following companies on trainee and apprentice-ships: BAE, ABB, SIEMENS, South Lanarkshire Council, Northern Ireland Electricity, Scottish & Southern Electricity, National Grid</p> <p>If there are any other specific examples of best practice the Customer Engagement Group are aware of, we are open to approaching the company or organization with a view to working collaboratively.</p>
C107	15/12/2020	<p>In the CEG's pre-Phase 2 review several additional categories of stakeholders and named examples of organisations and bodies to work with were flagged by the CEG as being candidates for inclusion. This was accepted as a comment by SPEN, however given the disappointing outcomes from phase 2 this should now be escalated to a challenge. The proposed draft wording for this challenge is as follows:</p> <p>Challenge "The CEG expect SPEN to both broaden and deepen the range of stakeholders who are engaged with through the Finance Workstream. This needs to include representation and voices from non-traditional stakeholders who may provide alternative perspectives and views counter to those captured to date".</p>	<p>We took on board CEG feedback after Phase 2 that our engagement was too siloed into various workstreams and should be more joined up across the plan. Rather than engage on finance related topics separately in a finance workstream silo, we conducted more joined up engagement across Phase 3 and Phase 4, e.g. conducting larger stakeholder workshops and focus groups encompassing the whole business plan. In Phase 4 we also conducted an open consultation to allow any stakeholders to comment on any aspect of the plan they wished to. When reached out to and getting the time of "non-traditional stakeholders" it made sense to engage with them on the whole business plan, rather than seek to engage them specifically on one aspect of the plan individually.</p> <p>As part of our Phase 3 and Phase 4 engagement we reached out to, and engaged with, many stakeholders who would be considered non-traditional from the finance perspective including charities, community groups and consumer representatives. In our whole plan bilaterals for example we spoke to Citizens Advice and Citizens Advice Scotland – about issues such as the bill impact for customers, socialisation of cost to customers and ensuring a just transition.</p>

C108	15/12/2020	<p>In Phase 3 we have a less detailed list of who you will be engaging with next. Phase 3 requires further development in parts of the two licence areas that have thus far not engaged. We would question whether the projected list includes sufficient organisations in-volved with local business and commerce including Local Enterprise Partnerships and the British Chambers of Commerce.</p> <p>We challenge SPEN to engage with local businesses and commerce in the two licence areas to obtain a more balanced view of needs and preferences.</p>	<p>We will seek to include LEPs and Chambers of Commerce in Phase 3 engagement. Based on this challenge we expanded our invitations 75 individuals from 21 organisations including, Wales Co-operative Centre, Sustainable Procurement Limited and Liverpool City Region Local Enterprise Partnership. a full list of stakeholders invited to events and those who attended can be provided.</p>
C109	15/12/2020	<p>This outcome may be a consequence of a combination of factors – who was approached, what they were asked and how they were given an opportunity to engage.</p> <p>It may also be that the list of stakeholders approached was not sufficiently targeted and that SPEN’s approach of quantity, a long mailing list, with often multiple contacts at the same organisation, was casting the net too widely without a sufficiently strategic or personalised focus designed to ensure sufficient quality or depth of response. For example, several organisations were represented on the mailing list by multiple contacts – suggesting there is a wide and deep relationship with SPEN. It is puzzling then that an organisation where SPEN identified it had 9 stakeholders whose views it was seeking (Food Train) did not respond to any of the surveys or take part in any of the workshops. In addition, there is evident patchiness in responses. For example, on p36 of the pack it reports that only 2 stakeholders from the SPM area responded in any way to the engagement on services for vulnerable customers – thus SPM stakeholders only accounted for 2 of the 29 stakeholder responses to these issues. The CEG has challenged SPEN to identify the absolutely key/most important or core stakeholders that it feels it must have a response from or hear from in order to develop its business plan. It is not evident from the stakeholder mailing list for engagement on Customer Service who those key/core stakeholders are so that challenge remains.</p>	<p>The Food Train did provide a response to the Vulnerability today and tomorrow survey. This is highlighted on p53 of the Customer Service Engagement Pack V7.</p> <p>For the vulnerability survey, whilst only 2 SPM specific stakeholders completed the survey, a further 7 stakeholders who have representation in both SPD and SPM also completed this.</p> <p>In terms of targeting our key stakeholders, from a vulnerability perspective we consider Citizens Advice, National Energy Action and the Scottish Energy Consumers Association to be the priority stakeholders, and have ensured they were represented at our events or in subsequent 1 to 1 interviews.</p>
C110	15/12/2020	<p>It does not seem that SPEN yet has sufficient stakeholder evidence in relation to the matters explored in Phase 2 and the CEG should challenge them on whether and how their stakeholder evidence base on the phase 2 question areas will be improved in Phase 3 and subsequent engagement on the business plan.</p> <p>We do not think that SPEN has obtained a wide enough spread of stakeholders and sufficient informed responses in Phase 1 and 2 and we challenge SPEN to improve upon this evidence base in Phase 3.</p>	<p>We believe that we have obtained broad feedback from stakeholders. However, we have also identified stakeholder groups who we feel were underrepresented in Phase 2 and who will be a priority for engagement in Phase 3.</p>

C111	15/12/2020	<p>In our initial challenges on plans for Phase 2 engagement with stakeholders we said that SPEN should have a target figure for responses it wanted to achieve, including subsidiary ‘targets’ for key responses it required from the most significant stakeholders. That challenge still stands.</p>	<p>In building our stakeholder engagement strategy, we considered four main measures of quality and effectiveness:</p> <ul style="list-style-type: none"> • Quality of evidence - Evidence should be scored on the principles set out in HM Treasury’s Magenta Book (i.e. contributory, methodologically sound, rigorously gathered and credibly interpreted). • Relevant – A wide range of informed and relevant stakeholders should be engaged. Customer Engagement should provide a comprehensive view of preferences and needs of each segment of the customer base. • Geographically representative – Where relevant, stakeholders from all areas of SPEN’s network should be engaged on each topic. • Traceability – Evidence of the impact that stakeholder feedback has on the final proposals proposed by SPEN. <p>The CEG did receive the numbers of completed questionnaires by category and attendance figures for workshops by category in Phase 2 and this will be provided again for Phase 3 engagement.</p> <p>We do not agree that setting target numbers is useful. As set out in our mapping process, some stakeholders, e.g. Governments or influential consumer groups, have a higher priority than others. We could engage many low priority stakeholders, which would make our numbers look impressive, but this would not improve the quality of the business plan. However, we will take this feedback on board and look to set out more clearly how the number of stakeholders reached in Phase 3 engagement aligns to our success criteria.</p> <p>Ultimately, we believe in meaningful engagement that delivers, first and foremost, high-quality, informed, and actionable feedback from knowledgeable stakeholders, and prioritise quality feedback over quantity feedback. We do however appreciate that securing a breadth of stakeholder input from various organisations and sectors is important in achieving a rounded response to our plans.</p>
C112	15/12/2020	<p>Although SPEN’s stated methodology for stakeholder engagement includes ‘tailoring’ the approach taken for both its purpose and the stakeholders in question it is not clear from the Pack how this ‘tailoring’ or targeting was achieved. For example if all 455 individuals on the Phase 2 stakeholder list were sent all three surveys to complete that does not suggest any tailoring. It appears that a few respondents did complete more than one survey form which suggests all stakeholders were sent all three survey forms. SPEN’s report on Phase 2 would be improved with clarity on who was sent what, when, what the completion timescale was and what the invitation/correspondence looked like. The CEG challenges SPEN to clarify who was sent what and when, what the completion timescale was and what the invitation/correspondence looked like.</p>	<p>Some of this is already covered in response to the 1st comment.</p> <p>Not all surveys were sent to all stakeholders. Each survey was sent to a specific list of stakeholders, a small number of which were present in more than 1 survey / workshop.</p> <p>For the surveys, each stakeholder received a personalised email, and were initially given 2 weeks to complete (example provided)</p> <p>Surveys were targeted at specific stakeholders, not sent to all. Some key stakeholders (e.g. Citizens Advice, National Energy Action) were included in more than 1 survey / workshop due to their strategic importance.</p> <p>A full list of every individual stakeholder who was sent an invite to complete the survey is available to review if required.</p>

C113	15/12/2020	<p>The CEG has a number of points to make:</p> <p>A. SPEN should make it clear which of the proposed services are:</p> <ul style="list-style-type: none"> • existing services required by obligations • existing services SPEN operates without obligation • proposed new services <p>B. For existing services SPEN should include in the spreadsheet the current performance levels achieved and make it clear whether the proposed performance level for the future represents an improvement</p> <p>C. For proposed new services SPEN should set out what the performance level will be for any proposed new services</p> <p>D. SPEN should indicate how its current and any proposed future performance level for the services in this spreadsheet compare to other DNOs in GB or if appropriate inter-nationally</p> <p>E. SPEN should make it clear if any of the proposed services are ones which customers using that service will be required to pay for as premium service or whether the costs will be spread across all customers and what the cost implications are likely to be (and this aspect should be tested in Phase 3)</p> <p>F. SPEN should indicate which, if any, of its proposed services (SLAs) it considers are innovative.</p> <p>G. As we have observed in our Response to the Updated Stakeholder Engagement plan SPEN secured very limited numbers of stakeholders to engage in some topic areas in both the self-selected online survey and the online workshops. For example in the work in the engagement for Vulnerability it is questionable how far the stakeholder responses reflected in the spreadsheet are drawn from a sufficient evidence base.</p>	<p>A. We agree these will be detailed out for the CEG and in Phase 3 we will show customer what they receive now, what we are proposing and what the difference in cost will be.</p> <p>B. Agreed in line with A</p> <p>C. Agreed in line with A</p> <p>D. We can potentially provide this where it is available.</p> <p>E. Yes, we will do this</p> <p>F. Yes, we will do this and are already in the process of highlighting these as they may be potential areas for CVP in the final Business Plan.</p> <p>G. We have added an additional level of detail and evidence to our triangulation records to make this clearer. See challenge C145.</p>
C114	15/12/2020	<p>We challenge SPEN to state the overarching strategy informing the design of the re-search and its analysis.</p>	<p>The final strategy will be formed once we have finalised the commitments and engaged on them in Phase 3. You will be able to see the outline of the strategy when you receive the final list of commitments ahead of Phase 3 commencing – we are almost at the point of providing this (next week). You have seen our working document so far, but this is currently being worked into a consolidated list of commitments which once engaged on with form the final strategy and business plan.</p>
C115	15/12/2020	<p>We challenge SPEN to add Total Numbers of respondents to each question.</p>	<p>The total number of responses per question is contained in the detailed spreadsheets sent to Jan and Matt Hannon. We offered this to all CEG members but only sent it to Matt and Jan given they are aligned to the Customer Engagement (we have not had a request from any other member – nor are we suggesting that there should be, but the offer is there is wanted. We have also summarised the number of respondents across survey types and customer groups in the CEG pack as requested.</p>

C116	15/12/2020	Except for a few they seem to be about customer service rather than customer aspiration. We would prefer to have seen questions that started by establishing the customers' priorities for their own and their families' futures and then lead into issues relevant to SPEN.	SPEN were keen to ensure customers fully understood the role of the DNO and how this may change in future to allow the gathering of useful and relevant feedback during the initial stages of engagement. Maintaining a safe and resilient network is a fundamental requirement for DNOs and the approach adopted seeks to align our programmes with customer expectations. Following CEG feedback, we have selected areas where our stakeholder's ambitious priorities were clear e.g. network performance and will further engage on these areas via our commitments.
C117	15/12/2020	We would suggest that a good way forward is for SPEN to understand what customers generally think is important (net zero, low income, resilience, safe-ty, providing good customer service, community benefit etc) and then working out some of the detail of how that is achieved themselves (testing it in qualitative research if necessary).	Through application of customer research findings to establish our customers priorities and through detailed engagement with both customers and stakeholders, SPEN have gathered feedback on key areas of focus in ED2 and later. SPEN's ambition to achieve this will be tested in future engagement on commitments to ensure customer and stakeholder views remain at the core of the Business Plan.
C118	15/12/2020	In drawing conclusions, a broad range of questions are not really comparing like with like, so we doubt how appropriate it is to say, 'customers priorities are....'.	This is helpful feedback and we will reframe our statements to more clearly illustrate the wide range of questions and feedback received, though we do note that despite questions being broad they share common themes of network performance, risk, reliability, resilience and safety. Often these themes emerge during group discussion and feedback as key stakeholder priorities. The SPEN stakeholder team have further identified customer priorities through customer survey responses and open discussion at engagement events, allowing specific topics to be ranked and additional broad feedback to be incorporated into conclusions. This allows SPEN to prioritise key strategies based on quantifiable views whilst ensuring all opinions are represented.
C119	15/12/2020	Again, it is odd perhaps that the 'Just Transition' didn't explicitly feature in the customer questions. It is important to understand this point in particular as well as just 'support for vulnerable customers. It could be just as salient for some businesses as domestic customers.	Through collaboration with the Sustainability team, useful feedback was captured on customer views on the Just Transition. This feedback is relevant to both the Engineering and Sustainability plans and allows SPEN to align priorities with those for a range of customers. The focus of the Just Transition discussions was at separate sustainability events, at which the engineering team also presented on key network sustainability areas.
C120	15/12/2020	Right people - We appreciate why the stakeholder mapping exercise does not place consumer groups, community energy groups, heat technologies or renewable developers/generators in the high priority engagement quadrant (P13) and that government will set the targets that determine the objectives for future scenarios. However we also consider that it is essential to engage and understand consumers and key industry groups as to how change can be achieved. Will SPEN consider broadening the scope of stakeholders consulted through bilaterals in the next iteration of DFES to address this, or does that fit better in another workstream?	The DFES is an on-going annual process and there will be further opportunities to influence forecasts ahead of final submission of our ED2 plans. We will consider any additional stakeholders prior to engagement on our 2021 DFES. Any additional feedback received ahead of the next iteration of our DFES will be reviewed and considered either for inclusion in the next DFES, or to help us consider the most likely uptake volumes within the DFES range when undertaking our ED2 analysis. To date our engagement was focused on deeper engagements to obtain quality feedback from a targeted set of stakeholders. This is due to the subject being of a high technical nature requiring knowledgeable stakeholder input. The stakeholder groups were mapped by their interest in the topics and power to influence the forecasts to allow us to target and prioritise the engagement.

C121	15/12/2020	Right people - 4. (P22) It is not clear whether Appendix 1 (Full Stakeholder List) is of those SPEN approached, or whether they actually engaged. If the latter, it would also be use-ful to add a column identifying the nature of the engagement or whether no response was received. Later in the document there is a list (P38) of stakeholder organisations' input. It may be therefore that the full list is simply of those approached, but the CEG would appreciate clarity on this point.	P22, Appendix1, were given the opportunity to feed into the DFES process. P38 outlines stakeholders where we had more detailed engagements.
C122	15/12/2020	Right people - The CEG identified some stakeholders we are surprised were not included in the contact list and note that these were to be addressed in follow up activity: a. (P29) No consumer groups identified in Scotland e.g. CAS, Home Energy Scotland etc. b. (P30) the Glasgow Housing Association – the largest in Scotland with over 40,000 homes: https://www.gha.org.uk/about-us c. (P30) The relevant Scottish Parliament Committee chairs d. Businesses in the storage, solar, heat pumps sectors e. Some major electricity users – for example there are no water companies listed	Thank you for your suggestions. We will consider additional stakeholders prior to engagement on our 2021 DFES. We engaged with some of these as part of the FSS ENZ workshops and associated surveys, for example, Scottish Water. We have bi-laterally engaged with Citizen's Advice, Community Energy Scotland, Energy Savings Trust, and Regen (p38). For storage we engaged with RES and Tesla. We reached out to solar trade association. Our engagements with heat pump manufacturers have mostly focused on the technical impacts of these technologies.
C123	15/12/2020	Right questions - (P5) We appreciate that the four scenarios are based on the National Grid scenarios and that this has guided SPEN's DFES engagement during Phases 1 and 2. However it now seems clear that the Consumer Evolution and Steady Progression scenarios are outdated as they are not capable of meeting the targets expected by multiple governments. We therefore question whether there is any point in continuing to ask stakeholders or customers about these scenarios during the next phase of DFES. Focusing on the real options – Community Renewables and Two Degrees - would be more honest with those engaged and focus discussion on real choices. One further factor to be considered here is whether even these two scenarios are sufficiently ambitious given recent policy changes.	We have compared against the CCC 6th carbon budget to ensure that government ambition is sufficiently captured within our scenario range. We have also engaged with BEIS. Our DFES incremental update in Dec 2020 migrated to the ESO2020 scenario framework. The overall range is similar, but three out of the four scenarios achieve Net Zero. The DFES provides a range of future outcomes, our best view provides the most likely within that range.
C124	15/12/2020	Right questions - We note the point that consumer behaviours are embedded in the GB FES (P54). Will SPEN be seeking to influence the pace of consumer behaviour change, or facilitating it? In either case it would seem useful to understand consumer behaviour on a regional basis, as it is conceivable that regional factors such as weather will influence behaviour. Again, this is something that might usefully be considered during the next iteration of DFES.	The DFES is an on-going annual process. We will continue seek stakeholder views in our next iteration of engagements.
C125	15/12/2020	Right way - We accept that it is too early to understand any long-term cultural changes as a result of COVID-19 (P48). Our point is that this needs to be incorporated into SPEN's ongoing DFES and consumer research activity.	The DFES is an on-going annual process. We will continue to seek stakeholder views in our next iteration of engagements.

C126	15/12/2020	Right people - It is sometimes unclear if the right people within individual stakeholder organisations are always receiving the invite: for example, the job titles of Local Authority contacts given is quite variable ranging from chief executive downwards. We would expect each LA to have an appointed Energy or sustainability department and appropriate engagement with them would be better.	<p>As a company building critical national infrastructure, we have long standing relationships with Local Authorities across both licence areas, and our local delivery teams are in regular dialogue with multiple Council employees at a level. As such, the levels with which we engage local authorities differ, and there is no one size approach. For example, at certain LA's we have good working relationships with chief executives, while on others we are more likely to engage with specific personnel in departments that are related to the topic we are inviting feedback on.</p> <p>As with all other stakeholder groups, we are continually refining our stakeholder data and we evaluate at each stage the level of seniority it is appropriate to engage with. We are currently undertaking desk research to help us refine our master stakeholder list, and we also seek to learn lessons from previous rounds of engagement with regards to uptake and where this can be improved in future.</p>
C127	15/12/2020	Right people - The phase 3 target stakeholder groups (p. 74 of stakeholder pack) does not explicitly list generators, despite the potential impact of DSO measures on generation connections availability, and the role some generators may play in flexibility service provision	This was correctly highlighted that the stakeholder list did not explicitly list generators. We addressed this and pulled out our generator stakeholders. We went on to engage with 84 generation stakeholders in Phase 3.
C128	15/12/2020	Right people - The Gap Analysis (p58 of stakeholder pack) is a very useful tool, but it appears to double count in the scenario where one individual both attended a webinar and filled in a questionnaire; is this recorded as two responses from that individual's sector?	Yes, this is recorded as two responses received from that sector in the stakeholder engagement pack
C129	15/12/2020	Right questions - The summary of feedback provided in the Synthesis report does not include a summary of the action points SPEN propose in response to feedback received. This should be a key element in the framing of stage 3 questions, so we would be eager to see this information as soon as available.	The list of commitments that has been shared with the Group is our interpretation of the stakeholder feedback so far, translated into proposed actions that we are taking forward as part of phase 3 engagement, and testing whether these actions address stakeholders needs and preferences, and if they are willing to pay for them
C130	15/12/2020	Right questions - Relevant feedback passed on from other stage 2 consultation workstreams is a key part of the picture not currently addressed in the synthesis report. It is important that this is captured and incorporated before decisions are made on service levels and next steps.	The spreadsheet containing the list of commitments is broken down by workstream and articulates where commitments are cross-cutting across workstream and where commitments have derived from engagement undertaken by other workstreams
C131	15/12/2020	Right questions - Based on the summary of stakeholder views provided, the following areas appear to be of particular concern, and may need to be addressed during stage 3: <ul style="list-style-type: none"> o Domestic flexibility – evidence of high levels of suspicion from householders to participation in flexibility services o SPEN's view of the challenges DSO must address – one third of stakeholders suggested additional considerations o Use of new low carbon technology – domestic customers currently expect to use new tech immediately, at full capacity. However SPEN has identified systemic network constraint issues that make this very challenging for EV and heat pump uptake 	We have already captured this feedback from the Synthesis report with an increased focus on education on a number of areas. The challenges are also extensions of the high-level challenges that we discussed and are very specific use cases for areas that are already addressed. Agreed on customer requirements but this is also a system design challenge not just DSO.

C132	15/12/2020	Right way - p.75 of the stakeholder pack mentions surveys and bilateral meetings – more in-formation on the number and content of these is required.	We will provide a breakdown of engagement as part of the next iteration of the stakeholder engagement packs
C133	15/12/2020	Right way - Workshops are not mentioned on p.75 – does that mean none are planned? If SPEN have significant new commitments to propose in the area of DSO, then the lack of a workshop session to test these may be a concern	Combined FFS workshop - stakeholder team to respond.
C134	15/12/2020	Alongside the information provided in the gap analysis on attendance for each sec-tor, we would like information on the number of invitations issued to each stake-holder sector. This will help judge the extent of overburdening and identify areas where further mitigating action may need to be taken	Invites were sent to all stakeholders included in the list
C135	15/12/2020	We would also like information on the number of bilateral meetings held, which or-ganisations were involved, and what further bilaterals are planned	We will provide a breakdown of engagement as part of the next iteration of the stakeholder engagement packs
C136	15/12/2020	As set out in a challenge put forward by the CEG at the previous meeting, we be-lieve that the best approach may be for SPEN to combine engagement events across DSO, FSS, FES and major connections	Following previous CEG feedback, for our phase 3 stakeholder workshops, we have taken the decision to group these under the three pillars of our RIIO-ED2 strategy, which were in turn shaped by stakeholder prioritisation during previous rounds of engagement. The overarching themes of these three stakeholder workshops are supporting our communities and customers, engineering net zero, and delivering the future sustainably. We have grouped project workstreams under these themes as appropriate, ensuring we have a diverse mix of stakeholders at each event where subjects overlap

C137	15/12/2020	<p>Other sectors now have experience of stakeholder engagement and we would anticipate that a great deal of experience and knowledge could be gathered by SPEN from, for example, companies in the water sector, some of whom received high ratings from Ofwat, the water regulator, for their engagement work.</p> <p>We would encourage SPEN to look to any leading edge/best practice organisations – how they have been engaging with different interest groups, for what purposes and what have they learned from the experiences? What worked well/what was less useful?</p> <p>Challenge We challenge SPEN to seek advice and learnings from other sectors and to gather information on industry best practice.</p>	<p>As part of our Phase 3 engagement, we are conducting a series of bilaterals with a number of GDNs - in particular, those who received a higher rating for stakeholder engagement within GD2 business plans. Cadent, SGN, Northern Gas Networks and Wales and West Utilities have been approached to share best practice in stakeholder engagement and key learnings from the RIIO-GD2 engagement process. We will incorporate learnings from this engagement within our strategy and commitments, informing our approach for ED2.</p> <p>Throughout the T2 process, we conducted thorough reviews of Anglian Water's PR19 business plan, specifically looking at their approach to engagement and areas of best practice and we continue to do this through ED2 planning to help best inform our approach in adopting leading edge practices.</p> <p>As part of our established DNO best practice working group for stakeholder engagement, we have taken part in a facilitated workshop with Scottish Water, SSEN, SGN, SHET, NEA and ENWL to share best engagement practice with a focus on online engagement in light of covid-19. We have explored successful engagement methods and approaches adopted as well as approaches which have been less successful. We are continuing these conversations and have agreed to support further discussions in the coming months. Our AccountAbility audit is another excellent source of insight we use to adopt areas of best practice in stakeholder engagement. Through our rigorous healthcheck audit, AccountAbility highlight key areas of best practice from organisations both within and outside our industry and provide supporting materials in which we review and incorporate in to our strategy and process improvements.</p>
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C138	30/06/2021	<p>A valid first step towards embedding a Just Transition approach in the Business Plan could be for SPEN to develop a clear understanding of the likely distributional impact of SPENs proposed expenditure, creating a clear framework through which SPEN would then be able to evidence that its proposals represent the fairest approach, when viewed from the perspective of seeking a Just Transition and taking into account the matters that it can control and influence. This is of particular importance given the significant and unprecedented levels of remote access and control becoming available to the DNO throughout their networks and services.</p> <p>We therefore challenge SPEN to outline:</p> <p>(a) Whether it will track and report on instances where spending will (intentionally or not) provide disproportionate benefit to particular income deciles</p> <p>(b) Whether it will include in its business plan a calculation of the net transfer of wealth represented by its proposals</p> <p>(c) Whether it will continue to publish data on the distributional impact of regulated expenditure throughout ED2</p> <p>(d) What options, if any, it has considered and rejected due to their disproportionate impact on particular income deciles</p>	<p>We have developed a draft approach to Just Transition, which features in our business plan. This includes a commitment to "Optimise Net Zero investment for the right long-term solution".</p> <p>We set the right level of investment based on robust cost benefit analysis and engineering justification. We have set out to ensure every activity within our forecast programme of works is well-justified, underpinned by robust engineering assessment and optioneering, and will deliver the needs of our customers in the most economic and efficient manner. We have therefore elected to complete Engineering Justification Papers (EJPs) for every element of our Load-related and Non-load related expenditure activities. This is over and above the mandatory requirements to submit EJPs only where certain criteria threshold are met, as per business plan guidance. We believe this approach provides an additional and superior level of confidence in the appropriateness and efficiency of the types and levels of activity we are proposing within our RIIO-ED2 plans. Our EJPs and CBAs are subject to extensive internal governance, external expert review and external assurance.</p> <p>The cost of our investment is aggregated up to a licence level and recovery of most of the cost of our investment is over a 45 year period.</p> <p>Tariff setting and determination of cost distribution are not within the remit of a Distribution Network Operator. The price control methodology is determined by the regulator. SPEN does not have any opportunity to propose an alternative distribution of cost.</p> <p>Further engagement on our Just Transition Strategy will be carried out in Phase 4 by way of consultation, workshop and bilaterals.</p>
C139	29/06/2021	<p>I'm emailing to flag a general concern that significant elements of the DSO section of the business plan currently lack sufficient quantifiable metrics and timescales, as per Ofgem's requirement for deliverables to be 'specific, time-bound and relevant'.</p> <p>The headline proposals on the volume of monitoring equipment, CMZs, and looped cables to be installed/replaced are obviously important. However, as per our previous challenge on SMART deliverables, many of the current DSO commitments lack sufficient detail to validate the ambition level that they represent. The target for 80% of HV new connections to be offered a flexible option is a good example of the sort of clear metric I'm looking for; but, for example, I had hoped for similarly specific targets and metrics around data sharing, flexibility procurement and reporting, and the timescale for evolution of CMZs during ED2. I understand that more detail might emerge in the annexes when published, but we may not see these until shortly before we have to submit our report to the Challenge group so I wanted to give you advance warning of this concern.</p>	<p>The DSO section of the BP is a summary of our activities – like other ED2 topics, the 200-page limit set by Ofgem means we're constrained on how much information/detail we can present within the main BP itself. The information you've outlined is contained within the annexes including: Annex 4A.3 DSO Strategy (attached) and Annex 5C.5 Output Delivery Incentives (ODIs) (relevant section attached).</p> <p>It should also be noted that we need to work within the DSO Roles, Activities and Baseline Requirements as defined by Ofgem within the Sector Specific Methodology Determination and Business Plan Guidance. The baseline requirements and the associated ODI (DSO incentive) are still in development.</p> <p>The DSO M19 memo structure emphasises that DSO is a summary of other areas of the business plan. I've outlined where you can find further information, including the specific areas you highlighted, below:</p> <ul style="list-style-type: none"> • RIIO-ED2 Main Narrative – this is a summary of our overall DSO activities. As with other topics, there wasn't sufficient space to contain all the detail within the business plan. • Annex 4A.3 DSO Strategy – this is the best single document that describes our DSO RIIO-ED2 strategy. It has been assured externally alongside all our other DSO work and checked

			<p>internally as part of the overall BPI review. It also summarises the deliverables and approach in Section 6. I would also recommend looking at Section 7 – What DSO means for our customers and stakeholders.</p> <ul style="list-style-type: none"> • Annex 5C.5: Output Delivery Incentives (ODIs) – this contains specific details on the DSO ODI that is still in development with Ofgem. This ODI contains the metrics that our performance will be monitored against. You will want to review Appendix 6.3, but specific examples include: <ul style="list-style-type: none"> o Developing & Progressing Flexibility: This incentive is to encourage the effective use of flexibility across four metrics. We have recently led on this particular metric on behalf of the GB DNOs with positive feedback from Ofgem, stakeholders and other DNOs. o Data: An incentive to encourage the sharing of appropriate data, in line with our Digitalisation Strategy, and to use that data to influence our decision making. • Annex 4A.2: Load Related Expenditure Strategy: Engineering Net Zero that provides further detail on our historical flexibility auctions and the outcomes of existing auctions for ED2 and future planned auctions. • ED2-NLR(O)-SPEN-001- DSO - EJP - DSO Infrastructure - Issue 1 – Our DSO Infrastructure EJP that covers the evolution and timelines of CMZs during RIIO-ED2. These will be rolled out in a priority order based on the DFES forecasts. We will keep the priority order of the roll-out of CMZs under review, and if additional constrained areas arise within RIIO-ED2, we will seek to ensure the CMZ infrastructure includes the additional areas.
C140	02/08/2021	Asset visual appearance: sub-stations and overhead distribution lines are the most visible assets SPEN has in communities. While requirements for visual amenity are currently restricted to areas of outstanding natural beauty, the CEG challenge SPEN to engage with customers and communities regarding whether there are suitable measures SPEN could take to enhance the visual amenity of their assets in general, with a view to including any beneficial approaches in the final business plan, potentially through a CVP.	EAP has been updated with business as usual visual amenity and linked to Biodiversity and Offsetting strategy. Additional funding was not supported by stakeholders and complaints on visual amenity are not being received. Stakeholders suggested linking BAU visual amenity to emerging biodiversity, offsetting, and climate resilience strategies.
C141	02/08/2021	Network safety: a significant investment in tree cutting activity is based on increased growth rates and the real risk to networks during increasingly extreme weather events. All three National Governments have increased their tree-planting commitments. The CEG challenge SPEN to engage stakeholders generally about compensatory planting to ensure tree stocks are not reduced, with accompanying climate mitigation and biodiversity implications.	We are committed to replacing every tree we cut down. In addition to this our tree planting element of our offsetting strategy will ensure tree numbers are not diminished during RIIO-ED2
C142	02/08/2021	The CEG has challenged SPEN to provide greater transparency about how the workforce will change during the ED2 period by providing an annual breakdown of the total number of people required to deliver the plan, split by key competency area, and whether the role is internal, or within the supply chain. We feel that it is essential that SPEN demonstrate that it has a robust workforce plan to enable the ED2 plan to be executed, regardless of the end employer of each individual involved. SPEN has recognised this challenge	Further detail on changes to the workforce has been incorporated into the final December submission in line with the challenge from the CEG.

C143	23/09/2021	<p>We challenge SPEN to explain logic and rigour of their community energy ODI mechanism. Specific queries:</p> <ul style="list-style-type: none"> • Section 5.3.1 Independent audit <ul style="list-style-type: none"> o What is process for appointing an independent auditor? What criteria will they need to fulfil? o What methodology will the auditor employ to rate SPEN’s CE strategy across four different categories, scoring them 0-10? o How will cost-effectiveness be judged? Will this incorporate the SROI methodology or an alternative measurement framework? How will this methodology map onto the proposed 0-10 scoring system? • Section 5.3.2 Qual <ul style="list-style-type: none"> o How will six stakeholder qualitative evidence questions be analysed to provide a single case study score? Are they weighted equally? o To what extent might bias be an issue? Respondents may present an artificially high score because they know this will trigger additional funding via the ODI mechanism, which SPEN would then have to distribute, potentially resulting in more funding for their projects. • Section 5.3.3 Quant <ul style="list-style-type: none"> o How will SPEN reconcile sector-wide and project-specific evidence to formulate a picture of its CE strategy performance? Data gathering split across two different spatial levels. o How does SPEN define its quantitative performance categories, how will these be measured and why have the thresholds been set where they have? For example, how is “awareness campaign reach” and why were thresholds set at 10/15/20%? NOTE an error in the end of review period: 10% when we assume you mean 20%. o The quantitative measures are very focused on energy, CO2 and cost impacts. To what extent could broader social and environmental impacts be factored and measured, to better align SPEN’s commitment to SROI? o How will SPEN link measured impacts (e.g. additional projects, CO2 savings) to the support it has delivered through its community energy strategy? How will they screen out other influences that may be responsible for these changes (e.g. policy, energy bills, technology costs etc.)? o What is rationale for different quantitative performance thresholds between two licence areas and what is the underpinning evidence for these decisions? We assume size will be a key factor but to what extent have socio-economic and built environment factors been accounted for? • How does State of the Sector report SPEN proposes sit alongside SotS report sector already publishes? What extent will SPEN make raw sectoral data publicly available? The data will be critical to future community energy strategy but is not currently available for SotS 2021. 	<p>Section 5.3.1 Independent Audit</p> <ul style="list-style-type: none"> - We will commission CE bodies to conduct bespoke regional State of the Sector (SOTS) report (tailored to criteria we need to report). We have changed terminology in our final submission to be an independent review by the CE bodies, not an audit. - We will conduct a detailed benefit analysis for the case studies we report on, using SROI methodology. If the ODI is accepted, we will work with CE bodies to identify specific case study scoring criteria, including benefits generated by project. <p>Section 5.3.2 Qual</p> <p>Case Studies</p> <ul style="list-style-type: none"> - We have asked the CE bodies to be the independent reviewer of our Case Study evidence. If the ODI is accepted, we would work with the CE bodies to identify specific scoring criteria, broadly around: linking our activities to our commitments, the extent of benefits generated or anticipated under the project, and direct feedback from the 3rd party involved. <p>Stakeholder Satisfaction Survey</p> <ul style="list-style-type: none"> - We will learn from the approach that is followed in the well-established BMCS ODI as well as surveys that are being proposed by Ofgem under the new common Strategy Delivery Incentive for vulnerable customers and major connections. <p>5.3.2 Quant</p> <ul style="list-style-type: none"> - We have listened to views around the challenges of trying to include metrics within the CE ODI that automatically result in ODI rewards and the complexity of our previous proposal. - We recognised there are other influences that may make it difficult to demonstrate a direct link between our activities and the outturn of the CE metrics proposed. - We also know lack of CE industry data is an issue and recognise the challenge of setting targets when there is limited data in this area to allow robust targets to be set. - We have therefore amended this proposal so that we continue to report on the key metrics of project numbers, bill savings and CO2 reductions (via the SOTS report). - There will be no ODI reward automatically triggered in relation to these metrics. Instead, these will be one element that the CE bodies consider within their assessment of our CE strategy delivery. <p>How does State of Sector Report sit alongside SotS report the sector already publishes? We support the principle of making industry reporting publicly available. For example, our WPI State of the Sector (2020) report, available on our website. Our regional state of the sector reports will be made publicly available. We are discussing how we will share raw sectoral data with the CE bodies who are currently exploring their own business models regarding this SOTS information with relies on their key relationships with communities.</p>
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C144	24/09/2021	There remains a lack of confidence about how the feedback from customers and stakeholders have been synthesised to inform our commitments and business plan initiatives.	In response to this challenge from the CEG, we took the additional step of adding another layer of comprehensive data to our engagement Triangulation reports. The reports now incorporate all feedback from customers and stakeholders, including who, where and when we received the feedback and how this was fed into our plan and final commitments. The original evidence files referenced throughout the triangulation records were also provided to the CEG for additional transparency.
C145	24/09/2021	The CEG would like to see more detail and transparency in the business plan about how trade-off decisions were made which address conflicts in customer needs and preferences	New section added to the business plan on page 24, specifically to address this challenge. We produce two examples of strategic trade-offs.
C146	27/09/2021	The CEG would like to see SPEN carry out further research regarding the financing of our plan to ensure ambition, options and issues are properly discussed and understood.	We have engaged on the willingness to pay for the commitments which were developed in Phase 3, and in Phase 4A, we have engaged on the acceptability of the costs relating specifically to the bespoke incentives in the plan. In Phase 4B we are engaging on the overall acceptability of the plan and on the rate of return SPEN are proposing.
C147	22/08/2021	The CEG would like to see further research and engagement in Phase 4 on the CVPs and ODIs and better demonstration of the benefits in more detail for the final plan.	Since receiving this feedback we have held a bespoke ODI workshop with stakeholders and conducted WTP engagement; the key findings of both are contained within our CVP and ODI annexes. We have also sought to highlight the benefits of each proposal more clearly by summarising these within the main body of the CVP and ODI annexes as well as positioning these upfront in the costs/benefit justification papers for each proposal which will appear as appendices within the ODI and CVP annexes.
C148	22/08/2021	Demonstrate the investments we plan for ED2 clearly support a Just Transition and assess the impact of our plans and how they affect customers in different economic groups and geographical locations.	See C138. This will be furthered looked at in 2022 in forming our Just Transition Strategy with relevant expert stakeholders to support us