

Key points and summary of Customer Engagement Group (CEG) questions/discussion sessions.

NB: Not verbatim.

| RIIO-ED2 Customer Engagement Group – Meeting 10 | | |
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| Thursday 27 th August 2020 | 09:30 – 13:00 | Virtual Conference |
| Meeting called by | John Howard | |
| Type of meeting | Customer Engagement Group | |
| Facilitator | SP Energy Networks | |
| Note takers | Ross Williams | |
| Chair & Timekeeper | John Howard | |
| Attendees | John Howard (JH) Andy Billcliff (AB) Chris Clark (CC) Matt Cole (MC) Sam Ghibaldan (SG) Benny Talbot (TB) Jan Webb (JW) Matt Hannon (MH) David Flynn (DF) Gill Wood (GW) | Andrew Jardine (AJ) Gillian Hurding (GH) Clare Dawson (CD) Iain Divers (ID) Tracy Joyce (TJ) Caroline Ainslie (CA) Russell Bryans (RB) Matthew Jones (MJ) Sofia Cobo De Guzman (SCG) Julian Wayne (JW) Alex Perry (AP) Paul Parry (PP) Gail Dunn (GD) Steve Field (SF) Marissa McCarroll (MM) |

| Agenda Topic: Welcome, agenda and minutes | |
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| 0930 - 0945 | John Howard, CEG Chair |
| Discussion | JH welcomed all and confirmed the meeting was quorate before asking members if there were any conflicts of interest which had materialised since the previous meeting. |

| Agenda topic: Ofgem's RIIO-ED2 Sector-Specific Methodology Consultation | |
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| 0945 – 1045 | Caroline Ainslie, Regulation and Policy Lead |
| Discussion | <p>CA presented Sector-Specific Methodology Consultation (SSMC). Covered uncertainty mechanisms for ED2 and balance of Ofgem requirements/preferences and business approach taken through joint working groups with other DNOs.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> • Remit of CEG and their role in determining specific issues and aligning to customer research. SPEN confirmed they would provide detailed engagement packs to the CEG for each workstream topic to allow them to make sure every aspect was being addressed. |

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| | <ul style="list-style-type: none"> • Detail on how workstream topics had been derived. SPEN explained structure of the plan, full team and alignment with requirements of Ofgem. • If engagement on specific topics is being siloed and whether more emphasis is required for overview of the full plan. Discussion around expert stakeholders being targeted for specific topic engagement and broader engagement taking place as the plan comes together. • Customer engagement with new technologies, adaptive behaviours, SPEN should be looking at best practice from other sectors and counties. • Evolving role of CEG and having opportunity to feed into plan on non-engagement related issues. • Importance of stakeholder feedback and customer engagement informing one another. SPEN clarified feedback will be triangulated across all topics of engagement at each phase of engagement. • Need for more understanding of network monitoring |
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| Agenda Topic: DFES engagement pack and engagement | |
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| 1100 - 1155 | Russell Bryans, Design Manager Sofia Cobo De Guzman, DFES Lead Julian Wayne, DSO Specialist Alex Perry, Baringa |
| Discussion | <p>RB summarised Distribution future Energy Scenarios (DFES), and their use for planning, design and investment decisions. They cover out to 2050, incorporate net zero and regional decarbonisation ambitions. DFES forecasts have been updated based on stakeholder feedback received to date. Updated reports include stakeholder views and how stakeholder feedback has been incorporated.</p> <p>Covered DFES engagement plan and Ofgem’s consideration of centralising future scenarios across all DNOs. Explained SPEN’s reasons for opposing this proposal.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> • Types of stakeholders being engaged, and how SPEN are addressing gaps i.e. storage, solar, heat pumps and water • Ensuring SPEN is engaging in best way, asking right stakeholders the right questions. • How regulatory frameworks will account for uncertainties in DFES • Societal behaviour changes and ensuring these are factored into research. • The CEG were encouraged to see regional focus in understanding resilience in distributed electricity generation. • Balancing engagement across SPD and SPM licence. • Further discussion on DFES may be required. |

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| Agenda Topic: Digitalisation Engagement Pack and Discussion | |
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| 1155 - 1255 | Paul Parry, Head of Business Change Gail Dunn, Business Change Lead Steve Field, IT Technical Lead Marissa McCarroll, Head of Centre of Excellence |
| Discussion | <p>The digitalisation strategy and how it is key to meeting customer needs and enabling net zero targets. The strategy is already in public domain, with stakeholders able to input. The team has committed to publishing an action plan on delivery every six months.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> • How SPEN will distinguish between engagement on DSO and digitalisation via sub-working groups for coordination and consistency. A holistic approach is taken to stakeholder engagement. • Nature of questioning of stakeholders and going further than endorsement of the strategy. SPEN are open to challenge on this if required. • Use of existing research and ongoing evaluation of consumer needs. Importance of consumers understanding what DNOs have to deliver and what is in it for them and their future requirements. • Specific engagement and review of stakeholders and questions being asked. CEG will provide further feedback. It was raised there should be more of a focus on regional engagement. SPEN agreed to take this point and address. |

| Agenda Topic: Wrap-up and close | |
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| 1255 - 1337 | John Howard, CEG Chair |
| Discussion | Given volume of information provided to the CEG, JH confirmed engagement packs be addressed for issues and concerns at workstream sub-group level. |