

**Key points and summary of Customer Engagement Group (CEG) questions/discussion sessions. NB: Not verbatim.**

RIIO-ED2 Customer Engagement Group – Meeting 2		
Friday, 6 <sup>th</sup> March 2020	9am to 4.15pm	200 SVS ScottishPower HQ
Meeting called by	John Howard	
Type of meeting	Customer Engagement Group – Meeting 2	
Facilitator	SP Energy Networks	
Note takers	Ross Williams	
Chair & Timekeeper	John Howard	
Attendees	John Howard Andy Billcliff Chris Clark Matt Cole Sam Ghibaldan Matt Hannon Teresa Perchard Benny Talbot Jan Webb Kankana Dubey	Ross Williams Andrew Jardine Iain Divers Dave Fort Kendal Morris Alessio Villanacci
<b>Agenda Topic: Welcome and agenda</b>		
0900 - 0910	John Howard	
Discussion	JH welcomed Customer Engagement Group (CEG) members to the second meeting and gave an overview of the agenda.	
<b>Agenda Topic: First meeting minutes and Terms of Reference</b>		
0910 - 0930	John Howard	
Discussion	<p>The group approved the previous meeting's minutes.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> <li>• The group agreed that a digestible version of the minutes from each meeting should be published online in the interest of transparency, but that presentations should not as slides may contain commercially sensitive information</li> <li>• It was felt the Terms of Reference contained too much narrative on background information and the regulatory framework, and should be cut down. The meeting quorum and frequency with which the Terms should be reviewed were also considered. There was also lengthy debate around the definitions of customer, stakeholder and consumer, used interchangeably in Ofgem's guidance</li> </ul>	
<b>Agenda Topic: Customer service and social obligations</b>		
0930 - 1030	Kendal Morris	
Discussion	KM gave an explanation of SPENS' customer service mission statement, a summary of SPENS' customer base and differences between SPD and SPM licence areas, an overview of RIIO-ED1	

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	<p>customer service and consumer vulnerability incentive mechanisms and performance, and outlined next steps in relation to customer segmentation and research.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> <li>• Difference in fuel poverty levels between SPM and SPD licence areas and the reasons behind this, and whether the current charging regime helps or hinders those in fuel poverty. SPEN said that whilst the demographics across its two licence areas are very similar with a similar mix of urban and rural there are some areas where fuel poverty is more prevalent, such as North Wales. This can be made worse by rural areas not connected to the gas grid.</li> <li>• Why the average cost to consumers in SPM is 20% higher than in SPD. SPEN's network in SPM Licence area is unique in that it is heavily interconnected which results in higher maintenance costs but better reliability for customers.</li> <li>• The decision making process SPEN uses to identify suitable partnerships to help its vulnerable customers. SPEN has a service and partnership toolkit that allows them to select partners based on what customers need and have a procedure for assessment, selection and review. Because SPEN is a monopoly it is in a strong position to act as a central 'one stop shop' and ability to coordinate with other responders in consumer vulnerability services based on what customers tell SPEN they need</li> </ul>
<b>Agenda Topic: Consumer and stakeholder engagement approach</b>	
1045 - 1145	Alessio Villanacci
Discussion	<p>Introduction to SPEN's stakeholder engagement and customer research strategies, including how SPEN will verify and synthesise engagement via feedback and triangulation loops.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> <li>• Placing the next price control period (2023 – 2028) within the wider context of the drive to a net zero society. It was felt that the pace of change, and how much consumers are willing to pay and participate in the new energy world, will be key factors for SPEN to consider</li> <li>• Where future consumers fit within the engagement plan</li> </ul>
<b>Agenda Topic: Forward-looking programme</b>	
1145 - 1205	Ross Williams and Andrew Jardine
Discussion	<p>The CEG's forward-looking programme, produced in conjunction with the chair and RIIO-ED2 project team, for the next six months was presented to the group for discussion, feedback and approval.</p> <p>Comments and discussion from the CEG focused on the following areas:</p>

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	<ul style="list-style-type: none"> <li>• The importance of the CEG first understanding background context and information before being able to feedback on the company's plans</li> <li>• The Chair expressed his desire to meet with SPENs' Board at a later date</li> <li>• Ensuring the agenda of each meeting is not too crowded and allowing sufficient time for discussion</li> </ul>
<b>Agenda Topic: RIIO-ED1 business plan and performance</b>	
1300 - 1330	Dave Fort
Discussion	<p>Presented SPENs' expenditure, financial and output performance within the current price control – RIIO-ED1.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> <li>• If network expenditure is likely to increase, decrease, or remain the same in RIIO-ED2. SPEN said a major challenge is how to release latent capacity already inherent in the system but not yet utilised, negating the need for more assets and thus increasing spend. Load, or demand, on the system is likely to increase in the long term, so SPEN is looking at more innovative and flexible ways for energy to be released. One of the main debates revolves around investment ahead of need, which is restricted in the current price control but required if networks are to meet the pace of change in the industry and avoid blocking progress towards decarbonisation. And Net Zero targets</li> </ul>
<b>Agenda Topic: RIIO-ED2 business plan structure and key themes</b>	
1330 - 1400	Dave Fort
Discussion	<p>Overview of the current strategic themes upon which SPEN's RIIO-ED2 business plan will be built, subject to external stakeholder engagement and feedback. Illustrated SPEN's view on the proposed contents and sections of its business plan.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> <li>• What SPENs' initial priorities are for RIIO-ED2 and whether these form part of a longer term strategy</li> <li>• How SPENs' business plan will reflect local divergences (for example between geographical regions or customer groups)</li> </ul>
<b>Agenda Topic: Challenge and question logs</b>	
1400 - 1420	Ross Williams and Andrew Jardine
Discussion	<p>Discussion around how best to format the CEG's challenge log and a review of actions from the previous meeting.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> <li>• The CEG suggested including an agenda item at each meeting to run through the list of challenges, to agree on new challenges, and review the status of existing challenges.</li> </ul>

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<b>Agenda Topic: Closed agenda item</b>	
1435 - 1500	John Howard
Discussion	This session was taken in private, without representation from SPEN.
<b>Agenda Topic: Control room and Customer Contact Centre tour</b>	
1515 - 1615	
Discussion	The CEG was given a tour of SPENs' control room and Customer Contact Centre.