

Key points and summary of TO User Group (UG) questions/discussion sessions. NB: Not verbatim.

RIIO-T2 TO User Group – Meeting 2		
19 th November 2018	9am to 5pm	ScottishPower HQ, Glasgow
Meeting called by	Rt. Hon The Charles Hendry	
Type of meeting	TO User Group – Meeting 2.	
Facilitator	SP Energy Networks	
Note takers	Gillian Hurding and Suzanne Taylor	
Chair & Timekeeper	Rt. Hon Charles Hendry	
Attendees	Rt. Hon Charles Hendry Rob Cormie Martin Kearns Julian Leslie Angela Love David Ritchie Andrew Robertson	Dan Thomas Prof. Karen Turner Martin Hill Gillian Hurding Craig McTaggart Suzanne Taylor Jim Sutherland
Agenda Topic: Feedback from TO UG Chairs' Meeting with Ofgem		
09:25-09:45	Rt Hon The Chair Hendry	
	<p>The RIIO Challenge Group have been appointed but Ofgem are still to publish who is taking part</p> <p>The Chair confirmed he has circulated the notes from his meeting on the 25th October</p> <p>Chair Update after 1st Ofgem Meeting</p> <p>The Chair confirmed that the UG are expected to deliver a final report. The user Group has asked the Chair and Ofgem to be mindful of Scottish and English school holidays when considering deadlines.</p> <p>The Chair gave an overview of the meeting on the 25th October and the key points being stressed by Ofgem.</p> <p>He reminded the TO User Group that they are in place to challenge companies, not to come up with alternatives</p> <p>The TO User Group are not expected to scrutinise the business costs, Ofgem will do that</p> <p>Chair overview of 2nd Meeting</p> <p>The Chair informed the TO User Group that the Sector Specific Consultation will be issued by Ofgem in December 2018</p> <p>Th Chair will meet with Ofgem every 2 or 3 months.</p> <p>Submissions – July 2019 > expectation that the final report is submitted in October 2019.</p> <p>UG to run alongside this timeframe to the end of July > Ofgem recognise how tight this review period is going to be.</p>	
Action Items	Person Responsible	Deadline

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Provide oversight of timeline to the UG	SP Energy Networks	3 rd Dec 18
Agenda Point: Review of Meeting 1 & Actions		
09:45-10:00	Suzanne Taylor	
Discussion	<p>Please refer to Minutes and Actions for Meeting 1</p> <p>SP Energy Networks meeting with Ofgem > 29th November when outstanding queries will be answered.</p> <p>Actions completed</p>	
Agenda Topic: Recent Stakeholder Engagement		
10:10- 10:25	Suzanne Taylor	
Discussion	<p>Review of Water Industry Ofwat PR 19 reports and challenge logs submitted by water companies carried out and proposed. TO User Group Challenge Log format discussed and agreed</p> <p>Changes to prioritisation to include for example financial/engineering / customer</p> <p>Challenge Log Format agreed by User Group and mechanics of working agreed</p> <p>The Chair asked the TO UG to think of external organisations they might like to call upon from outside. E.g. citizens advice</p> <p>List of external organisations agreed by User Group, will be set up for forthcoming meetings</p>	
Agenda Topic: Objectives of the Business Plan		
10:25 - 10:35	Martin Hill	
Discussion	Discussion on the objectives of our business plan, as listed in our Licence Obligations.	
Agenda Topic: Introduction to Expenditure Need Cases and Categories		
10:35-11:45	Craig McTaggart	
Discussion	<p>Safety and contractor safety was raised by the TO UG and how SP Energy Networks ensure this is consistent with their targets.</p> <p>The UG asked questions on how SP Energy Networks share best practice with other Transmission Operators</p> <p>Discussion around the innovation process and how this applies to the transmission network.</p> <p>UG raised questions around the future of the transmission network, and proposed schemes for RIIO-T2.</p>	

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	<p>Questions were raised around undergrounding of cables and proposed plans in T2. Discussion around the fault times for over head lines versus undergrounded cables. Visual amenity was also discussed.</p> <p>The 'Whole Energy system' definition was discussed and SP Energy Networks explained to the group that Ofgem are consulting on what is meant by 'whole system' as part of the December consultation.</p> <p>The changing role of Transmission companies was discussed and it's role in the future.</p> <p>Discussion around solar flares and whether SP Energy Networks take them into consideration when designing plans. SP Energy Networks explained the work that had been done previously on solar flares which is still relevant.</p>	
Action Items	Person Responsible	Deadline
Agenda Topic: Load Related Expenditure		
12:45:14:30	Martin Hill	
Discussion	<p>Connection timescales for connection to the Transmission network was raised and explained by SP Energy Networks. Impact of Solar PV on Transmission networks was also discussed.</p> <p>The role of interconnectors was discussed for T1 and T2 projects.</p> <p>The UG discussed issues around storage and the potential impact and requirement for the Transmission system going forward.</p> <p>The impact of metal theft was also discussed. SP Energy Networks explained that it is still an issue that they take steps to prevent against and the reduction at a Transmission level was discussed</p> <p>Challenge from TO User Group - they would like to see the impact of the SHETL increase in power transfers factored into the SP Energy Networks scenarios and business plan.</p> <p>SP Energy Networks confirmed this calculation has been undertaken and they will share with the group. SHETL have modelled Scenarios slightly differently from SPT, but a summary will be circulated to the TO UG.</p>	
Agenda Topic: Non-Load Related Expenditure		
14:00 - 15:30	Craig McTaggart	
Discussion	SP Energy Networks talked the UG through the Cost Benefit Analysis	

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	<p>(CBA) process, and a case study to highlight how it works.</p> <p>SP Energy Networks highlighted that they deliver what they say they will, by this they mean - if they don't deliver, they are at risk of having to refund and also paying back the related customer benefit from what was not delivered i.e. it is not in SP Energy Networks interest to put forward a plan and not deliver it.</p> <p>Discussion around how SP Energy Networks manage risk and make decisions using their asset management capex mechanism.</p> <p>Value of lost load figures are one of the factors under review in working groups organized by Ofgem.</p> <p>Cost Benefit Analysis – TO User Group have asked if the Chair can contact Ofgem to help clarify the requirements for CBA's</p>
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Agenda Topic: Operations and Maintenance

15:40-15:50	Craig McTaggart
Discussion	<p>The TO User Group asked if Ofgem have own internal expertise on the engineering side?</p> <p>SP Energy Networks confirmed Ofgem have formed a group to provide internal expertise rather than using consultants.</p> <p>Questions raised around whether SP Energy Networks maintenance is consistent across all Transmission Operators?</p> <p>SP Energy Networks advised that broadly, this is the case. SP Energy Networks have worked with other Transmission Operators to compare and engage for best practice.</p> <p>The TO User Group asked if SP Energy Networks outsource Operations & Maintenance.</p> <p>SP Energy Networks clarified that some of the specialist skills are outsourced but high proportion is internal labour.</p> <p>Drone use was also brought up. SP Energy Networks confirmed that SP Energy Networks have used them a lot recently but it is still quite costly and time consuming (drone has to be in line of sight of its operator). Helicopter surveys are relatively cheap but remain under review, particularly for specialist detailed inspections. SP Energy Networks are also looking at machine learning for review of images to reduce error.</p>

Agenda Topic: Physical Security

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15:50-16:00	Craig McTaggart
Discussion	<p>Discussions held around Critical National Infrastructure (CNI) sites. SP Energy Networks advised that the asset base is regularly reviewed in conjunction with BEIS and Centre for the Protection of National Infrastructure.</p> <p>Discussions held around the process of security at non-CNI sites. SP Energy Networks described the process for and specification of security measures.</p>
Agenda Topic: Cyber Security	
16:00-16:20	Craig McTaggart
Discussion	<p>Concerns raised around what the risks are with cyber. SP Energy Networks gave a few examples, and explained how it impacts SP Energy Networks as a TO.</p> <p>SP Energy Networks advised that work with other TOs is underway to ensure consistency of approach where possible.</p>
Conclusions	All agreed and understood
Agenda Topic: Business Plan Contents	
16:20-17:00	Suzanne Taylor
Discussion	<p>Overview of headings for SP Energy Networks T2 Business Plan shown on screen. TO User Group asked whether they thought the headings look appropriate and whether anything missing?</p> <p>SP Energy Networks told the User Group that Ofgem are also providing clarity. Also highlighted that there will be multiple plans.</p> <ul style="list-style-type: none"> • Detailed plan for Ofgem • Public plan • Short summary plan. <p>The User Group stated that they would probably want to see all three, but yes, if the public hearing focusses on the public plan, they would want to focus on that.</p> <p>The Chair finished the meeting advising that the next meeting will be mid Jan, then monthly thereafter.</p> <p>The Chair will circulate available dates to SP Energy Networks for issue to the wider group.</p>