

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

| RIIO-ED2 Customer Engagement Group – Meeting 6 | | |
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| Wednesday 20 th May 2020 | 10:10 – 12:15 | 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) Matt Hannon (MH) Teresa Perchard (TP) Benny Talbot (TB) Jan Webb (JW) Kankana Dubey (KD) Jennifer Pride (JP) | Andrew Jardine (AJ) Ross Williams (RW) Gillian Hurding (GH) Clare Dawson (CD) Kendal Morris (KM) Jane McMillan (JMc) Gillian Renwick (GR) Kate McGeoch (KMc) |

| Agenda Topic: Welcome and agenda | |
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| 1010 - 1015 | John Howard, CEG Chair |
| Discussion | <ul style="list-style-type: none"> JH opened the sixth meeting of the RIIO-ED2 Customer Engagement Group by providing an overview of the agenda before moving on to ask members whether any actual or perceived Conflicts of Interest had materialised since the last meeting on 11 May JH explained that because of the proximity of the previous meeting, the meeting minutes from 11 May were not yet ready to be circulated, however that they would be issued shortly for comment |

| Agenda Topic: Sustainability and the environment | |
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| 1015 – 1115 | Jane McMillan, Head of Sustainability Kate McGeoch, Sustainability Policy Specialist Gillian Renwick, RIIO-2 Environmental Analyst |
| Discussion | <p>The team presented on SPENs' sustainability and environmental work programme, focusing on environmental action plans, the development of the Sustainable Business Strategy, SPENs' Sustainability Maturity Matrix, and Environmental Stakeholder Engagement – creating RIIO-ED2 plans.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> Resourcing participation in stakeholder engagement and for SPEN to ensure they are engaging with a balanced and appropriate range of organisations on sustainability and environmental issues |

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| | <ul style="list-style-type: none">• The extent to which SPEN can and should influence consumer behaviour to reduce demand and encourage low-carbon technologies and if SPEN can influence its supply chain to encourage and promote environmental and sustainable working practices• How SPEN proposes to balance regulatory and legal minimum requirements with the expectations and ambition levels of its stakeholders, and in the context of operating within three different jurisdictions, each with its own set of decarbonisation targets and approaches. SPEN explained that stakeholder engagement will help to uncover how far beyond the minimum requirements stakeholders are willing to go and whether this matches the ambitions of SPEN and its ability to meet its own targets. Legislation and starting points across nations are different, therefore there may be a requirement on SPEN to take different approaches on a local level. SPEN wants to take the best from legislation in each area and aim for the top. Consistency is important but also having the flexibility to tailor as required.• Ensuring consistent terminology is used when engaging stakeholders to avoid confusion |
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| Agenda Topic: Customer Segmentation update | |
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| 1115 - 1130 | Kendal Morris, General Manager – Customer & Social Delivery |
| Discussion | <p>Overview of the customer segmentation exercise, including an update on progress and outcomes deriving from household and commercial customer surveys.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> • The importance of distinguishing between any differences in customer segmentation across SPENs' two licence areas • The CEG challenged the use of the income bands used in the domestic customer survey, suggesting there should be an additional band included to cover customers with an income of less than £10k per annum • The impact of the Covid-19 epidemic on domestic customer survey results and if these are expected to change over time as certain elements of lockdown are gradually eased. SPEN said it was expecting to see customers move between different segments and the approach it was taking was designed to allow the company to map and understand movement across segments over time. Customer segmentation will continue through all the Company's future engagement work and it will also re-run the process in full every four years to track these changes. |

| Agenda Topic: Challenge, action and question log | |
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| 1130 - 1200 | John Howard, CEG Chair |
| Discussion | <p>JH ran through the challenge log, highlighting the status of the challenges that have been raised so far, as well as the progress against outstanding actions.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> • How the CEG should decide whether an action, question or challenge remains open or can be closed off • The Chair asked members to re-submit any actual or perceived conflicts of interest to the Secretariat, citing a requirement in the enhanced stakeholder engagement guidance for CEGs to publish a code of conduct on any conflicts of interest on its webpage • How SPEN maps its stakeholders and decides what organisations to engage with on any particular topic. SPEN outlined its stakeholder mapping framework, based on stakeholders' knowledge levels of specific topics. |

| Agenda Topic: Wrap-up and close | |
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| 1200 - 1210 | John Howard, CEG Chair |
| Discussion | <ul style="list-style-type: none"> • JH concluded the meeting, asking if CEG members would be able to join a closed meeting via Zoom following a short break. The CEG took this session in private. |

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