

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

RIIO-ED2 Customer Engagement Group – Meeting 7		
Wednesday 24 th June 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) Matt Hannon (MH) Teresa Perchard (TP) Benny Talbot (TB) Jan Webb (JW) Kankana Dubey (KD) Gill Wood (GW)	Ross Williams (RW) Clare Dawson (CD) Kendal Morris (KM) Iain Divers (ID) Tracy Joyce (TJ) Malcolm Bebbington (MB) Russell Bryans (RB) Sofia Cobo de Guzman (SDG) Alex Perry (AP)

Agenda Topic: Welcome, agenda and minutes	
0930 - 0945	John Howard, CEG Chair
Discussion	<ul style="list-style-type: none"> JH welcomed everyone to the seventh meeting of the CEG, asking if members had any further comments to make on the meeting minutes from 11 May and 20 May JH asked if there were any additional conflicts of interest the group would like raise

Agenda topic: Gill Wood introduction	
0945 - 1000	John Howard, CEG Chair
Discussion	<ul style="list-style-type: none"> JH welcomed GW as a new member to the group and asked that CEG members and SPEN representatives give a brief introduction, highlighting their responsibilities, skills and experience

Agenda Topic: CEG roadmap	
1000 – 1045	Iain Divers, Head of RIIO-ED2 Tracy Joyce, Head of Stakeholder Engagement and Communications
Discussion	SPEN presented on its stakeholder engagement programme for building the RIIO-ED2 Business Plan, summarising the phases involved, the CEG's role, and if SPEN's approach seemed acceptable.

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

	<p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> • The difference between RIIO-ED2 and previous price controls. SPEN mentioned the difference in scale and scope, as well as more regulatory mechanisms that are new and need to be developed, such as delivery incentives and uncertainty mechanisms. RIIO-ED2 is also the first price control to be developed within the context of Net Zero • The introduction of 'stakeholder engagement packs'. These packs will focus on each of the workstreams involved in the RIIO-ED2 project (e.g. sustainability, customer service), explaining what each workstream does, what each workstream will be engaging on, who each workstream will be engaging with and how. These packs will be live documents and updated regularly to show the evolution of SPEN's proposals on the back of stakeholder feedback • The CEG asked for greater clarity on where the customer engagement and stakeholder engagement programme interlinked and if the group could have a detailed breakdown of future stakeholder engagement events and any deadlines for CEG feedback/input • The scope for CEG challenge. SPEN believe it was up to the group decide its own scope but believes it is important for the CEG to have sufficient freedom and independence to be able to challenge where it wants
--	--

Agenda Topic: Distribution Future Energy Scenarios	
1100 - 1215	<p>Malcolm Bebbington, Head of Future System Strategy, RIIO-ED2 Russell Bryans, System Design Manager Sofia Cobo de Guzman, DFES Lead Alex Perry, Baringa</p>
Discussion	<p>SPEN presented on its draft Distribution Future Energy Scenarios (DFES) analysis, which was out for consultation with stakeholders. The DFES includes geographically granular forecasts which assess four credible future scenarios covering a range of uncertainties, including differing levels of consumer ambition, policy support, economic growth and technology development, and is a key planning document for the company.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> • The economic impact of events such as Brexit and Covid-19 and the ramifications of these on the scenarios. SPEN said the DFES covers a wide range of decarbonisation scenarios that will accommodate a range of possible outcomes from Covid-19, including a green recovery to kick-start the economy • Population growth and the displacement of populations over time and if SPEN has taken this into account. SPEN explained that the DFES is an annual process so the scenarios will be updated each year. The range is fairly wide as it needs to consider a range of uncertainties, including modelling for population growth

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

	<ul style="list-style-type: none"> • DFES engagement on a local government level and with local energy planning organisations. SPEN said it was working with the Scottish Government and Local Authorities / Local Enterprise Partnerships to develop an evidence framework to help identify developments that are more certain to come to fruition • SPEN acknowledged the challenge posed by the variance in heat forecasts as the impact of heat compared to EVs could be very significant, which is why sufficient flexibility is needed in price controls in order to deal with uncertainties • The impact of more people working remotely as a result of covid-19. SPEN mentioned the demand reduction already witnessed because of lockdown but anticipates this will be offset in the future by increasing numbers of EVs and heat pumps • The quality of DFES stakeholder engagement
--	---

Agenda Topic: Customer engagement in the water sector	
1215 - 1230	Teresa Perchard, CEG member
Discussion	<p>TP presented on the PR19 water company price review and potential learnings for both SPE and the CEG.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> • What good stakeholder engagement looks like in order to judge the quality of SPENs' stakeholder engagement programme • Assessing customers' tolerance towards risk and failure and having the ability to choose between different options presented by companies • Water companies are at an advantage to electricity networks since they have a billing relationship with customers, which can improve engagement levels, however there are also strengths to being a monopoly and having a long term association with a particular geography/population

Agenda Topic: Challenge and action log	
1230 - 1250	John Howard, CEG Chair
Discussion	<p>The group ran through the list of open actions in the challenge, question and action log, paying particular attention to the responses that KM had circulated to various questions via email ahead of the session</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> • The CEG asked how SPEN plans to track changes in customer attitudes post covid-19 lockdown. SPEN will be able to monitor any changes through the golden questions that will be asked ahead of any customer engagement, and fully expects there to be movement within and across customer segments over time

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

Agenda Topic: AOB – future meeting frequency	
1230 - 1250	John Howard, CEG Chair
Discussion	<ul style="list-style-type: none">The group agreed to change the frequency of future CEG meetings. The CEG will continue to meet for two, approximately half day meetings per month, but meetings will occur on consecutive days at the end of each month, or as close to two consecutive days as diaries allow.

Agenda Topic: Wrap-up and close	
1250 - 1300	John Howard, CEG Chair
Discussion	<ul style="list-style-type: none">JH brought the meeting to an end before members met for a closed session.