

| RIIO-ED2 Customer Engagement Group – Meeting 9 | | |
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| Wednesday 29 th July 2020 | 09:30 – 13:00 | Virtual Conference |
| Meeting called by | John Howard | |
| Type of meeting | Customer Engagement Group | |
| Facilitator | SP Energy Networks | |
| Note takers | Clare Dawson | |
| 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) | Andrew Jardine (AJ) Gillian Hurding (GH) Clare Dawson (CD) Kendal Morris (KM) Iain Divers (ID) Tracy Joyce (TJ) Malcolm Bebbington (MB) Graham Campbell (GC) Julian Wayne (JUW) Ross Williams (RW) Mark Goudie (MG) |

| Agenda Topic: Welcome, agenda and minutes | |
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| 0930 - 0940 | John Howard, CEG Chair |
| Discussion | <ul style="list-style-type: none"> JH welcomed everyone to the ninth meeting of the CEG JH asked if there were any further conflicts of interest. None were raised |

| Agenda topic: DSO Engagement Pack | |
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| 0940 – 1040 | Graham Campbell, Head of DSO Mal Bebbington, Head of Future System Strategy |
| Discussion | <p>MB introduced the Future System Strategy teams as being responsible for developing engineering strategies for the future electricity systems. Following on from discussion with the CEG in April, he explained that this session was to provide more detail on proposed engagement around DSO.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> Why SPEN is using customer requirements as a starting point for DSO rather than delivering Net Zero. SPEN stated that it believes Net Zero is a key customer requirement existing stakeholder engagement and how SPEN are using it to drive development of stakeholder plans by using stakeholders to test positions If SPEN is trying to engage all stakeholders and reaching stakeholders it hasn't reached before. SPEN said that it would be engaging key stakeholders with the required knowledge but also those who are hard to reach via surveys |

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| | <ul style="list-style-type: none"> • If SPEN is waiting on the regulator to define a clear path to DSO. SPEN said it sees DSO as a key enabler of Net Zero and are seeking further clarity from Ofgem • The difference between customers and stakeholders. SPEN said that stakeholders are people who are impacted by SPEN's services, but are not necessarily connected to the network, while customers are connected. Within the context of the RIIO-ED2 engagement programme, they are dealt with separately but in parallel. There are very few active domestic customers currently but as we transition to a net zero world, more customers are expected to become active or service providers • Concerns around representation from the heat industry. SPEN explained that the stakeholder mapping approach is robust and outlined in the engagement pack provided. We review gaps and target hard to reach stakeholder groups. The more engagement we do, the more refined our data becomes and the more stakeholders we will be able to reach • What happens if SPEN decides not to go down the DSO route or if they don't receive enough funds from the energy regulator to make this happen. SPEN said there would be significant investment required without employing DSO principles. SPEN are proceeding with DSO based on current planning standards and will comply with requirements e.g. ESQCR and won't move away from licence obligations |
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| Update from Ofgem CEG chairs meetings | |
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| 1120 – 1140 | John Howard, CEG Chair |
| Discussion | <p>JH updated the CEG on a recent meeting with other CEG chairs and Ofgem.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> • Ofgem's Challenge group is there to provide challenge to Ofgem and companies too • CEGs and the Challenge Groups have been established as there was a view that companies made returns which were too high and in an attempt to make the price control more effective • Ofgem want to hear from CEG on what the group sees as the main issues and what is worrying the CEG and what the challenges have been • Ofgem is open to net zero reopeners and will accept it if companies have really good ideas in future • Companies should focus on knowns. As for unknowns, there are regulatory mechanisms to deal with these. Ofgem wants CEGs to signal if it sees behaviour changes in SPEN's approach to engaging customers and stakeholder |

| Agenda Topic: Challenge and action log | |
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| 1140 - 1200 | John Howard, CEG Chair |
| Discussion | <ul style="list-style-type: none"> • The group ran through all items on the Challenge and Action log tagged as 'Proposed closed' and agreed to close all 8 items. |

| Agenda Topic: Inclusive Transition | |
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| 1200-1250 | Teresa Perchard |
| Discussion | <p>TP attended a recent online event, sponsored by SPEN, and had sent notes on the talk across to the CEG.</p> <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> • SPEN's engagement with ethnic minority groups. SPEN explained that this event had come about as a result of the company proposing this topic area to All-Energy. All Energy then select speakers/invite a panel to speak based on the abstracts they received as part of the All-Energy process. SPEN were working with All-Energy and the topic panels to better improve representation on the panel from an ethnic minority representation as well as geographical spread in these types of events going forward |

| Agenda Topic: Wrap-up and close | |
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| 1250-1255 | John Howard, CEG Chair |
| Discussion | <p>Comments and discussion from the CEG focused on the following areas:</p> <ul style="list-style-type: none"> • If the group felt as though there was an imbalance between Manweb and Scotland following the previous Scotland centric discussion. SPEN provided an overview and explanation of the local stakeholder engagement teams in SPM and SPD and that the CEG could see in the workstream engagement packs the split of SPD and SPM stakeholders |