

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

RIIO-T2 TO User Group – Meeting 2			
27 <sup>th</sup> January 2019		9am to 5pm	Scottish Power HQ, Glasgow
Meeting called by	Rt. Hon Charles Hendry		
Type of meeting	TO User Group – Meeting 2.		
Chair	Rt. Hon Charles Hendry		
Attendees	Rt. Hon Charles Hendry Rob Cormie Martin Kearns Julian Leslie (via phone) Angela Love (via phone) David Ritchie Andrew Robertson (via phone) Dan Thomas Prof. Karen Turner Martin Hill Gillian Hurding Suzanne Taylor	Simon Gill (Scottish Government) – morning session only Leigh Rafferty (Scottish Government) – morning session only James Kerr (Citizens Advice England and Wales) – morning session only Jamie Stewart (Citizens Advice Scotland) – morning session only Rupika Madhura (Ofgem) – Ofgem presentation only Paul O'Donovan (Ofgem) – Ofgem presentation only	
Agenda Topic: Citizens Advice Scotland and CA England and Wales			
09:30-10:30	Jamie Stewart and James Kerr		
	Jamie Stewart and James Kerr presented an overview of Citizens Advice England & Wales and Scotland and the involvement at various levels in the RIIO process. Discussion points and challenges: <ul style="list-style-type: none"><li>• Consumer outcomes</li><li>• Transmission and Distribution networks joined up thinking</li><li>• Willingness TO Pay research</li><li>• Regulation</li><li>• Energy costs</li></ul>		
Agenda Point: Scottish Government -Key priorities for Energy			
10:30-11:15	Leigh Rafferty and Simon Gill		
Discussion	Leigh Rafferty and Simon Gill presented on the Scottish Government vision for Network companies and RIIO-T2 Discussion points and challenges: <ul style="list-style-type: none"><li>• Renewables targets</li><li>• DSO Models</li><li>• Development of renewables – on and offshore</li><li>• The future of generation in Scotland</li><li>• Energy Strategy</li><li>• Public charging points</li><li>• Socialisation of costs to consumers</li><li>• Vulnerable customers</li></ul>		

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	<ul style="list-style-type: none"> <li>Security of supply</li> </ul>
<b>Agenda Topic: Review of Meeting 2 Minutes &amp; Actions/Challenge Log and TO UG Success Criteria</b>	
<b>13:15- 14:00</b>	<b>Charles Hendry/Gillian Hurding</b>
<b>Agenda Topic: Cross-Sector Common View Update</b>	
<b>14:00-14:30</b>	<b>Martin Hill</b>
<b>Discussion</b>	<p>Martin Hill facilitated a discussion on the cross-sector common view</p> <p>Discussion points and challenges:</p> <ul style="list-style-type: none"> <li>The Future Energy Scenarios and challenges on assumptions</li> <li>Storage and development</li> <li>Peak demands</li> <li>Cost materiality of the scenarios</li> <li>2030 EV target</li> <li>ESO relationship with the FES</li> <li>Policy mechanisms in price review and incentives</li> <li>Uncertainty drivers</li> <li>RIIO-2 Challenge Group request</li> </ul>
<b>Agenda Topic: Finance Session – How is SPT revenue calculated?</b>	
<b>14:30-15:15</b>	<b>David Holland and Alan Hendry</b>
<b>Discussion</b>	<p>Informative presentation to the TO UG on how SPT revenue is calculated</p> <p>Discussion points and challenges:</p> <ul style="list-style-type: none"> <li>Environmental &amp; Social Costs</li> <li>Price Cap</li> <li>Generational charges</li> <li>Price control settlement</li> <li>Investment Grades</li> <li>Depreciation allowance</li> <li>True up of performance of spend</li> <li>Reacting to change in the finance environment</li> </ul>
<b>Agenda Topic: RIIO Incentives</b>	
<b>15:15 – 16:00</b>	<b>Alan Kelly</b>
<b>Discussion</b>	<p>Alan Kelly presented on current RIIO-T1 incentives, proposals for change in RIIO-T2 incentives</p> <p>Discussion points and challenges:</p> <ul style="list-style-type: none"> <li>Efficiency &amp; Outcomes</li> <li>Stakeholder input to shaping the RIIO-T2 incentives packages</li> <li>Incentives driving positive changes &amp; behaviors</li> <li>Willingness To Pay research</li> <li>Focus Group research</li> </ul>

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Agenda Topic: An Introduction to Black Start	
16:00-16:45	Eric Leavy
Discussion	<p>Eric Leavy presented on black start and the challenges and options open to SPT in RII0-T2</p> <p>Discussion points and challenges:</p> <ul style="list-style-type: none"><li>• Black start in Scottish context</li><li>• Closure of thermal plant and Longannet</li><li>• Existing Plans</li><li>• Use of Cruachan</li><li>• our Local Joint Restoration Plans (LJRP)</li><li>• Use of renewables in black start</li><li>• BEIS black start task group</li><li>• Cost to improve the network</li><li>• Investing in a network that meets the needs of our communities</li><li>• ESO role in black start</li><li>• Technology trials to support black start</li><li>• Previous black start scenarios worldwide</li></ul>