

Making a Difference

Highlights of our activities and outcomes following stakeholder engagement

Ofgem Electricity Transmission Stakeholder Engagement Incentive Scheme 2016–17

Part Two

“I think it is an excellent forum to do some proper thinking and analysis away from the business-as-usual discussions.”

Member of our new Transmission Strategic Stakeholder Panel



**SP ENERGY
NETWORKS**

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This is SP Energy Networks’ Transmission Part Two submission to Ofgem’s Stakeholder Engagement Incentive for the regulatory year 2016-17.

We are the licensed Transmission Owner (TO) for the Central Belt and South of Scotland. Our transmission network comprises just under 4,000 kilometres of circuits and 140 substations operating at 400kV, 275kV and 132kV. Our system maximum demand is 3.4GW and we currently have over 8.7GW of generation connected to our network.

Ofgem’s annual Stakeholder engagement incentive encourages Transmission Operators to ‘engage proactively with stakeholders in order to anticipate their needs and deliver a consumer focused, socially responsible and sustainable energy service’.

This year, we have restructured our submission to demonstrate the direct relationship between our stakeholder engagement strategy and our strategic priorities as a business. This reflects the breadth and depth of the ways that engagement in helping how we deliver against these priorities.

Our Transmission submission is made up of two parts:

Part One: Our Strategy for stakeholder engagement, demonstrating that we meet Ofgem’s minimum requirements.

Part Two: Highlights of our activities and outcomes following stakeholder engagement, demonstrating our strong performance improvements year on year.

Everyone’s job
Engagement fully embedded with 72 senior managers and staff owning plans and all staff responsible for effective engagement.

439 engagements
delivering 196 key pieces of feedback and actionable outcomes.

Brand new Transmission
Strategic Stakeholder Panel launched.

The aim of our stakeholder engagement strategy is simple: to understand what our stakeholders need and to deliver it in a sustainable way. We aim to continually improve how we engage with stakeholders across all aspects of our business – in order to identify and realise opportunities to inform, understand,

problem-solve, plan and deliver better against our vision as a business. We have a simple framework that allows stakeholders to influence, guide and steer our business to provide a resilient and sustainable service for all. **See Part 1 of this submission for a full summary of our strategy.**



Frank Mitchell
CEO of SP Energy Networks

Our strategy

What makes our strategy work?

It's built on a strong structure of responsibility, ownership and governance.

Line of sight: We gather stakeholder views in our annual survey and conduct analysis to understand issues and key themes. We work with stakeholders again to understand potential solutions and develop internal KPIs to drive appropriate change.

Embedded engagement responsibility: We have a dedicated stakeholder engagement team in Transmission. This team has led the delivery of consistently excellent stakeholder engagement, both internally and externally. This team develop the annual strategic engagement plan for Transmission and evaluate effectiveness. On top of our licence-specific teams, senior managers from across the business have delegated responsibility for licence and topic-specific engagement plans.

14 engagement plans: Our 14 licence and topic-specific engagement plans – each owned and managed by a senior manager – enabling us to identify all of our strategic issues and risks, map stakeholders in terms of their interest and influence, and plan and carry out tailored engagement that meets the needs of our stakeholders. This helps us to deliver tangible responses to the most material strategic issues and risks.



What is different about us?

Our strategy is fully embedded into our organisation with 72 senior managers and staff owning plans and responsibility for engagement. We are the first network operator to fully embed a new stakeholder engagement management system into our business. This system, Tractivity, allows full visibility across our whole business – with data at our fingertips it ensures every aspect of engagement planning, delivery, tracking and reporting is more efficient, joined-up, and is entirely evidence-based, carrying out tailored engagement with confidence. **We don't just manage our customer contact, we manage the entire stakeholder process including feedback loop and actions.**

Governance: Our governance structure ensures that our engagement is firmly embedded in all parts of our organisation. At the core of this is our monthly Internal Stakeholder Action Group (ISAG) – facilitating the sharing of our engagement feedback and learnings between our 14 licence and topic-specific engagement programmes.



We have confidence our strategy is delivering benefits

Every year we ask DNV GL to conduct an independent review of our Stakeholder Engagement strategy using AA1000 Stakeholder Engagement Standard. This process involves DNV GL reviewing evidence of our strategy being embedded in the business, including attending a panel meeting, interviewing our CEO, Directors and a selection of senior managers and stakeholders. **Opinion statement featured below.**

Our strong strategy is embedded in our organisation at all levels

We have a comprehensive strategy, which has grown in strength and maturity over the last 4 years.

We deliver it with passion, belief and strong executive leadership, invested in engagement being at the core of our activities.

It embeds responsibility for engagement deep into the business. That is what is unique about us – we don't centralise our engagement.

Our strategy keeps us focused on the right things – our strategic priorities and the priorities of our stakeholders – and we design our engagement around this.

DNV GL Independent Opinion Statement Conclusion 2017

In 2016–17, we continued to observe improvements in SPEN's approach to stakeholder engagement. The business continued to evolve and make progress on its stakeholder engagement strategy, which has resulted in it being more embedded across the organisation. Moreover, through our interviews with SPEN we consistently noted that stakeholder engagement was considered a key activity for the business.

In our interviews we continued to note senior management support for stakeholder engagement across the company, which they consider a core business value and integral to the way SPEN do business.

The establishment of the Transmission stakeholder panel has been a notable event in 2016–17, it has enabled engagement with

Transmission stakeholders on specific topics and issues that were not previously being covered by other panels. Overall, we observed that the topics discussed at both Transmission and Distribution panels were aligned with strategic business issues.

The implementation and roll-out of SPEN's stakeholder engagement database system, has improved the operational management of stakeholder engagement. This includes oversight and visibility of information to business owners (including stakeholder prioritisation), which resulted in a positive reception and high use of the system.

In our full statement we make a number of recommendations that should be considered by SPEN to help further improved stakeholder engagement activities.

Our core engagement and priorities

All our engagement is centered around these 8 core priorities:

Priority ranking in 2017 survey:

Safety	9.3/10	→
Connected customers	8.9/10	↑
Reliable, resilient and efficient network	8.8/10	↑
Skills to deliver	8.7/10	↓
Efficient connections	8.6/10	→
Upgrading the network	8.6/10	↓
Working in our communities	7.6/10	↓
Supply chain	6.9/10	↑

We know who we are and what our stakeholders want

Our business is entirely focused on delivering our RIIO-T1 regulatory price control promises until 2021. When we engaged with stakeholders in advance of RIIO-T1 they helped us formulate a list of stakeholder priorities. We check these and ask for rankings every year through our stakeholder surveys. We have real confidence that we are focused on the right things.

Our unique approach

The outcomes listed in our submission document have not appeared by chance. This is a deliberate strategy to focus on our RIIO-T1 stakeholder priorities and drive measureable outcomes for our stakeholders.

Deeply embedded in our business

We know from best practice sharing and benchmarking that we have one of the most embedded models for stakeholder engagement, and we believe the evidence is showing it to be the most effective, inclusive model too. Our strategy involves 14 senior manager owned engagement plans and robust governance structure, rather than a central team engaging with a small group of stakeholders on limited topics with predetermined outcomes. This approach has led to over 439 engagements with stakeholders in the last year. We have significant confidence in this approach, with our stakeholders rating us 7.9/10 for engagement.

Our Core Engagement programme – covering all bases

In addition to the embedded engagement across the business, we run a centralised core engagement programme – which ensures appropriate channels are used to engage with a broad range of stakeholders. In 2017 we are making some big changes, adding new Stakeholder Conferences, new subgroups and working groups. We've also launched a new innovative online community based on stakeholder feedback.

NEW Transmission Strategic Stakeholder Panel

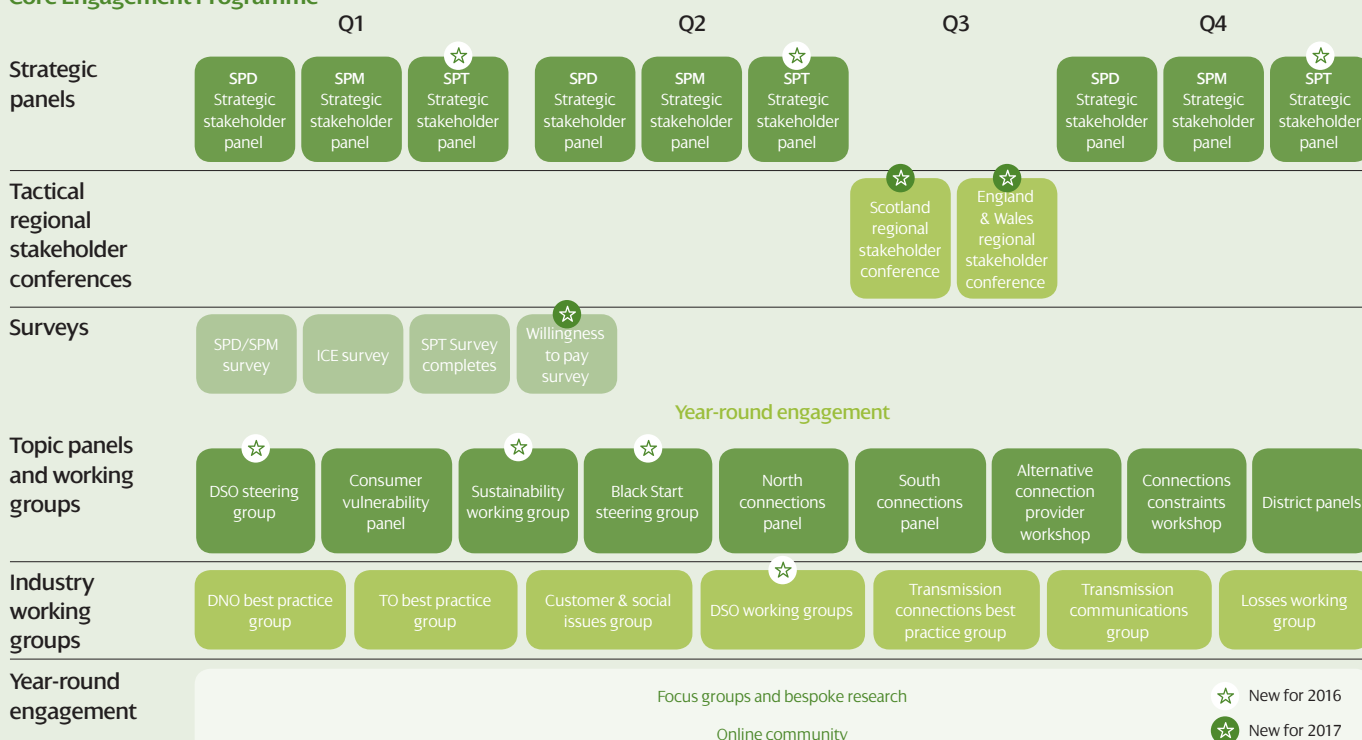
When we set up our Strategic Stakeholder Panels we knew we did not want to tick boxes with friendly faces. Our panels are a genuine sounding board where we take our strategic challenges as a business and receive strong influence on our policy and decision making at the highest level.

This year we added a brand new panel focused solely on Transmission. Led by our Directors, panel members include senior representatives

from the Scottish Government, Ofgem, EDF, the Centre for Sustainable Practice and Living, the Scottish Council for Development and Industry, Energy Skills Partnership and Citizens Advice Scotland.

The next price control period RIIO-T2 may not begin until 2021, but we've already been engaging with the panel about their priorities for this period. We're laying the groundwork now – reviewing the current status of key topics that will be relevant during the collation of our business plan.

Core Engagement Programme



Stakeholder strategic priority 1: Safety

Our commitment to protect the safety of all who live and work near our assets delivers impressive results. Over the last year, we had no injuries to members of the public and our staff and contractor safety performance is world class. However, these results need effective engagement with a broad range of stakeholders. We need to be pro-active to maximise awareness and responsive to deal with situations where people put themselves in danger.



Robust processes for Public Safety

We are really proud of our industry leading process for public safety, which is embedded in our business and is delivering excellent levels of customer service for challenging groups working near our overhead lines or underground cables. Safety is a top priority for us and our stakeholders, so we make sure that we go above and beyond in our engagement to ensure everyone stays safe.

What did we do?

Robust customer process: Whoever a customer speaks to, they'll get the same great service when asking for safety advice from our expert staff. Every customer gets a unique reference number to help track their enquiry.

Over and above regulatory requirements: We offer an appointment for anyone within 48 hours and a substantial response within 5-6 working days. Every customer is sent a safety pack, including site drawings detailing our equipment and exclusion zone.

Individual site visits: All enquiries offered site visit – after which we issue a letter with minutes of the meeting and photographs taken.

What is this engagement delivering?

People working near our network are more informed, more engaged and safer as a result of our engagement.

What were the outcomes?

0 public safety incidents in the last year on Transmission network.

518 potentially dangerous sites, in proximity to transmission assets provided with safety packs and offered site visit.

100% of enquiries met our own stringent targets for appointments and response.

Everyone who we are in contact with is provided with direct control room phone number for emergencies.



9.3/10

Importance
to all our
stakeholders

Broad interest stakeholders

Satisfaction
survey
8.7/10

Score up 4%
Response rate
same

Safety culture

We have been using innovative engagement to reduce safety incidents on site. We have an active, collaborative partnership with our contractors. Since last reporting on this we have continued to engage, make more changes and have seen this initiative being scaled up and replicated by others. We're seeing fewer incidents that could lead to injuries or fatalities as a result.

What did we do?

Open dialogue: We are able to quickly pinpoint what joint actions are likely to be the most effective. This has encompassed additional information gathering to shed more light on the root causes of incidents. Face to face surveys have been particularly effective at uncovering some key aspects that can be improved. Suggestions for improvements come from our contractors and they are the driving force behind implementation.

Working at Heights Group: The first group we established using this fully collaborative approach has resulted in a marked reduction of incidents in this category on our network – from 1.37 incidents per 100,000 hours worked in 2014 to 0.38 incidents in 2016. Babcock, one of the largest overhead line contractors has replicated the approach we developed and rolled it out across all of their UK operations, with similar improvements.

Health and Safety Forum: This event that we undertake twice a year has now evolved into a decision making forum. Around 70 representatives of our contractor base take part – to report back from the working groups, discuss and prioritise new concerns and decide on joint work programmes and individual actions. To make sure everyone is fully involved and the topics are correct we canvass ahead of the event, get first hand discussion on incidents that have occurred and use voting buttons to settle on priorities and immediate actions.

What is this engagement delivering?

Our best practice collaboration with our contractors is helping keep people safe and driving down incident rates. It's now being scaled up by contractors across all their work.

What were the outcomes?

Significant year on year reduction in incident rate – from 1.37 incidents per 100,000hrs worked in 2014 to 0.38 incidents in 2016.

Reducing vehicle and plant incidents by implementing full 360° visibility for operators at all times, through mirrors or cameras, and the installation of an external seatbelt indicator on all plant.

Safety Critical Rules revised based on feedback. All employees now sign up to these. Over 200 staff briefed.

Our major contractor Babcock took the Working at Heights groups approach & scaled it up over their entire organisation – equivalent to double the annual man hours of our contractor base.



Stakeholder strategic priority

2: Connected customers

8.9/10

Importance
to all our
stakeholders

Our connected customers

Satisfaction
survey
8.8/10

Score up 25%

Response rate
up 80%

Our stakeholders agree that the service we provide to our connected customers is one of our top priorities. However, we recognised from last year's stakeholder survey that there was room for improvement in this area. So we set about delivering changes in our engagement with this key group of stakeholders. We are delighted that our efforts have been recognised with a 25% increase in how our connected customers scored us in this year's survey, compared to last year.

Looking after our connected customers

It's not by chance that we've achieved a 25% improvement in connected customer satisfaction in the last year. We have increased our engagement with connected customers and now have a comprehensive series of engagements with them, from representation on our strategic stakeholder panel, through a regular series of tailored bilateral meetings to providing day to day contacts to address emergent issues.

Through this engagement, our connected customers have told us that the industry approach to Transmission outages is highly technical and can be difficult to understand. We've been reaching out to them in order to understand their challenges and make changes to our processes to help.

What did we do?

Proactive meetings: We're taking a new personal approach to discuss outages with connected customers in advance of them being agreed with the system operator, so we can change and adapt our plans where possible – or help connected customers understand why we can't.

Innovative thinking: When EDF suggested it would be more efficient for their control engineers to carry out switching on the network, we worked with them to design a training programme for their employees.

Collaboration and best practice: We work closely with other TO's and system operator to improve the GB outage management process, including joint engagement with our stakeholders. We worked to develop a customer-centred approach, taking best practice from our distribution licence.

What is this engagement delivering?

Connected customers now feel included and part of our outage management process.

What were the outcomes?

Connected customers in annual survey rated satisfaction up 25% and response rate up 80% year on year.

2 proactive outage planning meetings offered per year in addition to existing annual interface meeting to all connected customers.

Restructured our outage planning team around the new processes for customers.

4 EDF control engineers trained and authorised to carry out switching instructions from SPEN control engineers.

Case study: Developing innovative customer-centred solutions

In 2016 we identified a significant health and safety issue on a form of cable termination that was installed widely across the industry a number of years ago. We immediately put control measures in place to protect our staff and general public from the risk. During this process we recognised that in addition to our own problematic terminations, a key connected customer also had similar terminations located within one of our substations. The presence of the terminations meant that no-one could access the substation whilst it was energised, putting the reliability of the supply to the customer, a major manufacturing facility in western Scotland, and other communities in the area at risk. We wanted to help.

What did we do?

Proactive customer engagement: We engaged with the customer to help them understand the situation and worked in close liaison to find a solution for them. Under normal circumstances, fixing this issue would have required manufacturing plant to be shut down for six weeks. In discussion, we found out that the customer had no plans for an extended shut down of their process, and that this would have had significant economic and environmental implications for them.

Identifying new technology from best practice: As all of the defective terminations needed to be replaced, we worked with the customer and made use of novel technology in order to limit the downtime required to just 36 hours. Key to this solution was the deployment for the first time in Scotland of a modular ballistic screening system that had been developed through one of National Grid's Network Innovation Allowance (NIA) projects.



What were the outcomes?

Reduced customer outage from 6 weeks down to 36 hours.

We utilised the shutdown to install the screening between the individual cable

termination sets located in the substation, allowing circuits to be taken out one by one and safely replaced, protecting both our and our customer's staff and contractors in the event of explosive failure. As the customer has two supply circuits, there was no need for any further disruption to their operation during the repairs.



Stakeholder strategic priority 3: Reliable, resilient and efficient network

We are very proud of how reliably our network performs. However, the energy system is changing, introducing significant new challenges. For example, changes in the locations and types of generation across the UK requires new solutions to ensure our network can continue to provide the high reliability that our stakeholders have come to expect. We have worked hard with stakeholders to identify and take forward initiatives to address these new challenges and also to make sure that robust contingency plans are in place, should there be a problem.

8.8/10

Importance
to all our
stakeholders

Broad interest stakeholders

Satisfaction
survey
8.7/10



Score up 4%



Response rate
same

"As System Operator, National Grid is keen to collaborate with Transmission Owners on this project [Phoenix] so that we can produce a holistic and unified approach to managing and operating the electricity network and use the knowledge generated to feed back into our system analysis and forecasting studies that inform our long-term planning strategies."

National Grid, System Operator

Using international technical innovation to solve big industry issues

Environmental, economic and government focus has resulted in an increased reliance on renewable generation to meet carbon targets. The transmission system in GB is facing many new challenges relating to the closure of displaced major power stations. In particular, the inherent support they provide to the wider electricity network in terms of network strength, resilience and ability to withstand system events.

What did we do?

Collaboration: We engaged with the System Operator to understand the system issues resulting from the change in generation mix. They provided their support and are now acting as a partner in our innovative solution, Project Phoenix.

International engagement: We engaged with utilities in Europe and in the US who have implemented and/or are planning to implement solutions and we received guidance as well as interest in the innovative nature of our proposed solution, further increasing our confidence in the project. Phoenix will be delivered in collaboration with ABB, the University of Strathclyde and Technical University of Denmark (DTU).

Commercial engagement: Since the inception of the project we have also engaged with generation owners, aggregators and market specialists to work along with the system operator to develop market mechanisms and service agreements to enable roll-out of an appropriate commercial model following delivery of the project.

What is this engagement delivering?

Our international engagement is helping us to develop a new innovative solution to the current challenges faced on Transmission network, essentially backfilling the services of major power stations. Our work will address the main barriers for roll-out GB wide and present a solution that works for all stakeholders.

What were the outcomes?

The rollout of this solution will have substantial financial benefits for GB customers, as it offers an economical replacement for the stability and security offered by large, conventional power stations without the associated carbon footprint. Our CBA, based on conservative estimates, indicates use in just 3 GB locations will result in £42m of net present value benefit and 662MW of capacity release.

Our plan for if the lights go out

We know that changes to the UK's energy mix and the closure of coal-powered power stations would have big impacts on our 'Black Start' resilience plans – what we do if the lights go out across GB. Over the last year we've continued to expand on our engagement in this important area.

What did we do?

International engagement: Worked with BEIS to understand the cause, learnings and restoration times from 2016 South Australian 'Black Start' event. It bears a striking resemblance to Scotland in terms of its energy profile – with two large interconnector circuits that feed the state, a similar number of end customers and a renewables rich energy portfolio.

Transmission Strategic Stakeholder Panel:

At the first meeting of new panel engaged with influential stakeholders on Black Start implications.

Joint review: Working with the system operator and locally connected wind generators to review options and technical requirements to make best possible use of renewable energy as part of the Scottish recovery plan.

National and local resilience planning:

Engaged at UK, Scottish Government and Local Resilience Forums to ensure our key messages are taken on board by organisations responsible for resilience and emergency preparedness.

Industry collaboration: Encouraged establishment of Black Start Task Group, led by BEIS, to look at coordinated series of workstreams to adapt current strategies to cope with rapidly changing energy mix in GB. Leading the physical testing workstream.

What is this engagement delivering?

By reaching out beyond our formal role, we stimulated change and improved the national plan, making sure all parties have a robust joint plan to restore power as quickly as we can in a 'Black start' scenario, for our future customers.

What were the outcomes?

Increasing duration of standby diesel generators at existing major sites to take account of potential for longer outages.

New large fuel tanks added to 18 substations.

Installing standby generators at all remaining transmission sites over a three year programme.

Stakeholder strategic priority 4: Skills to deliver

We continue to address the industry skills gap head on – working with stakeholders to develop solutions and then investing in new people who are now challenging old ways of thinking with innovative ideas and making a real difference.

Ensuring we have the skills to deliver

We use a variety of engagement mechanisms and partnerships with stakeholders to develop our future workforce.

What did we do?

Partnerships: Our partnerships with the National Skills Academy for Power and the Engineering Development Trust help us to deliver our skills work programmes. These talent streams, such as apprentices and graduates have been developed with our stakeholders over the last few years have brought new people into our business and we are now seeing the benefits for us and the end customer.

Best Practice: Learning from National Grid's approach we've developed a new Career Paths programme, to identify key highly skilled roles within our company, mapping out possible career paths and required development.

Strategic Stakeholder panel: Energy Skills Partnership and Skills Development Scotland added to new Transmission Strategic Stakeholder Panel to ensure influence on executive decision making.

Young engineers inspired: One of the key supporters of Glasgow Science Centre's Powering your Future exhibition and lead sponsor of the Electric Detective workshop.

What is this engagement delivering?

From the strategic to the tactical, we're facing up to the industry's greatest challenge by using new and innovative partnerships to help inspire the next generation of electrical engineers.

What were the outcomes?

10 Graduates, 12 apprentices and 3 Adult Craft Trainees have specifically joined our transmission licence since the start of R110-T1.

320,000 people visited the innovative Powering your Future exhibition in 2016/17, including 1,288 schools. 98% of visitors asked rated the exhibition as excellent or good.

93% of teachers rated The Electric Detective workshop as excellent.

Leading the field – Transmission graduate Cristina Fundulea nominated for Scottish Young Professionals Green Energy award, demonstrating the recruitment of high calibre staff.



8.7/10

Importance
to all our
stakeholders

Broad interest stakeholders

Satisfaction
survey

8.7/10



Score up 4%



Response rate
same

Our workforce for the future delivers innovation and customer benefits

We're already realising the benefits of our extensive engagement and the resulting development of new skills programmes. The many high calibre engineers and other staff emerging from our innovative skills streams are already changing the future of our business, using fresh skill sets to develop creative new solutions to enhance the services we deliver and reduce customer costs.



Cristina Fundulea

Cristina is one such high calibre engineer. In the short time since she joined the company through our graduate programme, she has already played a crucial role in the development of technologies that will enable a green, sustainable and affordable energy future, making fundamental improvements to the Scottish renewables sector.

She has been key to the successful delivery of high profile projects, including reducing substation footprint by the introduction of innovative 'fly by wire' technology, and she will share her experience industry-wide presenting at the SGTech conference later this year.

That Cristina has been nominated for the second year running for a Scottish Young Professionals Green Energy award is testament to both her personal skills and drive, and the strength of our graduate recruitment stream as a result of effective and far-reaching engagement.



Brian McGauchie

Our adult craft trainee scheme is enabling many candidates to utilise their existing skills, whilst 'earning and learning' as they join our business. This skill stream was developed when stakeholders pointed out that there was massive untapped potential for existing tradespeople or mature candidates to re-skill, bringing valued experience and diversity into our workforce.

Joining through this Scheme Brian was able to convert his existing skillset as a coachbuilder to become a fitter for SP Transmission. Leaving an industry where unemployment was common Alan was able to learn new skills and obtain job security for both he and his family. With the new skills he has gained, Brian has become an important and valued member of the team.

"Since joining SP Energy Networks I have had excellent training both at the training centre and on-site learning. I have learned and continue to learn many new skills. As skills and knowledge develop there are also chances of career advancement within the company as SP Energy Networks have a culture of promoting from within."

Brian McGauchie, Former Coachbuilder

Stakeholder strategic priority 5: Efficient connections

We push boundaries to facilitate connections, both for those connecting directly to the transmission system and also those connecting to the distribution network in our area. Nowhere has this been more obvious over the last year than in Dumfries and Galloway, where we have worked with stakeholders to create an innovative solution that is a fundamental departure from traditional industry practice, delivering quicker and cheaper connections for developers and consumers alike. Our solution takes aspects of the emerging 'Distribution System Operator' philosophy and is putting them into practice now.

Connections developers

8.6/10

Importance
to all our
stakeholders

Satisfaction
survey
7.4/10



Score up 27%



Response rate
dropped 23%

Developing an efficient future transmission system saving millions for consumers

Dumfries and Galloway (D&G) has a high potential for wind generation, but the network is too small. To provide a route to market for this new generation, the cost of building a suitable network to accommodate the peak generation would be over £500m. However, by designing innovative commercial and technical solutions we could accommodate all but the occasional peak power output and save consumers the difference in price. We took the decision to progress this much lower cost, more efficient scheme and work with stakeholders to develop a transmission system that will pave the way for the low carbon system we all aspire to achieve.

What did we do?

Developer Forums: We learned from our engagement with developers in South West Scotland and chose to replicate this approach with a specific Developer Forum for our D&G

stakeholders early in the process. But we also went further, using this new proactive forum to facilitate discussions between the System Operator National Grid and Developers on how we can introduce the innovative commercial solution we need to operate the constrained D&G network.

Annual Connections Summit: Held for all key interested and influential stakeholders interested in connections to the Transmission network. We've updated this forum to help drive change in the industry – discussing big, difficult topics like Queue management. We gathered developer views on how we can make improvements to this process and facilitate faster connections for the most viable schemes.

Proactive collaboration and engagement: To explain and develop our innovative plans for D&G area we met with the Northern Ireland System Operator & Government, Moyle Interconnector Operator, BEIS and Ofgem to review our plans and assess the impact it would have on these stakeholders.

What is this engagement delivering?

In consultation with stakeholders, we refined our plans for the D&G network, proactively adapting to industry developments such as changes to onshore wind subsidies and recognising the significant consumer cost of building a network using a traditional design approach. Through consultation with stakeholders we identified an opportunity to modify our plans with innovative commercial and technical solutions.

What were the outcomes?

Working with the system operator, we developed a ground-breaking plan to

build a smarter, more efficient network to give much of the same capacity and functionality whilst greatly reducing price, disruption and environmental impact.

Based on the revised plan, we quickly developed and issued updated connection offers for all 30 waiting projects, representing a massive 1298.4 MW of generation, and securing the potential for substantial local economic benefit.

Our agreed plan will now save over £400m for customers, costing less than £100m in total, whilst accommodating all the proposed generation 95% of the time.

Better, more accessible information

The industry network connections process is multi-party and complex, so we have introduced a number of new approaches to give developers the information they need.

What did we do?

Guide: To explain this process better we developed our own "how to" Getting Connected guide. We used feedback from both of our Developer Forums and Annual Connections Summit to make sure we understood and met customer needs, before publishing and promoting.

Newsletter: In our survey, Developers asked for more engagements between events – we created a new newsletter.

Tripartite engagement: We proactively facilitate engagement with National Grid and Developers, both at pre-application stage and throughout the project lifecycle.

Transparency: Industry leading quarterly publication of the current build status of every major upgrade, upon which a connection is dependent.

What is this engagement delivering?

We're providing more information and being more accessible, tailored to meet the needs of our developers.

What were the outcomes?

New Getting Connected guide sent to 300 developers and published online. In annual survey 75% had read the document and 100% of them agreed it was useful.

Year round engagement ambition – New twice-yearly newsletter timed to fill gaps between Developer Forums and launched new, innovative stakeholder online community platform.

112 portfolio review meetings held for 88 ongoing connections projects.



Stakeholder strategic priority 6: Upgrading the network

When we upgrade lines or build new ones, we are acutely aware of the impact we can have on local communities. We have analysed the demographics of those who engage with us and have been proactive in using new innovative approaches to extend our reach further.

Tailoring our consultations for the hard to reach

Through our robust engagement planning process we identified the 'time poor' as our hardest to reach group. We want to make it as easy as possible for them to have a real impact on the work we do.

What did we do?

Reaching the time poor: The demographic of people attending events is not often representative of the area. Many young working people are time poor and don't have a sufficient appetite to engage. Taking best practice from the NHS, we built an innovative relationship with local schools, hoping children would discuss the issue at home. This worked particularly well in New Galloway, where Geography students visited our public exhibition. The children asked some stretching questions of our engineers! Later in the day they brought parents back to hear about the proposed work, helping us to reach working families.

Protest groups: Proactive engagement with an objector group allowed us to explain the reasoning behind our plans and listen to their views and suggestions on how the proposals could be improved, underlining our commitment to consider all points of view before reaching our conclusions.

Innovative technology: When proposing a new route for our line in Dumfries and Galloway we took new innovative 3D modelling and flythrough technology to all consultations, community and residents groups.

What is this engagement delivering?

We're using new and innovative techniques to extend our reach, resulting in high quality feedback which is being used to change our routeing plans.

What were the outcomes?

New 3D modelling – proposed lines and towers plotted on satellite imagery.

Tailored flythrough for members of public's perspective of how the new lines are going to look for them.

Some route changes suggested were viable options. Modifications have been taken forward near Polquhanity, Darsalloch, Stroan Loch, Slogarie and Edgarton.

Received praise for engagement from high profile protest group.



"The use of the 3D visualisations available at the exhibitions was excellent and helped us all understand the implications of the overhead line... (DGAP) commends the staff at the exhibitions for being knowledgeable, interested and engaged in hearing public comment and for demonstrating considerable care for the region."

DumGal Against Pylons – feedback received during consultation

8.6/10

Importance
to all our
stakeholders

Community stakeholders

Satisfaction
survey

8.0/10



Score down
7%



Response rate
up 187%

'Ditch the Label'

Last year we launched our 'Ditch the label' approach, which we have now scaled up and extended. Our stakeholders told us they don't always understand how we operate and labels such as 'Transmission' and 'Distribution' are meaningless – they want us to remove these labels and be more visible to communities.

What did we do?

Using public interest innovatively: When one of the ships laying our high voltage sub-sea cables identified a WWI submarine, we engaged with experts to understand the importance of our find. Recognising potential public interest, we engaged national media to promote and raise awareness of transmission investment.

Interactive investment maps: Brought together all our Distribution and Transmission forthcoming investment into one interactive online map for customers. Customers don't have to look for work under our internal labels, the map does it for them.

Community hotspots: We used our vulnerability data mapping, which demonstrated areas of poorly served customers, high levels of vulnerability and off-gas grid to identify hard to reach hotspot areas. We invested in our own branded community vehicle, named 'Basil Volty' in a social media competition, which we use to engage in local hotspots and at local agricultural shows.

Joint meetings: Based on successful pilot in 2 Districts, extended our approach to all Districts, meaning that we can respond to both Transmission and Distribution enquiries at local events.

Sharing best practice: Agreed with National Grid that colleagues in our sister Manweb distribution licence area will support National Grid consultation events held in our licence area.

What is this engagement delivering?

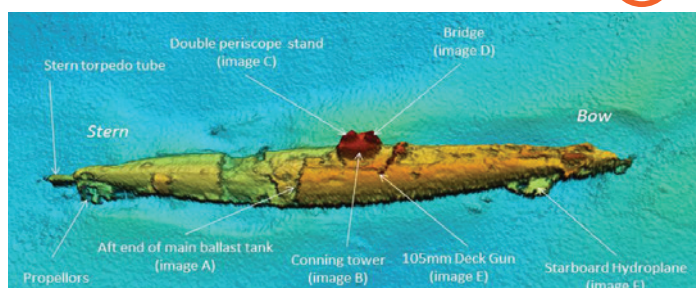
We no longer expect people to know to come to 'Transmission', instead we go to them.

What were the outcomes?

Public information messaging distributed in 8 hard to reach hotspot areas, identified through innovative data mapping.

New interactive investment maps online, so customers can see all forthcoming investment work in one place.

Infamous WWI 'Sea-monster' u-boat find featured heavily in international media. #1 news story on BBC News. International documentary channel creating 2 hour feature, with potential reach of up to 10m UK households and over 409m worldwide.



Stakeholder strategic priority 7: Working in our communities

We listen to our neighbours to understand the impact we are going to have on them. We have embedded new processes and culture to help us become more innovative, flexible and adaptable in response, which is making a real difference in local communities.



Going above and beyond for our local communities

Our local communities said they wanted to be more informed ahead of works. We already had a comprehensive community liaison plan in place, but recognised we could be more innovative in our approach.

What did we do?

Revised Community Liaison Policy: Our previous policy had 3 levels, based on the expected impact. Our neighbours told us we were missing a specific approach for when our work is only impacting very small groups of individuals, as we could still have significant impact on them. So we strengthened our policy to personalise and tailor our plans to local needs.

Above and beyond: We encourage all our teams to focus on excellent customer service and we aim to achieve 10/10 for satisfaction every time.



What were the outcomes?

Community Liaison Plans: We had 54 active community liaison plans across 2016/17. We develop a personalised and tailored plan for the needs of the community in which we are working.

New process more embedded in our business: Our community liaison plans are now owned by each delivery team at every step of a project. We have strengthened our policy for our most impacted neighbours, ensuring we proactively letter drop and door knock.

Above and beyond: This year our teams have gone the extra mile for our neighbours – from moving to night-shift working to avoid closing single track roads to arranging a new vehicle drop off point for a junior group of young disabled golfers who would otherwise not be able to access the course.

Stakeholder strategic priority 8: Supply chain

Our suppliers help us deliver 80% of our investment – without them we couldn't deliver our promises. We've followed the full feedback loop – engaging, changing, checking and then implementing positive changes.



Rewriting our procurement processes

Our suppliers told us that our procurement process was repetitive and complicated and that they would like more engagement and a simpler process.

What did we do?

Testing our changes: Stakeholders told us how complex our terms and conditions had become, so we completely rewrote them from scratch. Following the full feedback loop, we sent these to our biggest suppliers for comment and made changes. Following best practice, where we decided not to use their suggestions, we explained why not.

Internal working group: Suppliers said our Pre-Qualification Questionnaires (PQQ) were not standardised, so we ensured that they will now be the same for all tenders.

Transmission Strategic Stakeholder panel: Contractor and Scottish Council for Development and Industry representatives added to new panel to ensure influence on executive decision making.

Key contacts established: Individual SPEN contact points introduced for all contractors. Complemented with face to face meetings for our biggest suppliers. Also launched new quarterly supplier newsletter with content tailored to feedback, e.g. forward tender view, process guides. Distributed "meet the Transmission team" presentation and innovative personal video messages.

What is this engagement delivering?

We're making the changes asked for and continuing to engage to make sure we've got it right.

What were the outcomes?

New simplified terms and conditions agreed and implemented on projects worth £33.7m already, making it easier to tender.

New standardised PQQ adopted for all tenders, replacing the previous resource intensive and repetitive process.

Quarterly publication of circa 45 future tenders – leading the industry in helping suppliers plan effectively for future.

New quarterly face to face meetings with 12 biggest suppliers – an additional 48 meetings per year to improve relationships.

"I found the meeting very positive... we welcome the chance to give/receive feedback and it's a positive step for both our organisations"

John Knowles, Barhale on contractor interface meetings

How we do it

Our customers pay for everything we do, and they rightly expect us to spend that money well. We use a variety of different methods to maximise value for money, we collaborate and form partnerships to deliver services efficiently and we share best practice to replicate economical solutions GB-wide. All of this is possible because of our proactive, forward-facing organisational culture.

Maximising value for money

We have worked hard to develop and extend the ways we use analysis to maximise value for money. We have a strong suite of evaluation and measurement tools for use on every project. We continue to use 'full' and 'light' expressions of Cost Benefit Analysis as appropriate to justify our engagement and the resulting initiatives. We are committed to evaluation and believe it is important to have a flexible approach to measure all types of engagement.

We have spent time benchmarking best practice in evaluation and measurement across utilities and beyond. We have confidence that our approach is helping us target our initiatives to deliver the best outcomes for our stakeholders.

However we are not stopping there – our CEO and Directors have helped develop our new approach to Willingness to Pay and interactive stakeholder conferences. Building on best practice, we're working with relevant experts to develop surveys and econometric analysis to test willingness to pay amongst our stakeholders.

A cultural transformation

Our culture change programme has delivered industry-leading improvements in customer service, but we aren't stopping there. We're using the same principles to reinforce our personable, flexible and efficient culture as we look to the future.

Stakeholder Engagement: multi-layered engagement training for all staff, industry-leading Tractivity stakeholder management system enables embedded engagement with clear lines of sight.

Open Innovation: staff across the business involved in 'hatching a challenge', thinking about light, fast innovation close to home.

Asset Management: leading position achieved through everyone having a role to play and access to the information they need.

Sustainability and Environment: multi-layered training for all staff, cementing industry-leadership position.

Sharing best practice

The Transmission Owner Best Practice Working Group consists of representatives of transmission owners SP Energy Networks; Scottish and Southern Electricity Networks and National Grid. The Group considers all aspects of engagement where working together will lead to benefits for stakeholders; making sure engagement across the industry is coordinated and of the highest standard.

Key outcomes for 2016/17 are outlined below and summarised in more detail in the shared appendix:

Communications: we have worked with the ENA to improve signposting and navigation for stakeholders seeking contact information for Transmission networks.

Surveys: we shared advice on how to improve response rates with a marked improvement noted as a result of changes made.

Major Projects: following shared learnings on consultations, National Grid has updated its consultation policy to incorporate Priority Services Register and fuel poverty referrals into their consultation process, as well as promoting the 105 power cut number.

Outages: following stakeholder feedback that we need to increase the notice period for outages, we have, through joint working, changed our processes to ensure much earlier notification. In addition we have worked together to agree an outage pattern 3–6 years ahead to avoid clashes and ensure outages are aligned wherever possible.

Partnerships and collaboration

The many and varied outcomes featured in this document are just the tip of the iceberg – we owe much of the breadth and depth of our programmes to the strong partnerships and collaboration we build and foster.

Safety

- ↔ Working at Heights working group
- ↔ Setting to Work working group
- ↔ Method Statement working group
- ☆ Vehicle and plant working group

Connected customers

- ⊗ EDF

Reliable, resilient and efficient network

- ⊗ National Grid
- ☆ BEIS
- ⊗ Scottish Government
- ↔ Local Resilience Forums

Skills to deliver

- ⊗ National Skills Academy for Power
- ⊗ Engineering Development Trust
- ↔ Glasgow Science Centre

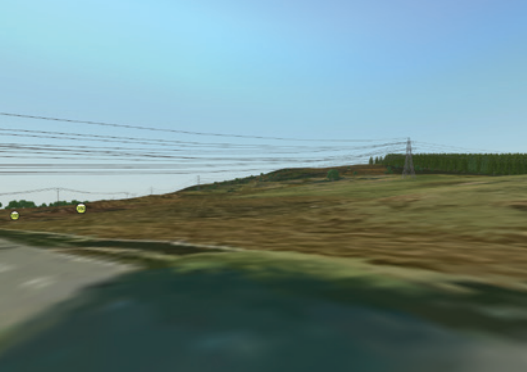
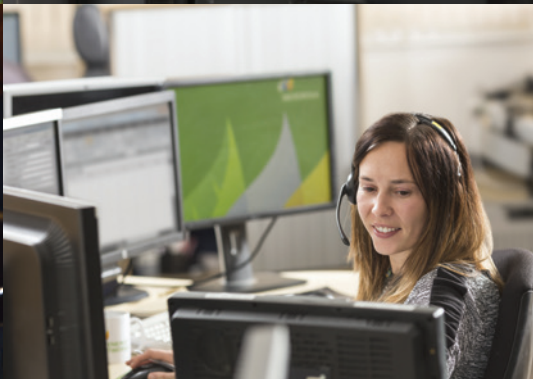
Ditching the label

- ↔ SP Distribution

Sharing best practice

- ⊗ SSE
- ⊗ National Grid

- ☆ New
- ↔ Improved
- ⊗ Enduring





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