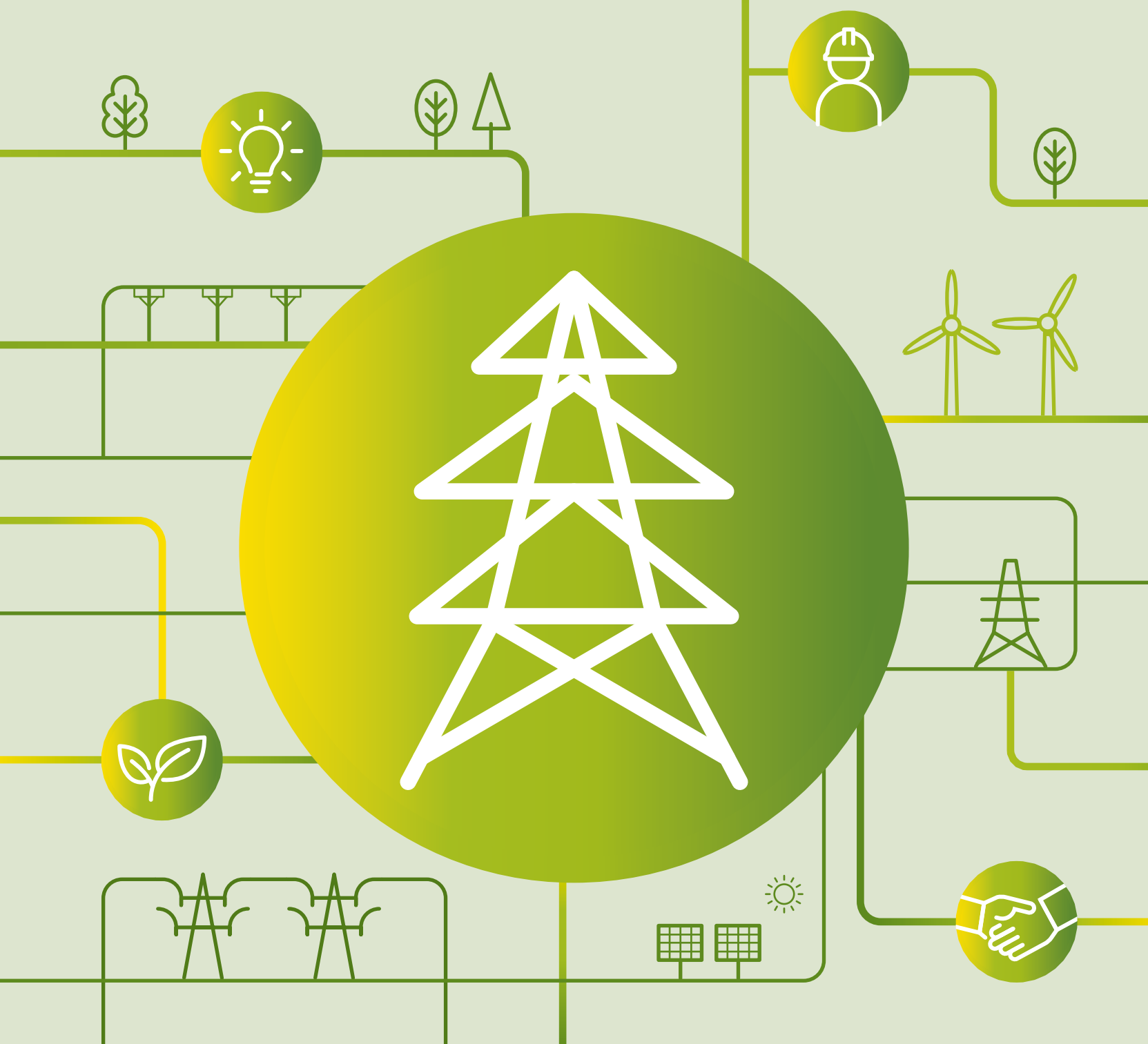


spenergynetworks.co.uk



SP Energy Networks RIIO-T2 Business Plan Summary

December 2019



Statement from SPENH¹ Board

The SP Energy Networks' RIIO-T2 Business Plan puts consumers first, delivers value for money – while maintaining a safe and resilient network that prepares for the transition to Net Zero.

The development of our Business Plan has been a collaborative effort between our dedicated and highly experienced project team and our wide-ranging stakeholders, including consumers and network users. We know that our plan has also benefited tremendously from the additional oversight, input and challenge from the Independent Transmission User Group chaired by the Rt Hon. Charles Hendry. We are confident that the voices of our stakeholders have been captured throughout all elements of our plan.

We fully support the messages made by the Chief Executive Officer of SP Energy Networks in his opening statement to the main business plan – we are facing a global climate emergency and the way society currently meets its energy needs is unsustainable. The targets set by the Scottish and UK governments to achieve Net Zero by 2045 and 2050 respectively require a major step-change in the way the energy system works, bringing an unprecedented level of complexity and uncertainty. As a Board, we fully support these targets and they have been at the forefront of our planning for RIIO-T2.

We have created a business plan with the flexibility to adapt to the changes that may emerge as a result of the transition to Net Zero. It also prepares for any other changes that materialise from external factors such as the political uncertainty over the Brexit process and threat of nationalisation. Our Business Plan will mean that SP Energy Networks will take a leading role in facilitating the delivery of a Net Zero future.

This document provides a summary of the key points of our business plan for SP Energy Networks, which enable us to deliver against our strategic goals. Reference should be made to the full **RIIO-T2 Business Plan** for further information as required.

SPENH Board

The SPENH Board has overall responsibility for the long-term strategy and direction of our RIIO-T2 business plan. The Board seeks to ensure the company continues to operate responsibly and ethically, while delivering success for consumers, network users, shareholders and wider stakeholders.

The SPENH Board is comprised of eight directors, three of which are independent.

Sr Armando Martínez	Chairman	<i>Non-Executive</i>
Sr Antonio Espinosa de los Monteros	Member	<i>Non-Executive</i>
Sr José Izaguirre Nazar	Member	<i>Non-Executive</i>
Mr Frank Mitchell	CEO	<i>Executive</i>
Mr Scott Mathieson	Member	<i>Executive</i>
Ms Wendy Barnes	Member	<i>Independent, Non-Executive</i>
Ms Alison McGregor	Member	<i>Independent, Non-Executive</i>
Professor Dame Lesley Anne Glover	Member	<i>Independent, Non-Executive</i>

For further information on the involvement of the SPENH Board please refer to our Board Assurance Statement.

1. The Board of Directors of Scottish Power Energy Networks Holdings Limited and the Board of Directors of SP Transmission PLC

You can find **SP Energy Networks RIIO-T2 Business plan** online at www.spenergynetworks.co.uk



Plan Overview

SP Energy Networks owns three regulated electricity network businesses in the UK: SP Transmission plc (SPT), SP Distribution plc (SPD) and SP Manweb plc (SPM). SPT is the licensed Transmission Owner for the Central Belt and South of Scotland, taking electricity generated from power stations, windfarms and various other utilities and transporting it through our considerable transmission network to get it to where it is required.

As we detail our plans for the next five years we are building on our long-term track record to deliver to ever more ambitious levels. This not only benefits consumers directly through our business as usual activities, but also generates wider societal benefits, e.g. transport and health – detailed in our consumer value propositions throughout our full business plan.

We will drive further innovation and efficiency in all that we do in meeting the needs of consumers, network users and wider stakeholders with limited impact on the bill. Delivery of our plan has minimal financial impact to our consumers – **less than £5 per year**. To do this, we focus on four strategic goals:

“I think that we as customers will be getting so much out of this plan. The cost of under £5 is nothing compared to the gains. It is very thorough and seems to cover all the points I would want to know about.”

(Business consumer)



1 Take a leading role in delivering a Net Zero future that is consistent with government objectives

We will take the lead to build a healthier, more accessible energy model – one which leaves the carbon economy behind. We will meet carbon targets, customers' low-carbon ambitions, and make a large, proactive contribution towards Net Zero.

2 Deliver the benefits of increased cost-efficiency to network users and consumers by continually innovating and applying whole system solutions

We will continue to improve our performance through a continual cycle of innovation. With smarter solutions, we can do more with less – deploying new technology, processes and ways to share data. Innovation will help us deliver uninterrupted supply, faster connections, and meet the ambitions of consumers, network users and wider stakeholders.

3 Maintain world-leading resilience and system operability to ensure security of supplies throughout the energy transition

This is a critical time for networks. Demand is changing, generation is evolving, and new threats are emerging. We will adapt our world class network to meet these challenges, including extreme weather, cyber security and black start events – delivering ever-higher performance for consumers, network users and wider stakeholders.

4 Keep network users and consumers at the heart of all our investment plans and decisions

We will listen and learn even more from our stakeholders. This will allow us to continue to raise our efforts as we work to improve lives, create jobs and protect vulnerable consumers. In everything we do, we aim to do more.

Building Our Plan

Co-creating the Plan with our Stakeholders

SP Energy Networks are committed to ensuring that stakeholders, including consumers and network users are at the heart of our plans. We have built our business plan around the evolving requirements of stakeholders and ensuring we keep abreast of potential new market models, regulatory and/or political environments. We use our robust stakeholder engagement strategy to systematically include stakeholders at every step of our RIIO-T2 plan development ensuring the genuine co-creation of our plans from priority-setting right through to testing the acceptability of the bill impact from our final investment decisions.

To ensure meaningful, cost-effective engagement and feedback, our plan has been discussed and reviewed per RIIO-T2 our business-areas and as a whole. This approach ensures specialist feedback into specific areas – such as our load and non-load expenditure, environmental action plan or cyber security – whilst also making sure our combined plans reflect the needs of consumers. Our engagement has therefore included a comprehensive and strategic series of RIIO-T2 business-area-specific targeted events, consultations webinars, bilaterals, conferences and RIIO-2 '#ChallengeOurPlan' online campaign.

As a percentage of the average electricity bill, consumers have advised us that our proportion is less relevant to them in comparison to the supplier element. However, we also know that even the smallest of increases can have an impact, especially for vulnerable consumers, and compound with increases in the cost of living more generally. Throughout our 'willingness-to-pay' and 'willingness-to-accept' consumer surveys we therefore focused our engagement toward those best placed to understand the needs of the most vulnerable consumers as well as wider environmental, social and economic impacts of not acting quickly and efficiently to facilitate a Net Zero future. Our external stakeholder activity throughout RIIO-T1 and in our planning for RIIO-T2 has therefore included:

Direct engagement with consumers in respect to our whole plan through a TO-wide 'willingness-to-pay' quantitative study, SP Energy Networks-specific quantitative and qualitative 'willingness-to-pay' focus groups, a 'how we make our money' SPT workshop, face-to-face and online 'willingness-to-accept' acceptability surveys and interviews.

One-to-one interviews with consumer representatives and fuel-poverty specialists such as Community Energy Scotland; Citizens Advice; Citizens Advice Scotland, local development trusts and domestic energy advisors as well as a former member of the Scottish Fuel Poverty Strategic Working Group.

A comprehensive and strategic series of RIIO-T2 business-area-specific targeted events, consultations, webinars, bilaterals, conferences and RIIO-2 '#ChallengeOurPlan' online campaign.

Bilaterals with the Scottish Government.

Monthly review meetings, including site visits, with our independent Transmission User Group.

Consultation with the Ofgem Challenge Group and relevant specialist members of the Transmission User Group.

For the first time ever, our plans have also been open to input, review and scrutiny from an independent Transmission User Group. The group chosen to challenge SP Energy Networks' plans is chaired by the Right Honourable Charles Hendry, who was previously Minister of State for the Department of Energy and Climate Change from 2010-2012. The wide range of stakeholders represented by the members chosen by Charles Hendry has further helped to give consumers a stronger voice in every element of the plan.

Finally, each chapter of our full business plan provides a summary of the stakeholder engagement undertaken in order to inform it and how we have built the plan to meet the needs of all of our stakeholders as we work collaboratively to facilitate Net Zero.

Innovation Built-in

We have led the way in our investment in innovation. Our innovation has major benefits to other parties across the whole system, including reductions in the costs of operating the national system, time to connect new generation, and the network's environmental impact.

The energy system transition will continue to present new challenges to the operation of the network. Our innovation focus remains to rise to the challenges, from system operability and security of supply to reducing environmental impacts and staying cyber resilient. This will be done through collaboration with network users, other network owners, the system operator and the regulator.

We aim to deliver a balanced innovation portfolio in RIIO-T2, through core business-as-usual, incremental and transformative activities. To achieve this, we have developed a comprehensive and targeted innovation strategy. We will structure our innovation into clusters of network modernisation, system security and stability, network flexibility and digitalisation of power networks. The structured approach is part of our strategy to lead the industry in the effectiveness and transparency of our innovation activities.

SP Energy Networks' RIIO-T2 business plan will deliver benefits in excess of £30m. This is from the roll-out of successful innovation projects on our network led by us in RIIO-T1 and represents a 48% payback of the £61.92m RIIO-T1 innovation investment allocated to SP Transmission.

Our business plan will deliver benefits in excess of £30m from roll-out of our successful innovation projects

£30m

Delivering an environmentally sustainable network

Above all, we are committed to delivering a sustainable network and driving progress towards Net Zero greenhouse gases in line with government legislation. This can be seen in our plan, supported by adherence to globally recognised standards, and effective ongoing stakeholder and supply chain engagement.

We have tested all of our commitments and initiatives for accuracy and to make sure they provide maximum efficiency in both cost and benefit.

Our strategic objectives:

In light of the recent move to target carbon neutrality in Scotland by 2045, we are reviewing our business carbon footprint reduction strategy in line with the most up-to-date climate science to ensure that our targets will deliver the right level of reductions.

Decarbonising our networks and assets

Our commitments to SF₆ reduction and alternatives will avoid 9,700kg of SF₆ being added to the network across the T2 period, avoiding estimated emissions equivalent to 1,200 tCO₂e per year.

The network losses reduction initiatives contained within our Losses Strategy will result in the avoidance of 3,700 tCO₂e per year.

Our commitment to implementing energy efficiency measures at 48 substations (representing around 1/3 of our sites), will reduce energy consumption by more than 1,000MWh per year. That's enough to power the equivalent of 250 households and save over 250 tCO₂e annually.

Our commitment to Science Based carbon reduction targets for Scope 1, 2 and 3 will provide a rigorous framework for driving carbon reductions through our whole value chain.

Reducing our environmental impacts

The development of a public and binding Sustainable Growth Agreement with SEPA will cement our commitment to reach beyond compliance.

Our commitment to develop, pilot and embed a robust methodology for measuring biodiversity and natural capital will enable us to accurately baseline existing biodiversity across our portfolio and identify realistic opportunities for net gain during T2. We also propose a bespoke output incentive to accelerate the delivery of biodiversity net gain initiatives.

Our commitments to divert 95% of our waste from landfill by 2023, recycle or re-use 100% of waste by 2030 and move to zero waste by 2050 are fully supported by supply chain engagement, accurate waste data and supporting commitments to embed circular economy principles across all relevant processes.

Sustainability for everyone

To keep consumers and network users at the heart of our decision making, we undertook extensive engagement with stakeholders on how we should deliver a sustainable network. Like us, they believe we must not leave the most vulnerable in society behind in the net zero transition.

That's why we are proposing a £20m Net Zero Fund with a focus on vulnerable communities. This will support the creation of jobs and progress community-level low carbon solutions whilst delivering significant carbon savings and wider socio-economic benefits. The fund is estimated to deliver at least £3 of social benefits for every £1 invested (Social Return on Investment). The key outcome of stakeholder engagement regarding the fund proposal was that it should focus on vulnerable consumers and their communities.

Separately, our RIIO-T2 plan proposal to maximise environmental benefit from operational land will:

Enable community groups to use the land for free to install upwards of 4MW of new renewable generation

Support biodiversity enhancements at up to 20 sites

Enable c.1,200 tCO₂e carbon savings p.a.



Key Goals and their Rationale

*Targets from a 2013/14 baseline (carbon footprint target excluding losses).

	Carbon and Energy Reduction	Sustainable Resource Use	Water Efficiency and Protection
2023	-15% carbon footprint*	Divert 95% of waste from landfill	-10% in water use*
2030	-80% carbon footprint*	100% waste recycled or re-used	-25% in water use*
2050	Carbon neutral*	Zero waste	-50% in water use*
Rationale	Essential to meeting global and national CO ₂ reduction targets.	Essential to meeting landfill diversion targets particularly in Scotland where the Scottish Government has Zero Waste Strategy target of 5% to landfill by 2025.	Climate change models forecast reduced summer rainfall putting pressure on scarce water resources. Treating water to potable standards and transportation of water is costly and uses energy.

Health and Safety

Health and Safety is at the core of our business, therefore, we will continue to ensure this is a priority for our business. SP Energy Networks operates with industry-leading levels of health and safety for staff, contractors and the general public – it is a priority in everything we do.

Stakeholders have informed us that we should focus more on mental health, specifically the mental wellbeing of our employees; as a result of this, we have committed to train at least 2% of our workforce as mental health first aiders by the end of the RIIO-T2 price control period.

Whole System Planning

The electricity transmission network only forms one part of the overall energy system. As sources and demands for energy become more diverse, it is increasingly important to coordinate all parties involved – going beyond just the network users connected to the electricity network. In preparation for a whole system future, we have engaged with other Transmission Owners, National Grid ESO, generators and current and future network users.

We have coordinated across SP Energy Networks to create a fully integrated distribution and transmission plan – to make sure we maximise the benefit for consumers through the creation of a Distribution System Operator (DSO) model. The DSO model will allow us to further develop our coordinated approach. At the same time, we will take on new responsibilities and activities to enable the uptake of low-carbon technologies.

Our engagement has not just been limited to the energy sector, we have also coordinated our approach with local authorities for transport and heat planning, and with the Scottish Government regarding their overall energy strategy and network vision, as well as with Transport Scotland.

Working with the ESO

97% of all generation we have connected has a zero carbon source

97%



Proposed Expenditure and Outputs

Load Related Expenditure

Net Zero targets for greenhouse gas emissions mean that over the next decade we expect to see major changes to the way that the network operates. It is our role, as transmission network owner, to ensure that we enable this evolution – this is the focus of our load related expenditure.

We have used a scenario based process to evaluate the challenges and the range of uncertainty in the future. We have built our plan on a high-confidence view of the projects that will emerge. It is also designed to make sure our plan provides the correct level of flexibility, given the different views on the rate of change that we may see throughout the RIIO-T2 price control period.

Our stakeholder engagement carried out in this area has ensured that our plans are reflective of the evolving requirements of consumers and network users. In particular, consumers have shown strong support for Scottish Government targets to move away from petrol and diesel vehicles. As a result, our plan facilitates the 158,000 electric vehicles that we project will be active on our network by 2026 to help achieve the government target. This supports our strategic goal to take a leading role in delivering a Net Zero future.

As the network becomes increasingly congested and more generators connect, we are seeing larger changes in power flows across the country. Our plan includes upgrades to connections with SSEN, National Grid and SP Distribution, to make sure we can move power around the country to meet demand. We have adopted a whole system approach which delivers the maximum efficiency for consumers, network users and wider stakeholders by considering the factors beyond only the electricity system.

Our ambitious baseline plan will directly connect 900MW of renewable generation and create capacity for 800MW of embedded generation. It will also increase the capacity for additional renewable generation to be transferred across Scotland and Great Britain. This will reduce emissions by 1.6Mt a year with a value of £81m per annum.

Over the course of RIIO-T2, we plan to spend £540.1m on load related expenditure – including generation and demand connections, reinforcements, and boundary upgrades – to accommodate the evolving requirements. **This is an annual cost of 32p to the consumer bill.**

Reference should be made to the full published business plan for further details on the wide ranging activities within these areas.



Non-load Related Expenditure

The focus of our Non-load expenditure is on looking after the network assets and infrastructure we have. To cost-effectively prepare our existing network for a whole-system, Net Zero, future, whilst maintaining exceptional network reliability and safety, we must invest in the right assets at the right time.

We have focused our refurbishment or replacement efforts on those assets in the poorest condition, which pose the highest risk to network reliability. In response to stakeholder feedback, we have ensured that we are clear on how our investment decisions avoid the replacement of assets that won't be needed or will not be suitable in a whole system future.

To identify these assets and make sure we had the most robust and up-to-date information for this plan, we put an intensive assessment programme in place. Throughout 2018 and 2019, we have assessed all of our assets. This data is processed using detailed models and the results are verified by our expert engineers to help guide investments. The needs cases for investment decisions and the technical solutions have also been challenged, and verified, by independent external specialists.

We have balanced our works to make sure we protect reliability of the network, while keeping costs to consumers fair and our expenditure in this area, across six asset groups, is £542.5m. **This is an annual cost of 39p to the consumer bill.**

Supporting and Securing our Network

Supporting and securing our network means making sure that we can run our business efficiently and be resilient in a time where the threats to network security are evolving rapidly. Maintaining resilience is therefore much more than looking after assets such as lines, cables and transformers. It is also vital that we consider other factors such as flooding, cyber security, land, buildings and IT.

Our plan is adapted to the rapidly evolving challenges of climate change, most notably flood risk. We plan to spend £5.5m on flood risk mitigation throughout RIIO-T2; this is focussed on 10 sites which have been identified as at risk from pluvial flooding.

Cyber-attacks are another area of rapid change, with the potential to have a fundamental impact on the critical service that we provide. Stakeholders have informed us that they want more clarity on our cyber security activities and we have therefore updated our plan to more clearly show that our business-as-usual investments have cyber security built-in from the start. Our plan includes expenditure of £12.2m in this area which will allow us to meet the requirements of "business as usual" refreshes and includes the cyber resilience activities needed to comply with the recently introduced Network and Information Services directive.

Our total expenditure on the wide ranging required activities to support and secure our network is £292.3m, **an annual cost of 21p to the consumer bill.**

Implementing Our Plan

Continuing to Engage with our Stakeholders

Overall, we know that we are exceeding expectations for consumers, network users and wider stakeholders. SP Energy Networks were named as the UK's leading network operator in 2019 – awarded Network of the Year at Network Awards for record high performance.

We have committed to building on this throughout RIIO-T2. We have engaged extensively with stakeholders across Britain to shape the plan in their vision. As the network changes rapidly, it is crucial for us to maintain an open dialogue with stakeholders, and continue to measure what is important to them.

We have focused on making our strategy inclusive – targeting stakeholders across all sections of society. The result is a robust strategy that aligns with AA1000 global standard for stakeholder engagement and has been audited by AccountAbility.

Managing Uncertainty

The bold government targets to decarbonise the energy system are leading to more change, faster than ever before. This means we are required to carefully assess every aspect of our plan to make sure it is flexible enough to withstand change without compromising on ambition.

When creating the plan, we took great care to make sure that each of our high confidence projects had the flexibility to change if required. As an example, one of the biggest drivers of change is the growth of renewables. During RIIO-T1, we found that generation connected to the network was considerably different from that which was forecast. We are also seeing ever greater interest in offshore wind and growing amounts of distributed generation. These projects are driven by our connected customers and we must be able to respond to their changing needs efficiently while guaranteeing a resilient and reliable network.

The push to Net Zero will bring with it changes to legislation, changes in consumer and network user demands and other uncertainties which we also need to provide an efficient and timely response to.

We have considered the trade-off of including expenditure in our baseline plan, or through an uncertainty mechanism to make sure network users are not committed to funding works that may not materialise. We fully expect our plans will have to flex, therefore we have ensured that the plan proposes a range of mechanisms to ensure a fair and consistent means of funding these changes for both network users and investors.

Output Incentive Proposals

Informed by stakeholder engagement, willingness to pay and building on our experience from RIIO-T1, we've developed a strong package of output incentives. These output incentives drive the priorities that stakeholders have told us they want to deliver in RIIO-T2 and the goal has been to identify the right incentives to help us maximise benefits for consumers, network users and wider stakeholders while minimising impacts on consumer bills.

Our incentive package in RIIO-T1 has driven a step change in our performance in key areas that stakeholders value. We believe that it is important for us to build on this success and have developed a stretching package for the RIIO-T2 price control period.

The output incentives that we have proposed are built around the categories proposed by Ofgem:

Meeting the needs of consumers and network users

Maintaining a safe and resilient network

Deliver an environmentally sustainable network.

A set of commitments has been developed for each of these incentive areas based entirely on the feedback received from stakeholders. Importantly, in each of these incentive areas we have committed to report a number of outputs to our User Group, who we propose to retain throughout the RIIO-T2 period, on an annual basis to allow the group to assess our performance. This will ensure we have clear accountability to an external, informed group of consumer, network user and wider stakeholder representatives who are well placed to assess our performance against our RIIO-T2 submission.

Full details of these commitments can be reviewed in the full business plan in our chapter "Implementing Our Plan, Output Incentives Proposals" and in Annex 12 of our Business Plan.

For more on our commitments around Output Incentives see our business plan chapter **Implementing Our Plan, Output Delivery Incentives Proposals** and our supporting **Annex 12**.



Delivering Our Plan

It may sound obvious, but we need to confirm that we have a plan that can be delivered. Furthermore, stakeholders have told us that they want us to deliver what we've said we will, when we've said we will – all in a safe, efficient, sustainable and future-ready manner. They want us to be able to plan in a manner which minimises risk and disruption to all consumers and network users and to deliver works that connect or facilitate new renewable generation quicker.

To allow us to do this, we have used our experience and strong track record of delivering what we said we would, in order to assess our plan against the constraints that can affect it.

The constraints that we assess our plan against are:

Access to the network; much of our plan requires us to gain access to live equipment on the network. When we do this we may reduce the capability and reliability of the network and we need to plan our work in great detail to minimise any effect on the network or risk of interruptions to our network users.

Project timescales; to successfully complete our planned projects, we need agreement on development and delivery timescales. For the diligence of the plan, we have challenged standard project timescales for all activities.

Resources; a workforce with the right skills is essential for the safe and reliable operation of our network. We have a strong ethos of developing our staff, to make sure our people have the skills and experience they need. Our recruitment pipeline is well established: across SP Energy Networks, we are recruiting 110 apprentices and graduates from a diverse range of backgrounds, all as trainees. We also regularly move staff between transmission and distribution to broaden their experience.

Supply chain dependency; matching our supply chain capacity and capability to our plans is critical to the successful delivery of our portfolio of projects.

As part of the section “**Delivering Our plan**”, we describe how we embrace markets and competition. Competition is not new to us: we extensively use market driven competition for the benefit of consumers and in recent years we've taken a series of steps in developing our processes to further extend our use of competition and will continue to do so during RIIO-T2. We have produced a competition plan that supplements our business plan which goes into more detail.

A Sustainable Workforce

Alongside our Business Plan, we have developed a Sustainable Workforce Strategy which explains how we are ensuring we have the sufficient people with the required skills needed to design, build, operate, maintain and repair the networks. As Ofgem recognises, attracting and retaining people into such roles is becoming increasingly challenging, which is compounded by an aging workforce, limited diversity, and competition from other sectors. Therefore, it is imperative to us that we have a practical strategy for addressing this. In relation to this, we have engaged with our Unions on both our Business Plan and Sustainable workforce Strategy.

Financing Our Plan Efficiently

Ofgem have instructed the use of 4.8% for the cost of equity for this plan. We do not support this and provide our alternative proposal of 6.5%. We believe this is how much we need in order attract and retain sufficient equity finance. At this level, the finance we attract will provide the necessary investment to maintain network reliability and absorb the forecast expenditure volatility as we facilitate the transition to a low-carbon economy. We are proud of our track record and the trust we have earned from our stakeholders. But we're not standing still.

Based on Ofgem's assumptions, SP Transmission propose to collect revenue of £1.6bn for the five-year RIIO-T2 period. That's a yearly average of £333m at 18/19 prices, excluding incentives. This compares to the eight-year period of RIIO-T1 of £2.5bn – a yearly average of £313m.

Our revenues are based on our proposed investments and commitments, all to be agreed with Ofgem through the business plan process.

The average annual increase in base revenue for the RIIO-T2 period is mainly driven by the increase in our Regulatory Asset Value(RAV)-related revenues. In other words, these revenues are driven by the scale of past investment. The RAV through RIIO-T1 has grown from £1.6bn to £2.6bn – an increase of 61%.

Our financing plan is efficient and ensures financeability at the requisite investment grade credit rating, but no higher.

For more detail see our full business plan section **Delivering Our Plan**.

For our Alternative Proposal, please see **Annex 34: Our Supplementary Business Plan**.



Summary

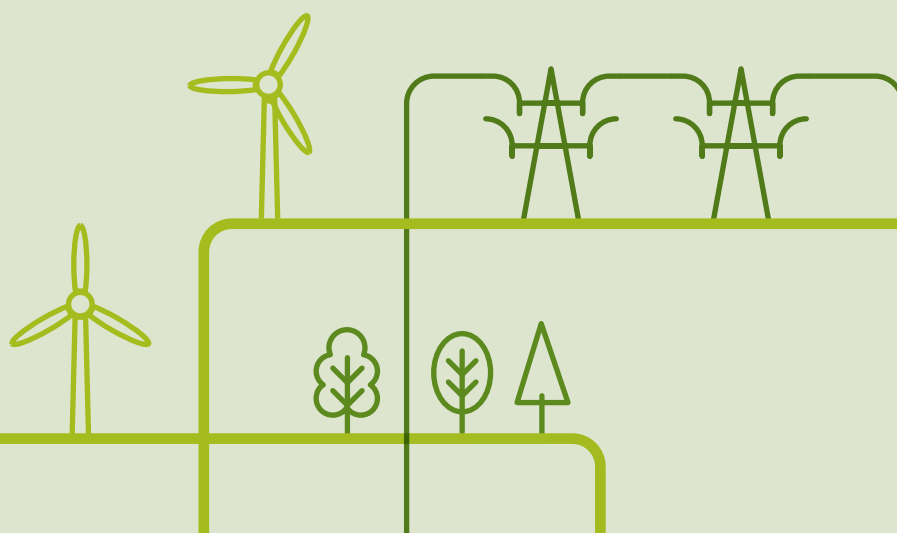
To mitigate the impacts of climate change and meet Government targets for Net Zero requires a level of focussed effort and commitment never seen before. We are confident that we have produced a plan that will allow us to take a leading role in the delivery of a Net Zero future and which has been founded on the best interests of consumers, network users and wider stakeholders alike.

This document summarises our final RIIO-T2 business plan which was submitted to Ofgem on 9th December. **The full plan is available to read here.**

We remain committed to an ongoing stakeholder engagement process and as such would welcome any questions on any aspects of our plan. If you would like to be kept up-to-date with the latest information and our planned activities regarding RIIO-T2, you can **register as a stakeholder** and join our stakeholder online community. We also welcome your thoughts and feedback via our **RIIO-T2 mailbox**.



You can find **SP Energy Networks RIIO-T2 Business plan** online at www.spenergynetworks.co.uk



900MW

We will connect at least 900MW of renewable energy generation playing our part in facilitating the Scottish Government Net Zero target of 2045.

99.99998%

We will adapt our world-class, resilient network maintaining our outstanding track record of energy supplied for our customers.



1,600MVA

Our plan will deliver an additional 1,600MVA of boundary capacity, ensuring power can be moved around the country to meet the demand of our consumers and network users.

Equivalent to powering 1.5m homes and a reduction of 1.6Mt per annum of CO₂.



Saving consumers in constraint costs

£152m p.a.

9,700kg

Our Plan will avoid at least 9,700kg of SF₆ being added to our network during RIIO-T2.



158,000

We will meet the needs of our consumers and network users by ensuring sufficient network capacity for 158,000 electric vehicles that we expect to be operational in our network area by 2026.

The average annual cost to the domestic customer's bill to deliver our RIIO-T2 plan.

£0.92

Our efficient and ambitious plan minimises the impact on our customers' bills.



Increased monetised asset risk benefit by

£1.6bn

9.5%

Our RIIO-T2 plan is more efficient than RIIO-T1.

£1.375bn

Our investment to maintain our outstanding network reliability, delivering what our customers want and to facilitate Net Zero.

1.86Mt CO₂e p.a.

Our plan will deliver an overall CO₂e saving as we facilitate Net Zero.

