

SP Energy Networks 2014–2015

Electricity Distribution
Stakeholder Engagement
Submission Part 2 – Engagement Outcomes





Outcomes of our engagement - CEO Statement



Our rigorous and structured approach to stakeholder engagement is delivering results - for our stakeholders and for how we run our business. This is having a direct and positive impact on how we meet the challenges of delivering affordable and reliable supplies, and supporting the transition to a low carbon energy sector. The range and diversity of our engagement portfolio shows how we have embedded effective stakeholder engagement within our ways of working – and built a strong platform for the future.

We are the licensed Distribution Network Operator (DNO) for Central and Southern Scotland, and Merseyside, Cheshire, North Wales and North Shropshire. We serve 3.5 million customers across a network of over 100,000km of overhead lines and underground cables. Our network is situated in areas of the UK that experience severe weather during the extended winter months, and also areas of outstanding natural beauty. We serve a diverse range of communities. Our network in Mid-Wales serves the highest % of households in Britain without access to mains gas. We also serve three large cities – Glasgow, Edinburgh and Liverpool - and a large number of areas of social deprivation. Further, our network is expanding more quickly than any DNO, primarily to help harness the excellent resources for renewables in our licensed areas. Our vision as a business is to be a customer-focused company, trusted by our communities and stakeholders, an engineering company with strong stewardship of assets and world-class safety credentials, and a company that attracts and develops skills for the future from the communities that we serve. Our approach to stakeholder engagement aligns with, and is increasingly integrated to, the realisation of this vision.

Over the last two years, we have extended the breadth and depth of our approach to stakeholder engagement and progress has accelerated further this year:

- Leveraging the collective experience of our Social Working Group to prioritise our mapping of vulnerability across our network areas and target initiatives to the communities with the greatest need;
- Learning from the engagement mechanisms we used to support the successful delivery of two critical projects (Liverpool2 and the Commonwealth Games) replicated across multiple smaller projects

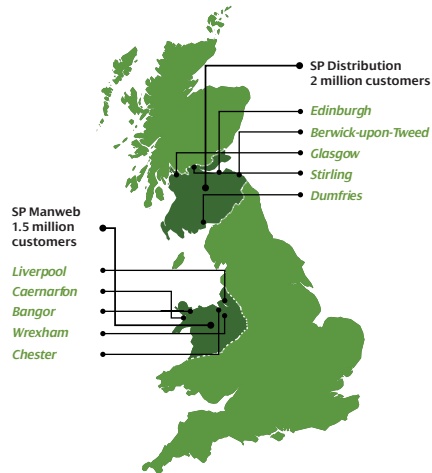
- Developing industry-leading tools and commercial arrangements to accelerate connections and reduce costs, providing great benefit to generation connection customers and potential industry-wide benefits.
- Collaborating with Age Scotland to use its Advantage magazine to get key messages about support and services to elderly customers, enabling us to extend our reach to more vulnerable and harder to reach customers.

The further integration of our stakeholder panels has been vital to this progression, helping us to evolve, review and learn from our engagement activity and setting priorities including some tough choices consequent to Ofgem's ED1 decisions. Extending our use of data analytics has helped us to better target our social initiatives to support the wellbeing of the communities we serve.

In the following portfolio of examples, we demonstrate the depth and variety of our work with stakeholders in seeking to address the big challenges we face as a business providing the services critical to the long-term national interest. They also illustrate how we are building on what we learn – and making improvements to how we engage – in a structured and managed way.

We are committed to improving further, and are making the necessary investments in system and process – and expertise – to support this. We are therefore confident that we can work with our stakeholders to build on these successful examples of engagement and collaboration in the future.

Frank Mitchell
CEO, SP Energy Networks



Members of strategic stakeholder panels



'Networks natter' sessions for vulnerable customers



'Power champion' competition for schoolchildren

Independent stakeholder engagement opinion (DNV GL)

"This is the third year that DNV GL has undertaken a review of SPEN's stakeholder engagement approach. This year we are pleased to note that SPEN has continued to invest significant time in developing its stakeholder engagement strategy, as well as continuing efforts to embed stakeholder engagement throughout the organisation.

Throughout our review we saw significant evidence of commitment at a senior level to the strategy, and several examples of executive and senior management participating in a variety of stakeholder engagements and events. This was encouraging to see and was well received by the stakeholders we interviewed. We observed that this active involvement contributed to stakeholder feedback being considered and acted upon by the Executive Team.

Overall, we have been pleased to see continued improvements in SPEN's approach to stakeholder engagement. The strategic stakeholder panels and Social Obligations Working Group have been two mechanisms that have deepened the level of stakeholder engagement, and have enabled the company to demonstrate its responsiveness."



Delivering our social responsibilities more strategically and effectively

In this case we explain how we are linking strategy, data analytics and practical delivery to engage more effectively on social initiatives in the communities we serve. It describes the role of our Social Obligations Working Group, how we are using data mapping to inform and target our initiatives, and how we are committing time and effort to small-scale but effective local initiatives working with partners.

The challenge

Key strategic issue – reaching our most vulnerable and hard to reach customers

To use our unique position as a DNO to engage with trusted third parties to deliver services into the communities we serve. These services will benefit our most vulnerable and hard to reach customers.



Network Natters session

How we engaged

Informed by data mapping: Our Social Obligations Working Group is made up of representatives from Energy Action Scotland, National Energy Action and Independent Industry experts (previously Consumer Futures). Taking advice from our working group we undertook a data mapping exercise to identify areas to deliver our initiatives which will drive the biggest impact. We agreed 4 key priorities to allow us to target our initiatives effectively. We mapped data from:

- Fuel poor customers
- Customers on our Priority Services Register
- Customers experiencing above average supply interruptions
- Customers unable to access mains gas

Working with Partner Organisations: Our mapping allowed us to target initiatives in our hot spot areas and working with our Social WG we have targeted existing community groups to create an environment where we bring a number of local agencies together to deliver services that will help vulnerable and hard to reach groups; our Network Natters sessions. We piloted in Dumfries and Galloway - forecast to see a **35% increase** in over 80s in the next five years.

Delivering Value Added Services: We have delivered services from D&G Fire & Rescue, Energy Agency, Citizens Advice, Age Scotland, and are working with other groups for future sessions such as D&G Community Hub, RVS, Food Train & HandyVan service.

Citizens Advice	Switching Advice, income maximisation
Energy Agency	Energy Efficiency and Funding Advice
D&G Fire & Rescue	Fire Safety Advice, Safety Appliances and home safety checks
Age Scotland	Silver Line Befriending Service

Feedback

"Network Natters provides a valuable tool to fully engage local community groups. Very much a two way process of listening to the needs of communities whilst being able to pass down important messages on activities. Network Natter clearly demonstrates SPEN's commitment to working hand in hand with the communities it serves"

Norman Kerr,
Director of Energy Action Scotland

Evaluation

LEARNINGS

We have been informed by our social working group every step of the way. Before landing on the Network Natter model we tried to engage with Suppliers initially and then Local Councils to identify customers not served by efficiency schemes, this proved very difficult to identify customers and therefore we changed our strategy to target existing community groups with the aim of bringing together value add services.

WORKING GROUP

This has been positively received and our groups tell us nothing like this exists where support services are brought together for the community. We have initially targeted elderly groups however our aim is to work across a wide range of vulnerable groups to ensure our hardest to reach customers in our key hot spot areas are given support. This also allows us to further build awareness of our role in the community and how to contact us should customers experience a problem.

COSTS

Managed internally by Social Obligations Manager. Utilised internal mapping experts and software. Low cost events as engaging with existing groups. 25 vulnerable packs distributed at event (cost £375).

UTILISING EXPERTS

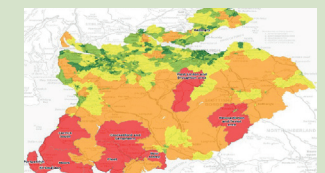
IMPACTS

25 Autumn Social Club members (aged 60+) present at the 1st event
25 'Vulnerable Packs' issued consisting of a blanket, analogue telephone suitable for using in a power cut situation, hand warmer and wind up torch.
25 Priority Service Register Leaflets issued with guidance on how to complete and return them.

POSITIVE

All attendees had experienced a power cut at some point in the previous 12 months, which confirmed that the event was well targeted.
One of our data maps, overlaying fuel poverty priority services registrants, worst served customers and those off-gas grid.

All members benefitted from an overview of services applicable to them from our partnership agencies **9 out of 25** Club members signed up for home visits from fire & rescue service and will be able to receive free smoke alarms and other household items to reduce their fire risk.



Data maps highlighting our 4 key priorities

Timeline

SPEN

SOCIAL OBLIGATIONS
WORKING GROUP

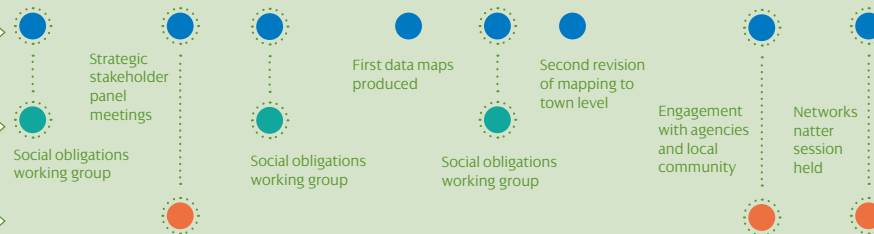
STAKEHOLDERS

Q2 2014

Q3 2014

Q4 2014

Q1 2015





Collaborating to improve the effectiveness of our messaging to specific customer groups

The challenge

Key strategic issue - DNO boundary confusion for some customers and specific targeting for hard to reach customers.

We understand that levels of understanding of our role – particularly in respect of what happens when there is a localised power cut – are low. Our challenge is to find effective, targeted ways of increasing awareness. This challenge is heightened for elderly customers, because of the increased risk of harm during a power cut and the more limited range of communication channels.

How we engaged

Partnership with Age Scotland: We contacted Age Scotland for their expertise in liaising with the elderly. Age Scotland publish 20,000 copies of *Advantage* magazine, 3 times a year, to communicate key information.

We worked in partnership to provide an article to include details of our Priority Services Register and what to do in the event of a power cut. Age Scotland highlighted the need for a 'whole of Scotland' communication – so we extended our partnership to include SSE.

Partnership with ENW: Telephone directories are a key source of information for some customers. This is particularly relevant for customers who are less able or inclined to access information online. We engaged with ENW this year to create maps showing boundaries for publication in telephone directories.

Evaluation

IMPACTS

Age Scotland & SSE - A double-page article providing key information to a hard-to-reach (for us) group of customers and a new suite of customer service leaflets.

Telephone directories & ENW - Better, more useful info in telephone directories. This increases access to available support, and reduce risks in the event of power cut. Effective, innovative and at low cost.

AWARENESS

LEARNINGS

As a result of feedback from Age Scotland, we extended our partnership to include SSE and improved the accessibility of our customer leaflets. We plan to leverage these collaborations and extend to other geographies.

MORE COLLABORATION

COSTS

Total cost of our telephone directory collaboration was £2350, shared between both DNOs. This potentially reaches every household within the target directory areas.

SHARING COSTS

Sharing Best Practice

Following feedback received from the Electricity Stakeholder Engagement Incentive Scheme panel in summer 2013, all six Distribution Network Operators (DNOs) across Great Britain agreed to work together to share and advance best practice stakeholder engagement activities and established a Stakeholder Engagement DNO Working Group.

The group met on an informal basis during 2014 with each DNO being responsible for one of six key topics:

SUMMARY OF MEETING TOPICS & DATES

TOPIC	DATE
Inaugural meeting / set up	Nov 13
Severe weather	Jan 14
PSR	Mar 14
Low Carbon	June 14
Social obligations	Sept 14
Connections	Dec 14
Education	Mar 15

For 2015 we have established ourselves as an Electricity Networks Association (ENA) working group. The terms of reference of the group include:

- Best Practice sharing on all areas of stakeholder engagement with a specific focus on those covered by the Ofgem Stakeholder Engagement and Vulnerable Customer (SEVC) Incentive.
- Identifying joint initiatives that can be adopted by all DNOs
- Acting on feedback from the incentive scheme

All DNOs have collaborated to produce a joint appendix, which provides a summary of our agreed Terms of Reference for this group, an outline of the topics and meeting outcomes from the seven meetings held to date and our agreed action plan going forward for next year.

Timeline

SSE POWER DISTRIBUTION

SPEN

ELECTRICITY NORTH WEST

Q2 2014

Q3 2014

Q4 2014

Q1 2015

Initial approach from SPEN to Age Scotland

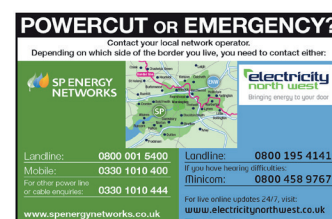
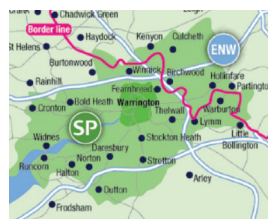
Partnership working on joint development of communication

Article published in Advantage magazine

First conference call with ENW

Border areas selected and bookings confirmed

Shared learnings with other DNOs at Best Practice sharing group





New and better ways to communicate our core message – “what to do in the event of a power cut”

The challenge

Key strategic issue – some customers are unaware of who to call in a power cut. A key, enduring challenge for our business is building and maintaining awareness of our role, and what the public need to do in the event of a power cut. Communicating this message in an easy-to-understand way is consistently highlighted as a priority by stakeholders. We also need to innovate and adapt to respond to changes in how people access and use information.

How we engaged

- **Advertising** – working with expert advisors to design and deliver outdoor adverts in 1,200 locations, press adverts in 83 publications, and three radio adverts broadcast over 10,000 times across three stations.
- **Internet search engine links** – investment in ‘pay-per-click’ services, to ensure that information on our website and emergency phone numbers appears when users search using terms relating to power cuts.
- **Competitions** – Our “Power Champion” competition in schools to promote being prepared for a power emergency, and our “Memory Energiser” competition run through Heart FM and XFM to compose a jingle for a key messages.

Evaluation

IMPACTS

GOOD METRICS

- Since launching our Pay-per-click ads, they have been seen **23,144** times, prompting **2,402** clicks to our website and **403** direct smartphone calls.
- Our survey showed **24%** of our customers had heard our radio advertising and **29%** saw our press ads.

LEARNINGS

VALUE OF INNOVATION

Innovative and memorable methods, including radio jingle competition and pay-per-click, capture interest and respond to how people access and use information.

COSTS AND BENEFITS

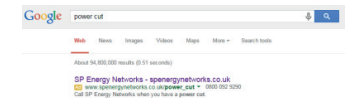
INNOVATION SAVINGS

New innovative methods cost less than previous awareness efforts (Heart FM competition circa £15k, Pay per click for one year circa £2k). Extended reach proven by greater use of freephone telephone numbers.

Feedback views and data

Percentage of customers using new freephone telephone numbers during campaign:

November 14	58% (pre-campaign)
December 14	61%
January 15	64%
February 15	67%
March 15	68% (post-campaign)



SPEN advert on Google



Memory Energiser competition

Timeline

CUSTOMERS

SPEN

DELIVERY PARTNERS

Q2 2014

Q3 2014

Q4 2014

Q1 2015

Executive team approval

Memory energiser campaign launched

Powerchampion competition launched

Customer Focus Group

Customer Awareness Campaign

Post-campaign face to face customer survey



Power champions competition launch



Awareness campaign ads



Andrea Hilditch

21 January 19:00

Hello I just wanted to say that I was impressed with your service this morning. We lost power in Wrexham this morning but because of your advertisement on the radio the night before, I knew who to contact and had the number in the phone. To then have a text about the restoration of power was great - I had left for work by then, but good service in my book! Thanks Andrea Hilditch



Partnerships and initiatives to 'Grow our own' engineering expertise in MANWEB

We are building new partnerships and launching new engagement initiatives to help develop and retain the engineering skill we need to deliver our strategic goals over the long term - all embedded within the communities we serve. These initiatives are focused in our MANWEB area, where the challenge of recruiting and retaining highly skilled engineers is most acute.

The challenge

Key strategic issue – to recruit, train and retain highly skilled engineers in the MANWEB area

Developing and retaining engineering expertise is critical to developing our network to support the transformation to a less carbon-intensive energy sector. These skills are in short supply, and high demand within the UK and globally. Recruitment and retention is more challenging in our licensed area in North-West England & North Wales.

How we engaged

MANWEB scholarship: We engaged actively with universities in our MANWEB area to develop our scholarship programme – modelled on the IET's "Power Academy" scheme. The scheme provides financial support and placements, establishing enduring relationships with our partner universities

Cheshire Energy Hub: This is a partnership of significant employers in the energy sector in Cheshire (including SPEN, EA Technology, and the National Nuclear Laboratory). We were instrumental in creating the hub in 2014, working through the Energy Networks Association – and in developing and marketing of sponsorship and placement rotations with members for graduates. This year saw our first intake.

Evaluation

IMPACTS

POSITIVE EARLY SIGNS

Scholarship: Established strong, positive links with three local universities – Liverpool John Moores, Bangor, and Glyndwr. Applications up from 12 to 30, and high-calibre students.

Cheshire Energy Hub: 740 applicants; positive feedback received. Collaboration working well.

LEARNINGS

COLLABORATION

We used our learnings from IET 'Power Academy' and extended the approach to a harder-to-reach area. Collaboration is resulting in improved local recruitment and retention - even where collaboration is among organisations who are competing for scarce resources.

COSTS AND BENEFITS

SHARING RESOURCES

We made our accredited training scheme available for use by the Energy Hub. Both schemes are already supporting the development and retention of skills within the local area. We are able to glean further benefit from an already accredited training scheme. By providing this we are able to get local recruits who live and work in the communities we serve.

Feedback views and data

Students of the Electrical Engineering department at Liverpool John Moores University, have benefitted from the valuable relationship the University has with SP Energy Networks in recent years. The Placement and Scholarship programmes at SP Energy give Students an excellent start to their Graduate career. The two most recent Students, from our department, to be involved with the programmes, are projected to graduate with First Class Degrees. The Scholarship Programmes have had a major influence on this success.

Cliff Mayhew,
Liverpool John Moores University

"I chose the Cheshire Energy Hub graduate program because it offers a wide exposure to a variety of sectors within the energy industry straight out of university."

Matthew Jones, SPEN 2015 intake to Cheshire Energy Hub

Timeline

Q2 2014

Q3 2014

Q4 2014

Q1 2015

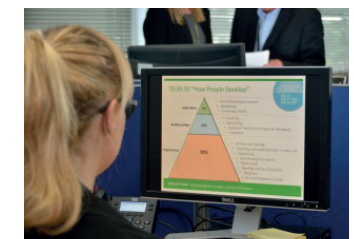
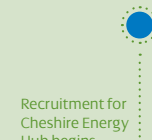
SPEN

UNIVERSITIES

ENERGY SECTOR



Partnership with Cheshire Energy Hub begins





Extending existing initiatives to access skilled labour within our communities

We have developed and extended our proven initiative, helping us secure the skills we need through localised, collaborative initiatives within the communities we serve. We have grown our partnership with local colleges to train people to work on overhead lines, and extended it to other skill sets.

The challenge

Key strategic issue - availability of a sufficiently skilled workforce to deliver sustained high volumes of work

We are in a sustained period of significant workload to maintain and upgrade our network. The skills we need through direct staff and contractors are in short supply nationally and globally – and we face an ongoing challenge to secure them, ideally from organisations and individuals with strong ties to the communities we serve.

How we engaged

Original pilot: Since 2012 we have been working with three colleges and our overhead lines service partners to establish training courses for unemployed people, opening up full time employment opportunities.

This is a unique initiative. We engaged to develop the initial idea, helped secure funding, and developed course content. We also built the outdoor training facilities and provided trainers.

Extending the initiative: This year we have used the stakeholder forum we established for the initiative, to develop and extend the model further, firstly, to open up the original course to school-leavers, and secondly, to offer to offer a course in jointing work for our network of underground cables. We have also integrated support for training such as this into our agreements with contractors.

Evaluation

IMPACTS

SUSTAINABLY POSITIVE

The initiatives are now fully established, and have delivered 88 newly-qualified workers with key skills sets for our partners, whilst strengthening ties to our communities. Extending to 36 more this year and a further 72 in each of the next two years. First female trainee in 2015.

LEARNINGS

IS SCALABLE

We have already scaled this to reach a wider intake group (school leavers), and integrated learnings into our agreements with contractors. Potential to reach wider geographical area.

COSTS

PROVIDING RESOURCES

SPEN funded and provided resources for initial set-up of facilities on campus and now provides a trainer to deliver courses which equates to circa £50k per college per year. Delivers a skilled workforce with strong ties to the communities we serve.

Feedback views and data

"I can't believe how this has transformed my family, and my, life. I never thought for one moment that I could go to college at my age and come out with such a good qualification and job."

Nathan Smith,
Freedom Trainee linesman

"This has been a fantastic opportunity for me, after working in an open cast mine for many years. After I was laid off in 2012 I had no idea what sort of work I could do... I now have a full time job with great prospects for the future, which is good for me and my family."

Steven Megraw,
Freedom Trainee linesman

"Having a trainee on site is a refreshing sight in these uncertain financial times. It is good to see the company investing in the future of our trade and good be part of the training, helping to bring new young individuals who are keen to work into the industry."

Keith Taylor, Chargehand, SPIE ENS

Timeline

SUPPLY CHAIN

SPEN

COLLEGES

Q2 2014

Q3 2014

Q4 2014

Q1 2015



Partner meeting
Joint submission to Utility Week awards

2015 intake

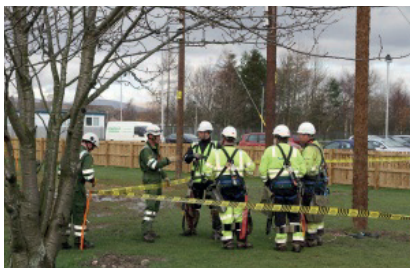


Partner meeting

Joint submission to Utility Week awards



2016 intake



Nominated for
Supply Chain Excellence
at the Utility Week
Achievement Awards



Nominated for
Education and Skills Provider
for the Year
at the National Skills Academy's
People in Power Awards



Improving the connection options we provide to generation developers

The challenge

Key strategic issue - meeting the demands of extensive renewable generation uptake and to deliver timely connections ahead of reinforcement on the transmission network

We currently connect 50% of the UK's wind-powered generation, despite only supplying 14% of the UK's demand - and we receive around 40 new applications per week. This volume of activity is critical to the UK meeting its renewables targets, but also puts significant pressure on certain parts of our network. Our challenge is to accommodate these demands in a timely and efficient manner.

How we engaged

Understanding the technical possibilities: We have developed the technical understanding and tools to manage our network actively, e.g. by constraining export capacity in particular (pre-defined) circumstances. In developing this capability we have engaged actively with academic and technology stakeholders.

Developing the commercial arrangements: We have worked closely with a wide range of organisations to understand how different commercial models might operate – based on capacity-sharing. These include Community Energy Scotland, the banking sector (as potential funders), and a our customers and end users. Our quarterly stakeholder events in Edinburgh have attendances of around 50-60 people - we use these to seek and receive feedback which shape project deliverables going forward. We have also attended the Royal Highland Show and the Scottish Renewables Conference to further promote the project and engage with stakeholders further.

Our “Accelerating Renewable Connections” (ARC) project is an industry-leading initiative which accelerates the speed at which we can deliver connections through sharing, and potentially limiting, network capacity in pre-defined circumstances. Its success is founded on working closely with stakeholders to find innovative ways of making better use of the existing network.

Evaluation

IMPACTS

Close collaboration with stakeholders is now bearing fruit in trial area of East Lothian and Borders: **Examples:** 80kW solar farm now connected at cost of £12k, versus original quote of £160k (and avoided 1.3km of overhead line) seeking to accelerate connection of approx 50mw that would otherwise be delayed until at least 2021 in process of connecting 2.2mw of PV generation over 749 properties owned by social landlord Berwickshire Housing association, who estimate that this activity will equate to around £1.9m of saved energy cost for tenants over the lifetime of the installations. One generator had requested capacity which would have cost them £6m and triggered £14m network reinforcement costs. We worked with them on a new shared agreement which enabled the generator to connect immediately at a cost of £3-4m.

LEARNINGS

Different stakeholder groups required different methods of engagement. E.g. we found direct communication worked best with agricultural sector, so we provided quarterly updates to landowners and farms and organised on-farm events and visits.

COSTS AND BENEFITS

£8.4m project funded through the Low Carbon Networks Fund. The pilot project helped defer reinforcement on the Transmission network, of around £20m. Allows generators to realise income up to 6 years ahead.

MORE MW, QUICKER

TAILORING ENGAGEMENT

DEFERRING INVESTMENT

Feedback views and data

WINNER of **Utility of the Year** at the *European Smart Metering and Grid Awards 2015*



“The judges were impressed by their continued collaborative work with SSE on RPZ in Orkney and with UKPN on Flexible Plug and Play projects, respectively. The ARC project has built on this learning and applied it at Grid Supply Points, the interface of Transmission and Distribution networks – a first in the UK. Utilising the latest network information, updated every 24 hours, (SPEN) can provide renewable generation projects with the most accurate curtailment assessments. No other DNO can currently achieve this.”

Smart Metering and Grid Awards 2015, Utility of the Year judging statement

“What the ARC project is doing is helping... community generators get connections, start generating energy – great for low carbon generation, great for climate change – but also bringing money back into local communities from this project.”

Felix Wright,
Community Energy Scotland at
Edinburgh Stakeholder event

Timeline

STAKEHOLDERS

SPEN

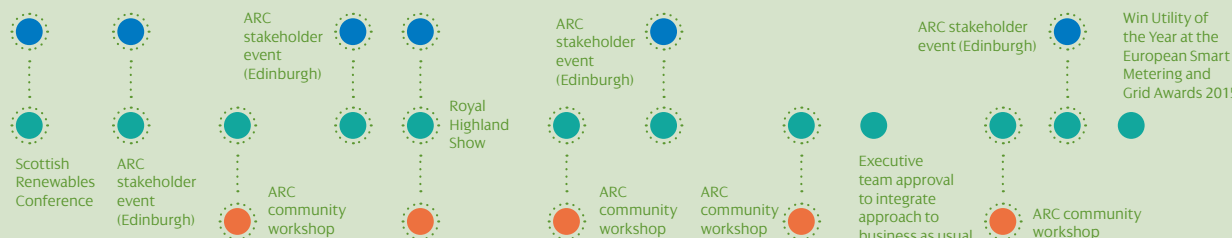
COMMUNITY

Q2 2014

Q3 2014

Q4 2014

Q1 2015



Getting customers connected earlier



ARC stakeholder event



ARC pilot area



Improving the information we provide to generation developers

We want to help DG customers avoid unnecessary cost and time in developing projects. Our industry leading heat maps and Quote+ tool have done that, but we are continuing to develop and refine our tools as there is more we want to do. We're using our engagement with stakeholders to inform how we do this.

The challenge

Key strategic issue – To develop the right tools to deliver timely, cost efficient self service tools which assist our stakeholders in developing their projects.

We strive to innovate and continually improve the way we offer connections to our distribution network. Improving the way we engage with customers helps us to deliver better network solutions and enables low carbon generators to avoid unnecessary cost and time when seeking a connection. DG customers want to be able to understand which parts of our network are constrained and for us to make this visible to them at the earliest possible stage. The challenge is more acute because of the volume of renewable connections, and the flexibility that developers need.

How we engaged

By creating the right channels to understand what connecting parties need: The intensive process of stakeholder engagement that developed the tools originally is now formalised in two regular connections stakeholder panels, and monthly connections “surgeries” – to complement the comprehensive online materials.

By delivering and refining innovative tools to meet those needs: Our connection “Heat Maps” and our Quote+ model for providing flexibility to developers are recognised industry-leading initiatives. This year we have developed and refined these tools in light of stakeholder feedback. We have also taken initiatives to engage with parties who are seeking to connect in “already hot” parts of our network, to understand their needs (and scope for flexibility) better. Our heat maps now have further levels of detail and our Quote+ process is now being better signposted and promoted on our website, with a new webpage and improved navigation.

Evaluation

IMPACTS REDUCED COSTS AND DELAYS, STRONG CBA

Heat maps and Quote+ help more generators connect to our network, more quickly and at lower cost. They also reduce project development risk. We have strongly positive feedback from stakeholders, and our assessment of the benefits against ongoing costs is strongly positive..

LEARNINGS MORE DETAIL

Stakeholders told us they needed more detail on our heat maps, so we extended them to more voltage levels and adapted to provide more visibility of Transmission constraints.

COSTS LOW ONGOING COSTS

Our cost benefit analysis demonstrates the ongoing costs of maintaining and supporting the tools are low (~20 person days per year) - but delivering potential stakeholder savings of circa £786,000 so far.

Feedback views and data

"Heat maps, particularly in kmz format are the best offered by any DNO."

Customer quote

"The heat maps are now key to our business. The more up to date the better. They can potentially save us £50,000 a site."

Mark Wilson, Intelligent Land Investments Ltd.

Timeline

CUSTOMERS

SPEN

STAKEHOLDERS

Q2 2014

Q3 2014

Q4 2014

Q1 2015

National DNO DG working group
Scottish Renewables DG working group

SPEN Connections panel established

In-depth interviews conducted.

DNO Forums held in conjunction with ENA

Published updated and extended heat maps online

All 2014 metered/ UMS and DG customers surveyed

SPEN Connections panel meeting - survey results presented

What's the activity?

Budget (£)

Associated outcome

Associated value

Evidence

Stakeholder savings (£)

Internal resources (estimated to be one month of work total from 1 FTE)

£3,722.00

By providing potential design costs upfront, you avoid two potential re-designs.

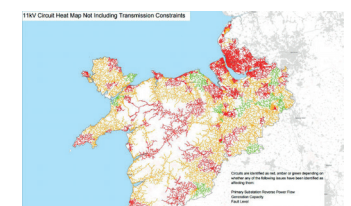
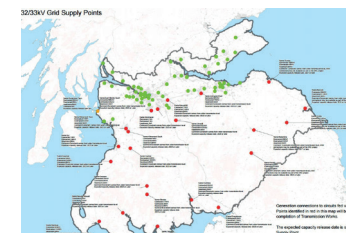
Two potential re-designs at formal quote stage would cost £3k each for each developer who has Quote+.

Quote+ records and connections pricing.

Potential saving of £6k multiplied by number of Quote+ applications = £786,000

£3,722.00

£786,000





Integrating our investment plans with local economic development plans

Working with local councils in Glasgow, Edinburgh and Liverpool, our unique initiative enables us to integrate our own investment plans with the wider local plans for economic development. This is an example of how we are using new forms of stakeholder engagement to solve strategic problems in a co-ordinated and inclusive way.

The challenge

Key strategic issue – aligning investment to support economic development

Traditionally, we have created our plans for investment - and councils have created their plans for economic development - in isolation, leading to potential difficulties where development means an expansion or contraction in electricity demand, or where the existing network is already running close to capacity.

The broad spectrum of administrative and political stakeholders within councils represent a challenge, as understanding and appreciation of these impacts can differ greatly across a single council.

Our engagement aim is to promote early discussion and alignment of plans, building trust and raising awareness of our operations across all relevant council stakeholders.

Achievement of these aims enables us to deliver investment at the right time, and in the right locations, minimising financial and social costs and maximising long term benefit for our customers, and stakeholders.

How we engaged

- We approached local authorities in Glasgow, Edinburgh and Liverpool to sell the idea - and establish the practicalities of - working together to integrate investment planning.
- From this platform, we shared data and analysed it for alignment, gaps and overlaps, sharing the findings. For example, we mapped demand growth by location in Glasgow City Council's ten year Local Development Plan to our own network investment plans and identified 59 substations potentially impacted by plans for residential, business and retail development.
- We also partnered with Glasgow City Council and Strathclyde University in the EU STEP-UP initiative to develop city-level sustainable energy plans. This initiative also involves Ghent, Gothenberg and Riga.

Evaluation

IMPACTS

POSITIVE AND FAR REACHING

Established shared goals and built the trust vital for effective data sharing and collaboration. Developed tools to model address-level energy demand 'heat maps'. In Glasgow, 59 substations identified as potentially impacted by City Council Development Plans. Significant opportunity to change how we invest for the benefit of customers.

LEARNINGS

IDEA CAN BE SCALED UP

The pilot overall was successful. We learned that the resourcing model utilised for the pilot was unsustainable going forward. We agreed with stakeholders a base level of requirements to manage successful future roll out programs across the other authorities.

We were able to apply the lessons learned to integrate a sustainable approach into our new business model with far reaching potential benefits.

Used for the Welsh Government Energy Island project on Anglesey.

COSTS AND BENEFITS

UTILISING EXPERTS

Annual budget of £295k allocated to data mapping delivers significant opportunity to refine our plans to minimise financial and social costs and maximise long term benefit for our customers and stakeholders.

Feedback views and data

"This innovative collaboration should help to ensure that the necessary utility infrastructure is put in place in a timely fashion to accelerate the regeneration and growth of Liverpool."

Ron Odunaiya, Community Services Director, Liverpool City Council

"We believe this is an entirely new way of utilities and authorities working together, the potential benefits are very exciting; our ambition is to be a UK exemplar."

George Kirk, Cities Director

Timeline

SPEN

LOCAL AUTHORITIES

STRATEGIC PANELS

Q2 2014

Q3 2014

Q4 2014

Q1 2015



Monthly meetings with Edinburgh, Glasgow and Liverpool city councils



Monthly meetings with Edinburgh, Glasgow and Liverpool city councils



2 Local Authorities present to England and Wales Strategic stakeholder panel



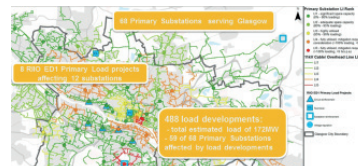
Scotland Strategic stakeholder panel



New business model implemented



Partnership with Liverpool City Council



Integrated mapping



SPEN Strategic Stakeholder Panel meeting

Steve Holcroft, Liverpool City Council, identified 4 key future opportunities from integrated planning at our Strategic Stakeholder panel:

- Local job creation (both directly and within the supply chain).
- Co-operation to minimise construction disruption and cost (including installation of digital infrastructure).
- Improving road condition by aligning investment programmes with road maintenance programmes.
- Delivering desired changes to the street scene, at reduced cost, by reinstating utility roadworks to new status (e.g. pedestrianisation).



Delivering large and complex projects efficiently through better communication and regular engagement

We use effective, proactive stakeholder engagement to deliver major projects successfully. We illustrate this approach with our ground-breaking work in support of the “Liverpool2” container port development, one of the biggest connections we have ever delivered, and the Commonwealth Games, the biggest event we have ever delivered.

The challenge

Key strategic issue – successful delivery of large and complex projects on time where there are multiple involved parties

Planning for demand growth across our network is our core role. However, very large, individual developments create additional challenges – particularly when they involve multiple stakeholders and high visibility with the public. We delivered against two such major projects this year. Stakeholder engagement was a key factor in our success in both cases.

How we engaged

Liverpool2 container port: - a new UK gateway for the very large vessels using the widened Panama canal. The electricity connection date was highlighted as one of the key delivery risks. Fortnightly meetings with the client since Feb 2013; intensive and tightly managed engagement with an internal and contractor team of nearly 200 people; 2-day project review conference planned to capture learning.

Commonwealth Games in Glasgow: - in Summer 2014 Glasgow hosted the Commonwealth Games. Resilience and security of energy supply were key considerations. Also long-term planning: £150m of investment brought forward; 22 new connections. Prolonged period of active engagement with Games organisers, local authorities and security and law enforcement. Bespoke, 24/7 engagement channels during Games. Robust command & control structure set up.

Evaluation

IMPACTS

Liverpool2: Effective engagement resulted in an on-time connection
Commonwealth Games: Long and short term engagement delivered required network capability at efficient cost. No loss of supply events during 12-days. Strong, positive feedback, including award nominations.

LEARNINGS

Early engagement and strong governance structures are key to success. Lessons can be captured and approach can be scaled to smaller projects. Capturing and adapting lessons to smaller scale projects.

COSTS

Games: Same security of supply as Olympics, delivered on much smaller budget. **Costs cut by over 1/3** from original estimate. **L2:** Connection delivered on time, £5m under-budget.

HELPING STAKEHOLDER SUCCEED

CAN BE SCALED

MANAGED DOWN THROUGH ENGAGEMENT

Feedback views and data



Commonwealth Games – Nominated for **Team of the Year** at the Utility Week Achievement Awards

“It is a testament to all involved that a works package of substantial complexity was delivered under budget and on programme, indeed the power on date, which was identified some 30 months ago held firm over the length of the entire programme... (the SPEN team) have worked tirelessly and demonstrated real commitment and professionalism throughout the project to achieve this great result. The site staff too have applied themselves diligently to overcome the various challenges presented by the street and rail crossings on the route to the incoming Port substation”

Douglas Coleman,
Programme Director, Liverpool2

Timeline

COMMONWEALTH GAMES

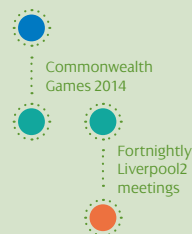
SPEN

PEEL PORTS (LIVERPOOL2)

Q2 2014



Q3 2014



Q4 2014



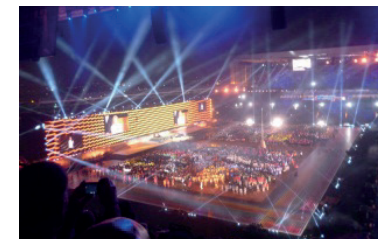
Q1 2015



SPEN live Command structure during Games, including engagement with multi-agency partners



SPEN site visit to Liverpool2



2014 Commonwealth Games opening ceremony



Game live site at Glasgow Green

