Document:	RIIO-3 Stakeholder Engagement and Decision Log (SP Energy Networks - P.1)

RIIO-3 Outcome	Policy Area	Type of Engagement Undertaken	Stakeholder Groups	Summary Feedback	Impact on Business Plan
The primary RIIO-3 outcome to which the engagement relates	*The policy area or areas to which the engagement relates*	*How did you engage with stakeholders? For example, through webinars, roundtables, surveys, through third parties, representative bodies, trade associations etc*	*Which stakeholder groups were represented through the engagement and provide commentary on the relative balance of stakeholder voices. Were any relevant groups not represented?*	*What feedback and key messages did you hear from your stakeholders? Where different views were expressed, what were the relative weighting of these?*	*What impact has the feedback received had on your business plan? Provide specific examples of relevant decisions that have been influenced by the engagement. Where you have made a decision that might be seen as counter to the feedback received, explain why this is and set out what measures you have taken to address the feedback received.*
Infrastructure fit for a low-cost transition to net zero; & Secure and resilient supplies	**SPEN T3 Workstreams: Sustainability; Non-Load & Resilience; Load** One of the key challenges for us in developing our T3 plan is **ensuring that the investments we make in our physical assets are future-proof, both in terms of sustainability and network capacity**. We need to enable Net Zero for others whilst also meeting the challenge ourselves. These have been crucial questions for us as we've considered engagements, covering both Load and Non-Load activities, and has involved significant collaboration and insight sharing between asset-focussed and sustainability teams. Asset investment and infrastructure is also an area where we can be limited in the actions we take based on feedback due to policy, practical or financial limitations, so it has been important to get balance and messaging correct.	Engaging on our sustainability plans is essential, underpinning our activities across many areas of the business. These have been both open forum in nature and targeted. **(A)** **Cross-sector workshops** are a fantastic way to gain concise feedback with expert stakeholders and work towards a consensus. We held one over a half day in May 2024 (one of two per year) with our Sustainability Stakeholder Working Group (SSWG). **(B)** To extend our reach, we also used an **External Consultation on our Environmental Action Plan (EAP)** hosted through our online Engage360 platform. Following a suggestion from our ISG, we shared our draft EAP with stakeholders asking for general feedback on content as well as a set of specific questions covering areas such as ambition, adequate descriptions, cost efficiency and activities for improvement. **(C)** We've supplemented these larger scale engagements with dedicated **Bilaterals and Peer reviews on our Climate Resilience Strategy,** such as (for the former) Sniffer in August 2024, and (for the latter) Network Rail in September 2024. **(D)** This environmental resilience of infrastructure must go hand-in-hand with network capacity and our ability to deliver. And so alongside our suite of sustainability engagements, our asset engineering and planning teams have also been engaging to provide due process for our Load & Non-Load plans. These engagements have included a host of **bilaterals, regular roundtables, workshops and email communications** on shared challenges, methodologies and possible solutions within connections and engineering; and **(E)** **a Strategic Investments Consultation** open throughout October 2024 for our substation and overhead line assets**.**	**(A)** The **SSWG comprises key stakeholders with strategic interests in sustainability in our licence areas,** and **includes SEPA, Scottish Government, Sustainable Scotland, Keep Scotland Beautiful, Scottish Wildlife Trust, academia and Sniffer**, among others. This group represents a wide range of sustainability expertise, helping to guide our strategy development, identify areas for collaboration and innovation, meet common areas of challenge, shape our commitments, and more. They have offered rigorous, specific feedback when consulting on our EAP and related strategies. **(B)** The complementary consultation sought to reach out to stakeholders identified through stakeholder mapping as interested/influential, who had not already been engaged with. Our ISG noted that a number of valuable stakeholders were not represented within the SSWG, providing a strong case for the consultation. Having reached out to these stakeholders and also promoted online, we generated nine additional responses from groups including: **supply chain companies, a community council and sustainability training organisations.** **(C)** To enable even more granular discussion on plans, we sought direct input from **Sniffer**. Founded in 1989 and headquartered in Edinburgh, they are a l**eading Scottish sustainability charity** focused on supporting Scotland to become more sustainable and resilient for people and places. They manage the Adaptation Scotland programme and Climate Ready Clyde, and prioritise partnerships and collaboration. Our ISG were also very supportive of a peer review of our Climate Resilience Strategy with **Network Rail - a major infrastructure partner** for SPEN across our licence areas. **(D)** Within our engineering teams we held regular sessions with the two other **Transmission Owners (TOs)** on load and non-load planning, aiming to meet Ofgem's requests for grid owners and operators to "collaborate… share ideas, and hold each other accountable". **Experts from industry peers such as EDF** also provided regular feedback. **(E)** Our consultation on Strategic Investments went out to stakeholders from **Connections, Local and regional government, Supply Chain and Contractors, Trade Associations, Business, and Industry Organisations.** Eleven respondents were mostly from our supply chain and connecting customers, with one local council also providing feedback, which we were pleased to receive. This balance was in line with our expectations, given the technical nature of the consultation, though we took efforts to make this as accessible as possible in terms of language and design (and engaged on this specifically with our Independent Net Zero Advisory Council - INZAC).	**(A)** We tested draft commitments with the SSWG around areas such as phrasing, clarity, ambition, and relevance. Some **feedback identified overlaps in commitments and their being too wordy without clear outcomes.** Others noted that adding some simple definitions earlier in the commitments would be useful. Overall, **views were very consistent across the SSWG**, though one member did question whether a 10% biodiversity enhancement was enough. Given the majority of members supported this 10% target, and also considering that this target aligns with English legislation, we felt this was appropriate. (It's worth noting that these **initial draft commitments were not developed in isolation either, rather as part of sustained and ongoing engagement**, and increasingly collaborative efforts between TOs. A number of **common RIIO-T3 commitments were agreed between TOs this year** - such as the above 10% biodiversity target, and common methodologies around carbon footprints - and this is just the latest output from a joint-TO sustainability working group first established in 2022, which continues to evolve to meet the depth of challenge and industry ambition.) **(B)** All but two of the consultation respondents for our EAP rated us as 4 for ambition on a 5-point scale with "5" being most ambitious. However, we did receive some **contrary feedback questioning the ambition of our commitments** around: reducing SF6 leakage in line with science-based targets only; and improvements to monitoring - where we are limiting real-time monitoring to equipment with a history of leakage only. **(C)** On our Climate Resilience Strategy, Sniffer were generally very supportive of our T3 Climate Resilience Strategy, and commented positively on its comprehensive nature. However, they **suggested one of our catchment pilots should focus on slope stabilisation instead of coastal areas** as this would be more relevant to our asset risks. Network Rail were also very **positive regarding the decision making pathway** approach, but suggested that a **further climate change scenario of 2070/80s is undertaken** in the future. **(D)** Load planning engagement more specifically discussed approach and **best-practice around topics such as the connections triage process, volume driver proposals, and load related reopener options**. We shared methodologies, sense-checking and looking to align those where feasible and appropriate - for our Transmission Economic Connections Assessment (TECA), this meant largely aligning with NGET's methodology - their position was more relevant for us here given their similar levels of maturity around TECA. **(E)** The strategic investments consultation asked for feedback around four scenarios, covering assumptions around spare bay allowances, bus couplers and bus sections, replacement grid transformer ratings, and condition-driven conductor replacement. **Responses were generally supportive of our current positions for these, though there was notable disagreement between stakeholders around whether our planned 25% additional capacity for spare bays would be sufficient** - a number of respondents did not think it would be. We gave all survey respondents equal weighting, noting the efforts required to provide such comprehensive responses.	**(A)** Based on the SSWG's workshop feedback, we **refined our commitments**, removing and/or realigning those which were too similar to others to **improve clarity** - for instance, we removed a specific draft commitment around a joint TO land-use change emissions methodology, instead combining it with a wider reporting commitment, to avoid duplication. We also added additional definitions where appropriate, for example for terms such as "direct" and "indirect" impacts. Our commitments became stronger as a result, and we took these back to the SSWG to "close the loop", confirming changes and ensuring we interpreted feedback correctly. The SSWG have been instrumental, generally, in shaping our plans and ensuring we remain consistent with peers and industry. **(B)** When considering the feedback (from a sustainability organisation) questioning our ambitions, **we noted that installing real-time monitoring on all of our SF6 filled assets would actually have very little benefit**, as: (a) the majority of our assets do not leak, (b) the cost involved in rolling this technology out to all of our assets would be considerable, and (c) the installation of additional equipment onto an asset could actually lead to the asset being more likely to leak, which is something we want to avoid. This would **not represent value-for-money for consumers**. For these reasons we will not be installing real time monitoring to all of our SF6 filled assets, rather just those asset families with a history of leakage - **this will allow us to react quicker for assets we believe are likely to leak.** We have based our activity and set our leakage reduction plan for RIIO-T3 in line with achieving our science based target (SBT). When this target was established it was stated to be an example of SPT ambition by the CEO of the SBT Initiative. Using this figure in our plan gives an independently verified target which is both tangible and measurable. **(C)** Based on Sniffer's feedback, we **amended our list of five pilots in our Climate Resilience Strategy to include slope stabilisation.** We have now also developed an ongoing partnership, and will provide a map of substations at risk of flooding to Sniffer to help with prioritisation. The peer review was very supportive of our strategy therefore reinforcing our approach, and **we will take on board the feedback on carrying out 2070/80 climate risk scenarios when we next review the Strategy** during RIIO-T3. **(D)** Feedback from peers **informed our approach and final methodology for TECA**, and this will be an important tool in assessing new connections and targeting investment and resources to ensure infrastructure develops appropriately (see p.14 of our main Business Plan submission). **(E)** The Strategic Investments Consultation was a valuable stress-test for our current approach. Following further analysis and **on the balance of feedback received, we have taken forward the proposals from the consultation document:** we will allow for an average of 25% spare capacity in substation layouts, replace 60MVA transformers with 90MVA and install sycamore conductor in preference to poplar on the relevant overhead line routes. We have already accounted for the additional works which can reasonably be foreseen in the base assumption and **we would have the ability to extend the building at a later date if both the base assumption and the additional 25% allowance were to be exhausted.** This gives us confidence in our approach despite some stakeholders questioning the level of additional capacity.

Document:	RIIO-3 Stakeholder Engagement and Decision Log (SP Energy Networks - P.2)

RIIO-3 Outcome	Policy Area	Type of Engagement Undertaken	Stakeholder Groups	Summary Feedback	Impact on Business Plan
The primary RIIO-3 outcome to which the engagement relates	*The policy area or areas to which the engagement relates*	*How did you engage with stakeholders? For example, through webinars, roundtables, surveys, through third parties, representative bodies, trade associations etc*	*Which stakeholder groups were represented through the engagement and provide commentary on the relative balance of stakeholder voices. Were any relevant groups not represented?*	*What feedback and key messages did you hear from your stakeholders? Where different views were expressed, what were the relative weighting of these?*	*What impact has the feedback received had on your business plan? Provide specific examples of relevant decisions that have been influenced by the engagement. Where you have made a decision that might be seen as counter to the feedback received, explain why this is and set out what measures you have taken to address the feedback received.*
High quality of service from regulated firms	**SPEN T3 Workstreams: Community Benefits & Stakeholder Engagement** Community Benefits was an important part of Nick Winser CBE's 2023 report into accelerating electricity transmission network deployment. SPEN have a strong track-record in existing transmission community support funds (such as our Green Economy Fund and Net Zero Fund) but the scale of community benefits available as a result of new government policy is expected to be multitudes greater than for previous price controls. Thus, we've conducted a host of engagements to **ensure that the Community Benefits framework we have developed for T3 will provide appropriate governance, and match the needs and wants of communities.** **Clear and accessible communications has also been a focus of ours** in the development of our Community Benefits proposals, as well for our wider Business Plan publication itself, and communications activities around that.	We employed a range of different engagement methods depending on the outcomes being sought: learning from best practice, meeting community wants, or ensuring messaging would resonate with consumers. **(A)** Strategic bi-laterals have been an essential means to learn from others throughout the development of the business plan. This included a **Bi-lateral meeting** in June 2024 with a Senior Engagement Specialist and Community Liaison Officer from EirGrid, and resulting follow-up correspondence. **(B)** Appropriately, communities were at the heart of our engagement efforts here, and we used a multi-channel approach to public engagement on our Community Benefits proposal. In the first instance, a **Consultation was published online** and promoted through social media channels, open for 2 weeks from 13-27 August 2024 (though we provided extensions for those who had encountered technical issues or had additional needs). We also reached out directly to over 700 community organisations and charities across central and southern Scotland in order to obtain feedback from as broad a subset of stakeholders as possible. **(C)** Having held an online consultation to obtain broader feedback from community organisations and charities, we then wanted to get into more granular detail through **four qualitative Focus Groups** - two held in early September 2024; two (for hard-to-reach communities) in November 2024. **(D)** Outside of these community benefits focussed engagements, we also held **two Focus Groups (1x virtual, 1x in-person)** through July 2024 with consumers to test Transmission messaging among the general public. SPEN wanted to take steps to ensure that our T3 messaging was clear, balanced, and meaningful for customers, aligning with Ofgem guidance. This engagement was also a direct response to challenge and guidance from our ISG.	**(A)** We wanted to learn best-practice from others with experience in designing Community Benefits programmes and engaged directly with EirGrid's Community Benefits team as part of this. **EirGrid** operate and develop the electricity transmission grid in Ireland. They have a formally established Community Benefit Policy, published and available online that covers how their community benefit scheme is calculated, set-up, managed and distributed. They were engaged as part of a series of bilaterals with key targeted stakeholders who had experience in existing community benefit programmes - others included **Foundation Scotland, Local Energy Scotland, Scottish Government and OnPath Energy**. **(B)**The consultation had responses from a total of 57 stakeholders, comprising mostly **community organisations, community members, charity, Local Authorities, and not-for-profits.** Notably, **Scottish Government also responded.** There were a **number of districts not represented** in the responses (including Stirling and Falkirk, among others), and timescales were tight, but we got responses from most areas and **this research was intended as qualitative rather than quantitative in nature**, looking to identify overarching themes rather than representative quantitative data. Therefore we were happy with the depth and balance of representation here, given the number of responses and variety of stakeholder groups that responded - from across our licence area. **(C)** The four focus groups were held to ensure we also had direct engagement with a range of communities (and so an appropriate balance of voices), including **those with funding experience (Glenkens), those "New to SPEN" (East Lothian), and hard-to-reach groups** and members of the community, accommodating different needs around timing and accessibility. These focus groups allowed us to validate previous findings and elaborate on consultation insights. "Hard-to-reach" is not a misnomer though, and an initial attempt to engage with these communities didn't get the required sign-ups. As a result, we employed a specialist research agency to help us bridge this gap and deliver this engagement. **(D)** The messaging focus groups were held at different times in different formats (in-person/online) to aid with **representation across different customer groups, allowing for accessibility and flexibility.** In total, 14 participants were split across gender, age, SEG status, and rural or urban geographies, as well as sole/joint bill responsibility. Vulnerabilities were also accounted for, including disabilities, language, learning difficulties or new parents.	**(A)** EirGrid engagement allowed us to gain insight into international best practice, seeking to understand how Community Benefits were designed and operated for their transmission projects in practice, where they are ahead of UK TOs. In discussions we covered processes, learnings and key considerations they had encountered, a key example being **the use of "Community Forums",** which EirGrid found was a highly successful method of engaging with communities. **(B/C)** A number of **key themes emerged through the Community Benefits consultation and focus group** feedback: (i) capacity building and resources - there is the risk of volunteer fatigue and the need for adequate resources and support for smaller organisations (e.g. there were concerns about proposed minimum grant allowances being prohibitively large); (ii) integration with existing plans - aligning support with existing local plans and priorities to avoid duplication and ensure relevance; and (iii) flexibility and customisation - to tailor support to community needs, support economic development and skills training and ensure long-term sustainability of projects. There were also very specific suggestions that **Local Authorities should not be eligible to apply directly for funding**, such that they should not overshadow community groups - rather, they should be project partners only. Additionally, a number of community organisations highlighted the **need for funding which extends beyond the areas directly impacted by projects eligible for Community Benefit Funding.** They suggested that funding should be on a wider regional and national scale to build shared wealth and enable an equitable transition to Net Zero. **(D)** Overall feedback across the messaging focus groups included: reduce use of jargon, cliches, and unnecessary adverbs; include specific timeframes and provide specific examples; use comparators that are meaningful and tangible; explain what we're moving from and moving to in more straightforward and clear terms; and **keep all descriptions as simple as possible.** We also tested variants of a number of mission statements, receiving feedback on what resonated, or did not, and generally clicked. Our research partners ensured that different feedback was aggregated appropriately, though feedback was surprisingly consistent overall. Additional insight into messaging and framing was also provided through **larger-scale consumer affordability tolerance research conducted by Sustainability First and Yonder (see p.5, (A)).**	**(A)** The EirGrid engagement led to further considerations of appropriate structure and governance systems while forming our Community Benefits Framework proposal. We assessed risks in establishing similar structures to EIR. Notably, as a **direct result of this engagement we have integrated "Community Forums" into our local funding governance** to ensure that these local funds truly reflect local priorities and community needs. **(B/C)** As a direct result of the consultation and focus groups feedback we have **updated our Community Benefits Framework proposal:** (i) we will ensure we tailor our capacity building approach to community needs and fund resource allocation for project development and delivery - this includes exploration of micro-grant schemes, which is something we were not going consider until feedback directed us towards this; (ii) we will require projects applying for strategic funding to demonstrate alignment with regional and/or national strategic priorities; (iii) we will rename social projects category to include economic development and cover skills. We also **amended our proposed list of eligible organisations**, and Local Authorities would now only be able to apply in consortium with a community organisation to ensure that projects are truly community-led. Though not in the initial scope for T3, we are now also **continuing our Net Zero Fund (NZF) through T3** to meet demand around wider regional and national support . Given the link to the Net Zero transition and feedback from previous stakeholder engagement (for ED2 and from T2 Net Zero Fund applicants) which suggested that lack of funding, capacity and expertise are the main barriers communities face in taking part in net zero, we have proposed the T3 Net Zero Fund to provide support to address those gaps. **(D)** The messaging feedback was shared with the Business Plan coordination team and was considered in the formation of the BP narrative and language used throughout the document. As a result, where possible and appropriate, we have worked to **ensure that our messages are as simple as possible for the broad range of stakeholders** we are trying to reach. The mission statements were ultimately not taken forward, in part due to feedback from this session, and also considering wider messaging factors such as Ofgem's RIIO-3 outcomes and business plan consistency.

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Document:	**RIIO-3 Stakeholder Engagement and Decision Log (SP Energy Networks - P.3)**

RIIO-3 Outcome	**Policy Area**	**Type of Engagement Undertaken**	**Stakeholder Groups**	**Summary Feedback**	**Impact on Business Plan**
The primary RIIO-3 outcome to which the engagement relates	*The policy area or areas to which the engagement relates*	*How did you engage with stakeholders? For example, through webinars, roundtables, surveys, through third parties, representative bodies, trade associations etc*	*Which stakeholder groups were represented through the engagement and provide commentary on the relative balance of stakeholder voices. Were any relevant groups not represented?*	*What feedback and key messages did you hear from your stakeholders? Where different views were expressed, what were the relative weighting of these?*	*What impact has the feedback received had on your business plan? Provide specific examples of relevant decisions that have been influenced by the engagement. Where you have made a decision that might be seen as counter to the feedback received, explain why this is and set out what measures you have taken to address the feedback received.*
High quality of service from regulated firms; & Secure and resilient supplies	**SPEN T3 Workstreams: Connections; Data, Digitalisation & Innovation; Cyber** What has been clear throughout the development of the T3 business plan is that data, digitalisation, innovation and cyber, as integrated business areas, will be essential enablers for all our operations as a whole. Collectively they underpin secure, resilient and responsive cyber-physical operations and business services. Thus, we have been using engagements across these workstreams to **ensure that we are developing IT and digital architecture systems and processes that are fit-for-purpose, in support of the wider business,** and agile enough to meet uncertain and evolving future requirements. These systems will be at the forefront of both customer-facing and internal processes, from end-to-end, and so it is appropriate that engagements for them also focus on internal as well as external stakeholders.	Our structured engagements have varied depending on the outcomes being sought. **(A)** Where our **Digitalisation** and **Innovation** teams have been working to develop leading customer-facing solutions, we have used larger, open forums such as **Conferences and Surveys/ Consultations**. Specifically, our: (i) **Connections Summit,** led by SPT, a twice-annual event held with a large group of external connections customers to share updates on projects and policy and seek their views and feedback on where SPEN can make improvements. Our first 2024 event took place on 30th May in Glasgow; and (ii) **a Stakeholder Priorities Survey,** launched in March 2024, where Data & Digitalisation questions were included. **(B)** Where our **Data** teams have been looking to ensure best practice around governance and security, they have engaged through **cross-industry working groups** as well as through **robust internal sessions:** the ENA's **Data & Digitalisation Steering Group** is the main industry forum for driving forward compliance with Ofgem's Data Best Practice (DBP) licence obligation, is chaired by SPEN and meets monthly. This was **complemented by internal engagement sessions on Data Governance** held in July and August 2024, and facilitated by a third party consulting firm. **(C)** Similarly, where our **Cyber** team have sought to develop their strategies, they have learned from, among many others, a balance of **cross-industry working groups - such as the E3 Cyber Security Task Group (E3CC)** - who have met quarterly, and **Internal Working Groups** that utilise the significant and unique scale of the Iberdrola Global Network. This included being a part of a **Global Cybersecurity Innovation Watchdog (GCIW).**	**(A)**The Connections Summit is a flagship engagement event within SPT, with all major Connections customers invited, and the May event had **over 100 attendees including Scottish Government, NESO, large renewable companies, and smaller newly emerging companies in the battery business**. The survey had almost 200 responses, **primarily from Local Authorities (21% of respondents) and Community Councils (13% of respondents)**, with a fairly even distribution across regions. However, we did **note the over-representation of the above groups**, and in general took care to **temper the insights** we gained from this survey. **(B)** The Data & Digitalisation Steering Group comprises representatives from each of the **ENA member organisations, in addition to Ofgem, DESNZ and Innovate UK**. There are also additional sub-groups which meet on a regular basis covering: "Data Licencing", "Data Triage"; "Data Interoperability" and "Engagement and Coordination". Internally, **15+ stakeholder engagement sessions were held across a full suite of business areas** (including front-end Operations, Business Transformation and Senior Management) to help inform the development of our Data Governance policies. **(C)** Cyber security is not just a networks issue, and our team has worked with other **operators of essential services (OES)** to understand their plans and ours for T3. The **E3CC is one of seven such groups within the UK Government Energy Emergencies Executive committee**, run by BEIS; the GCIW group includes representation from Iberdrola as well as other international group companies including **Avangrid (United States) and Neoenergia (Brazil) -** all facing similar issues.	**(A)** SPEN's digital teams collaborate closely with the connections team who run the summit to ensure that insights gained feed into their plans appropriately. A common theme from attendees was around the **need to reduce the overall project lifecycle time from application through to connection.** This is also a priority for Ofgem, and **supports a strong weighting for these views**. The majority of our T3 digitalisation plan is centred around this need to improve the efficiency of process and eliminate non value-add activities/wait times. Similar themes emerged through the survey, where a common focus point for many stakeholders was around connections queues, where they **requested queue transparency and generally more details of connections queue progress,** so they had a better understanding of where they stood. Combined, these engagements offered us a clear directive for enhancing specific areas. **(B)** For our Data teams, the ENA forum provides the opportunity for SPEN to influence industry direction for compliance with Ofgem's DBP – ensuring that it is in line with our stakeholder needs and expectations and **facilitates industry standardisation**. Additionally, it is through this forum (specifically the "Data Triage" sub-group) that work is progressing to develop more prescriptive Data Security guidelines as a result of the ongoing review by DESNZ / NPSA. Compliance with Ofgem's DBP, and further refinement of our Data Security protocols, is at the centre of our RIIO-T3 Data Submission. This forum therefore has a **direct impact on the development of our Data initiatives**. The internal sessions were incredibly valuable, and a few key themes emerged: (i) **Value, Trust, Culture**: SPEN need to be able to establish a common understanding of data and its value; need to be able to support continuous improvement; need to improve trust in the "golden source" of the data. (ii) **Roles, Ownership and Process**: Data-related roles vary throughout different data domains - often linked to systems; frequently reliant on individuals, not standard process; infrequent / inconsistent use of data dictionaries or glossaries. (iii) **Tooling and Solutions**: Access to source systems varies - lack of standard tooling; big opportunity to automate regular reporting and reduce manual processing steps; lack of logical / semantic layer. **(C)** Within Cyber, where possible and appropriate, SPEN reached out to individual OES to discuss their thoughts. Members have worked largely separately on T3 plans due to their sensitive nature - something that has had to be duly considered throughout - but collaborative discussions highlighted **the need for better incident reporting, greater supply chain collaboration and a singular sector risk perspective**. The GCIW was established to share best practice and learnings, and look ahead at potential threats as well as areas for investment. One key area addressed has been the **impact of AI on security operations**, and SPEN have collaborated significantly with Iberdrola peers to establish a clear and unified approach to this, with the caveat that regional laws and policies would differ - this impacted the weighting of certain insights.	**(A)** The feedback across engagements has influenced our **prioritisation of customer-led solutions** in our T3 plan, and we think this stands as a really good example of how digital innovation can support other areas of the business - in this case Connections. Some key initiatives included to drive efficiencies in this space include: Contract Lifecycle Management System; Supplier Performance Management; Procurement Process Automation; Project & Portfolio Management Solution; BIM Transformation Programme; Land Rights & Planning Solutions. The **engagements also provided a strong collective case for the inclusion of two specific initiatives which are now part of the T3 digital submission:** (i) Customer and Stakeholder Heatmap - the heatmap is a real-time visualisation tool used to display the status and availability of the electricity grid. It aims to reduce the wait times for connection information, improve decision-making abilities, increase transparency and promote compliance with regulatory standards; (ii) Customer Design & Costing Tool - the purpose of this tool is to create a public-facing platform that offers indicative connection designs and cost estimates for users. This initiative aims to boost efficiency, support net zero aspirations and improve the overall customer experience. **(B)** Our Open Data T3 initiative describes our proposed investment to further refine our Data Security protocols in direct response to the ongoing review by DESNZ / NPSA. Furthermore, we will continue to engage with our industry stakeholders via this forum to ensure that the work that we are undertaking across all our data initiatives is in line with industry direction / promotes standardisation. Feedback from these internal stakeholder sessions have **directly influenced the development of our initial five Data Governance Policy documents**: Data Organisation; Data Quality; Data Lifecycle; Metadata Management; and Data Security Classifications. In turn, the development, and enactment, of processes associated with these have then been included in the scope of our T3 Data Governance Technical Justification Papers (TJPs), in addition to the development of outstanding policy areas. We have also used the feedback to inform the development of our communications approach, which is a fundamental enabler to the required drive in culture change - this is also included in the scope of our Data Governance TJP. **(C)** Our Cyber learnings have been incorporated across relevant areas into our T3 plans, with the **insights from the watchdog underpinning much our T3 cyber strategy**, a summary of which can be found in the main business plan document. Continued collaboration with other Transmission Owners is a cornerstone of our strategy, enabling us to develop whole-system solutions to shared cyber risks and threats. This collaborative approach not only enhances our own cyber resilience but also strengthens the overall security of the energy sector.

Document:	RIIO-3 Stakeholder Engagement and Decision Log (SP Energy Networks - P.4)

RIIO-3 Outcome	Policy Area	Type of Engagement Undertaken	Stakeholder Groups	Summary Feedback	Impact on Business Plan
The primary RIIO-3 outcome to which the engagement relates	*The policy area or areas to which the engagement relates*	*How did you engage with stakeholders? For example, through webinars, roundtables, surveys, through third parties, representative bodies, trade associations etc*	*Which stakeholder groups were represented through the engagement and provide commentary on the relative balance of stakeholder voices. Were any relevant groups not represented?*	*What feedback and key messages did you hear from your stakeholders? Where different views were expressed, what were the relative weighting of these?*	*What impact has the feedback received had on your business plan? Provide specific examples of relevant decisions that have been influenced by the engagement. Where you have made a decision that might be seen as counter to the feedback received, explain why this is and set out what measures you have taken to address the*
System efficiency and long-term value for money & Infrastructure fit for a low-cost transition to net zero	**SPEN T3 Workstreams: Deliverability; Workforce; Economics** Before work on T3 plans even began, it was already clear that the scale of change needed to create the transmission network required to support Net Zero targets would put a huge strain on **workforce and supply chain.** Thus, our T3 plans - and engagements - around workforce, contractors and suppliers have had to go further than ever before, **guiding how we will evolve to meet this incredible challenge**, with our SPT workforce needing to double during the RIIO-T3 period. Similar to our IT and digital systems, many of the challenges here are shared as an industry, and so it is right that we have collaborated to meet these together. "Business as usual" is not going to be enough, and so we have used engagements to shape new procurement strategies, produce collective industry recommendations, and provide robust financial foundations for the work we do around skills and workforce.	**(A)** One of our biggest questions has been how we can remain competitive to contractors and suppliers with market power as high as its ever been. Our delivery teams used a multi-faceted approach to answer this, including **Bi-laterals and Network Engagement**: we have engaged **with the market and external consultants over an 18-month period** to better understand market conditions and contracting options. As part of this we undertook: **direct engagement with 148 companies via a supply chain survey; detailed meetings with 14 key suppliers; and a webinar virtual-launch held with another 60 companies**. **(B/C)** This work goes hand-in-hand with our workforce teams - two sides of the same coin. Within SPEN, skills and training are a key focus and alongside **bi-laterals and workshops with industry and training organisations**, we were also heavily involved with a **Future Energy Skills Summit** held on 26th September at the University of Strathclyde, Glasgow. The event launched a collaborative white paper: "People, Skills and Jobs in Power System Decarbonisation". SPEN helped cover the costs of the research with funding, and was also a contributor, with input from workforce and renewal teams. **(D)** SPEN workforce teams also work closely with our centralised group teams on internal engagements including an **Internal Group Resourcing Workshop and separate SPT Transformation Workshop,** both held in June 2024. **(E)** We also wanted to make sure we have the data and insights needed to suitably underpin our investment plans, including those for workforce and deliverability. To help with this, we undertook a **Research partnership** with the University of Strathclyde. Given the extent of the investment and scale of challenge, we determined it was hugely important to set out the wider economic benefits of investment. This was a new area of analysis compared with previous price controls, a response to this new scale of challenge (or, indeed, challenge of scale). Though this research was conducted independently, we note that this was commissioned and financed by SPEN.	**(A)** Our supply chain market engagement was substantial and provided both breadth and depth in its representation of supplier opinions - we are very confident in its insights and also undertook a significant triangulation process to extract the most pertinent and actionable themes from these. Contractors and supply chain including **Balfour Beatty, Kirby, Morgan Sindall, Luddon, RJ McLeod, Morrison, Hitachi, GE, Koncar, Koletor, and Hyosung** were part of this. Contractor and Supplier power is the highest it's ever been given supply chain constraints, and so it's vital that our strategies are able to meet their priorities. **(B)** For our workforce teams, the Skills Summit and resulting white paper were the result of collaboration between **SSE, SPEN, the NESO and the University of Strathclyde (UoS)**, with UoS leading on preparation. Keynote speakers and panel members at the summit included additional representatives from organisations including **Scottish Government, Ofgem, Skills Development Scotland and Energy & Utility Skills**. NGET were perhaps a notable exception in this joint approach, but many of the topics and discussions were Scotland-specific, and we shared relevant findings with our English counterparts. **(C)** This marquee event has been supplemented with Bi-laterals and workshops with a diverse group of industry peers and partners, including **academia and training institutions (Glasgow Caledonian and Glasgow University, SQA, EU Skills and Skills Development Scotland - the national skills agency for Scotland)** and **utilities such as Scottish Water.** We also took **special consideration of Trade Unions,** updating them at ENJNCF of our T3 approach, and have engaged actively in reskilling initiatives such as with **ex-forces** and **Petroinesos Open Reach.** **(D)** Internal Workshops were held between the wider ScottishPower group's **People & Organisation (P&O) department and SP Transmission's dedicated workforce and Transformation teams.** **(E) Strathclyde University's Centre for Energy Policy (CEP)** operate on behalf of research, government and industry partners to understand and address the pressing public policy challenge of ensuring transitions to mid-century net zero targets deliver sustainable and more equitable prosperity. Since its launch in 2015, CEP has established a solid track record of independent, rigorous and multidisciplinary research and timely and responsive knowledge exchange and policy engagement on energy and climate issues set in a wider public policy context. We felt they were ideally placed to help us.	**(A)** Key themes that emerged through supply chain market engagement included **demand for longer term agreements, strategic portfolio contracting, and balanced terms/conditions (reduced risk); non-price criteria (such as sustainability) becoming more important; an engineering skills shortage; as well as a desire for earlier financial commitments from clients.** From the feedback we received, we focussed on those areas where we could make the most direct changes ourselves to meet requests. We also engaged with specialist **external lawyers** to carry out a review of our terms and conditions. **(B)** The white paper identified **eight key recommendations for the sector,** to: 1. "Align strategically"; 2. "Define the challenge"; 3. "Create the environment"; 4. "Identify solutions"; 5. "Engage, share and act"; 6. "Advocate and communicate"; 7. "Attract a diverse workforce"; and 8. "Explore the future of work". **(C)** These major research findings have been supported by our week-to-week engagements, where it's become clear that **the challenges for utilities sectors (such as Water) are similar, and there is mutual benefit to be gained through collaboration**. Therefore, we have been seeking to establish a foundation apprenticeship / early career pathway suited to Energy & Utilities with a view to providing a clear early career pathway for young and new joiners to the sector. **(D)** Internal engagements sought to clarify the challenges facing industry, including specific conversations on **growth and skills required for T3**, including: discussions on quantification of business needs; explorative analysis against industry competitors; and the development of an approach for Org Design for holistic review **(E)** We engaged with CEP for research on the economic impact of T3 business plan, the base position for the paper being that in order to meet the challenges across the sector, collaboration would be essential. Research found **investment can enable both transitory and sustained wider economic expansion, and that enabling innovation and addressing skills shortages can play a key role in maximising and sustaining economic gains**. These insights have helped to advise how to best account for sustainable economic growth and **jobs growth in a robust way**, setting out how we can achieve this and provide a credible assessment of the economic impact of our plan.	**(A)** That market engagement has been significant, and as a result we **have developed a new contracting strategy**, which is a hybrid delivery model based on a combination of Direct Contracting (our current contracting strategy) and Engineering Procurement and Construction (EPC) Contracting, depending on a project's characteristics. This highly flexible and agile model is capable of responding to current and forecasted market conditions, it also **provides commitment that secures delivery capacity and allows contractors to further invest in resources throughout T3** and longer term. The legal review allowed us to **provide a more balanced risk profile and make them more acceptable to the market.** **(B)** The skills research and summit were part of concerted efforts within the sector to **align approaches, priorities and ambitions at a strategic level in order to maximise impact**. Its findings are already **underpinning many of our current activities, including our approach to T3 workforce planning, investment, and future collaboration.** **(C)** Collaborating with a utilities company outside of energy ensures we are working towards our wider growth duty as a transmission owner, and this **apprenticeship programme will be a component part of our workforce programme aiming to ensure delivery of our T3 plan**. Following the consultation on Scotland's Skills organisations, work will continue to develop the proposal and the formal request for this new programme. **(D)** The Transformation team is developing a new approach for **SPT Org Design for holistic review** that will allow us to meet the scale required. This has encountered difficulty previously due to differing views, among others, and in response to that we have established a dedicated and senior team to lead on this project specifically. **(E)** Based on the analysis CEP undertook, we were able to develop our thinking around growth duty, responding to the requirements for the business plan, and went beyond this to set out an in-depth economic impact assessment of our T3 business plans, underpinning our investment decisions and financeability. We **also shared these key insights with other TOs, who had not carried out equivalent research to this depth.**

Document:	**RIIO-3 Stakeholder Engagement and Decision Log (SP Energy Networks - P.5)**

RIIO-3 Outcome	Policy Area	Type of Engagement Undertaken	Stakeholder Groups	Summary Feedback	Impact on Business Plan
The primary RIIO-3 outcome to which the engagement relates	*The policy area or areas to which the engagement relates*	*How did you engage with stakeholders? For example, through webinars, roundtables, surveys, through third parties, representative bodies, trade associations etc*	*Which stakeholder groups were represented through the engagement and provide commentary on the relative balance of stakeholder voices. Were any relevant groups not represented?*	*What feedback and key messages did you hear from your stakeholders? Where different views were expressed, what were the relative weighting of these?*	*What impact has the feedback received had on your business plan? Provide specific examples of relevant decisions that have been influenced by the engagement. Where you have made a decision that might be seen as counter to the feedback received, explain why this is and set out what measures you have taken to address the feedback received.*
System efficiency and long-term value for money	**SPEN T3 Workstreams: Economics; Connections; Policy & Regulation; Whole Systems; Cyber** The policy and regulatory environment provide the foundation for every action we take as a network company. As the industry shifts at pace, so too must the policies, regulations and incentives that dictate it. With this in mind, it's important to understand in the first place the **level of external knowledge around the regulatory environment,** as this can help shape our communications and ensure we can better inform our stakeholders. More than anything though, we are **collaborating continuously on policy, licence regulations and incentives mechanisms to ensure they will enable us to support reaching Net Zero targets.** This is a shared challenge and requires shared solutions.	**(A)** In lieu of Willingness to Pay research for T3, SPEN was able to gain up-to-date insights into consumer preferences and existing knowledge through **Affordability Tolerance Research** comprising of: - **Rapid review** of existing evidence and research - **Qualitative focus groups/deliberative workshops** - **Quantitative, nationally representative survey** This research was conducted by Yonder and Sustainability First, spear-headed by NGET but with input from SPEN. It is a leading example of collaboration between the TOs on larger consumer engagement. **(B)** At the other end of the engagement spectrum, quarterly **bi-laterals** with Connections Developers have also provided insights that have helped us deliver better outcomes. **(C/D) Bi-laterals, Tri-laterals** and **Cross-Sector Working Groups and Roundtables** have been a regular occurrence for our teams in discussing policy and incentives, including: - Whole Systems Cross-TO Working Groups (4) were held across end 2023/first half of 2024 on the Co-ordinated Adjustment Mechanism (CAM). - Cyber, who chaired the June 2024 Electricity Networks Association (ENA) Cyber Committee - and, of course, **(E)** Policy & Regulation (P&R) - who are deeply involved across all of our workstreams and who used a number of **Strategic Workshops** to help shape their recommendations and actions.	**(A)** The Affordability Tolerance research was a detailed exercise, with 3 focus groups hosted with **members of the public, one each in Glasgow, Manchester and Cardiff, with 76 participants in total.** Quotas and controls were in place to ensure an appropriate mix of participants. The survey comprised responses from **3,510 members of the public,** with weights and quotas also applied. Methodical considerations included limited initial knowledge, numerical hypotheticals, the effect of information provided, and timing (during an election campaign). **(B)**The meetings with **Connections Developers** were a valuable supplement to the larger **Connections Summits** (see p.3, (A)), giving us opportunity to capture detailed feedback from some of our biggest connections customers. **(C/D) Transmission Owners -** National Grid Electricity Transmission (NGET), Scottish & Southern Electricity Networks Transmission (SSENT) - were our biggest collaborators, **whether individually or through industry groups such as the ENA** and their respective committees, sub-groups and workshops. Our Whole Systems and Cyber teams were just two of many who engage frequently with their counterparts through these channels. **(E)** Beyond this, our P&R team also engaged with **Ofgem, Scottish Government, the Department for Energy Security and Net Zero (DESNZ), the Electricity System Operator (ESO, now NESO) and Scottish Renewables.** They also engaged through a special one-off workshop with a dedicated selection of our **INZAC**, outside of its normal T3 responsibilities, on incentive mechanisms. Through this broad array of engagements - across numerous workstreams and business departments, on an ongoing basis over many months - we believe all groups were appropriately represented, helping to develop policy thinking.	**(A)** Research on Affordability Tolerance sought to understand tolerances on cost in terms of impact of bills over time, depending on a "frontload" or "backload" scenario of investment/upgrade works. Overall, there was a **clear preference for frontloading, especially when more information and anticipated pricing were provided**. However, **concerns about cost and deliverability were shared by a significant portion of the population** - especially when related to vulnerable consumers and those struggling financially. Low bills were, naturally, a priority, along with reliability, renewable connection, and energy independence; there was an instinctive desire for TOs to prioritise maintaining, upgrading and connecting - "getting on with it". The "national interest" was also an influencing factor, as was trust and attitudes towards climate change. Notable conclusions from the research were that **"framing, the details of the plan, and the associated support mechanisms matter".** This supported our focus group research on messaging we conducted earlier in the year (see p.2, (D)). **(B)** Connections developers raised concerns around their ability to understand where their contract lies in the tri-party relationship between themselves, the ESO and SPT. They often **weren't sure where their contract was, who they needed to reach out to with a specific query, which caused frustration and reputational risk to SPT** where there were issues outside of our remit. **(C)** For Whole Systems, we proceeded with collaborative review sessions to develop and support improvements to a Co-ordinated Adjustment Mechanism (CAM) for T3, with SPEN taking the lead in authoring the incentive proposal on behalf of the TOs, gaining their input and buy-in. Our INZAC agreed in our incentives workshop that this incentive was worth pursuing, though later feedback from them **highlighted the complexity of the licence drafting structure and uncertainty on regulatory treatment** or some variables. **(D)** For Cyber, Ofgem encouraged TOs to seek other OES participation when approaching T3 to help shape their price control plans and understand needs for risk reduction. Our Cyber team worked with the ENA to establish a response on the incentive mechanism and **develop a combined view of threat and future.** SPEN suggested greater threat and information sharing and took the opportunity to discuss future vision with other OES resulting in an agreement to work closely and share plans. **(E)** The P&R engagements have ensured a continuous feedback loop on T3 plans and initiatives with key stakeholders, covering, among others **Community Benefits (see p.2), tCSNP2 projects, accelerating the Scottish planning and consents process, risks and challenges, the Sector Specific Methodology Consultation (SSMD), Advanced Procurement, and Competition.** Through this engagement, the P&R team has gathered feedback from key strategic stakeholders, enabling key business plan themes and commitments to be tested with governmental and industry organisations. This feedback has **included lessons learned by the Scottish Government on Community Benefits, feedback on regulatory mechanisms by our supply chain partners, and discussions on financial parameters with DESNZ**, to name just some of the strategic feedback received.	**(A)** The Yonder research findings provided clear support for front-loading investment and upgrading works (albeit with caveats) which supports our plan, and **we have reflected this in our investabilty sections as well as used it for further reflection on messaging and framing - specifically, making greater efforts to clarify our role in the larger transmission system - and what we can and cannot influence.** Due consideration has to be given to those who did not support front loading though, and their concerns brought sharp focus again on the **support of vulnerable consumers and communities** that is necessary - within our role as a TO, this provides a clear mandate again for **community benefits and the work we are continuing to do to ensure this is fit-for-purpose.** This research adds further weight to our efforts here and have been taken on board as we develop our framework. **(B)** The developer feedback on their confusion on SPT's role was an interesting sister point to the larger Yonder research, and to address this **we implemented email touchpoints for developers meaning they know who to query at any given point in a contract**. For T3, we are now exploring the use of AI in enhancing these touch points. As the connections environment continues to evolve amidst uncertainty, feedback such as this will continue to shape our reform initiatives, impacting T3 and our wider transmission plans. **(C)** Feedback from the TOs (in developing)and INZAC (in reviewing) the incentive, structure, format and reward levels of the **CAM has resulted in it being simplified**. Whole System collaboration is a recognised requirement for achieving net zero targets, and we will continue to discuss the CAM and incentive proposal as part of the business plan and licence drafting process. **(D)** Cyber collaboration is ensuring we are all closely aligned with other TOs and working towards shared goals within our T3 plans, including **re-openers every year to fit the changing risk profiles and opinions regarding the proposed incentive and efficiency mechanisms**. In doing this we hope to continue to drive best practice and efficiency for the T3 Business Plan process. **(E)** And all of the above continue to be supported by the work of the P&R team, who join the majority of Ofgem working groups, providing **consistency in messaging** and have been a key part of the **development of our Community Benefits proposal (spearheading the inclusion of uprating schemes), establishing bilaterals on financeability and investability, the creation of subgroups with DESNZ to address Nick Winser's report recommendations, and the development of the Advanced Procurement Mechanism** (in service of the procurement and deliverability teams), among many others.