

Independent Stakeholder Group Annual Report

2024/25



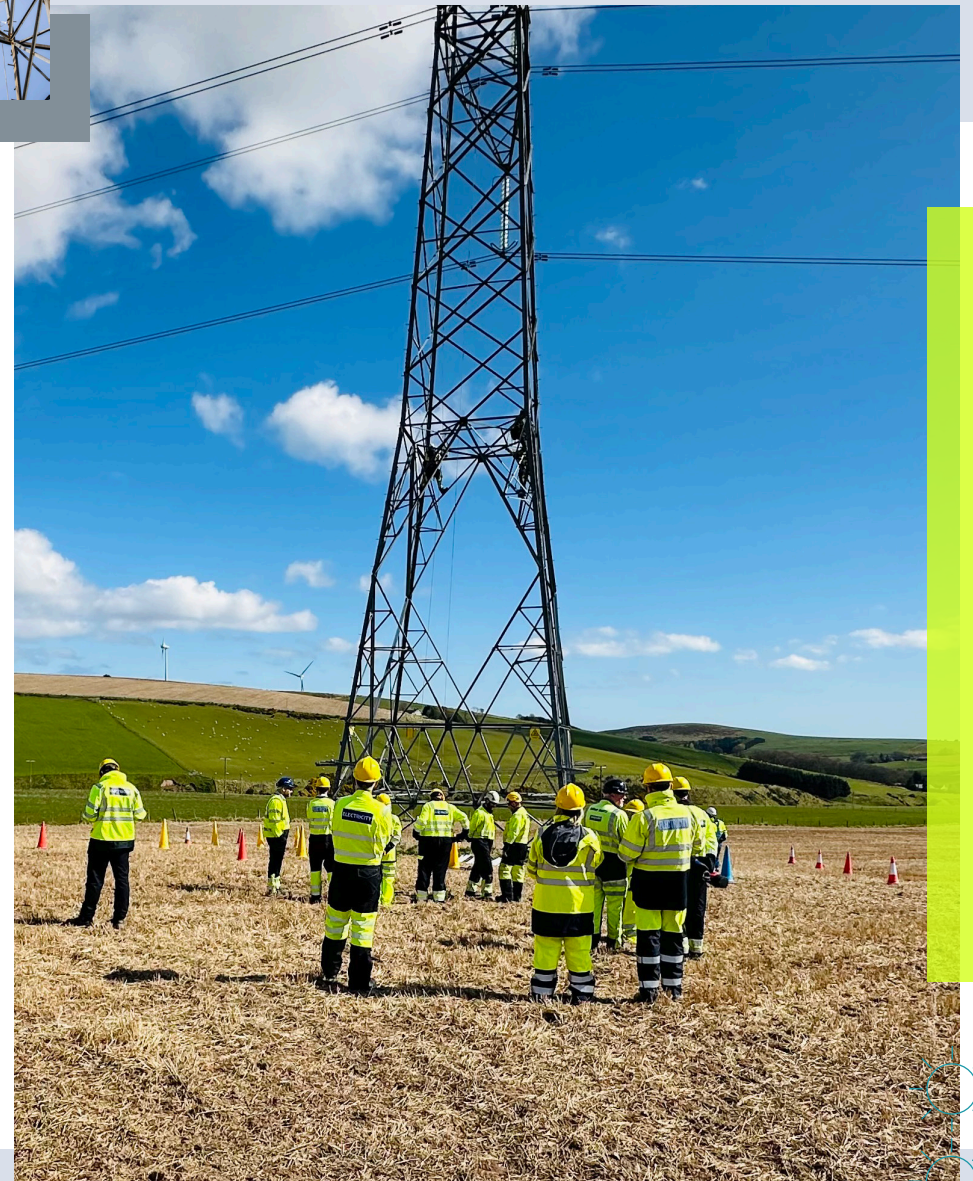
**Scottish & Southern
Electricity Networks**

TRANSMISSION



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About SSEN Transmission's Independent Stakeholder Group

The Network for Net Zero Stakeholder Group was formed in August 2020 to provide SSEN Transmission with expert challenge, feedback, and input on topics under discussion.

This group was specifically created to evaluate SSEN Transmission's processes and methods for meeting the regulatory goals of the RIIO-T2 price control and to assess the extent to which the T2 business plan had been co-created and supported by stakeholders.

In early 2023, The Group began reviewing the process, content development, and stakeholder engagement for the RIIO-T3 business plan (2026-2031) as part of its ongoing role with SSEN Transmission.

In the autumn of 2023, Ofgem published its Future System and Network Regulatory (FSNR) framework decision, which required the establishment of Independent Stakeholder Groups (ISGs) for Transmission Owners. These groups were expected to provide formal challenge and scrutiny throughout the development and implementation of the RIIO-T3 plan. In agreement with Ofgem, it was decided that the Network for Net Zero Stakeholder Group would take on the ISG role, and going forward hold SSEN Transmission accountable for delivering the commitments made in the RIIO-T3 plan settlement. This group will now be known as 'SSEN Transmission's Independent Stakeholder Group.'





The Group's purpose:

- Hold SSEN Transmission accountable for RIIO-T2 and RIIO-T3 commitments, targets, and outputs.
- Scrutinise and challenge the RIIO-T3 business plan and monitor its delivery.
- Ensure consumer and stakeholder views are reflected in the business plan.
- Promote effective stakeholder engagement through ongoing scrutiny.
- Provide feedback to inform decisions during business plan development.
- Discuss additional matters identified by The Group.
- Support the Board and Executive Committee's work in ensuring scrutiny and deliver accountability; and
- Be transparent about the work of SSEN Transmission's Independent Stakeholder Group for the benefit of customers and stakeholders.





Chair's Foreword

We anticipated this past year would be busy, and it has been. Given Ofgem's regulatory cycle, the run up to December 2024 was dominated by RIIO-T3 business planning. Equally importantly, the launch of the UK government's Clean Power 2030 ambitions provided further focus on the decarbonisation agenda and the role SSEN Transmission is playing in delivering a massive infrastructure investment programme that supports the UK's ability to achieve the transition to Net Zero.

We have enjoyed a continuing constructive relationship with the SSEN Transmission Board, Executive

committee and business teams. This has been a significant contributor to enabling us to provide scrutiny, challenge and support across the wide variety of business topics that we have explored this past year. The business has been open with us and we have had access to plans and ambitions at a very early stage of development. This is the best time to be involved, as the expertise we have on The Group can be deployed at this forming stage to really help with scrutinising options and being confident that consumer, customer and community engagement is done well and the various threads of opinions and feedback from these engagements are carefully considered. There have been challenges from some communities presented by the extent of the infrastructure programme. These challenges are understandable. The business has made all efforts to keep communities engaged, listen to concerns and, where possible, put mitigations in place. However, with as extensive a programme as this,

there will unfortunately be disruption, but we are confident that the business will continue to engage and seek ways to minimise impact.

As important as developing the RIIO-T3 regulatory business plan is, the continued focus on delivering the outputs in the current RIIO-T2 plan remains the priority, both to ensure the business complies with its obligations and build confidence that its RIIO-T3 plan is deliverable. We have been pleased that delivery focus on the current plan has not let up and the business remains on track to fulfil the outputs and commitments set out.

Finally, I'd like to note the recognition being given to the impact of the work programmes on the people who work for SSEN Transmission. Over the past 10 years or so the business's programmes have grown significantly. Similarly, the workforce, contractor and supplier partner networks has had to keep pace. This growth has

been handled thoughtfully, with careful attention to organisational arrangements, capability and capacity planning and supply chain engagement. We have observed good internal communication channels, particularly at points of change, and senior team members being quick to highlight and praise the work done by SSEN Transmission employees and supply chain partners, in particular the community engagement activities. This gives confidence that there is commitment across the organisation and its partners to work with communities in meeting the delivery challenges into the future.

Tracey Matthews
Chair



Rob McDonald Foreword

At SSEN Transmission, our mission is clear: to successfully deliver our ambitious Pathway to 2030 programme, a transformative journey that will unlock the north of Scotland's potential as a renewable energy powerhouse.

The path to a sustainable future begins with the understanding that there will be no net zero transition without the electricity transmission network, and it cannot be underestimated how vital our electricity grids will be in tackling climate change.

As we reflect on the significant progress made over the past year, we are proud of the role we play in powering the communities we

serve and the contributions we are making toward a cleaner, more secure, and affordable energy system for both current and future generations. Our Operations Teams have once again excelled in keeping the lights on, delivering a strong performance under Ofgem's 'Energy Not Supplied' incentive and celebrating recognition as a world-leading transmission operator in the International Transmission Operations & Maintenance (ITOMs) benchmarking audit. This success is a direct result of their year-round commitment to robust inspection, maintenance, refurbishment, and asset replacement programmes, ensuring the continued reliability and resilience of our network.

We have had another successful year of delivery, our capital investment programme is progressing well, with notable recent milestones including the successful energisation of the Shetland HVDC link and Kinardochy substation. Our network now supports around 12GW of installed capacity on our network, with more than 10.6GW of this coming from renewable and low-carbon sources—enough to power 12.3 million

homes. This is a major achievement, enabling us to exceed our RIIO-T2 target of serving 10 million homes and reaching this goal two years ahead of schedule.

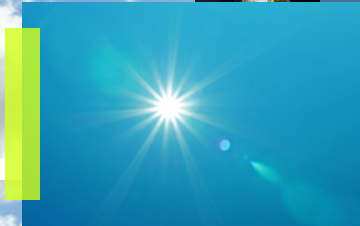
But the hard work doesn't stop there. This year, we also welcomed Ofgem's 'Beyond 2030' publication, which confirmed approval for an additional £5bn+ investment into the transmission network across the north of Scotland. While we eagerly anticipate this future growth, our immediate focus remains on delivering the final year of our RIIO-T2 commitments and securing a regulatory framework that is both investable and financeable for the RIIO-T3 price control period,

to support the nation's ambitious goals and deliver the vast economic opportunities the clean transition presents.

As we continue to progress with our ambitious Pathway to 2030 plans, collaborating with our stakeholders is now more important than ever. I'm delighted to have our Independent Stakeholder Group on board and look forward to another year of their expert challenge, insight and feedback to help shape our decision making and set us up even better for delivering a network for net zero.

Rob McDonald
Managing Director
SSEN Transmission





How the Group works

SSEN Transmission's Independent Stakeholder Group meets quarterly, using a mix of in-person meetings, virtual sessions, and site visits to key infrastructure projects. This approach allows members to engage directly with the business, offer informed challenge, and ensure stakeholder priorities are reflected in SSEN Transmission's plans and performance.

Key Topics Addressed

The Independent Stakeholder Group (ISG) has been actively engaged throughout the development of the SSEN Transmission RIIO-T3 Business Plan. Their involvement has been instrumental in ensuring that stakeholder, customer, and consumer priorities were not only considered but meaningfully integrated into the company's proposals.

Throughout the process, the ISG provided scrutiny, challenge, and support across a range of areas, including SSEN Transmission's ambitions, performance objectives, and delivery plans for the RIIO-T3 period and beyond. In response, SSEN Transmission has reflected the input from the ISG in our Business Plan Commitment incentive targets and our sustainability strategy.

A key area of ISG focus was the increasingly complex and interdependent nature of the work programmes. The Group emphasised the importance of assessing these programmes not in isolation, but in the context of long-term national objectives such as energy security and decarbonisation. SSEN Transmission has adopted a whole-system approach to planning, ensuring alignment with Government expectations on Clean Power 2030. As part of this, they have assessed the investments within the T3 plan against the strategic targets of both the UK and Scottish Governments, reinforcing commitment to long-term energy security and decarbonisation.

The ISG also highlighted the need for a broader contextual understanding of the risks and opportunities associated with delivering the full Transmission infrastructure programme. In response, SSEN Transmission has adopted a more holistic planning framework that considers interdependencies across projects and regions, ensuring resilience and adaptability in delivery.

The Group's support for a high level of community benefits ambition was also actioned. SSEN Transmission has tailored its approach to community engagement based on ISG feedback, placing greater emphasis on legacy benefits such as community funds, affordable housing, skills development, and Biodiversity Net Gain. This tailored approach reflects the ISG's call for meaningful, place-based benefits and has been welcomed by stakeholders.

The ISG raised concerns about geographic 'hot spots'—areas experiencing concentrated infrastructure development—and the potential impact on local communities. In response, SSEN Transmission has strengthened its approach to engagement in these areas, ensuring that local context is considered in planning and delivery. To support this, the North East, centred around Aberdeen, was selected for a site visit to provide the Group with greater context around landscape, visual impact, and the scale of planned

infrastructure. Insights from this visit have further informed and refined the company's engagement strategy.

To ensure transparency and accountability, the ISG submitted an independent report to Ofgem as part of the Call for Evidence. This report provided a chapter-by-chapter assessment of the RIIO-T3 Business Plan, offering a detailed and impartial view of the company's proposals and the extent to which stakeholder priorities were reflected.



Site Visit



The site visit in April 2024 provided the Group with an in-depth overview of the East Coast 400kV Overhead Line (OHL) Upgrade project, offering insights into the activities on site and the scale of the project.

The first stop was a foundation upgrade site in Perthshire, where civil works were being undertaken to reinforce the existing foundations in preparation for supporting a heavier conductor bundle, as the circuit transitioned from 275kV to 400kV. At the time of the visit, groundworks and preparations for a concrete pour were observed, with the pour scheduled for the following day.

The Group then travelled to the Edzell construction site compound, a strategically located hub along the East Coast OHL Upgrade route. The visit provided an opportunity to examine worker accommodation on site, with discussions focusing on the various facilities available to support employee welfare. Ensuring quality

accommodation and essential amenities for workers was identified as a priority, and different approaches to enhancing workforce well-being across projects were explored.

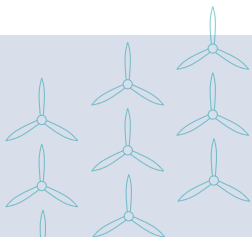
Inside one of the onsite offices, the project team delivered a detailed presentation outlining the project's objectives, scope, expected outcomes, and key milestones. The session also covered environmental considerations, technological advancements, and safety measures integral to the project's execution.

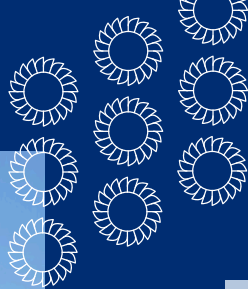
Following the presentation, attendees had the opportunity to engage in informal discussions over lunch at the site compound, facilitating exchanges between Group members, SSEN Transmission representatives, and the project team.

After lunch, the Group visited a steel strengthening work site between Crathes and Drumoak in Aberdeenshire. Here, additional steel

reinforcements were being installed on towers to enhance their structural capacity for supporting larger conductors. Positive discussions were held regarding the innovative structural and electrical modifications implemented by SSEN Transmission and the Principal Contractor's engineering teams, ensuring maximum efficiency and performance from existing assets.

The final segment of the site visit took place in Aberdeen, where The Group toured SSEN Transmission's new office. This provided an opportunity for reflection on the visit, as well as further insights from Rob McDonald, Managing Director of SSEN Transmission, regarding the project's long-term goals, challenges, and the coordination efforts between various teams and stakeholders.





Going forward

In the coming year, the Group will focus on the work SSEN Transmission is doing in the following areas:



- Responding to the RIIO-T3 Draft Determination



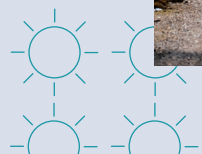
- Assessing the impact of Stakeholder Engagement through continuous and proactive engagement



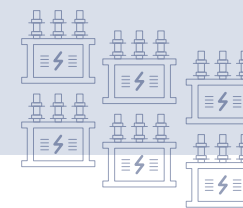
- Demonstrating progress against Accelerated Strategic Transmission Investment (ASTI) / Clean Power 2030



- Delivery of the final RIIO-T2 goals and outputs



Group Biographies



Tracey Matthews

Tracey is an experienced executive within the utilities industry. She is highly skilled in Business Planning, Operations Management, Business Transformation and Programme Management. Tracey is the Chair of SSEN Transmission's Independent Stakeholder Group, and is Chair of the SSEN Distribution RIIO-T2 Powering Communities to Net Zero Group. Providing independent scrutiny of the delivery of RIIO-T2 price control business plans and development of the RIIO-T3 period business plans. This scrutiny has a particular focus on the enhanced stakeholder engagement programmes and the value being delivered to customers and consumers. Tracey has a non-executive portfolio and is currently a non-executive on the Board of the Office for Nuclear Regulation, Energy and Utility Skills Group Ltd., and Transport for Greater Manchester.



Geoff Aitkenhead

Geoff was the Asset Management Director at Scottish Water for 14 years to July 2016. Since then, Geoff has maintained his involvement in the field of asset management, including investment delivery through independent consultancy roles including work with Scottish Water International and Southern Water. Geoff has also been active in the field of leadership development as an associate of Ceannas. Geoff was a well-respected member of the RIIO-T2 User Group and was also an active member on the SSEN Distribution Customer Engagement Group, during the ED2 price control period.



Claire Mack

Claire is currently CEO of Scottish Renewables, a member organisation dedicated to strengthening business relationships, and utilising Scotland's abundant natural resources to secure a future that will deliver on jobs, investment, energy security and climate change. Claire has a wealth of experience in Stakeholder Management and Engagement, Business Strategy, Policy and Change Management. Claire was former Director of Policy and Place at Scottish Council for Development and Industry (SCDI), and Regulatory Affairs Manager at Ofcom, the communications regulator in the UK.

Group Biographies



Julian Leslie

Julian is a chartered engineer with three decades of transmission system operation, planning and investment experience. Julian's role is to prepare Great Britain's electricity network for net zero operation, defining future network needs so that market and network owners can invest in the right technology solutions at the right time. Julian is also developing whole energy system plans on a national and regional basis.



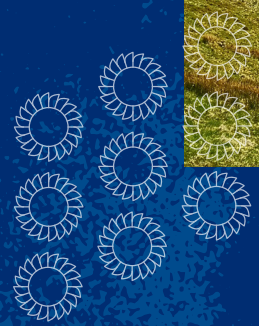
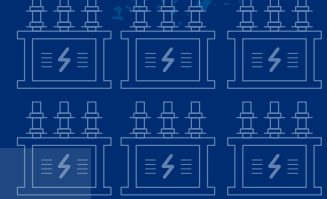
Doug McAdam

Doug has spent the last 30 years in private commercial businesses across the aviation, utilities/facilities management, energy and land management sectors, both internationally and in the UK. From 2006 to 2017 he was CEO of Scottish Land & Estates representing land owning and rural businesses across Scotland. Doug now runs his own consultancy business and currently sits on a number of public and private boards including chairing Wild Deer Best Practice Scotland and the South Grampian Deer Management Group. Previously Doug was a member of both the RIIO-T2 User Group and the SSEN Stakeholder Advisory Panel.



Rachel Grant

Rachel is Director of Strategy and Corporate Affairs at the Office for Nuclear Regulation (ONR), having previously worked as ONR's Head of Policy. Rachel is responsible for a multi-site team of policy, communications and change professionals to ensure effective policy advice and influence across ONR and with government departments, agencies, and international regulatory bodies. Rachel has worked in a variety of policy, strategy, and programme management roles across government and regulators including the Cabinet Office, Home Office, and the Health and Safety Executive, and holds an LLB law honours degree.



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