Scottish & Southern Electricity Networks

TRANSMISSION

Annual Performance Report

2024/25

Overview

About us

We are SSEN Transmission, the trading name for Scottish Hydro Electric Transmission.

We are responsible for the electricity transmission network in the north of Scotland, maintaining and investing in the high voltage 132kV, 220kV, 275kV and 400kV electricity transmission network.

Our network consists of underground and subsea cables, overhead lines on wooden poles or steel towers, and electricity substations. It extends over a quarter of the UK's land mass, crossing some of its most challenging terrain.

Our first priority is to provide a safe and reliable supply of electricity to our communities. We do this by taking electricity from generators and transporting it at high voltages over long distances through our transmission network for onwards distribution to homes and businesses in villages, towns and cities.

Our operating area is home to vast renewable energy resources which is being harnessed through wind, hydro, solar and marine generation.

Working closely with the National Energy System Operator (NESO), we enable these electricity generators to connect to the transmission grid by providing their connections and allowing the electricity generated by them to be transported to areas of demand across the country.

As a natural monopoly, we are closely regulated by the GB energy regulator, Ofgem, who determines how much revenue we are allowed to earn for constructing, maintaining and renovating our transmission network in the north of Scotland. These costs are shared between all those using the transmission system, including generation developers and electricity consumers.

About this report

Our Annual Report provides a comprehensive update on our operational and financial performance, our investment in the network, delivery for customers and consumers and sustainability progress throughout the financial year 2024/25.

The report is compliant with our obligations under Standard Licence Condition B15 (Regulatory Instructions and Guidance) and Special Licence Condition 9.1 (Annual Environmental Report).

The report has been prepared by the Managing Director for the directors of Scottish Hydro Electric Transmission plc (SHE Transmission). SSEN Transmission encompass the licenced entity Scottish Hydro Electric Transmission plc Registered in Scotland No. SC213461.

About our shareholders

SSE, the UK and Ireland's clean energy champion, holds a majority 75% stake in SSEN Transmission. SSE's purpose is to provide the energy needed today while building a better world of energy for tomorrow. SSE aim to be a leading energy company in a net zero world and their strategy for achieving this is to create value for shareholders and society in a sustainable way by developing, building, operating and investing in the electricity infrastructure and businesses needed in the transition to net zero.

Ontario Teachers' Pension Plan acquired a 25% minority stake in SSEN Transmission 2022. The organisation is a leading global investor with net assets of $269.6bn*, delivering retirement income to 343,000 active and retired teachers in Ontario, Canada. Ontario Teachers' is committed to helping reduce carbon emissions and achieve net zero by 2050, as part of its desire to shape a better future for the teachers it serves, the businesses it backs and the world we live in.

*Canadian dollars as of 30 June 2025

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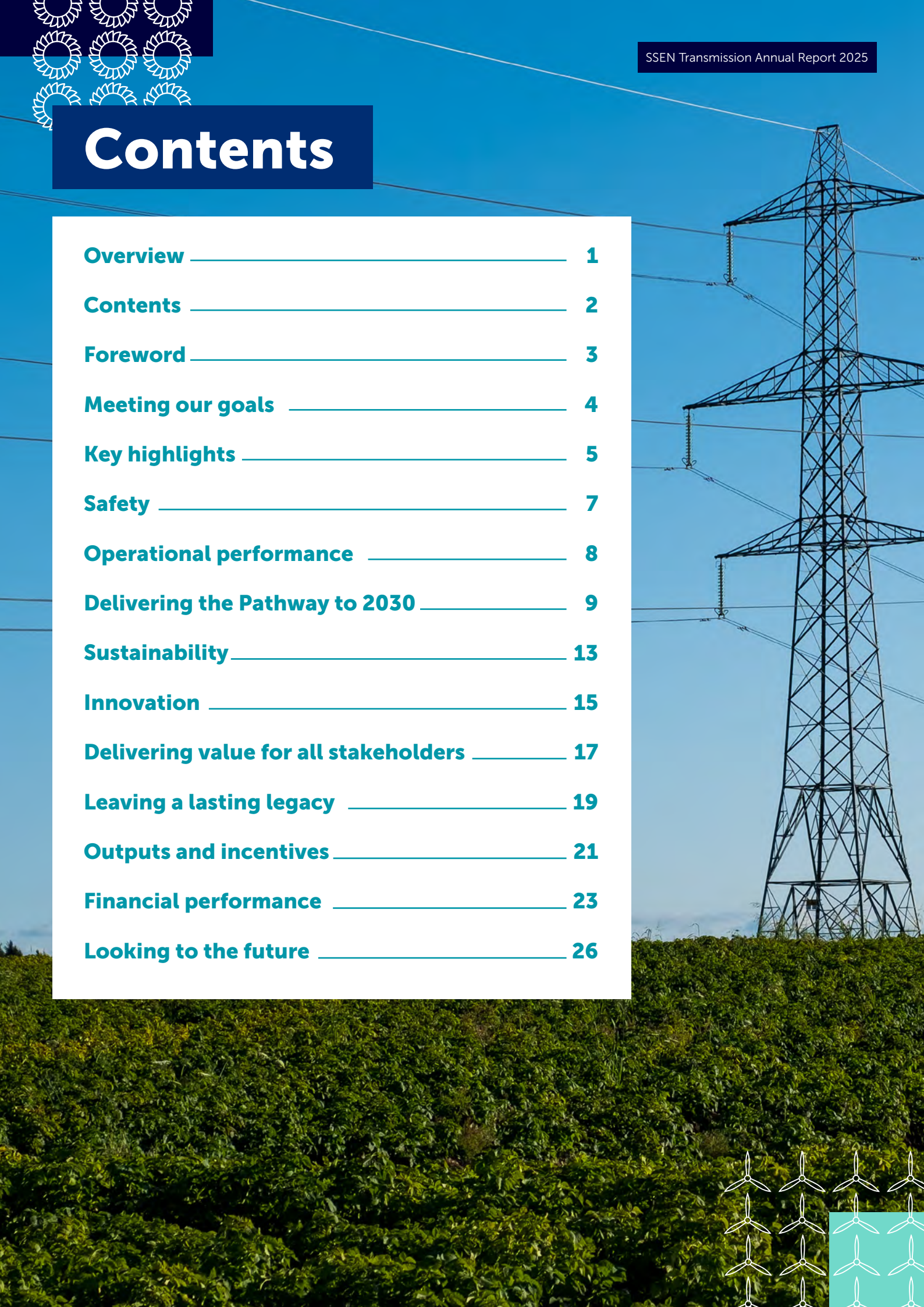


Foreword

2024/25 has been a year of significant delivery, progress, and ambition for SSEN Transmission. Against the backdrop of unprecedented growth in the electricity transmission sector, we have continued to deliver on our commitments, strengthen the resilience of our network, and prepare for the transformative decade ahead.

Our role is clear: to plan, build, operate, and maintain the transmission infrastructure that will enable the UK and Scotland to achieve their energy security and clean power targets. The north of Scotland is home to some of the best renewable energy resources in Europe, and our network is the gateway through which that clean power reaches homes and businesses across the country. This year, we transported enough renewable electricity to power 13.7 million homes – far exceeding our RIIO-T2 target of 10 million – and connected a record 1.6GW of new low-carbon generation.

Reliability remains at the heart of what we do. Our network delivered availability exceeding 99.999%, maintaining our sector-leading position and keeping the lights on for communities across some of the UK's most challenging terrain. We achieved eight of our 19 RIIO-T2 Price Control Deliverables, with the remainder on track, and sustained high performance across all our key operational measures, including achieving our lowest-ever SF_6 leakage rate of just 0.10%.

This year has also been one of landmark projects and milestones. We successfully energised the Shetland HVDC Link, the UK's first transmission connection to the islands, improving security of supply and unlocking Shetland's renewable potential. The energisation of Kinardochy substation has reinforced capacity in the north, while planning consent for critical infrastructure such as the Skye Reinforcement Project has moved us closer to delivering the network upgrades needed for a net zero future. Alongside these engineering achievements, we undertook the largest public consultation programme the north of Scotland has ever seen, engaging thousands of stakeholders and communities to ensure transparency and collaboration in our plans.

Our sustainability journey advanced at pace. We reduced Scope 1 and 2 emissions by 19% from our 2018/19 baseline, maintained industry-leading performance in reducing emissions from insulation and interruption gases, and achieved a biodiversity net gain of over 10% across our projects. We launched our first Community Benefit Funds, providing direct support to local projects and ensuring communities hosting our infrastructure see real and lasting benefits. We also became the first energy business in the UK to achieve ISO 45003 certification for psychological health and safety, underlining our commitment to the wellbeing of our people.

Looking to the future, we are progressing eleven major onshore and offshore projects as part of our 'Pathway to 2030' programme, delivering the connections required to meet Scotland and the UK's energy security and clean power targets, creating thousands of skilled jobs, and generating long-term social and economic value – and we'll be investing at least £22bn between now and 2031 to make all of that happen. Delivery at this scale requires an investible and financeable framework, and we are working closely with Ofgem to ensure the regulatory environment supports the pace and ambition needed to achieve net zero.

Our RIIO-T3 Business Plan builds on this momentum, setting out over £22bn of investment between 2026 and 2031. This includes the continuation of our Accelerated Strategic Transmission Investment (ASTI) projects and further major reinforcements to accommodate the rapid expansion of renewable generation. Delivery at this scale requires an investible and financeable framework, and we are working closely with Ofgem to ensure the regulatory environment supports the pace and ambition needed to achieve net zero.

We know the road ahead will not be without challenges. Planning timelines, supply chain capacity, and the rapid pace of technological change all demand agility and innovation. That is why we are embedding innovation in everything we do – from the UK's largest rollout of Dynamic Line Rating technology to the development of the world's first SF_6-free 400kV substation at Kintore. These innovations are not only helping us deliver faster and smarter, but also ensuring we minimise our environmental impact.

None of this progress would be possible without our people and partners. This year, our workforce grew to over 2,400 colleagues, supported by a diverse and skilled supply chain. Their expertise, commitment, and collaboration are the driving force behind our success. I am equally grateful to the communities we work in, whose engagement and feedback shape better outcomes for our projects and our network.

As we look ahead, our mission remains clear: to deliver the network for net zero. That means continuing to connect clean power at record pace, maintaining the highest standards of safety, reliability, and sustainability, and ensuring that the benefits of our investment are felt widely – from the communities where we operate to the consumers who depend on us.

The year ahead will see us accelerate delivery even further. With the foundations we have laid, the partnerships we have built, and the determination of our people, I am confident we can meet the challenges before us and play our full part in powering a cleaner, fairer, and more secure energy system.

Rob McDonald | Managing Director
SSEN Transmission

Meeting our Goals

For the RIIO-T2 period, we set Five Clear Goals established to allow us to deliver for our customers, stakeholders and society. We have made excellent progress and are on track to deliver our main RIIO-T2 regulatory outputs, alongside our ambitious RIIO-T2 goals.

Our aim to deliver a one third reduction in our greenhouse gas emissions has been challenging, largely due to the significant growth of our network which was not foreseen at the time of developing our RIIO-T2 Business Plan - but despite these challenges, we are making good progress towards the delivery of our target. Our commitment to sustainability and tackling our own emissions is unwavering, and is underpinned by our revised Sustainability Strategy.

We have successfully completed the delivery of eight of our 19 Price Control Deliverables (PCDs), which are made up of 38 schemes representing our main load related investments for the RIIO-T2 period. We have a small number of Price Control Deliverables (PCDs) and Network Asset Risk Metric (NARM) projects which are experiencing a change of scope from what we signed up to deliver originally, due to changes in either customer or network need.

We are responding to change accordingly, ensuring that we deliver the most economic and efficient solution for the consumer. We remain on track to deliver the rest of our RIIO-T2 outputs, but continue to face challenges and headwinds, including planning delays, issues in securing outages, and supply chain delays resulting in longer delivery periods for materials, equipment and services. These external factors, largely outwith our control, are having an impact on our delivery profile and we will continue to monitor and respond to these challenges, which could result in revisions to our delivery plans.

ON TRACK

01

Every connection delivered on time

Against a target of 7.7 out of 10, in 2024/25 we achieved a quality of connections customer rating of 8.7/10, our highest performance to date.

ON TRACK

02

Aim for 100% transmission network reliability for homes and businesses

For the four full years of RIIO-T2, we have experienced only two incentivised loss of supply events. We have seen overall sustained improvement in performance due to the effort made to reduce faults with the average length of time reduced by 32% this year and unplanned outages by 18% - with our network reliability exceeding 99.999%.

EXCEEDED

03

Transport the renewable electricity that powers 10 million homes

During 2024/25, our network had a connected capacity capable of transporting 36.5 TWh of renewable generation.

PROGRESSING

04

One third reduction in our greenhouse gas emissions

Even with the significant growth of our network, we continue to make good progress in delivering against this goal. We continue to decrease our Scope 1 and 2 emissions, underpinned by sector-leading performance in minimising SF_6 leakages. In 2024/25, our leakage rate was just 0.10%, our lowest since our 2018/19 baseline and less than half our incentive target of 0.39%.

ON TRACK

05

£100 million in efficiency savings from innovation

For the five-year period, we forecast savings of around 4% against total expenditure (excluding ASTI costs) of £3.7billion (around £140 million).

Key highlights

Energising projects like the Shetland HVDC Link and Kinardochy substation

We successfully energised the Shetland HVDC Link – the UK's first transmission connection to the islands – marking a major step forward in supporting Shetland's security of supply and enabling the export of renewable energy. Alongside this, the energisation of Kinardochy substation plays a critical role in reinforcing the transmission network in the north of Scotland, improving resilience and capacity for future low-carbon generation.

Launching our first community benefit fund

We launched our first community benefit fund, designed to ensure local communities see tangible, lasting benefits from our infrastructure projects. The fund is designed to help support sustainable projects and initiatives that reflect local priorities, with early recipients already seeing positive impacts.

Achieving consent for key projects

We secured planning consent for several critical infrastructure projects, including the crucial Skye Reinforcement Project. These consents mark vital progress in delivering the necessary capacity to meet growing renewable generation and are the result of rigorous environmental assessment and stakeholder engagement.

A record performance on Stakeholder Engagement

In May 2025, we earned our highest-ever score in the AccountAbility AA1000 Stakeholder Engagement Healthcheck, achieving a 95% rating, which is a 7% increase on last year's score. This result marks four consecutive years at the top-tier "Advanced" level in stakeholder engagement – which is a core element of our 'Pathway to 2030' investment programme. The assessment, regarded as the "gold standard" for engagement practices, involved a comprehensive audit including stakeholder interviews.

Key highlights

Delivering the biggest public consultation programme the north of Scotland has ever seen

As part of our Pathway to 2030 programme, we undertook an unprecedented public consultation effort across the north of Scotland. We engaged with thousands of stakeholders, including local communities, landowners, and environmental groups, ensuring transparency and gathering valuable feedback to inform the design and delivery of our projects.

Continuing to grow a diverse and inclusive workforce

We made significant progress in building a more inclusive and diverse organisation, with targeted recruitment campaigns, the launch of new inclusion networks and further investment in early careers programmes, all contributing to our workforce growing to more than 2,400 people for the first time. These efforts are key to ensuring we have the broad skills, perspectives, and talent needed to deliver our ambitious net zero goals.

A lower-than-ever SF_6 leakage rate

Despite the increased volume of SF_6 on our network, we decreased our emissions by 10% against our baseline, thanks to the phenomenal work of our teams addressing process-driven leakages. This leading leakage rate contributed to our best ever year for emissions reduction.

Preparing for the RIIO-T3 price control period

In December 2024, we submitted our RIIO-T3 Business Plan to Ofgem, setting out at least £22bn of investment in critical grid infrastructure from 2026–2031, with the potential to rise to more than £31bn. The programme aims to strengthen energy security, support net zero, create tens of thousands of jobs, and deliver lasting benefits for communities and nature.

Safety

Over the past 12 months, as our Safety, Health and Wellbeing (SHW) strategy has continued to mature, we have taken significant steps to enhance our systems, strengthen engagement, training and make best use of data to enable a more data-driven and proactive approach. A summary of these strategic improvements are captured below, which have all contributed to an improving SHW performance.

Our Transmission SHW management system continues to evolve as we strengthen arrangements to address psychosocial risks, with the goal of becoming the first SSE business and first UK energy company to achieve ISO45003, a global standard that provides guidance on managing psychological health and safety in the workplace. An initiative associated with this was the launch of our Mind Power Programme, which aims to provide our employees with tools and techniques that sustain a healthy and powerful mind at home and work.

We have increased our use of leading indicators, including a 154% rise in management engagements. This reflects the ongoing commitment of supervisors, managers, and leaders to maintain a visible presence on site and pro-actively engage with our teams which also enabling the collection of more leading SHW data.

We launched our Pathway to 2030 SHW Strategy with our contract partner community. This strategy aims to share best practice, promote innovation, and encourage collaboration across our shared community – with a focus on doing SHW differently. This community has recently launched a video that will be used across all SSEN Transmission sites to reinforce key SHW messages and help set the tone of SHW expectations.

These efforts have undoubtedly contributed, and will continue to contribute to, an improved SHW performance. Two headline statistics achieved during 2024-25 include, our Total Recordable Injury Rate (TRIR), often considered a baseline measure of safety performance, reached its lowest-ever level in Transmission, and we ended the year at 0.16 – a 16% improvement compared to the previous year. We have also seen a significant reduction in serious road traffic collisions, following the rollout of 'Project Champion' - a targeted defensive driving initiative.

In addition, Transmission have also taken advantage of the SSE Immersive Training program, with in excess of 1,700 employees and 300 Transmission contract partners attending the award-winning training which immerses delegates into a post-incident scenario.

As 2025/26 gets underway, it is essential we acknowledge the SHW challenges and opportunities presented by our ambitious £22bn+ investment programme. Our Pathway to 2030 SHW strategy will help us realise some of these opportunities, and we will continue to strengthen our SHW culture as our business grows, while remaining relentless in unlocking further opportunities to do safety differently.

Operational Performance

SSEN Transmission continues to deliver a sector-leading operational performance through the safe and reliable transmission of electricity, recognising the increasingly important contribution its network makes to national security of supply.

In 2024/25, despite the significant impact of several named storms, we achieved 95% of the available reward through the 'Energy Not Supplied' (ENS) incentive for the second year in a row. Having secured the full ENS incentive in the three consecutive years previously, we are well placed to achieve our RIIO-T2 goal of aiming for 100% transmission network reliability for homes and businesses. This performance is underpinned by a robust and ongoing programme of inspection, maintenance, refurbishment, and replacement of our assets, keeping the lights on for communities across the north of Scotland and ensuring reliable network access for electricity generators to support security of supply in Great Britain.

Not achieving the maximum ENS reward this year can largely be attributed to multiple weather-related faults, impacting the adjacent transmission network to ours, during Storm Bert, which took place in November 2024. The faults led to a short loss of supply to customers in Dunoon. During Storm Eowyn, we also lost supplies to Oban and the surrounding region at around 4pm due to a large tree coming into contact with both feeding circuits, our team were on site quickly, working through the night to restore supplies early morning the next day.

Our proactive approach to asset management has positioned us as the leading Transmission Owner across Great Britain in terms of availability. Through strategic foresight, collaboration, and a commitment to operational excellence, we continue to drive regional development and continuous improvement to ensure a secure and reliable transmission network across the North of Scotland.

We once again delivered a sector-leading performance on SF_6 leakage. Despite the increased volume of SF_6 on our network, we decreased our emissions by 10% against our baseline, thanks to the phenomenal work of our teams addressing leakages. This leading leakage rate contributed to our best ever year for emissions reduction. And we made good progress with the new Kintore 400kV substation too, which upon completion is expected to be the world's first SF_6-free 400kV substation.

We also made significant strides in enhancing the resilience of our overhead line network, which spans over 5,000 km across some of the UK's most challenging terrains. By the end of the year, our 132kV, 275kV, and 400kV overhead networks achieved resilience rates against falling vegetation of 92%, 93%, and 99%, respectively. This enhanced resilience helps safeguard our network from storm related damage which is particularly important for our customers and communities as the impacts of climate change continue to see an increase in extreme weather events across the north of Scotland.

Delivering the Pathway to 2030

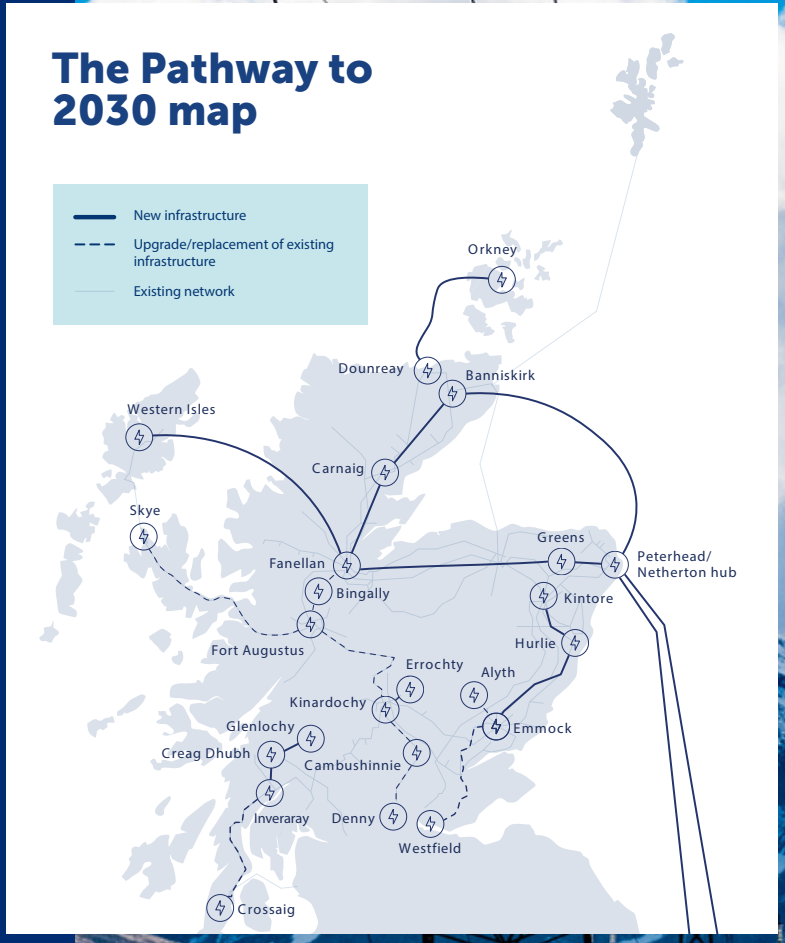
Investing in our network

Our Pathway to 2030 programme includes eleven major projects, six onshore and five offshore, with regulatory approvals for all investments already secured through Ofgem's Large Onshore Transmission Investment (LOTI) Uncertainty Mechanism and Accelerated Strategic Transmission Investment (ASTI) framework.

In the past year, our investment programme has continued to make strong and sustained progress, playing a critical role in enhancing the capacity and resilience of the electricity transmission network in the north of Scotland. Our programme of work underpins the UK's strategic ambitions for a low-carbon future, enabling the delivery of clean, renewable electricity while supporting national targets for net zero emissions and long-term energy security. Through this investment, we are delivering the infrastructure required to meet growing demand, integrate new renewable generation, and reinforce system stability across the north of Scotland and beyond.

As of 31 March 2025, the network's total installed capacity had reached 12.2 gigawatts (GW), marking a significant increase in its ability to accommodate and transmit low-carbon electricity. Of this total, 10.9GW was generated from renewable and other low-carbon energy sources, highlighting the transmission system's central role in decarbonisation. This included 0.8GW of capacity provided by flexible technologies such as pumped hydro storage and battery storage, which are vital for balancing the grid and ensuring reliable supply in response to variable generation from wind and solar assets.

The Pathway to 2030 map



Key project updates

Connecting Shetland

A major milestone was achieved this year with the successful energisation of the Shetland High Voltage Direct Current (HVDC) link in August 2024. The project – a critical infrastructure achievement – was delivered ahead of schedule and on budget. Ultimately, it will enable the export of renewable electricity generated on Shetland to the GB transmission system for the first time, whilst strengthening the local electricity supply.

Following energisation, and alongside colleagues at SSEN Distribution, we are continuing to make steady progress on integrating Shetland's electricity distribution network with the new HVDC infrastructure. Full energisation of the link will take place once SSEN Distribution has completed its 'Shetland Standby Project' in 2026, which will provide secure and reliable connections for homes and businesses on the islands. This will mark the first time that Shetland has been physically connected to the wider GB electricity network, improving supply resilience and enabling Shetland's transition to a low-carbon energy future.

East Coast upgrades

Over the course of the year, the East Coast 400kV upgrade project has been progressing well. The upgrade involves the replacement of overhead line conductors along the route between Kintore and Kincardine to increase capacity and improve efficiency, as well as significant enhancements to substations along the route.

A key elements of this programme of work is the construction of the new Kintore 400kV substation. Once completed, this substation is expected to be the world's first 400kV substation that operates entirely without the use of sulphur hexafluoride (SF_6), a potent greenhouse gas. Instead, the site will utilise innovative SF_6-free switchgear technology, demonstrating our commitment to reducing the environmental impact of our operations through the use of innovative and sustainable grid solutions.

Argyll and Kintyre reinforcement

Following the granting by Scottish Ministers of the final major overhead line consent in September 2024, the Argyll and Kintyre 275kV Reinforcement Project is progressing well, with groundworks at an advanced stage at all five substation sites. Overhead line enabling works continue to make good progress too, with the project due for energisation in 2029.

Getting the go-ahead for Skye

In June 2025, we welcomed the Scottish Government's approval of our Section 37 application for the Skye Reinforcement Project, replacing the ageing overhead line between Fort Augustus and Skye. The upgrade is essential to maintain network reliability and security of supply for communities in Skye and in the Western Isles. The current line is also at capacity and nearing the end of its operational life, limiting new renewable connections. The new infrastructure will provide greater capacity, enabling more renewable generation and strengthening the network. With all consents for the project now in place, full construction is expected to start in 2026.

The Orkney Link

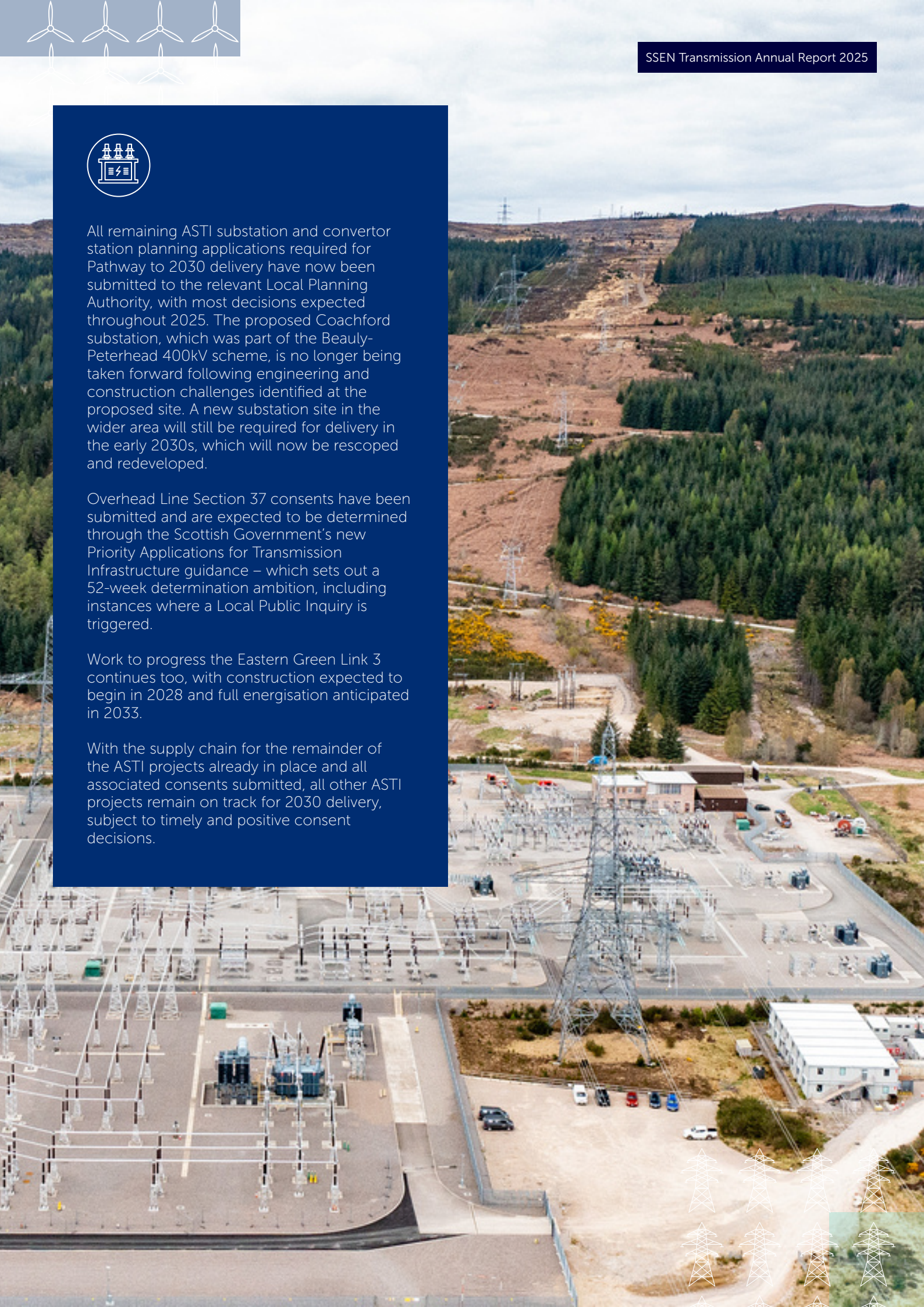
In September 2024, construction began on the Orkney link which will enable the export of renewable electricity from the islands to the transmission grid for the first time. In Orkney, there has been good progress at the Finstown Substation with the main groundworks nearing completion and structures underway. The landfall direction drills have made excellent progress with the first bore complete and the second underway. At Dounreay West Substation in Caithness, works resumed in April 2025 following a short pause, with energisation on track for 2028.

EGL2 – The UK's biggest ever transmission project

The Eastern Green Link 2 (EGL2) project, the first of a series of 2GW subsea superhighways between Aberdeenshire and England, is now in construction with work progressing well at convertor station sites at Peterhead and Drax, following groundbreaking in September 2024. This joint venture project between ourselves and National Grid Electricity Transmission – the biggest every electricity transmission project in the UK – remains on track for energisation in 2029.

Ongoing planning and consent work

In April 2025, our proposed Fort Augustus substation was approved by the Highland Council's South Planning Committee. This marked the first major Accelerated Strategic Transmission Investment (ASTI) planning application to be determined – and a major milestone for the Pathway to 2030 investment programme.



All remaining ASTI substation and convertor station planning applications required for Pathway to 2030 delivery have now been submitted to the relevant Local Planning Authority, with most decisions expected throughout 2025. The proposed Coachford substation, which was part of the Beauly-Peterhead 400kV scheme, is no longer being taken forward following engineering and construction challenges identified at the proposed site. A new substation site in the wider area will still be required for delivery in the early 2030s, which will now be rescoped and redeveloped.

Overhead Line Section 37 consents have been submitted and are expected to be determined through the Scottish Government's new Priority Applications for Transmission Infrastructure guidance – which sets out a 52-week determination ambition, including instances where a Local Public Inquiry is triggered.

Work to progress the Eastern Green Link 3 continues too, with construction expected to begin in 2028 and full energisation anticipated in 2033.

With the supply chain for the remainder of the ASTI projects already in place and all associated consents submitted, all other ASTI projects remain on track for 2030 delivery, subject to timely and positive consent decisions.

Sustainability

Our new Sustainability Strategy, published in September 2024, and our Sustainability Action Plan, published as part of our RIIO-T3 Business Plan in December 2024, detail our sustainability ambitions for the coming price control period. These ambitions cover six focus areas: climate, nature, communities, people, procurement and performance. We are very proud of the work we have done in the 2024/25 financial year to start delivering against our T3 ambitions, while still delivering on our RIIO-T2 commitments.

Sustainability highlights in 2024/25

Climate

Powering 13.7 million homes

At the end of 2024/25 our transmission, distribution and storage connections transmitted enough renewable energy to power 13.7 million homes, exceeding our capacity from last year by 1.4 million homes and far surpassing our T2 commitment of achieving enough renewable energy through our network to power 10 million homes. Our connected capacity is enough to displace a total of 7.66 million tCO_2e over the course of the financial year.

IIG emissions reduction

SSEN Transmission is industry-leading in our IIG emissions reduction efforts, decreasing our emissions from leaks by 10% compared to our baseline. This success can be attributed to our focus on preventing process-driven leaks and supports our overall Scope 1 emissions reductions targets.

Decreasing emissions

This year we reduced our Scope 1 and 2 emissions by 19% against our base year emissions (2018/19). This is an incredible achievement and far surpasses our achievement of a 6% decrease against the baseline in the previous financial year.

Reducing transmission losses

SSEN Transmission achieved a 69% reduction in emissions from transmission losses since the base year (2028/19) with a record low of 0.038 $kgCO_2$/kWh. This impressive reduction supports our overall emissions reduction targets.

Adding low carbon generation

This year we added 1.6 GW of new low carbon generation connections to our network. This is the largest growth in such connections in the last four years and has increased the low carbon share of generation on our network to 89%. This crucial work supports decarbonisation and economic growth across the UK, meeting growing demand for clean power.

Nature

Biodiversity net gain

SSEN Transmission have exceeded our goal of 10% Biodiversity Net gain. This includes on- and off-site biodiversity enhancement design. By doing so, we ensure that we leave a positive legacy for biodiversity in our areas of operation.

SCOTLAND: The Big Picture

We have partnered with SCOTLAND: The Big Picture to support the Northwoods Rewilding Network and several further partnership projects. This partnership will support SSEN Transmission's nature ambitions by providing important guidance and expertise on nature restoration and biodiversity net gain.

RSPB Scotland partnership

We are working with RSPB Scotland to enhance biodiversity and restore habitats at Inversnaid Nature Reserve in Loch Lomond and the Trossachs National Park. This partnership provides critical support and expertise in enhancement and restoration activities within our license area.

Communities

Community benefit funds

This year, we launched our first Community Benefit Funds. In the first round of the Regional Fund, an independent panel assessed 328 applications requesting almost £50m. After the assessment, 10 projects were awarded a total of £2m. Additional funds were allocated through the Local Fund. These funds allow the communities most affected by our infrastructure to see social and financial benefits.

Housing strategy delivery

A number of partnerships are in development to deliver our sector-leading Housing Strategy for our Pathway to 2030 projects. Initial work to deliver a range of accommodation solutions including new builds and refurbishments is underway.

People

ISO 45003 certification

SSEN Transmission became the first business in the energy sector to achieve certification to ISO 45003 - the world's first international standard which focuses on psychological health and safety at work. Throughout 2024/25, Health & Wellbeing staff worked on creating and improving systems, policies and procedures that support staff's psychological health and wellbeing. SSEN Transmission received ISO 45003 certification for their tremendous efforts in May 2025.

Workforce planning

SSEN Transmission welcomed over 500 new employees in 2024/25 and we anticipate significant further growth. Our Strategic Workforce Plan and Strategic Workforce Planning Tool will help guide this growth, bringing more green jobs and associated socioeconomic benefits to the north of Scotland.

Procurement

Supplier SBTs

We surpassed our target goal of two-thirds of our suppliers setting science-based targets (SBTs). 74% of our suppliers now have SBTs, supporting our long-term Scope 3 emissions reduction targets.

Contractor sustainability requirements

Our updated sustainability requirements will be included in contracts for all large capital projects and requires contractors to develop management plans and report on performance on carbon, sustainability, and social value. Access to this information will allow us to take advantage of sustainability opportunities, minimise risks and identify best practices.

Performance

Driving the transition through innovation

Our innovation projects place us at the cutting edge of infrastructure development, with initiatives to monitor pollution and trial low profile designs for our assets.

Building a legacy of prosperity

In December 2024 we submitted our RIIO-T3 Business Plan to Ofgem, setting out our plans for the next five years from 2026-2031. Our Business Plan demonstrates that over the period, we will deliver Scotland's single largest infrastructure investment, delivering £18.5bn of investment in the UK, of which £8bn will be in the north of Scotland, and generating up to 37,000 UK jobs, of which 17,500 will be in Scotland, and 8,400 specifically in the north of Scotland.

Further information on our approach to sustainability and performance in 2024/25 – including detail on climate, nature, communities, procurement, our people and our performance – can be found in our 2024/25 Annual Sustainability Report, available on ssen-transmission.co.uk.

Innovation

Embedding our innovation strategy

With the Pathway to 2030 programme highlighting the need for significant investment in the north of Scotland to connect the anticipated large capacity of renewable energy projects by 2050, and the RIIO-T3 plans now underway, our focus on innovation remains crucial.

Our network challenges are unique compared to those faced elsewhere, demanding tailored, forward-thinking solutions and that's exactly what we've been delivering. Our innovation initiatives are expected to generate over £190 million in benefits by the end of RIIO-T3, demonstrating our commitment to building a smarter, more resilient, and more sustainable electricity network.

Last year, we launched our new Innovation Strategy, setting out our purpose, vision, and focus areas for strategic innovation. And this year, we've been working to embed that strategy in everything that we do. The refreshed strategy has been guiding our efforts in developing and implementing the right innovations to support the transition to a low carbon economy.

Our four focus areas – safer, smarter, greener, and faster – form the foundation of the strategy, identified through horizon scanning and stakeholder engagement to pinpoint where innovation can have the greatest impact.

The 'greener' pillar, for example, prioritises projects aimed at reducing CO_2 emissions and minimising waste, while also advancing environmentally friendly practices in network construction and operation.

Moving forward, we remain committed to growing an innovative culture internally, and strengthening engagement with partners, innovators, networks and our supply chain. We will publish an Annual Innovation Action Plan internally, have established internal Challenge Groups to drive collaborative thinking within our focus areas and are developing an Innovation Hub to enhance collaboration and knowledge sharing.

Additionally, we are developing an innovation roadmap covering the next 10 – 15 years, providing a proactive approach to emerging challenges to support our net zero goals. The roadmap will utilise insights from a coordinated horizon scanning programme to identify emerging trends, threats, and opportunities, providing valuable insights to our Challenge Groups to fuel further innovative thinking.

Safer

Using innovation to push to be safer than we are today. We will focus on the security of the network, reducing physical hazards, promoting safe behaviours, and do so by designing out risk and designing in safety from the start.

Smarter

Becoming future ready by learning and adapting to maximise our assets. We will apply logic, data, and the right skills and experience to increase functionality and actively seek new ways of working and collaboration to improve efficiency.

Greener

Applying the test of sustainability to everything we do. We will use innovation to quantify and communicate our contribution to net zero, reducing environmental harm throughout the lifecycle of our assets.

Faster

Keeping pace, increasing productivity, and minimising delays through flexibility, agility, and empowerment. We will apply new tools and assets, focus on the output to remove barriers and champion efficient ways of working.

Case study

Leading the way on dynamic line rating

In the Scottish Highlands, we are pioneering a smarter, more flexible electricity network with the UK's largest rollout of Dynamic Line Rating (DLR) technology. Faced with growing renewable generation in Caithness and limited transmission capacity, we have sought a faster solution than traditional grid reinforcement – one that could unlock extra capacity from existing lines.

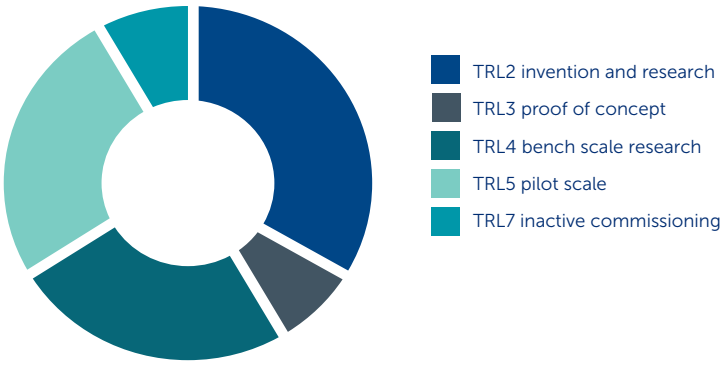
DLR does just that. By monitoring real-time weather conditions like wind and temperature, sensors calculate how much power lines can safely carry moment by moment This year, we have installed the technology on over 300km of our network – spanning ten key circuits from Beauly to Dounreay.

The system feeds live data into cloud algorithms and integrates with the NESO, allowing more efficient power flow and reducing costly generation constraints. DLR offers a low-cost, low-impact way to relieve network pressure while major reinforcements are still in progress.

And in a further innovative step, we are trialling drone-based sensor installations, in order to avoid outages and further streamline the technology's deployment. The innovation not only supports net zero goals but sets a blueprint for national adoption – showing how existing infrastructure can be made smarter, faster.

Innovating to a Net Zero future

Percentage of projects by technology readiness level (TRL)



Funding allocation by transmission innovation strategy theme (£m, 18/19 prices)

21
live projects in RIIO-T2 (11 new in 24/25)

£7.8m
current confirmed spend in RIIO-T2

88%
funding allocated of £8.9m NIA budget RIIO-T2

Every **£1** of project spend

Generates **£4.50** cost benefits by FY 30/31

Which generates **£28.50** 45yr asset lifetime cost benefits

Delivering value for all stakeholders

Impactful engagement

In 2024/25, we issued over 260 connection offers, with 100% of these offers issued on time, meeting our license obligations.

Our engagement with customers enables us to understand their needs, proactively identify improvements, and gain valuable insights into their experiences. The Quality of Connections (QoC) survey, which gathers feedback at critical connection milestones, plays a crucial role in measuring customer satisfaction and driving continuous improvement across the entire project lifecycle.

In 2024/25, we achieved an overall QoC score of 8.7/10, our highest ever score in the survey and significantly outperforming Ofgem's baseline score of 7.7.

And in May 2025, we earned our highest-ever score in the AccountAbility AA1000 Stakeholder Engagement Healthcheck, achieving a 95% rating - a 7% increase on last year's score. This result marked four consecutive years at the top-tier "Advanced" level in stakeholder engagement – which is a core element of our 'Pathway to 2030' investment programme. The assessment, regarded as the "gold standard" for engagement practices, involved a comprehensive audit including stakeholder interviews.

Connecting clean power

In 2024/25, significant steps were taken to connect more clean power than ever before to the electricity transmission network in the north of Scotland.

Upgrades to our network to create more grid capacity and the connection of new, clean generation saw the amount of low carbon electricity generation connected rise from 9.3GW at the end of 2023/24, to 10.9GW at the end of 2024/25 – with the total installed capacity of generation at 12.2GW, marking a significant increase in our ability to accommodate and transmit low-carbon electricity.

	Unit	2022/23	2023/24	2024/25
New low carbon generation connections	GW	1.4	0.095	1.6
Low carbon share of generation	%	88	88	89%
Quality of connections ODI score	Score (1-10)	8.6	8.6	8.7
Quality of connections ODI target	Score (1-10)	7.7	7.7	7.7

Delivering value for all stakeholders

Connections reform

One of our core responsibilities is ensuring that generation, storage, and demand projects can connect to our network safely and without delay. By the end of the 2024/25, our network had 10.9GW of low-carbon electricity generation connected.

Over recent years, we have seen a significant rise in connection applications and accepted offers, with the amount of new generation and storage capacity now contracted to connect far exceeding the capacity required to meet energy security and clean power targets.

In response to this growing demand and to address challenges faced within the connections process, we have been working closely with the NESO, our customers and industry partners to reform the process.

Following Ofgem's approval of the proposed changes, we are now working collaboratively and at pace to deliver these reforms, and will continue to do so throughout 2025/26, to support a more coordinated, efficient process aligned to the Government's strategic energy plans.

Delivering benefits

In 2024/25, our optimisation projects resulted in a net benefit to consumers of more than £17m through avoided constraints and allowing clean power to be transported to centres of demand.

Constraint payments, which are managed by the National Energy System Operator, are paid to electricity generators when they unable to export their power to the market on the main interconnected transmission network, particularly during planned network outages, with the cost of these constraint payments impacting consumer bills.

While these payments are a necessary part of efficient network operations and the NESO's role in balancing supply and demand, we are deploying innovative solutions to reduce the impact of network outages, helping minimise constraint costs while we undertake essential work on our network.

At Tealing, a temporary 275kV bypass circuit – installed in just seven weeks in 2022/23 and referenced in last year's Annual Report – continued to deliver significant benefits while works on the new quadrature booster (QB2) progressed. Despite delays to the QB2 installation, the bypass kept all key 'north–south' circuits in service, avoiding extended outages.

Another example project involved the installation of conductor pre-stringing on the new terminal towers at the Kinardochy 275kV substation, to reduce the outage time associated with the transfer of the passing 275kV and 400kV overhead lines onto these new towers.

Leaving a lasting legacy

At SSEN Transmission, our investment in new grid infrastructure is about more than just delivering more network capacity – it's about leaving a positive, lasting legacy for the people and places where we operate, too.

As we continue to develop the infrastructure that will enable a net zero electricity system, we remain committed to ensuring that our activities will bring direct and meaningful benefits to local communities across the north of Scotland. In 2024/25, our commitment to leaving a positive, lasting legacy has been driven in several key areas, including: community benefit funding, our housing strategy, and creating and supporting sustainable jobs.

Community benefit funding

We recognise that large-scale infrastructure projects bring change to the communities where they are delivered. Through our industry-leading community benefit funding, we work closely with local stakeholders to identify opportunities that matter most to them – from providing funding for community facilities and skills programmes to supporting environmental initiatives.

In 2024/25, we committed over £2 million in new funding, helping communities deliver projects that improve quality of life and build local resilience, and our Pathway to 2030 investment programme will see over £100m of community benefit funding awarded for similar causes right across the north of Scotland.

Case study

Garioch Community Kitchen

One example of where our community benefit funding is making a difference comes in Aberdeenshire, where a local charity – the Garioch Community Kitchen – is empowering people from as young as five-years-old to develop their cooking skills.

Funding received from our fund has helped their team to expand their children's cooking classes and "Let's get cooking" sessions for adults too – helping families to eat well, save money and pass on healthy habits for generations to come.

Leaving a lasting legacy

Housing our workforce

The scale of our investment programme will drive an unprecedented demand for skilled labour in rural areas across the north of Scotland. To ensure that this growth benefits local communities rather than placing strain on them – and eases the north of Scotland's housing crisis – we are implementing a dedicated workforce housing strategy, with a commitment to contribute to the development of over 1,000 new homes across the region.

This year, we have worked with local authorities, housing associations, and developers to identify opportunities to fulfil our workforce accommodation needs and will be making further progress in developing the strategy throughout the course of 2025/26.

Creating jobs and skills for the future

Our investment in the north of Scotland between now and 2031 will generate thousands of high-quality, long-term jobs. In 2024/25, we have continued to work with schools, colleges, and training providers to grow the skills pipeline, ensuring local people can access the opportunities our projects create.

Independent research carried out by BiGGAR Economics estimates that our £22bn+ investment will support around 37,000 jobs across the UK, with around 17,500 of those being based in Scotland, and over 8,000 in our operating area in the north of Scotland.

Not only that, but our investment will add £15bn in value to the UK economy, £7bn of which will be seen in Scotland, including £3bn in the north of Scotland.

Case study

Powering growth with new talent

This year, we welcomed its largest graduate intake – with 46 new recruits joining the business in September 2024.

Over a two-year Graduate Scheme, participants rotate through roles in engineering, environmental planning, and network operations – to name only a few areas of the business – gaining experience vital to our mission of delivering energy security and clean power.

The milestone supported the continued growth of the business, with the workforce now more than 2,500 employees strong – five times its headcount just five years ago – with ongoing growth expected to support the delivery of our £22bn+ investment programme.

Looking ahead, the infrastructure we build will stand for generations, but our ambition is for our legacy to be measured just as much in the stronger, more resilient communities we leave behind.

Through targeted investment in community benefit funding, housing, and jobs, we are ensuring that the delivery of energy security and clean power targets is something that everyone can share in.

Outputs and incentives

Delivering outputs for consumers, customers and society

As we continue to advance our ambitious RIIO-T2 business plan, we are pleased to report strong progress across each of our commitments. Our performance in delivering Price Control Deliverables (PCDs) and Output Deliverable Incentives (ODIs) has been excellent, with significant achievements in several areas, including Timely and Quality Connections, where we continue to exceed targets. Our efforts in biodiversity are noteworthy too, with nearly all projects achieving a net positive impact. Additionally, our SO:TO optimisation schemes have again delivered substantial consumer benefits, contributing to cost savings and improved operational efficiency.

And whilst we have made significant strides in reducing our emissions, achieving our lowest operational business carbon footprint to date, we acknowledge that the trajectory for our Science Based Target remains at risk due to increased operational and grid-related emissions. That said, we remain committed to addressing these challenges head-on and continue to excel in delivering positive outcomes for our customers and stakeholders.

Incentive (links to individual table narrative)	Type	Metric	Target/ Baseline	2024/25 Output	2023/24 Output	Max potential 24/25 (24/25pr)	Final Financial Position 24/25 (24/25pr)
Energy Not Supplied	ODI (Reward/ Penalty)	Volume of unsupplied energy incidents due to Incentivised Loss of Supply Events (MWh)	<102	4.7MWh	5.3MWh	£0.96m	£0.95m
Insulation and Interruption Gas (IIG) Emissions	ODI (Reward/ Penalty	Measured Leakage (tCO_2e)	7,697	1,786	2,489	£1.07m	£0.82m*
Timely Connections	ODI (Penalty)	% of offers of time	100%	100%	100%	Penalty avoidance	£0.0m
Quality of Connections	ODI (Reward/ Penalty)	Overall satisfaction at customer connection milestones. (out of 10)	7.7	8.7	8.6	£3.24m	£2.46m
Biodiversity No Net Loss/Net Gain	CVP	% projects meeting designed in biodiversity targets (NNL until 2025)	100%	100%	100%		n/a
Incentive (links to individual table narrative)	**Type**	**Forecast Savings to ESO**	**Net cost to SSEN T**	**Actual Savings to ESO**		**Max potential 24/25 (24/25pr)**	**Final Financial Position 24/25 (24/25pr)**
SO:TO Optimisation	ODI (Reward)	£16.66m	£228k	£18.91m		£1.67m	£1.67m
TOTAL						£6.94m	£5.86m
Incentive (links to individual table narrative)	**Type**	**Metric**	**2024/2025 Output**	**Reduction vs 2018/19**	**2023/24 Output**		**Final Financial Position 24/25 (24/24pr)**
Science Based Target	CVP	Scope 1 & 2 Emissions (tCO_2e)	8,267	19%	8,556	-	n/a

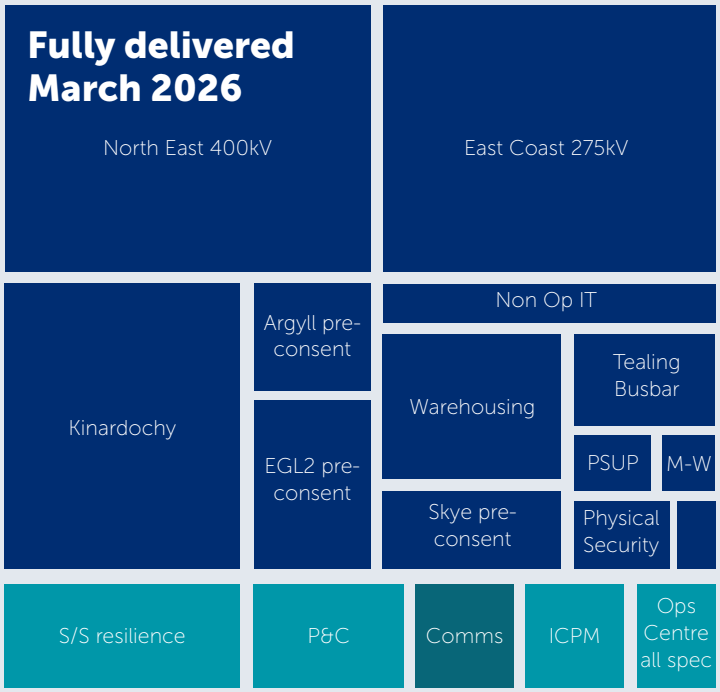
*Assumed Non-Trade Price of Carbon per GOV UK Green Book £242/tCO_2e.

Price control deliverables (PCDs)

As detailed above and on page 5, we are delivering and adapting our PCD commitments efficiently, ensuring consumers get value by completing projects on time, expanding scope where needed, aligning works to reduce costs, and handing back unused allowances when requirements change.

To date, we have successfully completed the delivery of eight of our 19 PCDs, further detail of which can be seen in the graphic to the right.

Graphic visually depicts the proportion of individual investment in each project



Rescope/Timing Change

- Delivered by end of T2
- Delayed/rescoped with aspects delivered in T2
- Delivery delayed/rescoped

Graphic visually depicts the proportion of individual investment in each project

Any replacement asset energised by date of close out report considered delivered

Network access risk metric (NARM)

And by October 2026, we will have delivered 95% of our monetised risk reduction target. This means meeting our target in 5 out of 6 categories with minor project delays due to access issues, adapting delivery to meet changing customer needs, and rescheduling some projects into RIIO-T3 – an approach endorsed by Ofgem. All of which can be seen on the graphic to the left.

Note: The target for OHL Conductor is less than 0.5% of our overall target and therefore is not included in the diagram due to scale.

Financial performance

The majority of our total expenditure (TOTEX) in 2024/25 continues to be focused on the delivery of large capital investment projects. Particularly those investments in new and upgraded network infrastructure that are required to grow the capacity of our network to facilitate the connection of new renewable electricity generation. This includes the Shetland HVDC link and upgrades to the existing East Coast and North East transmission network.

The table below shows our actual expenditure vs allowances for 2024/25, broken down against each investment category that we report against. Year 2024/25 follows a similar pattern to previous years, with capex continuing to be underspent due to efficiencies and some T2 outputs being delivered in T3. Additionally, there are overspends in Indirects, primarily due to accelerated recruitment to help deliver GB Net Zero Commitments.

	2024/25 Actual (£m)	2024/25 Allowance (£m)	Delta (£m)
Load Related - Wider Works	361.8	401.8	40.0
Non-Load Related	100.4	242.2	141.8
Non-Operational Capex	32.9	18.5	(14.4)
Network Operating Costs	19.5	23.5	4.0
Indirect and Other Costs	218.9	115.7	(103.2)
Total Expenditure as per RRP	**733.3**	**801.7**	**68.4**

*ASTI allowances and costs are excluded from the Regulatory Reporting Pack per Ofgem requirements
**All figures shown in 18/19 price base

Return on Regulatory Equity (RoRE)

5.6%

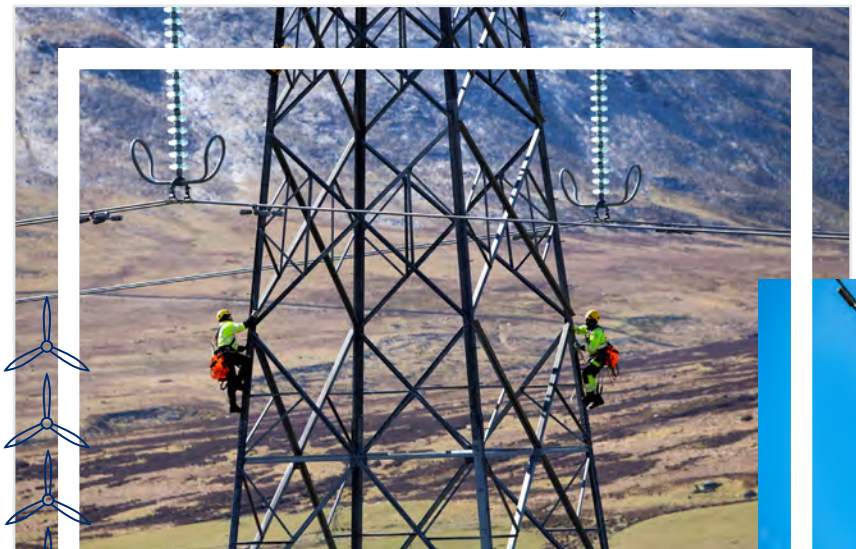
5 year weighted average operational RoRE*

*excluding debt and tax performance

Regulated Asset Value (RAV) at End of Year

2012/13=£1.1bn
2018/19=£3.5bn
2023/24= £5.7bn
2024/25 = £7.2bn

The RAV, shown here in nominal prices, is a useful indicator of the growth in the size of our network over the price control period and we are forecasting that by March 2026 it could reach between £9bn - £9.5bn.



Load Related Expenditure

Our reported outperformance of around £40m in 2024/25 is due to several factors beyond the phasing of expenditure across the price control period (i.e. you cannot look at performance for one year only across a five-year period). This is primarily explained by efficiencies in our contracting strategy, alongside savings realised through the competitive tendering process, the early placement of material orders and changes in the technical scope of certain projects. The savings in Capex within Load is offset by overspend in the indirects category, some of which is driven by a reporting alignment by Ofgem which is re-allocated costs to the Indirect Category.

Non-Load Related Expenditure

Our reported outperformance of around £141m in 2024/25, beyond the phasing of expenditure across the price control period can primarily be attributed to reduced spend on Non-Load Capex. Majority of the capex underspend is expected to be caught up in the next price control period. For the capex allowances we will not be delivering, this will be handed back to the consumers. Similar to Load, due to the reporting alignment by Ofgem, costs have been re-allocated to the Indirect Category, which is contributing to the overspend within the Indirect Category.

Non-Operational Capex

Non-operational capital expenditure relates to investments in activities such as IT, Telecoms and non-operational property, which includes our new control centre, two new warehouses as well as climate change assets. Our reported overspend in 2024/25 of around £14.4m is largely driven due to overspends in Warehouse projects and additional space acquired in Perth and Glasgow to house the increased headcount.

Network Operating Costs

Network Operating Costs relate to the direct operation of our network, including costs associated with faults, repairs and maintenance, inspections & vegetation management. They also capture costs associated with our Visual Amenity schemes. The bulk of our reported underspend of around £4m in 2024/25 relates to our refurbishment and maintenance programme and the phasing of expenditure, which recovers during the remainder RIIO-T2.

Indirect and Other Costs

Indirect overheads and Other Costs mainly relate to our general indirect overheads in running our business including our own internal staff cost associated with delivering our capital programme (in line with Ofgem reporting requirements). This category also includes our physical site security upgrades and cyber resilience costs. Our reported overspend for 2024/25, of around £103m, is due largely to the accelerated recruitment to prepare and deliver the ASTI programme, resulting in higher Closely Associated Indirect and Business Support Costs. Early discussions have taken place with Ofgem on how these additional costs will be recovered, with further discussions expected in the near future.

Strategic performance

During the RIIO-T2 period so far, we have experienced efficiencies in some of our Certain View load schemes where contracts have been negotiated early in the RIIO-T2 price control period when the supply chain market was more stable and less constrained, allowing fixed costs contracts to be put in place. We are continually adapting and responding to external factors and have already improved our supply chain management, adapted our plans to procure assets with long lead times early and continue a regular and ongoing engagement with the ESO on outage planning.

As the exceptional level of growth driven by 2030 targets back in 2019 could not have been anticipated, funding for the rapid expansion of the organisation was not included within the RIIO-T2 Plan. We are currently forecasting significant overspend against our Indirect* allowance by the end of T2. Our RIIO-T2 baseline assumed we would have 682 employees by the end of RIIO-T2 – our current forecast is for over 2,800 employees by the end of the period. We will continue to work closely with Ofgem to agree a suitable way forward for recovering the costs associated with this growth through our Project Assessment submissions and our RIIO-T3 Business Plan depending on the business activity.

* Indirect allowances cover the necessary costs, such as administration, IT, and management, that support the efficient operation and delivery of electricity network services, even though they aren't directly related to physical infrastructure.

Financial Forecast for RIIO-T2

	Expenditure (£m)						Allowances (£m)	Performance (£m)
	2022	2023	2024	2025	2026	T2 Total	T2 Total	T2 Total
Load Related	357.6	273.9	288.0	361.8	602.0	1,883.2	2,189.9	306.7
Non-Load Related	73.1	77.8	95.7	100.4	117.8	464.8	845.8	381.0
Non-Operational Capex	7.7	4.0	22.4	32.9	21.7	88.7	110.3	21.6
Network Operating Costs	37.1	19.0	17.7	19.5	31.2	124.5	132.7	8.2
Indirect Overheads, Other Costs & RPE's	126.5	136.8	161.4	218.9	294.5	938.1	516.6	-421.5
Total Expenditure (TOTEX) as per Regulatory Reporting Pack	602.1	511.5	585.2	733.4	1,067.2	3,499.3	3,795.3	296.0
Adjustments to Allowances within PCFM						0.0	196.5	196.5
ASTI Allowances and Costs not reported within Regulatory Reporting Pack*						2,030.4	2,030.4	0.0
Sub-total						5,529.4	6,022.2	492.8
Enduring Value Adjustments **per RFPR**								-386.0
TOTEX Performance **per RFPR**								106.8

*ASTI allowances and costs are excluded from the Regulatory Reporting Pack per Ofgem requirements
**Adjustments to the PCFM allowances and costs include TCA allowances and RPEs as reported in the PCFM
*** All figures shown in 18/19 price base

For 2024/25, our focus continues on the delivery of the large scale capex programme in RIIO-T2 and RIIO-T3 periods. An unprecedented investment is forecasted in new and upgraded network infrastructure that is required to grow the capacity of our network to facilitate the connection of new renewable electricity generation as we continue to deliver a network for net zero in the North of Scotland.

We are forecasting RIIO-T2 allowances of £6,022m against forecast expenditure of £5,529m, which includes the RIIO-T1 crossover and RIIO-T3 spend related to T2 projects. These allowances account for adjustments to our baseline allowances for Uncertainty Mechanisms and include allowances adjusted with our price control financial models, such as connection asset true-up and real price effects. We use the Ofgem methodology for calculating Enduring Value adjustments, which remove non-RIIO-T2 related activities, such as RIIO-T1 or RIIO-T3 costs and allowances. This results in an adjustment in outperformance by £386m, leading to a revised totex outperformance of £106.8m over the full RIIO-T2 period. This represents around 2% of outperformance against total allowances (including ASTI), which aligns with our RIIO-T2 goal to deliver £100m in efficiency savings over the period. Excluding ASTI costs, which are in the early development stages and subject to true up resulting in a potentially distorted outperformance view, this would represent a 4% outperformance against allowances.

This forecast accounts for the impact of Uncertainty Mechanisms that we are implementing throughout the RIIO-T2 price control period, as well as the early construction and preconstruction effects of investments spanning the RIIO-T1 and RIIO-T3 price control periods. Uncertainty Mechanisms play a crucial role in the RIIO-T2 price control and represent a significant portion of our expenditure. Our current forecasts to the end of RIIO-T2 indicate that over 60% of totex allowances are related to Uncertainty Mechanisms. We anticipate outperformance for our load RIIO-T2 Certain view schemes, driven by a combination of innovation, intelligent/value engineering, and efficiencies in our contracting strategy.

Looking into the future

The RIIO-T3 price control period

IIn December 2024, we submitted to Ofgem our Business Plan for the RIIO-T3 regulatory price control, covering the period from April 2026 to March 2031.

The plan sets out total expenditure of at least £22.3bn, in 2023/24 prices. This includes around £16bn of ASTI and LOTI investments already approved by Ofgem. The plan also sets out the potential for an additional £9.4bn of future Uncertainty Mechanism expenditure, which includes the regional and system operability investment required to deliver Clean Power 2030.

The successful delivery of this plan requires a financial framework that recognises the unprecedented levels of investment needed. We have responded to Ofgem's Draft Determination for the RIIO-T3 Price Control, published in June 2025, which recognises the critical and unprecedented scale of transmission investment required – and whilst there has been some positive movement, further progress is required and we will continue to work constructively with Ofgem ahead of the Final Determination at the end of the year to deliver the investible, financeable and ambitious framework needed to meet the UK's net zero goals.

Beyond 2030

In December 2024, Ofgem reaffirmed the need for several additional strategic investments in the north of Scotland that were set out in the NESO's 'Beyond 2030' report, providing initial funding to take these projects the consenting stage through the regulator's 'Delivery Track' funding route and access to Ofgem's new Advanced Procurement Mechanism.

These projects include a second HVDC link to Shetland and, combined, represent an investment of over £5bn for delivery between 2030 and 2035, with Ofgem exempting the projects from competition.

Further investments will also be required to deliver the local and regional investments that are critical to support the UK Government's Clean Power 2030 target. This includes potential customer connections and system operability investments, all of which were submitted to Ofgem in February 2025 as an addendum to our RIIO-T3 Business Plan.

A further high capacity HVDC subsea link from the north-east of Scotland to England, EGL5, which follows a change in scope by the NESO from its previously proposed coordinated offshore grid, presents additional future growth opportunities.

These additional growth opportunities are included within the potential £9.4bn RIIO-T3 Uncertainty Mechanism expenditure mentioned above.

Scottish & Southern Electricity Networks

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