

A Network for Net Zero

RIIO-T2 Draft Business Plan

June 2019

Transport the renewable electricity that powers 10 million homes

Damaging effects of climate change are already being felt and the UK has committed to achieving net zero emissions by 2050 and Scotland by 2045. With north of Scotland renewable energy resources making a significant contribution to current and future GB renewable targets, we will be at the forefront of the fight against climate change, connecting up more renewable energy and transporting it across the country, delivering our strategic objective to enable the transition to a low carbon economy. By the end of RIIO-T2, our network will be able to transport the renewable electricity to power at least 10 million homes.

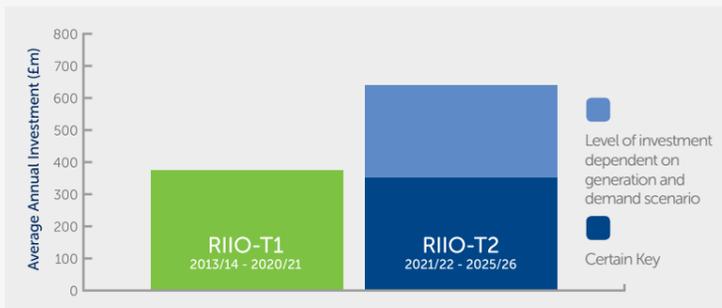
Investing in our network

This draft Business Plan is based on our Certain View of £2.2bn expenditure to meet the certain needs of current and future customers and consumers. We expect further investment to be required to deliver the UK's commitment to net zero. The potential scale of this investment has been modelled in our Proactive Decarbonisation Scenario which will keep temperature increases below 1.5 degrees, a critical step on the transition to net zero. Our draft Business Plan proposes that we will only commit to make these investments when their need becomes clear.

Efficient network investment is needed to enable the transition to net zero

This chart shows the forecast average annual capital investment in the north of Scotland transmission network during RIIO-T1 and RIIO-T2.

For RIIO-T2, the dark blue part of the bar is our forecast for the Certain View. The pale blue is the potential additional investment that would be required for the Proactive Decarbonisation scenario.

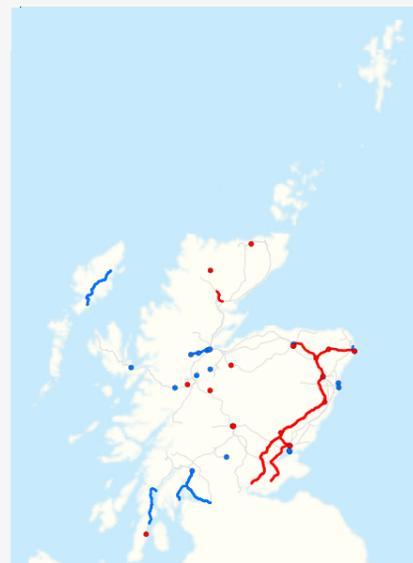


We estimate that by 2026, the average GB household will pay around £7 for the north of Scotland transmission network



Planned investments in RIIO-T2

Our draft Business Plan is based on our Certain View. The map shows the location of the capital investments that we propose to make under the Certain View. This includes upgrades to existing overhead lines and substations to connect and transport renewable generation, and work to replace or refurbish aged and poorly performing equipment. Our Certain View is not everything that we expect to be required during RIIO-T2. It excludes investments which, at this time, are not yet certain. This includes the proposed connections to the three Scottish island groups.



Key: ● Investment for Growth ● Investment in Existing Assets



100% network reliability for homes and businesses

Consumers want safe, reliable and secure supply of electricity. This is delivered through network resilience.



In RIIO-T2 we propose targeted investment using new data, new systems, new processes and new technologies. This will enable us to be world class in asset management and operations.

- £900 million expenditure
- 29 replacement and refurbishment projects
- Active risk management where replacement is not cost effective
- New warehousing and spares for fast response
- Replacing outdated control systems and control centre
- Risk management of physical and cyber threats
- Business continuity planning and Black Start arrangements

Everything in our draft Business Plan adheres to our best in class safety practices.



One third reduction in our greenhouse gas emissions

Our stakeholders want bold ambition to deliver a sustainable business that acts in the public interest.

We've proposed six broad, bold sustainability ambitions linked to the UN Sustainable Development Goals.

- Collaborative and whole system solutions for connections
- Maximising local social and economic benefit of our investments
- Adding value through good jobs and training
- Managing resource use to minimise waste
- Net Gain biodiversity on our new projects
- Increase trust with a new, transparent, reporting package



£100m in efficiency savings from innovation

To deliver efficiency savings we are committed to take a whole system approach to our future investments

- Doing the right thing, at the right time using whole system approaches;
- Holistic innovation that results in benefits for everyone and involves everyone



Every connection delivered on time

Provide tailored solutions and services for all our connection customers throughout the customer experience that are also optimal for the wider GB energy consumer

Our new stakeholder engagement strategy puts stakeholders at the heart of our business and operations. For our connections customers this means:

- Building long term, collaborative relationships with customers
- Delivering an exceptional experience
- Making the connections process accessible

To find out more about our Draft Business plan, including details on how to get involved and provide your feedback, please visit www.ssen-transmission.co.uk/riio-t2-plan/