

A Network for Net Zero

Stakeholder Group

Terms of Reference



Scottish & Southern
Electricity Networks

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1. About us

We are Scottish Hydro Electric Transmission plc (SHE Transmission), part of the SSE Group, responsible for the electricity transmission network in the north of Scotland. We operate under the name of Scottish and Southern Electricity Networks, together with our sister companies, Scottish Hydro Electric Power Distribution (SHEPD) and Southern Electric Power Distribution (SEPD), who operate the lower voltage distribution networks in the north of Scotland and central southern England.

As the Transmission Owner (TO) we maintain and invest in the high voltage 132kV, 220kV, 275kV and 400kV electricity transmission network in the north of Scotland. Our network consists of underground and subsea cables, overhead lines on wooden poles and steel towers, and electricity substations, extending over a quarter of the UK's land mass crossing some of its most challenging terrain.

We power our communities by providing a safe and reliable supply of electricity. We do this by taking the 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 RIIO-T2 Business Plan, from April 2021 builds upon the strong service and outputs performance we have delivered for our customers and stakeholders over the past decade.

Our business plan for RIIO-T2 is based upon Five Clear Goals, to:

- Transport the renewable electricity that powers 10 million homes,
- Aim for 100% transmission network reliability for homes and businesses,
- Deliver every connection on time,
- Reduce our greenhouse gas emissions by a third and;
- Save £100 million in efficiency savings from innovation.

In delivering these goals, we will protect consumers from uncertainty, involve our customers and stakeholders and be open and transparent.

2. Purpose and Function of the Network for Net Zero Stakeholder Group

Our RIIO-T2 Business Plan has been co-created to meet the expectations and needs of energy consumers, customers and stakeholders in the north of Scotland and across GB. The focus of our Plan reflects the ambition of our stakeholders: to tackle the climate emergency, to ensure a reliable and available transmission network, to improve resilience and security of supply, to act sustainably and earn the trust of our stakeholders, and to do this cost effectively.

The purpose of the group is threefold:

- To hold SHE Transmission to account on delivering the commitments made in the RIIO-T2 Business Plan settlement; in particular performance against targets and outputs; and,
- To provide independent scrutiny, challenge and advice on key decisions outside the certain view.
- To discuss any other matters that the Network for Net Zero Stakeholder Group identify, in agreement with the business, including preparation for RIIO-T3.

3. Role and Responsibilities of the Network for Net Zero Stakeholder Group

The Network for Net Zero Stakeholder Group will provide the business with expert challenge, feedback and opinion on the topics presented at meetings. This will take the form of recorded recommendations, as required. The Network for Net Zero Stakeholder Group is not required to vote on or formalise decisions.

It is expected that the Network for Net Zero Stakeholder Group will provide input for improved outcomes in relation to Stakeholder Engagement. In particular:

- Direct stakeholder input to consideration of project decisions
- Improved stakeholder engagement and awareness of SHE Transmission
- Improved stakeholder knowledge of our Transmission business
- Greater transparency of SHE Transmission decision making
- Improved stakeholder understanding of decisions

In planning the agendas for each meeting, the Managing Director of SHE Transmission, Rob McDonald and the Chair, Tracey Matthews will agree topics and subjects for discussion. These items will feed into the meeting schedule for the year, ensuring the most salient issues receive priority. The Chair, in turn, will set the agenda alongside the Secretariat.

The main focus areas of the group will include, (but not limited to):

- Direct input to considerations on investments and outputs over and above our Certain View
- The Stakeholder Engagement we have undertaken to inform our proposals
- The range of scenarios the company has considered to anticipate future network requirements and the company's approach to managing uncertainty and associated risks. This should include testing the business plans against more extreme scenarios (both significantly lower or higher demand) to ensure the business plan remains robust in the face of unforeseen changes
- What alternatives to the investment proposals has the company considered, including from parties offering alternative and non-network based solutions
- Any issues of particular relevance to a local region – including any significant investment choices in their area, and provide challenge to decisions made by the company when considering competing interests and perspectives

3.1. Chair Responsibilities

The Chair has the following responsibilities:

- Leadership of the Network for Net Zero Stakeholder Group and ensuring its effectiveness on all aspects of its purpose and role
- Effective communication with the Managing Director of SHE Transmission and where appropriate the SSEPD Board

The Chair shall:

- Make the purpose of each meeting clear to members in attendance and explain the agenda at the beginning of each meeting
- Clarify and summarise key points throughout the meeting
- Encourage broad participation from members in discussion by calling on different members
- Close each meeting with a summary of decisions reached and agree action
- Continually reinforce the timeline and purpose of the group

Member Responsibilities

Individual members shall:

- Understand and take an active leadership role in the development and delivery of the strategic aims and operational objectives of the Network for Net Zero Stakeholder Group
- Work together as a team to ensure the collective efforts of the Network for Net Zero Stakeholder Group and the wider organisation are aligned to ensure SHE Transmission deliver robust performance in line with the T2 business plan
- Prepare fully for each scheduled meeting including considering papers and raising any issues in advance of the meeting with the Network for Net Zero Stakeholder Group Secretariat and/ or the Chair
- Actively participate in meetings through attendance in person, discussion, and review of minutes, conclusion of actions and other Network for Net Zero Stakeholder Group Documents
- Support open discussion and debate and encourage fellow members to voice their insights and opinions

Secretariat Responsibilities

- Convene each meeting at the request of the Chair. Notice of meetings shall confirm the venue, time and date and specify agenda items to be discussed and attach all supporting papers
- Minute the proceedings, resolutions and actions of all meetings and recording of all present
- Distribute minutes of all meetings promptly to the Chair for approval and once agreed, to all members of the Network for Net Zero Stakeholder Group
- Distribute actions and challenges to the relevant senior staff within SHE Transmission
- Manage the Network for Net Zero Stakeholder Group dedicated webpage on the company's website

4. Appointment, Duration and Remuneration

The members of the Network for Net Zero Stakeholder Group shall be appointed by the Managing Director of SHE Transmission, supported by guidance from the Chair. Membership will be based on ensuring the Group has the necessary span of knowledge and experience required to consider the topics discussed by the Network for Net Zero Stakeholder Group.

Meetings will be held quarterly or more regularly as required up to a maximum of 10 days per annum between our offices in Perth and Glasgow from July 2020 – April 2026. It is anticipated that meetings in the first six months of the group's inception will be bi-monthly to allow for induction and familiarisation.

Members of the Network for Net Zero Stakeholder Group will be expected to attend meetings regularly and only those appointed should attend.

Attendance at the Network for Net Zero Stakeholder Group may be in person or virtually via teleconferencing facilities. Remuneration and reasonable expenses will be paid for and administered by SHE Transmission. All reasonable expense claims must be submitted to the Secretariat within one month of being incurred.

5. Membership & Quorum

The Network for Net Zero Stakeholder Group shall comprise the Chair and membership of between 6-10 people to be agreed by Rob McDonald and the Chair.

Additionally, the Chair may invite any other person to attend, or speak at, a meeting to provide additional input or feedback on a specific topic.

The quorum necessary is 5 no. of the Network for Net Zero Stakeholder Group members including the Chair. A duly convened meeting at which the quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Network for Net Zero Stakeholder Group. Members not in attendance will be offered a catch-up session and it will be their responsibility to ensure they are fully up to date at all times and that any input is made timely in line with the schedule outlined by the Chair.

In the unlikely event that Tracey Matthews is unable to attend an Network for Net Zero Stakeholder Group meeting she will appoint a stand-in Chairperson for that meeting only.

6. Code of Conduct and Confidentiality

It is accepted and acknowledged that members of the Network for Net Zero Stakeholder Group may have business interests other than those of SHE Transmission and have declared to the Chair any conflicts or potential conflicts that are apparent at present. The Chair will discuss conflict of interest matters with the Managing Director of SHE Transmission and agree what, if any, action is required to mitigate the conflict. In the event that members of the Network for Net Zero Stakeholder Group become aware of any other conflicts or potential conflicts of interest, these should be disclosed to the Chair as soon as apparent.

Members of the Network for Net Zero Stakeholder Group acknowledge that in the course of their appointment, the Network for Net Zero Stakeholder Group will have access to Confidential Information. Member of the Network for Net Zero Stakeholder Group agree to accept the following restrictions:

- Members shall not divulge or communicate to any person, firm or company (other than those whose province it is to know the same) or use (for their own or any other person's benefit) (except as required in the performance of The Network for Net Zero Stakeholder Group duties hereunder) either during its appointment or at any time thereafter, any Confidential Information without the prior written consent of the Company or where required to do so by law.
- Members shall use their best endeavours to prevent the publication or disclosure by third parties of any Confidential Information.
- Confidential Information shall remain the property of SHE Transmission and members shall not be entitled after the termination of their appointment to retain or store in any manner, and shall surrender and deliver up to the Company on the termination of appointment, any documents, extracts or copies or synopses thereof or any information, programmes or material relating to SSEPD and/or any of the Networks Businesses which may have come into their custody or possession or to which they may have had access during their appointment.

The Network for Net Zero Stakeholder Group acknowledge and agree that they will be required to enter in to a non-disclosure agreement if this is considered necessary and appropriate should they become aware of, or have access to, any Confidential Information during the Appointment Term that is reasonably considered by SSEPD and/or the Networks Businesses to be of particular commercial sensitivity and/or importance.

7. Schedule of meetings

To be agreed.

8. Communications

The Terms of Reference and the notes of the meeting (anonymised or redacted if information is commercially sensitive) can be found at www.ssen-transmission.co.uk

9. Annual Report

The Secretariat, with the support of the Chair will prepare an end of year report. The purpose of the annual report is twofold; it will provide a summary to the SSEPD Board and SHE Transmission business leaders of the issues considered and the advice given, which in turn helps to support further scrutiny and accountability and, secondly to be open about the work of the Network for Net Zero Stakeholder Group, for the benefit of our customers and stakeholders as well as to outline the pertinent issues and decisions taken. To this end, the annual report will be published on the SSEN Transmission website.

10. Amendment, Modification or Variation

The Terms of Reference will be reviewed by the Network for Net Zero Stakeholder Group annually and may be amended, varied or modified in writing after consultation with the Managing Director of SHE Transmission and by agreement from the Network for Net Zero Stakeholder Group.



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