

Maryam Khan
Ofgem
10 South Colonnade
Canary Wharf
London
EH14 4PU

29 October 2021

Dear Maryam,

Call for evidence on the ESO's performance over the 2021 regulatory period

Scottish and Southern Electricity Networks (SSEN) is the trading name of Scottish Hydro Electric Transmission plc (SSEN Transmission), Scottish Hydro Electric Power Distribution plc (SHEPD), and Southern Electric Power Distribution plc (SEPD). This response is prepared on behalf of these three licensees.

As we reported in our previous response on ESO Performance, SSEN enjoys a good working relationship with the Electricity System Operator (ESO). The collaboration between the ESO and SSEN businesses has continued to improve over the previous six months with a focus on identification and delivery of whole system efficiencies and better ways of working. We have set out some key areas of collaborative working below.

SSEN Transmission:

The ESO supports SSEN Transmission in stakeholder meetings with individual network users to inform them of upcoming outage programmes and options to minimise the impact of outages. This support aligns with SSEN Transmission's Commercial and Connections policy in providing engagement of services to new and existing users. This has proven successful over the period, and we look forward to the ESO's continued support in the future.

Based on our interaction through the development of the Future Energy Scenarios (FES), SSEN Transmission's engagement with the FES team continues to be positive. The ESO will actively consider information provided by SSEN Transmission within the development of the scenarios. Where SSEN Transmission has provided feedback to the ESO on potential additions to the information/data provided for inclusion in development of the scenarios, the ESO has engaged with us to understand our issues and has indicated it will look into resolving these. The ESO also continues to notify us when data has not been incorporated, which is also appreciated. Furthermore, through developing our own scenarios (North of Scotland FES), we have found

the ESO's FES very useful and have incorporated some of the assumptions and data into our model development.

SSEN Distribution:

In Distribution, we continue to have good engagement from the ESO in the fortnightly forums set up to facilitate data sharing between the ESO and DNOs. This has been helpful, notably the sharing of technical detail on some recent system incidents. We do still find it challenging to get meaningful, real-time information when system events happen. While there may be certain commercial confidentiality issues or data gathering and analysis required to fully understand issues, it is important that there is a process whereby DNOs can receive early notification of system events in order to understand the effect of these on their networks. We would be keen to work with the ESO to establish a process for this.

We have had some promising initial discussions on the subject of outage change costs being reclaimed by SHEPD. However, progress on this has stalled. We will be looking to restart this area of engagement again in the near future, as this is an area where we would like to see development of supporting policy.

We have had a high level of connections activity in the last year and this has led to many of our Grid Supply Points having become constrained. Because of this, modification application works have been required to facilitate these new connections. There have been some challenges with the time taken to develop and then implement solutions for connection. Following consultation with the ESO, we now have regular monthly meetings to better manage these situations and to look at how we can improve associated processes. However, we would like to see a greater rate of progress on this issue than is currently the case.

Broadly speaking, we are pleased with the constructive relationship we have with the ESO and the progress made over the last couple of years, however there are some areas, outlined above, where we feel improvements could be made. We hope the comments provided here are helpful, but should you require any further information please feel free to contact me.

Yours sincerely,

Nicki Reed

Regulation