SP Energy Networks Transmission Business

Stakeholder Engagement

Part 2

Message from our CEO

SP Energy Networks is a customer service focussed company, trusted by the communities we serve and the stakeholders we depend upon. We believe in listening, learning and acting on the feedback we receive, and we take a proactive approach to all customer management.

Our business is at the heart of facilitating the UK's transition to a low carbon economy, and our £2.6 billion investment will act as a catalyst to the UK government successfully achieving its 2020 targets for decarbonisation. Individual commentators and our stakeholders agree that the scale and speed of this investment is critical to:

- *Replacing ageing transmission assets*
- *Delivering a low carbon system that meets GB and European carbon reduction targets*
- *Providing a platform for future innovation*

The Government also sees this investment as being essential to the recovery of the UK's economy by providing opportunities for employment and financial stability. Our investment will deliver critical electricity grid infrastructure in the UK, and in so doing help create 1500 new jobs.

We are very keen to develop our relationship with our stakeholders, and are focused on developing the culture, processes and practices that will meet the needs of all our stakeholders. This discretionary reward submission will demonstrate the good start we have made on this journey and show that we are putting in place the right foundation to deliver our RIIO-T1 plans in a manner that will deliver increasing satisfaction to our stakeholders.

Frank Mitchell
CEO

Section 1: Summary

SP Energy Networks owns the Transmission network in Central and Southern Scotland. We look after the high voltage wires and cables which take electricity from power sources and transport it across the country.

Following Ofgem's decision to fast-track our investment plans in January 2012, we have been preparing to deliver our RIIO-T1 investments. This has included developing our stakeholder engagement policies and creating plans to respond to stakeholder feedback.

This first ever Stakeholder Engagement Incentive Scheme submission for the Transmission network explains the steps we have taken in the 2012-13 year.

Part 1 of our submission covered how we have met the minimum criteria, outlining our stakeholder engagement strategy, the broad range of stakeholders we have engaged with, a summary of our engagement activity and demonstrating how we have acted on stakeholder feedback. We set out the evidence to support our submission, including the Assurance readiness process we have undertaken.

This part of our submission summarises the results of our stakeholder engagement activity in 2012-13. Throughout this document, we have set out the challenges we have attempted to overcome, the response of our Transmission business and the outcomes for us and our stakeholders which have resulted from our engagement.

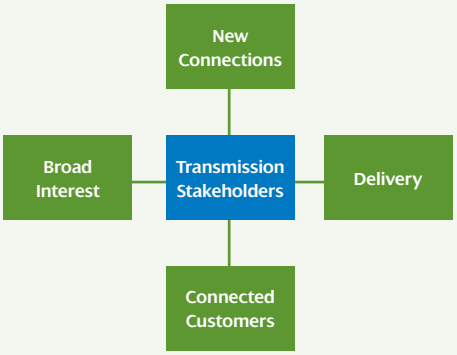
This document has been arranged according to our Transmission stakeholder groups, starting with those stakeholders who are seeking a **new connection** to our network. This is followed by our second stakeholder group, those affected by the **delivery** of our planned works. Our next group are those stakeholders who are **already connected** to our network and our final group includes a **broad range** of stakeholders who are impacted by our operations.

Stakeholder engagement strategy

The aim of our stakeholder engagement strategy is to improve our performance by listening to and acting on stakeholder feedback. This helps us deliver a better service for the end customers on the electricity network, now and into the future. The key principles that underpin our stakeholder engagement are:

- *Inclusiveness*
- *Transparency*
- *Accessibility*
- *Responsiveness*
- *Demonstrable impact*

We seek a wide range of stakeholders' views through a variety of communication channels, and demonstrate how their views have shaped our activities. Developing stronger and more constructive relationships with our stakeholders, at both national and local levels, helps us to deliver our projects efficiently and increase stakeholder satisfaction.



Section 2: Stakeholder Sub-group

New Connections / Delivery
Connected Customers / Broad Interest

Stakeholders: Developers, consultants, customers wishing to connect to our system

2.1 SP Energy Networks Transmission Connection Summit

A First For Us

The Transmission Connection Summit was a first-of-its-kind forum hosted by SP Energy Networks transmission business. It was a place for stakeholders to identify the difficulties in achieving a transmission connection and for us to work together to find solutions.

The summit included panel discussions about the connection application process and open forums to identify issues faced during a connection offer, as well as challenges in obtaining consents.

Outcomes

- *An increased level of engagement and new relationships with stakeholders.*
- *Better communication with those seeking to connect to the network.*
- *Improvements to our land agreement policy and clarity on land rights.*
- *A commitment to arrange a workshop to explore issues relating to site services.*
- *Commitment to hold further summits on an annual basis.*
- *Commitment that all information from the event to be provided on the website.*

2.2 Renewable Industry Advisory Group

'I would like more contact and opportunity to work with Scottish Power.'

Quote from the annual stakeholder survey in August 2012.

Our Response

We presented our grid investment plans and supply chain opportunities to a Scottish Enterprise Industry leadership group, the Renewable Industry Advisory Group (RIAG). This meeting was held in October 2012 in Glasgow and attended by many of our key stakeholders.

The purpose of the event was to discuss investment opportunities critical to overall delivery of renewable energy in Scotland. We presented information about our strategic transmission upgrades, discussed the challenges of connecting to the transmission network, and shared observations to help those seeking to connect. We outlined the ways in which we are using the latest technologies, attracting new suppliers, changing the contractual model, training and recruiting staff, and increasing our stakeholder engagement.

Outcomes

The event discussions highlighted a need for us to provide more detail to stakeholders. As a result of this feedback, we are changing the way we work to meet stakeholders' needs by communicating more often, more clearly, and in more depth (see sections 2.3, 2.4, 3.3, 3.4 and 5.4).

2.3 National Grid Customer Seminar

The Seminar

National Grid host customer seminars biannually for developers and other interested parties. They provide information and updates on industry specific issues, interactive workshops, and the opportunity for new connection applicants to meet, discuss issues and share knowledge.

Our Response

We attended the customer seminar, presented updates on our infrastructure projects and hosted drop in zones for customers seeking connection in our licence area. Topics covered included our delivery experience, strategic upgrades to the network, observations about the process and crucially how our approach is evolving:

- *We will start pre-consenting activities as soon as possible, to embed stakeholder requirements in early decision-making.*
- *We will increase our engagement with the government through, for example, the Energy Upgrades Forum and National Planning Framework III.*
- *We will provide a more flexible approach to land rights.*

2.4 South West Scotland Project Updates

The Challenge

It was clear from recent projects that stakeholders consider our land rights policy to be inflexible and was inconsistent with the lease terms required for wind farm developments. Also, developers with schemes in South West Scotland (see section 3.1) suggested they would find more detailed information helpful.

Our New Approach

A stakeholder event was held in Glasgow in September 2012 and an update was held in January 2013. Topics covered included the timescales and challenges associated with enabling wind farms to connect to our network, legal issues and general information on the progress of the project. The events included forums for stakeholders' views and project specific issues, and throughout we communicated details about our progress clearly and transparently.

We are actively exploring the potential of providing more information online about the progress of major projects, such as that in South West Scotland, subject to commercial sensitivity.

We also invited stakeholders to discuss landowner and planning consents, allowing us to:

- *Address any issues arising early on in the process.*
- *Have time to find solutions without detrimentally impacting on delivery timescales.*
- *Provide a tailored solution where necessary.*
- *Shape delivery models to fit our customers' needs.'*

Outcomes

Each of these meetings has been an open forum to discuss any aspects of the SWS project and we have spoken to the developers about whatever they wanted to raise. Developers can make direct contact with us if they want to discuss any aspect of their ongoing project. As a result of our stakeholder engagement, we hope our legal team is seen to be an approachable, transparent and proactive part of our business.

Section 3: Stakeholder Sub-group

New Connections / **Delivery**
Connected Customers / Broad Interest

Stakeholders: Landowners, community groups, statutory planning consultees.

Introduction

Stakeholder and public engagement is essential when developing major infrastructure projects. We use different communication mechanisms as appropriate to the stakeholder audience.

- *We undertake extensive consultation during the development of projects with stakeholders and interested parties.*
- *We undertake voluntary consultation before entering into the formal Environmental Impact Assessment process.*
- *Our consultations may take the form of community council meetings, public exhibitions, face-to-face discussion or round table forums.*
- *Consultations are underpinned by documentation in hard or electronic format, hosted on the SP Energy Networks website.*

3.1 South West Scotland Connections Project

The Project

Scotland has huge renewable power potential. The Scottish Government announced a major target to generate 50% of Scotland's electricity from renewable energy by 2015. We are committed to playing our part by making major improvements to our network as well as building new lines and substations to cope with the changing demand.

South West Scotland is rich in natural wind and hydro resources, and has attracted interest from developers whishing to connect a concentration of renewable generation to the transmission system; 600MW. However, the existing network does not have sufficient capacity cope with the level of demand, so a new transmission network is required. This is known as The South West Scotland Connections Project.

Consent was granted for stage 1 (Coylton substation to New Cumnock substation) in December 2012, subject to conditions. The estimated construction programme for the complete project should take 3-4 years.

The Engagement Challenge

Stakeholders have told us that they would like:

'More frequent contact through scheduled meetings'

'Better communication'

Quotes from the annual stakeholder survey in August 2012.

Our Response

Building and maintaining the trust of our stakeholders and the communities we operate in is now a key priority. At the heart of our policy is open and honest communication, and throughout the South West Scotland Connections Project we will:

- *listen to our stakeholders and the communities we work in.*
- *engage in environmental and technical consultations.*
- *ensure everyone is aware of what's happening in their area before work is carried out.*
- *keep affected parties informed throughout our activities.*

We have created the new role of **South West Scotland Project Liaison Officer**. The liaison officer provides community support to the project by coordinating public engagement and building relationships with local people, community bodies, and elected representatives. In addition the Project Team will handle all statutory engagement, the Scottish Power Press Office will handle all media enquiries, and our Wayleaves Team will deal with all landowner relations.

Outcomes

- *We have and will continue to meet interested groups and attend regular meetings with East Ayrshire Council and the government.*
- *We have adopted a proactive approach to providing information.*
- *We will establish and maintain strong relationships with local communities, elected representatives, and the media.*
- *We understand that community awareness and support is vital in ensuring the project runs smoothly and to the timescales proposed.*

The Traffic and Transport Chapter of the Environmental Statement (2009) identified potentially adverse traffic-related impacts during the construction period.

Traffic management plans have been agreed with the relevant authorities, and will include periods of public road improvements and access track construction to keep public inconvenience to a minimum.

East Ayrshire Council Southern Area Committee Members emphasised the importance of minimising any negative impact that construction may have on local communities, in particular the disturbance caused by Heavy Goods Vehicle traffic.

A Transport Mitigation Forum has been established with East Ayrshire Council to minimise any negative impact on local communities.

As part of the consenting process for the development of the South West Scotland Connections Project an Environmental Impact Assessment was carried out, identifying important habitats and designations along the route.

An Environmental Impact Assessment was established, and we will work in strict accordance with Scottish Environmental Protection Agency, Scottish Natural Heritage and other bodies to ensure habitat and species protection.

A Community Liaison Scheme has been developed to ensure close liaison with local community representatives.

A range of measures will be used to maintain this liaison, including regular meetings, letter drops and drop in sessions as well as outlining the relationship with the Transport Mitigation Forum.

3.2 Energy Upgrades Forum

The Challenge

As some recent infrastructure projects have taken many years to come through planning and permitting, those processes pose a risk to successful completion and delivery of cost-effective solutions to the upcoming expansion and reinforcement of grid infrastructure. The Energy Upgrades Forum seeks to address issues of concern which may act as obstacles to delivery, and looks to jointly explore and develop potential solutions. On the forum are Scottish Transmission owners, representatives of the Scottish Government, the Scottish Environmental Protection Agency and Scottish Natural Heritage.

Our Response

In October 2012, Head of Transmission Programmes, Colin Taylor, and Environmental Planning and Wayleaves Manager, Ross Baxter, gave an update to the forum on the development and delivery of our strategic transmission upgrades. The forum discussed balancing a need to engage with the community at an early stage and having sufficiently robust options from an engineering and environmental point of view.

Outcomes

The Energy Upgrades Forum has helped us to build better lines of communication and relationships with the Scottish Government and key statutory planning consultees. The establishment of the forum has given us a platform to discuss important issues and to take away feedback which we can use to help improve working practices. For example, in October it was agreed that workshop meetings would take place in order to allow the Scottish Government, SEPA and SNH to better understand our Transmission upgrade plans.

3.3 Scottish Renewables Conference

The Scottish Renewables conference is a major industry event focused on the development of renewable energy in Scotland.

Colin Taylor, Transmission Programme Delivery Manager, spoke at this event on "Delivering infrastructure for 100% Renewables". We sponsored the event and provided a stand as part of the exhibition area for two days, receiving multiple visits from stakeholders.

Outcomes

This generated significant visibility for us, and highlighted our support of the Scottish Renewables industry.

3.4 Market Development

The Challenge

Our outsourced supply chain forms an essential part of our delivery plans. As investment in the network increases, we want to ensure our suppliers are well informed and ready to face our challenges with us. In addition, stakeholders have told us they would like:

'Better communication to stakeholders and better understanding of suppliers'

'A better understanding of the supplier'

'A detailed forward looking programme of works'

Quotes from the annual stakeholder survey in August 2012.

Our New Programme

In response to feedback around gaining better understanding of the supplier, and as part of our work to attract new suppliers to the UK, we held events in Bilbao (May 2012) and Glasgow (October 2012) at which suppliers were invited to:

- *tell us about themselves and their business.*
- *meet us and discuss working with us.*
- *learn about our plans and future programme of works.*
- *share technical expertise.*

Outcomes

In feedback from these meetings stakeholders were pleased with the material relevance, and there was strong support for further events:

'There was a large volume of interesting material, please ensure it is made available to attendees following the event.'

'I feel you need both supplier events coupled with individual or work stream meetings.'

'Very useful session with excellent detail of future works within SP.'

Quotes from feedback forms issued at Glasgow supplier event in October 2012.

Following on from this feedback we have uploaded material to the intranet and shared contacts. We plan to provide periodic updates and one to one meetings, and we have agreed to hold similar events annually in future.

3.5 The Beauly – Denny Project

The Project

In conjunction with SSE the Beauly-Denny project is one of the biggest construction projects to take place in the UK in recent years. We have been granted planning permission to upgrade the 21km section of the line that lies within our network, extending from the north of Stirlingshire to Denny near Falkirk.

The first works associated with this project have been completed. Upgrading of roads to facilitate additional traffic and construction of the new substation platform has commenced. Part of the site consists of existing bog land and, as there was no alternative feasible site, we have worked with the Scottish Environment Protection Agency (SEPA) and Scottish Natural Heritage (SNH) to minimise the potential impacts.

Our Plans

We continue to provide ongoing communication for the Beauly – Denny project by maintaining and building on established relationships with the local community, ensuring everyone affected by the project is aware of what's happening in their areas in advance of any work being carried out.

Through ongoing consultation we aim to reduce any impact we have on local communities and the environment, and we are committed to engaging with everyone affected by the project.

Outcomes

- *We have agreed a Habitat Management Plan and Code of Construction Practice.*
- *Areas of peatland and bog will be restored as compensation for the areas of bog lost.*
- *We visited 18 local primary schools to deliver the PowerWise programme (Section 5.1).*

3.6 Grantors charter

The Challenge

To conduct our essential activities of inspecting, maintaining, repairing and replacing transmission lines and substations we regularly require access to privately owned land. Right of access to the land is granted through a Wayleave Consent or Deed of Servitude. These formal documents set out various rights and duties that we must adhere to, and we have a broader responsibility to fulfill these obligations in a way that meets our stakeholder requirements.

Our Response

To establish and maintain good relationships with all landowners we have established our 'Grantors Charter'. This sets out how we operate on land owned by others, what can be expected of us when taking access to land, and how we communicate with landowners.

- *We have committed to giving prior notice (expect in emergency situations) before giving vehicles access.*
- *We will give at least seven days notice in advance of planned refurbishment or construction works whenever practicable.*
- *We have a commitment to stakeholder liaison on a range of issues relating to agreed land access points and the use of vehicles working near sensitive areas.*

3.7 Innovation

Investing in novel solutions and sharing knowledge across the industry is an important part of our strategy and will ensure networks can be built and maintained efficiently for the benefit of all customers and are fit for purpose to adapt to the future requirements of the low carbon transition.

The challenge of identifying solutions

Innovation is essential. We want to identify new systems and solutions to develop an economic and sustainable network. Throughout the RIIO-T1 period, we aim to maintain and create a portfolio of innovation projects that will help shape the future of the transmission network and facilitate the low carbon transition.

Our Response

We have actively participated in the Transmission and Distribution Innovation Funding Incentive (IFI) for a number of years, which has provided us with a variety of innovation, both technical and commercial. We have also been proactive in incorporating new technology into how we design the network including:

- *Embedded Offshore HVDC to increase the interconnection of the SP Transmission network and integrate higher volumes of renewable generation across Great Britain.*
- *Wide area monitoring to analyse the impact of renewable generation being connected to the network and to facilitate greater volumes in the future.*
- *Dynamic rating of overhead lines to reduce the need for new circuit construction, reducing our environmental impact and improving the time to connect new generation.*

Outcomes

There will be benefits to customers in terms of savings to the cost of operating the network, reducing the time to connect renewables, and minimising the environmental impact of our operations. These projects are recognised as being at the cutting edge of network design. The views of stakeholders has also influenced where we focus our innovation activity, for example the application of dynamic rating of overhead lines is partly in response to reduce the need for new tower lines which our stakeholders would prefer to avoid the visual impact they may create.

The challenge of sharing knowledge

Sharing knowledge across the industry is an important part of our strategy to share our experience, to identify new solutions for maintaining and investing in our network and to introduce new players to our industry. Collaboration is a key feature in our innovation plans to ensure that all customers can benefit from these developments, while ensuring that we are learning from others at the same time.

Our response

We are proactive in sharing knowledge as part of the funded projects but we go beyond this and we have also contributed to a number of high profile conferences and events to share our experiences including presenting at CIGRE and Distributech,the largest electricity network conference in the US.

Image: ENA

Other examples closer to home include:

1. Co-hosted the Eutotech Conference, which examined the ways technology can help us manage and develop our Distribution and Transmission networks.

2. Taking pride of place as Platinum sponsors of the hugely successful Global Entrepreneurship Congress in Liverpool, where entrepreneurs,government officials, investors, researchers,and policymakers worked together to bring ideas to life.

3. Holding a dynamic Smart City event in Liverpool Town Hall, in partnership with Liverpool Vision.

Outcomes

Through our knowledge sharing activities, other network owners have been made aware of the benefits of projects we have initiated and are now adopting this approach on their own network. As a result of our 'wide area monitoring project' mentioned above, we are now working with National Grid on a collaborative project to deploy this technology at scale. We have also learned a significant amount from others such as the application of HVDC in other countries.

The challenge of developing the supply chain

Innovation needs collaboration to develop all aspects of the supply chain. We understand the importance of working with others to develop new solutions and we support academic research as part of our commitment to low carbon networks, as well as working in partnership with manufacturers.

Our response

We have worked with a range of universities and research groups over the past five years, and we sponsor the Scottish Power Active Research Centre (SPARC) at University of Strathclyde. The work at SPARC includes research on electricity distribution and transmission and in 2010 we established a Chair in Smart Grid Technology. We are also actively engaged with a variety of other research institutes including EPRI (Electricity Power Research Institute).

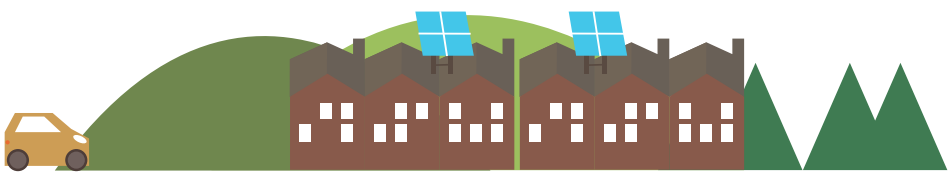
We regularly meet with the other Transmission operators National Grid and SHETL to share experiences and discuss ways of working on future projects. We also collaborate with vendors such as Psymetrix (part of the Alstom Group), which grew out of research activity at Edinburgh University.

Outcomes

Through our research and development programmes and the partnerships with manufacturers we contribute to the development of the supply chain by creating the opportunity for existing providers to develop new solutions that we will deploy in the future.

This has also led to the emergence of new SMEs within the supply chain providing specialised technology, such as Smarter Grid Solutions.

Innovation also helps to develop the wider skills base which we will require in the future by attracting new staff with specialist skills and through our academic partnerships.



Section 4: Stakeholder Sub-group

New Connections / Delivery
Connected Customers / Broad Interest

Stakeholders: Customers with an existing connection to the system. As National Grid are the operators of the Transmission network in Scotland, they communicate directly with all connected customers. As owner of the network, we engage with connected customers in order to provide information and to help solve issues which may arise at the interface of the network.

4.1 Half-day Stakeholder Engagement Sessions

The Challenge

Stakeholders have told us that:

'More formal bilateral/trilateral meetings in person, or via video-conference, would be appreciated.'

Quote from the annual stakeholder survey in August 2012.

New Improvements

We have listened to stakeholder feedback and made significant changes to the way we do things. Previously, we would only engage with customers through National Grid. Now we have taken on board the request for more information and have started to engage more with those connected to our network:

- *Our Transmission Operations team now schedule interface meetings for each connection on a bi-annual basis, and more frequently if circumstances require.*
- *We are presenting more information to our stakeholders and have had meetings over the last 18 months with EDF, Network Rail, various universities, SP Renewables, and external parties such as Thailand electricity regulator.*
- *It is hoped that these sessions will lead to an increased understanding of networks amongst key stakeholders, more visibility of future investment plans and major projects, increased communication, and improved relationships.*
- *Our improved programme of meetings has been successful and the idea will be rolled out to other stakeholders.*

Some specific examples of issues that have been addressed as part of our engagement:

- *EDF Energy were concerned about environmental risk from a large and ageing oil-filled grid transformer adjacent to their nuclear power station at Torness. In response, we have established a fully bunded purpose built storage facility for the transformer off site.*
- *We were finding it difficult to secure access to the large Exxon oil refineries at Mossmorran. This has been resolved as a direct result of regular dialogue and meetings to explain what we need to do, why we need to do it and when we need access to the sites.*
- *Major steel producer TATA has been subject to interference and theft. Through direct liaison with TATA, various diversionary works have been proposed and agreed to reduce the risks.*
- *Those connecting Generation to the Transmission network need their staff to be trained and authorised to safely operate equipment at the interface of the network. Through discussions with power stations this has been successfully delivered at their request and will be an ongoing arrangement.*

4.2 Network Rail G38

Network Rail are our largest demand customer and the G38 document has been prepared by the network operator National Grid, in conjunction with Network Rail, to explain the processes and procedures they need to follow to manage their transmission connection.

Outcomes

We have been working closely with both parties and the Electricity Networks Association in reviewing and updating this policy document. The scope of the changes includes control procedures, emergency switching, connection to the network, access to the network for personnel, a range of safety procedures, communications and permits. This will lead to increased safety for all personnel and improved relations with Network Rail regarding their electricity connections.

4.3 Networks Access Policy – Industry Workshop

The Challenge

In order to facilitate increasing investment in the Transmission network, it was necessary to develop a Network Access Policy, which would inform key stakeholders of the processes involved in planning and managing outages on the system during the RIIO-T1 period.

Our Response

Over the last 18 months we have been working very closely with our regulator Ofgem and the two other Transmission owners, in developing a Networks Access Policy. The collaboration has been such that the two Scottish Transmission Owners have developed a joint policy document.

The document identifies network access and project requirements, whilst providing stakeholders with a clear view how safety, security of supply will be maintained and network operating costs minimised as much as possible, whilst our RIIO-T1 investments are delivered.

In March 2013, after the culmination of 18 months work, the two Scottish Transmission owners presented their draft version to various industry stakeholders during a joint workshop in Perth. This workshop was very well attended, with over 30 participants from various organisations, including government, generators, consultants and contractors.

Outcomes

The workshop stimulated some excellent debate that resulted in some minor changes to the policy and once these changes have been carried out the final document will then be submitted to the Regulator for approval. This process has shown how close collaboration between key industry stakeholders can produce positive solutions to key industry issues.

Section 5: Stakeholder Sub-group

New Connections / Delivery
Connected Customers / **Broad Interest**

Stakeholders: customers, community groups, local authorities, environmental groups

5.1 Public Safety and Safety Education

The Challenge

Public safety is the key issue that drives our community programmes. Due to the very nature of our business we take very seriously our responsibility for managing public safety. Safety and environmental education is very important to us, and we are committed to ensuring that young people understand the important role that electricity plays in everyday life as well as the possible dangers.

Our Programmes

1. PowerWise Programme

Keeping people safe around our network is crucial, and it is important to ensure children are aware of the dangers of playing near electrical equipment. Our aim is to keep children safe by keeping them informed and encouraging them to learn about electricity in a fun environment.

PowerWise is an innovative approach to communicating safety to the public that meets the needs of children and the expectations of the school curriculum, which was developed with stakeholders including teachers and emergency services. Professional teachers present the interactive lessons in primary schools across our operating area.

Outcomes

- *Delivering messages about electrical safety in the home and outdoors.*
- *We proactively contact schools and the programme is provided free of charge.*
- *Every school is provided with a 'PowerWise Resource Pack' from which the school can deliver future lessons about electricity.*
- *Pupils benefit from an increased understanding of electricity, the potential dangers and an awareness of science and engineering as a career choice.*

The PowerWise website received 100,991 hits in 2012 and soon we will celebrate the success of the programme in the media.

2. Safety Centres

We support a safety centre in our operating area, The Risk Factory in Edinburgh. The Risk Factory is local authority funded, and organises schools trips where children learn about a range of safety issues from bullying and safe internet use to coastal safety. The centre includes scenarios specifically about electricity safety, funded by SP Energy Networks.

3. Crucial Crew

Local authorities run Crucial Crew events, at which agencies including the local police, the fire & rescue service, and the NHS are invited to talk to children about safety. We are regularly invited to talk about the dangers of apparatus on the electricity network and we attended several of these events in the last year.

5.2 Metal Theft

The Challenge

Security at Grid Supply Points is a growing concern. International demand for metals combined with a decreasing economy has led to a marked increase in metal theft across the UK.

Break-ins expose staff, contractors and members of the public to significant health and safety risks, and customers are also affected as security of supply is impacted.

Our Response

In response to this challenge, we have taken a number of security measures including installing intruder alarms, electrifying fences for Grid sites, investing in security camera systems for vulnerable and critical sites, developing a more detailed substation security specification and enhancing built-in security measures to limit exposure of valuable materials. This work has been achieved as a result of increased information sharing and initiatives with strategic partners. We have taken part in days of action across the country and worked with local communities and media to raise awareness of the issue.

5.3 Environmental Planning

The Challenge

Environmental planning requirements are clearly set out in legislation. The Electricity Act 1989 places specific obligations on the licensees, such as us in relation to the environment. When developing any new proposals for network construction we need to preserve the natural environment and buildings of architectural, historic or archaeological interest and shall do what we responsibly can do to mitigate any effect which the proposals would have on these.

'They need to be more aware of the impact they have on local people'

Quote from the annual stakeholder survey in August 2012.

Our Response

There are clear requirements in the legislation to engage with statutory consultees as part of the Environmental Impact Assessment process. We do not simply meet these requirements, we go beyond them.

Early voluntary engagement

We voluntarily undertake engagement around routeing options for new projects with key stakeholders before taking a proposal forward for Environmental Impact Assessment. We set out the process we intend to follow and seek their input so that they are involved from the outset. This is not a requirement, but it gives us the benefit of local and specialised knowledge and provides transparency in our decision making process. We have already started this process of early engagement for the Dumfries and Galloway project.

Engagement on preferred route

After having selected the preferred route, we embark on much more localised engagement with a wider range of stakeholders. We host public exhibitions so everyone can see the information, ask questions, and provide written comment. These comments are evaluated and where appropriate used to select the proposed route before moving to the Environmental Impact Assessment process.

Published reports

We collate and publish a report of all feedback received and our resulting actions. As a result of community feedback, we have changed our overhead line route corridor for the Harelaw windfarm connection to avoid a valued local area.

Wider 'wirescape' impact

As a result of recent experience on the Beauly-Denny project, we understand the importance of considering a range of mitigation measures. When considering the potential impacts from proposed Transmission lines we will also give regard to the surrounding 'wirescape'. Where appropriate we will consider undergrounding of lower voltage lines to reduce the overall 'wirescape'.

Energy Upgrades Forum

The Energy Upgrades Forum was established with membership from Scottish Government's planning and consents team, heads of planning in local authorities and the transmission owners in Scotland. The Forum seeks to address generic issues of concern, such as the long timescales for planning consents, that may act as obstacles to RIIO delivery. For example:

The absence of a process for resolving wayleaves when the voluntary route has been unsuccessful was raised. The Scottish Government hosted a workshop to explore a process that would give more certainty to RIIO-T1 delivery and landowners.

We talked to the forum about our experience of delays to the delivery of projects as a result of lengthy planning decisions. This provided the Forum with a better understanding of the timescales a Transmission owner works to and a greater understanding of the impact of planning decisions on the development of a project. As a result, recent projects such as South West Scotland have benefitted from The Government having a clear understanding of the project time scales when granting consent.

5.4 ENA Well Connected Scotland Event

Our CEO spoke at the ENA (Energy Networks Association) Well Connected Scotland Event, at which Fergus Ewing MSP, Minister for Energy, Enterprise and Tourism, was the principal guest. The event highlighted the vital role of energy networks. Key areas were discussed including smart grids, smart meter roll-out, new electricity lines (including offshore), planning and resilience. The event was well received and raised awareness of the need for new and renewed electricity infrastructure in the future.

5.5 General awareness

The Challenge

We know from previous engagement work that broad interest stakeholders sometimes don't know what we do or who we are.

Our Response

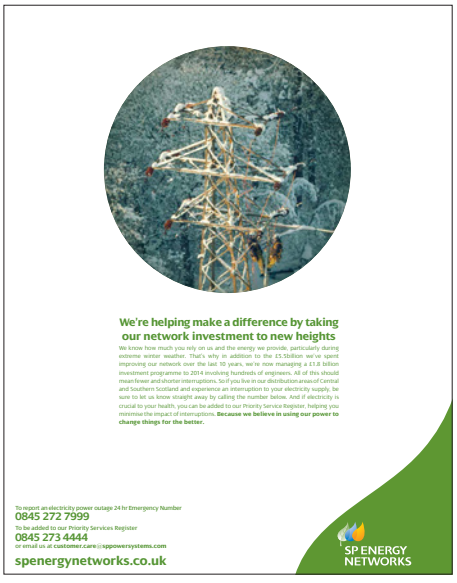
In order to address this awareness gap we have:

- *Placed full-page adverts in regional and national newspapers.*
- *Placed regional radio adverts highlighting the areas where we are the network operator.*
- *Delivered a leaflet to 2 million households in Scotland highlighting our investment in the network.*

Outcomes

This helps to enhance recognition of our brand and informs the public of what we do and the investment we are making in the network.

In times of severe weather conditions, this is supplemented when our representatives appear on regional news to advise of the work being carried out to restore power.



5.6 Recruitment

The Challenge

Our broad interest stakeholders have told us they expect us to recruit and train local people and provide a wide range of new jobs as part of our investment in the network. We believe it's important to invest in training, education and jobs within our network areas. As four out of five energy industry employees are set to retire over the next 15 years, we are committed to major recruitment.

Our Response

We have been working closely with schools, colleges and universities to promote engineering as a desirable career choice, and have developed some pioneering approaches to bringing new people into the power sector. These new ventures include:

1. Apprenticeships

Our popular apprenticeship programmes provide a fantastic way to realise potential. Bringing learning and earning together, our apprentices study towards recognised qualifications, developing new skills and gaining invaluable knowledge and experience. We recently introduced a new Power Engineering Higher Level Apprenticeship, which combines academic and technical training with work-based learning and assessment.

2. Foundation Apprenticeships

In partnership with Cardonald College we are continuing with our innovative engineering courses aimed at young people some of whom have struggled in the past to get into education or employment.

3. Graduates

We took on 21 graduates in 2012, representing a huge increase on previous years. As well as participating in professional training initiatives and gaining professional qualifications, graduates gain real experience on their placements and benefit from excellent development opportunities.

5.7 Science, Technology, Engineering and Maths

We want to encourage more young people to study STEM subjects (Science, Technology, Engineering and Maths). We have a number of STEM ambassadors who have assisted on masterclasses delivered at secondary schools in our area.

- ***Grangemouth Science Fair***
  We saw over 1700 Primary 7 children from 54 schools. Our graduates helped with the interactive workshops over a two-week period.

- ***Engineering Careers Carousel***
  Pupils visited numerous engineering companies to learn about their career options. We saw approximately 200 young people and attended their network session at Glasgow City chambers.

- ***Lanark Jobs Fair***
  This event brought a range of employers, agencies, and education providers under one roof to provide local residents an opportunity to find out more about employment and training opportunities. It allowed us to engage with local school children and encourage them to consider a career in engineering.

5.8 Dumfries House Forum

In January 2013 we contributed to a Head Teacher Forum, chaired by HRH Prince Charles, The Duke of Rothesay, to help encourage more school children to consider a career in engineering. The Scottish Power Learning & Development Team, alongside a number of our graduates, helped to facilitate the hands-on event at Dumfries House, as part of the company's long-term strategy to support the engineers of tomorrow. Attendees, including schoolchildren from across Ayrshire, participated enthusiastically in a range of discussions and activities, including making batteries, circuits and even building robots.

Frank Mitchell, CEO said:

'I was delighted our graduates were able to help facilitate the event with The Duke of Rothesay and schools across Ayrshire. We support the work His Royal Highness is carrying out to increase the profile of engineering as a desirable career choice for school children.'

6.0 A Journey of Continual Improvement

At SP Energy Networks we are strengthening our stakeholder relationships and we recognise this is a journey of continuous improvement. We have engaged in a broad range of activities and events to ensure that we are communicating openly and honestly with all interested parties, but there is always more we can do. We have made significant changes in the way we engage with stakeholders, introducing new ways of working such as our open and inclusive approach to the development of our network in South West Scotland. We will build on these successes to ensure we are continually improving our stakeholder engagement.