

Transmission Owner / System Operator Best Practice Working Group

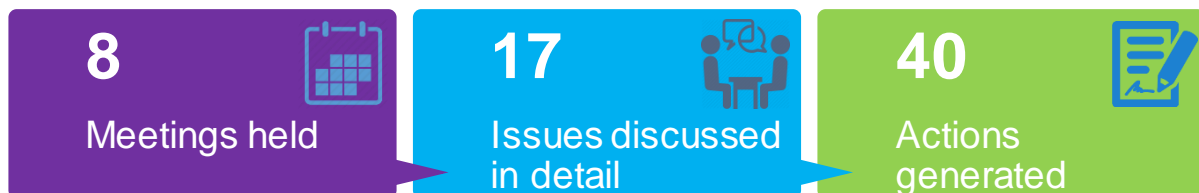
2016/17 Update

The Transmission Owner Best Practice Working Group considers all aspects of engagement where working together will lead to benefits for stakeholders. The Working Group meets face to face every two months to make sure that the UK's Transmission Owners (TOs) and the System Operator (SO) work together effectively so that engagement across the industry is coordinated and of the highest standard.

The Working Group consists of representatives of transmission owners SP Energy Networks Transmission (SPEN); Scottish and Southern Electricity Networks Transmission (SSEN) and system operators and transmission owners National Grid Electricity Transmission (NGET) and National Grid Gas Transmission (NGGT).

There is a strong commitment within the UK's Transmission companies to be open and collaborative with each other, to learn from each other and to make positive changes to our policies and processes to the benefit of our stakeholders. At the beginning of this year, we acknowledged that our meetings hadn't always been as effective as they could be so we started the year by re-focusing the Group and improving the format; including regular meetings and making sure we remained outcomes-focused in our approach to activities and discussions.

Our year in numbers:



Priorities and joint working

The group is carrying out a broad review of how the Transmission businesses work together across the main strategic challenges facing our businesses. Topic areas identified are:

- Security of Supply
- Safety
- Connecting renewables
- Corporate social responsibility
- Innovation
- Investing for low carbon economy
- Minimising impact on communities
- Minimising impact on the environment
- Skills
- Supply chain

For each topic, we are reviewing how we work together at various organisational levels, which stakeholders we impact and most importantly, how those stakeholders are engaged. This approach has two outcomes:

- 1) We get insight in to a broader range of ongoing stakeholder engagement, which we can then co-ordinate with similar relevant activity and also ensure that the standards, timing and methods of engagement are appropriate.
- 2) We can spot where there are gaps in our engagement, whether at director level, senior management or working level.

Some specific outcomes, from our working groups, are described below:

Working Group	Remit	Outcomes
Connections working group	<ul style="list-style-type: none"> Commercial and connections managers from each TO, meet twice a year face to face to ensure good working level relationships Discuss the process of making connections offers and deal with issues that arise across the network Share best practice and jointly improve processes Identify specific issues requiring additional tripartite meetings 	<ul style="list-style-type: none"> SPEN, SSE and NGET have been working together to improve the connections applications fee and reconciliation process; developing a back-log of charges and a more accurate and robust process. This will help improve forecasting and ensure fees are recovered more promptly NGET and SPEN are working together to improve the process for collecting securities for new connections. We are developing a more efficient, automated system which will ensure better value for customers
Operational Assessment group	<ul style="list-style-type: none"> Operational planning managers from each TO meet three times a year to address technical issues Reviewing processes and adherence to licence obligations Reviewing joint outage plans and assessing their impact on future network operation 	<ul style="list-style-type: none"> Future operational issues identified and addressed as a result of particular outage combinations Worked together to agree outage pattern 3 - 6 years ahead to avoid clashes and ensure outages are aligned wherever possible Lessons learnt are embedded for future years and best practice is shared Identified within the group, as a result of the types of questions being asked to them, that plain English communications are needed. This led to joint working with the Energy Networks Association (ENA) to improve this. In addition the communications that come

		out of the joint planning system were also updated to make the language more accessible
Network access policy industry working group	<ul style="list-style-type: none"> • SSEN, NGET, SPEN and Ofgem form this group • Discussing outage processes and shared joint network access policy, to find areas of improvements for meeting customers' needs 	<ul style="list-style-type: none"> • Improvements to the process of overall system costs for consumers for outages • Changes to the licence conditions are now under consultation • Any cost savings will ultimately be passed on to end consumers
Electricity Networks Strategy Group (ENSG)	<ul style="list-style-type: none"> • The ENSG was jointly chaired by the Department for Business, Energy & Industrial Strategy (BEIS) and Office of Gas and Electricity markets (Ofgem) • Its broad aim was to identify and coordinate work to help address key strategic issues that affect the electricity networks in the transition to a low-carbon future • Each TO was a member of this high level forum with senior management attending each meeting in order to update policy makers and regulators on issues relevant to each licence area 	<ul style="list-style-type: none"> • Following a review of the role and purpose of BEIS and Ofgem's two networks' stakeholder groups - the ENSG and Smart Grid Forum at the end of 2016, it was agreed that there was good case for merging the two groups to create a new stakeholder group – the Smart System Forum • While the new forum has yet to meet, there is a commitment from each TO to continue to advise BEIS and Ofgem on the development of the electricity system in Great Britain
European Network of Transmission System Operators (ENTSO-E)	<ul style="list-style-type: none"> • ENTSO-E is established under primary European legislation, and in addition to undertaking required functions, aspires to being the professional body to which European and national policy makers, regulators and market participants turn for competent guidance • It interacts with power system users, EU institutions, regulators and national governments • SSEN, SPEN and NGET are all members of ENTSO-E • There are around five Assembly meetings per year, where ENTSO-E and all the European TSO members ensure that their European legal/ Third Package obligations are being met in the most effective and efficient manner 	<ul style="list-style-type: none"> • Ensure that European obligations are met • Facilitates the sharing of best practice • Ensures that EU energy policy is heading in the right direction ultimately through future EU legislation • Helps maintain influence in Europe during and post Brexit
ENA's TSO-DSO project	<ul style="list-style-type: none"> • This work was initiated in December 2016 by the ENA (including GBSO, 	<ul style="list-style-type: none"> • The TSO-DSO project is delivering a detailed

	<p>the on-shore TOs and the DNOs)</p> <ul style="list-style-type: none"> • The project has 4 work streams in which the GBSO and TO's are participating: • Workstream 1 to improve T-D processes and provide connection capacity and service opportunities to Distributed Energy Resources (DER), and to optimise whole system investment and services • Workstream 2 to review and improve the experience of distribution customers in getting connections and providing services • Workstream 3 to develop DSO functionality and compare DSO models • Workstream 4 to support the ongoing charging review from the T-D perspective 	<p>programme of work through 2017. Early outcomes include:</p> <ul style="list-style-type: none"> • Project initiation document in place • Steering Group and workstream structure in place • Stakeholder Advisory Group formed to provide wider stakeholder oversight of work • Workstream 1: Existing processes mapped for connections, investment and operational planning • Workstream 2: Customer categorisation and journey mapping underway • Workstream 3: DSO definition, roadmap and functional requirements under development
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Other key achievements this year

In addition to shaping the focus of the above working groups we also shape and influence other areas, where a joint approach, will bring benefits to our stakeholders, for example:

Communications

A range of outcomes have emerged from sharing best practice on communications this year. These include:

- **ENA website transmission page:** the Working Group worked with the ENA to improve signposting and navigation for stakeholders seeking contact information for Transmission networks. This updated information has received over 4,000 hits since the beginning of 2017 alone.
- **Joint calendar:** last year, we shared how we had brought together communications teams across the TOs to take a more co-ordinated approach to events. Building on this work this year we have worked to collectively find a way to make sure that the many events we organise are not conflicting for stakeholders. Next steps are to feed into a new ENA joint calendar to record events, seminars, conferences and workshops with other network operators. This will allow us to identify industry cross-over and efficiencies.
- **Surveys:** each TO undertakes an annual stakeholder survey. The Working Group discusses learnings from last year and how the process can be improved. This year the three TOs reviewed alternative approaches to the survey and discussed whether learning could be applied across companies. SPEN felt that National Grid's event-based approach could work well for them and so have adopted it as a model for their own survey. The Working Group developed a matrix showing which stakeholder groups had been engaged with by each TO, and shared advice on how to improve response rates and achieve more robust outcomes. Each TO has seen a marked improvement in survey response rates since changing its approach based on shared best practice – with response rates increasing to over 50% for certain sectors. The TOs have also continued to share results (with

respondents' permission) where activities cover more than one network – currently in the areas of connections and outages.

- **Improving communications for connections customers:** the connections group has been considering whether new customers are as informed as they can be, and are sharing best practice on providing better information to prospective customers to enable them to make the best possible connection request.

Major project consultations

Each TO carries out major development projects on its network on a regular basis and this year the Working Group shared best practice on consultation. The major project lead from each organisation attended and presented their approach to community and stakeholder consultation. The Working Group discussed the consultation process, and found that some were carrying out more rounds of consultation than others. Other useful advice was shared, such as going to meet communities at existing events to reach a wider audience, or taking carpets into village halls to reduce noise and increase accessibility of events for the hard-of-hearing.

The Working Group has been collaborating to share customer data mapping for several years in line with data protection policy. This enables us to share information, communicate better with customers and ultimately provide a better service. In the last year each TO has been exploring data sharing protocols to facilitate the exchange of data, and SPEN and SSEN have been developing mapping tools that capture publicly available demographic information for communities; such as information on vulnerability, priority services register (PSR) sign-ups and those who are vulnerable due to being off the gas grid.

We are all now working together to share information where projects overlap geographically. For example, for an NGET consultation in north Wales, SPEN has shared information from its distribution business and offered for local staff to attend community events to provide information about the distribution network. SPEN has also been working on an initiative to reduce confusion for customers around the distinction between the transmission and distributions businesses.

Regarding vulnerable customers, NGET shared a paper that had been prepared for its stakeholder panel. The group discussed it and the implications for vulnerable customers, agreeing to continue conversations into how the needs of the vulnerable, those in fuel poverty and those with special needs in relation to energy, could be better served by the three companies working more closely together.

For example, following shared learnings on consultations, National Grid looked into incorporating PSR, 105 and fuel poverty referrals into their major projects consultation process in line with SPEN and SSEN. These will now be written into consultation policy and a new briefing note for their community relations agencies has been created to explain these changes.

National Grid internal Voice of the Customer campaign

SPEN have helped to develop a new internal communications campaign for National Grid employees to understand the Voice of the Customer. Stakeholders were filmed as part of the campaign to better understand their customers and stakeholders and hear what they have to say about their experience of working with National Grid. This feedback will be used to make improvements to their experience of engaging with National Grid. The material produced will be part of a broader customer awareness campaign that will be widely used across National Grid for training, internal communications and to drive improvements for customers and stakeholders.

Local supply chain portal

The capabilities, benefits and learnings from SSEN's Open 4 Business supply chain portal were shared at a Working Group meeting last year. Open 4 Business is all about encouraging local contractors to become more involved in bidding for projects which may have traditionally only been possible for larger, national contractors in the past. This can bring benefits to local economies and also has potential efficiency savings for the networks. National Grid noted its interest in exploring this system further and went on to trial the system in their gas asset health team through five tier one suppliers. Two of these suppliers already have robust processes in place that meet the same objectives as this portal, but the others had no existing process in place. National Grid has therefore worked with these three suppliers to integrate the Open 4 Business approach and this has now become part of how they approach subcontracting on an ongoing basis.

Planned outages

In recent years, there have been several complaints from customers about communication relating to planned outages on the transmission network. In response, the three TOs have been working together to provide better up-front information. This involves hosting two stakeholder events per year, led by NGET in partnership with SPEN and SSEN. These events give customers information about planned operations over the year, including possible outages or service reductions, and provide opportunity for feedback. This year stakeholders told us we need to increase the notice period for outages and we have now changed our processes to ensure much earlier notification.

Through this working group the issue was raised about the inaccurate information on the ENA website and the difficulties stakeholders were having in understanding the difference between transmission and distribution. As a result we addressed these issues as mentioned under our communications section above.

System Operator Transmission Owner code

Between the three companies there was a recognition that we needed to review the extent of compliance with the System Operator Transmission Owner Code. A task working group was established to review the obligations for the code, map what each company was doing and address any performance issues to ensure we were complying with our collective responsibilities. The groups remit also includes considering where changes are needed because of current or best practice and suggest amendments.

One major amendment we have collectively recommended is to ensure that the System Operator gets sight of the proposed connection design earlier in the process – before the Transmission Owner has internally approved the scheme – in order to comment and challenge on the operability of the design. Normally this process happens around two months into the process and results in questions back and forth between the SO and TO. By getting the SO involved earlier we are able to ensure that the SO's views have been accounted for in the TO approval process resulting in a better connection design, less questions between the companies late in the process and potentially a faster offer turnaround for customers.

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