

Please complete the following Entry Form alongside your Part 1 Submission.

STAKEHOLDER ENGAGEMENT INCENTIVE SCHEME



Making a positive difference
for energy consumers

PART 1 SUBMISSION ENTRY FORM

COMPANY DETAILS: (please complete)

Company: SP Energy Networks
Licensee(s): SP Transmission plc

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CONTACT DETAILS: (please complete)

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MINIMUM REQUIREMENTS

Please provide supporting evidence and high level overview of how your company has met the Minimum Requirements set out below:

	Evidence referred to within application (i.e., evaluation, assurance report, survey, etc.)	Overview of your arguments demonstrating compliance with requirement. Clearly signpost as to additional relevant evidence/ information within Submission
<p>The network company has a comprehensive and up to date stakeholder engagement strategy, which sets out:</p> <ul style="list-style-type: none">- how the network company keeps stakeholders informed about relevant issues, business activities, decision-making and other developments;- how the network company enables timely input and feedback from stakeholders via appropriate mechanisms to inform decision making.	<p>SP Energy Networks Stakeholder Engagement Strategy: The aim of our strategy is to continually improve how we engage with stakeholders across all aspects of our business – allowing stakeholders to influence, guide and steer our activities, enabling us to better deliver against our vision as a business. Our strategy aligns to AccountAbility AA1000 Stakeholder Engagement Standard. Our strategy is described in Part 1 on pages 2, 3 and 4 and is available in full on request.</p> <p>Driving engagement and culture changes through our business: Our organisational structure and our embedded governance structure enables information sharing between all levels of the company. It provides several touch points throughout the formal structure to facilitate the flow of information and feedback from the front line teams to the executive team and back again. Senior business leads share feedback and learnings through Internal Stakeholder Action Group, (ISAG) meetings and governance meetings. The ISAG meetings are central to our governance as the forum where stakeholder leaders from across the business meet regularly to discuss engagement, plans, feedback and actions, both forward and backward looking. The embedded governance structure is described in full in Part 1 on page 3.</p> <p>DNV GL Independent Assurance statement: Scottish Power Energy Networks Holdings Ltd (SPEN) commissioned DNV GL Business Assurance Services Limited (DNV GL) to undertake an independent review of SPEN's stakeholder engagement processes and systems, and outcomes of stakeholder engagement activities in the reporting period 1st April 2016 to 31st March 2017. They used the AA1000SES standard and the Ofgem Stakeholder Engagement Incentives Scheme criteria for stakeholder engagement as the framework for the review. The full conclusion of their opinion statement is provided in Part 1 on page 1, further quotes are provided on pages 5 and 6 and the opinion statement is available in full on request.</p>	<p>We have a comprehensive and up to date stakeholder engagement strategy. We have confidence in our strategy, it is working and it is delivering outcomes and change within SPEN. Our strategy is independently reviewed against the AA1000 standard by DNV GL each year. It is updated and approved annually by our CEO and Executive Team. Page 2 of part 1 provides an overview of the strategy and our feedback loop, Page 3 of part 1 demonstrates how we have embedded culture change within our business and Page 4 of part 1 shows the 7 pillars of our strategy – how we have improved them in 2016-17.</p> <p>Our embedded governance structure, described in Page 3 of Part 1, enables sharing of feedback and stakeholder input between all levels of the organisation, which allows buy-in from senior management and decision makers to act upon feedback.</p> <p>DNV GL said “As in previous years, we noted that the stakeholder engagement strategy in SPEN continued to evolve. The strategy continued to be applied across the entire organisation, covering both Distribution and Transmission.”</p> <p>“We observed that stakeholder engagement was increasingly aligned with strategic business objectives this year. Key topics such as DSO (Distribution System Operator), black start, community energy and vulnerability have been discussed during strategic stakeholder panel meetings. Others such as willingness to pay, are on the agenda for engagement in 2017-18.”</p> <p>“In 2016-17, we continued to observe improvements in SPEN's approach to stakeholder engagement. The business continued to evolve and make progress on its stakeholder engagement strategy, which has resulted in it being more embedded across the organisation. Moreover, through our interviews with SPEN we consistently noted that stakeholder engagement was considered a key activity for the business.</p> <p>In our interviews, we continued to note senior management support for stakeholder engagement across the company, which they consider a core business value and integral to the way SPEN do business” DNV's full opinion statement is available in full on request.</p>

<p>A broad and inclusive range of stakeholders have been engaged.</p>	<p>Annual engagement planning process, including identifying and prioritising a broad and inclusive range of stakeholders: Senior managers use our four-step engagement planning process; to identify strategic issues, prioritise stakeholders, plan and deliver fully tailored engagement and record and analyse stakeholder feedback. We used our experience and lessons learned to take this a step further in 2016 and implemented a brand new IT (Tractivity) system which would allow us to take our engagement and analysis to the next level. Offering full visibility across our organisation, and data at our fingertips we can carry out tailored engagement with confidence. Mapping and prioritising stakeholders is a key part of our engagement planning process. Senior managers select the stakeholder groups applicable to their area from a master list of stakeholder categories. From this list, they attribute a prioritisation rating to each stakeholder group, based on two key criteria: Interest in this subject and influence over our organisation on this subject. The subsequent ranking produces four levels of stakeholders on our interest/influence matrix. We have completed this mapping in each of our 14 key priority areas and engagement plans are scheduled and built against the resulting rankings. The annual engagement planning process is described in full in Part 1 on pages 5 and 6.</p> <p>Efficient Connections: A case study demonstrating how we have led the industry in extending our reach to engage with a broad range of stakeholders on a topic of importance. This is provided in Part 2 on page 7.</p> <p>Upgrading the network: A case study specifically relating to our engagement when building major infrastructure and how we improved our inclusivity by flexing our engagement approach. This is provided in Part 2 on page 8.</p> <p>DNV GL Independent Assurance statement: As part of DNV GL's review they considered 'Identification of a broad range of stakeholders and material issues' and 'Prioritisation of stakeholders and material issues'. The full conclusion of their opinion statement is provided in Part 1 on page 1 and the opinion statement is available in full on request.</p>	<p>Our new annual engagement planning process is embedded right across our business. The second step of his process is to identify and then prioritise stakeholders. Page 5 and 6 of part 1 explain how we identify and prioritise a broad and inclusive range of stakeholders. These pages also outlines our increased coverage and diversity figures, which demonstrate how we have extended our reach and got closer to hard to reach groups. Two examples of how this approach has specifically improved our reach to challenging or hard-to-reach stakeholders are provided in the case studies on page 7 and page 8 of part 2.</p> <p>DNV GL said "SPEN continued to prioritise stakeholders for their interest and influence in each engagement plan. This prioritisation has now been included in the new stakeholder database, providing additional visibility of all issues by stakeholder. We recommend reviewing and updating stakeholder prioritisation continues to be built in to the annual planning process (including rolling out to district level), as part of creating the annual engagement plans at all levels, and should cover consideration of any stakeholders who have not been ranked previously."</p> <p>"The engagement plans appear to cover all the material issues that SPEN is engaging with its stakeholders on. We noted that the plan owners interviewed had good visibility of engagement on other topics through the monthly extended ISAG meetings, allowing co-ordination where appropriate. Plan owners interviewed also demonstrated how they were leveraging established communication channels to engage with stakeholders, and we noted the majority of plan owners interviewed had sought feedback on relevant issues at strategic panels during the year." DNV's full opinion statement is available in full on request.</p>
<p>The network company has used variety of appropriate mechanisms to inform and engage their stakeholders – these have been tailored to meet the needs of various stakeholder groups, and are fit for purpose in allowing a detailed analysis of a breadth of stakeholder perspectives.</p>	<p>Annual engagement planning process (including informing and engaging stakeholders through a variety of mechanisms): When developing their engagement plans, our senior managers consider their core issues and the results of their stakeholder mapping identified in steps one and two. They tailor engagement as appropriate to the interest and influence level of the stakeholder groups identified and work to ensure breadth and depth of engagement across their areas. They select methods from the Dialogue and Consultation end of the Spectrum of Engagement Types for high interest/high influence stakeholders and Information Giving and Gathering for low interest/low influence stakeholders. The annual engagement planning process is described in full in Part 1 on pages 5 and 6.</p> <p>DNV GL Independent Assurance statement: As part of DNV GL's review they considered 'Engagement tools and mechanisms' and 'Tailored engagement'. The full conclusion of their opinion statement in provided in Part 1 on page 1 and the opinion statement is available in full on request.</p>	<p>Our annual engagement planning process is embedded right across our business. The third step of this process is to appropriately schedule a plan of engagement using a variety of appropriate mechanisms. Page 6 of part 1 explains how we inform and engage stakeholders through a variety of mechanisms.</p> <p>DNV GL said "The licence and topic engagement plans were all examples of tailored engagement each with a range of engagement activities combining established channels, one-to-one engagement and bespoke engagement. We noted that a number of plans such as Sustainability, Social Obligations and DSO, included stakeholder working groups which provided a strong opportunity for topic specific input from experts and leaders. We noted examples of tailored approaches at district level, such as the Ayrshire district panel, and recommend SPEN continue to tailor engagement at district level."</p> <p>"The two strategic stakeholder panels for distribution continued during the year, and it has been positive to note the establishment of the Transmission stakeholder panel this year. This has enabled engagement with Transmission stakeholders on Transmission specific topics and issues that were not previously being covered by other panels."</p> <p>"We noted that panel agendas were aligned with strategic business issues, and that although agendas are led by SPEN, panel members interviewed felt they could contribute additional issues and suggest agenda items when appropriate. The strategic stakeholder panels continued to be externally facilitated and included strong participation from SPEN's senior management. We consider both of these add to the success of the panels and should continue." DNV's full opinion statement is available in full on request.</p>

<p>The network company can demonstrate it is acting on input / feedback from stakeholders</p>	<p>Annual engagement planning process (including recording and analysing stakeholder feedback): Our new Tractivity stakeholder management system is like a sorting office for feedback. It's here that all feedback from stakeholders is logged and linked to an associated contact and business action. 196 actionable items were logged in 2016–17. It helps us keep on top of stakeholders' feedback and track our actions, so we can see instantly what we have to do and how progress is being made. All members of our Internal Stakeholder Action Group and their teams can access it, so they have the chance to identify opportunities and efficiencies, and to avoid duplication. It means we can track our progress across all 14 engagement plans. It shows the aim of each engagement, its link to specific strategic issues, the stakeholder groups involved, date and type of engagement. Using this clear vision of activity, engagement plan owners can quickly access up to date information, enabling them to make informed and joined up decisions. The annual engagement planning process is described in full in Part 1 on pages 5 and 6</p> <p>Driving engagement and culture changes through our business: Our organisational structure and our embedded governance enables information sharing between all levels of the company. It provides several touch points throughout the formal structure to facilitate the flow of information and feedback from the front line teams to the executive team and back again. Senior business leads share feedback and learnings through Internal Stakeholder Action Group, (ISAG) meetings and governance meetings. The ISAG meetings are central to our governance as the forum where stakeholder leaders from across the business meet regularly to discuss engagement, plans, feedback and actions, both forward and backward looking. The embedded governance structure is described in full in Part 1 on page 3.</p> <p>Transmission Operator/System Operator Best Practice Working Group: We work closely with National Grid and SSEN through our best practice group. The Working Group considers aspects of engagement where working together will lead to benefits for stakeholders. A joint appendix is provided which demonstrates progress to date.</p> <p>Acting on feedback – how we propose and justify stakeholder initiatives: Some feedback aligns strongly with strategic issues or risks and results in the development of initiatives that change our organisation for the better. We work with external and internal stakeholders to develop needs cases and to work in collaboration to deliver them. Our approach is described in Part 1 on page 7. In Part 2 of our submission we cover how we have done this for each of the strategic priority areas identified by our stakeholders:</p> <ul style="list-style-type: none"> • Safety • Connected Customers • Reliable, Resilient and Efficient Network • Skills to Deliver • Efficient Connections • Upgrading our network • Working in our Communities • Supply Chain <p>Our strategy in action – case study is described in Part 1 on page 8.</p> <p>DNV GL Independent Assurance statement: As part of DNV GL's review they considered 'Tracking and responding to stakeholder views', 'Tracking the impact of actions' and 'Consistency of responses'. The full conclusion of their opinion statement is provided in Part 1 on page 1 and the opinion statement is available in full on request.</p>	<p>Our new annual engagement planning process is embedded right across our business. The final step of his process is to record stakeholder feedback and associated business actions. Page 6 of part 1 explains how we record and analyse stakeholder feedback.</p> <p>Our embedded governance structure, described in Page 3 of Part 1, enables sharing of feedback and stakeholder input between all levels of the organisation, which allows buy-in from senior management and decision makers to act upon feedback.</p> <p>Our joint appendix on the Transmission Operator/System Operator Best Practice Working Group demonstrates collaboration and the sharing of best practice across network companies and coordination of action based on stakeholder feedback.</p> <p>Page 7 of part 1 describes in some detail how we are using feedback from stakeholders in order to identify and develop initiatives. Page 8 of part 1 features a case study which demonstrates our new processes in action – from building an engagement plan, through to delivering benefits for stakeholders and recording these systematically.</p> <p>In Part 2 of our submission and we cover a wide breadth of strategic issues and stakeholder groups, for each one demonstrating the outcomes achieved for us and for our stakeholders.</p> <p>DNV GL said "It was positive to note, for several of the strategic business issues, the stakeholder panels have been consulted with this year (e.g. black start and DSO). SPEN have said that the stakeholder feedback has significantly influenced the company's response to these issues."</p> <p>"The strategic stakeholder panels continue to be a good example of consistency in quality of responses, which included following up on issues raised in subsequent panels. One of the steps taken this year was to produce an outcomes report, summarising feedback to the panels and actions taken by SPEN, retrospectively for 2015-16. We support the intention to continue this as an annual process."</p> <p>"We continued to note senior management support for stakeholder engagement across SPEN, which they consider a core business value and is seen as being integral to the way SPEN do business." DNV's full opinion statement is available in full on request.</p>
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