



DSO ADVISORY BOARD

Terms of Reference

10th April 2024



Scottish & Southern
Electricity Networks



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ABOUT US

1. SSEN are the electricity Distribution Network Operator (DNO) responsible for delivering power to 3.8 million homes and businesses across central southern England and the north of Scotland. Their network serves some of the UK's most remote and densely populated communities, covering 72 local authority areas and 75,000km² of extremely diverse terrain. The five years from 2023 will be transformative for the UK's energy sector, and SSEN are committing to an ambitious work programme that will deliver real and valued benefits during and beyond RII0-ED2.
2. SSEN's DSO (Distribution System Operator) works in partnership to optimise our electricity networks through flexibility services, strategic investment, data, and emerging technology to facilitate decarbonisation of transport and heat at maximum pace and at a minimal cost to all communities and customer. Its approach is tailored to local needs to drive a just and fair transition, advising and guiding our stakeholders in coordination with local communities to help them deliver net zero at maximum pace and minimum cost.
3. The "Net Zero First" investment strategy will play a crucial role in delivering network capacity in the most efficient and effective way, enabling opportunities for flexibility providers to delay reinforcement through flexibility, and to identify sites with whole system benefits for strategic investment where it can accelerate net zero outcomes in the long term.

PURPOSE

1. The purpose of the DSO Advisory Board is to perform independent customer focussed scrutiny and challenge, critically assuring methodologies, decisions and approaches, and associated levels of transparency, that underpin the four primary objectives at the heart of SSEN's DSO strategy:
 - a. Forecasting and planning future needs
 - b. Developing an inclusive flexibility marketplace
 - c. Delivering network flexibility at scale
 - d. Driving transparency and coordination
2. By doing so the DSO Advisory Board will build customer trust in the performance and integrity of SSEN's DSO activities and accelerate the transition of the whole energy system to net zero.

SCOPE

1. The DSO Advisory Board's will fulfil its purpose, taking into account any updated strategies and action plans, and related key performance indicators from time to time. All work will consider SSEN's role in the delivery of net zero, security of supply, and long-term effectiveness for our customers. It will also be conducted in the context of SSEN's legal and regulatory obligations, including those specified in acts of Parliament, licence conditions and regulatory instructions and guidance.



The DSO Advisory Board will consider the following issues:

- The pace, effectiveness and timeliness of our DSO delivery plans and DSO operational decision-making methodologies on a quarterly basis
- Assurance of the approach undertaken for, and the conclusions contained in, our annual independent audit of the transparency of our operations and our DNOA outcomes
 - Critical assessment of how we are meeting our four DSO priorities:
 - a. Forecasting and planning future needs
 - b. Developing an inclusive flexibility marketplace
 - c. Delivering network flexibility at scale
 - d. Driving transparency and coordination
- A continuous examination of whether actions taken are locally reflective, widen participation and support vulnerable customers.

The following topics for the DSO Advisory Board will be out of scope:

- In-depth scrutiny and challenge of day-to-day performance that is monitored by Ofgem and is over and above knowledge awareness.
- Scope managed by the External Inclusive Panel (EISP) or any other external customer groups identified during the annual Terms of Reference review process.

The Board will work within the following constraints:

Any data requests will be assessed before being shared, to ensure appropriate levels of data sharing principles, commercial and cyber security and GDPR have been applied.

MEMBERSHIP

Composition

1. The DSO Advisory Board shall comprise the Chair and membership of approximately five people to be appointed by the Director of DSO, SSEN.
2. At the Chair's discretion, other organisations or individuals can be invited to attend meetings as observers. Observers can participate in discussions but are not members of the DSO Advisory Board. Observers can be asked to leave the meeting during periods when the information being discussed is of a sensitive or confidential nature.
3. The quorum necessary is a minimum of three members including the Chair. Members not in attendance will be provided with the minutes and it will be their responsibility to ensure they are always fully up to date and that any input is made timely in line with the schedule outlined by the Chair. In the unlikely event that the Chair is unable to attend a meeting they will appoint (by majority vote) a stand-in chairperson for that meeting only.



4. The Chair will be responsible for ensuring that the group has sufficient collective expertise, diversity, and experience to represent stakeholders, providers, and customer groups and perform its role. The DSO Advisory Board is likely to require expertise and experience in the following areas:
 - Customer advocacy including how the needs of the vulnerable can be met
 - Customer policy and economic regulation, including outcome-based incentives and performance monitoring of targets and commitments.
 - Leadership role in a network business, operating under a regulatory framework.
 - Environmental sustainability and decarbonisation and the application in a business context
 - Local Authority policy, planning and decision making
 - Data and Digital in context of Energy
 - Smart systems design and Community renewables
 - Evaluation of customer value, efficiency, societal value benefits

Appointment

1. The Chair of the DSO Advisory Board shall be appointed by the Director of DSO, SSEN.
2. Members of the DSO Advisory Board shall be agreed with the Director of DSO, SSEN, Director of Corporate Affairs. Membership will be based on ensuring the group has the necessary span of knowledge and experience.
3. To satisfy the experience and knowledge required, and where appropriate, the Chair and the Members may be appointed (and if applicable, reappointed) using a direct appointment process. This will be supported by an open recruitment process. All the standard approval processes and procedures will apply before an appointment is made.
4. Contracts will be fixed term contracts lasting no more than three years. No Chair or Member may serve for more than two Business Plan terms. A midterm review of the membership and Terms of Reference will be undertaken halfway through the price control.

Independence

1. Neither the Chair nor any Member shall be deemed to be independent if he/she:
 - a. Is currently an employee of SSEN or paid by SSEN for any other role.
 - b. Has within the last five years been an employee of SSEN.
 - c. Has, or has had within the last three years, a material business relationship with SSEN.
 - d. Has significant links with senior employees at SSEN through involvement in commercial companies or entities.
 - e. Has served on the DSO Advisory Board for more than the allowed period of appointment.

Reporting

1. The Chair with the support of members will prepare an end of year report that is reviewed by the Director of DSO and Director of Corporate Affairs ahead of publishing it on the SSEN Distribution website. The purpose of the report is:



- a. to provide a summary to the SSEPD Board and SSEN Distribution leaders of the issues considered, and the advice given, by the DSO Advisory Board against their agreed scope, which in turn helps to support further scrutiny and accountability and,
 - b. to be open about the work of the DSO Advisory Board, for the benefit of our customers and stakeholders as well as to outline the pertinent issues and decisions taken.
2. The DSO Advisory Board will publish a summary note of meetings (with any confidential and/or commercially sensitive information redacted) as soon as practicably possible after a meeting has taken place, on the DSO Advisory Board website. In addition, defined reports the DSO Advisory Board prepares will be published here.
3. Reports produced by the DSO Advisory Board should set out the objectives with regard to the DSO Advisory Board purpose and scope, the topics reviewed, data and information considered, external input provided (if applicable) and clearly describe the assessment framework applied when critically assessing topics.
4. The DSO Advisory Board shall be responsible for periodic reviews (at least annually) of its own operational performance and, at least annually with the Director or DSO and Director of Corporate Affairs, the Chair will conduct a review these against the Terms of Reference to ensure they support the DSO Advisory Board operating at maximum effectiveness.



CONTACT

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