

ANNUAL BUSINESS PLAN COMMITMENT REPORT

2023/24



Scottish & Southern
Electricity Networks

Powering our
community



ABOUT SSEN

Who we are and what we do

Scottish and Southern Electricity Networks (SSEN) is the trading name of the two Distribution and one Transmission businesses that form part of the FTSE-100 energy company, SSE.

This report focuses on the two Distribution businesses, Scottish Hydro Electric Power Distribution plc (SHEPD), that operates to the north of the central belt of Scotland, and Southern Electric Power Distribution plc (SEPD) that operates in central southern England, as shown on the map opposite.

Together, these networks serve over 3.9 million homes and businesses, from the bustle of west London to the smallest villages in the Highlands and Islands of Scotland.

Our primary focus is to provide a safe and reliable supply of electricity to our customers by investing in, and maintaining, the systems of overhead lines, underground and subsea cables that transport electricity to homes and businesses, as well as ensuring ongoing and continuous improvement of the service we offer our customers.



SHEPD

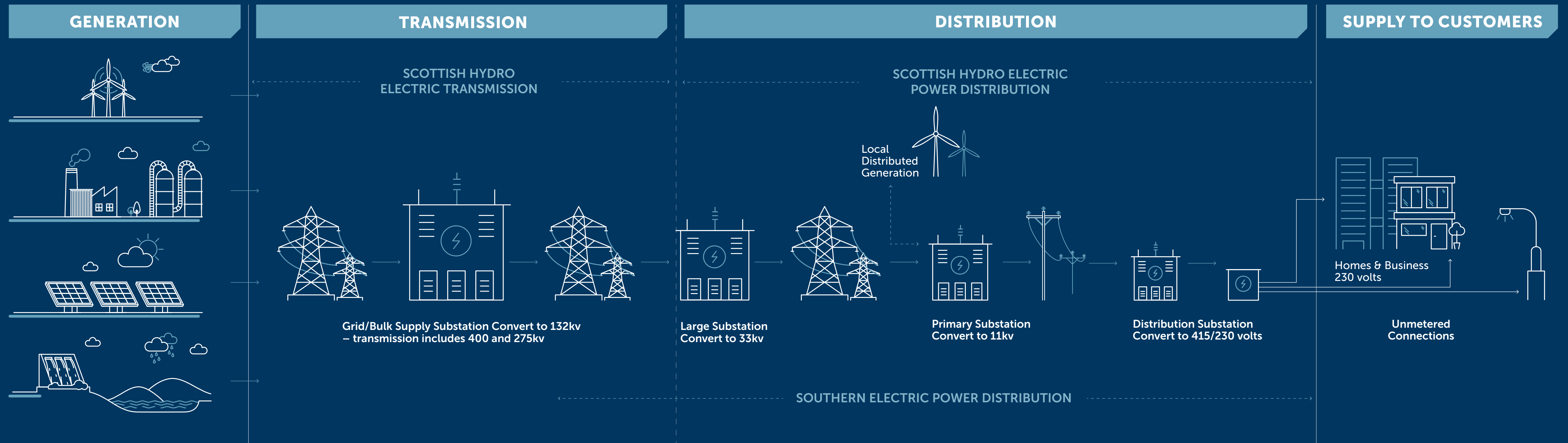
795,437 customers'
homes and businesses served

49,727km
of overhead lines and
underground/subsea cables

SEPD

3,148,028 customers'
homes and businesses served

79,131km
of overhead lines and
underground/subsea cables





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MANAGING DIRECTOR'S MESSAGE

Reflecting on the first year of RIIO-ED2, it is important to remember the scenario we are working in. As the net zero transition accelerates, we are and will be asking ever more from our electricity networks.

Our Business Plan, and the commitments we made in it, reflect this, marking an ambitious step-up in performance and delivery compared to previous price controls.

I am proud of our delivery in 2023/24 and the start we have made to the ED2 price control. We have focussed on creating the conditions to successfully achieve this step change and ensuring we deliver on commitments by 2028, and we have made good progress. We are on track for 46 of our 53 business plan commitments (87%), and ahead of our targets for a further three commitments (or 6% of the total). This performance is spread across key areas of our business plan, such as undergrounding overhead lines in areas of outstanding natural beauty, minimising our environmental impact, and delivering for our vulnerable customers. We will build further on this as we move through the price control, as we start to see the benefits of this year's focus on mobilisation and preparation for delivery throughout RIIO-ED2.

Of course, that means we are behind our targets in this first year for four commitments (7%). Our performance on supply interruptions, and the knock-on impact on our Guaranteed Standards of Performance, has been particularly affected by severe weather across our network areas. We recognise our performance has not been where we want or expect it to be, and we are focused on improving it as we progress through the price control. We remain dedicated to delivering these commitments by the end of RIIO-ED2.

Similarly, we know we have further work to do on specific activities on our networks, including replacing fluid filled cables and removing redundant assets from unoccupied sites. We set out to deliver on these commitments by the end of the price control in 2028, and we remain committed to that target as we build on the initial steps taken this year.

This report summarises the performance of our two electricity distribution networks (Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc) against our RIIO-ED2 Business Plan Commitments. We are pleased to have made a good start, but are conscious the first year represents the beginning of a much bigger journey over the coming years.

Our delivery strategy is focused on our RIIO-ED2 business plan outputs and commitments, delivered in line with our four key priorities: delivering a safe, resilient, and responsive network; providing a valued and trusted service for our customers and communities; accelerating progress towards a net zero world; and making a positive impact on society.

Delivering these outputs and commitments will help ensure we are playing our part in enabling net zero. We will continue to support our customers and communities to meet the challenge of the energy transition. We are also looking beyond RIIO-ED2, to understand our role in the context of 2030 targets for electricity decarbonisation, and 2050 whole economy decarbonisation. This is at the core of our Net Zero First approach.

Delivering a safe, resilient, and responsive network

Safety will always be our top priority. This year we directly engaged nearly 34,000 people on safety around our assets. Our primary purpose as a distribution company is to deliver a reliable supply of electricity to our customers, and it is critical that we remove risk from the network. We delivered 22% of our RIIO-ED2 target risk reduction in SHEPD, and 13% in SEPD. As we ramp up delivery, we will continue replacing ageing assets and ensuring our network is healthy, alongside focusing on restoring the network as quickly as possible.

Providing a valued and trusted service for our customers and communities

Customer service is a key priority for us. We have reached 930,000 Priority Services Register (PSR) customers this year, putting us well ahead of our trajectory to reach our overall target of one million. We have focused on how quickly we respond to customer contact, and now average 31 seconds in SHEPD and 37 seconds in SEPD for telephone contacts. We have also made strides in responding to social media enquiries, taking an average of three minutes to respond, against our target of five minutes.

However, we recognise that there is more to do, and we are working hard to identify, prioritise and implement improvements to our processes. We continue to strengthen our overall performance under the Broad Measure of Customer Service, improving on our scores from 2022/23. We are making significant investments in our transformation programme which will enhance our systems, data and processes. We expect this to translate into further improvements for our customers over the next 18 months.

Accelerating progress towards a net zero world

We have significantly reduced our environmental impact this year, cutting the amount of sulphur hexafluoride leaking from our assets by 78% in SHEPD and 8% in SEPD, compared to 2019/20. We continue to reduce our overall road mileage, and have reduced our overall Business Carbon Footprint by 22% from our baseline year of 2019/20. As part of this, we have trialled the use of Hydrotreated Vegetable Oil (HVO) instead of diesel in our mobile generators as a way of reducing carbon emissions. This means we have avoided over 1,500 tCO₂e (tonnes of carbon dioxide equivalent) in emissions, and will increase the use of HVO as we move through RIIO-ED2.

We have also rolled out our sector-leading Local Energy Net Zero Accelerator Tool to Local Authorities (LAs) in our regions. This tool uses open data to empower LAs to make effective and efficient net zero spatial plans at a local level. This is a crucial part of informing our Distribution System Operation strategic network plans. We expect this tool to help release tangible value to our customers and wider stakeholders, whilst supporting regional and national energy planning in the most cost-effective way for the transition.

Making a positive impact on society

We have launched a PSR Community Toolkit to support conversations around the PSR between organisations and their stakeholders. We rolled this out to 2,700 key stakeholders and partners in the first phase. Our goal is to extend awareness of the PSR across our networks, and ensure those customers that need this extra support are getting it.

This year we ran our Resilient Communities Fund for the last time (before launching the Powering Communities to Net Zero Fund for RIIO-ED2). We awarded over £400,000 to 55 schemes across our licence areas. Through this fund, we are supporting communities with measures they need to ensure they are resilient. This becomes ever more important as we see the impacts of climate change across our networks and the surrounding communities.



CHRIS BURCHELL
MANAGING DIRECTOR
SSEN DISTRIBUTION



PERFORMANCE SNAPSHOT 2023/24

SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION (SHEPD)

Our Network

795,437 customers

served across our region

49,727km

is the combined network length of overhead lines and cables (including subsea)

Customer Satisfaction

9.24/10 Overall Broad Measure of Customer Satisfaction score

7.42/10 DSO Stakeholder Satisfaction survey

Reliability

Average number of interruptions per 100 customers per year

70.68

Customer Interruptions

Unweighted, including exceptional events

51.69

Customer Interruptions

Unweighted, excluding exceptional events

Average number of minutes a customer is off supply

114.36 mins

Customer Minutes Lost

Unweighted, including exceptional events

52.15 mins

Customer Minutes Lost

Unweighted, excluding exceptional events

Finance

£274.25m

Total 2023/24 Expenditure
Expenditure was 102% of our allowance

£105.97

Unrestricted Domestic
Tariff Charge
Excl. domestic customer rebate

Connections

8.50

Major Connections aggregate customer satisfaction score

Time to quote a connection offer

2.04 days

Single Connections

average no. of working days to provide an offer

3.04 days

2-4 Connections

average no. of working days to provide an offer

Time to connect following acceptance of a connection offer

13.43 days

Single Connections

average no. of working days following acceptance

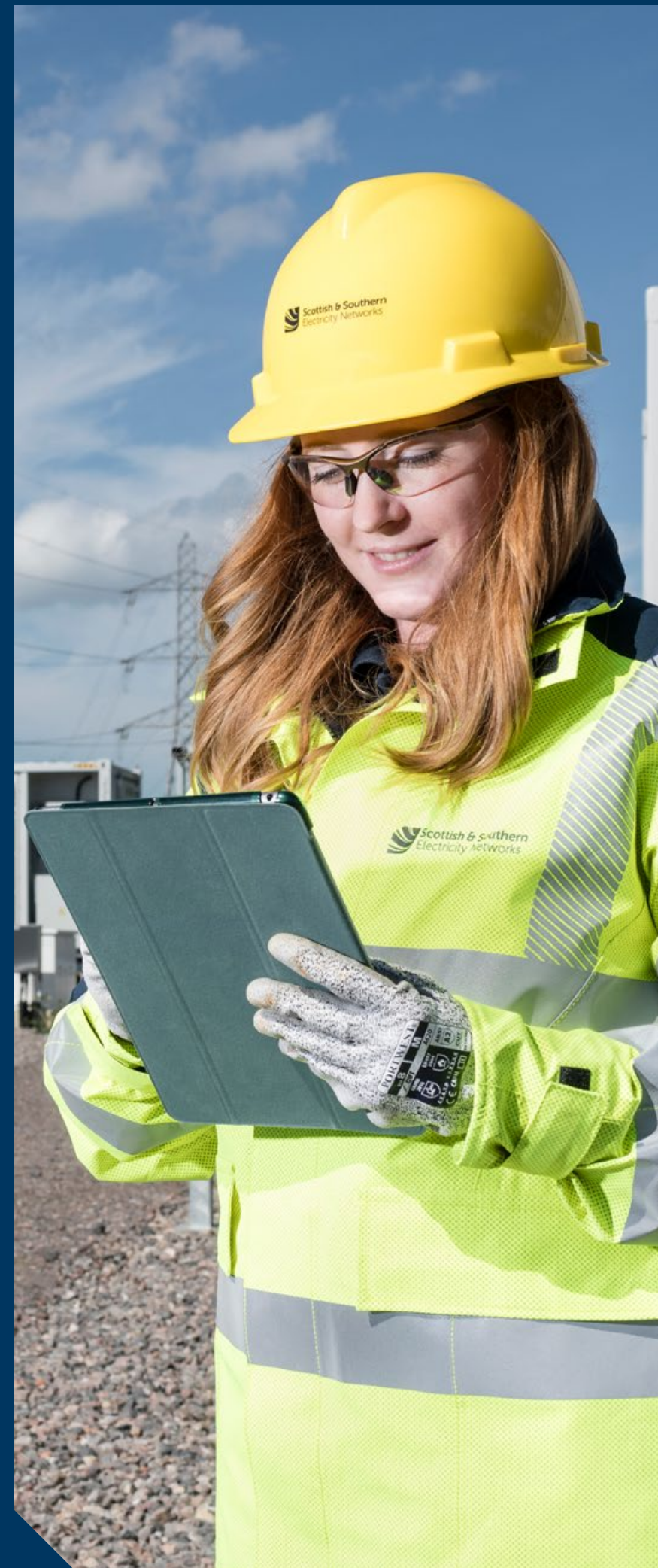
15.50 days

2-4 Connections

average no. of working days following acceptance

6,000

Number of completed connections



SOUTHERN ELECTRIC POWER DISTRIBUTION (SEPD)

Our Network

3,148,028 customers

served across our region

79,131km

is the combined network length of overhead lines and cables (including subsea)

Customer Satisfaction

8.46/10 Overall Broad Measure of Customer Satisfaction score

7.42/10 DSO Stakeholder Satisfaction survey

Reliability

Average number of interruptions per 100 customers per year

51.91

Customer Interruptions

Including exceptional events

49.25

Customer Interruptions

Excluding exceptional events

Average number of minutes a customer is off supply

57.27 mins

Customer Minutes Lost

Including exceptional events

52.29 mins

Customer Minutes Lost

Excluding exceptional events

Finance

£401.22m

Total 2023/24 Expenditure
Expenditure was 102% of our allowance

£69.35

Unrestricted Domestic
Tariff Charge
Excl. domestic customer rebate

Connections

7.14

Major Connections aggregate customer satisfaction score

Time to quote a connection offer

3.26 days

Single Connections

average no. of working days to provide an offer

8.16 days

2-4 Connections

average no. of working days to provide an offer

Time to connect following acceptance of a connection offer

35.03 days

Single Connections

average no. of working days following acceptance

48.72 days

2-4 Connections

average no. of working days following acceptance

19,088

Number of completed connections

PERFORMANCE SNAPSHOT 2023/24



Safety

Immersive training

This year, we launched our new safety training – a high-impact, immersive experience designed to demonstrate how serious life-threatening incidents can come about. The course uses a detailed example to highlight how incidents can occur, and how everyone can influence or prevent the incident from happening, regardless of their position in the organisation. In 2023/24, around 750 people had been through this training as we trialled it. We are ramping up enrolment with an aim to ensure everyone in the business has been through the training within a three-year cycle. We are also extending the opportunity to our contract partners, helping to make sure everyone gets home safe.



Vulnerability

In early 2024 we launched our refreshed customer vulnerability strategy, covering our commitments for supporting customers in vulnerable situations out to 2028. We have focussed on growing our Priority Services Register, ensuring we are supporting customers and communities in fuel poverty through our extensive partnership programme, and setting up Low Carbon Transition Support for customers and communities in vulnerable situations.

Reimagining our approach to partnerships, we have moved to a two-year partnership model. This has been instrumental in ensuring we are able to support the customers who need it most. This new model builds on partner feedback, and removes the 'stand-up' time required by partners each year. In turn, this means we can support more households from the start of the financial year.

This year, we sent an initial run of Personal Resilience Plans to customers with the Kidney Dialysis needs code, providing tailored advice to those who rely on at home dialysis. Initial feedback on this has been positive, and we will incorporate that into future resilience plans. This will be followed with an initial battery roll out during 2024 to provide critical support to our most vulnerable customers during power outages.



Community Outreach

As part of the strategic planning process, our Whole System team engage with local authorities (LAs) and community energy groups. We support our LAs with local area energy planning, which includes community-based energy initiatives. We have rolled out access to our geospatial planning tool LENZA (local energy net zero accelerator) to all eligible LAs in our two licence areas. LENZA allows LAs and their partners to plan energy projects within their geographic areas, by providing them with a large number of data sets, modelling tools and stakeholder engagement tools. The roll out of LENZA has been accompanied by a customer success plan which includes regular live demonstration training sessions to ensure stakeholders can maximise their usage. Each LA also has a dedicated contact within the Whole System team who provides tailored support to them and their partners as their local area energy plans are developed.

This year, in partnership with SSEN Transmission, we have sponsored the Community Energy State of the Sector regional report, covering our two licence areas. The report, produced by Community Energy England and Community Energy Scotland, is the first in-depth analysis of community energy across our networks, and focuses on the progress made by the community energy sector in 2022 and 2023. This research provides insight into the current state of the community energy sector across our regions and enables us to better support and collaborate with community energy organisations to make sure they play a full role in the drive toward net zero.



Environmental impact

Our Annual Environment Report (AER) sets out our performance against our RIIO-ED2 environmental commitments, and provides details of wider sustainability work that we have undertaken within the year. It is available on our website: ssen.co.uk/about-ssen/library/environment-reports-document-library/

During the first year of RIIO-ED2, we have made great strides in delivering against environmental and wider sustainability considerations. We have focussed on detailed planning for delivery throughout RIIO-ED2, but we have also made good progress this year.

This year we have continued to lead by example by exceeding our Science Based Targets Initiative-accredited greenhouse gas (GHG) reduction target. In 2023/24, we reduced our Business Carbon Footprint (BCF) (excl. losses) by 22% from the baseline in 2019/20, exceeding our interim target to reduce BCF by 15%. We continue to make good progress with further electrification of our vehicle fleet and increasing the use of fossil-fuel alternatives in our operations. In May 2023 we launched our Sustainable Supplier Code, signing up 37.5% of our supply chain (by spend) in the first year.

We have also investigated options for the delivery of our ambitious Nature-based Solutions and Consumer Value Proposition. This year, we became a founding business partner of Projects for Nature, a pioneering platform that connects businesses with on-the-ground nature projects in England. Our RIIO-ED2 Environmental Action Plan (EAP), supported by our Climate Resilience Strategy and Sustainability Strategy, will propel continuous improvement in our environmental and sustainability ambitions as we progress through RIIO-ED2 and beyond.

PERFORMANCE SNAPSHOT 2023/24

Innovation

SeaChange

Our Strategic Innovation Fund SeaChange project has recently received funding to start a second phase of work. This project, which looks to support ports in mapping their decarbonisation pathways in a simple and accurate way, focuses on increasing our visibility of future potential demand at key locations (ports), helping us understand what the network needs. Through this project, we will create a Navigating Energy Transitions (NET) tool to:

- facilitate ports in plotting their most viable decarbonisation pathways;
- give DNOs visibility of the significant new electrical load presented by ports (estimated to be between 250-4,000 GWh/year); and
- inform local area energy plans, which will in turn reduce future costs for consumers through improved investment decisions.

HOMEflex

The Household Or Microbusiness Energy flexibility (HOMEflex) project is focused on ensuring the domestic flexibility market is inclusive, fair, and transparent, with clear lines of accountability. It acts as a way to ensure flexibility service providers meet their commitments, and guarantee customers are protected, respected and rewarded. It also benefits the participants, who are now able to demonstrate their credibility to customers. With a number of providers voluntarily signed up to the code, it is now a Business as Usual project, and recently won the Energy Smart Places Award at the Decentralised Energy Awards.

NeRDA

Our Near Real-time Data Access (NeRDA) portal is unique in making near real-time network data available to our stakeholders and interested parties, sharing up to two million data points every 10 minutes. In line with our 'Open Networks' approach, the NeRDA portal makes available power flow information from our EHV, HV, and LV networks. NeRDA was an NIA project which is now BAU, and is providing real data to interested stakeholders to use to understand the network.

Major Connections

We scored 7.81 under the new Major Connections Incentive (MCI) in 2023/24, marking a good start to delivery in RIIO-ED2. As the move for new electricity connections continues to grow to aid Great Britain's journey to net zero, we have taken key steps to ensure that our Connections business will provide the support for all our customers on their connection journey. These include:

- Establishing a new Business Relationship Management team, helping customers make informed choices when making applications releasing our Data Portal, which brings together new and existing data and tools under one platform.
- Delivering improvements to our engagement and application channels, allowing us to offer numerous channels for our customers to apply for a connection.
- Delivering a new Grid Supply Point contractor framework, which has been set up to enable efficient delivery of major connections and our network reinforcement projects to meet our customers' needs.

We are committed to ensuring that we are able to deliver the highest quality of customer service to our major connections customers, and have both long-and short-term improvement strategies in place. Our Major Connections Annual report details the level of service which we provided to all our major connections customers in 2023/24. This was captured through the Major Connections Customer Satisfaction Survey (MCCSS). The report also outlines our strategy to improve this service throughout RIIO-ED2. The report is available on our website: ssen.co.uk/globalassets/our-services/major-connections-incentive/major-connections-annual-report-2023-24.pdf





COMMITMENTS SUMMARY

At an overall level, we are well on track to delivering against our RIIO-ED2 commitments.

We are 'on track' for 46 out of the 53 commitments (87%) after this first year of delivery. In many cases, while the first year has been about setting ourselves up for delivery over the course of RIIO-ED2, we have also been able to make good strides forward in meeting these commitments and delivering for our customers. We expect to build on this as we progress through the price control, making the most of the work we have done in this first year.

For three of our commitments (6%), we are ahead of target for delivery in this price control. These cover key areas of our business plan, including undergrounding overhead lines in areas of outstanding natural beauty, reducing SF6 emissions from our assets to minimise our environmental impact, and making strides in reaching our vulnerable customers and championing their needs throughout the business. We are proud of what we have delivered in these areas, and will expand on this over the next few years.

There are also some areas where we have further work to do to bring us back on track after the first year. Our interruptions performance, and the knock-on impact on our Guaranteed Standards of Performance, is an area we are focusing on. We have a dedicated programme of investment targeted at improving particular performance areas, and we expect these will realise tangible benefits for us and our customers over the course of RIIO-ED2. We have further work to do on delivering the replacement of fluid-filled cables in particular parts of the network, and while we have had a slower start to the price control than anticipated, we are confident of delivering this by the end of RIIO-ED2. Similarly, we are putting measures in place to improve our performance on removing redundant assets from our unoccupied sites. While we have been focusing on ensuring the underlying data is correct to deliver this work, we continue to guarantee all our sites are safe, and do not present a risk to the public.

We will build on the positive steps taken this year, and continue to deliver against our business plan commitments over the course of RIIO-ED2.





1: DELIVERING A SAFE, RESILIENT AND RESPONSIVE NETWORK

Our customers need us to deliver a safe and resilient network that meets their needs and supports the greater electrification of heat and transport.

We will therefore invest in the infrastructure and technology that provides a platform for this as consumer energy use changes over the coming years.



1: DELIVERING A SAFE, RESILIENT AND RESPONSIVE NETWORK



Produce and report annually on our Climate Resilience Strategy. (RR1)

In October 2023, we published a Strategic Update and Progress Report to our original Climate Resilience Strategy, which was submitted as part of our RIIO-ED2 business plan. The report incorporates our latest learnings from the impacts of severe weather events, and provides a progress update against our adaptation plan. The report can be found at: ssen.co.uk/about-ssen/sustainability/



Intervene in our network assets with the highest probability of failure, reducing longer-term risk by between 17% and 19%, in SEPD, and by around 8% in SHEPD, relative to a future without intervention. (RR2)

For our network, the risk is based on the health and criticality of our assets. In SHEPD, we have had a clear focus on the removal of non-compliant assets, and as such have replaced a significant volume of Overhead Line poles. This is coupled with the completion of strategic projects that were started in RIIO-ED1, but were due to complete in RIIO-ED2. Overall, this means we have delivered a 1.8% risk reduction across our network, putting us well on track to meet our target of reducing risk on the network by around 8% by 2028.

In SEPD, our delivery portfolio is set up to ramp up delivery over the course of RIIO-ED2. Setting up the delivery model took a little longer than anticipated and this impacted our delivery performance this year. We have delivered a 2.3% risk reduction in 2023/24, which provides a suitable platform to build the remaining RIIO-ED2 portfolio delivery performance. The RIIO-ED2 Portfolio is fully in place to meet the desired Monetised Target Reduction of 17-19% by the end of the price control.



Meet our targets under the IIS incentive. This will likely reduce the average frequency of unplanned power interruptions affecting our customers across our network by at least 7% and 9% respectively, by 2028. (RR3)

SHEPD

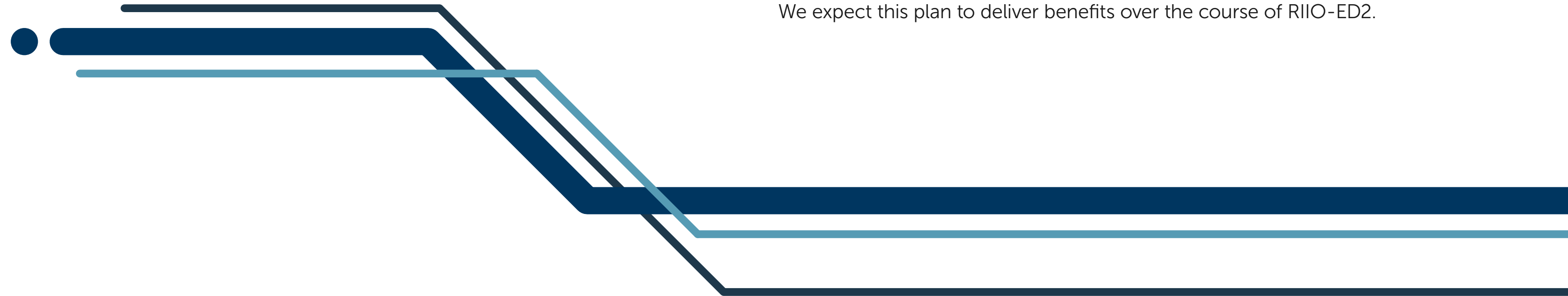
Our performance in 2023/24 in SHEPD has been good. We have outperformed our Customer Interruptions (CI) target by 11%, driven by improvements we have made to a range of performance aspects. We have also begun a programme of investment in network automation to improve the performance of our networks over the course of RIIO-ED2, and we continue to invest in additional ways to improve CIs, including identification and rectification of known network issues.

Delivering Customer Minutes Lost (CML) improvements in SHEPD in 2023/24 has been difficult, and we missed our target for this year (45.44) by around 15%. We experienced several named storms in the year which did not meet the exceptional event threshold across our networks. This was a major contribution to our overall performance, as the full impact of these storms is counted in our overall performance values and had knock-on impacts on other work on the network. These events, combined with one of the wettest years on record, meant that getting to and fixing faults across the network was particularly challenging.

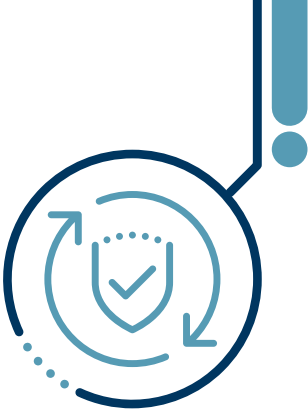
SEPD

Our CI performance in 2023/24 was challenging, delivering 49.25 Customer Interruptions (per 100 customers) against a target of 45.55. This was due to the significant impact of unusually persistent severe weather across our network. For example, we had 47 stormy days with at least twice the daily average number of faults but which did not meet Ofgem's Exceptional event threshold. This compared to an average of 29 days per year in the previous four years. We also had one of the wettest years on record in SEPD, with widespread rainfall events that combined with an underlying wet winter. These conditions affected our ability to get to and locate faults and, in some cases, we could not use temporary mobile generation because our assets were affected by flooding.

The stormy and wet weather also contributed to our Customer Minutes Lost (CML) performance, where our low voltage network assets were particularly affected. We recognise our performance of 52.29 is not where we want it to be (compared with a target of 40.15), and we have a targeted improvement plan in place, which includes measures relating to upskilling key roles to expand our capabilities, increased and targeted investment in network automation, and identifying and repairing defects to our automation which can hamper its successful operation. We expect this plan to deliver benefits over the course of RIIO-ED2.



1: DELIVERING A SAFE, RESILIENT AND RESPONSIVE NETWORK



Meet our obligations under GSoPs and minimise the number of customers experiencing an outage greater than 12 hours. (RR5)

As with our IIS performance, the persistent stormy weather that affected our networks contributed to the volume of Guaranteed Standards of Performance (GSoP) failures. Although SHEPD experienced two Category 2 Severe Weather Exceptional Events (one more than the previous year), GSoP payments decreased by 83% due to fewer failures overall. Our GSoP performance in 2023/24 was impacted by four incidents in which more than 100 customers were off-supply for more than 12 hours. While we have exceeded the 2023/24 target, we have reduced the number of failures (and therefore the percentage of cases and the value of the payments) compared with 2022/23. Our plans to improve the reliability of our networks will have a corresponding impact on our IIS and GSoP performance later in RIIO-ED2.

In SEPD, again our GSoP performance has been impacted by the unusually persistent severe weather across our network. As one of the wettest years on record, with widespread rainfall events that combined with an underlying wet winter, the majority of GSoP failures were linked to local network underground cable performance. Although the number of GSoP failures was higher than we would like, our focus is always on ensuring we restore customers as quickly and safely as possible, delivering the best, efficient engineering solution whilst also considering the environmental impact of our approach. We restore 99.4% of customers within 12 hours and, where we don't, we carry out a detailed review to understand and address themes as part of our improvement plan. As with our CI and CML performance, we expect the improvement plan will deliver benefits over the course of RIIO-ED2.



Deliver our Cyber Resilience IT and OT strategy and continually monitor the success of our delivery. We will refresh plans annually in line with identified risks and opportunities. (RR6)

In delivering our Cyber Resilience strategy, we have established a Cyber Resilience Programme to deliver targeted cyber risk improvements across the IT and OT estate within SSEN Distribution. This will also deliver mitigations to identified risks to improve the overall resilience of our network information systems. We have reduced risk by delivering priority scope items over the last reporting period, and we conduct an annual risk assessment to track continuous improvement. The programme is currently reviewing options to accelerate delivery through the use of strategic partnerships to mitigate the challenge of resource constraints.



Improve the network performance for at least 75% of worst-served customers by 2028. (RR4)

In SHEPD, we are on track to deliver our Worst Served Customer (WSC) commitments, with 92% of the projects that were proposed now in the design stage of the project cycle. Many of these projects are in remote and challenging locations in the North of Scotland, but we remain committed to delivering these to improve the performance of the network for these customers.

In SEPD, we have 16 projects in our investment portfolio which will drive the desired improvement in network performance for 75% of our WSC population by 2028. These projects are currently in the 'refinement' stage, and are planned to be delivered in the last three years of RIIO-ED2. We remain on track to deliver this commitment by 2028.



Continue to meet all safety-related legal requirements (SAF1)

We are compliant with all safety-related legal requirements associated with operating our network. This commitment covers a range of areas, including tree cutting, Overhead Line (OHL) Clearances, and Rising and Lateral Mains. The full list can be found in our Business Plan.

We have had some challenges in getting the resources required to carry out some OHL Clearance work, but are now progressing quickly to meet our targets for RIIO-ED2. We are rectifying OHL clearances from conductors at the same time as we do all other work on OHL lines.

On Tree Cutting, we had historic backlog of circuits to catch up on as part of our delivery in RIIO-ED2. We now have a rolling 3-year cutting programme to deliver these volumes, and in SEPD we have achieved higher delivery volumes this year than previously.

We are continuing to develop our Rising and Lateral Mains programme, and have tendered for contracts that will mean we can start delivering on our investment portfolio later in RIIO-ED2.



1: DELIVERING A SAFE, RESILIENT AND RESPONSIVE NETWORK



Extend our engagement on safety around our assets, reaching 50,000 partners and members of our communities by 2028. (SAF2)

In 2023/24, we directly engaged with 33,912 people for the purposes of raising safety around our assets. 7,884 were in-person engagements, with the remaining 26,028 being digital engagements via our website, where people directly accessed specific safety topic materials and information.

We also ran an additional safety campaign through radio, print and digital media to further target specific messaging to the agricultural community throughout our footprint. This generated over 15.6m ad impressions, over 700,000 video completions, and over 36,000 further link clicks for additional information. These are not added into the reported figure above.

We will continue to build on these routes of engagement throughout the remainder of RIIO-ED2.



Aim to remove redundant equipment from our unoccupied sites within 3 months to prevent risk to the public from the start of RIIO-ED2. (SAF3)

Our Control Room teams, alongside our region-specific teams, are working with the existing datasets to validate the information we currently have and establish a plan for delivery over the remainder of RIIO-ED2, based on this information. This first year of RIIO-ED2 is focused on ensuring we have the right data to work with, setting ourselves up for delivery in future years.

Outside of this work, we continue to ensure all our sites are safe and do not present a risk to the public.



Replacement or augmentation of 8 subsea cables with the greatest needs case (SI1)

Throughout 2023/24 project development activities have been taking place across all 8 projects including desktop studies, route surveying, licensing and route design. The first 2 cables are planned to be installed and energised in summer/autumn 2024/25 with a subsequent 4 installations planned in 2025/26. The final two cables are non standard installations with forecast installation dates in 2026/27, however SHEPD is exploring options to bring delivery forward to 2025/26.



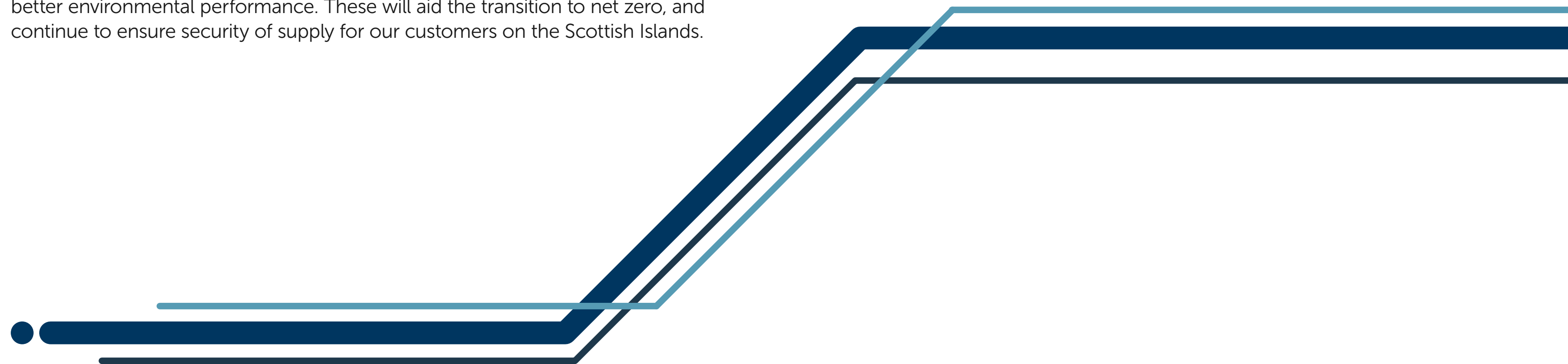
Maintaining and operating standby generation for island communities at our seven island power stations. (SI3)

We are progressing with projects to install more efficient assets which have a better environmental performance. These will aid the transition to net zero, and continue to ensure security of supply for our customers on the Scottish Islands.



Continued maintenance of Lerwick Power Station. (SI4)

We continue to maintain Lerwick Power Station, as part of our commitment to ensuring security of supply for our island communities. Alongside this, we are progressing with projects to install new and more efficient engines in response to demand requests, and we are continuing work to put in place commercial and operational arrangements to prepare for standby running once the transmission link is operational. These activities form an important part of our transition to net zero for these parts of our network.





2: PROVIDING A VALUED AND TRUSTED SERVICE FOR OUR CUSTOMERS AND COMMUNITIES

We want to provide a high-quality, value-creating and trusted service for our customers and communities that evolves with their needs and expectations.

We will therefore invest in the infrastructure and technology that provides a platform for this as consumer energy use changes over the coming years.



2: PROVIDING A VALUED AND TRUSTED SERVICE FOR OUR CUSTOMERS AND COMMUNITIES



Maintain/improve our industry-leading 9.3 digital satisfaction score. (CSP2)

Our digital customer satisfaction performance was 8.76. This was lower than our targeted position of 9.1 for 2023/24 which was aimed at keeping us industry leading. This is an ambitious commitment which we are still focussed on delivering.

We have put robust improvement plans in place to increase the performance in this space to bring performance up to target position in 2024/25.



Improve average speed of response to 20 seconds on the telephone for power cuts, and to five minutes on social media. (CSP3)

We improved our average speed of response to telephone calls for power cuts to 31 seconds in SHEPD and 37 seconds in SEPD this year, against a target of 35 seconds. With ongoing work planned, we are on track to reduce this to 20 seconds before the end of RIIO-ED2.

At the end of 2023/24 we finished ahead of target for our average speed of response on social media, with our response significantly less than 5 minutes. This was excellent performance, especially taking into account the 11 named storms across SSEN Distribution licence areas during the year.



Meet our targets through our plan and further strive to reduce complaints by 5%, resolve 75% of complaints at 1st contact, 90% within 1 day, and 99% within 1 month by 2028. (CSP4)

In both licence areas, we are delivering well against our target to resolve 75% of complaints at first contact, and are ahead of the target in both SHEPD and SEPD. We continue to work with staff in our Customer Contact Centre to support them in delivering on this target, and we track and monitor performance regularly. Similarly, we are performing well against our target to resolve 90% of complaints within day +1 and 99% within 31 days. While complaint volumes are higher than we would like, we continue to work to resolve them within these timescales. We have seen the volumes increase during times of poor weather, and we continue to target areas where we could make further improvements in this performance. Our overall complaints metric score is well below the target of 2.88, highlighting our strong performance in this area for both networks.

We have further work to do to reduce the volume of complaints by 5% by the end of RIIO-ED2. We have plans in place to focus on the overall customer experience which we expect to help deliver improvements. This will be carried out alongside necessary investments in the network to improve our underlying network performance and increase the quality of service we are providing for our customers. We expect this performance to improve over the course of RIIO-ED2 as these actions take effect.



Continue to meet our obligations and align with best practice. In meeting these obligations, enable digitalisation across our plan. Use data in a way that meets the expectations and intent of the Data Best Practice Guidance. (ITOT1)

Throughout 2023/24, we have used data in a way that meets the expectations and intent of the Data Best Practice Guidance. In alignment with our data management maturity and product lead approaches, we have ensured we are aligned to the data best practice principles. That includes the development of a framework to support our data owners and stewards in outlining their roles and responsibilities in managing their data (and metadata). We will continue to update this as roles evolve.

We have also been cataloguing data products as they move through the development lifecycle, ensuring data is accurately described and has clear owners. Finally, we have worked with both industry partners and our information security and data protection teams to ensure data sharing is controlled and managed in the right ways, such as through our data portal.



Continue to meet our obligations and align with best practice. In meeting these obligations, enable digitalisation across our plan. Publish and regularly review our Digitalisation Strategy and Action Plan. (ITOT2)

Our Digital Strategy and Action plan is regularly updated and published. The latest version was published in June 2024.



2: PROVIDING A VALUED AND TRUSTED SERVICE FOR OUR CUSTOMERS AND COMMUNITIES



Meet our obligations to treat all customers fairly, including those in vulnerable situations. Put in place a vulnerability strategy, to be reviewed and refreshed annually and our performance incentivised. (V1)

Our processes are set up to ensure we treat all customers fairly. We launched our Vulnerability Strategy in early 2024 following engagement with internal and external stakeholders. The strategy was built from the foundations of the business plan, detailing our plan on delivering our commitments. It will be refreshed annually with stakeholder engagement planned for October 2024.



Introduce a shareholder-financed £500,000 annual 'Powering Communities to Net Zero' fund to support LCT accessibility initiatives for those in vulnerable situations, and community-led environmental and resilience schemes. (V11)

In 2023/24 we have been focused on setting this fund up for use in RIIO-ED2 which will run each year. We have set the criteria for the fund, advertised it, and set an application deadline of the 31st August 2024. This is with a view to reviewing and assessing the applications, before awarding funding to successful projects early in 2025, so they can start to make a difference in the communities we serve. The applications will be reviewed by a panel of experts, which includes representatives from Citizens Advice, Scottish Government, academia, and the energy industry.



Reach over 1 million PSR customers by 2028, refreshing our data every 24 months. (V2)

Whilst we are ahead of our target to reach 1m PSR customers by 2028, we are focusing on growing the PSR to meet our PSR Reach target of 75% by the end of 2024/25. We are committed to enhancing support for Priority Service Registered customers and increasing partnerships to get more of our customers on the PSR. In doing so, we aim to:

- Raise awareness of the Priority Service Register (PSR)
- Improve the accessibility of our service so that no customer is left behind
- Ensure the data we hold is up to date
- Provide the right support to customers during a power cut

To meet these commitments, we:

- Conduct regular gap analysis on our PSR data to ensure we are putting our focus where it is needed
- Continue to promote the PSR in our communities, focusing on our top PSR gaps
- Promote the PSR, thepsr.co.uk and psrscotland.com at every opportunity

In March 2024, we launched our community toolkit designed to help partners, stakeholders and communities promote the PSR in their areas.

Whilst we are on track to reach the PSR Data cleanse target of 100% by the end of 2024/25, we ended 2023/24 slightly behind the 50% we expected to reach. We have made changes to the data captured in our reporting which aligns to that of other DNOs. As well as this, we have implemented a focussed approach on our PSR Data cleanse, which will ensure we meet the commitment by the end of 2024/25.



Proactively provide PSR customers with Personal Resilience Plans containing specific advice tailored to customers' individual needs, helping them know what to do during power cuts. (V10)

We sent an initial set of Personal Resilience Plans (PRPs) to customers with the Kidney Dialysis needs code, to test the impact of the PRP and usefulness of the advice. The advice was created and ratified by Kidney Care UK to ensure it was tailored to customers' individual needs. The PRPs were positively received and, following this, we started drafting advice for future needs codes. We have identified independent experts to support with this, and work will continue into 2024/25.

In relation to the provision of battery packs to PSR customers, we have been engaging with battery manufacturers to identify which types of batteries would best suit our customers' needs. This is an ongoing process with a tender process planned for later in 2024. We ordered an initial set of batteries in March 2024 which will be given to customers to assess how these batteries are used in their homes, and inform future development.



2: PROVIDING A VALUED AND TRUSTED SERVICE FOR OUR CUSTOMERS AND COMMUNITIES



Improve PSR Customer Satisfaction scores to 9.4. (V3)

Our target position for 2023/24 was to score 9/10, as we felt this would give us a strong basis to achieve 9.4 by the end of RIIO-ED2.

We are ahead of our target position for SHEPD for 2023/24, scoring 9.24. This reflects our activities to ensure we provide enhanced support to our most vulnerable customers. We have established a generous welfare provisions framework, supported by 24 hour dedicated teams providing around the clock human support to our customers, all of which is targeted at ensuring we provide a high level of customer satisfaction for our PSR customers.

For SEPD, we are behind the target for this first year, scoring 8.62. Our performance was notably impacted by lower scores over winter where several weather events occurred one after another. Improving our performance here is a priority focus for us, and we have increased our resources in our customer contact centre to ensure improved access to specialist support is available 24 hours a day. Additional improvement work is planned to take place over the winter of 2024/25, and into the following year to improve our position on this commitment.



By 2028 support 50,000 households (equivalent to 114,000 customers) experiencing fuel poverty. (V4)

Whilst we are slightly behind our target of supporting 10,000 households in 2023/24, we have helped nearly 6,500 in this first year. We are confident that we will meet our overall target to provide support to 50,000 households across RIIO-ED2. A delay in our programme starting did contribute to a lower volume of households supported in the first year, however we have engaged with our partners to address this, and have introduced a new two-year partnership framework to reduce turnover in their programmes.



By 2028, deliver 5,000 energy efficiency packs to fuel-poor households, and 5,000 power cut resilience packs to PSR customers, tailored to their needs. (V9)

We have started engagement with suppliers to determine the contents of the packs, ensuring the contents are accessible for those with mobility needs and have minimum single-use plastics. We have also engaged with some of our partners to look at how we can collaborate on Energy Efficiency packs to ensure value for customers. We expect to start delivering these packs in 2025.



Train 30 employees to the City & Guilds energy efficiency qualification and introduce 200 Vulnerability Champions across the business from the start of ED2. (V5)

In the first year of RIIO-ED2, 25 employees started the City and Guilds training with the expectation that they will complete the course by mid-2024. This places us well on the way to meeting our target for RIIO-ED2.

To raise the profile of Consumer Vulnerability across SSEN, promote initiatives, and help us steer the right track through this price control, we have begun the process of introducing Vulnerability Champions across the business. This will help ensure our behaviour and actions are accessible and considerate of all our customers' needs. Through training workshops and call-listening opportunities, these champions will develop their understanding of the scope of vulnerability and the ways in which we provide extra help to customers. They will be the Consumer Vulnerability contact within their business area, signposting others to relevant resources and training materials. To date, we have introduced 42 champions across the business. This puts us on track to deliver 200 across the price control.

2: PROVIDING A VALUED AND TRUSTED SERVICE FOR OUR CUSTOMERS AND COMMUNITIES



Meet our targets through our plan and strive to achieve a score of at least 9.2 across all categories by the end of RIIO-ED2. (CSP1)

• Interruptions

SHEPD overperformed relative to the target in 2023/24, up from 9.08 in 2022/23. SEPD underperformed relative to our target (of 9/10) for 2023/24, scoring 8.58. This was a slight decrease compared to last year, and our performance was notably impacted by lower scores over winter where several weather events occurred one after another.

Throughout the year, we have delivered several improvements to enhance our service in interruptions. This includes the introduction of a generous welfare provisions framework for prolonged outages, increased communication throughout a power cut, and further developments to our digital services like PowerTrack, where more than 80% of customers now gain insight into a power cut. We have also made further improvements to our SMART ETR tool, increasing the accuracy of restoration times.

• General Enquiries

SHEPD overperformed relative to the target of 9/10 in 2023/24 by scoring 9.25. This was a slight decrease from 9.39 in 2022/23. SEPD slightly underperformed relative to the target in 2023/24, by scoring 8.91. However, this was a notable improvement on our 2022/23 performance of 8.46. Overall, we delivered our strongest performance in 10 years with a combined SSEN group score of 9.08.

We undertook significant improvement activity in General Enquiries over 2023/24. This included standardising some processes, improving our communication throughout the customer journey, increasing our capability to deliver works quickly, and improving the front-end application processes. We also centralised our General Enquiries Customer Service Team so that the service levels are consistent in across both regions. This means we can manage the variable demands across the two locations.

• Connections

We exceeded our target (of 9/10) for 2023/24 by 3% in SHEPD, an increase on our previous year's performance. The key drivers of this performance were the implementation of new team structures in addition to ongoing staff development to elevate performance.

In SEPD, for 2023/24 we delivered 94% of our targeted performance, achieving 8.2 (against a target of 9) for the first year. Our plan is to achieve 9.2 by the end of RIIO-ED2.

The first year of RIIO ED2 was about setting up our flagship transformation programme and identifying issues that customers are experiencing. We now have an agreed 18-month delivery programme that will support the enhancement of customer satisfaction.





3: ACCELERATING PROGRESS TOWARDS A NET ZERO WORLD

We want to accelerate progress towards, and enable all customers to participate in, a net zero world.

It is essential that we demonstrate that markets and the role of flexibility will mean different things in different communities. However, they must be operated in a fair and transparent way that benefit consumers. We will do this by applying whole system thinking in a highly collaborative way to create and enable smart, flexible, local energy networks. This includes acting as a neutral market facilitator with the highest levels of transparency.



3: ACCELERATING PROGRESS TOWARDS A NET ZERO WORLD



Define a DSO strategy that will be reviewed and refreshed annually with an action plan to deliver against it, including changes to IT systems, process and people. (DSO1)

We published our refreshed 2023/24 DSO Strategy and Action Plan in October of 2023. We are on track to publish our 2024/25 Action plan refresh first in consultation in September, with a final version published in October 2024.



Improve the end-to-end process (application, design, quote and connection) for all our connections, and introduce automated quotation services for domestic LCT and minor connections customers by 2025. (LC3)

In the first year of RIIO-ED2 we continue to deliver improvements to our end-to-end Connections process, using feedback from Customers via Broad Measure surveys, ongoing engagement, conferences, and webinars. We have introduced new teams and structures that will provide better and dedicated support to customers, along with single points of contact for the Customer during their connections journey. We expect this will also develop the pre-application process with better engagement, and improvements to our application forms. We continue to develop and improve guidance documents available on our website to enable better quality of quotations and our overall delivery performance. We are planning to deploy a self-service product focussed on budgets, which will enable customers to generate their own budgets online. This represents the first phase of delivery of this project, which will be followed by the introduction of self-serve quotation for service alterations, and up to four single phase connections projects.



Target 5GW of Constrained Managed Zones (Flexibility Services) across multiple service types, and grow our flexible connections to 3.7GW of capacity across 35 zones by 2028. (DSO5)

In 2023/24 we contracted 705MW of flexibility services. This is a good foundation for the 5GW of flexibility that we aim to contract over RIIO-ED2, as we are anticipating the markets to grow over this time.

This year, we took action to increase the flexibility of procured volumes, including:

- the implementation of Overarching Agreements, which minimise contracting time; and
- focussing on attracting Flexibility Aggregators to participate through our Global Call initiative.

These are outlined in detail our the SLC31E Procurement Report, published in April 2024: ssen.co.uk/globalassets/our-services/flexibility-services-document-library/slc31e-reports--statements/slc31e---ssen-2023-24-flexibility-services-procurement-report.pdf

In 2023/24 we delivered 615MW of capacity for flexible connections, and we expect this to grow over the course of RIIO-ED2. We may see fluctuations in the level of delivery, as it is subject to customer progression with their connections requests. It is worth noting that this figure does not include Transmission – Distribution Limits, or future G100 export limitations.



Ready the network for net zero, consistent with a total of 8GW of distributed energy resource (including windfarms, solar, and energy storage) connecting by 2028. (LC2)

The current trajectory forecast from our Embedded Capacity Register shows that we are on track to exceed the target of 8GW of distributed energy resource connecting to our network by 2028. In 2023/24, 6.16GW connected to our network. As noted in our progress against LC1, we are working to ensure that our investment meets 2030 targets, and our DSO Load Related Expenditure programme is being developed to support that.



Ready the network for net zero, consistent with up to 1.3m Electric Vehicles and up to 800,000 heat pumps connecting by 2028. (LC1)

Through our planning for net zero and delivery of our business plan, we are ensuring our network is ready to accommodate LCTs as and when they look to connect to our network. At this point in RIIO-ED2, we have seen a slower uptake in the number of EV charge installations than we had anticipated, which is broadly in line with the current national view. We track EV registrations through the government portal, to give us a view of the EV connections to our network. However, we have seen a surge in accepted larger connections which has eroded headroom on the network.

For heat pumps connecting to our network, these volumes are broadly in line with our annual target. We have seen a slight fall from 2020 DFES, which is in line with adoption seen nationally.

From a deliverability perspective, we are working to ensure that our investment meets 2030 targets, and we are developing a DSO Load Related Expenditure programme to support that.

3: ACCELERATING PROGRESS TOWARDS A NET ZERO WORLD



Deliver high-quality services to our major connections customers achieving a customer satisfaction of 9/10 or above by the end of ED2. (LC4)

In 2023/24, we exceeded the target for major connections in SHEPD, but fell short of the target in SEPD.

For both networks, we have:

- Introduced new teams and bolstered existing teams to provide better support to our customers through the connections journey from pre application, offer process and delivery.
- We have re-structured the delivery teams, all with the focus to enable improvements to connection timescales, engagement, and communication. The increase of Contract Management Full Time Employees (FTE) has had a considerable impact on the customer experience.
- We have also embarked on a journey to improve:
 - Connections data available on our Portal and System planning data for customers.
 - Supply of innovative solutions to enable projects to progress when faced with network constraints.
 - Quote content and accuracy.

We continue to work with our delivery partners, particularly in SEPD, to improve the content of the quote and the delivery experience for our customers.



By 2028, meet our targets and further reduce average Time to Connect by 1 day in SHEPD and 2 days in SEPD compared to 2019/20. (LC6)

This commitment covers our Time to Quote (TTQ) and Time to Connect (TTC) performance, for both single connections (LVSSA) and multiple connections (LVSSB).

The table summarises our performance in 2023/24 against the target, broken down across the different elements in each network area. As it sets out, we met or exceeded all our targets in SHEPD, and met or exceeded the targets in SEPD for our LVSSA activities. However, our LVSSB performance in SEPD did not meet the target for either TTQ or TTC.

We have begun the process of building a self-serve automation process and system, which will allow our customers to apply for and receive a quote for both LVSSA and LVSSB connections. This will help improve our TTQ performance, and in particular bring us back on track in SEPD.

Our performance in SEPD has been affected by the high volume of requests we receive in this area. We have managed to deliver well against our target in spite of these volumes, and have an action plan in place to improve our performance further. Our LVSSB TTC performance was notably affected by some difficulties in obtaining relevant consents with landowners, but we have now reorganised our teams to help reduce the lead time on these consents going forward. We expect this to lead to improved TTC performance as we progress through RIIO-ED2.

SHEPD	Target	Performance
TTQ LVSSA	2.04	2.04
TTQ LVSSB	3.42	3.04
TTC LVSSA	17.84	13.43
TTC LVSSB	22.15	15.50

SEPD	Target	Performance
TTQ LVSSA	3.30	3.26
TTQ LVSSB	6.54	8.16
TTC LVSSA	36.14	35.03
TTC LVSSB	47.09	48.72



3: ACCELERATING PROGRESS TOWARDS A NET ZERO WORLD



Meet our obligations under GSoPs for connections on an ongoing basis and aim to reduce the number of failures over the period. (LC7)

In 2023/24, we delivered 96% of our Guaranteed Standards of Performance (GSoP) for connections on time, meeting our commitment and licence obligation to have 95% or more performance delivery for connections. We have implemented new internal processes, which we expect to deliver further improvements over RIIO-ED2. This will help us to:

- Continue focus on training our members of staff involved with delivery of connections. Where we see trends emerging, we will target training to ensure staff have the right skills and capabilities to manage these.
- Improve performance management and systems, which will in turn help us better understand the root cause of any failures. This is with a view to preventing failures happening in the future where possible.
- Introduce further automation for the connections process and management of key connections process milestones.

We have already deployed new systems, including a new platform called Connections Front Door which is supporting with the management of high-volume market segments. We expect to see the benefits of this system as we progress through the price control.



Produce and report annually on an Environmental Action Plan (EAP). (S1)

In October 2023, we published our Environment Report, detailing our performance for the final year of RIIO-ED1. In October 2024, we will be publishing our Annual Environmental Report (AER) outlining our performance against our Environmental Action Plan, submitted as part of the RIIO-ED2 business plan. The reports can be found at: ssen.co.uk/about-ssen/library/environment-reports-document-library/



Complete works at c. 73 sites across our network in line with ETR138. (S10)

In 2023/24, we carried out eight flood risk assessments across SHEPD Primary Substations. Remedial works were completed at Mossat Primary Substation following flooding events in November 2022. These are part of our programme to complete works at 22 sites across SHEPD within RIIO-ED2, with the remaining sites due to be addressed over the remainder of the price control.

In SEPD, we have 11 sites in a flood risk area which have been assessed but do not have a relevant industry standard (ETR 138) compliant defence in place. Eight of these 11 sites have a scheme designed and will be delivered over the course of RIIO-ED2. The remaining three sites are within the boundary of a National Grid site, and are protected by the defences in place for that wider site. For the remaining sites in the portfolio, we will continue to assess and survey these to ensure they have been completed by the end of RIIO-ED2.



Sign up 80% of our supply chain (by value) by 2028 to our Sustainable Supplier Code. (S11)

In 2023/24, 37.5% of our supply chain had signed up to the Sustainable Supplier Code. This puts us well on track to meet our commitment to sign up 80% of our supply chain by value by 2028.

3: ACCELERATING PROGRESS TOWARDS A NET ZERO WORLD



Electrify 80% of our core vehicle fleet by 2028, where supply allows, reducing our average road mileage by 15% (from pre COVID-19 levels) and limit air travel where possible. (S12)

• **Electrifying our core vehicle fleet**

At the end of the 2023/24 year, 29% of our core vehicle fleet under the EV100 commitment had transitioned to an EV, against a target of 33%. This is a mixture of company cars and operational vans. Transitioning is limited by lease dates and the availability of electric commercial vehicles, particularly for our operational vans. We have trialled other vehicle types as part of our drive to reduce emissions from our fleet, such as hydrogen fuelled vehicles. However, these are not available on a large scale which has limited our ability to deploy these across our fleet. We are also investigating using Hydrotreated Vegetable Oil (HVO) as a transitional fuel to minimise greenhouse gas emissions until we have the EV alternatives available.

• **Reducing average road mileage**

Our average business road mileage in 2023/24 was 3,491 miles. This is a 26% reduction from our baseline year (2019/20), and puts ahead of our target of 15% reduction. This year we have continued to utilise flexible working arrangements, conducted engagement virtually where possible, and challenged the need for road travel to help us meet this target. The challenge is to maintain this level of reduction for the remaining years of RIIO-ED2.

• **Limiting air travel**

This year, the number of return flights equalled 0.4 per employee. Our RIIO-ED2 business plan commitment was to average 0.4 return flights per employee per year, meaning we are on track to meet this. As elsewhere, we have continued to utilise virtual meeting platforms, as well as delivering travel awareness communications across the business. This, alongside challenges on the need for air travel, has helped us meet this target.



Complete undergrounding of up to 83km of lines. (S13)

Undergrounding schemes are stakeholder-driven, and we rely on stakeholders identifying stretches of overhead line in Areas of Outstanding Natural Beauty they wish to be undergrounded. Our commitment was to carry out work on up to 83km of lines across our networks, which is dependent on stakeholders identifying enough line for us to do this work.

In SHEPD, we currently have one Area of Natural Beauty (AONB) scheme in the Cairngorms National Park near Braemar in the refinement phase, which has a proposed scope for 4.5km of undergrounding. We are also due to carry out further engagement with local authorities in 2024, which we expect will generate additional applications for lines to be undergrounded.

In SEPD, in this first year of RIIO-ED2 we identified 69km of lines that could be undergrounded. These are spread across 21 different schemes, all of which are currently pending legal permissions and refinements in the scheme designs before we can progress to delivering the work. All sites under this programme are driven by our stakeholders, and we continue our communication routes to help identify suitable circuits for undergrounding.



Set an ambitious 1.5 degree SBT (including losses) requiring at least a 35% reduction in our carbon footprint by 2028. (S2)

In 2023/24, our interim target was to reduce our Scope 1 and 2 Greenhouse Gas emissions (including losses) by 15%. We delivered a 22% reduction in these emissions this year, setting us well on the path to meet our overall RIIO-ED2 target of reducing emissions by 35% by 2028. We continue to make good progress in this space through measures such as increasing the use of fossil-fuel alternatives, reducing our overall road mileage, and electrification of our fleet where possible.



Plant up to 17 hectares of seagrass meadows during RIIO-ED2, aiding biodiversity recovery, supporting climate adaptation pathways, and providing carbon sequestration as an alternative to offsetting. (S14)

In 2023/24, we signed up to an innovative nature finance initiative with NatureScot, to administer our seagrass funding through the Scottish Government's Scottish Marine Environmental Enhancement Fund (SMEEF). We are aiming to deliver 14 hectares of seagrass planting in the seas around our SHEPD licence area. SMEEF will be open for applications later in 24/25 and will ensure monies are targeted towards credible and evidence-based delivery projects with access to seagrass expertise. We have also been investigating delivery options for 3 hectares of seagrass planting in the seas around our SEPD licence area. For more information please visit [smeef.scot/largest-ever-scottish-seagrass-planting-programme-launched-by-unique-partnership/](https://www.smeef.scot/largest-ever-scottish-seagrass-planting-programme-launched-by-unique-partnership/)



Reduce emissions from our assets by a minimum of 35%, and begin reducing our holdings. (S3)

The RIIO-ED2 target is 35% reduction in SF6 leakage rates based on bank (total SF6 on the network), compared to performance on 2019/20. Our year 1 target has been set at 3% reduction, with a subsequent target of 8% in each of the remaining years of RIIO-ED2.

SHEPD performance is well ahead of target, with a 78% reduction against the baseline target rate. In SEPD, performance is on target for the first year of RIIO-ED2, delivering an 8% reduction in 2023/24 compared to the baseline rate. We have a number of assets identified for replacement over the remainder of RIIO-ED2, which will continue this trajectory. We continue to monitor our assets for further intervention opportunities, including our top SF6 leakers.

3: ACCELERATING PROGRESS TOWARDS A NET ZERO WORLD



Implement a strategy to efficiently manage losses on our network in the long-term: Re-classify losses as a Scope 2 emission and act to reduce actual losses. (S4)

This year, we refreshed our losses strategy with a revised structure and added in the latest data and information to improve the clarity of the actions we are taking to reduce electrical losses for our stakeholders. In 2023/24, we have focused on updating and embedding our design standards for cable and overhead line sizing and improving the energy efficiency of our substations to reduce actual losses. We have also reclassified losses as a Scope 2 GHG emission and included them in our Science Based Targets for GHG emissions reduction.

Our Losses strategy can be found at ssen.co.uk/about-ssen/library/losses-strategy/



Reduce emissions by replacing mobile generators wherever economically possible with lower carbon alternatives, or by using alternative lower-carbon fuel types by 2028. (S5)

During 2023/24, we have been trialling the use of Hydrotreated Vegetable Oil (HVO) instead of diesel in our mobile generators as a way of reducing carbon emissions. We have avoided a total of 1,537 tCO₂e (tonnes of carbon dioxide equivalent) from Scope 1 GHG emissions by using the alternative fuel. We intend to increase usage of HVO as a transition fuel while other possibilities are explored.



Reduce reliance on diesel back-up generation, exploring local solutions and flexibility opportunities from the start of ED2. (S6)

In 2023/24 we produced a whole system plan for the Outer Hebrides that looked to reduce reliance on diesel back-up generation whilst exploring flexibility and other local solutions. We progressed with projects to install new efficient assets, improving environmental performance, and reducing CO₂.

We are investigating the use of potential alternative fuels to provide environmental improvements as we transition towards net zero. We have also started development of our plans for other Hebrides and Orkney island groups to increase our understanding of future needs on the islands.



Deliver 258 hectares of woodland creation and 522 hectares of peatland restoration. We expect this could remove up to 65,000 tCO₂ by the end of RIIO-ED2. (S7)

In 2023/24, we became a founding business partner of Projects for Nature, a pioneering platform that connects businesses with on-the-ground nature projects in England. The digital platform is a collaboration between The Council for Sustainable Business, Accenture, Defra, Natural England and the Environment Agency alongside the Nature Recovery Network Partnership and Wildlife and Countryside Link. Through this platform, we are currently in discussions with projects within our SEPD licence area to identify where we can direct our funding towards suitable habitat creation and restoration efforts. We are confident that we will deliver on this commitment by the end of RIIO-ED2. For more information please visit projectsfornature.com



Remove all PCB-contaminated assets from our network by 31 December 2025. (S8)

At the end of 2023/24, we had delivered just under half of the volumes of Pole Mounted Transformers (PMTs) targeted for the year in SHEPD. This was due to the uptake in our Whole Circuit Approach (WCA) programme, which considers all works that may be required on a circuit instead of targeting the PMT replacements only. This approach is now (in 2024/25) starting to pay dividends with PMTs being tackled on every circuit in the WCA programme, along with additional teams focusing directly on clearing PCB affected assets that will not be tackled by WCA before the December 2025 deadline. For our Ground Mounted Transformers (GMTs), we finished the 2023/24 with ~50% of plants sampled. We have set an ambitious target of January 2025 to complete the remaining samples, to allow time to flush out the PCBs and get the re-sampling done. We are confident of delivery by December 2025.

In SEPD, we are on track to deliver the current volumes of PCB-affected assets, and will continue to monitor the analysis being carried out across the ENA group which supports this work. This analysis may impact the volume of assets to address, and our delivery approach for those. We have identified some assets that need to be addressed before being replaced in 2026/27, and are considering the most efficient way to deal with these assets whilst meeting the PCB requirements.



Replace at least 20.9km of fluid-filled cables on our network. (S9)

Our RIIO-ED2 Investment plan for fluid-filled cable targets the replacement of 4.4km of 132kV cables, and 43.22 km of 33kV oil-filled cables across 6 projects. This is based on the network criticality, the condition of the assets, and the risk the asset poses in terms of an environmental impact if it fails.

3: ACCELERATING PROGRESS TOWARDS A NET ZERO WORLD



Support Local Authorities' energy and heat strategy development through provision of relevant data sets and annual engagement on our DFES scenarios. (WS2)

In 2023/24 we started the onboarding programme to our Local Energy Net Zero Accelerator (LENZA) facilitating exchange of data sets. Through this approach we onboarded 25% of Local Authorities within 2023/24. We have also continued to engage on DFES, hosting webinars including a dedicated islands roundtable.



Provide an integrated and collaborative digital platform where stakeholders can access key network data, understand our coordinated investment strategies, and view our local net zero delivery plans. (WS5)

We implemented our data portal in 2023/24. This is a single point of access for all data that we share with our industry peers, partners, stakeholders and customers. The data in the portal is prioritised based on customer needs, and is downloadable so customers can use it outside of the portal. This year we have published 24 data sets, and seen over 5,000 new users and more than 500 return users to the portal. This includes an industry-first access to over 20,000 near real-time data points, and daily half-hour smart metering profiles. These are available at the local street level, for every circuit where we have five or more smart meters.



Build new control rooms to further facilitate the transition to DSO and net zero. (CR1)

SHEPD

Delivery of our Control Room is on track in SHEPD. We have secured a site for the building, and are progressing with the next stages of design and planning ahead of construction. We are now in Royal Institute of British Architects (RIBA) stage 3 (meaning we have been through design studies and costing exercises) with detailed costs expected soon. The control room is on track to be completed by the end of RIIO-ED2.

SEPD

We have begun the process for building a new Control Room in SEPD. This year saw us secure a site for the new building, and key terms were agreed at the end of March 2024. We have carried out background legal work, feasibility studies and other searches to ensure the site was fit for purpose. Our specific needs meant finding a suitable site took more time than anticipated, but we are still on track to deliver the new building by the end of RIIO-ED2.



Publish an annual Innovation Deployment Customer Report to improve the transparency of the benefits of our innovation programme. (I1)

We delivered our annual report in October 2023 and are currently composing the latest edition for publication in October 2024. Within this report we have included a focus on outputs and realisation from Innovation projects, as well as roll out and embedding of Innovation. This helps improve transparency around the benefits of deployment of innovation for customers. In parallel we are updating our Innovation Strategy to reflect the latest technological development, industry challenges, and the regulatory changes that are emerging as we work towards RIIO-ED3. Please see publication at link below: ssen-innovation.co.uk/wp-content/uploads/2023/10/SSEN-innovation-focus-2023-25Oct.pdf



Provide additional targeted support to Local Authorities, within our licence areas, to develop a coordinated and effective delivery strategy for Whole System and Net Zero initiatives that interact with our network. (WS3)

In 2023/24, we introduced a new team of engagement specialists, who are dedicated to helping Local Authorities develop their future energy plans.

We held roundtables with SGN to understand how we could help Local Authorities develop energy plans. From this, we delivered a series of roadshows engaging with stakeholders across both our licence areas.



GLOSSARY

BROAD MEASURE OF CUSTOMER SATISFACTION (BMCS)

A customer satisfaction survey designed to drive improvements in the quality of the overall customer experience by capturing and measuring customers' experiences of contact with their DNO across the range of services and activities the DNOs provide.

BUSINESS CARBON FOOTPRINT (BCF)

Total amount of greenhouse gas emission caused directly and indirectly by a business or activity.

CUSTOMER INTERRUPTIONS (CI)

The number of customers who experienced an interruption per year. This is the number of customers whose supplies have been interrupted, per 100 customers per year over all incidents, where an interruption of supply lasts for three minutes or longer, excluding re-interruptions to the supply of customers previously interrupted during the same incident.

CUSTOMER MINUTES LOST (CML)

The duration of interruptions to supply per year. This is the average customer minutes lost (CML) per customer per year, where an interruption of supply to customer(s) lasts for three minutes or longer.

DISTRIBUTED GENERATION (DG)

Distributed generation (DG) is an electricity-generating plant connected to a distribution network rather than the transmission network.

DISTRIBUTION FUTURE ENERGY SCENARIOS (DFES)

The Distribution Future Energy Scenarios outline the range of credible futures for the growth of the distribution network.

ENERGY NETWORKS ASSOCIATION (ENA)

The industry body funded by UK gas and electricity transmission and distribution licence holders.

FLUID-FILLED CABLE (FFC)

Pressurised fluid-filled underground cables – the fluid acts as an electrical insulator.

GUARANTEED STANDARD OF PERFORMANCE (GSoP)

Minimum service levels, covering a range of scenarios including interruption time, responding to voltage complaints, or notice of planned interruptions, which we are required to meet. If we fail to meet these standards, we must make a payment to the affected customer(s).

HIGH VOLTAGE (HV)

Voltages over 1kV up to, but not including, 33kV.

LOSSES

The difference between units entering and units exiting the DNO network through different connection points.

LOW CARBON TECHNOLOGIES (LCTS)

Technologies such as electric vehicles, heat pumps, solar panels.

LOW VOLTAGE (LV)

This refers to voltages up to, but not including, 1kV.

MEGAWATT (MW) AND GIGAWATT (GW)

Units of power. One megawatt equals one million watts. One gigawatt equals 1,000 megawatts, or one billion watts.

PRICE CONTROL

The control developed by the regulator to set targets and allowed revenues for network companies.

PRIORITY SERVICES REGISTER (PSR)

A register of all customers in an electricity distribution area that are of pensionable age, disabled, chronically sick, require special communication needs, depend on electricity for medical reasons, or have children under 5, or require certain information and advice in alternate formats and languages.

REVENUE PROTECTION

The prevention, detection and recovery of losses caused by interference with electricity supplies (Non-Technical).

RIIO-ED2

The current price control period, running from 1 April 2023 to 31 March 2028.

SULPHUR HEXAFLUORIDE (SF6)

A gas that is used as both an insulating and arc extinction medium in electrical plants.

TRANSFORMERS

An electrical device that transfers electricity between two or more circuits.

TRANSMISSION CONNECTION POINT CHARGES (TCPC)

Charges payable by DNOs levied by a Transmission Licensee as connection charges, due to the number or nature of connections between the Distribution System and the GB Transmission System.

UNRESTRICTED DOMESTIC TARIFF

The Unrestricted Domestic Tariff Charge is the proportion of the electricity bill customers paid to us for using the electricity network. This is billed via the customers' supplies.

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