



# SSEN DSO ADVISORY BOARD ANNUAL REPORT

April 2024 – March 2025

20<sup>th</sup> March 2025



Scottish & Southern  
Electricity Networks



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# THE ADVISORY BOARD

## Creation & membership

The Scottish and Southern Electricity Networks Distribution System Operator (SSEN DSO) Advisory Board was set up 11 months ago, in April 2024, to provide independent, strategic and constructive advice to the SSEN DSO so that it delivers its plans in the interests of all its stakeholders.

In constituting the Board, SSEN DSO identified the need to source a range of expertise and experience in the following areas:

- Consumer Customer advocacy including how the needs of the vulnerable can be met.
- Consumer 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.

Each member was appointed in April 2024, via a competitive and open recruitment process, run by SSEN DSO.

The resulting Board is diverse, and is comprised of the following members:

Member	Role	Background
Gareth Miller	Independent Chair	Energy investment, policy making, research and consulting
Dr Nicki Clegg	Independent Member	DNO, Data architecture, digital transformation and technology
Bridget Hartley	Independent Member	Regional energy planning, gas transmission/distribution
Dr Charlotte Johnson	Independent Member	Energy research, policy, innovation, customer advocacy fairness and equity, societal benefits
Dan Roberts	Independent Member	Energy economics and economic regulation/incentives, policy and consulting
Professor Jan Webb	Independent Member	Energy research, policy, regional/local energy planning and decarbonisation



## Summary terms of reference

In the interests of transparency, a redacted version of the SSEN DSO Advisory Board Terms of Reference (ToR) is available here [[dso-advisory-board.pdf](#)]. In summary:

Key term	Description
<b>Purpose</b>	The purpose of the SSEN DSO Advisory Board is to perform independent customer focussed scrutiny and challenge. The Board critically assures methodologies, decisions and approaches, and interrogates associated levels of transparency.
<b>Independence</b>	To ensure independence, none of the members have direct or indirect employment, or material business links with SSEN
<b>Matters for consideration</b>	The key matters that the Board focusses on are: <ol style="list-style-type: none"><li>1) The pace, effectiveness and timeliness of SSEN's DSO delivery plans and DSO operational decision-making methodologies on a quarterly basis.</li><li>2) Assurance of the approach undertaken for, and the conclusions contained in, SSEN's DSO annual independent audit of the transparency of our operations and their Distribution Network Options Assessments (DNOA) outcomes.</li><li>3) Critical assessment of how SSEN are meeting their four DSO priorities:<ol style="list-style-type: none"><li>i) Forecasting and planning future needs,</li><li>ii) Developing an inclusive flexibility marketplace</li><li>iii) Delivering network flexibility at scale</li><li>iv) Driving transparency and coordination</li></ol></li><li>4) A continuous examination of whether actions taken are locally reflective, widen participation and support vulnerable customers.</li></ol>
<b>Out of scope</b>	The SSEN DSO Advisory Board does not conduct in-depth scrutiny and challenge of day-to-day performance that is monitored by Ofgem.
<b>Transparency</b>	Transparency is assured in two ways: <ol style="list-style-type: none"><li>1) The SSEN DSO Advisory Board chair (with the support of members) will prepare an end of year report that provides a summary of the issues considered, and the advice given, by the SSEN DSO Advisory Board, which in turn helps to support further scrutiny and accountability.</li><li>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.</li></ol>
<b>Continuous Improvement</b>	The SSEN 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 against the Terms of Reference.





## Ways of working

The SSEN DSO Advisory Board ways of working incorporate the following key elements:

Variable	Way of working
<b>Frequency</b>	<ul style="list-style-type: none"><li>➤ The Advisory Board meets quarterly, with a weighting to in-person meetings, meeting at SSEN's key operational sites across the UK.</li><li>➤ During 2024, only one meeting was held virtually, though from time-to-time individual members have participated by MS Teams if necessary.</li></ul>
<b>Agenda</b>	<ul style="list-style-type: none"><li>➤ The Advisory Board works broadly to a Roadmap, agreed with SSEN DSO executive members. The roadmap is designed to address critical and scheduled activities set out in the DSO plan in the next twelve months ahead of time, whilst reserving some time to consider questions of a more strategic and longer-term nature.</li><li>➤ Each meeting is then supported by a clear specific agenda, derived from the roadmap, and agreed by the Advisory Board Chair, on behalf of its members, with the SSEN DSO executive at least a [month] prior to each meeting.</li></ul>
<b>Pre-meeting preparation</b>	<ul style="list-style-type: none"><li>➤ Supporting papers (either from SSEN, industry papers, or from relevant third parties) to facilitate the agreed agenda are circulated two weeks in advance of each board, with "exam questions" where relevant, to guide the Advisory Board members review of information in preparation for the Board discussion.</li></ul>
<b>Meetings</b>	<ul style="list-style-type: none"><li>➤ Meetings typically last 4-5 hours. Detailed minutes are taken by a designated secretariat from SSEN. The SSEN DSO executive are not standing members of the Advisory Board, and attend by invite only, however it is usual for several of the team to attend and present key topics at each session.</li><li>➤ Discussion items usually begin with a short, overview presentation by the SSEN team on the agenda item, supplementing the pre-reading, and specifying the areas where Advisory Board input is desired.</li><li>➤ There are then question and answer sessions, during which initial feedback from the Advisory Board may also be offered. An Advisory Board only discussion typically takes place, excluding external members, to further determine the Board's specific feedback and recommendations.</li></ul>
<b>Post-meeting alignment</b>	<ul style="list-style-type: none"><li>➤ By the end of the first week, draft minutes are produced and circulated for agreement and finalisation.</li><li>➤ This will include supplemental information-based questions to SSEN DSO, identified by the Advisory Board as useful to further their understanding of the topics discussed.</li><li>➤ Related strategic questions surfaced during a meeting, but not able to be answered during the session, are captured as items to consider for future Advisory Board agenda.</li><li>➤ In the month following the meeting, the Advisory Board chair discusses the main recommendations and advice from the meeting with SSEN DSO executive members to ensure clarity.</li><li>➤ Summary notes of meeting minutes are published for accessibility to external stakeholders in accordance with the Terms of Reference - <a href="#">Publications &amp; Reports - SSEN</a></li></ul>



# KEY THEMES

During the first 11 months since its inauguration, the DSO Advisory Board has focussed on:

- Orienting itself with SSEN DSO's strategy, operationalisation of the strategy and key initiatives to support its realisation; whilst
- At the same time, providing independent, critical and improvement-focussed challenge during this orientation period.

The main areas of focus during this first year have been

- Strategy
- Planning & options assessment
- Flexibility markets
- Operational Decision Making
- Customer engagement & data

## Strategy

Since its inception, the Board has paid great attention to SSEN's DSO articulation of vision, key drivers, and how this could be reshaped to better resonate with stakeholders.

Critically, toward the end of this 11-month period, the advisory board has been a sounding board to the SSEN DSO executive, and a third-party management consultancy, in an iterative process to recalibrate SSEN strategic decision making around a Theory of Change Model (ToCM) framework.

The aim of creating the ToCM is to deliver a useable logic model that ties vision, benefits, outcomes, outputs, activities and inputs together so SSEN DSO can articulate how it is delivering against key objectives, and to have an enduring decision-making tool to guide future DSO strategy.

As part of this, the Board has worked with the SSEN DSO executive to re-define their "North Star" vision statement and advise on how to communicate and articulate achievement of related outcomes and benefits for and to all stakeholders, including (but not limited to) the Ofgem Performance Panel.

## Planning & options assessment

The Board explored the Distribution Network Options Assessment (DNOA) methodology and its application, as well as the DNOA Assurance Process and related Reports.

It explored if and how supply-chains are aligned to achieving delivery over a longer time period, beyond the DNOA time horizon, how the potential risk of operational bias in options assessment could be mitigated, and whether key elements like energy efficiency and demand management should feature as additional variables to "build" or "flex".

The Board assisted SSEN DSO with procuring independent assurance from a qualified third party, and (following the first assurance reports) has advised SSEN DSO on how to refine the process for better



outcomes in future, focussing on assuring the robustness and adequacy of the process, not just the rigour with which SSEN DSO follows it.

The Board also examined the Distribution Future Energy Scenarios (DFES) process, investigating this with the third-party company retained to produce the analysis. The Board reviewed how DFES links to DNOA and longer-term planning, providing constructive feedback on how DFES could be enhanced to aid network planning in general, and as a platform for value-adding stakeholder engagement directly by SSEN.

The Board also provided advice on how to approach the integration of DFES with the new Regional Energy Strategic Planning (RESP) groups.

## Flexibility markets

The Board explored SSEN DSO's approach to flexibility procurement. It challenged SSEN to consider the balance between standardisation (to drive liquidity and volume) and bespoke arrangements which may be better suited to specific times and places.

The Board focussed on whether better signposting of where and when flex may be required, and over what period, could result in more success in acquiring providers to the flex market platform.

The Board also examined what other products and (minimum) services could be directly managed by SSEN (rather than procured from third parties) to diversify the load.

Finally, the Board advised SSEN on the calibration of Key Performance Indicators (KPIs) that go beyond headline total volumes procured, to demonstrate the true benefits to the system and consumers of procuring local flexibility.

## Operational decision making

The Board examined the rationale behind the design of their decision-making framework (including weightings of different criteria) and the level of transparency of data sources used in its application.

The Board also investigated areas of the decision-making approach where operational and organisational enhancement and communication may need to evolve, to support efficient implementation of the process.

## Customer engagement & data

The Board assisted SSEN DSO with a reworking of their annual customer engagement activities, focussing on making this more structured around customer persona and customer use-case than DSO functions and nomenclature.

Related, the Board worked with SSEN DSO to consider how data formatting, signposting and data access could become more customer centric, enhancing the ability to search and filter by workflow, use case and customer type, greater use of geospatial (and other) visualisation tools where appropriate.



The Board also provided recommendations on DNO-Supplier operational coordination to support innovation and improve outcomes for all customers, including low-income households and vulnerable customers.

## KEY AREAS OF IMPACT

Within these broad areas of activities, the impact of the Advisory Board on SSEN DSO policy, processes and approaches has been most material in several key areas, across a broad span of DSO activities.

These are summarised below:

Area	Key impact
<b>DSO Strategy</b>	<ul style="list-style-type: none"><li>➤ Review of the DSO structure, purpose, vision and customer benefits using the Theory of Change model.</li><li>➤ This will lead to a change in the DSO strategic decision making, an improvement in the articulation of logic between inputs, activities, outcomes and benefits</li><li>➤ It will also improve selection and calibration of performance KPIs and how they are presented in the annual DSO Incentive Report.</li></ul>
<b>Data Journey</b>	<ul style="list-style-type: none"><li>➤ In response to the Board's recommendation regarding improving the understanding of a DSO customer and their needs, SSEN DSO launched the Customer Experience Improvement programme [R018, R028 &amp; R030].</li><li>➤ This is aimed at increasing SSEN's understanding of their customer personas and organising data processes around them.</li><li>➤ The intention is to improve how SSEN will meet better their data needs.</li></ul>
<b>Data Insights</b>	<ul style="list-style-type: none"><li>➤ In response to the Board's recommendation regarding data formatting, signposting and data access SSEN are designing a Data2Insights project [R029]</li><li>➤ This is aimed at translating (currently difficult to understand and navigate) data, coming from many different sources, into accessible insights which can be more easily understood and utilised by customers of all types</li></ul>
<b>DNOA Report</b>	<ul style="list-style-type: none"><li>➤ Adjustments have been made to scope of the DNOA assurance audit to ensure fitness for purpose</li><li>➤ Changes have also been made to the format and presentation of the audit report.</li></ul>
<b>Energy Efficiency</b>	<ul style="list-style-type: none"><li>➤ In response to the Board's recommendation regarding Energy Efficiency and DSO's role in its use [R003] SSEN is finalising a public paper on "Our role in the local energy transition"</li><li>➤ This will be allied to economic analysis which include energy efficiency</li><li>➤ The paper is due March 2025</li></ul>





# FUTURE ACTIVITIES

Over the next annual period, building off the foundations laid since inception the Advisory Board envisages a range of activities targeted on fulfilling its role as defined under the ToR.

Terms of Reference criterion	Next Steps for the Advisory Board in 2025
The pace, effectiveness and timeliness of our DSO delivery plans and DSO operational decision-making methodologies	<ul style="list-style-type: none"> <li>➤ Participate and input into SSEN's DSO management conference, working with the directorate to shape emerging priorities</li> <li>➤ Measure and scrutinise ongoing progress against SSEN's Y3 Action Plan and KPIs and advise on activities and initiatives designed to improve performance.</li> <li>➤ Review the performance/outcomes arising from SSEN DSO's Operational Decision-making framework.</li> <li>➤ Shape the emerging, new approaches to wider electricity system coordination (for example regarding CP2030, broader network and energy system planning, including RESPs).</li> </ul>
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	<ul style="list-style-type: none"> <li>➤ Continued assurance of DNOA review process including end-to-end sample of decision-making process and associated assurance work.</li> <li>➤ Review progress in integrating SSEN's data, insight and systems to support the work of RESP.</li> </ul>
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	<ul style="list-style-type: none"> <li>➤ Critically evaluate the development of our flexibility roadmap in meeting the needs of our customers with respect flexible services and access products.</li> <li>➤ Examine and input into the creation of the Systems for Flexibility roadmap for SSEN's next generation of systems.</li> <li>➤ Review progress and development of our Data Roadmap, particularly in response to customer feedback.</li> <li>➤ Test and challenge SSEN DSO on the updating and use of the ToCM in ongoing strategic decision making</li> </ul>
A continuous examination of whether actions taken are locally reflective, widen participation and support vulnerable customers	<ul style="list-style-type: none"> <li>➤ Advise on the approach to gathering stakeholder feedback and stakeholder communication.</li> <li>➤ Develop and test DSO opportunities to further promote local participation and support vulnerable customers in planning, operational decision making and customer engagement.</li> </ul>



# CONFIRMATION OF INDEPENDENCE & REPORT COMPLETENESS

On behalf of the Advisory Board, I hereby confirm that, each member of the Advisory Board (and this the Advisory Board collectively) is (and has been during the period) independent of SSEN, in accordance with the requirements set out in the ToR.

No member of the Advisory Board has relationships with, or interests in, SSEN that would impair or threaten their independence.

Further, the Advisory Board has operated, and continues to operate, in accordance with the principles of integrity, objectivity, professional competence, due care, and confidentiality in the work that it has conducted, including in the preparation of this report.

As Chair of the Advisory Board, I therefore commend the publication of this report on behalf of the Advisory Board as a true, fair and independent summary of our activities in the period.

Signed,

[Gareth Miller, Independent Chair, SSEN DSO Advisory Board]

[Date: 20<sup>th</sup> March 2025]



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# CONTACT



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