

Minutes and actions of the National Grid Electricity & Gas Transmission Independent User Groups (User Group) Meeting-14

Meeting Number:	NG-UG14
Meeting Date:	12 May 2020
Location:	Webex
Start Time:	9:30 – 14:30
Attendees:	<p>Chair: Trisha McAuley (TM) Technical Secretary: Amelia Affum (AA), Charon Balrey (CBa)</p> <p>Members:</p> <ul style="list-style-type: none"> • Roz Bulleid (RB), Green Alliance • Julie Cox (JC), Energy UK • Paul Denniff (PD), SGN • Barry Hatton (BH), UKPN • Joe Howe (JH), University of Chester • Tom Knowland (TKn), Leeds City Council • Campbell Murdoch (CM), Total • Denise Massey (DM), Energy Innovation Centre • Zoe McLeod (ZM), Independent Consumer Advocate • Andy Paine (AP), Vattenfall • Eddie Proffitt (EP), Major Energy Users Council • Ben Watts (BW), ADE • Will Webster (WW), Oil and Gas UK <p>National Grid Representatives:</p> <ul style="list-style-type: none"> • Mark Brackley (MB), National Grid Electricity Transmission RIIO T2 Project Director • Tony Nixon (TN), National Grid Gas Transmission Regulation Lead • Phil Sheppard (PS), National Grid Director Gas Transmission Owner • David Wright (DW), National Grid Director Electricity Transmission & Group Electricity Chief Engineer <p>Invitees:</p> <ul style="list-style-type: none"> • Chris Bennett (CBe) National Grid Director of UK Regulation • Carole Hook (CH), National Grid Regulatory Strategy Manager • Bridget Hartley (BH), National Grid Gas RIIO-T2 & Investment Assurance Manager • Ivo Spreeuwenberg (IS), National Grid Regulatory Strategy Manager • Gary Stokes (GS), National Grid Stakeholder Engagement Manager • Nicola Shaw (NS), National Grid Executive Director UK
Apologies:	<p>Members</p> <ul style="list-style-type: none"> • Julian Leslie (JL), National Grid, Electricity System Operator

Minutes

Agenda Reference	Minutes	Action Reference and Owner
1.	<p>Welcome from the Chair, introduction of new members and housekeeping</p> <p>TM welcomed everyone to the fourteenth meeting, noting this was a joint ET/GT meeting and a special welcome was given to the new members of the User Groups, who each gave a brief introduction of themselves. Given the various stages of NDAs being processed, the Chair asked that all respected the confidential nature of the discussion.</p>	
2.	<p>NGET & NGGT SG13 minutes and actions</p> <p>All actions from the previous meeting were closed, with the exception of the following, which were carried over: -</p> <p>SG13-02: TN updated that the audit commissioned by Ofgem into NGGT’s network capability methodology had been completed. An action was agreed for TM to request a copy of the report from Ofgem. SG13-02 was closed.</p> <p>SG13-03: It was discussed that Citizens Advice’s response to Ofgem’s call for evidence was in the public domain; this action was closed. A new action was raised for AA/CBa to circulate a copy to the User Groups.</p>	<p>UG14-01 TM to ask Ofgem for a copy of the audit report on NGGT’s network capability methodology before publication.</p> <p>UG14-02 AA/CBa to send a copy of Citizens Advice’s call for evidence response to User Group.</p>
3.	<p>Chair’s Updates</p> <p>TM went through the purpose of the agenda for the day, which was to discuss the governance of User Groups and their workplans. She also advised that NS would be making an address to the Group and CBe would be doing a follow up to the COVID-19 update he provided to the User Groups on the 1st May.</p> <p>TM went on to update the User Group on the work which had been taking place offline between her, CBa and AA, to progress things with governance and the recruitment of new members.</p> <p>TM also updated on recent discussions with Ofgem regarding the role of the enduring group, where she shared the work she had been doing on the Terms of Reference (ToR). TM also informed the User Groups of a meeting scheduled with Ofgem and the Ofgem Challenge Group.</p> <p>Mention was made of the fact that Sustainability First is holding a round table meeting on the enduring role of the User/CEG Groups and also the impact of COVID-19.</p> <p>An update was provided on the meetings TM had held to date with NG senior leadership.</p>	

<p>4.</p>	<p>Nicola Shaw</p> <p>NS updated the group on how NG has been responding to the impacts of COVID-19. She talked about the NG Group response system which had been put in place, highlighting the differences in approach between the UK and the US and advised that NG Group results were now planned come out in June.</p> <p>NS also went through the extent of communications with stakeholders including Ofgem, staff, suppliers and customers. She updated on the biggest challenges facing NG around low electricity demand and how this was being managed as well as the challenge with gas around dealing with the high levels of energy coming in.</p> <p>NS talked about the processes being adopted to enable effective working from home and to also ensure safe methods of working for staff. She mentioned that there had been a loss of a few weeks of construction work during the early stages of the lockdown but advised of agreements with BEIS and Ofgem on priority levels and also advised on how the Unions were being involved in discussions.</p> <p>NS referred to the government announcements over the weekend and advised that this constituted no change to the current measures being taken by NG.</p> <p>NS also provided an update on responsible business, referring to John Pettigrew’s meeting with the Group last October. She informed the User Group of the thinking NG Group had been doing around being a purpose-led organisation, especially given present circumstances.</p> <p>NS advised that a draft Responsible Business Charter had now been produced which she would like to share with the User Group for their input in due course. She also advised of the intent of NG Group to set up a Responsible Business Advisory Board to give feedback on the approach and specific plans to be set up in UK & US. NS proposed for a member of the User Group to sit on the Board. TM took an action to further the discussion on this with CBe.</p> <p>NS further elaborated on the implications of COVID-19 with regards to the postponement of the Ofgem open hearings and mentioned the on-going dialogue with Ofgem. She mentioned the possibility of Ofgem’s timetable of events up to RIIO-2 changing but stated that there were no indications of that at present.</p> <p>NS also stated that implications of COVID-19 may change over the next few months. She advised that there was little impact to NG at present but that might change as lockdown is lifted.</p> <p>The session was followed by a series of questions and answers which led to a discussion on the hierarchy of work NG had agreed with Ofgem, the difference in NG’s approach for Scotland around managing implications of COVID-19 and the lessons learnt from operating the various levels of command.</p>	<p>UG14-03 TM to discuss User Group representation on the Responsible Business Advisory Board with CBe.</p>
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<p>5.</p>	<p>COVID-19 follow up</p> <p>CBe briefly recapped the COVID-19 update to the User Groups which took place on Friday 1 May. PD asked whether a possible second peak could impact workload, as we head towards winter and restrictions start to ease. CBe responded that from a transmission point of view, more work is carried out in summer due to outages. This, therefore, minimises the amount of work undertaken during the winter period.</p> <p>DW updated that a way of working on site had been developed to protect employees and this had, so far, resulted in very low levels of absenteeism. He advised that the controls continued to be monitored very closely. PS also updated for gas, that the terminal and control rooms teams have been segregated, where possible, as another form of control.</p>	
<p>6.</p>	<p>Governance</p> <p>TM updated that since the last meeting, she had taken the action to review the governance documents for the groups, which were then subsequently reviewed by DM and ZM and further updated.</p> <p>TM stated that for the ToR, the main update was to enhance independence and she stressed the need for the members to work collectively as a group. She noted that the ToR would remain subject to any future Ofgem guidance.</p> <p>CBe then introduced National Grid’s proposal on User Group governance linking purpose to outcomes and impact.</p> <p>IS explained how the User Groups could measure their impact against purpose and set out the 3 main focus areas:</p> <ol style="list-style-type: none"> 1. Scrutinise and challenge company business plans as part of the periodic price control process 2. Monitor, interrogate and enhance transparency of performance against commitments within price control periods 3. Critical friend for strategy, culture and processes in key areas of stakeholder, customer, consumer, innovation and responsible business. <p>IS explained how the framework should allow the outcomes of the User Groups to be linked back to the purpose and focus of the groups and defined over different timescales. He suggested that, for example, in the near term, some of the outputs may be, setting up the enduring group, establishing reporting and developing a scorecard on holding NG to account.</p> <p>He explained that flexibility will be needed, outcomes may change over time and advocated that the outcomes of the groups needed to be as specific, measurable, achievable, relevant, timely (SMART) as possible.</p> <p>ZM asked whether the groups should be involved in giving their views on Ofgem’s Draft Determination. The Chair noted the clear role of the Group to challenge NG and not Ofgem, but it was noted that some flexibility may be needed if stakeholder priorities were impacted.</p>	

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	<p>BW requested clarification on the difference between Ofgem and the User Groups' role in terms of holding NG to account. TM explained that the role of the User Groups was to scrutinise and evaluate stakeholder engagement and to monitor how activity is reflected across the business, thereby, leading to cultural change. CBe further explained that Ofgem role was to hold NG to account on regulatory deliverables whereas the User Groups' was to hold NG to account on commitments which sat broader than outputs e.g. stakeholder engagement charter and Board commitments to embedding innovation.</p> <p>A question was raised as to whether the User Groups' aim was to continue with the original intent of Ofgem in setting up the User Groups which was to ensure different user constituencies were represented. TM confirmed that this was still the case and highlighted the need to also think about future users of the system.</p> <p>The User Groups also considered the key outputs necessary to ensure transparency. ZM highlighted that in the water industry, key outputs of similar groups constituted a published report every year. TM mentioned the discussion that had been taking place off-line to ensure the User Group had a public voice. This was in addition to the minutes and it was expressed that by the end of this year, an outputs plan will be created as transparency is critical.</p> <p>DM noted that the framework was very output-based and asked that NG may want to rather want to firstly consider what outcomes it is aiming for in order to determine what it needs from the User Groups. CBe explained that the NG Group had refreshed its purpose, vision and values and expressed that he would like to play this back to the User Groups at some point. CBe, once this is published, will show how this aspiration is linked to the new purpose of the User Groups.</p> <p>WW commented that he would like any Ofgem guidance to clarify how the User Groups interfaced with Ofgem and the Challenge Group, and for this to subsequently reflected in section 1 of the ToR, to ensure there is consistency with requirements TM agreed to raise this with Ofgem.</p> <p>TM explained support from NG would be required to help get next steps in place and CBe agreed to provide support.</p>	<p>UG14-04 AA & CBa to ensure the User Group publishes outputs plan by the start of next year.</p> <p>UG14-05 CBe to provide NG aspiration for working with User Group & stakeholders linked to new NG purpose.</p> <p>UG14-06 TM to raise with Ofgem the need for guidance to include clarification of the relationships between the User Group and the Challenge Group.</p>
7.	<p>Gas forward workplan</p> <p>PS introduced that the forward workplan for the group would be crucial in helping to facilitate decarbonisation. CH introduced the prioritisation principles provided by TM and explained how scoring on topics was indicative to allow the group to challenge and provide feedback on topics prioritised by the group.</p> <p>JH asked about stakeholder segmentation and CH explained this was part of the NG strategy and annual process. CBa/AA to share examples of engagement logs with new users to show how NG segment stakeholders.</p>	<p>UG14-07 CBa/AA to share example engagement logs with new members.</p>

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	<p>ZM highlighted previous open challenges, and TM proposed that open challenges could be considered as part of future topic discussions.</p> <p>Specific feedback on topics was received:</p> <p>Safety – Noting that the User Group had no ability to influence HSE compliance requirements, PD asked whether a call with the HSE would be good to have periodic assurance updates on the intervention programme.</p> <p>Network capability – JC highlighted this was an important area where sub-topics could be split out and whether within day work on capability would be included. This is a prioritised topic the group would like to see presented.</p> <p>Gas on and off – JC highlighted asset health is the biggest area of spend however as a complex technical area, it is often taken on trust. BHa explained that this topic used service risk levels to engage with stakeholders.</p> <p>External threats – the User Group noted the limits of its ability to influence in this area, given Ofgem and BEIS’ role as Competent Authorities. However, it was noted that the Group could perform an assurance role on process. There was a suggestion there could be a single session with HSE, Ofgem or other expert stakeholders on progress and even with other customer engagement groups or use groups of other networks.</p> <p>Net zero - The User Group fed back that futures, as a topic was needed and net zero was a priority. It was agreed that net zero needed to be a specific topic with its own sub-topics.</p> <p>Environment and communities – the User Group enquired whether all customer value propositions (CVP) would be covered, it was confirmed that they would as they form part of the business plan commitments.</p> <p>Efficient and affordable – the User Group noted that this covered more than incentives.</p> <p>Digitalisation – this was stated as a key priority for changing the shape of the business similar to net zero.</p> <p>The User Group agreed to feed in any more thoughts on topic prioritisation in the next week. National Grid to provide an updated list following the framework provided by IS. TM and DM to work through workplan to ensure right level of priority and urgency including network capability, RIIO-1 close out, RIIO-2 preparation and stakeholder engagement.</p>	<p>UG14-08 User Group members to provide any feedback on forward workplan topics by COP Tuesday 19 May.</p> <p>UG14-09 NG to provide updated workplan based on 3 purpose categories and indicative timelines.</p> <p>UG14-10 TM & DM to work through forward workplan to ensure priority & urgency.</p>
8.	<p>Electricity forward workplan</p> <p>TM did a quick recap of the Gas session on for the benefit of the Electricity Transmission participants who dialled back in for this agenda item.</p> <p>GS did a brief introduction on himself and did a recap on the approach for going through the Electricity Transmission topics.</p>	

GS then provided an overview of the topics and what role the User Group could play. This led to a further discussion on some of the topics and what was envisaged as being the role of the User Group as per the framework which had been presented earlier by IS.

SF6 – BH enquired whether this should be tied into asset replacement and an explanation was provided by DW that there was a need for ET to be innovative in how the leakage was managed as the right equipment to enable that was currently not on the market. The Group discussed that this was about NG taking a leadership role in stimulating the market as had outlined in the User Group report. The Group considered that their role here may be about holding to NG account and assessing speed and ambition levels in a changing environment.

Safety & Reliability – There was a discussion around reviewing the deliverables given impacts of COVID-19. DW also agreed that he would like to bring back to the Group, any changing priorities from consumers and stakeholders. The User Group agreed that “Safety” and “Reliability” should be separated.

There was a request for COVID -19 impacts to be considered as a vertical theme across the business plan.

Environmental Action Plan (EAP) - There was a discussion on the need to clearly distinguish between what NG was planning to do about their carbon footprint and their role in decarbonisation, which related more to Net Zero. MB further clarified that the role of the User Group with regards to the EAP would be to hold NG to account on their commitments. There was also a discussion on the timing of when input would be required on this.

Responsible Business Charter – It was discussed that this was about obtaining the Group thoughts on the draft Charter, as well as ensuring the impacts of COVID-19 are considered.

RIIO 1 Close out – MB advised that the likely timing of this could be the second half of 2021 in terms of process Ofgem would follow. TM advised that User Group would need to set out its expectations to ensure transparency and to also ensure both the Group and NG are on the same page when it comes to the beginning of the RIIO-2 period.

The User Group highlighted the need for NG to ensure that the reporting on RIIO-1 close out and that for RIIO-2 performance was separated.

Metrics – GS explained that this was about how having metrics on how NG was delivering against its commitments and on how impact on consumers could be measured.

Net Zero – DM suggested reviewing this as a cross ET/GT conversation especially taking into consideration the need for whole systems thinking. There was also the need to consider how the roadmap could be further developed.

Specific projects- There was a discussion as to whether the Group role was to consider the right framework to deliver the respective solutions. The

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	<p>Group agreed its role should rather be one of a critical friend on engagement approach and potentially, observing of some approaches in action to establish quality of engagement.</p> <p>Innovation – It was discussed that the role of the Group would be to review the Innovation Strategy and establish whether NG was meeting its commitment on culture change.</p> <p>Some other actions agreed were as follows:</p> <ol style="list-style-type: none"> 1. Update to be provided to new members on what is involved in Visual Impact Provision (VIP) and Urban Impact Provision (UIP) <p>Next steps agreed:</p> <ol style="list-style-type: none"> 1. User Group to review the topics discussed and feedback to NG any additional topics (e.g. digitisation) for consideration or any amendments over the next week (Captured in action UG14-08). 2. NG to review list against IS framework for linking outcomes and measures to purpose and send the User Group an updated list of topics (Captured in action UG14-09) 3. COVID-19 to be considered as a vertical theme. 4. TM & DM to review updated list on behalf of the User Group to finalise what should be considered as part of the Group's workplan/forward agenda (Captured in action UG14-10). 	<p>UG14-11 NG to provide an update to new members on what is involved in Visual Impact Provision (VIP) and Urban Impact Provision (UIP)</p>
9.	<p>AOB</p> <p>In the closed session, TK fed back that he found the meeting very useful but found the use of acronyms a challenge. DM suggested a buddying arrangement to help with new member induction. CBa also asked new members to contact her if they needed clarification on anything.</p> <p>The Groups discussed workload potential and agreed that it would be important to remain focused on their remit.</p> <p>Finally, the User Groups were asked to note down the 17th June as an additional date for a meeting to cover some of the key topics from Electricity and Gas Transmission.</p>	<p>UG14 –12 AA to inform business to minimise the use of acronyms in presentations.</p> <p>UG14-13 AA to send invite out to the Group for the 17th June</p>

Actions from User Group Meeting 14

Action Reference	Target	Responsible	Description	Closure Date
UG14-01	17 th June 2020	Trisha McAuley	SG13 Minutes - TM to ask Ofgem for a copy of the report on Network Capability before publication.	
UG14-02	30th May 2020	AA/CBa	SG13 Minutes - AA/CBa to send a copy of Citizens Advice's response to the Ofgem consultation to the User Group.	

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UG14-03	17 th June 2020	Trisha McAuley	NS Address - TM to discuss User Group representation on the Responsible Business Advisory Board with CBe.	
UG14-04	3 rd Jan 2021	AA & CBa	Governance - AA & CBa to ensure the User Group publishes outputs plan by the start of next year.	
UG14-05	17 th June 2020	Chris Bennett	Governance - CBe to provide NG aspiration for working with User Group & stakeholders linked to new NG purpose.	
UG14-06	17 th June 2020	Trisha McAuley	Governance - TM to raise with Ofgem the need for guidance to include clarification of the relationships between the User Group and the Challenge Group.	
UG14-07	30 th May 2020	AA/CBa	CBa/AA to share example engagement logs with new members.	
UG14-08	19 th May 2020	User Group members	Forward workplan - User Group members to provide any feedback on forward workplan topics by COP Tuesday 19 May.	
UG14-09	27 th May 2020	Carole Hook & Gary Stokes	Forward workplan - NG to provide updated workplan based on 3 purpose categories and indicative timelines.	
UG14-10	5 th June 2020	Trisha McAuley & Denise Massey	Forward workplan - TM & DM to work through forward workplan to ensure priority & urgency.	
UG14-11	17 th June 2020	Amelia Affum	NG to provide an update to new members on what is involved in Visual Impact Provision (VIP) and Urban Impact Provision (UIP)	
UG14-12	15 th May 2020	Amelia Affum	AA to inform business to minimise the use of acronyms in presentations.	
UG14-13	15 th May 2020	Amelia Affum	AA to send invite out to the Group for the 17 th June	

Actions carried forward

Action Reference	Target	Responsible	Description	Closure Date

Actions closed at User Group Meeting 14

Action Reference	Target	Responsible	Description	Closure Date
SG13-01	20 th Feb 2020	AA/TK	All closed actions to be archived	12 May 2020
SG13-02	30 th Mar 2020	TN	The outcome of the audit commissioned by Ofgem into NGGT's network capability methodology to be shared with the User Group.	12 May 2020

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SG13-03	28 th Feb 2020	JK	JK to share Citizens Advice report on the business plans when ready before Ofgem publish.	12 May 2020
SG13-04	28 th Feb 2020	TM	TM to obtain further clarity from Ofgem on the Open Hearings.	12 May 2020
SG13-05	30 th Mar 2020	NGET/NGGT	NGET/NGGT to provide a complete list of business plan topics to be assessed for the future workplan.	12 May 2020
SG13-06	30 April 2020	TM/AA/TK	TM to begin revised drafting of governance documents (working with TK/AA) and share with the group in advance of the May 2020 meeting	12 May 2020
SG13-07	30 th Mar 2020	TM/AA/TK/ NG	TM to work with NG to develop a job specification and agree process for recruitment	12 May 2020