

Electricity
Transmission

Summary of Independent
Stakeholder Group
challenges:
prepared by NGET

December 2024

nationalgrid



Contents

ISG* Foreword	3
Introduction	4
Executive Summary	5
Example References	6
Challenge & Response Summaries	
Maintain our Assets	7
ASTI*	8
Business Plan Structure	9
Connections	10
Deliverability	11
Environment	12
Finance	13
Human Network	14
SSMC*	14
Innovation	15
IT Data & Digital	16
Land & Property	17
Regional & Site Strategies	18
Climate Resilience	19
Responsible Business	20
Stakeholder Engagement	21

* ISG – Independent Stakeholder Group
ASTI - Accelerated Strategic Transmission Investment
SSMC - Sector Specific Methodology Consultation

This document has been compiled by National Grid Electricity Transmission (NGET), with permission from the Independent Stakeholder Group (ISG), as a summary of the responses to all the challenges raised by the ISG regarding NGET's business plan. The intent is to provide stakeholders with a high-level overview of the nature of the challenges NGET received from the ISG.

This summary does not replace the detailed challenge logs that have been produced for each of the topic areas reviewed by the ISG during the business planning period. Those logs are owned and managed by the ISG.

Furthermore, this document does not imply that the ISG has endorsed NGET's business plan.

If you would like to learn more about who the ISG are or what they think please visit their [website](#)

Introduction

ISG Overview

- In 2018, Ofgem introduced the Enhanced Engagement Programme as part of the RIIO-T2 price control process, requiring network companies to establish an Independent Stakeholder Group (ISG) to challenge and scrutinize business plan development.
- The role of the ISG was refreshed for RIIO-T3, expanding its membership to include an energy expert from a local authority, enhancing regional perspectives.

Challenge Process

- In 2024, the NGET ISG set out a plan to scrutinize each element of the NGET business plan.
- A high-level scope for each meeting was issued in advance, allowing the ISG to establish evaluation criteria for each topic area.
- The ISG held **11 meetings** throughout the year, resulting in **144 challenges** across various investment areas of NGET’s RIIO-T3 plan.

Transparency & Engagement

- The ISG members had access to commercially confidential information, reflecting NGET’s commitment to transparency in its engagement with the group.
- While we aim to be as open as possible, we cannot publish the full ISG Challenge Log due to confidentiality. Instead, we are providing this non-confidential summary to help stakeholders understand the challenge process and how feedback has been incorporated.

Impact of Stakeholder Feedback

- Throughout the engagement process, the ISG has provided valuable insights that have influenced our investment plans and decision-making.
- Challenges raised during meetings were documented in a challenge log, with responses reviewed in separate Challenge Log Review meetings.

Topic Area	Challenges
Business Plan	10
SSMC	2
Stakeholder	14
Environment	22
ASTI	5
Regional Strategies	12
Connections	8
Responsible Business	6
Deliverability	6
Maintain our Assets	17 (6)*
Innovation	9
IT digital & data	7
Human Network	3
Land & Property	7
Resilience	7
Finance	8

* Maintain our Assets were subject to 6 further Challenges on NGET’s initial responses (Total 23)

ISG Challenge Log – Executive Summary

Independent Stakeholder Group (ISG) Challenge Themes

In 2024, the ISG has presented a total of 144 challenges to NGET across 16 distinct topic areas. These challenges highlight the varied concerns and expectations of our stakeholders regarding NGET's operations and strategic direction.

We have identified several high-level themes across the challenges:

Stakeholder Engagement: NGET must demonstrate how stakeholder feedback influences investment plans and decision-making processes

Value for Money: NGET needs to show that expenditures on maintaining and improving electricity assets benefit consumers.

Asset Management: Effective management of aging assets is essential, ensuring timely replacement or maintenance to mitigate risks

Environmental Responsibility: NGET must address the environmental implications of its operations, particularly regarding materials used, and articulate clear sustainability goals.

Transparency in Decision Making: NGET should clarify how decisions are made and how stakeholder feedback is integrated into its processes.

Increased Costs: There are concerns about rising costs across various operations, including asset replacement and project delivery, necessitating clear justification and a comprehensive approach to cost management.

Delivery of Projects: NGET may face challenges related to the deliverability of projects due to physical constraints and uncertainties in planning.

Long-Term Value Orientation: NGET must balance providing long-term benefits to consumers with delivering projects that optimize consumer value for money.

Collaboration and Partnerships: NGET should enhance collaboration with other organizations and sectors to achieve common goals and improve project delivery

Performance Metrics and Accountability: NGET needs to effectively use performance data to prioritize asset improvements and demonstrate accountability in its commitments.

National Grid Electricity Transmission (NGET) Responses

NGET has formally responded to the ISG, providing supporting evidence for each of the challenges raised. Our responses demonstrate NGET's commitment to a strategic direction that is significantly informed by stakeholder input.

The most prevalent themes identified in our responses include:

Enhanced Stakeholder Focus: NGET is prioritising stakeholder engagement to shape network development, with regional Future Network Blueprints in place and is committed to collaborating with industry and regional partners as part of this. In 2025, NGET will publish a refreshed stakeholder strategy to reflect the insight gathered to date.

Commitment to Value: NGET is dedicated to ensuring that investments in electricity infrastructure provide clear benefits to consumers, focusing on safety, reliability, and cost-effectiveness.

Proactive Asset Management: NGET actively manages the risks associated with aging assets, prioritising maintenance and replacement to ensure continued reliability of the electricity supply.

Environmental Responsibility: NGET is taking steps to minimise environmental impacts, particularly concerning the use of SF6 gas, and is deploying alternatives to enhance sustainability.

Engagement and Transparency: NGET is committed to engaging with stakeholders and incorporating their feedback into decision-making processes, ensuring that their voices are heard and considered.

Cost Management: NGET is focused on managing costs effectively while ensuring that necessary upgrades and replacements are justified and beneficial for consumers.

Clear Communication: NGET is committed to improving clarity in its messaging, particularly regarding network capacity, consumer priorities, and the impact of its investments on consumer bills.

Reliability Focus: NGET understands the importance of maintaining a reliable electricity supply and is implementing strategies to ensure that maintenance activities do not compromise service quality

Partnerships and Innovation: NGET will continue to collaborate with stakeholders to enable innovative solutions that maintain community and environmental values while delivering projects efficiently.

Performance Monitoring: NGET seeks to develop metrics and a centralised reporting framework to effectively track and demonstrate the impact of community benefit initiatives and responsible business commitments

NGET High–Level Response Themes References

Examples of how we address the following themes can be found in the RIIO-T3 main business plan document:

1. Enhanced Stakeholder Focus

Page 3: NGET emphasizes the importance of stakeholder engagement in shaping the future energy network, highlighting extensive outreach that reached over 12,000 people and 1,000 organizations to inform their plans.

Page 21: NGET discusses how stakeholder insights and consumer research were used to co-create regional Future Network Blueprints, guiding network development to meet customer and stakeholder needs.

2. Commitment to Value

Page 3: NGET emphasizes the importance of delivering long-term consumer value as a foundation for their planning.

Page 68: The Business Plan discusses how NGET aims to ensure that investments provide value to consumers, particularly in the context of community benefits and social value.

3. Proactive Asset Management

Page 20: NGET discusses its proactive approach to managing aging assets and ensuring reliability.

Page 44: The Business Plan details how NGET will actively manage delivery and mitigate risks throughout RIIO-T3, including asset management strategies.

4. Environmental Responsibility

Page 92: NGET outlines its commitment to reducing environmental impacts, particularly regarding SF6 gas and exploring sustainable alternatives.

Page 99: The Business Plan discusses the comprehensive environmental strategy, including biodiversity and sustainability goals, and the commitment to reducing carbon emissions.

5. Engagement and Transparency

Page 21: NGET outlines its extensive engagement with stakeholders, including over 10,000 consumers and 2,000 stakeholders, to inform their plans.

Page 28: The Business Plan describes the Great Grid Upgrade campaign aimed at raising awareness and engaging communities about the importance of transmission infrastructure.

6. Cost Management

Page 75: NGET discusses its focus on managing costs effectively while ensuring that necessary upgrades are justified.

Page 77: The Business Plan mentions ongoing efficiency efforts to minimize the impact of plans on consumer bills while delivering a transformation of the electricity system.

7. Clear Communication

Page 30: NGET commits to improving clarity in its messaging regarding network capacity and consumer priorities.

Page 21: The Business Plan emphasizes the need for transparency in communication with stakeholders about project timelines and impacts.

8. Reliability Focus

Page 20: NGET emphasizes the importance of maintaining a reliable electricity supply and the strategies in place to ensure this.

Page 65: The Business Plan highlights NGET's commitment to delivering a high-quality service and maintaining network reliability as a top priority.

9. Partnerships and Innovation

Page 84: NGET discusses its commitment to collaborating with stakeholders to enable innovative solutions.

Page 68: The Business Plan highlights the importance of partnerships in delivering community benefits and enhancing service delivery.

10. Performance Monitoring

Page 68: NGET seeks to develop metrics and a centralized reporting framework to track community benefit initiatives.

Page 44: The Business Plan mentions the importance of monitoring and reporting on environmental and social value metrics.

These references illustrate how NGET addresses each theme in multiple sections of the Business Plan, demonstrating a consistent commitment to these principles throughout their planning and operational strategies.

ISG Challenge Summary

- Value for Money:** National Grid Electricity Transmission (NGET) must show that the money spent on maintaining and improving electricity assets is in the benefit of consumers.
- Stakeholder Engagement:** NGET needs to clearly demonstrate how feedback from stakeholders has influenced their investment plans.
- Asset Management:** There is a need to manage the risks associated with aging assets and ensure they are replaced or maintained effectively.
- Delivery of Projects:** There are concerns that some projects may not be deliverable due to physical constraints or uncertainties in the planning process.
- Resource Constraints:** There are challenges in securing enough skilled workers and materials to complete necessary projects on time.
- Increased Costs:** There are concerns about the rising costs of replacing certain assets without clear justification for the need.
- Environmental Impact:** NGET must address the environmental implications of using certain materials, like SF6 gas, in their operations.
- Maintenance Reliability:** Taking assets offline for maintenance can affect the reliability of the electricity supply.
- Supply Chain Challenges:** There are risks associated with the supply chain that could impact the delivery of projects.
- Transparency in Decision Making:** NGET needs to be clear about how decisions are made and how stakeholder feedback is incorporated.
- Learnings from Previous Phases:** NGET must address how lessons learned from past projects will inform future work and prevent repeating mistakes.
- Performance Metrics:** There is a need to effectively use performance data to prioritise asset replacements and improvements.
- Pipeline Management:** NGET must ensure that consumers are not paying twice for the same work or projects.
- Integration of Models:** NGET needs to better integrate stakeholder feedback into their planning and decision-making processes.
- Trade-offs for Net Zero:** National Grid must be transparent about the compromises made to achieve net-zero emissions goals.
- Impact of Maintenance on Reliability:** NGET needs to articulate how maintenance activities affect the overall reliability of the electricity supply.
- Identifying Supply Chain Strengths and Challenges:** NGET must identify and address the strengths and weaknesses in its supply chain to ensure effective project delivery.

NGET Response Themes

Commitment to Value: NGET is dedicated to ensuring that investments in electricity infrastructure provide clear benefits to consumers, focusing on safety, reliability, and cost-effectiveness. *See Business Plan pages 3 & 4.*

Engagement and Transparency: NGET is committed to engaging with stakeholders and next year will publish a refreshed strategy for RII0-T3. NGET has set out in the business plan where stakeholder feedback has influenced the decisions made. *See Business Plan pages 3 & 23.*

Proactive Asset Management: NGET is actively managing the risks associated with aging assets, prioritising maintenance and replacement to ensure continued reliability of the electricity supply. *See Business Plan pages 45 & 50.*

Addressing Delivery Challenges: NGET has undertaken a detailed assessment of the factors which could risk delivery of the plan. On skills, it has implemented a Strategic Workforce Plan and new, longer-term supply chain strategies which will build capacity across the sector, such as the Great Grid Partnership. *See Business Plan pages 56 & 59.*

Cost Management: NGET is focused on managing costs effectively while ensuring that necessary upgrades and replacements are justified and beneficial for consumers. NGET has committed to a stretching 0.7% ongoing efficiency target – at the top of the evidential range. *See Business Plan pages 75 & 92.*

Environmental Responsibility: NGET has updated its Environmental Action Plan and made 12 major commitments, including a 50% reduction in scope one and two carbon emissions by 2030. *See Business Plan pages 39 & 54.*

Reliability Focus: NGET has committed to achieve 99.9999% reliability and has proposed an increase in ambition for the Energy Not Served incentive. *See Business Plan pages 45 & 54.*

Accelerated Strategic Transmission Investment (ASTI)

ISG Challenge Summary

- 1. Collaboration with Generators:** National Grid Electricity Transmission (NGET) needs to show how it is working with electricity generators and ensuring that important social and environmental benefits are not lost while delivering projects promptly.
- 2. Long-Term Value vs. Low Cost:** NGET must demonstrate how it balances providing long-term benefits against simply delivering projects at the lowest cost.
- 3. Expanding Procurement Coverage:** NGET is challenged to work with regulators to broaden a procurement scheme to include more than just transmission operators, without delaying current plans.
- 4. Balancing Time and Responsibility:** NGET needs to explain how it prioritises timely project delivery while also considering responsible business practices and community impacts.
- 5. Tracking Performance on Non-Construction Issues:** NGET is required to develop measures to monitor performance on broader issues beyond construction, particularly regarding community benefits and responsible business commitments.

NGET Response Themes

Partnerships and Innovation: NGET will continue to collaborate with stakeholders to enable innovative solutions that maintain community and environmental values whilst delivering projects efficiently. NGET has developed a series of regional Future Network Blueprints. We will publish a refresh stakeholder engagement strategy in 2025. Also, each section of the business plan explains how stakeholder insight has informed our investments. *See Business Plan Pages 58 & 84*

Commitment to Value: NGET will continue to focus on balancing long-term benefits with cost management, ensuring stakeholder engagement and community value initiatives are prioritised. One of the three ambitions for the RIIO-T3 plan is to “do the right thing for customers, communities and the environment” which is supported by four objectives and twenty commitments which captures the ambition in the plan around overall value creation. *See Business Plan Pages 3 & 9*

Establishing Robust Mechanisms: NGET recognises the importance of creating and maintaining the Advanced Procurement Mechanism (APM) before considering expansion to other sectors, ensuring timely project delivery. NGET is working with Ofgem to provide feedback and suggestions for the APM. *See Business Plan Pages 58 & 75*

Responsible Business Practices: NGET will ensure integration of responsible business practices into project planning and delivery, with a focus on maintaining consumer benefits. For example, as discussed in section 3 of the main business document NGET has incorporate responsible business commitments in the design of tenders for two major subset cable projects (Eastern Green Link 1 and 2). *See Business Plan Pages 56 & 99*

Performance Monitoring: NGET will develop metrics and a centralised reporting framework to effectively track and demonstrate the impact of community benefit initiatives and responsible business commitments. *See Business Plan Pages 68 & 44*

Business Plan Structure

ISG Challenge Summary

- 1. Cultural Changes for Energy Transition:** National Grid Electricity Transmission (NGET) needs to explain how it will change its organisational culture to support the energy transition, including innovation, data use, and collaboration.
- 2. Understanding Capacity:** NGET must clarify what it means by a "capacity rich network" and how it plans to increase network capacity while considering political changes and resilience.
- 3. Consumer Priorities and Fairness:** NGET needs to outline how it addresses top consumer priorities like reliability and safety and ensure fairness in its transition plans.
- 4. Benchmarking Ambitions:** NGET should provide more information on its goals for performance compared to previous commitments and demonstrate how it plans to stretch beyond past achievements.
- 5. Cross-Cutting Themes:** NGET needs to ensure that important themes are integrated across all topics in its plans.
- 6. Scorecard for Monitoring:** NGET must outline how it will develop a scorecard to track its delivery and impact on various commitments.
- 7. Trade-Offs in Decision Making:** NGET needs to explain the trade-offs it has made in its planning and how it systematically approaches these decisions.
- 8. Partnerships and Collaboration:** NGET should clarify how it works with other organisations and sectors to enhance its plans.
- 9. User-Friendly Communication:** NGET needs to improve how it presents its plans to stakeholders, making them more accessible and easier to understand.
- 10. Bill Impact Clarity:** NGET should clearly differentiate between the impacts of its investments on consumer bills and those factors outside its control.

NGET Response Themes

Cultural Transformation: NGET is focusing on creating a culture that embraces innovation, collaboration, and inclusivity to support the energy transition. *See Business Plan Pages 63 & 87*

Clear Communication: NGET is committed to improving clarity in our messaging, particularly regarding network capacity, consumer priorities, and the impact of our investments on consumer bills. We have moved away from some of the early language we tested with the ISG. *See Business Plan Pages 21 & 30*

Stakeholder Engagement: NGET is actively engaging with stakeholders to gather feedback and ensure that our plans align with consumer needs and expectations. NGET has developed a series of regional Future Network Blueprints. We will publish a refresh stakeholder engagement strategy in 2025. Also, each section of the business plan explains how stakeholder insight has informed our investments. *See Business Plan Pages 3 & 58*

Benchmarking and Accountability: NGET is working on establishing clear benchmarks and accountability measures to demonstrate progress and stretch beyond previous commitments. NGET has set out 51 commitments across the RIIO-T3 plan and has benchmarked these against historic performance and other sectors where appropriate. *See Business Plan Pages 9 & 68*

Integrated Approach: NGET recognises the value of building partnerships and understanding cross-cutting themes to enable a holistic approach to our operations and supporting strategies. *See Business Plan Pages 58 & 72*

Monitoring and Reporting: The development of a scorecard to track delivery and impact reflects NGET's commitment to transparency and accountability in our operations. *See Business Plan Pages 68 & 44*

ISG Challenge Summary

- 1. Success Criteria for Connections:** National Grid Electricity Transmission (NGET) should clearly define what success looks like for connecting new energy sources and what outcomes they aim to achieve.
- 2. Understanding Customer Needs:** NGET needs to show they understand what customers want now and how they will keep track of changing needs in the future.
- 3. Fairness in Project Support:** NGET should consider fairness when deciding which connection projects to support, ensuring that all types of projects are treated equally.
- 4. Engagement Beyond Industry:** NGET should engage with local leaders and agencies outside the energy industry to explore different strategies for achieving their goals.
- 5. Impact of No Regrets Projects:** NGET must show that their projects will not negatively affect customer bills and will provide long-term benefits to society.
- 6. Customer Confidence in Investments:** NGET needs to demonstrate that customers can trust their investment decisions and the projects they choose to support.
- 7. Customer Charter for Connections:** NGET should create a customer charter to set clear expectations for customers seeking connections to the network.
- 8. Capturing Broader Stakeholder Needs:** NGET should show how they have engaged with a wide range of stakeholders and how they have understood and captured their needs.

NGET Response Themes

Clear Communication: NGET is committed to clearly defining success criteria and outcomes for our projects, ensuring that stakeholders understand the goals and benefits of our initiatives. *See Business Plan Pages 21 & 30*

Customer Engagement: NGET is actively engaging with customers and stakeholders to gather insights and feedback, which informs our strategies and our decision-making processes. *See Business Plan Pages 3 & 66*

Fairness and Equity: NGET endorses fairness in our project selection and support, ensuring that all projects are evaluated based on consistent criteria. NGET has included a section in the main business plan which explains their role and commitments being made on our positive contribution to our communities and supporting customers in vulnerable situations. *See Business Plan section 4.2 Pages 68 - 70*

Collaboration with External Parties: NGET is working with local authorities and other external stakeholders to develop comprehensive strategies that address community needs and concerns. NGET has developed a series of regional Future Network Blueprints. We will publish a refresh stakeholder engagement strategy in 2025. Also, each section of the business plan explains how stakeholder insight has informed our investments. *See Business Plan Pages 58 & 72*

Focus on Consumer Impact: NGET is dedicated to ensuring that our investments provide long-term benefits to consumers, including minimising negative impacts on consumer bills. NGET has committed to a stretching 0.7% ongoing efficiency target – at the top of the evidential range. *See Business Plan Pages 75 & 78*

Building Trust: By developing a customer charter and enhancing communication, NGET aims to build trust and confidence among our customers regarding their connection processes. NGET has proposed investments in its plan to improve the quality of service for customers connecting to our network, including expanding our customer management team and a new customer relationship management system – this is in response to feedback for more data transparency and real-time, self-serve functionality. *See Business Plan section 4.1 Pages 66 & 67*

ISG Challenge Summary

- 1. Fairness in System Access:** National Grid Electricity Transmission (NGET) should ensure that fairness is a key part of how they manage access to the electricity system, prioritising work that benefits the most customers.
- 2. Encouraging Broader Engagement:** NGET needs to help the National Electricity System Operator (NESO) engage more widely with stakeholders to improve collaboration and delivery.
- 3. Gathering Evidence for Economic Growth:** NGET must collect strong evidence from stakeholders to support their case for economic growth and development when working with Ofgem.
- 4. Commitment to Responsible Business:** NGET should maintain its commitment to responsible business practices, especially in how it manages its supply chain to maximise social value.
- 5. Third-Party Assurance:** NGET needs to demonstrate that it has reliable third-party reviews of its costs, risks, and recruitment strategies to ensure accountability.
- 6. Long-Term Consumer Value:** NGET should focus on delivering long-term value to consumers rather than just the lowest costs, highlighting the broader benefits of their investments.

NGET Response Themes

Commitment to Fairness: NGET prioritises fairness, ensuring equitable access to the electricity system for all customers. NGET has included a section in the main business plan which explains their role and commitments being made on our positive contribution to our communities and supporting customers in vulnerable situations. *See Business Plan section 4.2 Pages 68 - 70*

Enhanced Stakeholder Engagement: NGET is improving engagement with stakeholders, including NESO and local authorities, to foster collaboration and gather insights. NGET has developed a series of regional Future Network Blueprints. We will publish a refresh stakeholder engagement strategy in 2025. Also, each section of the business plan explains how stakeholder insight has informed our investments. *See Business Plan Pages 3 & 58*

Focus on Economic Growth: NGET is dedicated to understanding and addressing stakeholder needs related to economic growth, aligning our plans with community interests. *See Business Plan Pages 5 & 78*

Responsible Business Practices: NGET integrates social value into our supply chain strategy, supporting local and diverse suppliers for community benefits. For example, as discussed in section 3 of the main business document NGET has incorporated responsible business commitments in the design of tenders for two major subset cable projects (Eastern Green Link 1 and 2). *See Business Plan Pages 56 & 99*

Investment Assurance and Transparency: NGET enhances processes to provide clear evidence of the reliability and risks of our investments, ensuring accountability. NGET carried out an assessment of deliverability risk for RIIO-T3, to understand what will be needed to deliver the portfolio of work. This was carried out this analysis on an iterative basis over the last 12 months and created mitigation strategies that increase our confidence in being able to deliver. External assurance on our deliverability analysis has confirmed that we have robustly identified and assessed the risks. *See Business Plan Pages 44 & 68*

Long-Term Value Orientation: NGET focuses on the long-term benefits of our investments, highlighting overall value for consumers beyond short-term costs. *See Business Plan Pages 9 & 75*

ISG Challenge Summary

1. **Environmental Action Plan (EAP) Narrative:** National Grid Electricity Transmission (NGET) should create a clear story about their environmental goals and how they will create long-term social value.
2. **Electric Vehicle (EV) Supply Chain:** NGET needs to work with others in the industry to improve the development of electric heavy vehicles and target investments effectively.
3. **Investment in EV Metering:** NGET should increase its commitment to investing in metering for electric vehicle charging stations.
4. **Focus on Material Use:** NGET should prioritise the use of materials over waste management in their Environmental Action Plan.
5. **Linking Social Deprivation and Environment:** NGET should consider how environmental actions can support communities facing social deprivation.
6. **Collaborative Targets:** NGET should set targets for collaboration with other transmission operators in their Environmental Action Plan.
7. **International Benchmarking:** NGET should develop a clear comparison of their environmental performance with other companies to show how they measure up.
8. **Accessible Environmental Vision:** NGET should simplify its environmental vision to make it understandable for the public and connect it to their overall business goals.
9. **Collaboration with Customers:** NGET should work with offshore wind developers to create a more coordinated approach for local communities affected by infrastructure projects.
10. **Avoiding Self-Imposed Limits:** NGET should avoid setting unnecessary limits on their environmental ambitions and instead focus on the benefits of their actions.
11. **Strengthening Environmental Reporting:** NGET should improve how they report on environmental incidents and their overall environmental performance.
12. **Reviewing Environmental Targets:** NGET should ensure their environmental targets consider industry capacity and availability rather than just costs.
13. **Future Work and Targets:** NGET should identify future projects and set additional environmental targets, linking them to regulatory requests.
14. **Explicit Business Case:** NGET should clearly outline the business case for sustainability, including environmental, social, and cost impacts.
15. **Top-Down Leadership Narrative:** NGET should demonstrate leadership in sustainability rather than just compliance with regulations.
16. **Infrastructure Build and Environmental Impact:** NGET must ensure that rapid infrastructure development for net zero does not harm previous environmental progress.
17. **Market Growth Collaboration:** NGET should work with stakeholders to stimulate market growth and support the supply chain in achieving net zero.
18. **Wider Environmental Metrics:** NGET should develop additional metrics to measure the broader benefits of nature and social value beyond Biodiversity Net Gain (BNG).
19. **Demonstrating Ambition:** NGET should clearly show their progress and ambitions in environmental performance with data and benchmarks.
20. **Pollution Management:** NGET should strengthen their approach to managing pollution and collaborate with water companies to reduce environmental risks.
21. **Transparency in Decision-Making:** NGET should be clear about the trade-offs they make in decision-making and the reasons behind them.
22. **Regional Variation in Approach:** NGET should highlight how their environmental strategies differ across regions, considering local impacts and needs.

NGET Response Themes

Clear Environmental Goals: NGET is committed to clearly articulating our environmental vision and ensuring it aligns with long-term social value. NGET has updated its Environmental Action Plan and made 12 major commitments, including a 50% reduction in scope one and two carbon emissions by 2030.
See Business Plan Pages 40 & 42

Industry Collaboration: NGET is actively engaging with industry partners to enhance the development of electric vehicles and improve environmental practices.
See Business Plan Pages 39 & 43

Investment in Infrastructure: NGET is focusing on increasing investments in electric vehicle charging infrastructure and metering to support the transition to EVs, with investments in the RIIO-T3 plan to deliver this. It has made a commitment to 100% zero emission light duty fleet purchases by 2031. *See Business Plan Pages 18 & 40*

Sustainable Material Use: NGET is shifting our focus towards material efficiency and waste reduction in our environmental strategies. NGET has committed to achieve “engaged” level in BS8001 and to achieve zero avoidable waste in construction by 2030.
See Business Plan Pages 41 & 43

Community Support: NGET is linking our environmental initiatives with social value, to support communities affected by our operations.
See Business Plan Pages 30 & 99

Benchmarking and Transparency: NGET is committed to benchmarking our performance against industry standards and making our environmental goals accessible to the public. *See Business Plan Pages 30 & 99*

ISG Challenge Summary

- 1. Clear Commitments:** National Grid Electricity Transmission (NGET) should clearly show how stakeholder feedback shapes their goals and commitments in their reports.
- 2. Transmission Pricing Clarity:** NGET needs to explain that the rise in transmission costs is small compared to overall energy bills.
- 3. Affordability Role:** NGET must clarify its role in helping consumers who struggle to pay their energy bills.
- 4. Safety Standards Assurance:** NGET should ensure that safety is not compromised in their cost assessments and that safety remains a top priority.
- 5. Cost-Benefit Analysis (CBA) Consistency:** NGET needs to demonstrate that their investment decisions consider key themes and community impacts.
- 6. Investment Risk Evidence:** NGET should provide clear evidence of the risks and returns associated with their investments.
- 7. Future-Proofing Investments:** NGET must ensure that their investment options are well thought out for future needs and reflect stakeholder interests.
- 8. Consistency in Decision-Making:** NGET should show that they are not selectively choosing scenarios to justify their investment decisions.

NGET Response Themes

Enhanced Communication: NGET is improving how we communicate our commitments and the impact of our plans on consumer bills, ensuring clarity and transparency. Section 5.1 of the main business document explains the direct increases in the transmission element of the bill and the reduction in constraint costs for which consumers also pay through constraint costs. *See Business Plan Pages 5 & 65*

Support for Vulnerable Consumers: NGET recognises it has a responsibility to help consumers in vulnerable situations. NGET considers because it does not have a direct relationship with consumers, it can make the biggest contribution through its work in communities and partnering with local organisations. Section 4.2 of the main document sets out details on how NGET sees its role, some case studies of the work it has delivered through community partnerships and the RIIO-T3 commitments. *See Business Plan Pages 30 & 98*

Safety Commitment: NGET is prioritising safety in all operations, with a focus on maintaining high safety standards and fostering a strong safety culture among employees and contractors. *See Business Plan Pages 53 & 63*

Robust Investment Analysis: NGET is committed to thorough cost-benefit analyses that consider both financial and qualitative impacts, ensuring that investment decisions are well-rounded and future-proof. *See Business Plan Pages 39 & 75*

Consistency and Fairness in Decision-Making: NGET is implementing checks and training to ensure that all investment decisions are made consistently and based on comprehensive evidence, avoiding selective reporting. *See Business Plan Pages 73 & 78*

Human Network

ISG Challenge Summary

1. **Workforce Planning Narrative:** National Grid Electricity Transmission (NGET) needs to clearly explain its workforce planning, including status, actions being taken, and how it addresses the gap between supply and demand, especially regarding safety.
2. **Employee Wellbeing and Infrastructure Build:** NGET should demonstrate that the rapid development of infrastructure for net zero will not negatively impact employee engagement and wellbeing.
3. **Commitment to Social Value:** NGET must strengthen its narrative on social value, providing evidence of its impact and how it will measure its ambitions.

NGET Response Themes

Comprehensive Workforce Strategy: NGET is developing a detailed narrative on workforce planning, focusing on recruitment, training, and addressing the skills gap to ensure safety and efficiency. This forms part of the Strategic Workforce Plan and our associated strategies to attract and retain workforce. Section 3.5 of the main business plan sets out the NGET workforce resilience plan. *See Business Plan Pages 59 & 63*

Employee Wellbeing Initiatives: NGET is committed to enhancing employee engagement and wellbeing through proactive health management and support programs. NGET is proposing to invest to propose access to modern and inclusive workplaces, including the operational estate during RIIO-T3. It has also made a commitment to maintaining and upper quartile Wellbeing Index Score. *See Business Plan Pages 61 & 62*

Social Value Measurement: NGET is implementing a Social Return On Investment (SROI) calculator to measure and report on social value, ensuring a consistent approach across the industry. *See Business Plan Pages 59 & 68*

Sector Specific Methodology Consultation (SSMC)

ISG Challenge Summary

1. **Reviewing Future Energy Scenarios (FES) 2024:** NGET needs to analyse the 2024 Future Energy Scenarios and identify any significant changes that could impact their business plan for the RIIO-T3 period.
2. **Encouraging Innovation and Collaboration:** NGET should communicate to Ofgem the importance of fostering innovation and collaboration to effectively manage major projects and meet the ambitious goals set for project delivery.

NGET Response Themes

Commitment to Updated Energy Scenarios: NGET is using the 2024 Future Energy Scenarios as the basis for our planning and is ensuring that significant changes are reflected in our final RIIO-T3 business plan. *See Business Plan Pages 59 & 68*

Advocating for Innovation and Collaboration: NGET is developing methods to track and report on the societal value of our innovation initiatives, ensuring that benefits extend beyond the company itself. This includes working across the sector to develop a consistent approach to Social Return On Investment (SROI) calculations. *See Business Plan Pages 74 & 82*

ISG Challenge Summary

- 1. Cross-Working with Other Parts of National Grid:** National Grid Electricity Transmission (NGET) needs to show how it collaborates with other business areas within the National Grid plc Group, like National Grid Electricity Distribution (NGED), to improve overall operations.
- 2. Embedding Innovation in Business Plans:** NGET should ensure that innovation is a key part of all business plan topics, highlighting its importance in the company culture.
- 3. Maximising Opportunities for Improvement:** NGET must demonstrate that it is taking full advantage of opportunities to improve processes and engage with organisations like Innovate UK.
- 4. Community Acceptance and Vulnerable Customers:** NGET should focus on how its projects impact community acceptance and support for vulnerable customers.
- 5. Presenting Priorities and Interdependencies:** NGET needs to better present its priorities and show how different projects and goals are interconnected.
- 6. Stakeholder Engagement Feedback:** NGET should clearly show how stakeholder feedback has influenced its plans and what changes have been made as a result.
- 7. Sharing Learning Beyond the Sector:** NGET must demonstrate how it shares knowledge and learning with other sectors to improve practices and outcomes.
- 8. Impact of Innovation on Societal Value:** NGET should show how its innovations benefit society as a whole, not just the company.
- 9. Demonstrating Ambition and Progress:** NGET needs to clearly illustrate its progress and ambitions compared to previous commitments, showing how it plans to improve.

NGET Response Themes

Enhanced Collaboration: NGET is actively working to improve collaboration where applicable across the National Grid plc Group Businesses and with external partners to leverage shared knowledge and resources. *See Business Plan Pages 57 & 73*

Focus on Innovation: NGET is embedding innovation into our business plans and culture, ensuring it is a central theme in all operations. Section 4.4 of the main business plan sets out NGET's Innovation Strategy, including a commitment to meet 10% of the proposed innovation spending through shareholder investment. *See Business Plan Pages 74 & 80*

Community and Consumer Support: NGET is committed to understanding and addressing the needs of vulnerable customers and ensuring community collaboration and acceptance of our projects. Section 4.2 of the main document sets out details on how NGET sees its role, some case studies of the work it has delivered through community partnerships and the RIIO-T3 commitments. *See Business Plan Pages 30 & 98*

Transparency and Accountability: NGET is addressing how we present our priorities and interdependencies, making it easier for stakeholders to understand our plans and progress. NGET has included regional views of its investment plan as part of its RIIO-T3 plan. It has also explained in the main business document the key trade-offs which have been made in their investment plan. *See Business Plan Pages 9 & 82*

Knowledge Sharing: NGET is focused on sharing learning and best practices across sectors to enhance overall performance and innovation. *See Business Plan Pages 32 & 69*

Measuring Societal Impact: NGET is developing methods to track and report on the societal value of our innovation initiatives, ensuring that benefits extend beyond the company itself. This includes working across the sector to develop a consistent approach to Social Return On Investment (SROI) calculations. *See Business Plan Pages 74 & 98*

ISG Challenge Summary

- 1. Environmental Impact Awareness:** National Grid Electricity Transmission (NGET) should better explain how its actions affect the environment, and the dependencies involved.
- 2. Cross-Sector Engagement:** NGET needs to show that it is actively engaging with various sectors and stakeholders to understand their needs and priorities.
- 3. Incremental Approach to Virtual Energy Network:** NGET should take a leading role in the Virtual Energy Network project but start with small, manageable initiatives at a regional level.
- 4. External Assurance for Digital Tools:** NGET should seek third-party reviews to ensure that its digital tools and technologies are effective and provide good value.
- 5. Ongoing Stakeholder Engagement:** NGET must demonstrate that its engagement with stakeholders regarding digital investments is continuous and not just a one-time effort.
- 6. Fairness and Data Access:** NGET should strengthen its commitment to fairness and transparency in how users access data, following best practices.
- 7. Identifying User Needs:** NGET needs to improve its efforts in understanding and addressing the needs of potential users when developing its digital investments.

NGET Response Themes

Sustainability Focus: NGET is adopting best practices in sustainability, particularly in our IT operations, and is committed to considering environmental factors in decision-making. *See Business Plan Pages 21 & 44*

Active Stakeholder Engagement: NGET is enhancing our engagement with stakeholders across various sectors, ensuring that their feedback informs the development of our digital strategies and investments. Next year NGET will publish a refreshed strategy for RIIO-T3. NGET has also set out in the business plan where stakeholder feedback has influenced the decisions made. *See Business Plan Pages 39 & 63*

Incremental Development Strategy: NGET is taking a phased approach to projects like the Virtual Energy Network, starting with small initiatives to test and refine our strategies. *See Business Plan Pages 74 & 82*

Third-Party Assurance: NGET is utilising external experts to review our digital investments, ensuring that they are competitive and aligned with market standards. This includes benchmarking of the costs – where the benchmarking found costs were high, NGET responded by reducing the request for allowances and accepting further stretch on cost. *See Business Plan Pages 40 & 63*

Continuous Improvement in Engagement: NGET is embedding ongoing stakeholder engagement into our processes, ensuring that user needs are consistently identified and addressed. Next year NGET will publish a refreshed strategy for RIIO-T3. NGET has also set out in the business plan where stakeholder feedback has influenced the decisions made. *See Business Plan Pages 39 & 63*

Commitment to Data Transparency: NGET is focused on building trust through transparent data practices, ensuring fair access to data in line with best practices. It has included investments in the RIIO-T3 plan to enhance data sharing capabilities aligned to Ofgem's Data Best Practice obligations. *See Business Plan Pages 63 & 82*

ISG Challenge Summary

- 1. Embedding Stakeholder Engagement:** National Grid Electricity Transmission (NGET) needs to show that its strategy for engaging with stakeholders is fully integrated into its operations.
- 2. Collaboration with Scottish Transmission Operators:** NGET should work closely with Scottish Transmission Operators to plan for land acquisition in advance of projects.
- 3. Good Practice in Service Agreements:** NGET must demonstrate effective stakeholder engagement practices related to agreements for land use.
- 4. Visible Metrics for Land Purchases:** NGET should develop clear metrics to monitor decisions about land purchases, including the costs and benefits involved.
- 5. Community Involvement:** NGET needs to ensure that it listens to local communities and considers their unique needs when planning projects.
- 6. Transparency in Default Access:** NGET should show good practices in engaging with stakeholders and being transparent about default access to land.
- 7. Benchmarking Biodiversity Net Gain (BNG):** NGET is challenged to provide evidence of how it benchmarks its approach to biodiversity and environmental benefits.

NGET Response Themes

Enhanced Stakeholder Engagement: NGET is committed to improving our stakeholder engagement strategy, ensuring it is embedded in all operations and that stakeholders are kept informed and involved. Next year NGET will publish a refreshed strategy for RIIO-T3. NGET has also set out in the business plan where stakeholder feedback has influenced the decisions made. *See Business Plan Pages 9 & 22*

Collaboration with Other Operators: NGET is actively collaborating with Scottish Transmission Operators to address land acquisition challenges and ensure a coordinated approach. *See Business Plan Pages 73 & 98*

Commitment to Transparency: NGET is focused on being transparent in our dealings with stakeholders, particularly regarding service agreements and default access. *See Business Plan Pages 3 & 82*

Development of Metrics: NGET is working on creating clear metrics to evaluate land purchase decisions, which will help in understanding the trade-offs and decision-making processes. It has committed to establishing a Lands Acquisition Board to oversee the process which will involve specialists to consider community engagement, fairness, the likelihood of land being required, location risks, engineering risks, consents risk and to ensure that the purchase represents a fair price and good value for money for the consumer. *See Business Plan Pages 39 & 40*

Community-Centric Approach: NGET is prioritising community engagement, ensuring that local voices are heard and considered in project planning and execution. NGET has developed a series of regional Future Network Blueprints, which have been informed by regional stakeholders' requirements and objectives. *See Business Plan Pages 22 & 69*

Biodiversity and Environmental Strategy: NGET is developing a comprehensive strategy for measuring and benchmarking biodiversity and environmental benefits, collaborating with other organisations to enhance our approach. *See Business Plan Pages 40 & 69*

ISG Challenge Summary

- 1. Adaptive Planning for Demand Uncertainty:** National Grid Electricity Transmission (NGET) needs to create flexible plans to manage uncertainties in electricity demand and generation, ensuring they can adapt to changing conditions.
- 2. Regional Strategic Narrative:** NGET should develop a clear narrative that highlights the unique challenges and demographics of each region, beyond just technical aspects.
- 3. Recognising Trade-offs in Deliverability:** NGET must acknowledge that not all stakeholder requests can be met and should communicate the reasons for any trade-offs made in their plans.
- 4. Whole System Approach:** National Grid should consider the entire energy system, not just electricity, when planning for future needs and potential solutions.
- 5. Engagement with Political Leaders:** NGET needs to engage with regional political leaders to identify non-network opportunities and ensure strategic decisions are made collaboratively.
- 6. Stakeholder Engagement Focus:** NGET should prioritise gathering relevant information from stakeholders, understanding their needs, and sharing medium-term plans and investments.
- 7. Linking Skills to Regional Deliverability:** NGET must consider how regional skills and workforce development relate to their operational challenges and collaborate with local authorities.
- 8. Managing Uncertainty in Scheduling:** NGET should clearly communicate lead times and the cumulative impact of investments to stakeholders, ensuring they understand delivery timelines.
- 9. Inclusive Site Strategies:** NGET should involve local communities, environmental groups, and trade unions in site-level decisions to ensure all voices are heard.
- 10. Lifecycle Emissions of Equipment:** NGET needs to consider the total lifecycle emissions of different switchgear options when making procurement decisions.
- 11. Understanding Gas Network Demand:** NGET should work with gas networks to identify large customers and anticipate changes in demand that could affect electricity networks.
- 12. Accessibility of Regional Strategies:** NGET should make their regional strategies more accessible across the business to facilitate cross-regional learning and collaboration.

NGET Response Themes

Flexible and Adaptive Planning: NGET is implementing adaptive planning strategies to manage uncertainties in electricity demand and generation, ensuring we can respond to changing conditions. It has used the categories of baseline and pipeline in the Ofgem framework to provide flexibility in the RIIO-T3 plan and only commits consumers now to certain investments. *See Business Plan Pages 3 & 6*

Comprehensive Regional Understanding: NGET is developing a detailed understanding of regional demographics and challenges, integrating socio-economic data into our planning processes. NGET has developed a series of regional Future Network Blueprints, which have been informed by regional stakeholders' requirements and objectives. *See Business Plan Pages 9 & 22*

Transparent Communication: NGET is committed to clear communication with stakeholders about trade-offs, project timelines, and the rationale behind decisions, fostering trust and collaboration. *See Business Plan Pages 9 & 82*

Whole System Engagement: NGET is adopting a whole system approach, considering the interconnections between electricity and other energy sectors, and engaging with various stakeholders to identify comprehensive solutions. *See Business Plan Pages 34 & 57*

Skills Development and Collaboration: NGET is focusing on workforce development and skills training, collaborating with local authorities and communities to address skills gaps and support regional needs. Section 3.5 of the main business document sets out NGET's workforce resilience strategy. *See Business Plan Pages 57 & 61*

Stakeholder-Centric Engagement: NGET is prioritising regional stakeholder engagement along-side our existing stakeholder engagement priorities, ensuring that the needs and insights of all stakeholders are considered in our planning and decision-making processes. *See Business Plan Pages 22 & 39*

Sustainability in Equipment Choices: NGET is committed to reducing emissions by considering the lifecycle impacts of equipment choices, particularly in relation to switchgear procurement. *See Business Plan Pages 34 & 44*

Cross-Regional Learning and Sharing: NGET is enhancing the accessibility of regional strategies and promoting cross-regional learning to improve overall decision-making and project outcomes. *See Business Plan Pages 22 & 69*

ISG Challenge Summary

- 1. Aligning Stakeholder Engagement:** National Grid Electricity Transmission (NGET) needs to show how its engagement with stakeholders on climate resilience fits into its overall strategy for stakeholder engagement.
- 2. Learning from Others:** NGET should learn from both US and European transmission operators about how to incorporate climate risks into project delivery.
- 3. Collaboration with Resilience Forums:** NGET is encouraged to work with various resilience forums and demonstrate how this collaboration informs their plans.
- 4. Visibility of Risk Mitigation Costs:** NGET must clearly show how spending on risk mitigation is integrated into their business plan.
- 5. Workforce Preparedness for Climate Impacts:** NGET needs to ensure that its workforce policies are ready to address the health and safety risks posed by climate change, particularly heat waves.
- 6. Mapping Compound Risks:** NGET should identify and assess not just direct risks but also indirect and compound risks that could affect their operations.
- 7. Understanding Stakeholder Concerns:** NGET needs to gather insights on what risks stakeholders are worried about and what information they want regarding those risks.
- 8. De-risking SCADA Implementation:** NGET should clarify how it plans to reduce risks associated with the implementation of its SCADA (Supervisory Control and Data Acquisition) systems.

NGET Response Themes

Enhanced Stakeholder Engagement Strategy: NGET is committed to improving our stakeholder engagement strategy, particularly in relation to climate resilience, to ensure it aligns with overall objectives and incorporates broader stakeholder feedback. NGET will publish a refresh stakeholder engagement strategy in 2025. *See Business Plan Pages 3 & 21*

Learning and Best Practices: NGET is actively seeking to learn from other transmission operators globally to enhance our understanding of climate risks and improve project delivery. The Climate Resilience Strategy published alongside the main business plan document explains the collaborations NGET is undertaking in this area. *See Business Plan Pages 40 & 51*

Collaboration with Resilience Groups: NGET is engaging with various resilience forums and groups to share knowledge and best practices, ensuring that our climate resilience strategy is informed by a wide range of perspectives. The Climate Resilience Strategy published alongside the main business plan document explains the collaborations NGET is undertaking in this area. *See Business Plan Pages 44 & 51*

Transparency in Risk Management Costs: NGET is working to make the costs associated with risk mitigation more visible in our business plans, ensuring stakeholders understand the investments being made for climate resilience. *See Business Plan Pages 40 & 82*

Workforce Health and Safety: NGET is focusing on the health and safety of our workforce in the face of climate change, implementing measures to protect employees from extreme weather conditions. *See Business Plan Pages 45 & 63*

Comprehensive Risk Assessment: NGET is developing a more thorough approach to identifying and managing compound risks, ensuring that both direct and indirect risks are considered in our planning. *See Business Plan Pages 51 & 52*

Stakeholder-Centric Communication: NGET is prioritising understanding stakeholder concerns and providing relevant information about risks, ensuring that communication is tailored to what stakeholder's care about. *See Business Plan Pages 21 & 39*

Robust SCADA Risk Management: NGET is implementing a structured approach to de-risking its SCADA system implementation, including multiple layers of assurance and a focus on team culture to promote risk awareness. *See Business Plan Pages 51 & 63*

ISG Challenge Summary

- 1. Embedding Stakeholder Feedback:** National Grid Electricity Transmission (NGET) needs to show how it incorporates stakeholder feedback into its performance metrics and decision-making processes, particularly regarding responsible business practices.
- 2. Sustainable Supply Chain Development:** NGET should demonstrate how it has improved its sustainable supply chain based on feedback received during the RIIO-T2 period.
- 3. Transparency on Challenges:** NGET must be clear about the challenges it faces in meeting its responsible business commitments and explain any limitations on its ambitions.
- 4. Detailed Metrics for Commitments:** NGET is required to provide more detailed metrics that align with its high-level commitments in areas such as communities, supply chain, and workforce.
- 5. Natural Capital Narrative:** NGET needs to articulate its commitments and strategies related to natural capital as part of its environmental sustainability efforts.
- 6. Support for Local Businesses:** NGET should explain how it plans to support local businesses and small-scale providers through its procurement and innovation processes.

NGET Response Themes

Integration of Stakeholder Insights: NGET is actively working to embed stakeholder feedback into our performance metrics and decision-making, ensuring that responsible business practices are informed by community needs and expectations. *See Business Plan Pages 9 & 22*

Focus on Sustainable Supply Chain: NGET is enhancing our supply chain sustainability by incorporating social value considerations and developing a comprehensive strategy to support local and diverse businesses. For example, as discussed in section 3 of the main business document NGET has incorporated responsible business commitments in the design of tenders for two major subset cable projects (Eastern Green Link 1 and 2). *See Business Plan Pages 34 & 58*

Commitment to Transparency: NGET is committed to being transparent about the challenges we face in achieving our responsible business goals, including regulatory and environmental factors that may limit our ambitions. *See Business Plan Pages 3 & 82*

Enhanced Metrics and Reporting: NGET is developing detailed metrics to track our commitments in key areas, ensuring that stakeholders can see progress and understand the impact of our initiatives. *See Business Plan Pages 81 & 63*

Natural Capital and Environmental Strategy: NGET is prioritising natural capital within our environmental sustainability framework, ensuring that our commitments are clearly communicated in our business plans. This is discussed in the updated Environment Action Plan published alongside the main business plan. *See Business Plan Pages 40 & 44*

Support for Local Economies: NGET is focused on fostering local economic growth by embedding social value in our procurement processes and actively supporting small and diverse suppliers through our contracts and initiatives. For example, as discussed in section 3 of the main business document NGET has incorporated responsible business commitments in the design of tenders for two major subset cable projects (Eastern Green Link 1 and 2). *See Business Plan Pages 34 & 97*

Stakeholder Engagement

ISG Challenge Summary

- 1. Separate Stakeholder Groups:** National Grid Electricity Transmission (NGET) should distinguish between household consumers and businesses to better address their different needs.
- 2. Clarify Roles in Collaboration:** NGET needs to explain its role and the roles of other parties in delivering energy plans, promoting true partnerships.
- 3. Show Engagement Impact:** NGET should demonstrate how stakeholder engagement has influenced its investment plans.
- 4. Identify Collaboration Challenges:** NGET should outline specific challenges in collaboration rather than just stating where collaboration is needed.
- 5. Apply ISG Principles:** NGET must show how it has followed the Independent Stakeholder Group (ISG) stakeholder principles in its operations.
- 6. Improve Feedback Processes:** NGET should enhance its methods for gathering stakeholder feedback as part of its regular operations.
- 7. Increase Representation from Heat Sector:** NGET should engage more with stakeholders from the heat and building sectors.
- 8. Ask the Right Questions:** NGET needs to ensure it is asking relevant questions to the appropriate stakeholders.
- 9. Differentiate Consumer and Commercial Interests:** NGET should clearly separate consumer interests from commercial ones in its engagement efforts.
- 10. Engage with Wider Energy Market:** NGET should reach out to stakeholders in the broader energy market, including gas and hydrogen sectors.
- 11. Leverage Regional Feedback:** NGET should assess how it can use feedback from regional stakeholders provided by other utilities.
- 12. Internal Engagement:** NGET should gather and share insights from its employees to inform its plans.
- 13. Encourage ESO Engagement:** NGET should promote broader engagement by the National Energy System Operator (NESO) with stakeholders.
- 14. Gather Evidence for Economic Growth:** NGET must collect robust evidence of stakeholder engagement related to economic growth and development.

NGET Response Themes

Enhanced Stakeholder Segmentation: NGET is working to better understand and separate the needs of different consumer groups, including households and businesses. NGET will publish a refreshed stakeholder engagement strategy in 2025. *See Business Plan Pages 9 & 21*

Strengthened Collaboration: NGET is focusing on building genuine partnerships with other stakeholders, clarifying roles, and fostering a collaborative environment. NGET will publish a refreshed stakeholder engagement strategy in 2025. *See Business Plan Pages 73 & 82*

Demonstrating Engagement Impact: NGET is committed to showing how stakeholder feedback has influenced our investment plans and decision-making processes. In each section of the business plan, NGET has explained how stakeholder insight has informed our investments. *See Business Plan Pages 9 & 22*

Addressing Collaboration Challenges: NGET is identifying specific challenges in collaboration and working to overcome them through new strategies and partnerships. NGET will publish a refreshed stakeholder engagement strategy in 2025. *See Business Plan Pages 73 & 82*

Application of ISG Principles: NGET is reviewing engagement practices to ensure alignment with ISG stakeholder principles. *See Business Plan Pages 21 & 23*

Improved Feedback Mechanisms: NGET is enhancing our processes for soliciting and incorporating stakeholder feedback into our operations. NGET will publish a refreshed stakeholder engagement strategy in 2025. *See Business Plan Pages 39 & 82*

Broader Market Engagement: NGET is expanding outreach to include stakeholders from the gas and hydrogen sectors to foster a more integrated energy market. *See Business Plan Pages 73 & 82*

Internal and External Engagement: NGET is prioritising the inclusion of employee insights in our planning processes while also encouraging broader engagement with external stakeholders. *See Business Plan Pages 9 & 30*

nationalgrid