

Attendees:

ISG Members	Company Representatives
Trisha McAuley (<i>Chair</i>)	Cordi O'Hara, President (<i>Afternoon</i>)
Duncan McCombie	Christopher Hayton, Director of Corporate Affairs
Cheryl Hiles	Paul Branston, Director of Regulation
Barbara Anderson	Graham Halladay, Director of ED3
Rob Gross	Luke Hall, Head of Stakeholder Engagement
Una Brosnan	Laura Benkis, Stakeholder Engagement Lead
Russel Greenslade (Virtual)	Danny Maggs, Stakeholder Insights Officer
Rahoul Bhansali (Virtual)	

Apologies and Declarations of Interest:

Apologies	Declarations of Interest
Regina Finn	None

Meeting Summary:

Opening remarks from Chair: Trisha McAuley welcomed members, thanked all for their commitment and agreement to support. Outlined aims for the inaugural meeting and ways of working.

Importance of ISG for ED3: Members heard from the company about the importance of the ISG and there was a discussion around how members would engage to ensure challenge and input.

National Grid Overview: Members received an overview of National Grid's global operations, detailing the company's portfolio. There was agreement around the specific scope of members of the ISG that their focus is the UK Distribution Business (NGED).

Executive Attendance: Members were assured that there will always be executive attendance at ISG meetings, with Christopher Hayton acting as the executive sponsor to maintain a bridge between the ISG and the full executive.

Local Network Importance: the critical role of local distributed networks was discussed, setting out how the company's network is essential to power the lives of around 20 million people.

Governance Structure: Paul Branston explained the governance structure for the ED3 programme, detailing the roles of the pillars, enablers, and the programme delivery hub in coordinating the work.

Pillars and Enablers: Members were talked through the six pillars and three enablers that underpin the ED3 programme, each led by a director responsible for specific areas such as strategic investment, consumer-centric approaches, and supply chain and skills. The role of the programme delivery hub in coordinating the work across the pillars and enablers, ensuring alignment and oversight of the ED3 programme was also discussed.

TOTEX1 Build: Paul provided an update on the progress of the ED3 programme, including the completion of the first TOTEX build. Members discussed how the TOTEX 1 build had tested processes and provided initial forecasts for volumes of work and overall spend.

TOTEX 2 Build: plans for the second TOTEX build, which will be more detailed and bottom-up, incorporating regional needs and stakeholder engagement to inform the forecast.

Stakeholder Engagement Learnings: Christopher shared the learnings from ED2 and from research into stakeholder wants and needs for ED3; emphasising the importance of starting early, communicating with clarity, and demonstrating impact.

Engagement Strategy: Members were talked through the developing strategy for consumer and stakeholder engagement, split into three phases of stakeholder engagement: discover and define, develop, and test and refine, explaining the focus of each phase. Members fed back on suggested engagement themes and the company committed to amending and resharing.

Customer Needs and Segmentation: Cordi O'Hara shared findings of research conducted to understand customer needs and how they might evolve, highlighting the importance of reliability, value for money, and support for low carbon technology adoption. Members discussed the changing customer profile and how that needs to be considered as ED3 plans develop.

Forward Plan and Next Steps: Trisha set out her vision as Chair and members agreed how they will work going forward:

- Review NGED responses to challenges from previous meeting
- Review latest regulatory developments and publications
- Scrutinise how company is engaging with stakeholders
- Challenge and inform development of business plan
- Conduct deep dives of key topics

Summary and next steps: Trisha summarised the discussions from the day and actions, including the development of a forward plan, the establishment of a challenge log, and the scheduling of future meetings.

ISG Challenges:

- **Item 4: ED3 Programme and ISG Interaction**

- ISG members challenged the company on the six pillars that have been set out to underpin the development of the ED3 plan. There was a feeling that the company had not set out an overarching hypothesis/ambition for ED3 that the pillars supported. Without this, they are abstract themes rather than a suite of pillars that build something.
- Members asked the company to review the six-pillar structure and report back on an overarching ambition that brings them together and sets a clearer view of what is trying to be achieved.

- **Item 5: Stakeholder Engagement Plans and Themes**

- ISG members challenged the company on the four engagement themes that were proposed. Members felt:
 - It was not clear enough who the themes were aimed at
 - The language of the themes needed to be simpler
 - Several of the supporting ambitions needed additional information
- Members also challenged the company on whether the underpinning ambitions needed to more closely reflect the importance of place and regionality, as well as highlighting the need for detailed stakeholder mapping and careful planning to ensure NGED is able to clearly identify itself amongst the range of National Grid businesses and other stakeholders carrying out engagement e.g. NESO.
- Members asked the company to review the themes and approach to engagement, and to report back.

Recorded Actions:

- **Business Plan Commitments Report:** Circulate the business plan commitments report to ISG members.
- **Deep Dive Topics:** Start a list of deep dive topics and send it round to ISG members for review.
- **Meeting Dates:** Reach out to ISG members to find suitable dates for the next 12 months of meetings
- **Governance Documents:** Share the governance documents with ISG members and conduct a gap analysis to identify any missing elements.
- **Terms of Reference:** Members to review ToR and feed in any suggested amends to Chair.
- **RIIO3 Guidance:** Circulate Chapter 2 of the RIIO3 guidance about the roles of the ISG from Ofgem's perspective.
- **Place Making Ambitions:** Factor in the place making ambitions for growth into the strategic planning.
- **Glossary:** Create and share a glossary of terms used in the meeting and related documents.
- **Engagement Principles:** Draft engagement principles based on NGET ISG principles and learnings from previous engagements.
- **Stakeholder Insights Report:** Company to share external Stakeholder Insights document with members.
- **Ofgem Guidance on Customer Research:** Company to share Ofgem guidance on customer research with members.
- **ISG Digital Workspace:** Company to explore options for a digital workspace for the ISG (e.g. SharePoint or Boardvantage)

- **Closed Meetings:** Future agendas to be updated to include a closed section of the meeting for ISG members to discuss items without the company present.
- **Logs:** Secretariat to establish official Action Log and Challenge Log, providing an official record of actions, challenges and company responses.
- **Communications Activities:** Company to share communications plan with members, detailing how establishment of the ISG will be communicated externally.
- **Strategic Vision:** Develop and share the hypothesis and overall vision for ED3 that sits above the pillars (Challenge 1).
- **Engagement Themes:** Members to feed in further reflections of engagement themes and approach. The company will then refine, alongside feedback being gathered via other forums. Update to be shared with ISG for comment (Challenge 2).