

# SGN Engage

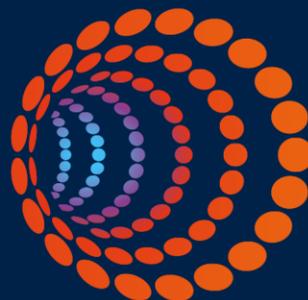
## Shaping our plans together

GD3 business planning (2026-2031)

Stakeholder workshops

Report

Spring 2024



# SGN

Your gas. Our network.

In partnership with



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# 1 Executive Summary

## Why did SGN hold these workshops?

In December 2024, SGN is required to submit a business plan covering the next price control period of 2026 -2031 to the energy sector regulator, Ofgem. This plan will document the company's intended activities during this period and the cost associated with operating the business. SGN is committed to delivering a plan that meets the needs of all its stakeholders and customers. The company is holding a series of events such as these workshops to give stakeholders the opportunity to provide their input on parts of the plan that matter most to them.

## What did SGN share?

SGN shared information about the process for developing the business plan and the role of stakeholder engagement in it. The outcomes of preceding stakeholder engagement were shared, explaining that vulnerability, the future of energy and environmental impact were three areas identified for more resource investment. Details of what more investment may look like for each area within the next price control period were presented, so that participants could discuss and provide their feedback.

## What did SGN learn?

SGN gained a deeper understanding of what is important to the stakeholders who attended the events and their view on the company's proposed plans for the next price control period. This knowledge will shape the development of the forthcoming business plan.

**Stakeholders think our Vulnerability plans are going in the right direction and are ambitious enough. They think SGN should:**

- Work with partners to deliver direct and indirect support
- Focus on long term benefits
- Be a voice to champion change
- Support a just transition to net zero for vulnerable customers

**Stakeholders think our Future of Energy plans are going in the right direction and are ambitious enough. They think SGN should:**

- Develop its 'whole system' approach
- Advocate for appropriate government-led strategy and policy
- Regionalise approaches
- Not overestimate biomethane or hydrogen

**Stakeholders think our Environmental Performance plans are going in the right direction but are not ambitious enough. They think SGN should:**

- Be a more ambitious leader
- Prioritise a move to electric vehicles
- Implement innovative technology
- Invest where it will make the most impact

## How did SGN do?

Overall, these events were successful in achieving the objectives set; to share the proposed business plan initiatives with stakeholders and gain actionable insight from them. Participants expressed that they felt more informed, listened to and believed that SGN would act upon the insights they had shared.

## Key Event Info



**24 April 2024, Edinburgh  
8 May 2024, London & online**



**In-person regional events with  
online options for inclusivity**



**143 participants**



**99 organisations representing  
nationwide interests**



**Industry, local and national  
government, advocacy and  
governance groups in attendance**

## 2 Event Overview

### 2.1 Purpose and objectives



To maximise reach and ensure a breadth of stakeholder views, the workshop was held in-person in Edinburgh and London, covering SGN’s Scotland and Southern England regions. It was also possible for anyone in either region to join the London event online, to include those unable to make an event in person.

### 2.2 Agenda

The agenda and presenters for the workshops can be found in Table 1 below.

SGN’s Chief Executive officer, Mark Wild, welcomed attendees and highlighted the importance of such events in helping the business shape its plans for the next price control. To help set the tone and expectations for the day, Mark set out the context within which the business plan is being developed. He noted the overarching considerations of the cost of living crisis, the uncertainty generated by global conflicts and their impact on energy security, and the need to transition to a net zero carbon society. This further validated the three focus sessions of the day which had been highlighted through previous customer and stakeholder engagement: vulnerability, the future of energy and the environment. There was an opportunity for participants to put questions to Mark, facilitated through Slido.

To support upcoming discussions, the participants were talked through the business plan process and how stakeholder engagement feeds into it. Elaborating on this, the participants were shown outcomes of recent stakeholder engagement activities, how this shaped the agenda of the workshops and some actions that SGN are already taking in response. [\[Click to review the presentation slides\]](#)

The three focus sessions are covered in detail in **Section 3. Key outputs and learnings**. After these sessions, the presenters fed back initial thoughts on what they had heard and what they would be considering as they continue to develop the business plan.

Table 1: 2026-2031 business planning workshop agenda

Topic	Presenter(s)
Welcome, introduction & housekeeping	Rhuari Bennett, 3KQ (Facilitator)
Overview from SGN CEO	Mark Wild, SGN CEO
Business plan planning overview	David Handley, Director of Strategy & Regulation John Richardson, Head of Regulatory Business Plan Delivery Lindsay Congerton, Regulation Programme Manager
What we've heard from customers and stakeholders	Ged Egan, Senior Stakeholder Strategy & Research Manager
Vulnerability proposals	Maureen MacIntosh, Director of Customer Services Kerry Potter, Group Social Impact & Vulnerability Manager
Future of energy proposals	Carolina Karlstrom, Head of Sustainability Arleen Dougan, ESG Reporting Manager Peter Morgan, Network Planning Manager
Environmental performance proposals	Tony Green, Director of Energy Futures
Listen and act: initial thoughts on what we've heard today	All presenters
Next Steps and close	Joss Clarke, Head of Stakeholder Engagement & External Affairs

## 2.3 Participant profile

Joining the event were 143 participants from 99 organisations representing nationwide energy interests. The organisations represented various interested parties, including local and national government, advocacy groups and charities, industry and commercial sectors and the energy sector. Members from SGN's Independent Stakeholder Group (ISG) were also present. See Appendix I for a list of organisations represented.

## 3 Key outputs and learnings

### 3.1 Vulnerability proposals

SGN is committed to supporting customers in vulnerable situations, including those in fuel poverty, to access energy safely to keep warm and healthy at home. Participants were shown SGN's approach to achieving this under the current price control and how stakeholder feedback has shaped the proposed strategy for the 2026 -2031 business plan. [\[Click to review the presentation slides\]](#)

There was an opportunity for participants to ask clarification questions to the presenters on what they had just heard. Participants then entered facilitated discussions on the following questions before submitting responses in a Slido poll.

<p><b>Q1.</b></p> <p>Do you think SGN's vulnerability plans are going in the right direction?</p>	<p><b>Q2.</b></p> <p>How ambitious do you think SGN's vulnerability plans are?</p>	<p><b>Q3.</b></p> <p>To what extent do your support or oppose SGN growing on-site community support, to help identify and support vulnerable customers impacted by gas works?</p>	<p><b>Q4.</b></p> <p>To what extent do you support or oppose SGN helping vulnerable customers to maintain/repair/replace their gas boilers and appliances, to reduce safety risks and increase energy efficiency (if no other funding options are available)?</p>	<p><b>Q5.</b></p> <p>To what extent do you support or oppose funded fuel poor gas connections where gas is the cheapest and most appropriate heating option?</p>
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Overall, participants thought our plans to help customers in vulnerable situations were going in the right direction (97%, 90 out of 93 respondents)<sup>1</sup> and were appropriately ambitious (68%, 63 out of 93)<sup>2</sup>.

In recognition of the increased cost of living pressures for households across the UK, all initiatives proposed received high levels of support (> 84%, >78 out of 93 respondents in favour).

During discussions, participants commented that they were impressed with what SGN had achieved to date and praised the collaborative approach with organisations such as charities. There were also comments that the proposal to split activities and funding 50/50 between direct and indirect support was appropriate. A focus on solutions including insulating homes and upgrading appliances for long term benefits was seen by some as an appropriate intervention. Education was also seen as important to helping vulnerable customers understand their options. Where needed, ongoing support should be available.

There were questions regarding whether it is SGN's role to address vulnerability issues or if others, such as the energy suppliers, should be responsible. Some suggested that SGN's role should be as an industry voice to encourage government to address underlying issues, enabling more robust and long-term resolutions.

Others felt they needed more information to help contextualise the proposals, particularly to assess the target number of households to be supported in the next price control.

Other notable comments from participants related to net zero and a just transition for all. One respondent thought SGN's vulnerability plans could be more ambitious in this respect, while others highlighted the need for alignment across all business activities to ensure vulnerable customers are not negatively impacted or left behind.

1. 70% (65/93) of respondents answering that 'Yes' SGN's plans are going in the right direction and 27% (25/93) saying they are 'Somewhat' going in the right direction.

2. 68% (63/93) saying SGN's ambition is 'About right', 5% (5/93) saying they are 'Too ambitious', 17% (16/93) 'Not ambitious enough' and 10% (9/93) 'Didn't know'.

## 3.2 Future of Energy proposals

SGN is committed to supporting a just transition to net zero and believes that its network has a role to play in achieving that, now and in the future. Participants were shown details of current energy demands and sources in the UK, the initiatives stakeholders have already indicated support for and how this has helped shaped the proposed ‘whole system’ approach for the next price control period. This approach would support government targets to achieve net zero by 2045 in Scotland and 2050 for the whole of the UK. [\[Click to review the presentation slides\]](#)

There was an opportunity for participants to ask clarification questions to the presenter on what they had just heard. Participants then entered facilitated discussions on the following questions before submitting responses in a Slido poll.

<p><b>Q1.</b></p> <p>Do you think SGN's future of energy plans are going in the right direction?</p>	<p><b>Q2.</b></p> <p>How ambitious do you think SGN's future of energy plans are?</p>	<p><b>Q3.</b></p> <p>To what extent do you support or oppose our whole system approach to decarbonisation?</p>	<p><b>Q7.</b></p> <p>In which areas do you support a transition from natural gas to 100% hydrogen as part of a whole systems approach to energy...</p> <ul style="list-style-type: none"> <li>• Domestic gas</li> <li>• Industry and commercial</li> <li>• Power generation</li> <li>• Transport</li> <li>• None of the above</li> </ul>
<p><b>Q4.</b></p> <p>To what extent do you support or oppose a regional approach to decarbonisation?</p>	<p><b>Q5.</b></p> <p>To what extent do you support or oppose a more proactive and ambitious biomethane strategy?</p>	<p><b>Q6.</b></p> <p>To what extent do you support or oppose a hydrogen blending strategy?</p>	

Overall, participants thought our Future of Energy plans were going in the right direction (97%, 76 out of 78 respondents)<sup>3</sup> and were appropriately ambitious (66%, 51 out of 77).<sup>4</sup>

In general, the regionalised, whole system approach was well received, with comments endorsing the need for a mix of energy sources in the future. However, there were several comments which highlighted the potential shortcomings of both biomethane and hydrogen. With a focus on achieving net zero, the consideration of biomethane's role in the future energy landscape was questioned given associated carbon emissions. Concerns were raised over infrastructure changes required for hydrogen and perceived safety implications. Stakeholders suggested SGN do more to educate the public on both hydrogen and biomethane to increase understanding, trust and support.

While there were high levels of support for all the proposals presented, some respondents (30%, 23 out of 77) felt SGN wasn't being ambitious enough. The need to go further and faster were the main sentiments, with respondents saying they wanted SGN to help lead the way and engage better with industry and government to influence strategies and policies.

3. 74% (58/78) of respondents answering that 'Yes' SGN's plans are going in the right direction and 23% (18/78) saying they are 'Somewhat' going in the right direction.

4. 66% (51/77) saying SGN's ambition is 'About right', 1% (1/77) saying they are 'Too ambitious', 30% (23/77) 'Not ambitious enough' and 3% (2/77) 'Didn't know'.

### 3.3 Environmental Performance proposals

SGN is committed to improving its environmental performance by enhancing its ability to detect, stop and prevent gas escapes (the biggest contributor to SGN’s carbon footprint), and by addressing carbon emissions from operational activities. Participants were informed of SGN’s current environmental action plan and how stakeholder feedback has shaped the proposed strategy for the 2026 -2031 business plan. [\[Click to review the presentation slides\]](#)

There was an opportunity for participants to ask clarification questions to the presenters on what they had just heard. Participants then entered facilitated discussions on the following questions before submitting responses in a Slido poll.

<p><b>Q1.</b></p> <p>Do you think SGN’s environment plans are going in the right direction</p>	<p><b>Q2.</b></p> <p>Do you think SGN’s environment plans are ambitious enough?</p>	<p><b>Q3.</b></p> <p>To what extent do you support or oppose SGN using a transition fuel for our vehicles to reduce emissions?</p>
<p><b>Q4.</b></p> <p>Thinking about Advanced Methane Detection technologies to proactively find leaks. What scale of investment should SGN consider? (Small, Medium, Large)</p>	<p><b>Q5.</b></p> <p>To what extent do you support or oppose SGN using ‘real life’ leakage measurement using tools such as the Digital Platform Leakage Analytics?</p>	<p><b>Q6.</b></p> <p>To what extent do you support or oppose actively addressing risk of climate change to depots and offices and proactively reducing this</p>

Overall, participants thought our plans to minimise our impact on the environment were going in the right direction (89%, 59 out of 66 respondents)<sup>5</sup>, but that they were not ambitious enough (67%, 44 out of 66).<sup>6</sup>

While participants were happy to hear of current initiatives and were generally supportive of all the future business plan proposals, the overarching sentiment was that they are not enough to make meaningful impact. Participants want SGN to be a leader in this area and drive the agenda. They expect that we will go above and beyond what is seen to be ‘business-as-usual’ activities.

Participants think more money should be invested, exemplified by the majority of respondents saying SGN should make large scale investment in advanced methane detection technologies (55%, 36 out of 66 respondents). Those present think SGN should accelerate existing works such as replacing aging, leaking pipes and introducing more electric and/or hydrogen vehicles into the fleet. SGN should also understand the full environmental impact of its operations and explore innovative ways to reach net zero carbon emissions faster.

5. 55% (36/66) of respondents answering that ‘Yes’ SGN’s plans are going in the right direction and 35% (23/66) saying they are ‘Somewhat’ going in the right direction.

6. 27% (18/66) saying SGN’s ambition is ‘About right’, 0% (0/77) saying they are ‘Too ambitious’, 67%, (44/66) ‘Not ambitious enough’ and 6% (4/66) ‘Didn’t know’.

## 4 Feedback and recommendations for future events

### 4.1 What went well?

Overall, the workshops were well received by participants. They agreed that the workshops were relevant, enhanced their understanding of SGN's activities and enabled them to have their say on the proposed plans for the 2026- 2031 business plan. Participants felt the events were well facilitated and believe that SGN listens and acts on their views shared during the event.

Stakeholders were grateful for the opportunity to join online and praised the inclusivity the hybrid format afforded.

### 4.2 What improvements could be made?

Some participants called for more context and clarity with regard to some of the content presented, as they felt unable to answer some poll questions based on the information provided.

## 5 Conclusions

Overall, these events were successful in achieving the objectives set. Participants expressed that they felt more informed, listened to and believed that SGN would act upon the insights they had shared. SGN gained a deeper understanding of what is important to the stakeholders who attended the events and their view on the company's proposed plans for the next price control period.

Stakeholders who attended thought that the vulnerability plans were going in the right direction and were ambitious enough. There were high levels of support for all initiatives shared, however SGN should be mindful of its role in supporting vulnerable customers. Continuing to work with partners will help ensure customers get the right support provided by those best positioned to provide it. SGN should also coordinate initiatives across business areas, to ensure a just transition towards net zero for all.

Overall, the attending stakeholders also thought that SGN's future of energy plans were going in the right direction and were ambitious enough. They agreed that a whole system approach is an appropriate route to take to meet future energy demand. However, some cautioned on the limitations of biomethane and hydrogen fuels. Stakeholders challenged SGN to do more to educate the public on both hydrogen and biomethane to increase understanding, trust and support. They would also like SGN to become a leading industry voice, advocating for better government-led strategy and policy around future of energy solutions.

Regarding SGN's environmental performance plans, attending stakeholders thought the plans were going in the right direction but were not ambitious enough. They would like to see SGN invest more in leak reduction and move at a quicker pace. They thought more could be done to electrify SGN's vehicle fleet and to introduce hydrogen vehicles, despite acknowledging some infrastructure limitations.

These insights will inform the development of principal initiatives within SGNs forthcoming business plan.

## 6 APPENDIX I

Table 2: List of organisations represented across both workshops

Participants' Organisations		
Aberdeen City Council	Energy Saving Trust	REA
Addleshaw Goddard	Eneus Energy Ltd	Reading Council
Advanced Infrastructure Technology Limited	ERM	RWE
Age Scotland	FES Support Services Limited	Scottish Fire and Rescue Service
ALI Energy	Fife Council	Scottish Hydrogen and Fuel Cell Association
Armstrong Fluid Technology	Forefront Utilities Ltd	Scottish Water
Berkshire Community Foundation	Fuel Bank Foundation	Sensia Global
Bield	Gas Safe Register	SGN ISG
Biffa	Glasgow Caledonian University	Sia Partners UK
Bonanza Creative	Goal 7	SP Energy Networks
Bosch	GPS Pipe Systems	SPX Corporation
Caldertech	Greater London Authority	SSEN Distribution
CAWNAC	Greater South East Net Zero Hub	Stantec UK Ltd
Centre for Sustainable Energy	Green Frog Utilities	Steer Energy
Chinook Hydrogen	Health and Social Care Alliance Scotland	Steve Vick International
Citizens Advice	I&G Contractors Ltd	Storegga
Citizens Advice, Extra Help Unit	Indigo Pipelines Ltd	Sustainability First
Citizens Advice Scotland	Instromec Ltd	Synthotech
City of Edinburgh Council	Jacobs	Technica
Clackmannanshire Council	JDT Utilities Ltd	The Scotch Whisky Association
CO Medical & Healthcare Group	Kent County Council	The Scottish Government
Comhairle nan Eilean Siar	LCP Delta	Together for Short Lives
Copper	Marie Curie	UK Power Networks
Costain Ltd	Mott MacDonald	ULC Technologies
Darke Engineering Ltd	National Energy Action (NEA)	United Living Energy Ltd
Department for Energy Security and Net Zero (DESNZ)	National Gas	Universal Gas Solutions
Direct Mole Ltd	Neccus	Urban Tide
DNV	nZero Group (Orbital/Thyson)	Vulnerability Steering Group
Dundee City Council	Office of the Scottish Roadworks Commissioner	WCB Utilities
East Sussex County Council	Oxfordshire City Council	West Berkshire District Council
Edinburgh Climate Change Institute	Perth & Kinross Council	West Lothian Council
EEMUA	Providence Policy	Wood
Energy & Utilities Alliance	Radius Systems	YES Energy Solutions