

Call for Evidence – SONI Evaluative Performance Framework

NIE Networks' Comments on SONI's 2022/23 Forward Plan

11 November 2022

NIE Networks welcomes the opportunity to respond to the Utility Regulator's (UR) Call for Evidence on SONI's 2022/23 Forward Plan as part of the Evaluative Performance Framework.

1. Introduction

NIE Networks is the owner of the transmission system, and the owner and operator of the distribution system in Northern Ireland. We have a significant interest in SONI's future plans for the transmission network and the potential impact on our own activities. NIE Networks and SONI have a duty to co-ordinate their activities and work in partnership as detailed in the Transmission Interface Arrangements.

We continue to work in partnership to develop SONI's Transmission Investment Plan (TIP) and Transmission Development Plan for Northern Ireland (TDPNI) each year.

2. General Comments

We are fully supportive of SONI's aim to ensure closer collaboration between TSO, Transmission Owner and Distribution Network Operator and its view that this will be a key factor in achieving the ambitions of the Energy Strategy for Northern Ireland Path to Net Zero and indeed the Climate Change (NI) Act.

We are pleased that SONI have reflected positively on our previous feedback regarding producing a fully inclusive TIP and assessing the deliverability of this ahead of our own RP7 Business Plan submission. The engagement on this piece of work is very strong and we are keen to maintain this as we both work towards delivery of a large pipeline of projects to achieve the 2030 targets.

We are also grateful that our feedback on a table of KPIs against each of SONI's four roles was added to the Executive Summary to make it easier for stakeholders including ourselves to identify the most relevant areas.

3. Role 1- System Operation and Adequacy

As the Transmission Owner, NIE Networks is very invested in the successful delivery of SONI's role on System Operation and Adequacy.

In our previous submission in May 2022, we gave feedback on the suitability of the KPIs in this role, in particular we explained why System Availability and System Minutes Lost (SML) were not appropriate measures of a holistic approach to transmission system management and may in fact counteract it. We also gave a suggestion for new KPIs and deliverables that could be used instead as follows:

KPIs

1. *% outage availability for maintenance plan*
2. *% outage availability for asset replacement plan*
3. *% outages cancelled*
4. *E600s approved within agreed timescales*

Deliverable

5. *All overdue Critical Plant maintenance and Protection Testing to be facilitated within 12 months of being requested*
6. *T&M requests to be approved at least three days before work is to be carried out*

We welcome SONI's commentary in Appendix 5 where they agreed to remove System Availability and SML from their KPIs, however the removal of these KPIs has not been replaced by any other System Operation and availability KPIs. Instead KPIs relating to TNPP submissions have been included in Role 3 and we do not consider this to be appropriate. In addition to network development projects, the TIP and TDPNI also include asset replacement and maintenance works identified by NIE Networks. Timely maintenance of existing assets and replacement of end-of-life equipment are essential to maintaining a safe and secure transmission network in the longer term.

We fully acknowledge that system security is crucial and that there are many factors that contribute to the amount of work and number of outages that can be facilitated at any particular time. If limitations mean that the whole plan cannot be facilitated within an outage season, we would expect NIE Networks and SONI to jointly prioritise the work elements. We still believe that the KPIs and deliverables we originally proposed would not only provide a good framework and service level between the two companies, but they will also deliver against SONI's four outcomes and provide quantifiable KPIs for assessment which support a holistic approach to the Transmission Network. Inclusion of a further KPI relating to '*% outage availability for TIP works*' would also help to provide a full picture for SONI's assessment.

We welcome the work carried out by SONI on 'Shaping our Electricity Future' and the Forward Work Plan 23 Projects FWP02-04 focussing on scheduling & dispatch, System Security and Operation Policy. We note the Role 1 KPIs of RES-E, SNSP and Renewable Dispatch Down and we suggest that some longer term thinking about achieving these targets is carried out.

Investment in the transmission network will significantly increase over the next decade and it is important system access is given to deliver this. This will undoubtedly have an impact on the delivery of RES-E, SNSP and Renewable Dispatch targets before 2030 and we would caution against any approach which aspires to see these KPIs increased year on year. It is more likely that there may be a decrease against historical KPIs due to the level of work being carried out and then a larger increase in RES-E and SNSP would occur afterwards along with a reduction in Dispatch Down. We would agree with SONI that detailed analysis of delivery against these targets over the next 8-10 years should be carried out before any KPIs are set to achieve the overall goal of delivering the 2030 targets.

NIE Networks has concerns that the proposed 2022/23 Dispatch Down target of 10% will restrict access to the network for asset replacement and maintenance works which increases

system risk by pushing more items of plant into overdue status. Additionally, the winter period is usually best suited for outages relating to maintaining protection equipment and again there is a concern this work will be seen as less important to deliver in order to achieve a Dispatch Down target that is not cognisant of the scale of the delivery pipeline. As such, we believe the KPIs outlined above would be more appropriate overall until analysis and scenario modelling is completed for achievement of these other KPIs.

The System Frequency Target for 2022/23 seems suitable however we suggest that given the modelling to be carried out under FWP008 that a review of this is carried out going forward. If the direction of travel for the transmission system as a whole is one towards a lower inertia system, where larger frequency deviations can be allowed, then a more appropriate KPI will be needed going forward. It will be prudent to bring forward SONI's next iteration of Tomorrow's Energy Scenarios (TES) Northern Ireland in early 2023 to model for the updated TIP and delivery of all of the above mentioned KPIs.

NIE Networks feels that additional deliverables should be included in SONI's 2022/3 FWP. The first is around emergency preparedness; an updating of the Black Start and Load Shedding Communications Plans to take on board recent stakeholder feedback and learning should be delivered in early 2023. In addition, due to the proposed project to transfer the SCADA and Telecoms assets over to NIE Networks, we feel this should also be included in the plan as a deliverable which will extend into future years. Additionally, under FWP012, affected SCADA & Telecoms assets should be included as a refresh for end of life assets.

4. Role 2 – Independent Expert

We look forward to further engagement with SONI ahead of the publication of v1.1 of Shaping Our Electricity Future. As noted previously, we feel it is also important that an update of the scenario modelling for the Northern Ireland system (TES) is carried out imminently to support this along with the work on FWP23-14 Supporting the NI Energy Strategy. We would suggest that a working group should be established for 80% RES-E to look at strategy of how both the transmission and distribution systems together will achieve this and we will welcome discussions with SONI on this.

We welcome the joint work with SONI on the Open Data Sharing and the TSO-DSO Operating Model and are encouraged that these deliverables will be met on time if not exceeded.

With increased focus on security of supply issues we would suggest that the publication of the All-Island Generation Capacity Statement (FWP 23-22) and the Winter Outlook should have specific publication dates to give stakeholders assurance on when these will be available.

5. Role 3 – System Planning

NIE Networks will continue to work with SONI to progress the projects outlined and agreed in the TDPNI and TIP. We note the inclusion of a new KPI for Role 3 which related to how quickly the UR approves TNPP submissions and that this is a change from the original KPI which was to progress the identified SONI driven, network development projects within the TDPNI in accordance with the specified timeframes.

We feel this is not a measure that is within SONI's gift to manage and therefore not appropriate for a SONI KPI, albeit it is still an important timescale for successful delivery. Furthermore, with the large volume of TNPP submissions planned for 2023 it is inevitable there will be overlap of numerous projects being appraised by the UR which in all likelihood will be setting an unobtainable KPI. This could have the opposite than intended effect on the suggested KPI, as this could give the appearance that SONI's submissions fall below expectations when they take longer than four months for UR approval. NIE Networks believes SONI should consider a more reflective KPI for TNPP submission dates within +/-X weeks of the FWP timeline date. It might be also appropriate to include a new deliverable for SONI to work with the UR and NIE Networks to suggest a more streamlined TNPP and approval process given the size of the work pipeline in the coming years.

Given the recent work that has been completed between SONI & NIE Networks to agree a fully inclusive plan, NIE Networks would prefer to see the entire scope of the multi-year transmission plan (to include asset replacement, maintenance & testing work) in SONI's FWP. Given the volume of projects already outlined 2023-26, it will be important for both companies to work to coordinate and agree timescales as slippages in this will ultimately impact outage availability for this crucial work on the transmission system. We welcome the inclusion of the agreement of the delivery plan in FWP23-26 and again would highlight that the recent engagement with SONI on this has been good.

If a full plan is not included going forward, we would then highlight that project FWP 23-25 (Castlereagh-Rosebank) may not be a SONI-led project if the outcome is to remove the line and a functional specification may not be required.

We welcome the recent engagement with SONI on project FWP030 275kV Substation Fault Level Solutions and given the importance of this work to both system security and employee safety, NIE Networks would prefer to see the timescale for award of contract for substation design consultants sooner than January 2023. We would also ask that the fault level implications of all FWP projects be considered as a matter of priority in order to facilitate future connections.

6. Role 4 – Commercial Interface

NIE Networks continues to work closely with SONI to support their processing of connection applications. In addition to the work in processing transmission connection applications, SONI also has a role with some distribution connections, in particular with clusters and any applications which have knock on impacts to the transmission network. NIE Networks would like to see a KPI included going forward for timely responses to customer queries from SONI, in particular for FAQ/RFI requests.

We welcome the upcoming work to review the Transmission Connection Charging Methodology Statement (TCCMS) and will support SONI on this piece of work in terms of providing costs. We would flag that this updated TCCMS will also need to be aligned with the Distribution Connection Charging Statement.

NIE Networks is supportive of SONI's work to look at Low Carbon Inertia services, FWP001, and look forward to engaging with SONI to understand the implications of Low Carbon Inertia Services that may come from the D-network and interdependencies on constraints.

We note a small correction in two statements relating to Suppliers Use of Transmission System (STUoS) charges and Generator Use of Transmission System (GTUoS) charges in Appendix 4. While it is correct to say that the Transmission revenue entitlement is recovered via STUoS and GTUoS, these charges do not recover any element of the distribution entitlement as stated. The full distribution revenue entitlement is recovered by NIE Networks through DUoS charges.