

Call for Evidence – SONI Evaluative Performance Framework

NIE Networks’ Comments on SONI’s 2023/24 Forward Plan

14 November 2023

NIE Networks welcomes the opportunity to respond to the Utility Regulator’s (UR) Call for Evidence on SONI’s 2023/24 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 and we expect to carry out increased activities between both companies this year as a number of key projects move through various approval stages and to construction.

2. General Comments

We are fully supportive of SONI’s engagement approach for grid projects and agree that early engagement with stakeholders will be critical for successful project delivery however this alone will not be sufficient. We believe that fundamental reform to the planning process is necessary to deliver the pipeline of projects for 2030, identifying strategically important projects and fast-tracking these.

We are pleased to see the planned engagements over 2023-24 and are keen to flag that NIE Networks should be a key engagement partner on a number of these items in particular the strategic engagement programme for the new SONI board, the Shaping our Electricity Future roundtable series and the work to develop skills policy in NI. We do note that engagement between the two companies has continued to improve and we welcome the considerable effort by SONI to engage NIE Networks on a number of workstreams before they consult on them.

We are pleased to see that some of our feedback around Performance Measures has been taken on board including the removal of the RES-E target and the TNPP KPI which we felt were not appropriate. However, we note that our feedback on further KPIs around system outages which we feel are important for SONI to be measured against for transparency in all its roles has not been included. More detail on this is included in our commentary under Role 1 below.

We think the inclusion of the Cost Scales against projects is a good addition to the FWP to give an idea of the scale and importance of projects however we think these costs could be made clearer to split out TSO and TO costs. There will be some projects where the TSO work

is minimal and there are minimal pre-construction activities however the project itself is still important; we don't feel this information is clear as currently presented and does not explain the TSO work itself. It would also be beneficial for the cost base for these costs (even though they are high level) to be made clear so that readers can align these to other publications such as the TDPNI.

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 submissions in May 2022 and November 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. *% outage availability for TIP works*
4. *% outages cancelled*
5. *E600s approved within agreed timescales*

Deliverable

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

SONI have since removed System Availability and SML from their KPIs in their last FWP however the removal of these KPIs has still not been replaced by any other System Operation and availability KPIs. 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. We still believe that the KPIs and deliverables we have 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. We are disappointed that there has not been any engagement on these to progress a suitable solution.

NIE Networks still 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 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. In addition to the inclusion of the KPIs above, we propose that the dispatch down KPI should be based solely on curtailment levels and not constraint levels. Including constraints within the KPIs could in fact create a perverse incentive for SONI to be more conservative in the approval of network outages necessary to deliver the significant transmission work programmes required to achieve net zero whilst ensuring that the system remains safe, secure and reliable.

In Project FWP23-01 Future Arrangements for System Services, there is no mention of DSO interactions or involvement in any of the proposed work items and publications which we think will be important for this work. The NIE Networks Flex project is developing a framework for distribution flexibility services, and we are also considering improvements to the 'instruction set' process which will have impacts on this and other work items. We do however note under FWP23-23 there is a commitment to the TSO- DSO op model for flex and there has been great work between both organisations on this.

We suggested last year that an additional project should be included in the plan to transfer the SCADA and Telecoms assets over to NIE Networks. This work is already underway and will extend into future years and should therefore be reflected in the FWP. Additionally, under FWP012, affected SCADA & Telecoms assets should be included as a refresh for end of life assets.

As a general comment, we found it difficult to match some of the project codes from the main document to those in Appendix 2 and think this should be given further attention in future publications.

4. Role 2 – Independent Expert

We are pleased that our suggestion to bring forward work on Tomorrows Energy Scenarios (TES) has been brought forward in line with our feedback last year in project FWP 24-06. We see the increasing need for this work to inform the overall strategy for NetZero for Northern Ireland, especially for offshore wind development. We still think 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 under FWP 23-14 and we will welcome discussions with SONI on this.

We would comment that work on FWP 23-23 TSO-DSO Operating Model has been going well and there has been significant engagement and progress between both companies.

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 It is important that the timescales outlined are achieved as we note that a number have already slipped from the last FWP milestones.

We once again 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 with progress being made on this area through recent joint workshops. We would flag that there is still considerable work to do in this area to work through possible opportunities to streamline the joint plan and a January timescale for updating stakeholders is optimistic. We would also comment that this work is flagged as 'low' in terms of cost however this work actually refers to the entire transmission investment plan of c£1bn of works and this may be misleading.

We welcome the continued engagement with SONI on project FWP030 275kV Substation Fault Level Solutions however NIE Networks would prefer to see this work progressing more quickly and had expected to see Kells included in the options appraisal work.

6. Role 4 – Commercial Interface

NIE Networks continues to work closely with SONI to support their processing of connection applications. We are pleased on the progress that has been made through cooperation and consultation by both companies to resolve issues relating to zero export, over install and clusters in the last year. These were not items identified in the last FWP but were considerable pieces of work which have produced very important and meaningful outcomes for connecting customers in NI.

Last year we suggested that a KPI could be included going forward for timely responses to customer queries from SONI, in particular for FAQ/RFI requests. With an increasing pipeline of customer connections in the run up to 2030 we think this merits further consideration.

We are pleased to see the number of items relating to progress on Long Duration Energy Storage for NI in the plan and will be keen to continue to input into any of this work as needed.