

Bob Hanna  
Chair of The EPF Independent Panel

14 November 2023

Dear Bob,

### **Utility Regulator feedback on SONI Forward Work Plan (FWP) 2023/24.**

We welcome the opportunity to provide feedback to the Evaluative Performance Framework (EPF) Panel, having reviewed SONI's FWP 2023/24. The panel will be aware that this does not represent UR's final decision for the FWP 2023/24. This letter provides a summary of our initial views as a stakeholder, providing feedback on the FWP, its deliverables and performance measures.

The EPF is not intended to focus on the delivery of SONI Business-as-Usual (BAU) activities. We expect SONI to perform well on the delivery of BAU. We expect the EPF to set out how SONI plans new activities and initiatives which will comply with new obligations, additional market demands and enhance the quality of the service it already provides. As we reviewed the FWP, we have sought clear and tangible evidence of new steps leading to better services, practices, business models and technologies which will lead to better outcomes for consumers.

To provide structure to our feedback below, we have first made general commentary covering:

- Feedback and Recommendations in Relation to the FWP 2022/23
- Format, Presentation and Length of the FWP
- Comments on the Report
- Deliverables

We have then provided our comments on each of the detailed appendices in the FWP as follows:

- SONI Deliverables Role 1 System Operations
- SONI Deliverables Role 2 Independent Expert
- SONI Deliverables Role 3 System Planning
- SONI Deliverables Role 4 Commercial Interface
- SONI FWP Performance Measures
- SONI FWP Stakeholder Engagement and collaboration

We have provided more detailed feedback in Annex 1 to this letter on Performance Measures and other areas of interest.

## Common themes

There are a number of common themes emerging from our detailed feedback on the SONI FWP:

- Further detailed linkage between KPIs and programme deliverables would add value.
- Further support or evidence in some areas, for example on quantified project benefits or how deliverables will impact the four SONI outcomes and what the expected result will be.
- Information on deliverables can be repeated from the previous FWP, with no information on interim outcomes achieved and how they have contributed to improvements as a programme progresses.
- Delivery performance measures contain no qualitative assessment and will often rely on a “*Timely Delivery of Publications*” performance measure.
- Accountability could improve in terms of milestones continuing from previous FWPs, but no evidence provided in terms of why or identifying these for stakeholders.
- Little to no evidence or information pertaining to risk mitigation plans. Identifying what the key risks are in programme delivery and how SONI are managing those risks.
- Further information and evidence could be provided on how SONI collaborates in programme delivery.

## Feedback and Recommendations in Relation to the FWP 2022/23

The panel’s final grade, which we accepted, for the FWP 2022/23 was a score of 3.53. We determined that SONI’s FWP 2022/23 met expectations in line with our Regulatory Guidance. Overall, the FWP 2022/23 exceeded expectations in terms of ambition, met expectations with respect to the UR Service Priority Alignment criterion but fell short of expectations (just) in terms of Stakeholder Engagement and Service Accountability criterion. In our review of SONI’s FWP 2023/24, we have been mindful of the recommendations provided to SONI by the panel.

This is the third year of the EPF incentive framework, which is not a static process. SONI will be aware that this process requires evidence of improvements year-on-year to achieve the same level of incentive as part of this iterative process.

## Format, Presentation and Length of Plan

Feedback from the EPF Panel in relation to the FWP 2022/23, was that it was easier to read for stakeholders than its predecessor. The 2022/23 FWP was, nonetheless, a challenging and substantial read for some stakeholders (particularly those without a technical background) to easily interpret and understand. It was noted that the FWP would be more accessible if its structure was further revised.

It was recommended that more focus should be given to the EPF requirements, innovations and stakeholder impact, supported by appropriate KPIs. It was noted that there were occasions where figures and tables had no titles and graphs had no axis. Identification of better suitable metrics and KPIs and the removal of open statements as measurements, for example 'timely' as well as consideration of introducing a customer/stakeholder satisfaction metric.

In reviewing the FWP 2023/24, it is evident that little consideration has been given to the feedback indicated above. There has been no further revision to the structure or layout of the report, and it may be a challenging and substantial read for non-technical stakeholders.

### **Comments on the Report**

The FWP 2023/24 report has maintained the structure and format of the 2022/23 report and is supported by 7 appendices. The appendices continue to clearly separate out each of the SONI roles and include more information in relation to performance measures, stakeholder satisfaction and a self-assessment section. However, where a project is a continuation from last year's report, the text is largely replicated with little new information provided in particular in terms of alignment to the UR service priorities and key benefits<sup>1</sup>. The report is interspersed with useful visuals, which aid the reader in succinctly breaking down some of the more expansive topics, such as SONI's "*Key Areas of Focus*".

We welcome the addition of a cost scale which has been introduced in the 2023/24 FWP. We would expect this to be further developed or, at a minimum, to clarify the costs for stakeholders. This is expanded on in our comments on Appendix 1, FWP23-02 Scheduling and Dispatch Programme.

The information on deliverables is clearly tabulated and presented under the applicable SONI roles, with an explanation in relation to the benefit(s) of each deliverable. It is good that SONI draws links between activities and our guidance criteria. It remains unclear from the information presented, in terms of deliverables, which are BAU, and which are changes by way of innovation. Our feedback on the 2022/23 report advised we are of the opinion that the FWP, in particular the deliverables tables, would be greatly enhanced if the information could be presented in a way that clearly shows a demarcation between BAU and where SONI has gone above and beyond. We

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<sup>1</sup> Please refer to our comments on SONI Deliverables Role 1 System Operations regarding Scheduling and Dispatch Programme on page 6 of this submission

continue to seek this as it is an important element of the guidance<sup>2</sup>. We would also be interested to see more narrative in relation to SONI's risk mitigation plans.

In terms of strategy, we believe that some of the strategic ambition in relation to KPI targets, such as Renewable Dispatch Down, SNSP and the removal of RES-E, falls short of reasonable expectations (more details contained in Annex 1- UR detailed feedback to Panel on Performance Measures). RES-E, which has been removed from the KPIs, continues to be referenced within the FWP therefore reinforcing its importance as a measure. We are also unclear as to which piece of feedback supported its removal.

In our 2022/23 feedback, we considered that progression could be better, in terms of activity or actions that SONI has expedited in order to positively affect system wide costs. The system-wide costs could be presented to show the all-island split between Northern Ireland and Republic of Ireland. We previously advised that the inclusion of targets for future years is something we would expect to see. This remains the case as imperfection costs remains reflective of the 2022/23 performance measures, with no historical data provided and no detail on the baseline for this KPI. We welcome the Mid-Year Imperfections report mentioned in the FWP but consider that this report, alongside the quarterly reports mentioned in the FWP, could have been used to provide historical data and targets rather than expect stakeholders to have to source this information separately.

SONI has indicated that it considers work on its Governance Project to implement Condition 42 of the licence should be out of scope for this review of its FWP and we agree with this.

## **Deliverables**

Overall, we are pleased with the level of information provided for some deliverables but would consider it is on par against the information provided last year, with some projects removing pieces of information from last year's FWP but not providing suitable replacement text. We would reiterate that this is not a static process and the EPF is intended to demonstrate incremental growth year-on-year. Information on par to previous years does not align with the guidance<sup>3</sup>.

We would like to see a greater linkage to performance measures other than "*Timely Delivery*", as this does not provide any qualitative assessment to take learnings into future projects. Very little information is provided in terms of lessons learned and how this has been used, areas which have been upskilled or how any consultancy has impacted on resource, i.e., knowledge transfer gained from the use of consultants in specialist projects. Given the significant reference to the achievement of milestones or delivery of materials/publications as a performance measure, it is difficult to

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<sup>2</sup> [EPF Guidance](#) page 19, para 4.15

<sup>3</sup> [EPF Guidance](#) paragraph 4.13

understand how this interprets into a measure of success and the four SONI Outcomes. Increased accountability to stakeholders in detailing any deliverables carried forward from previous FWP's would be expected.

We note that FWP23-13 Data and Digitalisation Strategy has been removed from the 2023/24 FWP. Given how digitalisation is a key prerequisite to achieving our net zero ambitions we would have expected this project to be present and the continued joint work between SONI and the Distribution System Operator (DSO) to be evidenced here in terms of priorities over the next year. Last year's FWP detailed the achievement of open data sharing with NIE Networks as the key milestone. Given this is a requirement of the SONI Price Control 2020-2025 we would expect, at a minimum, a standalone SONI strategy to be under development or delivered within the 2023/24 period. Considering the importance of the DSO-TSO relationship and whole system approach, as indicated at our Data and Digitalisation event in 2022, a joint approach to deliver a single strategy is preferred. This would also align with the UR Service Priorities and our own UR Forward Work Plan objectives<sup>4</sup>.

### **SONI Deliverables Role 1 System Operations**

It is noticeable that "*Appendix 1- SONI Deliverables – Role 1 System Operation*" contains circa 50% of the projects from the 2022/23 FWP. The majority of these projects are continued from the 2022/23 FWP as expected, but we envisioned more, if not all, of the 2022/23 projects continuing into the 2023/24 FWP. Further detail on this matter is detailed in Annex 1 - UR detailed feedback to Panel on Performance Measures.

The NRAA project FWP24-01 is a requirement of the EU (under Regulation 2019/943) but it has not yet been transposed to NI legislation. We consider that the SONI FWP could perhaps outline more milestones in the FWP towards first publication, for instance providing the dates for the consultation process. We do not consider the project ambitious but more reconciled with business as usual which would align with the 'low' cost scale. We have requested that SONI include an academic peer review of the assumptions, methodology and results for this project. This could be detailed further within the engagement section and as a milestone(s) in the project. We are not clear why this is introduced as a new project when we consider it may be a continuation of Phase 0 and Phase 1 from FWP23-09 GCS Methodology-NRAA and would request clarity on this and the other phases expected but not detailed.

FWP23-02 Scheduling and Dispatch Programme (SDP) does not provide timescales. It is unclear exactly what is being delivered, how and why, with no explanation provided to the key outputs or benefits of tranche 1 or tranche 2, instead focusing on the delivery of phases which do not evidence how they are linked to either tranche. We are aware of the ambition this project brings, not informed by the FWP but our external awareness. Elements of this programme are progressing interim solutions, with

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<sup>4</sup> [FWP 2023-24 Final.pdf \(uregni.gov.uk\)](#) page 15, strategic objective 2, Ref 1.

enduring solutions to be developed. There is no information provided to explain what this project will deliver in the interim, or what the 'big picture' enduring solution will provide.

The key benefits section is lacking evidence with SONI stating that "*The key benefits of this programme of work will be ensuring that SONI is compliant with the EU Legislation regarding the Clean Energy Package*". This implies that the project ensures full Clean Energy Package (CEP) compliance and that all initiatives are driven by CEP compliance, which we do not consider to be the case, as initiative 001 is driven directly by explicit CEP requirements and then only deals with a small part of what CEP requires. We would request that additional clarity is brought here, demonstrating how each phase relates to each individual area of the CEP, which might be beneficial in terms of a measure of performance against compliance with each area of the CEP. The lack of supporting evidence for this kind of statement appears to run consistently throughout the FWP. Accepting that the other initiatives do have merit and are largely targeted towards facilitation of renewables, the tangible benefits in this regard are not detailed or evidenced. The approach taken appears to be to make bold qualitative claims of benefit without clearly setting out how or when or providing evidence, analysis or other substantiating detail to guide the reader in how the benefits will be derived and quantified so that they can form a view on precisely how ambitious the programme is or is not.

It is concerning that whilst funding has been provided for elements of this programme that no clear dates or range of dates have been provided for stakeholders. It is noted that "*timescales are dependent on funding approvals*". Phase 2 does not appear in 2022/23 or 2023/24 FWPs and no explanation is given, which may indicate a lack of accountability. No lessons learned are noted which could be used to improve future delivery. The Scheduling and Dispatch Programme specifically calls out Phases 3 to 5 being successfully achieved over the period as a measure of performance.

As noted above, the functional scope has been split into two tranches with no detail on timing or the basis for prioritising in this way perhaps illustrating a lack of accountability and evidence. It is not clear whether it is only the delivery and subsequent activities in phases 3-5 that are split into tranches or whether the detailed design in phase 2 is also split such that it will conclude later than indicated in funding requests for tranche 2. There is no explanation as to what each phase will deliver in real terms. Programme of "*associated project activities*" omits phase 2 and tranche 2 with no detail as to why or when/how tranche 2 activities will progress. Given these points there seems to be a dearth of information and accountability in these areas.

There is a lack of detail on phase 1 delivery and in particular the timeline detail that was to be completed as part of Phase 1 of the programme which would indicate a lack of accountability on previous delivery. We would welcome clarity from SONI as to why timelines are not provided given that they were an intended output of Phase 1.

Phase 3 through 5 content is extremely high level. Whilst the activities are appropriate, the lack of descriptions of what is involved makes it challenging to scrutinise further. This is in contrast to the 2022/23 detail on phase 1 which was still high level but had more description so this could be considered a step back rather than an incremental improvement. Given that this is a significant and costly programme which is presented as a flagship initiative we would expect more detail here. Detailed design referencing in general is hard to follow given that it is referred as an output of phase 1 in 2022/23 FWP, and in the 2023/24 FWP is the title of phase 2.

Phase 5 detail states that “*This phase will support the implementation in the period immediately following go live and also formally close out the programme in a controlled manner.*”; however, given the approach to having two tranches it is not clear how this will work assuming there are two separate go live dates. More detail on how activities are to be planned and undertaken for the two tranches would be beneficial and its absence highlights a lack of timeline detail and no incremental improvement on the previous year. Phases 4 and 5 detail both state “*The activities of phase 4 will follow the proven market and system change processes used in previous major projects relating to SEM changes:*” it is not clear whether this should read phase 5 for the phase 5 detail or not i.e., whether this is intended or is a typographical error.

In general, some progress has been demonstrated in terms of the programme itself in that phase 1 has been completed and phase 2 commenced; however, in terms of the development of the FWP’s detail we feel that this has at best plateaued and potentially even regressed. A significant proportion of the detail here is identical to the 2022/23 FWP. Whilst in some places this is appropriate, there isn’t as much updated information as we might expect given the completion of phase 1 and a significant proportion of phase 2. We would view this as a lack of evidence of progress so that it isn’t possible for the reader to draw full conclusions on what progress has been made solely from this FWP. We would expect lessons to have been learned during the initial phases and taken on board for future phases but there is no mention in the FWP of *what* key learnings took place and *how* this has adapted their approach, nor evidence of knowledge transfer or upskilling of resource to date.

The large amount of duplication relative to 2022/23, some removal and general step back as opposed to forward in terms of the amount of tangible detail and elaboration indicates limited progress in terms of the FWP’s quality itself. As a general comment on the quality of this element of the FWP, we consider it to be somewhat vague and lacking in salient detail, particularly in relation to evidence.

In general, evidence is lacking. Tangible evidence is very limited with numerous unsubstantiated statements made, no timeline detail and limited description included for any completed, in progress or upcoming activities. Limited cost detail or analysis of benefit is prevalent and no individual cost/benefit detail for individual initiatives is included. Performance measure detail is considered lacking and is a regression relative to 2022/23 detail on Phase 1. The FWP simply states successful achievement

of phases 3-5 as the measure with no solution quality metrics or measurement approaches, measure of what would be timely delivery due to the lack of timeline or measure of value for consumers via quantifiable cost savings or maximisation of benefits.

The FWP covers the period to 30 September 2024 and based on the information provided it can only be concluded that, for both tranche 1 and tranche 2, Phases 3 to 5 are expected to be delivered by the end of this period. We would seek further clarification from SONI in order to understand whether this is reasonable in terms of ambition as there appears insufficient information to say.

We welcome the improvement on stakeholder engagement in this area. SONI have been proactive in engaging with industry and their plans for monthly workshops and engagement with industry committees are appropriate. Feedback gathering and consideration processes could be more detailed in the FWP but may be relatively effective in practice though this is not clear. We would note that these engagements consistently appear to have limited attendance by any SONI subject matter experts.

In terms of the cost scale, cost information for this flagship project is high level, advising 'high' costs (SONI Cost Scale equivalent of £1M to £5M). Little consideration has been given to the audience's interpretation of the cost scale. It is not clear whether this is total across all phases or just for 2023/24 activities.

The "*SONI Outcome*" only cites Decarbonisation and System Wide Costs, without quantifying or evidencing these benefits. From the information detailed, only decarbonisation and stakeholder satisfaction appear in the description of the project but without any measurable performance metric against these objectives.

FWP23-01 Future Arrangements for System Services (FASS) provides timescales noting these are dependent on funding approval timescales. The same approach could be applied to the Scheduling and Dispatch Programme but is not.

In considering FASS, we note that the dates included in the FWP for milestones 3, 4 and 6 differ from those detailed in the SEM Committee paper SEM-23-043<sup>5</sup> which was published in June 2023. We appreciate that these were potentially subject to change but consider this should be noted in the FWP so all stakeholders are aware. This project also provides achievement of phases 3 to 5 within timelines as a performance measure. We would direct SONI to SEM-21-021 Decision Paper<sup>6</sup> which sets out the objective of the project and assessment criteria. There are 10 criteria for assessment on the programme, any of which could be a suitable performance measure for the project in the 2023/24 FWP and could potentially be incorporated into other projects.

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<sup>5</sup><https://www.semcommittee.com/sites/semc/files/media-files/SSFA%20Phase%20III%20-%20Phased%20Implementation%20Roadmap%20-%20Consultation%20Paper.PDF>

<sup>6</sup><https://www.semcommittee.com/sites/semc/files/media-files/SEM-21-021%20System%20Services%20Future%20Arrangements%20-%20Decision%20Paper%201.pdf>



## **SONI Deliverables Role 2 Independent Expert**

Appendix 2 is broadly similar to last year's FWP in terms of alignment to UR service priorities, performance measures and projects. FWP23-12 Stakeholders Needs Assessment has been removed and replaced with FWP24-02 Stakeholder Management Strategy. We welcome the addition of this project and the points detailed to set expectations for stakeholders.

It is surprising that Shaping Our Electricity Future (SOEF) does not feature in the document given the continued engagement with stakeholders referenced through this forum. FWP23-01 FASS references that updates on progress will be communicated through the SOEF Advisory Forum. Given that attendance to these events is by invite only to advisory council members, we would consider that this engagement should be open to all interested stakeholders so updates on progress are communicated in a transparent manner.

We note that Grid Code Studies and Grid Code Modifications have also been removed. We are aware that there are requirements for modifications over the coming year, in particular but not limited to, to progress the Scheduling and Dispatch Programme from Role 1. These include:

- SDP\_02 ESPS Integration due October 2023
- SDP\_01 Operation of non-priority dispatch of renewables and
- SDP\_04 Wind/Solar dispatchability improvements due February 2024

These modifications were detailed at an SDP Stakeholder Event on 5 October 2023<sup>7</sup> but not included in the FWP. Associated timelines of these modifications have been communicated to industry separately as indicated above, therefore we would expect a consistent approach to be evidenced in the FWP.

Given this, we note that the Mid-Year Update Report on 2023/24 and Forward Work Plan 2024/25 are included, as per last year's FWP. However, the Annual Performance Report 2022/23 which is expected to be published in December 2023 with an associated stakeholder event is not mentioned in Appendix 2 as a deliverable, or in Appendix 6 as an upcoming engagement. We would welcome clarification why this is not included as an upcoming action, given it would align with the inclusion of the next Forward Work Plan and Mid-Year update.

## **SONI Deliverables Role 3 System Planning**

There appear to be some inconsistencies between projects in Appendix 3, Role 3 System Planning and the information provided in the 2022/23 Mid-Year update.

In particular, FWP026 North South 400kV Interconnector. The Mid-Year update on 2022/23 FWP advised that 2022/23 milestones in this project were 50% complete. However, 75% of the deliverables from the 2022/23 FWP are included in the 2023/24

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<sup>7</sup> [PowerPoint Presentation.pdf \(soni.ltd.uk\)](#) reference slide 5

FWP, without any explanation or emphasis that these activities were in the previous FWP.

FWP040 East Tyrone Reinforcement also includes a TNPP submission, although this is not directly called out in the table of deliverables. The 2022/23 Mid-Year Update report in April 2023 advised that this TNPP submission milestone was 90% complete and set a revised target date of June 2023, however it is in the 2023/24 FWP targeting “*Autumn 2023*”. There is no rationale provided to stakeholders to explain why any milestones from the 2022/23 FWP are detailed in the 2023/24 FWP, which is seen throughout the FWP. We would like to see increased accountability in terms of delayed project milestones continuing into a new FWP, and the rationale as to why the risk mitigations previously in place were insufficient.

### **SONI Deliverables Role 4 Commercial Interface**

Appendix 4 is broadly similar to the previous FWP. FWP23-28, regarding projects progressing through the connection offer process, is largely replicated from the 2022/23 FWP, although it does note that SONI are experiencing a step change in the volume and complexity of applications received. We note that it does not actually quantify this increase.

The strategic theme and engagement areas are replicated from the 2022/23 FWP and we consider whether or not there has been any growth in this area. We would expect important lessons have been learned from dealing with “*a step change in the volume and complexity of connection applications received*” however this is not evidenced or quantified. There are no risk mitigation measures evidenced to build stakeholder confidence in how SONI is addressing this step change from applicants. The performance measure is detailed as *Connection Offers issued in accordance with Licence Condition 25*, however this is not detailed either qualitatively or quantitatively in Appendix 5 Performance Measures, with text pertaining to this KPI being removed, as detailed in Annex 1 - UR detailed feedback to Panel on Performance Measures.

### **SONI FWP Performance Measures**

Please see Annex 1, whereby we give our view on the performance measurements. There are no new KPIs proposed despite our historic feedback and suggestions of potential KPIs and metrics. We welcome the clarity SONI has brought with the addition of a “*Timely Delivery of Publications*” measure, however this does not address any quality assurance.

We consider the FWP to contain a lack of development of Key Performance Indicators (KPIs) in general. As demonstrated in the table below, the direction of travel regarding KPIs in the FWP is concerning, as there is now a greater dependency on success being measured against timely delivery of milestones in all projects. This is not aligned with our previous feedback. There continues to be no KPI present in relation to quality.

FWP	Total KPIs	KPIs providing historic data / targets
<b>2021/22 FWP</b>	6	5
<b>2022/23 FWP</b>	8	4
<b>2023/24 FWP</b>	5	3

We have previously provided our views on RES-E as a metric and its importance in terms of the Energy Strategy and we note that RES-E has now been removed from SONI’s FWP. We would be interested to understand the reasoning behind this. We were anticipating a new performance measure in relation to stakeholder satisfaction which was under development from the initiative FWP23-12 Stakeholder Needs Assessment. As the initiative isn’t included in the FWP, we can only consider that the activity has concluded. We would welcome an update on the progress of the KPI from SONI at the stakeholder meeting, and a timeline as to when the performance measure will be available.

### **SONI FWP Stakeholder Engagement and Collaboration**

Our guidance asks SONI to be accountable to stakeholders. The guidance requires SONI to explain how stakeholder feedback has influenced the FWP and to demonstrate that SONI has taken into account the detailed and diverse needs of all stakeholders. Stakeholder engagement is a collaborative process and we have asked to see evidence of more collaboration taking place. A recommendation was made to introduce a new customer/stakeholder satisfaction metric.

We welcome the inclusion of Planned Engagement over 2023-2024 in Appendix 6. We consider this may be useful to stakeholders to understand what key engagement activities over the year and is a positive step forward in the FWP. This could be further improved upon by providing indicative dates of these engagements for stakeholders.

We would welcome SONI taking the opportunity within this FWP to identify any proposed collaborative / collegiate work with gas networks. Appendix 6 on stakeholder engagement does not detail any engagements with gas network operators. The Panel Recommendation Report<sup>88</sup> on 2022/23 FWP advised that more consideration needs to be given to a “*whole system approach*” which does not just mean the whole electricity network but also considering how the future of electricity and gas will be positioned to

<sup>88</sup> [EPF Panel Report Dec22.pdf \(uregni.gov.uk\)](#)

meet the decarbonisation outcome. There are a number of reasons why we consider SONI should be engaging with gas network operators:

- Assess whether there is adequate capacity on the gas network for any new gas-fired power stations;
- Assess how increased electrification of households might increase the need for back-up power generation;
- To align their decarbonisation assumptions i.e., more carbon is saved by converting oil consumers to heat pumps than gas consumers;
- Align their long-term forecasting assumptions;
- Share information on potential new large users etc.

As mentioned above, how stakeholder feedback has influenced the FWP is an important aspect of the process. The appendix provides 3 areas of feedback:

- cost and resource information;
- offshore; and
- Tomorrow's Energy Scenarios Northern Ireland (TESNI)

This amounts to one page indicating how stakeholder views have shaped the FWP, in stark contrast to six pages of feedback in the 2022/23 FWP. Given the forum of the stakeholder event, stakeholder submissions, panel recommendations and UR assessment, we consider that there is the opportunity to further address the stakeholder feedback, for instance a stakeholder satisfaction/engagement metric, additional details for imperfections cost metric, evidence of wider collaboration with gas networks or cross-sectoral learning, etc. We consider stakeholder views could be used to help improve and further develop the FWP.

The engagement activities in 2022/23 for Mid-Antrim Upgrade and Energising Belfast Part 1 were a significant improvement and we considered this should be adopted for all projects and deliverables, however the FWP does not provide evidence to suggest that this type of engagement has been adopted for other projects. Four projects are detailed advising “*extensive community and landowner engagement strategies*” in Appendix 6, but there is no other information provided to support or evidence any step change from the 2022/23 FWP.

We would welcome SONI's views on our feedback at the upcoming stakeholder meeting and we trust this is useful. If you have any queries, please get in touch with: Ciara Brennan – Price Control Manager ([ciara.brennan@uregni.gov.uk](mailto:ciara.brennan@uregni.gov.uk)).

Yours sincerely,



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**Tanya Hedley**  
**Director of Networks**

## Annex 1 – UR detailed feedback to Panel on Performance Measures

Performance Measures	
RES-E (%)	<p>SONI removed the RES-E <u>target</u> for 2022/23 and previously stated they were seeking feedback on its inclusion in future FWP, which we provided. The metric is now completely removed from the 2023/24 FWP. No supporting stakeholder feedback to reinforce this decision is provided in appendix 6 and an alternative has not been provided.</p> <p>SONI advised that this removal is due to the measure including factors outside of their control. SONI's <i>Output Metrics</i> paper submitted as part of the price control indicated the metric would be adjusted for items outside of their control on an annual basis. We would reiterate the importance of RES-E as we continue the transition to a net zero future and fail to see why SONI could not provide both actual RES-E and an adjusted measure, particularly when RES-E continues to be referenced in their FWP.</p> <p>Key points include the following:</p> <ul style="list-style-type: none"> <li>• As a headline target of the Energy Strategy, removing this item as a KPI seems questionable. Much of SONI's work is dedicated to achieving RES-E, so we would expect to see targets and data included in the FWP.</li> <li>• We would have expected to see how SONI plan to integrate the uplift of the 2030 target to 80%.</li> <li>• It would have been helpful had SONI explained the difference in methodology between their figures and DfE calculations. It would be beneficial for SONI to address this issue for transparency going forward.</li> <li>• In the Transition Year 2021/22, we commented that the SONI figured quoted as 2019 base level at 39% did not align with figures from DfE which show 43.6% for the 2019 calendar year. This point has not been clarified.</li> </ul>
SNSP (%)	<p>SONI had a target to maintain the maximum level of SNSP allowable on the system to <b>75%</b> in 2022/23 and continues into the 2023/24 FWP. This corresponds with the 2021/22 SNSP trial.</p> <p>Key points include the following:</p>

	<ul style="list-style-type: none"> <li>• This target represents the same figure as set out in SONI’s <i>Output Metrics</i> paper submitted as part of the price control.</li> <li>• The target for 2023/24 is 75% moving to 80% in 2024/25 and 85% in 2025/26. This is lagging from the <i>Output Metrics</i> paper which moved from 75% in 2023/24 to 85% in 2024/25. We are concerned whether there continues to be sufficient momentum to achieve 95% by 2030 and are unclear what issues have occurred that the target for 2024/25 has taken a significant step back. We would welcome clarity from SONI as to why this target has reduced given its importance.</li> <li>• SONI make the statement “<i>In 2022, we operated above 70% SNSP for 359 hours, approximately 10 hours of which were at the 75% limit.</i>” More detail would be helpful to understand the challenge being implied.</li> <li>• We are of the opinion that the metric is acceptable, for now.</li> <li>• We welcome the inclusion of details on plans for the next trial to increase SNSP.</li> </ul>
Renewable Dispatch Down (%)	<p>SONI has a target to keep the average level of constraint / curtailment at <b>10%</b> in 2023/24 which remains the same as the 2022/23 target.</p> <p>Key points include the following:</p> <ul style="list-style-type: none"> <li>• This target represents a less challenging figure than the <b>9.0%</b> for Years 3 to 5 of the price control as set out in SONI’s <i>Output Metrics</i> paper submitted as part of the price control.</li> <li>• SONI considers this metric particularly challenging as more renewables come on the system. The target would represent an improvement from the baseline figure of <b>10.7%</b> in 2019 for wind. However, the target is above the <b>9.4%</b> achieved in 2022.</li> <li>• Percentages have generally been increasing, so holding this figure constant may represent a reasonable performance, though we are unclear why the target has eased since the price control.</li> <li>• We previously noted it was not obvious if the 10% target was related only to wind dispatch down or also includes solar or other renewables. We welcome the clarifications SONI has made in this area.</li> </ul>

System Minutes Lost (SML)	SONI removed the SML target in 2022/23. This continues to be excluded as a performance measure in the 2023/24 report.
System Frequency (%)	<p>SONI has a target to keep the system frequency within the +/- 0.2 Hertz range <b>98%</b> of the time in 2022/23.</p> <p>Key points include the following:</p> <ul style="list-style-type: none"> <li>• This target represents a more challenging figure than the <b>96%</b> as set out in SONI's <i>Output Metrics</i> paper submitted as part of the price control.</li> <li>• Baseline performance in 2019 was <b>99.66%</b>, so target is a step back on actuals. The all-island system is consistently above <b>99.5%</b> though fell back to 98.6% in 2021 and 98.5% in 2022.</li> <li>• This target is acceptable for now.</li> </ul>
TNPP Submissions (Approvals within 4-months)	<p>SONI considered the timeliness of UR approvals regarding a TNPP submission an appropriate metric for performance in this area as part of their 2022/23 FWP.</p> <p>At the time of the 2022/23 FWP, we welcomed a KPI in this area however we were not convinced that linking the success measure to UR's approval times was appropriate.</p> <p>SONI has removed this KPI from the 2023/24 FWP due to feedback from stakeholders, but an alternative has not been provided.</p>
Imperfections Costs	<p>SONI introduced an imperfections metric using the backcast model to determine savings from TSO actions in the 2022/23 FWP. This appears to remain under-developed in the 2023/24 FWP. Key points include:</p> <ul style="list-style-type: none"> <li>• More detail is required to determine the reasonableness of the KPI and the methodology.</li> <li>• A target is expected, as noted in our 2022/23 feedback.</li> <li>• Historical information is expected.</li> <li>• A timeline for development of the targets</li> <li>• This area references the introduction of a 'Mid-Year Imperfections report' which contains actual and forecast data. We would expect stakeholders to have this data presented in terms of historical data and targets, rather than have to reference a separate document to the FWP.</li> <li>• This section contains 3 bullet points which the previous paragraph indicates a reference to 3 Transmission Constraint Groups, but instead</li> </ul>



	<p>contains an error message “<b>Error! Reference Source Not Found</b>” – these are mistakes we would not expect to see in any high-quality document.</p>
<p>Service Quality</p>	<p>In their 2022/23 FWP SONI advised they would be considering the development of a metric in order to account for the issue of Connection Offers and the number of projects energised. We welcomed this and advised we did not see a clear plan in place of schedule of activity and would like to see progress in this area.</p> <p>This is removed from the 2023/24 FWP without any explanation in the Performance Measures document or in the Stakeholder Engagement document. The number of connection offers issued etc., remains in appendix 4 as a performance measure. We would request clarity as to whether this activity progressed and why further detail is not included in the 2023/24 FWP when it continues to be referenced as a measure of performance.</p>
<p>Stakeholder Needs Assessment</p>	<p>This project was expected to allow SONI to gather information around stakeholder views across various areas of the business and to develop a stakeholder satisfaction metric which could be used to provide a quantitative measure of SONI performance.</p> <p>A timeline would be beneficial to understand when this will be delivered. Key points include:</p> <ul style="list-style-type: none"> <li>• We previously welcomed that a defined project was included in the FWP. The project was advised as “<i>SONI will use the feedback provided to facilitate the development of a Stakeholder Engagement KPI. This is targeted to be completed by June 2023</i>” but is now expected to be used to “<i>develop the Stakeholder Management Strategy and accompanying evaluation framework</i>”.</li> <li>• Whilst we welcome the introduction of a Stakeholder Management Strategy and evaluation framework, we do not see any rationale as to why a stakeholder engagement metric has not been included in the 2023/24 FWP.</li> <li>• Given the expectation for this to be detailed in the 2023/24 FWP, we consider this represents a decrease in ambition as no methodology or targets are in place.</li> <li>• It will be important that any customer satisfaction (CSAT) metric can be measured over time and benchmarked against others.</li> </ul>

Other KPI Issues	<p>Key points include the following:</p> <ul style="list-style-type: none"> <li>• We continue to suggest that National Grid ESO has some interesting metrics which might equally apply to SONI i.e.           <ul style="list-style-type: none"> <li>• Energy demand forecasting accuracy;</li> <li>• Wind forecasting accuracy;</li> <li>• Reducing outage cancellations due to process error (see ESO <a href="#">report</a>).</li> </ul> </li> </ul> <p>We would seek clarity as to why SONI are not considering these metrics</p>
<b>Other areas of interest</b>	
Items not included in the FWP	<p>The FWP does not include some funded business plan activities such as</p> <ul style="list-style-type: none"> <li>• Smarter Outage Management</li> <li>• TSO/DSO interface.</li> <li>• Simplify and Standardise IT Solutions (previously included)</li> <li>• Transition to Cloud (Previously included)</li> </ul> <p>Previous projects not included in the FWP, or which we anticipated inclusion as follows:</p> <ul style="list-style-type: none"> <li>• Shaping Our Electricity Future (engagements / publications)</li> <li>• Control Centre of the Future</li> <li>• Data and Digitalisation</li> <li>• SEM4.0<sup>9</sup></li> <li>• EU Market Re-Integration Programme<sup>10</sup></li> <li>• Grid Code Studies or Modifications – in particular:           <ul style="list-style-type: none"> <li>○ SDP_02 ESPS Integration due October 2023</li> <li>○ SDP_01 Operation of non-priority dispatch of renewables and</li> <li>○ SDP_04 Wind/Solar dispatchability improvements due February 2024</li> </ul> </li> <li>• TSO Demand Side Strategy</li> <li>• Transmission Connection Charging Methodology Statement (TCCMS)</li> <li>• Constraints Report (NI)</li> <li>• EPF Annual Performance Report for 2022/23</li> </ul>

<sup>9</sup> Slide 9 [Shaping Our Electricity Future \(soni.ltd.uk\)](https://soni.ltd.uk)

<sup>10</sup> [Ex-Ante-Market-Design-for-EU-Re-Integration-Information-Paper.pdf \(sem-o.com\)](#)