

SONI Evaluative Performance Framework

Evaluation Report to UR of the EPF Expert Panel

Assessment of SONI Forward Work Plan

1 October 2024 to 30 September 2025

Preamble

Throughout this report, the following abbreviations are used:

UR is the Utility Regulator in Northern Ireland

EPF stands for Evaluative Performance Framework

SONI is the electricity transmission System Operator for Northern Ireland

TSO stands for Transmission System Operator

DSO stands for Distribution System Operator

NIEN stands for Northern Ireland Electricity Networks

SEMC stands for Single Electricity Market Committee

Introduction

As part of the 2020 to 2025 SONI price control, UR introduced the EPF, the primary purpose of which is to provide financial and reputational incentives to SONI to encourage it to engage in actions and behaviours which contribute to four high level outcomes.

One element of the EPF is the Expert Panel, established to bring independent expertise to the assessment of SONI's planned and actual performance.

The Panel's function is to undertake an evaluation of, and report on, SONI's Forward Work Plan (the Plan) and, subsequently, SONI's performance against this Plan.

The Panel's instructions are to assess the material in the Plan, and to take into account submissions provided by SONI's stakeholders in making its report to UR.

UR has provided detailed guidance* to support and guide the Panel in its work.

UR is the decision-making authority.

This cycle of the EPF process relates to the regulatory period 1 October 2024 to 30 September 2025.

*<https://www.uregni.gov.uk/publications/evaluative-performance-framework-guidance-document>

Panel Assessment Process

Review of Forward Work Plan

The Panel followed the detailed guidance issued by UR in reviewing and evaluating the Forward Work Plan.

This involved applying the following criteria:

- Service Ambition
- UR Service Priority Alignment
- Stakeholder Engagement
- Service Accountability

to the assessment of the actions and behaviours that the Plan presents as contributing to four high-level Outcomes:

- Decarbonisation
- Grid security
- System-wide costs
- SONI service quality

in each of the four SONI roles:

- System Operation and Adequacy
- Independent Expert
- System Planning
- Commercial Interface.

Review of Submissions Stakeholders on the Plan

SONI published the FWP 24-25 on 26 September 2024 and this was followed by a period of consultation closing on 7 November 2024, during which UR sought written submissions. UR confirmed to the panel on 12 November that they will no longer be providing a written submission on either the Forward Work Plan nor the End Year Performance Report and that the EPF guidance will be updated in due course to reflect this change to the process. A small number of written submissions were received and considered by the panel as part of their assessment process. In addition, the panel submitted clarification questions to SONI during their assessment, to which SONI provided written answers with some further discussion on the day of the Stakeholder Meeting.

Participation in meetings with stakeholders on the Plan

The Panel participated in a Stakeholder Meeting hosted by UR, attended by stakeholders/stakeholder representative groups, held (in person and virtually) on 13 November 2024.

During the first (open) part of this meeting, SONI made a presentation and stakeholders were then invited to make comments and ask questions of SONI. In the second (closed) part, attended by SONI, UR and the Panel, the Panel asked questions based on the Plan and information arising from the earlier session, and SONI provided responses.

Review of Forward Work Plan – General Commentary

General Panel Commentary on Forward Work Plan

This is the fourth Forward Work Plan submitted under the EPF. The plan has evolved positively year on year in response to feedback from the EPF Panel and UR, but is generally in a similar format to previous years with the main document being supplemented by seven appendices providing greater detail on various elements of the main document. There are 10 documents for the panel to assess this year (including the Stakeholder Engagement Strategy and Annual Action Plan) - In total there are over 220 pages. Given that the document is expected to provide information to stakeholders to allow them to comment and provide meaningful input, SONI may wish to consider for the future whether there is a more succinct way of presenting their FWP and seeking stakeholder comments. One useful tool would be an Executive Summary focussing on the key elements of the report which SONI considers essential to addressing the requirements of the EPF Framework. It should provide the reader with the key takeaways from the Plan, why they are important and how they will be delivered. It may also direct the reader to the relevant sections so that those with limited time can optimise their engagement with the Plan (and its appendices).

As the Panel has noted on several occasions, the constraints of the EPF Framework dictate to a great extent the way in which information in the FWP is presented. There may be a better format for the FWP which would make it easier to read. For the next EPF, this is a matter which UR may wish to consider.

Two of the positive changes this year in response to feedback from the EPF panel on previous Forward Work Plans are a much improved strategic forward look to 2030 and 2050, identifying some of the challenges and actions to address those challenges in the path to net zero and carbon reduction as well as a step change in stakeholder engagement. The use of diagrams and graphics throughout is helpful to understanding the linkages within the documents and the use of photographs helps provide additional context to the plan. In general, a satisfactory level of programme and project detail has been given throughout the Plan. The additional column provided in the detailed project tables indicating whether or not the project has been carried forward from previous years is useful. For those projects carried over from previous years, it would also be useful to have an indication of whether or not the project is running to time and budget or whether slippage in targets has happened with an explanation of the consequences of such slippage. This could be seen as a

timing issue, as the End Year Performance Report for the previous year is due to be produced three months after the FWP for the following year.

Business As Usual

Section 2.6 of the EPF guidance indicates that the FWP is not intended to focus on “Business as Usual” (BAU) activities but is “seeking clear and tangible evidence that SONI is taking new steps within that year to deliver better services, practices, business models and technologies; and that, in doing so, SONI is contributing strongly to outcomes which consumers benefit from; and that it delivers strongly against these new steps.”

The EPF panel had previously commented on the difficulty in assessing whether projects were BAU or whether they fell into the category described in Section 2.6 above. Whilst there will always be a grey area between the two, it is noteworthy that in this year’s FWP, SONI has taken account of this matter by removing what they consider to be BAU projects. Appendix 6 Page 6 lists the nine projects which have been removed by this analysis.

This is useful in allowing the Panel to focus on new and innovative activities. However, there remain projects and actions listed within the plan which could still be seen as being BAU for a successful TSO.

Continuity of Reporting on Projects from Previous Years

Some stakeholders have commented on the exclusion of certain projects from the FWP24-25 which were included in previous FWPs and which have not been included in this year’s plan. As mentioned above, SONI has included overall text to explain that they have excluded projects which they consider to be BAU. However, there would be benefit in providing an explanation of why projects which were previously included in FWPs and which do not feature in this plan have been removed.

Appendix 6 shows nine such projects but there were many more which appeared in FWP23-24 with no explanation given as to why they are no longer included.

Examples of projects which fall into this category are FWP036 Carnmoney-Eden reinforcement; FWP029 Coolkeeragh Extension; FWP039 Moyle 275kv Reinforcement. If the reason for exclusion is that they are now considered to be BAU, SONI should consider how they propose to report progress on these projects to relevant stakeholders.

Strategy

Within Section 2 of the FWP, SONI sets out their purpose and how they will meet key strategic goals. This year’s plan has an improved forward look compared to previous years with further long term thinking described at the presentation on the Stakeholder Day. SONI could usefully include their specific role in achieving this longer term vision within the plan. It should be possible to see a clear link between the actions and milestones described within each of the projects with one or more of

the long-term strategic goals. There would be benefit, when describing projects and setting measures of success under each role later in the FWP, if SONI could link the deliverables more directly to these key strategic goals. For example, under the headings “Plan” and “Operate”, how can SONI ensure and demonstrate that the deliverables which they have set out will lead to the “right” net zero power system? (There will be more than one pathway/solution for such a system). It may be the case that we achieve a net zero power system, but it is designed and operated in ways which are not optimal for, or impede wider net zero initiatives across the entire energy spectrum. A reference to how this whole system approach will operate would provide greater clarity on how the projects contribute to the strategy.

In relation to the objective of supporting the delivery of Government Policy, in particular the NI Energy Strategy, greater clarity on SONI’s duties and responsibilities would be useful rather than an indication that they will simply do the activities allocated to them.

References

There are many acronyms used throughout the documents, some very technical. There would be benefit in providing a Glossary of acronyms (appended to the plan) to aid the reader. Additionally, there are certain “assumptions” throughout the document that the reader has sufficient knowledge (without some small degree of explanation) to understand complex industry processes/initiatives.

There also remain references to other documents (e.g. TESNI) which require the reader to look elsewhere to appreciate the full extent of the point SONI is making. It should be possible to read and understand the document without having to turn to other publications. Inclusion of a relevant extract illustrating the point being made would be helpful.

Stakeholder Engagement

This year, the plan was complemented by the new Stakeholder Engagement Strategy for 2024-26, which is accompanied by a one-year Stakeholder Action Plan for 2024-25. This strategy is the culmination of significant work over the past few years to develop stakeholder engagement, alongside work to develop appropriate performance measures. Developments in the Public Engagement Model and the Landowner Charter are to be welcomed. There are references to the newly developed Engagement Evaluation Framework which is expected to provide quantitative and qualitative measures of performance in stakeholder engagement. However, the detail on this Framework is not yet available, with an initial benchmark due to be included in the End Year Performance Report for 23-24. Thus, although there is evidence of a much increased focus on stakeholder engagement within the plan, performance measures remain as in previous years with the provision of

descriptive material on how stakeholder input affected the outcomes in specific projects.

Once the new Framework is in operation, it will be important for SONI to explain exactly how it prioritises stakeholders within each project so that resources can be appropriately utilised. The FWP should also specify clear and tangible deliverables which can later be reported on in the End Year Performance Report.

Although a wide range of stakeholders are mentioned, there is no clear indication of how SONI takes account of or incorporates learning from successful projects or innovations in other jurisdictions e.g. GB, ROI or further afield where processes may have changed as a result of the drive towards net zero.

In its response to the FWP24-25, NIEN welcomes the improved level of communication between the two organisations and comments on the benefits resulting from early collaboration in certain projects e.g. Grid Development Optimisation Project. However, NIEN also provides a view that there is still benefit in engaging at an earlier stage in projects which require co-delivery or significant involvement by NIEN and SONI. Examples provided include FWP25-12 Dispatch Down Action Plan and FWP25-11 Future Energy System Shared Paper.

NIEN also suggests including a greater number of projects within the FWP, including BAU projects, as it provides a method of reporting transparently on how they are progressing. Many of these fall within Role 3: System Planning and NIEN could be seen as a partner to SONI on many of these projects. There may be benefit in developing a system for more detailed reporting between SONI and NIEN on projects of mutual interest to both organisations as a separate exercise from the EPF which has a specific focus on innovation and stakeholder engagement. It is not designed to be a reporting process on the delivery of specific milestones in all projects being delivered by SONI.

SONI Governance

Page 7 of the FWP discusses the new SONI Governance arrangements. The plan states that “work is ongoing on how we will work together as we implement the new obligations”. Although SONI Governance does not fall within the scope of the EPF, clarity is needed on how the new Governance arrangements are expected to affect the operation of the EPF or the scope of projects contained within it.

Cyber Security

It is stated in Appendix 1 of the Plan that “SONI have intentionally excluded any programmes of work related to cyber security. SONI consider this is a confidential area and, as such do not intend to include any narrative or metrics related to cyber security in the Forward Work Plan.” In the Panel’s Evaluation Report of its assessment of SONI’s previous FWP, observations on the importance of Cyber Security were made, along with a recommendation that the Panel and UR be given some means of knowing

that “this area has been receiving, is receiving and will continue to receive proper attention by SONI and appropriate scrutiny by deemed relevant authority”. Such an assurance was sought from SONI by the EPF Panel and a response was received on 5 November 2024. SONI confirmed that this area continues to be a top priority for them and that they have robust internal mechanisms in place to ensure it receives proper attention.

SONI further clarified that they engage closely with the Department of Finance, designated as the Network and Information Systems (NIS) Competent Authority for Operators of Essential Services. They ensure full compliance with the NIS regulations, as well as their obligations as an Operator of Essential Services. They further state that this collaborative approach helps them to maintain the highest standards of cyber security and regulatory adherence.

System-Wide Costs

The continuing use of the Cost Scale Indicator is helpful in providing an indication of the relative size of various projects.

However, there is very little discussion in the FWP on system wide costs other than statements throughout the plan and appendices indicating that various projects are expected to reduce such costs without any explanation as to exactly how. Those costs included within scope are described in Section 2.35 of the guidance. These do not seem to have been included within the plan and therefore no target has been included for assessment at end year. This is an area which the EPF panel has raised in previous years, and there continues to be very little cost information described plan which relates to the costs within scope. It would be helpful to have further detail on the scale of reduction in such costs and more detail on exactly how the various projects contribute to such a reduction. Examples of how costs to the consumer will be reduced would also be useful – this could be listed as one of the Key Benefits of specific projects.

This is an area on which stakeholders commented in their written responses, with a desire for clarity on the level of savings being achieved as well as where in the system any savings could be attributed to.

In answer to a written question on how SONI will report and assess reductions in System Wide Costs, SONI referred to its latest Imperfections Outturn Report for 2022/2023 which was published in May 2024. The EPF Panel consider that relevant measures and targets within the EPF Framework should be set out in the FWP and End Year Performance Report without the need to access further documentation to drill down into the detail.

Multi- Year Projects

For those projects carried forward from previous years, new delivery dates are set without the context of whether or not there have been delays or challenges and what

mitigation or amelioration was undertaken in arriving at the current starting point. Many of the measures are simply delivery dates. Some context about challenges overcome or reasons why delivery has been delayed should be included in the Plan. This could usefully also provide evidence of why SONI considers certain projects to be ambitious or stretching.

Self Assessment

Appendix 7 provides SONI's self-assessment of their plan as required by the guidance. This year they have added justification for their individual scores for the criteria within each role. This is helpful in allowing the reader to understand why SONI scored the plan as they did. A further enhancement would be to carry this evidence through to the various appendices covering each role. This would add to the evidence base of why certain projects are considered by SONI to exceed expectations in one or more of the criteria within each role.

Review of Forward Work Plan – Commentary on Roles, Deliverables, KPIs, Contribution to Outcomes and Criteria

Criterion 1- Service Ambition (all Roles)

The use of the Cost Scale within Appendices 1-4 is helpful in understanding the relative importance of the various projects in resource terms. Whilst the detailed tables within each Role, "Detailed Programme of Deliverables" provide an overview of the activities being undertaken as well as the key benefits of specific projects, SONI could usefully show specific evidence as to why they consider certain projects to be ambitious as defined in the EPF guidance Section 4.11. For example, why does SONI consider a project to be ambitious strategically or why are the deliverables stretching? SONI could highlight those areas which require innovation rather than activities which could be seen as normal activities for any TSO.

Criterion 2- UR Service Priority Alignment (all Roles)

The UR Strategic and Service priorities are set out in Annex 2 of the EPF guidance and are largely focussed on a culture of innovation, organisational learning and holistic collaboration across the sector, for example in the field of digitalisation. There is significant overlap between some of the UR Service priorities in relation to collaboration and the Stakeholder Engagement criterion. Whilst there are links throughout the FWP from various projects to this role, there would be benefit in including some coverage of how exactly SONI develops the culture of organisational learning and skills development described within this role.

Criterion 3 – Stakeholder Engagement (all Roles)

The panel has assessed the plan using the definition of Stakeholder **Engagement** set out in the EPF guidance. In SONI's self-assessment which is covered in Appendix 7, SONI has used the measure of Stakeholder **Satisfaction**. It is worth

noting that these are not the same. Stakeholder Engagement is a core theme of the EPF, runs through all roles and is important for the successful achievement of the four Outcomes. It is specifically an integral part of addressing the UR Service Priorities (Role 2). To score positively on Stakeholder Engagement, evidence is required of how improvements or changes resulted from this engagement rather than stakeholders simply being satisfied. Stakeholder Satisfaction, as measured by SONI in advance of the use of their new Engagement Evaluation Framework is a much narrower and more restricted measure of performance.

Criterion 4- Service Accountability (all Roles)

Significant work has been undertaken in developing the Stakeholder Engagement Strategy and Engagement Evaluation Framework. However, a baseline has not yet been presented and until the Framework is used in practice with relevant qualitative and quantitative measures, it is not possible to assess how well the Strategy and Framework are working in terms of improved service accountability.

Roles – General Comments

The removal of the BAU projects has contributed to greater clarity on the projects which SONI considers to be the main contributors to achieving the outcomes specified in the EPF. Sections 5-8 covering the four Roles each contain a page explaining the general contribution of the Role to each of the four outcomes. Within each detailed project description in Appendices 1-4, a graphic is presented linking the project to one or more of these outcomes. There is no text to describe what the link is in each case. Some indication of exactly how each of the projects listed contributes to the achievement of the outcome for which a graphic appears would add clarity. In some cases, there is a reference to the link in the Section “Key Benefits” within each project but in many cases, it is up to the reader to surmise what the link actually is. E.g. Role 2 FWP23-23 SONI TSO-DSO Operating Model is linked to a reduction in System Wide Costs. There is nothing in the Key Benefits to describe how the project will contribute to reducing system wide costs other than a passing reference to boosting efficiency.

As in previous years, some of the targets or deliverables are dependent on decisions by external bodies thus putting delivery outside SONI’s direct control. A useful addition to the plan would be some indication of how the risks associated with these external decisions are managed by SONI. This might help to explain differences in delivery dates from one FWP to the next.

As in earlier years, many of the success measures for milestones relate to delivery of a publication or product. It would be reasonable at this stage of maturity of the EPF Framework to expect the success measure to be delivery of the publication or product by a stated date with an additional measure of quality included.

Role 1 – System Operation and Adequacy

Section 5 of the Plan sets out the key areas of focus for this role – operational and market related activities including scheduling and dispatch, future arrangements system services (FASS), emergency preparedness, contributing to security of supply and facilitating renewable generation in the context of the NI Energy Strategy. As for previous years, the FWP notes the significant dependence on SEMC decisions which could have implications for delivering on the scope detailed in the FWP.

Page 26 of the FWP shows a graphic at the bottom of the page describing the various elements which SONI consider to be important contributors to success within this role. Notably absent is “Demand”. The EPF panel has previously commented on the need to consider Demand Flexibility. In answer to a written question asking why demand is not listed as an influencing factor, SONI have responded that:

“Demand is not explicitly included in the diagram because the diagram focuses on the factors that need to be considered and balanced to meet that demand. The goal of scheduling and dispatch decisions is ultimately to satisfy energy demand in a reliable, cost-effective, and low carbon way. The elements shown: costs, weather forecast, stability, low carbon and outages, are all considerations that must be managed together to ensure that the system can meet demand efficiently and securely. Demand itself is the driver of these decisions, and the factors listed in the diagram are the variables that need to be optimised to achieve that goal.”

The EPF Panel view is that Demand flexibility and storage are two sides of the same coin, but both are needed. Without marshalling the Demand sector effectively, strategic targets will be made more difficult to achieve. It would be helpful if SONI could expand on how it proposes to influence Demand directly rather than by meeting existing Demand through the other influencing factors listed.

Role 1 - Key Performance Indicators

The measurable key performance indicators for Role 1 are listed on Page 31 of the Plan as: Imperfections Costs, SNSP and System Frequency. In previous years, Renewable Dispatch Down was included within this Role. However, SONI have provided a justification for not using it this year. Their rationale is that Dispatch Down underwent a material change in 2023 due to a number of drivers. One such driver is the increase in Interconnector Imports since 2022 which is not within SONI’s control. A working group has been established to look at these changes in detail. However, the end result is that the number of KPIs has reduced.

Although there is a justification for not including Renewable Dispatch Down as a KPI at present, it is important that SONI continue to monitor and publish this measure. It provides policy makers with information which will inform their decisions. Stakeholder responses indicated a desire to continue to see this metric being reported even if it requires further interpretation of the figures.

There was some concern from NIEN in their response that the measurable numerical KPIs they had previously suggested had not been fully considered and that SONI should act on the Panel's previous recommendation that "SONI reconsiders the range of KPIs in future Plans to ensure that the metrics employed fully measure performance across all Roles and Criteria". The Panel is still of the view that this matter should be reviewed, particularly in relation to Role 1, before the next FWP in order to ensure that an adequate measure is included for this Role.

For Imperfections Costs, the target is to be determined Annually Ex-post and a baseline for 2019 is to be considered over the period. As with last year, there is no target and Imperfections Costs remains a measure rather than a target. Whilst this is useful in tracking delivery over the longer term, it does not provide an incentive for improvement within the FWP. It would be useful for SONI to consider performance measures in this area which can provide a target in the FWP. This could possibly be done by identifying performance measures which require SONI to minimise operating causes, given the prevailing system conditions and configuration. Within this, there are two questions which could lead to the development of a suitable performance measure:

- With a "perfect system" did SONI operate it to minimum cost?
- With an imperfect (real) system did SONI operate it to minimum cost and; what is the magnitude of system (not operator) related excess cost? The second of these parameters will inform such things as changes to operating standards, required system investment and innovative developments to reduce costs.

The revised target of 80% SNSP (compared to a baseline of 65%) reflects the increased focus in the plan on government targets in relation to decarbonisation and climate change. For the benefit of the lay reader, a description of how the two targets of 95% SNSP and 80% RES by 2030 are related would add clarity.

For System Frequency, the target is the same as the baseline, although some contextual information describes how this is a "maintenance of requirement" position.

Role 1 - Deliverables

Section 5 of the Plan provides an overview of the four projects which contribute to this role, with additional detail provided in Appendix 1. Of these four projects, three are carried forward from the previous year with an overview of the in-year milestones for 2024-25 provided in the tables on Page 28, 29 of the FWP. The additional project FWP25-09 is the recommendation to start 80% SNSP operational trial. This project is contained within year.

Within FWP23-01 (FASS), the SONI list of deliverables could be seen as imposing an inappropriate top down approach on a service provider community who will not be able to respond to it. It would be helpful if SONI could provide evidence of how it encourages innovation and investment from those who will be delivering the services

of the future. A description of how the project has been positively impacted by such input would show evidence of stakeholder engagement having had an impact.

Role 1 - Contribution to Outcomes

Decarbonisation – Benefits of FASS include a greening of the energy sector and significant reduction in Carbon and GHG pollution with an associated reduction in dependence on fossil fuels. The Scheduling and Dispatch Programme is aligned with the NI Energy Strategy aiding in the journey to net zero. SONI's work on decarbonisation, including the work to increase SNSP to 95% by 2030 supports government energy and climate goals. The reduction in curtailment of renewable energy will contribute to this outcome. Within Role 1, work on the various streams within the Control Centre projects assists in the increased integration of renewables.

Grid Security – The work on increased integration of renewable energy and the capacity of the grid to operate at higher levels of SNSP will improve grid security. The Voltage Trajectory Tool will contribute to improved grid security.

System Wide Costs – FASS is expected to contribute to a reduction in costs through improved efficiency in the cost of procuring system services, providing certainty for investors in the technology required to support energy transition and the ability to avoid over procurement of reserve services. The Scheduling and Dispatch project will enable an increase from 75% to 95% SNSP by 2030 allowing for more renewable energy sources to be integrated into the grid and contributing to lower system wide costs. The various streams within the Control Centre projects are also said to contribute to overall system cost reduction.

SONI Service Quality – engagement is planned on the various projects within Role 1.

Role 1, Criterion 1 – Service Ambition

Of the four projects listed within this Role, two are in the Very High Cost Category and two in the Medium Cost category. For three of the projects, the milestones set are part of multi-year projects. Given the new target of 80% SNSP, the supporting milestones set can largely be seen as ambitious.

Role 1, Criterion 2 – UR Service Priority Alignment

Under Role 1, Appendix 1 describes the contribution made to the UR priorities such as innovation and cross-organisational learning. Whilst collaborative working with the Regulatory Authorities and various committees and industry fora are listed, much of the cross-organisational learning described is intra-organisational. No description is provided of learning from other jurisdictions other than Eirgrid. Given that much of the work on these milestones is being undertaken at a technical level, there is sufficient evidence of engagement with industry on the forthcoming changes for this criterion to be graded as meeting expectations.

Role 1, Criterion 3 – Stakeholder Engagement

Although significant work has been undertaken in stakeholder segmentation and engagement overall, little evidence is provided within this role as to how stakeholder engagement shapes or shaped the decisions being made. Many of the actions described within the Engagement Section of the projects appears to be routine reporting to the UR and to various committees on funding approval and progress of the projects. It would be helpful to have evidence provided on how the stakeholder engagement affects the way forward. However, given the increased efforts made by SONI on Stakeholder Engagement, this criterion can be viewed as meeting expectations.

Role 1, Criterion 4 – Service Accountability

Although there are targets for only two of the KPIs, the measure for Imperfections Costs should eventually become meaningful. In relation to clarity of delivery, there are dates set for the various milestones although many are qualified by reliance on a decision by another body such as SEMC. Service Accountability can be seen as meeting expectations within this role.

Role 2 – Independent Expert

Section 6 of the Plan sets out the key areas of focus for this role – SONI's engagement activities and the provision of an expert voice for stakeholders. The role also relates to preparation for the next SONI Price Control period (SRP 26) due to begin in October 2026, and SONI's Communications and Engagement Strategy.

Role 2 - Key Performance Indicators

The measurable key performance indicators for Role 2 are listed on Page 39 of the Plan. One of the KPIs is timely delivery of publications and agreed programmes. This is similar to last year's KPI for this role. The second KPI is also the same as last year – Quality and Quantity of Feedback, with a target to maintain or improve upon the 23/24 Stakeholder Satisfaction benchmark figure. Although the commentary explains the work done in developing SONI's Stakeholder Engagement Strategy and makes reference to the Engagement Evaluation Framework which will allow for a range of evaluation tools and metrics on stakeholder engagement, there remains at this point no baseline against which improvements can be measured and therefore no target other than stakeholder satisfaction measured in a similar way to last year. SONI expects the initial benchmark dashboard to be published in the 23/24 report. From that point on, SONI will possibly be able to measure improvements in stakeholder engagement more holistically.

Role 2 - Deliverables

Section 6 provides an overview of the eight projects which fall within this role. Of these eight projects, four are carried over from the previous year with the remaining

four being new in year. The tables on Pages 36, 37 set out the in-year milestones for 2024-25.

There is some inconsistency in project numbering between Section 6 and Appendix 2 which provides more detail on each project. The overview table is carried through to the Appendix but the detailed table which follows shows different project numbers for two of the eight projects. This adds to the difficulty in drilling down through FWP to Appendix to project detail with milestones.

As for other projects listed in the FWP, the work on FWP 24-04 relating to the development work on the next SONI Price Control, the performance measures appear to be delivery of a product to time rather than any kind of quality measure. Clearly it is important that SONI prepare well for the next Price Control Period. A quality measure of how well the input will meet SONI's needs for the next Price Control would be more meaningful than simply delivery of a paper to a set timescale.

Role 2 - Contribution to Outcomes

Decarbonisation – by advancing projects to support the NI Energy Strategy. SONI plans to support renewable generation developers and inform policy-makers as well as becoming a trusted advisor to UR and the Department for the Economy. In particular the Future Energy Modelling Project (FWP25-11) is cited as being a contributor to this outcome within Role 2.

Grid Security – SONI considers that work on the Landowner Charter, and the development work on SONI's next Price Control is significant in ensuring grid security in an increasingly complex energy system.

System Wide Costs – SONI considers the work on Stakeholder Engagement to be a contributor to this outcome by raising awareness of the benefits and necessity of transforming the power system and states that it will allow stakeholders to make informed decisions on the path to net zero.

SONI Service Quality – SONI describes the contribution to this outcome within Role 2 as its stakeholder engagement on the various projects e.g. SONI's Public Engagement Model and Landowner Charter.

Role 2, Criterion 1 – Service Ambition

Six of the eight projects listed within this role involve an increased level of planned stakeholder engagement than that which was previously described in SONI's FWPs. This represents a positive change from previous years and thus could be seen as ambitious. For two of the projects- FWP24-05 SONI Price Control (SRP26) and FWP24-05 (TESNI), the activities listed can be seen as the normal development of a plan for the next five years and the normal engagement which one would expect with NIEN.

Role 2, Criterion 2 – UR Service Priority Alignment

The UR Service Priorities are described in Annex 2 of the EPF guidance and include the development of a culture of effective engagement and collaboration across the whole system, as well as collaborative innovation supporting the energy transition required which will lead to net zero. Within this role, SONI's FWP shows an increased focus on stakeholder engagement compared to previous years as well as a wider consideration of stakeholder groups. There remain some projects where the focus is largely internal or confined to SONI, NIEN and UR e.g. FWP24-5 TESNI. It would be useful for SONI to provide evidence of wider learning or how the stakeholder engagement which they undertake makes a difference to their plans. The criterion is viewed as meeting expectations.

Role 2, Criterion 3 – Stakeholder Engagement

The projects planned within this Role show an increased focus on stakeholder engagement compared to previous years although further evidence is required on how this input affected decisions made by SONI. Thus, performance could be seen as meeting expectations. For future years, SONI will need to utilise their new Stakeholder Engagement Strategy and Engagement Evaluation Framework to provide evidence of future improvements within this criterion.

Role 2, Criterion 4 – Service Accountability

This criterion relates to openness and transparency about measuring what has been achieved. Despite the development of a detailed Stakeholder Engagement Strategy and Engagement Evaluation Framework, there has been little change in the metrics described to measure success. Until such time as SONI uses the new Strategy and Framework to measure success, there is little evidence within the plan to indicate that SONI is exceeding expectations in this area. Many measures still relate to timely delivery or, in some cases, successful delivery of the objectives.

Role 3 – System Planning

Section 7 of the Plan provides an overview of System Planning covering SONI's contribution to planning the configuration of the transmission system with eight projects included within it. In this role, SONI works closely with NIEN using a 3-Part Grid Development Process to "develop an economic, efficient, and co-ordinated transmission system". The detailed description of the 3-Part Grid Development Process shows a requirement for wider stakeholder engagement during Parts 1 and 2 of a Project with engagement with NIEN, UR and the planning authorities forming part of Part 3.

Role 3 - Key Performance Indicators

The KPIs for this role are set out on Page 46 of the FWP 24-25. They are, as in previous years: Timely Delivery of Publications and Agreed Programmes and Quality

and Quantity of Feedback. As for other roles, the Stakeholder Engagement Strategy and Engagement Evaluation Framework are referenced but they are not sufficiently developed at this stage to add any detail to the KPIs.

Role 3 - Deliverables

Page 44 of the Plan gives an overview of the eight projects with further detail in the tables provided in Appendix 3. Of the eight projects listed, three are carried forward from earlier years and are in the High Cost category. For the three projects which are carried forward, the performance measures relate to delivery of the next milestone or milestones in the overall project. Only one of the projects (FWP027) has a milestone in Q4 of the year. Given the importance of the Connections Process and SONI's work on potential reform, it would be expected that a proper evaluation of the "Customer journey" would be a specific performance measure in the Forward Plan, other than within the general obligation of "Quality and Quantity of feedback"

Role 3 - Contribution to Outcomes

Decarbonisation – The contribution of this role to decarbonisation is stated as the mitigation of risks associated with facilitating the connection of increased renewable generation to the transmission system and reducing the challenges arising during the 3-part Grid Development Process. The Joint SONI-NIEN Project Management Office is also expected to contribute to this outcome.

Grid Security – Enhanced interconnection is expected to improve grid security with a larger energy market being involved in the system. SONI states in the plan that Secure system planning is expected to lead to a more dependable and efficient transmission network. The Energising Belfast project is a key contributor to this outcome. Enhanced interconnection also comes with new challenges as well as benefits. SONI should recognise and address these in future Plan iterations.

System Wide Costs – Contributors to this outcome are the integration of RES and other low carbon generation which enhance exchange opportunities across NI. The 3 part Grid Development Process is designed to identify economical solutions for each grid requirement.

SONI Service Quality – SONI states that the 3-part Grid Development Process and the associated targeted stakeholder engagement including the use of geo-targeting as well as advances in data and digitalisation will contribute to this outcome

Role 3, Criterion 1 – Service Ambition

The three High Cost projects within this role are largely continuation of existing projects with further milestones occurring within they year, albeit there appears to be a plan to improve engagement with stakeholders and make the overall system more efficient. This would be expected to happen as part of the normal business of a TSO. The work on project Transmission Clusters is ambitious and should lead to an

improved connection process. The setting up of a Joint Programme Office with NIEN is welcome and should improve two-way communication between the two organisations. Overall this criterion can be seen as meeting expectations.

Role 3, Criterion 2 – UR Service Priority Alignment

Within this role, this year's FWP has moved forward significantly in looking to the future. SONI has an increased focus in the plan on the needs of renewable generators in connecting to the grid and there is urgency demonstrated in the plan in preparing for Net Zero and the requirements of the NI Energy Strategy. As for the other roles, further evidence is needed on collaboration, innovation and learning across the whole energy sector rather than with only UR and NIEN. Understanding and addressing the full impacts of increased interconnection will become increasingly important as we move forwards. The plan could be seen as meeting expectations in this criterion.

Role 3, Criterion 3 – Stakeholder Engagement

There is evidence of stakeholder engagement continuing to develop with more evidence provided on how this affects the way forward than for other roles. Therefore this criterion could be seen as exceeding expectations. On Page 42 of the FWP, SONI states that the 3 Part Grid Development Framework is heavily reliant on third parties. SONI continues by saying "which perhaps isn't evident from our FWP goals for Role 3". Given that Stakeholder Engagement is a core theme of the EPF, it would be helpful if SONI reconsidered the goals to include such evidence.

Role 3, Criterion 4 – Service Accountability

As in previous years, the measures relate largely to timely delivery of publications and projects. Until the stakeholder measures can be utilised and an assessment of how stakeholder engagement is shaping the work, this criterion can be seen as requiring further work in order to exceed expectations.

Role 4 – Commercial Interface

Section 8 of the Plan's primary focus is on SONI's interactions with customers through the Connection Offer Process. It also looks at the contractual arrangements for the Moyle Interconnector. There are three milestones within the Role within Project FWP001, LCIS Phase 2. Given the focus on interaction with customers within this role, it is disappointing to see no mention of specific engagement with customers regarding their journey, or a description of how suggestions for improvement by them are captured and evaluated. Whilst this may fall under the broad umbrella of "Quality and Quantity of Feedback", there would be benefit in including a description of exactly how this group of customers can impact outcomes within this role.

Role 4 - Key Performance Indicators

The KPIs for this role are set out on Page 51 of the FWP. As in previous years they are: timely delivery of publications and agreed programmes and quality and quantity of feedback. As for other roles, there would be benefit in developing a measure of quality of the publications rather than simply timely delivery.

Role 4 - Deliverables

The table on Page 49 of the FWP and Appendix 4 describe the four milestones to be achieved within year with the performance measure being timely delivery of the recommendations paper to the RAs. The milestones are the next steps within Phase 2 of the LCIS Project. There is no quality metric included within this performance measure.

Role 4 - Contribution to Outcomes

Decarbonisation – the connection of new technologies to the network and the increased adoption of renewable energy sources is described as being key to moving in the direction of the decarbonisation required to meet the targets set out in the NI Energy Strategy. The Low Carbon Inertia Services (LCIS) project is a key contributor.

Grid Security – the LCIS project is a key contributor to enhancing and future proofing the grid as NI moves to the integration of renewable energy sources in preparation for 2030.

System Wide Costs – the work on LCIS including procurement of new services and improved contractual arrangements is stated to demonstrate a system wide approach to costs.

SONI Service Quality – stakeholder engagement on the outcomes associated with this role is stated to demonstrate a commitment to achieving high service quality.

Role 4, Criterion 1 – Service Ambition

The successful delivery of the LCIS project is key to achieving a low carbon energy system and the projects listed can be seen as showing a certain degree of ambition, although not at a sufficient level to exceed expectations.

Role 4, Criterion 2 – UR Service Priority Alignment

This project shows a positive change in communication with stakeholders with efforts being put into competitive market development. At this stage the criterion is seen as meeting expectations with improvements expected as the new Stakeholder Engagement Strategy becomes operational.

Role 4, Criterion 3 – Stakeholder Engagement

Engagement with stakeholders continues to develop year on year and within this role and can be seen as meeting expectations.

Role 4, Criterion 4 – Service Accountability

Until the work on the Evaluation Engagement Framework is sufficiently developed to allow for measures of how stakeholder engagement has shaped outcomes for SONI this criterion continues to “meet expectations”.

Grading of the Forward Work Plan

In the EPF Guidance, UR provided the Panel with a mechanistic methodology for arriving at an overall assessment grade. This involves attributing a score for how each criterion was met in each of the four SONI roles, arriving at an aggregate, weighted score across the criteria, then a corresponding grade for each role, and ultimately a weighted-average overall assessment grade for the Plan.

Each Panel member separately undertook the assessment in advance of the meeting of the Panel on 13 November 2024. In that meeting, the Panel reviewed evidence submitted by stakeholders, revisited individual scoring where appropriate, agreed a consensus score for each criterion, and thus agreed grades for each role and an overall assessment grade for the Plan.

The results of this process are given in the following Table.

Table: EPF Panel Marks

		Role 1 System Operation and Adequacy	Role 2 Independent Expert	Role 3 System Planning	Role 4 Commercial Interface
Weights		27.5	25	25	22.5
Criterion	Criterion	Score	Score	Score	Score
1	Service Ambition	1	1	0	0
2	UR Service Priority Alignment	0	0	0	0
3	Stakeholder Engagement	0	0	1	0
4	Service Accountability	0	0	0	0
Assessment Total	(Criterion 1 score x2)	2	2	1	0
Assessment	Grade	4	4	4	3
Overall Grade		3.78			

[The criterion scores run from -1 to +1, and the assessment grades run from 1 (poor) to 5 (excellent). Grade 3 is “baseline”.]

The Plan is rated “good” (according to the UR grading guidance) for Role 1, System Operation and Adequacy, Role 2, Independent Expert and Role 3, System Planning.

The Plan is rated “baseline” for Role 4, Commercial Interface.

The Panel assessed overall grade for the Forward Work Plan is 3.78, which is deemed between “baseline” and “good”.

The Panel notes that this is an improvement on the assessed grade for the previous Forward Work Plan.

The Panel considers that the Plan demonstrates a positive approach to the EPF process, and continued progress year-on-year, particularly in the development of the Stakeholder Engagement Framework and a more strategic look into the energy requirements of Net Zero and Climate Change.