

SONI Evaluative Performance Framework
Evaluation Report to UR of the EPF Expert Panel
Assessment of SONI Performance
1 October 2023 to 30 September 2024

Contents

Executive Summary	2
Section 1: Introduction	3
Section 2: Panel Assessment Process	4
Section 3: Implications of Review of FWP 2023-24	7
Section 4: Mid-Year Review Position 2023-24	8
Section 5: Review of Annual Performance Report 2023-24	9
Section 6: Grading of the End-Year Performance Report	25
Glossary	27
Appendix – Recommendations for SONI’s consideration	28

Executive Summary

This is the second End Year Report presented by the EPF panel during the operation of the EPF Framework.

The panel has assessed SONI's End Year Performance Report 2023-24 following the detailed guidance set out by UR.

The guidance requires SONI to describe in the EYPR how they addressed the FWP 2023-24 which the EPF panel has previously graded 3.55 out of a possible maximum of 5 (in December 2023).

The FWP 2023-24 grading was accepted by UR in January 2024.

The guidance on the EYPR contains four outcomes for SONI to address under four headings (the four Roles), each of which is further broken down into three Criteria.

The report describes the panel's process in assessing the EYPR.

The panel's recommended grading for the EYPR is 2.78 out of a possible maximum of 5. This is rated between lagging and baseline.

SONI's self-assessment for the period was 4.25.

The grading for the previous EYPF 2022-23 was 3.0 (baseline) so this year shows a slight decrease since the previous year.

The panel recognises the significant work undertaken by SONI in delivering against the FWP 2023-24.

UR is invited to consider the report and recommended grading.

Section 1: 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. UR has decided to extend the price control period by one year taking the end date for the current period up to September 2026.

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 annually an evaluation of, and report on, SONI's Forward Work Plan (the FWP) and, subsequently, SONI's performance against this FWP. They also consider the mid-year report produced by SONI, but do not produce a written report to UR at that point. The Panel's instructions are to assess SONI's performance, according to detailed guidance*, from evidence in SONI's Annual Performance Report (EYPR) and submissions provided by SONI's stakeholders.

UR is the decision-making authority.

This cycle of the EPF process relates to the regulatory period 1 October 2023 to 30 September 2024. SONI published its Annual Performance Report for the period on 20 December 2024.

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

Section 2: Panel Assessment Process

Section 2.1 Process for Review of Annual End Year Performance Report

The Panel followed the detailed guidance issued by UR in reviewing and evaluating the End Year Performance Report (“the Report”).

This involved applying the following criteria:

- Delivery
- Stakeholder Satisfaction
- Adaptability

to the assessment of the actions and behaviours that the Report 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.

Section 2.2 Additional Assessment Criteria specified by UR

Sections 5.3 and 5.6 of the EPF guidance allow for UR to ask the panel to consider, in addition to delivery of the performance commitments in the FWP, under the Delivery criterion:

“the specified price control outputs (or deliverables) set by us for new initiatives, and the justification for this delivery”.

UR confirmed to the panel on 5 March 2025 that there was no additional material or new initiatives to be considered by the EPF panel over and above the material set out in the FWP, Mid-Year Report and Performance Report.

Section 2.3 Changes to the Baseline as a Result of Price-Control Funded Initiatives

Paragraph 2.24 of the EPF guidance describes what is to be included in the baseline against which SONI's service performance is to be assessed. The second bullet point indicates that the baseline should include improvements which should be expected as a result of specific investment and initiatives that have been funded through the price control framework. UR confirmed on 13 November 2024 that the EPF Panel should address this point by seeking an assurance from SONI that there is no double counting of improvements made in year and those funded through the mechanism described in bullet point 2. The panel asked SONI (on 24 January 2025) to confirm that there was no double counting, which they did on 6 March 2025.

Section 2.4 Mid-Year Performance Update Report

SONI published their mid-year Performance Update Report for 2023-24 in April 2024. The panel reviewed this report, although formal feedback to UR on this review does not form part of the EPF process. A Stakeholder event was held by SONI on 8 May 2024, which was attended by the panel. At this event, SONI presented an update on their delivery against the FWP 2023-24 to date, together with any known amendments to the plan.

Section 2.5 Review of Written Submissions from stakeholders on the End Year Performance Report

Written submissions on the EYPR were solicited by UR during a consultation period which commenced on 28 February and ran for 4 weeks until 27 March 2025 – a change from previous years when the consultation period ran for 6 weeks. Following a stakeholder request, the closing date was extended until 31 March. In all, four submissions were received and these were considered by the Panel.

Following publication of the EYPR, the panel submitted clarification questions to SONI on 24 January 2025 for answer either in writing or at the Stakeholder Meeting. Written answers were provided on 6 March 2025.

Section 2.6 Participation in Stakeholder Meeting

The Panel participated in a Stakeholder Meeting, attended by four stakeholders /stakeholder representative groups, held (in person and virtually) on 15 April 2025.

During the first (open) part of this meeting, SONI made two presentations and stakeholders were then invited to make comments and ask questions of SONI. The second (closed) part was limited to SONI and the Panel with UR attending as observers. The Panel asked questions based on the Report, information arising from the earlier session, and the written responses received on 6 March 2025.

The EPF Panel wish to express their thanks to all those stakeholders who provided feedback either in writing or at the meeting as this feedback forms a useful and positive element to the overall assessment process.

Section 3: Implications of Review of Forward Work Plan 2023-24

In December 2023, the panel awarded an overall score of 3.55 to the FWP (between baseline and good) with Roles 1, 2 and 3 scoring as “good” and Role 4 as “lagging”. Thus, according to the requirements of the EPF guidance on assessing adaptability in the EYPR as set out in Section 5.25 of the guidance, the EPF panel may not award a score of -1 to Roles 1, 2 or 3 because the score awarded in the FWP for the 2023-24 year was graded as “good” for those three roles. Additionally, the EPF panel may not award a score of +1 to Role 4 because the FWP for 2023-24 for that role was graded as “lagging”.

Section 4 – Mid-Year Performance Update Position 2023-24

At mid-year, SONI reported that, of the 37 milestones set for the first 6 months of the year, 16 had been completed and one had been descoped by the Regulatory Authorities, leaving 36 overall. This gave a successful completion rate of 44% compared to a position of 48% at the same stage in the previous year.

For the twenty milestones on which a delay was reported:

- 6 were stated to be due to a SONI related delay;
- 3 were stated to be due to a delay out of SONI's control;
- 11 were stated to have been postponed for an "Improved Outcome".

In addition, SONI reported that they had completed two milestones within Roles 3 and 4 which had been scheduled in the FWP for quarter 3 of the year.

Four new projects were also added in addition to those set out in the FWP, which SONI stated they would report on at EYPR. These projects are:

- New Approach to Compensation and Easements
- NI Affairs Committee Renewable Energy Inquiry
- Grid Deliver Acceleration Project
- Engagement with Gas TSOs

The reasons for delay which were provided at mid-year varied between projects. For those which were delayed in order "to achieve a better outcome" or which were stated as being outside SONI's control, reasons included dependency on the decisions of others, reprioritisation of resources, delays in legal agreements, changes due to stakeholder input, project rescoping.

For four of the milestones in Role 1, Scheduling and Dispatch (FWP23-02), no target dates were included at FWP 23-24 stage. Dates were inserted for these at mid-year, leaving only two of the four to be delivered in year and the remaining two postponed to the following year of the cycle.

The mid-year update provided detail of the work undertaken in the first half of the year on the new Stakeholder Engagement Evaluation Framework.

Section 5: Review of Annual Performance Report 23-24

Section 5.1 General Panel Commentary on Annual End-Year Performance Report

This is the second Annual Performance Report presented by the EPF panel. The Panel recognises the significant work undertaken by SONI in delivering against the 2023/24 FWP and, in particular, the inclusion of a considerable amount of material relating to the newly introduced Stakeholder Engagement Evaluation Framework.

SONI has structured the Report in a similar way to that of the EYPR 2022/23, with the main report giving an overview of the position and six appendices providing more detail. This year, there is an additional appendix providing detail on stakeholder engagement. As the FWP flows from the long-term strategy, it would be helpful to have some text included in the report showing the link between SONI's Strategy and the FWP more clearly. At the Stakeholder event, SONI delivered a presentation on their newly approved Strategy for 2025-2031 so it would be expected that the next FWP and EYPR will provide clear links to that Strategy. See Appendix Recommendation 1.

At the Stakeholder Day, SONI pointed out an error in their published report in one of the sections which reported on milestones delivered. Given that the error has no substantive impact on the overall report, the numbers in this report by the EPF Panel have not been amended, but relate to the report published by SONI in December 2024. The EPF Panel has, however, noted and considered the minor amendment to the numbers and their marks are unchanged because of this minor error.

The fact that assessment of the FWP is based on four criteria and assessment of the Performance Report on three different criteria adds an additional layer of complexity to assessment for the Panel and for SONI in producing the report.

The structure and presentation of details of project activities, followed by performance reporting against the set criteria, was generally good. This facilitated assessment by the Panel according to the set guidance. It was helpful that SONI provided a section on Stakeholder Satisfaction and Adaptability within each project in each of the four Appendices relating to Roles 1-4. This provided some insight as to why SONI graded themselves as they did in the self-assessment in Appendix 7. (SONI self-assessment was 4.25)

Section 5.2 Stakeholder Input to Consultation

The Panel noted the four written responses to the consultation as well as the input from stakeholders at the meeting and considered the points raised as part of their detailed assessment. Whilst there was general recognition amongst the stakeholders of SONI's strategic focus on supporting long term energy transition, some concerns were raised on various assertions made by SONI in the plan. One such example relates to many of the delays in infrastructure projects which are essential to delivery of the 2030 energy targets being considered as outside SONI's control. Some stakeholders considered that SONI could do more to mitigate these delays and, importantly, to communicate them to key industry players as early as possible together with reasons. Another area of concern raised by stakeholders was the omission of Dispatch Down reporting as a KPI, particularly when the actual performance in this area was much worse in 2023-24 than in previous years. There was general welcome, however for the Dispatch Down Working Group with hope expressed that the action plans produced will have a positive effect. Communication and stakeholder engagement, while improved, are still seen by stakeholders as inconsistent and at times lacking clarity or responsiveness, especially concerning commercial readiness projects like Long Duration Energy Storage.

Section 5.3 Costs

The costs specified in the EPF guidance as "in scope" are System Service Support and Dispatch Balancing External Costs (Guidance Section 2.35). Throughout the FWP and EYPR, there is little or no reference to costs other than in a broad sense such as "*Ensuring customers get value for money and, benefit from cost efficiency should be paramount*". This is followed by a statement: "*However, the costs for customers should be viewed holistically*". There is no explanation as to how the reader can do this. The lack of clear cost information was an area also raised by stakeholders. The introduction of a cost scale in the FWP 2023-24 was in response to earlier panel comments that it was difficult to understand the relative scale and resource requirement of various projects. The cost scale goes some way to addressing that. However, the only actual figure in the report (other than project cost scale) relating to costs is the reduction of 1.43m euros in Imperfection Costs from 22-23 to 23-24 on an all-Ireland basis. In answer to a panel query seeking an

estimate of the proportion of these costs applicable to Northern Ireland, SONI responded:

“The imperfections costs detailed in the EYPR relate to savings in Ireland. Across the last year there are no identified changes in N. Ireland constraints that reduced imperfection costs.”

The panel also sought an estimate from SONI of the percentage reduction in the costs which are defined as being in scope. SONI was unable to provide this and stated that:

“ SONI do not carry out specific modelling to determine overall cost savings for system services, as all relevant information is incorporated into the published tariff.”

For future years, SONI should consider how to meaningfully include relevant cost material as required by the guidance, particularly in relation to delivery as set out in Sections 5.14 and 5.15 of the guidance. Consideration of the scope and scale of such costs is integral to performance assessment and should be addressed. This is an issue which was brought up by the panel in previous reports. See Appendix Recommendation 2.

Section 5.4 Cyber Security

The EPF panel has previously raised the issue of Cyber Security as a matter of key importance. SONI has responded in the past to say that the matter is being dealt with through other mechanisms than the EPF. However, the EYPR under Role 1, Deliverables on page 28 (FWP012- End of Life Assets) describes a delay due to needing more time to “*improve essential cyber security requirements*”. Given that this statement was included in the EYPR, the EPF panel sought an assurance from SONI that the issue of Cyber Security received proper attention and appropriate scrutiny by a deemed relevant authority during the year 23-24. In answer, SONI confirmed that this is the case, providing the following response:

“Cyber security is a highly confidential area; however, we can provide written assurance to both the Utility Regulator and the independent panel that this area, is, and will continue to be, a top priority us. We have robust internal mechanisms in place to ensure it receives proper attention.”

We engage closely with the Department of Finance, designated as the Network and Information Systems (NIS) Competent Authority for Operators of Essential Services. We ensure full compliance with the NIS regulations, as well as our obligations as an Operator of Essential Services. This collaborative approach helps us maintain the highest standards of cyber security and regulatory adherence.”

Section 5.5 Stakeholder Engagement Evaluation Framework Dashboard

Appendix 6 provides an evaluation of SONI’s Stakeholder Engagement Action Plan which was developed in line with the Engagement Evaluation Framework outlined in the Stakeholder Engagement Strategy. This work is the culmination of several years of development in an effort to provide meaningful measures of stakeholder engagement and satisfaction and provides a useful insight to the work that has been done as well as an indication of stakeholder satisfaction. The EPF panel has commented on the lack of such measures in previous years. However, there is some repetition of the material as Appendix 5 (dealing with SONI Performance Measures) contains 5 pages which are replicated in Appendix 6. A cross reference would be sufficient to allow the reader to understand the link between SONI Performance Measures and the Engagement Evaluation Framework. See Appendix Recommendation 3. For future years, SONI could usefully seek some statistical expertise in developing the Framework further so that more detailed analysis of stakeholder satisfaction can be extracted e.g. stakeholder satisfaction amongst the general public attending an event on a particular project may be positive whereas investors in renewable energy looking at communications to aid them in their strategic planning may well require a different measure of satisfaction. See Appendix Recommendation 4.

Section 5.6 Additional Projects and Resourcing

Section 2 of the main report describes additional deliverables to those set out in the FWP. The report states that “*SONI has demonstrated adaptability and prioritised areas which would have the biggest benefit for consumers*”. Given that only 67% of the deliverables set out in the FWP were achieved, further explanation is required as to why the existing resources were refocussed. It would be expected that some changes might occur as time passes but the non-delivery of over 30% of what was planned is

a very significant change. In some cases, SONI states within the report that projects have been delayed due to resources being used elsewhere. This is another aspect of the same problem. An explanation is required as to why resources were redirected to such an extent that many milestones remain unaddressed. Such an explanation would assist the EPF panel in assessing delivery of the FWP and understanding the need for reprioritising in-year.

Section 5.7 Lessons Learned by SONI

The Lessons Learned Section of the Report, as in previous years, is very limited, largely dealing with developments in stakeholder engagement and stating the case that many of their projects have external dependencies. There would be benefit in SONI considering the learning they have had from the EPF process more widely e.g. in terms of project timescales where input from other stakeholders is a requirement. It is somewhat worrying to read the final page of the report which seems to imply that SONI want to “*engage in further collaboration to strengthen existing relationships and engagement and **improve our control over project outcomes***”. This follows a statement that SONI considers they perform better and deliver more efficiently when ***they have greater control***. They comment also that milestones are delivered more successfully when ***they are solely managed within the company***. Given that the work of SONI, by its nature, involves other stakeholders and that one of the core objectives of the EPF Framework is that SONI should engage more effectively and positively with stakeholders, these statements could lead the reader to believe that SONI has missed the point of the EPF Framework. The Stakeholder feedback indicates that stakeholders would like more regular and timely information in certain areas and for specific projects, particularly when considering major investment decisions which have dependencies on SONI’s timely delivery of the targets set out in the FWP. The statements highlighted above could be seen as being “SONI-centric” when, in reality, a more inclusive approach across the energy sector and with stakeholders would allow the development of an optimal contribution to the delivery of SONI and industry shared objectives.

Section 5.8 Criterion 1- Delivery (all Roles)

This is the extent to which SONI has delivered as assessed against the specified deliverables and/or performance commitments in the FWP.

Page 8 of the main report shows a graphic covering delivery against the FWP 2023-24 across all roles. The picture is somewhat misleading as SONI claim to have successfully completed 85% of the milestones that are “within our control”. This is followed by a figure showing 78 milestones. However, on closer examination, SONI has completed only 52 of these milestones, which is actually 67%. They have excluded 17 projects from consideration in this analysis due to it being partially completed with a reason outside SONI’s control or not progressed at all for a similar reason. Whilst there may be good reasons for such delays the graphic does not provide an accurate picture of actual delivery against the FWP.

Section 2 of the main report outlines additional deliverables delivered in year in areas such as “Stakeholder Engagement, System Operations, Network Planning and Future power initiatives.” SONI states that many of the examples quoted in this Section were not known when the FWP was being developed. They also point to the need to divert resources to this new work on “*critical deliverables*” which are “*essential for the ongoing maintenance and operation of the grid*”. There follows text under 11 headings some of which are stakeholder engagements, which could not be described as falling into that bracket. Whilst it is recognised that new priorities will emerge as the year progresses, not all of the issues listed could be described as unforeseeable e.g. the increased engagement with Gas TSOs which the EPF panel has been advocating for several years. Other issues listed could reasonably be expected to have been considered at the time of development of the FWP e.g. North-South Interconnector and Connection Policy updates. The EPF panel has taken account of this section in conjunction with their review of the deliverables which were set out in the FWP in coming to a view on the grading of the EYPR.

In general, the costs of the various projects within the four roles are outside of the scope of the EPF guidance. (See section above on in-scope costs.) Thus, the panel has not considered delivery to budget as part of its assessment. However, the cost range has been included in the tables covering deliverables in the Performance Review 23-24. This gives the panel an indication of relative size and importance of the particular project rather than as a performance measure.

Section 5.8.1 Date Revision

As with the previous year, the date revision information within each project shows revised dates which are still in the future at the time of writing the report. For those projects which were due at an earlier point in the year and which were delivered later than planned but still within the year, the EYPR shows the position at 30 September 2024. Thus, the picture provided is more favourable than the actual, as in-year delays are not shown in the metrics. For some projects which were scheduled for the first half of the year and reported on in the MYR, it is possible to trace the delivery date changes but this does not carry through to the EYPR. See Appendix Recommendation 5. Stakeholders expressed concerns about date revisions being decided late in the day and/or not communicated in a timely way. Some of the key enabler projects for the 2030 energy targets now have delivery dates set beyond 2030 which makes the situation for other stakeholders very challenging. Associated with this recommendation, SONI should consider how to track projects from one plan to the next so that delays occurring in a long term project are not “baselined out” from one plan to the next. See Appendix Recommendation 6.

Section 5.8.2 Project Delays for an Improved Outcome

For a number of projects across the four roles, SONI states that the delay is to achieve an improved outcome. For such projects it is not clear in many cases how the time delay will give an improved outcome rather than a delayed one. This should be made clear when reporting on each of these individual projects. In these projects, it would be helpful for the reader to understand what exactly the improvement expected is e.g. overall cost savings, better response to stakeholder or industry requirements etc. See Appendix Recommendation 7. In some of these cases, it appears that the original timescale did not allow sufficient time for a decision by another body or for consideration of stakeholder feedback which is part of the project timescale. For example, in project FWP027, Energising Belfast, the delay for a better outcome is a result of protracted negotiations. SONI should consider whether their project timescales allow for the required level of negotiation and reasonable procurement times. In some cases, it could be said that the original planned timescales were over-optimistic.

Section 5.9 Criterion 2- Stakeholder Satisfaction (all Roles)

This is the extent to which stakeholders are satisfied with the performance of SONI, taking its performance in 2019/20, as supplemented by the various FWPs to date, as its baseline.

This criterion differs from the Stakeholder engagement criterion, which was a key element of the forward plan, although there are many elements which are common to both criteria.

Whilst it is clear that stakeholder engagement has improved overall, there is limited evidence provided throughout the report as to how SONI has changed its plans or adapted specific projects to address stakeholder feedback.

Section 5.10 Criterion 3 – Adaptability (all Roles)

This is the extent to which SONI has shown successful adaptation and agility, to the benefit of specified SONI outcomes, by going beyond or deviating from its forward plan and price control outputs.

SONI has provided text relating to adaptability within each individual project. In some cases, this can be seen as being genuinely adaptable but in other cases, it could be argued that some of the actions described are simply a normal response to some unexpected events or problems. There are numerous occasions where SONI claim credit for adaptability and innovation to solve/overcome issues which really should have been foreseen/risk assessed before commencement of the work. However, examples of adaptability and innovation are to be welcomed where they indicate that SONI believe they have innovated or adapted to improve outcomes.

Section 5.11 Roles – General Comments

Each of the sections covering a specific role is set out in a similar way with tables and graphics relating to projects, deliverables, key areas of focus and milestones. In each case, a pie chart shows the percentage of milestones, completed, partially completed or not progressed yet. SONI has shown its delivery performance throughout the report as a percentage of milestones delivered within each role rather than a percentage of projects delivered.

As in previous years, status indicators in some of the tables required re-reading to clarify. Colour blind readers, or those printing out documents in monochrome, would struggle to interpret some diagrams and tables e.g. the coloured ticks indicating delivery status which are green, orange or yellow cannot be distinguished from one another in monochrome.

Section 5.12 Role 1 – System Operation and Adequacy

The FWP 23-24 assessment for Role 1 was “good” covering a range of challenging projects. Two milestones within the FWP were descoped by the RAs. A further two within project FWP 23-02 were descoped as their new delivery date falls within 2025 following funding approval. It is arguable that they should not have been included in the FWP at the outset until the funding position allowed for delivery dates to be set in year. On the cost scale, the nine projects within this Role range from Low to Very High, with four being in the High range. For FWP23-02, SONI states that:

“The programme has faced significant uncertainty regarding its scope, required effort, cost and timelines, which has impacted its ability to meet key objectives within the original schedule. Despite these challenges, efforts remain focused on addressing these uncertainties and advancing the project.” This sounds worrying and could be read as a project which is out of control. It would be useful to have a clear picture of what corrective actions are being taken. For project FWP005, SONI states: *“Funding for implementation was not available as originally anticipated. As a result, the projects were re-baselined with the approval of the Control Centre Tools Board to reflect the revised timelines and funding constraints”*.

Given that only funded projects are expected to be included in the FWP, it is worrying to read that this was not the case, or that expected funding was withdrawn.

Section 5.12.1 Role 1, Criterion 1 – Delivery

Of the remaining 23 milestones, only 10 (43%) were fully completed with a further 5 partially completed and within SONI’s control. Of those stated to be outside SONI’s control, 3 were not progressed and 5 were partially completed.

The key areas of focus within this role were projects FWP23-01 (FASS); FWP23-02 (Scheduling and Dispatch) and FWP24-01 (Introduction of NRAA). For FWP23-01, two of the six milestones were descoped by the RAs and the remaining 4 milestones

were delivered in year. For FWP23-02, two of the four milestones were descoped as the delivery dates have moved into the next year and one of the remaining two milestones is only partially complete. For FWP24-01 the only milestone is partially complete. Although the reasons for delay are stated to be outside SONI's control, the percentage of successfully completed milestones in the areas of key focus which were set out in the FWP is therefore only 45%. However, taking the portfolio of complex projects delivered overall within this role, this criterion could be seen as meeting expectations.

Section 5.12.2 Role 1, Criterion 2 – Stakeholder Satisfaction

Across all the roles, there have been significant developments in the measuring of stakeholder satisfaction within the year and a large increase in events in which stakeholders' views are sought. The Stakeholder Engagement Evaluation Framework provides evidence of improved stakeholder interaction with certain categories of stakeholder. This is to be welcomed. Within Role 1, this criterion could be seen as meeting expectations.

Section 5.12.3 Role 1, Criterion 3 – Adaptability

Overall, many of the activities described as showing evidence of adaptability or innovation could be seen as normal business activity. For example, in project FWP004 (Capacity Auctions Schedule), adaptability is claimed for staff engaging with participants in the Qualification process for auctions. This is an area of work which would appear to be a routine part of the project. However, the activities described within FWP005 (Control Centre Tools) and FWP008 (Minimum Sets) can be viewed as innovative. Overall, therefore, this criterion could be assessed as meeting expectations.

Section 5.13 Role 2 – Independent Expert

The FWP 2023-24 assessment for this role was "good". Significant delivery in this role included the establishment of a Stakeholder Advisory Challenge Group and the culmination of several years' work on the Stakeholder Evaluation Engagement Process. All eleven projects within this Role fall into the Low Cost category.

Section 5.13.1 Role 2, Criterion 1 – Delivery

Of the 23 milestones within this role 21 (91%) were completed. The delays in the remaining two were stated to be outside SONI's control with one partially completed and one not progressed. The key areas of focus for this role are listed as FWP24-02, FWP24-03, FWP24-04, FWP24-05 and FWP23-14. Within these key areas of focus all milestones but one were delivered by end year. For projects FWP24-03, FWP24-04 and FWP24-06, which are all listed as completed at end-year, there were delays reported for some of the milestones at mid-year. Some of the additional deliverables set out in Section 2 of the Report also fall within this Role. Of particular note is the increase in engagement with Gas TSOs which is something the panel have previously advocated. There has also been increased engagement with politicians and a much improved focus on stakeholder workshops. This criterion could be seen as exceeding expectations.

Section 5.13.2 Role 2, Criterion 2 – Stakeholder Satisfaction

The evidence provided within Appendix 2 and Appendix 6 shows a positive picture of stakeholder satisfaction. Of note is the stakeholder engagement involved in FWP24-04 (Public Engagement Process for Network Infrastructure) and the proactive stakeholder engagement on FWP23-14 (Support the NI Energy Strategy). This represents a change from the baseline where the approach could be seen as being reactive to requests. In particular, the fact that there is much more engagement with industry rather than the previous focus on communication with UR and NIEN only is a welcome improvement. The overall performance under this criterion can be seen as exceeding expectations

Section 5.13.3 Role 2, Criterion 3 – Adaptability

As for Role 1, some of the evidence provided within the project tables could be described as normal business activity. FWP23-23 is one such example where the discussions with NIEN would be expected to form part of the project from the outset. Some examples of adaptability and innovations are provided e.g. FWP24-06 (TESNI) where stakeholder involvement helped shape the solution. Overall, from the evidence provided against all projects within the role, this criterion could be seen as meeting expectations.

Section 5.14 Role 3 – System Planning

The FWP 2023-24 assessment for this role was “good”. The majority of projects within this Role fall into the High category with 2 each listed as Low and Medium Cost. The key area of focus is FWP23-26 (Delivery Plan for NI Infrastructure Projects).

Section 5.14.1 Role 3, Criterion 1 – Delivery

Of the 21 milestones within this role 14 (67%) were completed with 2 stated to be within SONI’s control partially completed. Two projects were delayed for an improved outcome for consumers and 3 were partially delayed and outside SONI’s control. The milestone within the key area of focus FWP23-26 (Delivery Plan for NI Infrastructure Projects) was achieved in year. Projects FWP026, FWP027, FWP028, FWP037 and FWP23-26 all reported non-delivery of the original dates at Mid-year. The revised dates were achieved by end year for some of these milestones. Stakeholders commented on delivery of long term infrastructure projects, expressing a view that SONI could reasonably be seen to be more proactive in addressing delays. This criterion could be seen as falling short of expectations.

Section 5.14.2 Role 3, Criterion 2 – Stakeholder Satisfaction

Stakeholder satisfaction is described on a project by project basis as efforts to ensure that the detail of projects is communicated to those affected and efforts have been put into addressing their concerns. There has also been an improvement, since the baseline, in engagement with local representatives. The Community Forum and Citizen Sounding Board is referenced within the Mid-Antrim upgrade as an example of good Stakeholder Satisfaction. However, there was a view from stakeholders that more was needed to address views raised by stakeholders. Overall, this criterion can be seen as falling short of expectations.

Section 5.14.3 Role 3, Criterion 3 – Adaptability

For many of the projects, the actions listed as contributing to adaptability can be seen as dealing with normal changes which occur as a project progresses. There are some examples cited which show significant adaptability e.g. within FWP23-26,

some rethinking led to an improved project. This criterion could be seen as meeting expectations.

Section 5.15 Role 4 – Commercial Interface

The FWP 2023-24 assessment for this role was “lagging”. Of the four projects within this Role, two are in the Low Cost category, one is Very High and one Medium Cost.

Section 5.15.1 Role 4, Criterion 1 – Delivery

Of the 11 milestones within this role, 7 (64%) were completed with the remaining 4 not being progressed and stated to be outside SONI’s control. The key area of focus within this Role is FWP001 (Low Carbon Inertia Services). Both milestones within this project were delivered. Project FWP24-06 reported non-delivery of some of the milestones at Mid-Year. One further milestone was delivered within this project by end year. Overall, this criterion could be seen as falling short of expectations.

Section 5.15.2 Role 4, Criterion 2 – Stakeholder Satisfaction

Within each project, details are provided of how stakeholder engagement was progressed with information on stakeholder satisfaction provided. Some stakeholders expressed concerns that SONI does not fully recognise the impact of delays in delivery of their projects on other commercial stakeholders. On balance, this criterion can be seen as meeting expectations.

Section 5.15.3 Role 4, Criterion 3 – Adaptability

Many of the examples of adaptability can be seen as normal project activity. For example, in FWP24-06, SONI states that they have “demonstrated our adaptability and commitment to advancing the project, even while waiting for policy and regulatory clarity”. It is difficult to see how this shows adaptability. SONI can be seen as meeting expectations in this criterion.

Section 5.16 All Roles – Contribution to Outcomes

Section 8 of the main report describes the contribution of the outcomes to the four deliverables. The text is fairly general with named projects being listed as contributing to one or more of the outcomes. As the EPF Panel commented previously, there is very little material in the report which links specific projects to

outcomes. This could be addressed within Appendices 1-4 by a graphic or some text linking the project to one or more of the outcomes. See Appendix Recommendation 8.

Decarbonisation – Projects which are expected to contribute to this outcome include FASS, work on the Clean Energy Package, the mid-Antrim upgrade. SONI also describes a focus on facilitating the integration of renewable technologies. It is difficult for the panel to assess how successful SONI is in addressing this outcome with the limited evidence provided.

Grid Security – Examples which will help to address this outcome include IT improvements, improved Control Centre Tools; Developments for the new Price Control period; Mid-Antrim Upgrade and Energising Belfast. There are general statements about SONI's efforts to improve system planning and reinforce grid security. As with Decarbonisation, there is little evidence provided to show how successfully SONI has addressed this outcome.

System Wide Costs – This section provides some broad statements which discuss SONI's role in increasing competition between providers, improving efficiency and the contribution the Three-Part grid development process will make to providing cost-effective solutions.

SONI Service Quality – This section relates to the Stakeholder Engagement Strategy which is described as the main contributor to this outcome.

Section 5.17 KPI Contribution to Outcomes

The EYPR Section 9 and Appendix 5 describe SONI performance measures against the KPI targets and how these contribute to the four outcomes.

Decarbonisation – The target for SNSP (%) was 80%, an increase from the current operating level of 75%. This was not achieved but active trials are underway to increase the percentage. The target for Renewable Dispatch Down (%) was 10% for wind generation, which is described as challenging. The actual figure for Renewable Dispatch Down for the calendar year 2022 was 18.6%. Section 2 of the main report (Page14) describes the Working Group which has been set up to address the issue. The panel will be interested to hear the outcome of this work in due course. It may

be useful for SONI to have a fundamental rethink in this area as they are not in control of “dispatch down”. The makeup of the system and the pattern of demand and generation determine this. All they can do is minimise the actual level against required system security and stability standards. The metric could usefully be recast as:

“Given the need to meet System Security and Quality of supply standards, did SONI achieve the minimum dispatch down within this envelope?”

It is likely that (unavoidable) dispatch down will increase. SONI will have a responsibility for future forecasting and informing UR and the DfE what is necessary to reduce it as part of their overall responsibilities under the various Strategy initiatives. It is likely that SONI alone will not have the means to address it, but the issue will be clearly delineated for policy makers to consider and choose an appropriate course of action.

Grid Security – In this section the measurable KPI target of 98% for System Frequency (%) was met with an actual figure of 98.71%. As previously commented, this is a very aggregated measure. Consideration should be given to more granular measures for the future.

System Wide Costs – The KPI described within this section is Imperfection Cost Savings (Euros). The actual savings on an all-island basis for 2023/24 was 1.43m euros. No target had been set in the 23-24 FWP as SONI is using the Plexos back-cast model to calculate the actual. The approximate saving for Northern Ireland depends on a number of factors and was previously stated to be approximately 25% of the total. However, SONI were unclear in their answer to the panel’s question as to whether there were any actual savings from the 1.43m euros in Northern Ireland in the year in question. Unless a target can be set, this is not a useful measure for the Panel to assess as there is no comparator for the actual figure in assessing whether it was a challenging achievement. There are three issues for SONI to consider in this area:

1. The level and trajectory of (future) system wide costs (split out into all the relevant categories;
2. SONI actions/policy recommendations to alleviate these (to DfE and via asset build);

3. SONI effectiveness in minimizing CURRENT system costs on the most efficient basis.

SONI Service Quality – The measures covered were timely delivery of publications with 10 out of 13 milestones completed in year. Two did not progress in year and one milestone included two publications, one of which is partially completed and one completed. Of the 10 delivered, only 4 were delivered on time. The other measure within this outcome was Quality and Quantity of Feedback. The section contains an extract from the Stakeholder Engagement Evaluation Dashboard showing that 88% of planned engagements were fully complete or ongoing and that 96% of stakeholders were either very or somewhat satisfied. The new Stakeholder Engagement work should allow for more detailed analysis of Service Quality and improved KPIs for the future.

Section 6: Grading of the Annual Performance Report

The Panel followed the UR Guidance, which involved determining a graded score for how each criterion was met in each of the four SONI roles, and ultimately an overall assessment grade for the Report. Table 1 below shows the detail of the scores and grades, giving an overall grade of 2.78.

TABLE 1		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	Delivery	0	1	-1	-1
2	Stakeholder Satisfaction	0	1	-1	0
3	Adaptability	0	0	0	0
Assessment Total		0	2	-2	-1
Assessment	Grade	3	4	2	2
Overall Grade		2.78			

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

Each Panel member separately undertook their assessment in advance of a meeting of the Panel on 15 April 2025, following the Stakeholder meeting. In that meeting, the Panel reviewed the evidence submitted by SONI in its Report and in answer to questions submitted by the Panel together with presentations at the Stakeholder meeting alongside the four written submissions and verbal feedback at the meeting.

They agreed a consensus score for each criterion, and agreed grades for each role and an overall assessment grade for the Plan.

SONI's Performance is therefore deemed (using the language in the UR guidance to the Panel) to be:

- Baseline for Role 1, System Operation and Adequacy,
- Good for Role 2, Independent Expert,
- Lagging for Role 3, System Planning, and
- Lagging for Role 4, Commercial Interface.

The Panel recognises the significant efforts made by SONI in the production of this Performance Report under the EPF guidance.

Dr Bernie Stuart

Tom Doran

Dr Scott King

Robert Longden

24 April 2025

Glossary

Throughout this report, the following abbreviations are used:

DSO stands for Distribution System Operator

EPF stands for Evaluative Performance Framework

EYPR stands for End Year Performance Review

FWP stands for Forward Work Plan

MYR stands for Mid-Year Performance Update Report

NIEN stands for Northern Ireland Electricity Networks

RAs stands for Regulatory Authorities

SEMC stands for Single Electricity Market Committee

SONI is the electricity Transmission System Operator for Northern Ireland

TSO stands for Transmission System Operator

UR is the Utility Regulator in Northern Ireland

Appendix

This Appendix contains the panel's recommendations for consideration by SONI when preparing future Forward Work Plans and End Year Performance Reviews.

1. For future FWPs, SONI should include text in the Plan to show clearly the link between the deliverables in the Plan and the SONI Strategy.
2. For future years, SONI should consider how to meaningfully include relevant cost material as required by Section 2.35 of the guidance. This is an issue which was brought up by the panel in previous reports.
3. Material which is relevant to more than one Appendix should be cross-referenced rather than repeated in the report and one or more appendices.
4. SONI should seek statistical advice on how to develop and refine the Stakeholder Engagement Framework and associated measures to enhance its stakeholder satisfaction and provide more detailed measures of success.
5. SONI should indicate in their EYPR whether a delivery date has been revised in-year compared to the FWP so that timely delivery can be assessed for those projects which were delivered in year but later than planned.
6. Consideration should be given to "multi-year" tracking of projects to ensure that delays occurring within a specific year are noted "baselined out" in the following year's FWP.
7. Where projects are stated to have been delayed for an improved outcome, SONI should describe in its EYPR what that improved outcome was e.g. costs savings, better response to stakeholders or industry.
8. Within Appendices 1-4 covering the four roles, SONI should provide an indication within each project to which role/s the project is contributing.