

Rowan Tunnicliffe
SONI Limited
Castlereagh House
12 Manse Road
Belfast
BT6 9RT

Ref: NET/E/JBM/1211

02 April 2025

Dear Rowan,

Re: OTCE Project – Resubmission Request

On 17 February 2025, SONI made an application for an allowance for 'Additional Approved Costs' under the price control set out at Annex 1 of the SONI TSO Licence. The application related to a £4.0m (April 2024 prices) request associated with the Operational Tools and Capability Enhancement (OTCE) programme.

In advance of the submission, SONI staff provided a pre-briefing on 7 February 2025 which we found useful, and which has helped to inform our response. Upon detailed review, we have some material concerns with the request.

A key concern is that the submission does not seem to provide clarity on how and to what extent the development of the OTCE programme will be carried out in conjunction with EirGrid and the extent to which costs are shared with EirGrid.

In the pre-briefing on the OTCE Programme submission, SONI indicated that EirGrid has already had funding approval from CRU for this project, which we understood to be full funding.

In the submission document you state that *“In our approach to this funding request, SONI is seeking full funding to ensure comprehensive project delivery. Where appropriate, SONI will work with EirGrid to achieve joint solutions within an all-island context. This collaborative effort is aimed at driving efficiencies and maximising the benefits for all stakeholders involved”*¹

¹ Page 5 of the submission, 2nd paragraph

We would welcome clarity on this issue and, if the submission seeks duplicate funding to deliver the same set of tools, why SONI considered this the correct approach to this funding request.

Other statements seem to suggest that your intention is to develop the OTCE programme in conjunction with EirGrid. In view of this, it seems appropriate that you set out how and to what extent you plan to share or separate the development and implementation of these operational tools with EirGrid and set out how this will be implemented through derogations under Condition 42.

At a high level, our other concerns in respect of this submission include the following:

- 1) The outputs for this initial stage of the funding are not well defined. It is difficult to match the table of outputs and delivery dates (beginning at page 9 of the submission) to tangible outputs in the outline programme and project phases, also on page 9 of the submission.
- 2) We are uncertain why SONI are seeking additional funding for scoping activities given the additional 5 FTEs provided in the price control to investigate RES implementation and control room tools (initiatives F1 & F2).
- 3) Optioneering is limited to an assessment of whether the work should progress as separate components, progress as a full programme in tranches or not done at all. This only considers how the work will be managed and provides no assessment of options which show what tools and capability enhancements should be implemented and the benefits that each will deliver. The description of the Tranche 1 projects (beginning at page 20 of the submission) highlights key issues to be addressed or steps to be taken to deliver the Tranche 1 projects. The extent to which the current funding request will deliver these is not clear, nor is the functionality that will be delivered defined. In the absence of more information on the scope of the work, it is unclear why Option 2 is not equally appropriate.
- 4) Justification of the resource requirement is limited, and the quantum seems excessive for scoping activities. This links back to the lack of detail on what will be delivered, in the context of the overall project.
- 5) There is no indication as to what the overall cost of the project might be and what will be delivered. We are concerned that an initial commitment of £4.0m in advance of information on the overall cost of the project and the functionality / benefits which will be delivered is excessive.

Alongside this letter we have provided a detailed query list to be addressed. However, given the extent of the concerns and issues to be tackled, we consider that it is appropriate that, under the UM [Guidance](#) (see para 3.3), SONI provides a resubmission for this project. We consider that the initial application is now closed, and the 4-month review process will begin again upon receipt of the revised application.

We are happy to discuss this further should you consider appropriate.

Yours sincerely,



John Mills
Head of Electricity Price Controls