Power NI
Woodchester House
50 Newforge Lane
Belfast
BT9 5NW

www.powerni.co.uk

Alan Campbell
Chief Executive Officer
SONI Ltd
12 Manse Road
Belfast
Co. Antrim
BT6 9RT

3 November 2025

Dear Alan,

Re: SONI Forward Work Plan 2025-26

Thank you for the opportunity to review and respond to your Forward Work Plan (FWP) for 2025–2026. At Power NI, we welcome SONI's continued commitment to system reliability, market transparency and the transition to a low-carbon future.

The 2025-26 FWP contains several strategic important projects which have a direct impact on Power NI, particularly in the area of cost mechanisms and the impact of rising imperfections costs.

- **Cost Mechanisms and Market Efficiency**

It is essential that any changes to tariffs or balancing costs are communicated early and transparently to allow suppliers to plan effectively and minimise downstream impacts on consumers. Power NI would therefore encourage SONI to provide greater clarity on how proposed system planning and operational activities will impact cost recovery mechanisms and market charges.

Power NI also support SONI's efforts to improve market efficiency and reduce unnecessary system costs. However, would recommend that SONI work closely with suppliers and the regulator to ensure that any new mechanisms are proportionate, predictable, and aligned with broader affordability goals.

- **Value for Money and Strategic Investment**

Power NI recognise the importance of strategic investment in grid infrastructure and system innovation. However, we believe that all investments should be subject to rigorous cost-benefit analysis and prioritised based on their ability to deliver measurable value for end users.

Power NI would welcome further engagement on how SONI evaluates the long-term consumer impact of its capital and operational programmes, particularly in the context of the Evaluative Performance Framework.

- **Imperfections Costs – A Growing Concern**

Power NI note with concern the significant increase in forecast imperfections costs, now projected at €883.24 million for 2025/26, including a €183.43 million K-factor adjustment. This represents a substantial rise in the per MWh cost, with implications for suppliers and consumers alike.

Key drivers such as generator and transmission outages increased renewable and interconnector capacity, and regulatory obligations must be addressed with urgency. Power NI would urge SONI to:

- Provide greater transparency on the breakdown and forecasting of imperfections costs.
- Collaborate with suppliers to mitigate cost pass-through impacts.
- Prioritise operational and planning measures that reduce imperfections over time.
- Ensure that the cost burden does not disproportionately affect vulnerable customers.

- **Cumulative Cost of Strategic Projects and Market Dynamics**

There is significant growing financial pressure from concurrent strategic initiatives, including the Renewable Electricity Support Scheme (RESS), the Renewable Electricity Price Guarantee, the Future Power Market Programme, and extensive grid infrastructure upgrades.

While these projects are essential for long-term decarbonisation and system resilience, they represent a significant cost burden that will ultimately be borne by consumers. Power NI would ask SONI to clarify:

- Whether any of these costs can be offset by lower wholesale prices in the short to medium term.
- How SONI is accounting for the continued dominance of natural gas as the marginal fuel in the Day-Ahead Market, which limits the potential for price reductions despite increased renewable penetration.
- What measures are being considered to avoid a scenario where consumers face higher pass-through costs without seeing any meaningful reduction in energy bills.

Power NI commends SONI's openness to stakeholder input and looks forward to participating in the upcoming engagement event. Should you wish to discuss the content of this response please do not hesitate to contact me.

Yours sincerely,

David Caldwell

David Caldwell
Trading and Wholesale Regulation Manager
Email: david.caldwell@powerni.co.uk