

# **SONI Evaluative Performance Framework**

## **Evaluation Report to UR of the EPF Expert Panel**

### **Assessment of SONI Forward Work Plan**

#### **1 October 2022 to 30 September 2023**

#### **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

TNO stands for Transmission Network Operator

DNO stands for Distribution Network Operator

NIE stands for Northern Ireland Electricity Networks

SEM is the Single Electricity Market operating across the island of Ireland

#### **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 new EPF is the creation of the EPF Expert Panel to add 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 provide recommendations to UR, taking account of the material in the Plan, evidence and views provided by UR and SONI's stakeholders, (which may include SONI's customers, consumers and other energy providers) in making its evaluations.

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 2022 to 30 September 2023.

## **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 from the UR and other stakeholders on the Plan

Written submissions on the Plan were solicited by UR during a consultation period which concluded on 11 November 2022, and these were considered by the Panel.

### Participation in meetings with stakeholders on the Plan

There were meetings with UR on 17 October 2022 and 15 November 2022, and a Stakeholder Meeting, attended by stakeholders/stakeholder representative groups, was held (virtually) on 15 November 2022.

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 Panel Commentary on Forward Work Plan

This is the second Forward Work Plan submitted under the EPF.

It is clear that SONI has once again put a considerable amount of effort into the preparation of the Plan, and they should be commended on the positive approach taken to the task. The intent to provide a detailed plan which seeks to meet the objectives is clear from the work which has gone into the document.

As SONI stated in the Plan document, they had taken account of feedback received on the previous Plan; this included stakeholder feedback, the findings and evaluation of the Panel, and the ultimate decision of UR. It is clear that comments and feedback provided by a range of stakeholders have been listened to by the organisation and taken on board (to a greater or lesser extent).

The Plan format was, as a result, significantly different from the previous one, notably with the use of appendices, the intelligent use of diagrams and graphics to explain key elements of the Plan, and a more logical overall structure. This supported the interpretation of the Plan.

The Panel found that the Plan was, therefore, easier to read and evaluate than its predecessor.

The Plan is, nonetheless, a challenging and substantial read for some stakeholders (particularly those without a technical background) to easily interpret and understand.

The Plan would be more accessible if its structure were further revised. The use of Appendices is welcome but there is a tendency to point the reader directly to an Appendix without providing sufficient detail to allow the main Plan to be read as a whole. The level of sophistication of the graphics could be improved and applied to more complex themes to further aid reader accessibility and better contribute to performance measurement (e.g. simple visual tools such as colour coded RAG status, percentage completion bar and a project on / off track ✓/x status).

There are occasions through the FWP (including appendices) where figures and tables have no titles, graphs have no axis titles, etc. There is an opportunity to better identify suitable quantitative metrics and removal of open statements as measurements for example 'timely' as well as the consideration for introducing a customer/stakeholder satisfaction metric.

With circa 76 projects illustrated within the FWP, there is very limited illustration from a financial / consumer cost saving perspective. The FWP states that the North/South Interconnector Project (FWP026) is expected to deliver a combined cost/benefit to consumers of €100m by 2030. This is useful, however this type of saving is not illustrated generally against projects across the Plan. Doing so would demonstrate

SONI's commitment to generating savings for consumers and providing evidence to rationalise project spend.

SONI states (Appendix 5) that its deliverables set out within the Plan are "ambitious and in some cases world leading", however the reader is not presented with or pointed to references to validate this statement.

Whilst one recognises that SONI has undertaken various stakeholder engagement activities, feedback submitted by stakeholders in the form of written responses would suggest that there are further opportunities for developing and improving their engagements and potentially undertaking their actions from a more nurturing perspective, with ideas developed collaboratively. SONI must be cognisant that stakeholders do not remain consistent over time, nor are they consistent from project to project. As such it is important to regularly review stakeholder maps to identify new stakeholders and to adjust the position of other existing stakeholders to reflect their sphere of influence. SONI should not seek to fully engage with all stakeholders on every issue, but rather consider the development of a robust "smart" mapping approach which ensures that the benefit of their engagement is maximised on a case-by-case basis.

Following on from the subject of engagement, within the FWP main text there is no mention of collaboration; however it is referenced at multiple points across the appendices. Collaboration with UR, TNO and DSO is obviously undertaken. Collaboration is a powerful mechanism for pushing boundaries and innovation. As such it could be beneficial to reference how SONI will proactively utilise collaboration in the FWP to provide benefit to the consumer.

On innovation, readers are directed towards a separate document and the onus put on them to review and identify how SONI is being innovative. Perhaps it would be supportive for the reader and the FWP in general for SONI to even briefly illustrate how it is being innovative compared to its peers globally and how this innovation is supporting the consumer.

The Plan addresses the requirements of the EPF in a structured way. There are limited performance measures listed against each project and an overarching set of KPIs against each Role.

However, particularly for Roles 2-4, the plan contains many references to timely delivery of a publication or project in addition to quality and quantity of stakeholder engagement. In looking at the detail for these, which is described in Appendix 5, there are many dependencies on other stakeholders and organisations which are outside SONI's control. The stakeholder satisfaction measure has not yet been developed.

It would have been useful to see SONI's contribution to longer term strategies and outcomes such as decarbonisation listed as part of their stakeholder engagement, particularly emphasising any collaborative or cross organisational working. The SONI

contribution to the NI Energy Action Plan is described in terms of delivery of activities and projects, rather than in providing input into what is possible in terms of the contribution of electricity reform to the achievement of the longer-term decarbonisation targets.

Appendix 5 is useful in attributing the various quantitative measures to the achievement of the four outcomes. The historical figures provided give a good context for the target, although some of the KPIs (e.g. RES-E) are being reviewed as part of the review of “Shaping Our Electricity Future” v1.1. The target for Imperfections Costs will be set using the back-cast model. The lack of a target in the plan for various measures will make it difficult to assess performance at year end.

Throughout the document, a significant number of projects and activities are described. However, very little resource or cost estimate is provided which would allow the reader to gauge the relative size or importance of the various projects, activities and actions taken by SONI. An indication of relative contribution to the specific deliverable would add value and facilitate evaluation.

The appreciation of the need for stakeholder interaction has been developed. The ambition to include a performance measure based on stakeholder engagement (with input from stakeholders) is welcome although its detail has yet to be developed. There is still further work to be done for SONI to communicate its “methodology” for stakeholder interaction. Not all stakeholders are relevant for all SONI activities, all the time. SONI necessarily has limited resources. It will have an approach which maximises the value of its communications to stakeholders and its response to their inputs. This approach will need to be flexible recognising that stakeholder communication/input/feedback will necessarily change primarily driven by the subject matter involved and possibly by timing considerations. The Panel is not looking for evidence of SONI engaging with every stakeholder on every issue, rather to be assured that stakeholder interaction is appropriate and sufficient to ensure that initiatives are communicated, and relevant inputs are captured on a case-by-case basis. The current Plan does not provide sufficient detail to allow stakeholders to understand the strategy and operational approach which SONI seeks to pursue in this area.

The system planning and development process again appears to be thorough. However, it still appears to be based on the premise of testing asset-based solutions against a range of credible scenarios. We noted last year that for a non-technical audience, it is difficult to discern the relative importance of individual projects and any co-dependencies which might alter their significance/importance. In the limit, all projects are of some importance, otherwise they would not be sanctioned. Individual projects also fulfil multiple system objectives. What would be helpful is an indication (perhaps via a series of two-axis diagrams) of appropriate metrics (e.g., time/cost or RES capacity enabled vs time / cost or alleviation of constraint costs vs time/cost, etc.)

The current approach to asset planning could be considered to be largely “business as usual”. To meet future challenges, innovation will be required. Consideration needs to be given to both asset *and* service-based solutions (or a mix of the two) against credible scenarios. Services may come from traditional and new actors in the energy space, including the demand side (either directly or via intermediaries). The Regulator is seeking “clear and tangible evidence that it (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.” (EPF guidance document)

In the Plan, it is stated that “SONI has not detailed any programmes of work associated with cyber security. SONI considers cyber security as a confidential area and therefore does not intend to include a narrative or metrics in the Forward Work Plans.” The UR feedback notes this, and comments that “SONI could provide this detail to the UR or the Panel”.

The Panel considers cyber security to be an important area. Given the vital importance of secure electricity services for many aspects of life, and the availability of evidence around the world of damage that has been caused when cyber security has been compromised, the Panel is of the view that more needs to be said about this, either in the Plan or elsewhere. There should be some means whereby the Panel and UR can be assured that this area has been receiving, is receiving and will continue to receive proper attention by SONI and appropriate scrutiny by deemed relevant authority.

The emphasis is on new steps. This should be noted when considering the observations on performance below. “Business as usual” activities are not the core focus of the evaluation process.

The stated primary purpose of the Evaluative Performance Framework is to encourage SONI to engage in actions and behaviours which contribute to four high-level outcomes:

- Decarbonisation – defined in the EPF guidance as “The Northern Ireland electricity system supports government decarbonisation policy and targets”.

The SONI Plan is consistent with government decarbonisation policy and targets. There is ambition in the Plan. It is possible that the level and scope of ambition could be raised. More consideration needs to be given to a “whole system approach” – which does not mean just the whole electricity network (or increasing collaboration with NIE Networks), but the entire continuum of generation, network and demand, as well as considering how the future of electricity and gas will be positioned to meet the decarbonisation outcome. The work programme under “Shaping Our Electricity Future” v1.1 should address this and be reflected in future Plans.

It is for debate whether the RES-E and SNSP targets are appropriately challenging

- Grid security – defined in the EPF guidance as “Northern Ireland electricity customers receive secure and reliable electricity supplies”.

The Plan demonstrates that SONI has a core commitment to secure and reliable supply. The level of ambition required to achieve the desired 2030 and 2050 targets may eventually increase the tension between security of supply, timeliness of provision and cost. This is a theme which could usefully be explored in future Plans. As an example, system reinforcements could be planned and progressed more quickly, at additional cost. However, these might in turn result in much greater short term curtailment costs, lower overall system reliability (whilst work is in progress) and may (with hindsight) be found to be less than optimal given developments in other areas. This is why the inclusion of “least regret” optionality in the planning and development process should be expanded and made clear to stakeholders.

- System-wide costs – defined in the EPF guidance as “Northern Ireland electricity consumers get good value for money which reflects efficiency within, and across, different parts of the Northern Ireland electricity system, over the short term and the longer term”.

System wide costs are primarily influenced by the makeup of the assets on the system, how those assets are utilised and the balance of supply and demand. In the shorter term, SONI has a comprehensive set of metrics regarding optimisation of costs, primarily related to market rules and operation. For the medium and longer term, overall costs are likely to be influenced by the price, availability and type of “services”

required to meet the challenges of the future, together with more traditional network investment.

The current Plan focuses on the measures used to optimise current costs. Future Plans need to provide a holistic view of how the mix of services and assets will be optimised over both the medium and long term. This will in turn require changes to the way in which asset planning and subsequent investments are made. Again, the primary route for identifying what the system may look like in 2030/2050 appears to be the “Shaping Our Electricity Future” initiative. If this is the case, then the scenario planning needs to be robust and consistent with forecasts made by the Department for the Economy under the NI Energy Strategy.

There are over 70 projects referenced in the Plan. Project FWP026 (North/South Interconnector) is estimated to achieve a combined cost benefit to consumers of 100m euros by 2030. This is a welcome metric. This is not generally articulated on projects across the Plan.

- SONI service quality – defined in the EPF guidance as “SONI provides an appropriate range and quality of services to participants in the Northern Ireland electricity system and other stakeholders”.

SONI provides a wide range of “outputs”. Evaluating service quality is closely aligned with the stakeholder engagement and management plan. The Panel has noted the positive steps forward in this area, but there is more to be done, including understanding and accepting the logical limits to SONI activities in this area and establishing useful and clear metrics for performance.

A key initiative noted in the Plan is “Shaping Our Electricity Future” and the associated actions/processes which flow from this. It would be useful to understand what feedback is provided from the Stakeholder Advisory Council, and how this is incorporated, as this could inform useful developments in communication/engagement with other key stakeholders who are not part of that process.



### Criterion 1 – Service Ambition (all Roles)

Whilst the level of detail provided on the various projects is comprehensive, it would be useful to have an indication of relative importance of the various projects (particularly multi-year infrastructure projects) to the achievement of the outcomes.

### Criterion 2 – UR Service Priority Alignment (all Roles)

The UR Strategic and Service priorities are set out in Annex 2 to 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. Much of the evidence provided by SONI across the various roles relates to collaboration and learning within and across SONI itself and with the Regulator and NIE. Although there are examples of wider working practices and engagement, this area needs to be developed more in order to show that SONI has exceeded expectations.

### Criterion 3 – Stakeholder Engagement (all Roles)

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). Section 4 of the core plan (Page 9) sets out SONI's stakeholder engagement strategy and provides a stakeholder diagram. The section focuses on planned engagements across the four roles.

Appendix 6 Pages 11-16 describes how SONI have taken account of stakeholder feedback in the development of this year's plan. The improvements listed are noted. SONI also refers to the fact that the completion of a full cycle of the EPF should assist in further improvements once the performance review element has taken place.

SONI considers stakeholder engagement to be particularly relevant to Role 2, Independent Expert, and to the development of Shaping Our Electricity Future V1.1.

Although the plan lists the type of engagement and a number of advisory groups, it is difficult to gauge how effective these activities are in taking account of stakeholder input and how exactly stakeholder input shapes what SONI does. The plan, however, shows engagement with various sectors such as industry, youth and local authorities.

Project FWP23-12: Stakeholder Needs Assessment is described in detail in Appendix 2 Pages 10-11. It is designed to produce a measure of stakeholder satisfaction. Until this project is complete, no such measure is included in the FWP. In answer to a question at the Stakeholder meeting on 15 November, SONI advised that a measure of quality of the engagement or quality of SONI deliverables (such as publications or

projects) would be developed. It is not clear from the project description that this is included within it.

The stakeholder responses to the FWP consultation indicate that some improvements to stakeholder engagement have been implemented but that further work is necessary to bring about wider collaboration and innovation across the energy sector in order to address the longer term requirements of the Climate Change Act.

#### Criterion 4 – Service Accountability (all Roles)

One of the key elements of service accountability is the measurement of stakeholder satisfaction which has yet to be developed.

#### Roles – General Comments

Section 1 of the Plan gives an overview of the roles with more detail provided in Section 5 and the relevant Appendices which provides a description of the key deliverables for each role, linking them to the four SONI outcomes.

#### Role 1 – System Operation and Adequacy

Page 5 of the plan sets out the key areas of focus for this role - Future Arrangements System Services (FASS), Scheduling and Dispatch, Operational Policy Roadmap to 2030, TSO Demand Side Strategy, Control Centre Tools and Roadmap and EMS Upgrade.

Section 6 provides detail on the various projects which contribute to this strand. The performance measures for the various deliverables listed are largely delivery of the project to time or publication of a document to time. It would be helpful to have a quality measure in addition to timely delivery. As an example, a project might be delivered on time, but with significant beneficial learning to be captured from both the delivery and post-commissioning process. Documents could be delivered on time, but content and accessibility might benefit from post-publication review. This could possibly incorporate a stakeholder or independent view

#### Role 1 - Key Performance Indicators

The measurable key performance indicators for Role 1 are listed in Section 6 as – RES-E, SNSP, Renewable Dispatch Down, Imperfections Costs and System Frequency. The table on Page 20 lists the targets for these as well as the 2019 baseline with some additional commentary and further detail in Appendix 5. Overall there is no justification provided as to why the targets which have been set are

considered to be challenging. In some cases, no target has been set as SONI is reviewing what it should do. Given the demands of the Climate Change Bill, this seems a somewhat leisurely approach. In relation to RES-E, SONI is assessing what the target should be and therefore no target is included. For SNSP, it is difficult to see how the target of 75% is challenging given that it was achieved early in 2022. Page 8 of Appendix 5 states that this will be reviewed as part of the work on Shaping Our Electricity Future v1.1. Given that the previous target of 85% SNSP by 2026 needs to be revisited upwards in the light of a change in government policy, this appears to be a missed opportunity and could not be considered stretching. For Imperfections Costs, the target is to be determined Annually Ex-post. For system frequency the target is approximately the same as the baseline although some contextual information describes how achieving the target is becoming increasingly difficult. For Renewable Dispatch Down there is no indication as to why 10% is considered stretching.

### Role 1 - Contribution to Outcomes

Decarbonisation – Work on the Qualification Trial Process, FASS, and Scheduling and Dispatch will support the integration of new technologies and assist in the delivery of RES-E 80% by 2030.

Grid Security – IT systems update, Capacity Auctions and Generation Capacity Statement Methodology, Security of Supply work will support improving Grid Security.

System Wide Costs – FASS, Scheduling and Dispatch (multi-year projects work designed to minimise costs and increase competition between providers.

SONI Service Quality – development of stakeholder satisfaction KPI and stakeholder engagement will improve measurement

### Role 1 – Deliverables

Section 6 of the plan provides detail on the various projects which contribute to this role. The performance measures listed are largely delivery of the project to time or publication of a document to time. As noted above, it would be helpful to have a quality measure in addition to timely delivery. This could possibly be a stakeholder or independent view. In particular, the Plan states that Projects FWP23-01 and FWP23-02 have dependence on SEMC decisions, thus SONI does not have control of timely delivery. Although a large number of projects are listed, there is no information provided as to their relative contribution to the SONI outcomes. However, more detail is provided than in the Transition Year – particularly for what SONI hopes to achieve in year regarding multi-year projects.

### Role 1, Criterion 1 – Service Ambition

The projects listed under this role and the deliverables could be seen as stretching under the “strategy” heading and contain a number of new developments designed to deliver the longer term SONI outcomes such as Decarbonisation and Grid Security in a changing environment. However, there is very little justification or evidence provided to indicate that the KPI quantitative measures chosen for the deliverables are challenging.

### Role 1, Criterion 2 – UR Service Priority Alignment

In relation to alignment with the UR Service Priorities, the development of a culture of open and collaborative innovation and organisation learning is frequently described as being within the organisation or with the regulator rather than with other stakeholders in the wider sector. FWP 013: End of Life IT Assets aspires to promote the Strategic Theme “Collaborating and Co-ordinating to promote a holistic, customer-based service approach to digitalisation” whilst the Engagement activity described within the project simply says that SONI will be in regular contact with suppliers and will liaise internally throughout the project. Effective collaboration requires appropriate input from key stakeholders at all relevant stages of a project, rather than passive “feedback” on decisions reached unilaterally. The ambition of the strategy statement is not matched by the engagement activity described.

Engagements with other stakeholders are described in terms of number or type of engagements and until a quality measure is implemented, it will be difficult for SONI to provide evidence of successful two-way engagement in these developments.

### Role 1, Criterion 3 – Stakeholder Engagement

The stakeholder engagement described is based on that used for “Shaping our Electricity Future.” The engagement described under FWP23-01 FASS is with Regulatory Authorities and little or no evidence of reaching out across the whole energy system is provided. FWP23-02 Scheduling and Dispatch covers engagement with industry and the SEM Committee.

Until the project on developing a performance measure for stakeholder satisfaction is completed it will be difficult for SONI to demonstrate how well they take account of stakeholder input.

## Role 1, Criterion 4 – Service Accountability

The overall portfolio of projects listed within Role 1 can be seen as stretching and innovative in terms of strategic ambition. However, there are overall numerical KPIs listed against Role 1 which in many cases do not appear to be stretching. For these quantitative measures, SONI could usefully explain why they consider them to be stretching.

## Role 2 – Independent Expert

On page 5, the key areas of focus for this role are listed as Shaping Our Electricity Future V1.1, Stakeholder Needs Assessment, Support the NI Energy Strategy and Annual Innovation Report.

On Page 7 of the plan, SONI describes its strategy and goals including a primary goal of “lead the island’s electricity sector on sustainability and decarbonisation”. The plan says that SONI can influence all of the threads of the NI Energy Strategy but has specific roles in delivery of two of the key principles: Replace Fossil Fuels with Renewable Energy and Create a Flexible, Resilient and Integrated Energy System. On referring to the NI Energy Plan Action Plan for 2022, SONI is not listed as an owner of any of the actions although the Utility Regulator is. It would be useful to have an explanation of how SONI engages with the Department for the Economy in its specific role and responsibilities relating to these two principles, and also in the provision of independent expert advice on the development of the Action Plan for future years.

## Role 2 - Key Performance Indicators

The KPIs listed under Role 2 on Page 26 are Timely Delivery of publications and agreed programmes and Quality and Quantity of Feedback. The former does not include any quality measure or a measure of how beneficial the expert advisory contribution was in achieving the four SONI outcomes. In the case of the latter, the development of a stakeholder satisfaction KPI is work in progress. It would be useful to have some measure of the quality of advice or information provided and how it helps achieve the four SONI outcomes. There may be useful examples from other TSOs who have similar responsibilities/obligations which could help to shape a way forward.

## Role 2 - Deliverables

The projects listed as deliverables within this role are on pages 23-26 of the FWP. FWP018, FWP019, FWP23-15, FWP022, FWP23-22 are all concerned with the publication or production of information and the performance measure is timely delivery. FWP 23-12 is a stakeholder needs assessment to develop a KPI for the

future. The projects which appear to involve SONI providing advice and expertise in the development of a product are FWP23-13 on data and digitalisation, FWP021 on Balancing Market principles Statement, FWP 23-16 on Grid Code Studies, FWP 23-17 on Grid Code Modifications and FWP 23-23 SONI TSO-DSO Operating model. FWP 23-14 covers SONI's contribution to five actions from the Energy Strategy Action Plan. In relation to FWP019: Annual innovation Report, there would be benefit in SONI providing detail of how it works system-wide to deliver innovation rather than simply state the timely publication of the annual report.

## Role 2 - Contribution to Outcomes

Decarbonisation - through "Shaping Our Electricity Future" v1.1 and advice and information to facilitate developers of renewable generation, and policy decision makers in supporting DfE in the energy strategy.

Grid Security – Grid Code Studies and modifications and "Shaping Our Electricity Future" helping to maintain grid security in a changing environment.

System Wide Costs – Innovation Report, "Shaping Our Electricity Future", Markets Pillar, published information.

SONI Service Quality- through stakeholder engagement and development of stakeholder satisfaction measure.

## Role 2, Criterion 1 – Service Ambition

The projects described can be seen as stretching in terms of their ambition – particularly the work on the revision of Shaping Our Electricity Future v1.1. It would be helpful to have greater clarity on the relative contribution of each project to the outcomes.

## Role 2, Criterion 2 – UR Service Priority Alignment

Further work is required to provide evidence that the culture of engagement, collaboration and innovation across the full sector is taking place. For example, the Annual Innovation Report could be a vehicle for demonstrating wider collaboration but the performance measure simply relates to timely publication.

### Role 2, Criterion 3 – Stakeholder Engagement

Whilst stakeholder engagement is referenced in the plan, little evidence is provided that this engagement exceeds expectations.

### Role 2, Criterion 4 – Service Accountability

Although the programme of work can be seen as ambitious, the measures set out in the plan are not sufficiently developed to provide a measure of success at the end of the year. In particular, the work on stakeholder satisfaction will need to be completed and a measure of quality developed.

### Role 3 - System Planning

On page 5, the key areas of focus for this role are listed as: Progressing Key projects such as Energising Belfast, Mid Antrim Upgrade Project and North-South Interconnector. In addition, the role includes Progression of several TNPP Submissions to progress Pre-Construction activities. The Transmission Development Plan contains 76 planned projects of which 39 are asset replacement and 37 are network development.

### Role 3 - Key Performance Indicators

The overall Role KPI measures the number of TNPP submissions to the UR and timeliness of approval (timeliness used as a proxy for quality). As pointed out by other stakeholders, this is not an appropriate measure of success as it is dependent on the workload of another organisation and could not be seen as a reliable measure of quality.

System Planning has several dimensions including:

- Developing a plan to meet identified and agreed objectives over the medium and long term
- Assessment of that plan against feasible alternative delivery paths (optioneering)
- Timely delivery of the plan in terms of both assets and services
- Robust mechanisms for reviewing/updating the Plan against changing needs/priorities/progress

It would be useful if SONI could consider how these elements might be reflected in future Plans to make them accessible and relevant for stakeholders.

### Role 3 - Deliverables

The projects listed are in many cases multi-year and the performance measures relate to achieving the next step in the process. In some cases, the performance measure is caveated as the timescale is dependent on the work of other stakeholders.

### Role 3 - Contribution to Outcomes

Decarbonisation – The projects are described as facilitating increased renewable generation to the Transmission System.

Grid Security – Increased interconnection leading to a larger energy market and thus greater competition. System stability at high levels of renewable generation.  
Energising Belfast essential for long term stable and secure supplies in greater Belfast.

System Wide Costs – Integration of RES and other low carbon sources should lead to more economical grid solutions.

SONI Service Quality – Stakeholder engagement targeted geographically.

### Role 3, Criterion 1 – Service Ambition

There is a wide range of projects described with their contribution to the various outcomes described in Appendix 3. Many of these are multi-year and it is helpful to have the in-year milestones described for each.

### Role 3, Criterion 2 – UR Service Priority Alignment

As for the other roles, more work is needed on developing an evidence base for collaboration, innovation and learning across the sector and with other energy sectors.

### Role 3, Criterion 3 – Stakeholder Engagement

There is no evidence provided which indicates that stakeholder engagement on System Planning has exceeded normal expectations.



### Role 3, Criterion 4 – Service Accountability

As for other roles, the score in this criterion would be expected to improve once stakeholder satisfaction can be measured.

### Role 4 – Commercial Interface

Page 5 of the plan describes the key areas of focus for this role as; Commercial Arrangements for Low Carbon Inertia; Transmission Connection Charging Methodology Statement (TCCMS) Update and Connections related Activities, including Offshore.

### Role 4 - Key Performance Indicators

Within this role, the KPIs relate to timely delivery of publications and programmes and Quality and Quantity of Feedback, particularly in the development of the Stakeholder Engagement KPI.

### Role 4 - Deliverables

Projects FWP23-27, FWP23-28, FWP23,29, FWP23-31 and FWP001 relate to this Role. Of these projects, three could be considered business as usual in relation to connection offer progression and the development of an annual charging statement. FWP23-29 involves the development of a new methodology. FWP001 involves consultation and development of new commercial arrangements for low carbon inertia. The performance measures are timely delivery although the document states that the timelines are not directly within SONI's control.

### Role 4 - Contribution to Outcomes

Decarbonisation and Grid Security – Role 4's contribution to these two outcomes is largely through improvement of policies and processes to facilitate new technologies connecting to the network, for example through FWP23-29 Transmission Connection Charging Methodology Update.

System Wide Costs – The reduction on cost to the consumer is shown as a longer-term benefit, although the statement on Page 35 could be viewed as aspirational rather than evidence based.

SONI Service Quality – The delivery of improved service quality is to be achieved by open and transparent communication including active consideration of stakeholder feedback.

#### Role 4, Criterion 1 – Service Ambition

The projects described are largely business as usual although recognition of the changing environment as we move towards 2030 and beyond is recognised in some of the transformation projects.

#### Role 4, Criterion 2 – UR Service Priority Alignment

As for the other roles, evidence of wider collaboration and cross-sectoral learning would improve the score on this criterion.

#### Role 4, Criterion 3 – Stakeholder Engagement

Whilst stakeholder engagement is referenced in the plan, there is little evidence to show that it has been a significant step forward since the transition year.

#### Role 4, Criterion 4 – Service Accountability

Further work on a stakeholder engagement measure is required before this can be satisfactorily assessed.

The Panel had a number of observations which fell outside the reporting parameters specified in the EPF guidance. These will be reported separately to UR in due course.

## Grading of the Forward Work Plan

UR provided the Panel with a mechanistic methodology for arriving at an overall assessment grade. (This is published on the UR website.) This involved 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 28 November 2022. 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 Panel confirmed this grade at a subsequent meeting on 12 December 2022.

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

[The scores run from -1 to +1, and the grades run from 1 (poor) to 5 (excellent). Grade 3 is “baseline”. See the UR’s published Evaluative Performance Framework guidance document.]

		<b>Role 1</b>	<b>Role 2</b>	<b>Role 3</b>	<b>Role 4</b>
		System Operation and Adequacy	Independent Expert	System Planning	Commercial Interface
<b>Weights</b>		27.5	25	25	22.5
<b>Criterion</b>	<b>Criterion</b>	<b>Score</b>	<b>Score</b>	<b>Score</b>	<b>Score</b>
1	Service Ambition	1	1	1	0
2	UR Service Priority Alignment	0	0	0	0
3	Stakeholder Engagement	0	-1	0	0
4	Service Accountability	0	-1	0	0
<b>Assessment Total</b>		<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>
<b>Assessment Grade</b>		<b>4</b>	<b>3</b>	<b>4</b>	<b>3</b>
<b>Overall Grade</b>	<b>Forward Plan</b>	<b>3.53</b>			

The Plan is therefore deemed (using the language in the UR guidance to the Panel) to:

- exceed expectations with respect to the Service Ambition criterion
- meet expectations with respect to the UR Service Priority Alignment criterion
- fall (just) short of expectations with respect to the Stakeholder Engagement criterion
- fall (just) short of expectations with respect to the Service Accountability criterion

The Plan meets the baseline grade for Role 2, Independent Expert, and Role 4, Commercial Interface.

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



The Panel assessed overall grade for the Forward Work Plan is 3.53, which is deemed between “baseline” and “good”.

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

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