

# SONI Forward Work Plan

**2022 – 2023**

**Appendix 4 SONI Deliverables 2022-2023**

**Role 4 Commercial Interface**

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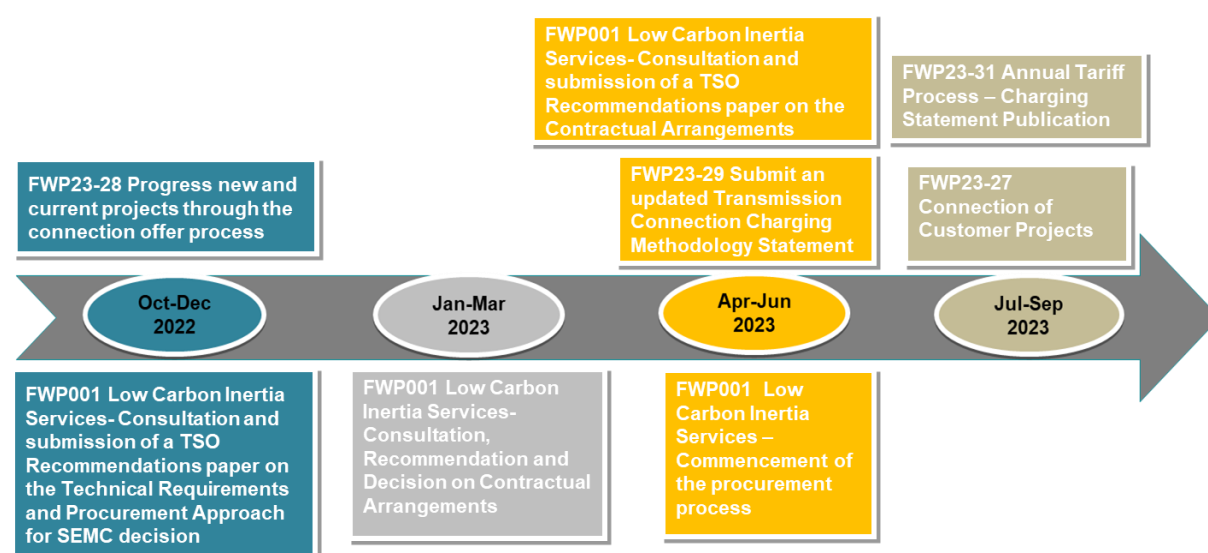
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# SONI Deliverables 2022-2023 – Role 4 Commercial Interface

The SONI Forward Work Plan provides details on the various projects and programmes of work that will be undertaken over the period from October 2022 to September 2023. This appendix provides further detail on those deliverables associated with Role 4 Commercial Interface and should be read in conjunction with the main document.

## Overview of the projects

The table below provides a complete view of the projects being undertaken across Role 4 Commercial Interface. These projects are expanded upon throughout this document.



Project	Milestone	Performance Measure	Timescale
FWP23-27 Connection of Customer Projects (two projects)	Execution of associated Connection Agreements and GTUoS Agreements Energisation of Customer Connection	Number of Project Energisations	July 2023 and September 2023
FWP23-28 Current Applications in the Connection Offer Process	Progress new and current connection applications through the connection offer process	Connection Offer Issued in accordance with Condition 25	Throughout 2023
FWP23-29 Transmission Connection Charging Methodology	Consult on and publish an updated Transmission Connection Charging Methodology Statement	Delivery of an updated TCCMS	June 2023

<b>Statement (TCCMS) Update</b>			
<b>FWP001 Commercial Arrangements for Low Carbon Inertia</b>	<p>Consultation and submission of a TSO Recommendations paper on the Technical Requirements and Procurement Approach for SEMC decision</p> <p>Consultation and submission of a TSO Recommendations paper on the Contractual Arrangements</p> <p>Commencement of the procurement process</p> <p><i>Note that all of the above timelines are subject to timely SEMC decisions on the Technical Requirements and Procurement Approach and subsequently on the Contractual Arrangements</i></p>	Timely publication of consultations and decision papers	<p>October 2022</p> <p>March 2023</p> <p>April 2023</p>
<b>FWP23-31 Annual Tariff Process</b>	Commence work under Condition 30 of the TSO Licence, preparation to publish a Charging Statement each year which is approved by the UR.	Timely submission of the Charging Statement	September 2023

# Role 4: Detailed Programme of Deliverables

## Connection of Customer Projects (two projects)

SONI is progressing the connection of two Gas Turbine (GT) projects which have accepted connection offers and are currently in the construction phase of development.

Over the period of this Forward Work Plan it is planned that two projects will energise and therefore a key objective will be the execution of two Connection Agreements and two Generator Transmission Use of System (GTUoS) Agreements.

There are dependencies on NIE Networks and their continued collaboration during the construction phase to progress according to the projects construction phase timeline, dependencies on supply chains remaining undisrupted and dependencies on the developer fulfilling their requirements in order to complete the construction of the connection assets and progress the issue of the associated Connection Agreement and GTUoS Agreement.

A detailed project overview is provided below.

Deliverable	<b>FWP23-27 Connection of Customer Projects (Two projects)</b>
<b>Description of Activities</b>	<p>SONI is supporting the delivery of two connections for the customer Gas Turbine (GT) projects which are currently in the construction phase of development.</p> <p>They are expected to energise during 2023. SONI's key activities include:</p> <ul style="list-style-type: none"> <li>• Completion of SONI construction activities</li> <li>• Energisation of the customer connections</li> <li>• Execution of associated Connection Agreements</li> <li>• Execution of associated GTUoS Agreements and</li> <li>• Testing to confirm Grid Code compliance (will continue into subsequent year)</li> </ul> <p>SONI will continue to progress the construction of the two connection assets for the customer projects in coordination and collaboration with NIE Networks (as Transmission Owner) and the developer of each project.</p> <p>Part of this process will include the preparation of both a Connection Agreement and Generator Transmission Use of System Agreement (GTUoSA). Preparation of these agreements will commence approximately 6 months prior to the target energisation date of July 2023 and September 2023.</p>
<b>Key Benefits</b>	<p>These two projects will provide new generation capacity to the Transmission System following energisation.</p>
<b>UR Service Priorities</b>	<p><b>A culture of effective engagement and collaboration</b>  <b>Whole system collaboration and coordination with 3rd parties, and NIE Networks across its various roles as a TO, DNO and DSO</b></p>

	SONI will be engaged in open, transparent and collaborative communication working together with the project developer and NIE Networks throughout the project to Energisation. This active engagement is critical in the preparation of the connection agreements, to ensure all information provided is up to date, accurate and relevant – actively communicating with all parties and working together to energise these projects is an important aspect to the deliverables. This will continue through to the testing phase which will commence once the units are energised.			
<b>Engagement</b>	<p>There is expected to be continued engagement and collaboration with NIE Networks (as Transmission Owner) and the developer for each project throughout 2022 and 2023.</p> <p>We will coordinate our approach to collaboration with both parties through continuous engagement, led by the SONI Project Manager for each project. Regular tripartite meetings will also take place in the approach to the energisation date to ensure that all safety and contractual obligations are met. This will also facilitate an efficient exchange of information between all parties.</p>			
<b>Performance Measure</b>	Number of Project Energisations			
<b>Timescale</b>	<p>Project 1 available to energise in July 2023  Project 2 available to energise in September 2023</p> <p>Note: These dates are based on the latest available information and are also dependent on timely completion of developer and NIE Networks activities</p>			
<b>SONI Outcome</b>	<b>Decarbonisation</b>	<b>Grid Security</b>	<b>System Wide Costs</b>	<b>Stakeholder Satisfaction</b>

## Connection Offer Applications

SONI currently has a number of connection applications ongoing in the Connection Offer process. Over the period of the plan SONI will continue to engage with both NIE Networks and the Utility Regulator in order to progress current and new applications through the Connection Offer Process.

A detailed description of the associated activities within this area is provided below.

Deliverable	<b>FWP23-28 Current Applications in the Connection Offer Process and projects in Connection Process (post offer acceptance)</b>
Description of Activities	<p>SONI currently has a number of connection applications ongoing in the Connection Offer process. It is envisioned that these will progress over the next year through:</p> <ul style="list-style-type: none"> <li>• Engagement with NIE Networks to progress the SONI Construction Application and NIE Networks Construction Offer required for SONI to develop the SONI Connection Offer;</li> <li>• Preparation and issue of the SONI Connection Offer;</li> <li>• Progressing any accepted Connection Offers and performing the required validation checks;</li> <li>• Handover of the projects to relevant SONI team and NIE Networks to progress the SONI Pre-Construction Works, NIE Networks' Construction Works and the SONI Construction Works</li> <li>• Ensure the NI Connections Register<sup>1</sup> on the SONI website is kept up to date</li> </ul> <p>This will involve working together with applicants to ensure that we have all the correct relevant information to progress their application to the deemed effective stage (i.e. in receipt of all such information as SONI may reasonably require for the purpose of formulating the terms of the Connection Offer and received any relevant Application Fee that may be applicable) and also close engagement to keep applicants apprised on the progress of their connection offer, and ensure that they are aware of the relevant consents for a Connection Offer Acceptance to be made.</p> <p>This work will also involve collaboration with NIE Networks which will require regular contact and engagement to discuss the various projects and establish these projects as well as engagement with the Utility Regulator at our monthly meetings to advise of any progressing connection offers, any challenges being faced and the actions SONI is taking to mitigate these challenges.</p> <p>In advance of prospective developers making a connection application to them, SONI encourages engagement in advance of the application being made to make the developer aware of the process and the conditions that would need to be met to accept an offer (e.g., deposits, Capacity Bonds, Relevant Consents, etc). This early engagement is particularly important for those wishing to apply to connect emerging technologies. SONI regularly engages with prospective developers in advance to support an efficient application process.</p>
Key Benefits	The key benefits to this work are:

<sup>1</sup> <https://www.soni.ltd.uk/media/documents/20220609-Connections-Register-09-June-2022.pdf>

	<ul style="list-style-type: none"> <li>• Timely provision of Connection Offers provided for prospective connectees that support wider economic growth, decarbonisation of the electricity system and enhance security of supply</li> <li>• Clear information provided to ensure developers can progress commercially viable projects</li> </ul>
<b>Strategic Theme</b>	<p><b>Developing markets through competition and stakeholder engagement and collaboration and whole system collaboration and coordination with 3<sup>rd</sup> parties, and NIE Networks across its various roles as a TO, DNO and DSO</b></p> <p>Engagement is pivotal in the connection offer and connection process. SONI engages at an early stage with NIE Networks, upon receipt of an application, through the progression of the project and continue this engagement through pre-construction and construction phases including energisation, sharing information and discussing the project through simultaneous engagement with the developer. We are working with NIE Networks and developers to increase competition, increase renewables and facilitate new technologies that reduce our reliance on traditional fossil fuels. Competition in the wholesale market will put downward pressure on prices and we anticipate many new applications will focus on decarbonisation. SONI therefore acts as a key enabler of change through driving the connection offer process whilst ensuring a level playing field.</p> <p>This therefore aligns with the Utility Regulator’s culture of effective engagement and collaboration as well as whole system collaboration and coordination with third parties and NIE Networks.</p> <p>Only by engaging with developers can we progress towards achieving our goals as provided in the government targets set for achieving net zero carbon and enable the Path to Net Zero to be fulfilled. Working together with developers and key stakeholders, ensuring they are fully aware of their requirements during the Connection Offer Process and assisting them with any queries as and when they arise.</p>
<b>Engagement</b>	<p>Engagement occurs throughout the Connection Offer Process and Connection Process. SONI will be engaged with NIE Networks in accordance with the parties respective roles under the Transmission Interface Arrangements, collaborating on project progression, preparation and submission of the Construction Applications and Construction Offers and again as the project enters pre-construction and construction phases.</p> <p>SONI also maintains engagement with the developer throughout the connection offer process. From early discussions, when developers are considering making an application, to discussion of their project requirements, the application stages and the preparation of the associated connection offer. Once an offer is accepted and the project progresses through to the next phase, preconstruction then construction, SONI holds a handover meeting to formally introduce the project manager for the next phase of engagement so there is an efficient project handover.</p> <p>SONI engages with the Utility Regulator on a monthly basis in joint working level meetings but also as and when necessary. SONI informs</p>



	<p>the Utility Regulator of the progress being made across the projects, any potential issues and how it is mitigating those issues. We also share information of any projects approaching energisation with the Utility Regulator, so they are aware of the potential requirements that need addressed.</p> <p>SONI will also continue with the publication of the NI Connections Register<sup>2</sup> on the SONI website for all stakeholders to view as and when required.</p>			
<b>Performance Measure</b>	Connection Offers Issued in accordance with Licence Condition 25			
<b>Timescale</b>	Offers issued in 3 months, with extensions requested where complexities emerge in accordance with Licence Condition 25			
<b>SONI Outcome</b>	<b>Decarbonisation</b>	<b>Grid Security</b>	<b>System Wide Costs</b>	<b>Stakeholder Satisfaction</b>

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<sup>2</sup> <https://www.soni.ltd.uk/media/documents/20220609-Connections-Register-09-June-2022.pdf>

## Transmission Connection Charging Methodology Statement (TCCMS) Update

This Statement is prepared and published in order to meet our obligations as set out in Condition 30 of the SONI Transmission Licence which requires SONI, in cooperation with the Republic of Ireland Transmission System Operator, to prepare (and obtain the Authority's approval to) a statement setting out the basis upon which charges will be made for connection to the All-Island Transmission Networks.

SONI's Transmission Connection Charging Methodology Statement is published on the SONI website<sup>3</sup>.

A description of the activities associated with this project is provided below.

<b>Deliverable</b>	<b>FWP23-29 Transmission Connection Charging Methodology Statement (TCCMS) Update</b>
<b>Description of Activities</b>	<p>SONI will conduct a review of the current Transmission Connection Charging Methodology Statement (TCCMS) and consider the areas requiring an update in light of developments in the sector including the NI Energy Strategy and ongoing engagement with stakeholders. Areas currently in scope for review are the application fees, bonds and the designation of assets that are being considered for system use.</p> <p>Once the review is completed, SONI will conduct stakeholder consultation on any proposed changes before seeking the Utility Regulator's approval in line with our licence requirements.</p>
<b>Key Benefits</b>	<p>The key benefits the review will bring include:</p> <p>Up to date charging methodology statement providing clarity and transparency to customers who may be interested in a transmission connection.</p> <p>Benefit to end consumers, by adding clarity around which assets are designated for system reinforcement projects.</p> <p>Benefits from level playing field for new technologies</p>
<b>Strategic Theme</b>	<p><b>A culture of organisational learning, accountability and planning that supports SONI agility and responsiveness in meeting policy, regulatory and market development</b></p> <p>SONI will continue to engage with NIE Networks as TO, DNO and DSO in order to ensure we are aligned on our views regarding the TCCMS as well as engaging with the UR on the submission.</p> <p>SONI is proactive in its approach to the TCCMS, in light of developments in the sector as described above. It is prudent to review this methodology statement, reflect on lessons learned through previous reviews and ensure it aligns with the requirements of these developments.</p>

<sup>3</sup> [TITLE \(soni.ltd.uk\)](http://soni.ltd.uk) and 2019 version [SONI-TCCMS-1-April-2019.pdf](#)

<b>Engagement</b>	<p>Once any proposed changes to the TCCMS are identified SONI will engage with the Utility Regulator and consult with stakeholders and industry if required.</p> <p>Should a consultation be required we will then review and collate feedback received from respondents and update the TCCMS to take into account these submissions.</p> <p>We will publish an updated version of the TCCMS on the SONI website (following regulatory approval) and also a report to detail the feedback provided and how we have considered this feedback in the updated version.</p>			
<b>Performance Measure</b>	<p>Delivery of an updated TCCMS that supports the connection of new technology and provides clarity around designation of assets that are being considered for system use.</p>			
<b>Timescale</b>	<p>June 2023</p>			
<b>SONI Outcome</b>	<b>Decarbonisation</b>	<b>Grid Security</b>	<b>System Wide Costs</b>	<b>Stakeholder Satisfaction</b>

## Commercial arrangements for Low Carbon Inertia

The Single Electricity Market Committee (SEMC) has requested that the TSOs carry out an assessment and bring forward proposals for a fixed term procurement in relation to low carbon inertia services (LCIS).

The motivation for this request is to support the integration of technologies which can facilitate a reduction in the quantity of carbon intensive conventional generation required on the all-island power system. This reduction will facilitate the further integration of renewable generation and contribute towards achieving our 2030 Renewable Energy Source (RES) targets.

Deliverable	<b>FWP001: Low Carbon Inertia Services</b>
<b>Description of Activities</b>	<p>The basis of this programme of work is to identify needs for LCIS and their placement to provide sufficient kinetic energy (inertia), reactive power support, and additional system strength (short circuit contribution) to ensure secure and stable operation of the all-island power system with an 85% SNSP in 2026. These studies form the backbone of the procurement of LCIS which paves the path towards the 2030 goal of 95% SNSP.</p> <p>Activities over the period include:</p> <ol style="list-style-type: none"> <li>1. Consultation and submission of a TSO Recommendations paper on the <b>Technical Requirements and Procurement Approach</b> for SEMC decision by October 2022;</li> <li>2. Consultation and submission of a TSO Recommendations paper on the <b>Contractual Arrangements</b> – planned for March 2023 but this timeline is subject to a timely SEMC decision on the Technical Requirements and Procurement Approach.</li> <li>3. <b>Commencement of the procurement process</b> planned for April 2023 (this timeline is subject to timely SEMC decisions on the Technical Requirements and Procurement Approach and subsequently on the Contractual Arrangements)</li> </ol>
<b>Key Benefits</b>	<p>New sources of low carbon system services are needed for a secure transition to 2030. This new capability will be significantly less carbon intensive than the legacy plant it replaces.</p> <p>A balanced portfolio of batteries, demand side, interconnection and renewable gas ready conventional capacity (amongst other service providers) will be required to meet our needs. This programme will ensure that we are able to operate a secure, safe and reliable transmission system by ensuring that all forms of low carbon generation can be procured. This will ensure all renewable sources of generation can play an important role and facilitate security of supply, therefore bringing benefits to the SONI Grid Security outcome.</p>
<b>Strategic Theme</b>	<p><b>A culture of effective engagement and collaboration, developing markets through competition and stakeholder engagement and collaboration.</b></p> <p>The Low Carbon Inertia Services project is a key part in awarding contracts which will facilitate a low carbon future. SONI is being proactive in our engagement surrounding the procurement of, and contractual approach, to LCIS. SONI considers this demonstrates our agility and responsiveness to changing policy</p>

	and market development through competition and engagement activities with stakeholders.			
<b>Engagement</b>	<p>On 23 June 2022, SONI launched the LCIS consultation process for the Requirements and Procurement Approach and held a Q&amp;A webinar to provide clarifications on 19 July 2022. The feedback submissions resulting from this will be used to inform a TSO Recommendations Paper which will be submitted to the regulatory authorities for decision in October 2022.</p> <p>Following this, SONI will launch a consultation on the Contractual Arrangements. SONI will use feedback submissions received during this consultation to inform a TSO Recommendations Decision Paper planned for March 2023 (this timeline is subject to a timely SEMC decision on the Technical Requirements and Procurement Approach).</p> <p>We would then expect to commence the procurement process in April 2023 (this timeline is subject to timely SEMC decisions on the Technical Requirements and Procurement Approach and subsequently on the Contractual Arrangements).</p>			
<b>Performance Measure</b>	Timely delivery of consultations and TSO recommendation papers Imperfections Cost			
<b>Timescale</b>	<ol style="list-style-type: none"> <li>1. Consultation and submission of a TSO Recommendations paper on the <b>Technical Requirements and Procurement Approach</b> for SEMC decision by October 2022;</li> <li>2. Consultation and submission of a TSO Recommendations paper on the <b>Contractual Arrangements</b> – planned for March 2023 but this timeline is subject to a timely SEMC decision on the Technical Requirements and Procurement Approach.</li> <li>3. <b>Commencement of the procurement process</b> planned for April 2023 (this timeline is subject to timely SEMC decisions on the Technical Requirements and Procurement Approach and subsequently on the Contractual Arrangements)</li> </ol>			
<b>SONI Outcome</b>	<b>Decarbonisation</b>	<b>Grid Security</b>	<b>System Wide Costs</b>	<b>Stakeholder Satisfaction</b>

## Annual Tariff Process

Deliverable	FWP23-31 Annual Tariff Process
<p><b>Description of Activities</b></p>	<p>Within the scope defined under Condition 30 of its TSO Licence, SONI publishes a Charging Statement each year which is approved by the UR.</p> <p>This Charging Statement sets out the various tariffs enabling SONI to collect some of the revenue entitlement for the Moyle Interconnector &amp; NIE Networks as well as its own allocation. The statement also includes a breakdown of charges on, and payments to, generators located in NI.</p> <p>This revenue entitlement is recovered through a number of tariffs that SONI has to calculate, with other relevant stakeholders, through the Annual Tariff Process. The Key SONI tariffs are as follows:</p> <ol style="list-style-type: none"> <li>1) Transmission Use of System Charges for Suppliers (STUoS)</li> <li>2) Transmission Use of System Charges for Generators (GTUoS)</li> <li>3) System Support Services Charge for Suppliers (SSS)</li> <li>4) Collection Agency Income Requirement (CAIRt)</li> </ol> <p><b>STUoS</b> – This charge to Suppliers for Use of Transmission System covers 75% of NIE Networks Transmission and Distribution revenue entitlement.</p> <p><b>GTUoS</b> – This tariff covers the payments to and charges on Generators for Use of Transmission System, plus the revenue received makes up the remaining 25% of NIE Networks’ Transmission and Distribution revenue entitlement. In addition, this tariff covers 15% of SONI’s annual revenue requirements.</p> <p><b>SSS</b> – System Support Services Charges cover the cost of system support services and accounts for 85% of SONI’s annual revenue requirements.</p> <p><b>CAIRt</b> – Moyle raises its annual revenues from sales of capacity on the Moyle interconnector, however, if necessary it will recover the balance of its revenue requirements from payments received from SONI under the Collection Agency Income Requirement Tariff.</p> <p>An extensive and complex methodology is applied to calculate these tariffs for any upcoming tariff year and involves continual engagement with all relevant stakeholders. The procedure is also generally embedded with challenging deadlines as some of the pertinent and relevant data/information necessary for tariff calculation will only become available late into the process.</p>
<p><b>Key Benefits</b></p>	<p>The statement includes a breakdown of charges on, and payments to, generators located in NI which provides transparency on the information surrounding the associated costs.</p>
<p><b>Strategic Theme</b></p>	<p><b>A culture of effective engagement and collaboration</b></p> <p>The submission of the Charging Statement allows SONI to bring a level of transparency to the associated costs in the tariff process. This sharing of information is important to consumers in Northern Ireland and provides</p>

	a layer of accountability to SONI to ensure that costs are appropriately allocated in line with the relevant conditions. The engagement with stakeholders involved in this process, as detailed below, demonstrates effective collaboration with stakeholders.			
<b>Engagement</b>	Stakeholders involved in Tariff Process – SONI, Eirgrid, NIE Networks, Mutual Energy, UR, CRU.			
<b>Performance Measure</b>	Timely submission of the Charging Statement			
<b>Timescale</b>	Annually from May until 1 <sup>st</sup> September			
<b>SONI Outcome</b>	<b>Decarbonisation</b>	<b>Grid Security</b>	<b>System Wide Costs</b>	<b>Stakeholder Satisfaction</b>