



SONI Annual Performance Report 2023-24

Appendix 4
Commercial Interface

Northern Ireland
December 2024

Role 2 Independent Expert Assessment Criteria

SONI's performance will be assessed by an independent panel and the UR on the following criteria:

ASSESSMENT CRITERIA

01

DELIVERY

The extent to which SONI deliver against:
(a) the specified deliverables and/or performance commitments from its Forward Work Plan, and
(b) the specified price control outputs (or deliverables) set by the Utility Regulator for new initiatives, and the justification for this delivery.

02

STAKEHOLDER SATISFACTION

The extent to which stakeholders are satisfied with performance of SONI, taking its performance in 2019/20, as supplemented by its Forward Plan, as its Baseline.

03

ADAPTABILITY

The extent to which SONI has shown successful adaption

For consistency and based on the advice contained in the UR's Evaluative Performance Framework Guidance document, we have applied the above criteria to the SONI Performance Report.

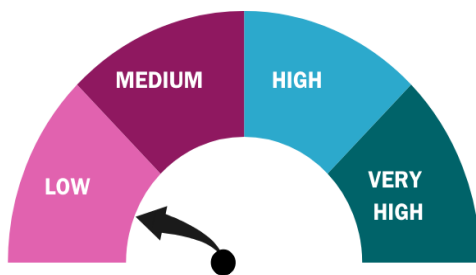
Cost Scale

SONI have created a Cost Scale in order to assist the audience in understanding the scale and/or importance of a project, and detailed where on this scale each project lies. The costs indicated are SONI related costs and do not cover any costs accrued by any stakeholder SONI may be collaborating with on said project.

This scale applied is detailed in the table below, the gauge icon will be used in the detailed project information for each deliverable.

LOW	£0-£500K
MEDIUM	£500K-£1M
HIGH	£1M-£5M
VERY HIGH	£5M+

Cost Scale Table



Cost Scale Gauge

Key Areas of Focus

In the 2023/24 Forward Work Plan, SONI highlighted our key areas of focus for the period, which include strategic projects that SONI deems to be of utmost importance for both SONI and Northern Ireland consumers. These projects are highlighted throughout this document and delivery of these areas of work is summarised below.



Role 4 Commercial Interface

Plan Delivery

Q1

October - December

January - March



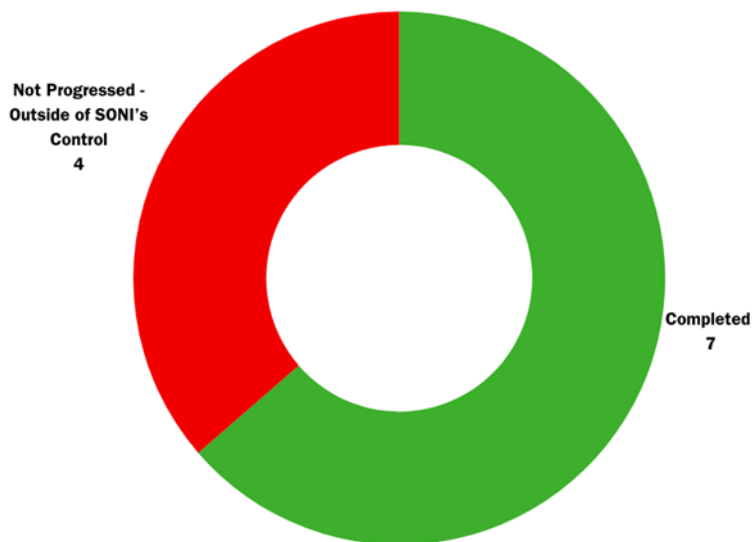
Q3

April-June

July - September






Q4







Summary of Role 4 Deliverables



11 Milestones:

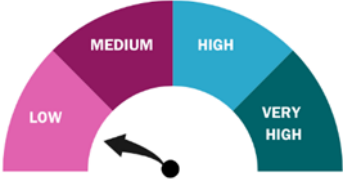
- 7 Completed 
- 4 Not progressed - **Outside of SONI's Control** 

Project	Milestone	Status
FWP23-27: Connection of Customer Projects (two projects)	Execution of associated Connection Agreements and GTUoS Agreements. Energisation of Customer	
	Execution of associated Connection Agreements and GTUoS Agreements. Energisation of Customer	
FWP23-28 Current Applications in the Connection Offer Process	Progress new and current connection applications through the connection offer process	
FWP001: Commercial Arrangements for Low Carbon Inertia	Tender (RfP) Outcome	
	Signature of Contracts	

FWP24-06 : Long Duration Energy Storage FWP036 : Eden – Carnmoney FWP037 : Drumnakelly and Armagh Reinforcement	Publish initial consultation on potential solutions for bridging the incentivisation gap regarding LDES.	
	Draft decision paper outlining the selected LDES procurement mechanism for Regulation Authority approval.	
	Perform detailed technical studies into the implementation and added value of LDES in the transmission system.	
	Public consultation on LDES contractual arrangements.	
	First draft of the LDES contractual arrangements recommendations paper	
	Submission of contractual arrangements recommendations paper for Regulatory approval	

Detailed Programme of Deliverables

FWP23-27: Connection of Customer Projects (Two projects)	
Description of Activities	<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 2024. SONI's key activities include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Completion of SONI construction activities <input type="checkbox"/> Energisation of the customer connections <input type="checkbox"/> Execution of associated Connection Agreements <input type="checkbox"/> Execution of associated GTUoS Agreements and <input type="checkbox"/> Testing to confirm Grid Code compliance <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 is at an advanced stage to align with current target energisation dates in February and April 2024.</p>
Delivery	<p>Position as of 30 September 2024</p> <ul style="list-style-type: none"> <input type="checkbox"/> GT6 Energisation: Complete <input type="checkbox"/> GT7 Energisation: Complete
Date Revision	N/A
Stakeholder Satisfaction/Engagement	<p>Ongoing engagement with the customer takes place through various mediums. Monthly progress update calls, fortnightly Grid Code and associated documentation calls to work through the pre-energisation process in advance of energisation.</p>

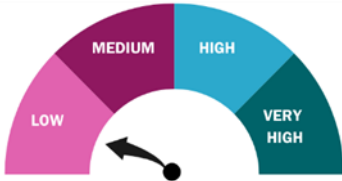
Adaptability	SONI continued to engage and adapt to revised connection point energisation dates based on the customer requirements and challenges. SONI continued to prepare and be ready ensuring all associated pre-energisation documentation was in place and that resourcing was available to meeting the changing timescales based on the customers' requests.
Cost Scale	

FWP23-28: Current Applications in the Connection Offer Process and projects in Connection Process (post offer acceptance)

<p>Description of Activities</p>	<p>SONI currently has a number of live connection applications ongoing within the Connection Offer process. Given the complexity of assessing the connection arrangements for the Connection Applications received and due to the specific nature of some of the projects seeking a Connection Offer, SONI has sought and been granted extensions to the Connection Offer issuance period for the majority of Connection Applications received.</p> <ul style="list-style-type: none"> ❑ Hosting pre-application meetings with potential applicants to discuss their projects prior to a Connection Application being submitted. ❑ Processing Connection Applications to the point they can be deemed effective. ❑ If required, engagement with NIE Networks, the applicant and the Utility Regulator to seek additional time to issue a Connection Offer ❑ Engagement with NIE Networks to progress the SONI Construction Application and NIE Networks Construction Offer required for SONI to develop the SONI Connection Offer. ❑ Preparation and issuance of the SONI Connection Offer. ❑ Progressing any accepted Connection Offers and performing the required validation checks. ❑ Internal handover of the projects to relevant SONI team and also to NIE Networks to progress the SONI Pre-Construction Works, NIE Networks' Construction Works and the SONI Construction Works ❑ Ensure the NI Connections Register on the SONI website is kept up to date. <p>This will involve engagement with applicants and potential applicants to ensure that they are fully aware of the relevant published documents and policies (e.g. the SONI Connections Policy , the Transmission System Security & Planning Standards , the Transmission Connection Charging Methodology Statement , etc) as well as making them aware of key information, such as conditions that would need to be met to accept a Connection Offer (e.g., deposits, Capacity Bonds, Relevant Consents, etc)</p>
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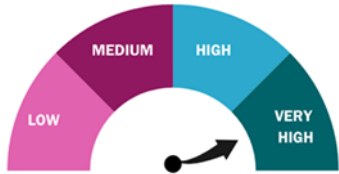
	<p>Once a Connection Application is received, SONI will then work with the applicant to ensure that we have all the correct relevant information as part of their Connection Application to be able to deem this effective (i.e. in receipt of all such information as SONI may reasonably require for the purpose of formulating the terms of the Connection Offer and received any relevant Connection Application Fee that may be applicable) and also to keep applicants updated as to the progress of the Connection Offer. 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> <p>This work will also involve close collaboration with NIE Networks which will require regular contact and engagement to discuss the various projects indirectly via the TIA Connections Panel and directly via the Construction Offer Process for each Connection Application received 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>SONI is experiencing a step change in the volume and complexity of Connection Applications received and the number of engagements with potential applicants. This increase is mainly driven by the 80% renewable targets set out in the Climate Change Act (NI) 2022 for 2030 and the road to net zero by 2050 as well as the impending renewable incentive scheme.</p> <p>The connections area is supporting the transformation of the power system needed to try and help meet these targets and goals by facilitating the connection of various technologies including replacement conventional generation, low carbon synchronous condensers, storage and renewable projects.</p>
<p>Delivery</p>	<p>Position as of 30 September 2024: Complete</p> <p>As was the case last year, this year saw increased volume of Connection Applications (13) received into the connection teams compared to previous years prior to 2022/23 levels of circa 4 – 5 per year.</p>

	<p>The breakdown of Connection Applications received during 2023/24 were:</p> <ul style="list-style-type: none"> • Demand - 2 • Battery Storage - 5 • Synchronous condensers - 2 • Conventional Thermal Generation - 3 • NIEN(DNO) Section S Offer – Cluster - 1 <p>In total 17 Connection Offers / Section S Offers were issued during 2023/24 with these being issued within the required 3 months (90 days) and/or any extended period granted to the Utility Regulator in line with the SONI Licence and Connection Offer processes</p>
<p>Stakeholder Satisfaction/Engagement</p>	<p>Throughout the Connection Offer Process, each project has multiple touchpoints directly with the client as a key stakeholder and with NIE Networks. From pre-Connection Application clinics, Connection Application checks and post Connection Offer queries/clarifications with the applicant, through to in detailed discussions with NIE Networks on more complex Connection Applications as well as interactions with the Utility Regulator on extension requests. SONI focuses on delivering a quality service that not only meets out statutory and licence obligations but also ensures the applicants are taken through the process professionally.</p> <p>During 2023/24, SONI have been engaging closely with NIE Networks to establish a Joint Project Management Office that will focus identifying areas where opportunities to accelerate Network projects and Connection projects can be taken. In addition to this SONI have been engaging closely with NIE Networks as SONI develops a Transmission Cluster Policy.</p> <p>Collaboration also took place with NIE Network to assist with, and respond to, a number of key consultations on the Distribution Cluster Policy (e.g., the Demand into Clusters and the Cluster Second Transformer consultations)</p> <p>The Connection Offer Process team were also involved in a wider SONI Stakeholder Engagement workstream and engaged with existing and potential connection customers to progress survey works as part of this.</p>

<p>Adaptability</p>	<p>Adapting to the increasing volume of Connection Applications has continued to be challenging. We continue to implement a range of initiatives to increase the efficiency of the Connection Offer process including:</p> <ul style="list-style-type: none"> ❑ Review of and changes to the controls around connections queue database and its impact on system studies. ❑ Utilise a more templated approach to standardise these system studies. ❑ Creation of Bay tracker to aid in pre application clinics. ❑ Build out of a project pricing database to speed delivery and improve consistency. ❑ Revisions to elements of project management tools to reflect larger volumes. ❑ Changes to timing of and content of intra team meetings to better and identify potential issues at an early stage. ❑ Assisting, from a connections process perspective, with the establishment of the SONI / NIE Networks Joint Project Management Office that will facilitate more coordinated project programming. ❑ Enhanced internal reporting on Connection Offer Process statistics to assist efficient allocation of resources. ❑ Standardisation of extension request to the Utility Regulator for extensions to the Connection Offer issue date. ❑ Reviewing the SONI Connections Policy in preparation for public consultation in 2024/25 to update the policy to help make the process become more efficient. ❑ Reviewing developments in connection offer processes in other jurisdictions / markets (e.g. RoI / GB) as a way of assessing best practices to make improvements on the NI Connection Offer Process. <p>As it is difficult to estimate the number of Connection Applications SONI receives, the connections team had a much bigger workload than planned for. The team showed great commitment, flexibility and adaptability in progressing the Connection Applications through to the Connection Offer stage often working beyond core hours to ensure a professional and timely delivery.</p>
<p>Cost Scale</p>	

Description of Activities	<p>LCIS is a critical service to deliver on the Government’s renewable energy ambitions to 2030. LCIS is required to enable relaxation of operational constraints and to accommodate more wind and solar generation. Therefore, the basis of this programme of work is to develop a process to procure LCIS in order to meet our requirements and achieve our targets.</p> <p>The procurement of LCIS will follow a phased approach. In Phase 1, LCIS will comprise the provision of synchronous inertia, reactive power support, and additional system strength (short circuit contribution) and the procurement will focus on our 2026 requirements. A Phase 2 will follow to meet our 2030 requirements.</p> <p>Phase 1:</p> <p>In 2022, SONI completed detailed technical studies to identify the volume requirements, including the locational requirements.</p> <p>Following the outcome of the studies, we have consulted stakeholders on the requirements and procurement design for LCIS and obtained approval from the Single Electricity Market Committee (SEMC) in January 2023.</p> <p>We have then published a second consultation in April 2023 on the contractual arrangements that will govern the provision of the service and have submitted our recommendations paper to the SEMC and have obtained approval from the SEMC in August 2023, allowing us to start the Tender.</p> <p>The LCIS Procurement process is being carried out in two separate stages, Stage 1 – Pre-Qualification Questionnaire (PQQ), followed by Stage 2 – Tender, which is also called a Request for Proposal (RfP). The purpose of the PQQ is to qualify companies based on their previous experience to progress to the next stage, while the purpose of the RfP is to evaluate the offers received and to identify the successful tenderers.</p> <p>The PQQ commenced in July 2023 and the outcome is expected in September 2023. It is expected that prequalified candidates will be invited to complete an RfP in September/October and that the outcome will be in December 2023.</p>
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	<p>Planned activities over the 2023/2024 period include:</p> <ol style="list-style-type: none"> 1. Commence Tender (RfP) process – September/October 2023 2. Tender (RfP) Outcome – December 2023 3. Signature of Contracts – January 2024 <p>Phase 2:</p> <p>Following the outcome of Phase 1, the LCIS Procurement Phase 2 will commence. Phase 2 will also require conducting a comprehensive suite of studies to determine our 2030 requirements and to consult industry on these requirements, procurement approach and contractual arrangements before progressing to tender stage. The tender process is expected to start in Q4 2024 and be completed in 2025.</p>
Delivery	<p>Position as of 30 September 2024</p> <ul style="list-style-type: none"> <input type="checkbox"/> Tender (RfP) Outcome – Complete <input type="checkbox"/> Signature of Contracts – Complete
Date Revision	<p>A new European Regulation needed to be considered for the EirGrid Procurement process and resulting in a delay to commence the Tender (RfP) process. While the regulation only needed to be considered in Ireland, the decision was taken to progress both, EirGrid and SONI Procurement, at the same time to facilitate the processes and optimise resources.</p> <p>The delay to commence the Tender process also had a knock-on effect on the Tender Outcome and Signature of Contracts. Note also that the outcome of the LCIS Phase 1 procurement was required to carry out the technical studies for LCIS Phase 2. The commencement of the LCIS Phase 2 will therefore not start in Q4 2024. SONI plan will be announced to industry in due course.</p>
Stakeholder Satisfaction/Engagement	<p>We gave visibility to Industry early on our LCIS Phase 1 plan, first via the publication of our SOEF Roadmap V1.0 – Operational Workstream plan (November 2021) and via a specific LCIS Webinar to present our detailed plan (December 2021).</p> <p>We consulted with Industry twice, on the requirements and procurement approach & on the contractual arrangements. We also organised webinars to present the content of the consultations (July 2022, May 2023) and held bilateral meetings with developers and OEMs when requested.</p>

<p>Stakeholder Satisfaction/Engagement</p>	<p>We announced our requirements and proposed procurement approach well in advance of commencement of the procurement process. The volume and locational requirements were approved (SEM-23-002) 12 months before the RfP closed, which allowed a high number of projects to obtain planning permission.</p> <p>We worked continuously with the Regulatory Authorities (RAs) on this project. Several workshops on the key elements of the procurement design and contractual arrangements took place.</p>
<p>Adaptability</p>	<p>We amended the contract template in a very short period of time before the tender started to include new clause on the network charges arrangements to resolve issues that have arisen late (after consultation period).</p> <p>We have addressed all queries received during the Tendering period (RfP) and quickly adapted Tender forms when needed without creating any further delays.</p> <p>Following the notification of outcomes, we have engaged rapidly with the LCIS successful tenderers to make sure contracts could be executed within 20 business</p>
<p>Cost Scale</p>	

Description of Activities	<p>The Objectives & Key Benefits over the 2023/2024 period consist of:</p> <ul style="list-style-type: none"> ❑ A consultation paper will outline the issues that are driving the need for a procurement mechanism for Long Duration Energy Storage (LDES) ❑ Strike the balance between adequately incentivising investment in LDES, while also providing value for money to the end consumer ❑ Close off a number of key risks such as questions surrounding, Minimum Import Capacity (MIC), Firm Access and market access. <p>The Key Actions & Deliverables over the 2023/2024 period include:</p> <p>Analysis of Potential Solutions:</p> <ul style="list-style-type: none"> ❑ Publish initial consultation on potential solutions for bridging the incentivisation gap with regard to LDES – October 2023 ❑ Draft decision paper outlining the selected LDES procurement mechanism for RA approval – January 2024 (depends on the scale of responses) <p>Technical Studies</p> <ul style="list-style-type: none"> ❑ Perform detailed technical studies into the implementation and added value of LDES in the transmission system – March 2024 <p>Contractual Arrangements</p> <ul style="list-style-type: none"> ❑ Public consultation on LDES contractual arrangements – February 2024 ❑ First draft of the LDES contractual arrangements recommendations paper – April 2024 ❑ Submission of contractual arrangements recommendations paper for RA approval – June 2024
Delivery	<p>Position as of 30th September 2024:</p> <ul style="list-style-type: none"> ❑ Publish initial consultation on potential solutions for bridging the incentivisation gap regarding LDES. - (As detailed in the Mid-year report this was rescoped as a Call for Evidence on the Market Procurement Options for LDES) - Complete ❑ Draft decision paper outlining the selected LDES procurement mechanism for Regulation Authority approval. – Not Progressed ❑ Perform detailed technical studies into the implementation and added value of LDES in the transmission system. - Complete ❑ Public consultation on LDES contractual arrangements. - Not Progressed

	<ul style="list-style-type: none"> ❑ First draft of the LDES contractual arrangements recommendations paper— Not Progressed ❑ Submission of contractual arrangements recommendations paper for RA approval - Not Progressed
Date Revision	<p>As part of this initiative, SONI worked closely with EirGrid to explore the potential for achieving shared goals. Following the insights uncovered in the call for evidence, SONI reassessed how this could be progressed taking into consideration the approach in Ireland and the DfE consultation on LDES (as part of the Smart Systems and Flexibility Programme). We are continuing to actively engage with DfE and the UR to understand how we can take this project forward. The milestone not progressed in this project are due to delays Outside of SONI's control.</p>
Stakeholder Satisfaction/Engagement	<p>We have maintained ongoing engagement with Regulatory Authorities, DfE and market participants to ensure continued progress on this project. These collaborative efforts have been vital in addressing challenges, aligning priorities, and exploring solutions to move the project forward. By fostering open communication and building strong relationships, we have demonstrated our commitment to achieving the projects objectives while navigating the complexities of the regulatory and industry landscape.</p>
Adaptability	<p>Despite these challenges and delays associated with these milestone, we have continued to conduct extensive technical studies, modelling and analysis to assess the impact of LDES and support the development of future programs. This ongoing work has demonstrated our adaptability and commitment to advancing the project, even while waiting for policy and regulatory clarity. By proactively undertaking this analysis, we have ensured that we remain prepared to progress key activities and align with strategic objectives as soon as the necessary direction is given.</p>
Cost Scale	