SRP27

Summary

SONI Business Plan

October 2027 - September 2032




"Meeting Northern Ireland's energy needs, today and in the future."


August 2026

CEO Foreword

We are in the midst of a once in a generation energy transition. As set out in SONI's Strategy 2025 – 2031, codeveloped with our stakeholders, as Northern Ireland's independent electricity Transmission System Operator we have the crucial dual responsibility of meeting Northern Ireland's needs today, and in the future.

This Business Plan, for the 2027 to 2032 price control period, has been developed to enable SONI to deliver on our statutory and regulatory obligations, including SONI's operational independence as required under Licence Condition 42. It has also been robustly developed to deliver stakeholders' wider expectations and ambitions, reflected in our Strategy of strengthening our role as a trusted expert advisor, moving to a more plan-led approach to grid development, and transforming our operations through enhanced data, analytics, and digital tools. All the while ensuring strong value for money for consumers.

With ambitious renewable and net zero targets set in the Northern Ireland Energy Strategy and Climate Change Act, this is a challenging and exciting time. As with other Transmission System Operators across these islands, investment is required in SONI to deliver the energy transition collaboratively and at pace, while at the same time, maintaining a safe, secure and reliable supply to every home, farm, business and public service across Northern Ireland.

This Business Plan clearly and transparently sets out the investment needed in our people, our mission, critical IT systems, data capabilities, and operational tools, as well as the scale of investment required in the transmission network over the coming years not just to keep the lights on, but to enable the transition to a net zero power system by 2050.

This investment is also about enabling a smarter, more flexible, and more efficient power system for consumers. As well as the social and environmental benefits of increasing integration of cleaner power, your investment will allow SONI to deliver real tangible value to consumers in the form of lower bills from 2032 onwards. As analysis in this plan shows, An additional pound invested in SONI during SRP27 above current expenditure could deliver a net benefit of up to £1.50 during the next price control, and between £4 and £7 by 2050.

We remain committed to providing a world-class system operator service for Northern Ireland. Delivering tangible benefits for the Northern Ireland consumer is at the heart of this Business Plan. With the right level of investment, SONI can unlock faster renewables deployment, reduce curtailment, improve integration of new technologies, enhance security of supply and deliver the system efficiencies that will ultimately lower bills.

We recognise the critical importance of collaboration and remain committed to working in partnership with stakeholders across government, industry and society throughout the next price control period to help achieve the whole energy system, whole society approach required to deliver Northern Ireland's collective ambition of a cleaner energy future for everyone.

Alan Campbell
Chief Executive Officer,
SONI Ltd

Overview of SONI & SRP27

SONI is Northern Ireland's Transmission System Operator (TSO), responsible for the safe, secure, and efficient operation of the high voltage electricity network. We ensure power flows from generation to end-users in real time and we plan the electricity transmission system for future consumer needs.

We do not generate or sell electricity, nor do we own any of the assets associated with Northern Ireland's electricity grid. In delivering our role, we are licensed and regulated by the Utility Regulator.

We play a vital role in facilitating the energy transition in Northern Ireland and we strive to unlock financial savings for electricity consumers.

Our next price control runs from October 2027 to September 2032. It is referred to as 'SRP27'. This Business Plan which sets our plans for the next 5-year period provides the Utility Regulator and consumers with an overview of the costs of delivering these obligations and the impact that these costs will have on the end-user bill. We also demonstrate the benefits and cost savings to consumers as a result of our investments in SRP27 resulting in net savings to consumers which will continue into the SRP32 period and beyond.

SONI Strategy

The SONI Strategy 2025–2031 sets out our purpose of

"Meeting Northern Ireland's energy needs, today and in the future."

This strategy was developed through extensive stakeholder consultation and engagement, and has received widespread support from stakeholders across our three key stakeholder groups (Industry, Statutory and Society)

The strategy focuses on enabling a cleaner, affordable, and secure energy future through collaboration, innovation, and a whole-system approach. We will further enhance our position as a trusted adviser to government and industry, supporting policy development and strategic investment decisions during the SRP27 period.

Figure 1: SONI's Strategic Pillars

SRP27 Key Factors

We have identified five key factors that that we have considered in developing our plans. These are:

SONI Strategy 2025-31	Our Purpose is to Meet Northern Ireland's energy needs today, and in the future. We plan to take on a wider role. Our strategic ambitions are based on a whole system approach with a clear focus on collaborating closely with all stakeholders to ensure the needs of the Northern Ireland consumer are met. We intend to enhance our role and move to a plan led approach to enable us to more effectively deliver against the challenges ahead, and act as a trusted adviser using evidence-based methods.
TSO licence compliance & licence condition 42	As a regulated entity, SONI must comply with its regulatory requirements. During SRP20, a new licence condition was added requiring managerial and operational independence from our parent company, EirGrid (the transmission system operator for Ireland). Implementation of this Licence Condition 42 is ongoing, and some separation activity relating to IT systems will be a prominent programme of work in the early years of SRP27.
EU market developments & SEM Committee decisions	As part of the EU Internal Market for Electricity, the all-island Single Electricity Market (SEM) must abide by European rules around system operation and market design. There is a significant suite of changes expected to these European rules. The SEM Committee, responsible for regulating the SEM, are developing a Multi-Year Markets Roadmap. There are expected to be a significant number of All-Island Programmes (AIPs) during SRP27 to ensure that the SEM is compliant with EU rules in the future. We expect to have a continuing role with the SEMC in designing, implementing and operating these important initiatives
Revenue collection agent role	SONI provides borrowing facilities for the SEM to ensure that there is sufficient liquidity in the market to pay participants if there is a mismatch in revenue coming in versus payments going out. With the introduction of new markets for system services in 2027, and increased volatility in the energy market, we are being asked to increase the level of borrowing facilities available to the market. Based on SONIs size and structure, it is expected that financeability is a key consideration for the SRP27.
NI Energy Strategy & Climate Change Act	Following the introduction of the Climate Change (NI) Act 2022, the NI Executive are due to publish Climate Action Plans and sectoral plans for decarbonisation (including for energy). Pending publication of these plans, there remains a degree of policy uncertainty limiting the level of long term planning detail we can include at this stage in our Business Plan for the 2027-32 period. SONI remains fully committed to working collaboratively with policymakers and other stakeholders to ensure our plans align with Northern Ireland's evolving energy and climate policy framework.

Table 1: SONI Key Factors

How the past is shaping the future

The 2020–2027 price control period (SRP20) has been a period of substantial change for SONI - reshaping the organisation's capabilities, governance, and strategic direction. Three major policy areas - the Climate Change Act (NI) 2022, the continued developments of the SEM under EU legislation, and the introduction of Licence Condition 42 - have driven a step change in how we operate as Northern Ireland's Transmission System Operator.

Across this period, we have delivered a wide range of transformational outcomes. The key highlights are summarised here. These achievements reflect a maturing, increasingly independent, and future focused system operator.

We have continued to learn and adapt from the successes and challenges experienced in SRP20. We enter the SRP27 period with new governance structures, clearer KPIs, deeper stakeholder engagement, and a robust operational and strategic foundation to support Northern Ireland's transition towards a secure, low carbon electricity system.

2020

Shaping Our Electricity Future

The establishment of the SOEF initiative and the work coming out of it, such as publication of the Operational Policy Roadmap, highlights SONI's plan to deliver Net Zero operations of the power system by the mid-2030s.

Operational Roadmap & 75% SNSP

System Non-Synchronous Penetration (SNSP) is a key metric of how much renewable generation can be on the power system at once. This was limited to 65% in 2020 but increased to 70%in 2021 and to 75% in 2022

TESNI

Tomorrow's Energy Scenarios published, setting out credible pathways for how Northern Ireland's energy system — and especially the electricity transmission grid — may evolve out to 2050

Stakeholder Engagement

SONI undertook a Stakeholder Needs Assessment in 2023 which informed the development of a Stakeholder Engagement Strategy. SONI monitor stakeholder feedback and key metrics have improved throughout SRP20.

LC42 Implementation

Following the introduction of Condition 42 in SONI's TSO licence, a new independent Board were appointed in 2023 and a fully independent management team were in place in 2024. SONI is on track to fully implement the requirements of condition 42 by Oct 2026 (subject to approval of derogations by the Utility Regulator)

Future Energy Modelling Group

SONI worked with the Utility Regulator and the Department for the Economy to undertake modelling of the future energy system in Northern Ireland to inform policy making.

Low Carbon Inertia Services

Key to achieving our decarbonisation targets and reducing costs to consumers is the delivery of the LCIS programme. Two contracts for synchronous condensers in NI were awarded in November 2024.

North South Interconnector

The North-South Interconnector will add a new 400 kV overhead line linking the electricity grids of Northern Ireland and the Republic of Ireland, strengthening system stability and supporting decarbonisation. SONI handed the project to NIE Networks in November 2024, and construction of the first towers on the 34km northern section began in February 2025.

Scheduling & Dispatch Programme

SDP has resulted in fundamental changes to the market and operational systems. This has enabled battery technology to compete in the energy market and deliver benefits for consumers.

Network Planning & Delivery

SONI's network planning activities have continued, and we have established a Joint Planning & Modelling Office (JPMO) with NIE Networks to speed up development and delivery of transmission network projects. SONI has also progressed Transmission Clusters as an additional option

Security of Supply

Ensured the operation of a safe and stable system through challenging conditions outside of SONI control.

Dispatch Down Action Plan

SONI published an action plan to address rising renewable dispatch down in Northern Ireland, outlining short, medium, and long-term measures to reduce curtailment and constraints while maintaining system security.

SONI Strategy 2025-31

SONI launched a new strategy for the next 6 years. Developed through extensive stakeholder engagement in NI.

2025

Figure 2: SONI's Key Achievements

Stakeholder Engagement

Over SRP20, SONI has experienced rapid growth in stakeholder diversity and volume, requiring a more systematic and thoughtful approach to engagement.

In response, we have implemented a strengthened engagement framework, guided by a set of principles based on inclusivity, transparency, responsiveness, being proactive and 'closing the loop'. These principles ensure meaningful co-development and balanced decision-making across a complex and evolving energy system.

Overall, our enhanced approach marks a cultural and operational step change. Engagement is no longer a procedural requirement, but a core enabler of system transformation.

We are embedding a continuous, transparent, co-development model designed to increase trust, accelerate delivery, and ensure that Northern Ireland's energy transition is fair, inclusive, and aligned to the needs of those who will ultimately fund and benefit from it.

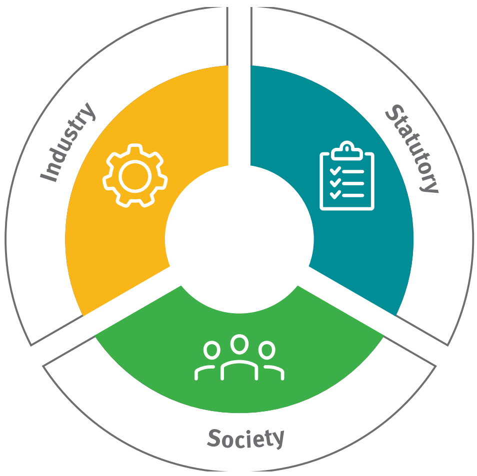

Figure 3: SONI's Stakeholder Categories

Key Stakeholders

- Local communities
- Landowners
- Elected representatives
- Civic Society Groups & Academia
- Businesses and Business Representative Groups
- Customers
- Market Participants
- Industry Partners
- Government
- Regulatory Partners
- Local Government
- Other statutory partners

Strategy Delivery via SRP27

SONI's Strategy 2025-2031 sets out how we will help deliver a cleaner, more secure and affordable electricity system for Northern Ireland. Achieving this ambition requires a transparent and collaborative approach to how we deliver these goals.

This transformation presents challenges in scale, pace, and complexity, requiring strong collaboration across government, industry, and society. Delivery of SONI's value added benefits for NI consumers and other key stakeholders will depend on adequate resourcing and capability.

We also intend to invest significantly in our IT systems. This is in line with what other TSOs are experiencing – the need for IT investment and enhancements are necessary to allow the safe and efficient operation of an increasingly complex system. We expect to invest in areas such as Grid operations & Operational Tools, Enterprise digital & data platforms, All island programmes (as determined by the SEMC) and separation of IT systems as a result of Licence Condition 42.

We have set out below how our four strategic pillars, Advise, Plan, Deliver and Operate, will deliver real, measurable progress through the investments we have set out in our business plan across our people, systems and facilities.

Strategy Delivery Overview

Strategic pillar	How we'll deliver this	SONI staff resources	Grid operations & OTCE	Enterprise digital & data platforms	Delivery enablement & market support	Security, resilience & sustainability	IT separation	How we'll measure this
Advise	Strengthening partnerships with government, regulators & industry	●			●			KPI 14 KPI 15
	Providing data driven analysis	●	●	●			●	KPI 08 KPI 09
	Shaping policy in strategic areas to enable the energy transition	●						
	Advocating a plan-led, whole system approach	●		●	●			
	Delivering inclusive engagement	●		●	●			KPI 1
Plan	Maintain strong partnerships with government, UR, NIEN, Gas TSO & industry	●	●		●			KPI 10 KPI 11 KPI 12
	Provide data-driven analysis & technical evidence to inform decision-making	●	●	●	●		●	KPI 08 KPI 09 KPI 13
	Shaping policy in strategic areas to enable the energy transition	●	●	●	●			
	Advocating a plan-led, whole system approach	●			●			
	Engage transparently ensuring decisions are inclusive of all stakeholder perspectives	●		●	●			KPI 01 KPI 14 KPI 15
Deliver	Maintaining strong partnerships across industry	●			●			KPI 01
	Data-driven analysis & technical evidence to support delivery choices	●	●	●	●		●	
	Shaping policy in key strategic areas	●			●			
	Engaging transparently to ensure all stakeholder perspectives are considered	●			●			KPI 14 KPI 15
	Accelerating delivery through enhanced programme management	●		●	●		●	KPI 10 KPI 11 KPI 12
	Operational improvements & infrastructure upgrades	●	●		●		●	
Operate	Real time excellence	●	●			●		KPI 02 KPI 03
	Modernise operational tooling	●	●				●	KPI 04 KPI 05 KPI 13
	Data governance & transparency	●		●			●	KPI 06 KPI 14 KPI 15
	Collaborative operations	●		●	●			KPI 07

Figure 4: SONI Strategy Delivery

Key Investment Areas

The Key investment areas for SRP27 are summarised below:

SONI STAFF RESOURCE

Delivering our strategy will require a significant increase in staffing compared to SRP20, this is already underway to meet Licence Condition 42 and achieve operational independence. We will invest in our people, leadership, operational expertise and innovation, and ensure that Northern Ireland is fully represented in EU and SEM initiatives.

GRID OPERATIONS & OPERATIONAL TOOLES & CAPABILITY ENHANCEMENT

This programme supports the real-time control room through enhanced IT tools, new capabilities, and operational studies aligned to the Operational Policy Roadmap. Together, these investments will enable a secure transition to net zero operations while delivering financial savings for Northern Ireland consumers.

ENTERPRISE DIGITAL & DATA PLATFORMS

This programme will deliver the digital tools our stakeholders need, unlocking improved data, reporting, and decision-making through richer context and metadata. Alongside potential smart metering, it will enable consumer flexibility, reduce electricity costs, and support Northern Ireland's net zero ambitions.

DELIVERY ENABLEMENT & MARKET SUPPORT

This programme focuses on internal IT systems outside the control room, maintaining critical existing functionality while delivering new tools and capabilities. Investments such as a new CRM system will enhance stakeholder engagement, alongside state-of-the-art cyber security to protect vital national infrastructure and maintain security of supply.

SECURITY, RESILIENCE & SUSTAINABILITY

Alongside IT systems, investment is required in the buildings we operate. Castlereagh House, home to the main transmission control room, and the Emergency Control Centre are ageing assets with elements at end-of-life. Targeted upgrades will replace critical infrastructure while delivering improved sustainability and security.

IT SEPARATION

This programme covers key project phases to deliver independent SONI corporate and power systems IT by October 2029, meeting regulatory requirements. It is a major initiative to ensure IT separation happens smoothly with no impact on real-time operations, and it underpins other projects within the SRP27 Business Plan.

Measurement of Performance in SRP27

The table below presents the comprehensive suite of Key Performance Indicators (KPIs) that will be used to assess our performance during the SRP27 price control period (2027-2032). These KPIs have been developed to reflect the areas of performance for which we can be clearly accountable, and they collectively demonstrate our commitment to delivering a secure, reliable, transparent and future-ready electricity system for Northern Ireland.

KPI No.	KPI Title	Description	Strategic Ambitions	Target 2027/28–2031/32
KPI1	Stakeholder Satisfaction Survey	Maintain or exceed an average stakeholder satisfaction score above 3/5.	Advise, Plan, Deliver	>3 each year
KPI2	Health & Safety Incidents	Zero material Health & Safety incidents per year.	Operate	0 each year
KPI3	Physical Security Incidents	Zero material physical security events per year.	Operate, Deliver	0 each year
KPI4	Voltage Excursions	Zero voltage excursions beyond secure limits.	Operate	0 each year
KPI5	Frequency Excursions	Remain within 49.9–50.1 Hz for >98% of the time.	Operate	Remain within secure limits
KPI6	System Minutes Lost	Zero SML as a result of SONI action or inaction.	Operate	0 each year
KPI7	System Operations – Safety Incidents	Zero operational safety incidents per year.	Operate	0 each year
KPI8	Imperfections Forecast Accuracy	Outturn imperfections costs within +/-10% of forecast.	Advise, Plan	+/-10% each year
KPI9	System Services Forecast Accuracy	Outturn system services costs within +/-10% of forecast.	Advise, Plan	+/-10% each year
KPI10	TNPP Requests On Time – JPMO	75% of TNPP requests issued in line with JPMO milestones.	Plan, Deliver	75% each year
KPI11	TNPP Requests On Time – FWP	100% of TNPP requests issued in accordance with FWP milestones.	Plan, Deliver	100% each year
KPI12	Planning Applications On Time	75% of planning applications submitted on time.	Plan, Deliver	75% each year
KPI13	Operational Policy Roadmap Milestones	80% of annual Operational Policy Roadmap milestones achieved.	Plan, Operate	80% each year
KPI14	Licence Compliance Issue Resolution	100% of licence compliance issues closed on time.	Advise, Deliver, Operate	100% each year
KPI15	EPF Score	Achieve overall score above 3 out of 5.	Advise, Plan, Deliver, Operate	>3 each year

Table 2: SONI KPIs

Evaluative Performance Framework

The Utility Regulator introduced the Evaluative Performance Framework (EPF) into SONI's SRP20 price control. The EPF is an incentive mechanism devised to monitor and assess our performance and ultimately determine an incentive payment or penalty at the end of the annual process.

We place considerable value on the learning and insights derived from the EPF process. Feedback from stakeholders and the Expert Panel has been instrumental in informing continuous enhancement of our processes and strengthening how we deliver our statutory functions.

We have gained significant learning and insights into the effectiveness of the framework during SRP20 and the areas where further improvements can be made. We recommend that the framework continues into SRP27 with some changes to align closer to other similar frameworks introduced by the UR.

Innovation

Northern Ireland has set ambitious targets in terms of renewable energy and decarbonisation. Various mechanisms will play a part in delivery of these targets including additional transmission network build out, SONI's operational policies, market design and the use of digital technologies.

We will require innovative approaches to support the delivery of the energy targets in the most efficient manner for NI consumers while also ensuring that security of supply is maintained.

Network build alone is unlikely to solve all of the challenges we face as we continue to plan and operate an increasingly complex system.

Enhancing the use of existing operational tools and infrastructure as well as developing new tools, is a key part of the jigsaw in ensuring that we deliver on our ambitions. To this end, we have developed an Innovation Strategy which lays out how we will develop our innovative thinking throughout SRP27.

It is accepted that initial high-quality feasibility studies for network planning are valuable and deliver better business cases for full transmission network development projects, as well as better outcomes for NI consumers.

Given the vital role that other elements of our activities can play in delivering a cost-effective energy transition, we propose a mechanism to allow funding for initial feasibility studies for non-network projects which seek to deliver operational policy innovation, market design projects or digitalisation programmes. This approach can deliver more efficient outcomes for NI consumers.

Investments needed for SRP27

Delivery of the SONI Business Plan for 2027-32 will require a step change in funding compared to the 2020-27 price control. Our expected spending during 2020-27 will be just under £300m, while the total expenditure during 2027-32 is estimated to be £608m.

This large increase is driven by:

- increased staff costs as more staff are needed to operate, design and plan an increasingly complex and ever-evolving electricity system.
- increased investment in IT as management of the system and market becomes more complex, and European market design rules require more complex IT systems. Increasing IT costs is a trend we see across all neighbouring TSOs.
- transmission network planning costs, in terms of both staff and land acquisition costs for transmission network extensions and improvements.

There is a high level of energy policy uncertainty, market design uncertainty and some uncertainty around the design of independent SONI IT systems (a key dependency for many other IT projects).

This uncertainty makes it extremely challenging for us to provide detailed costs or implementation plans for many projects at this stage, and detailed business cases would not be up to the standard expected by the Utility Regulator or consumers.

We are, however, certain of the projects that will need to be delivered and that these projects are required to deliver on our legal and regulatory obligations or the SONI Strategy 2025-31, which has strong support from stakeholders. We have therefore developed cost estimates for delivery of IT investments needed.

The scale of costs will warrant changes to the regulatory model for the SRP27 when compared to previous price controls. This will include the introduction of up-front allowances that we can draw on to progress projects once the detailed costs are better understood. This will enable us to show some level of guaranteed revenue to lenders and therefore improve our ability to access finance.

To ensure that consumers receive assurance that money is being invested efficiently, we will submit detailed cost-benefit and implementation plans for scrutiny by the Utility Regulator on a project-by-project basis throughout the price control to draw down on this up-front allowance.

Balance of Risk & Return

SONI commissioned Frontier Economics to review the financial parameters that feed into the price control. These parameters were introduced by the CMA and have been applied to SRP20.

We have recommended increases to the weighted average cost of capital (the return that we earn on capital expenditure) and the revenue collection agent margin. We also recommend retaining the remuneration for the parent company guarantee as it currently stands, as well as the asymmetric risk premium rate that we currently receive.

The level of borrowing that SONI will require during SRP27 is significantly higher than anything we have borrowed before. This could cause us financeability issues throughout the price control and is a key factor for consideration by the Utility Regulator ahead of the SRP27 draft determination.

To borrow money, we are required to meet covenants set by our lenders. We must ensure that our assets and our earnings are proportionate to our borrowing.

We are required to put significant financial facilities in place to manage working capital requirements on behalf of the single electricity market. This is to reduce volatility in tariffs to end consumers. With the introduction of the Future Arrangements for System Services, the level of working capital that we are expected to take on will increase substantially.

The scale of this potential borrowing poses financeability problems for us, as unlike capital expenditure, it is not supported by an asset.

There are several ‘regulatory levers’ available to help address the financeability challenges that SONI (and the Utility Regulator) face for SRP27. These will need careful consideration, and the Utility Regulator may need to consider adjustments to a number of these ‘levers’ to ensure we are financeable.

This is expected to be a key area of focus for the SRP27 price control.

Value to Consumers

SONI, like other TSOs managing high renewable energy systems, requires significant investment in our staff and our IT systems to give our people the tools to manage an increasingly complex electricity system.

We also have additional one-off costs related to implementation of Licence Condition 42.

Historically, our core costs have represented less than 2% of the total annual domestic consumer bill.

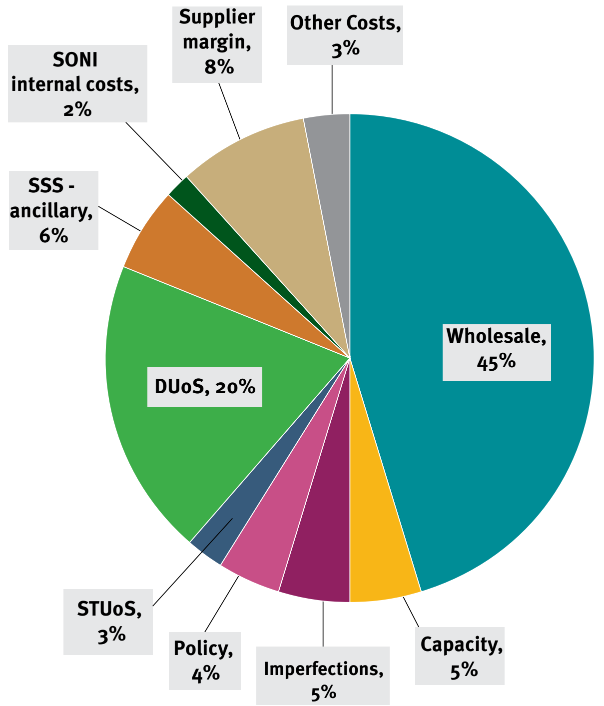

Figure 5: End user bill build up

Figure 48: End user bill build

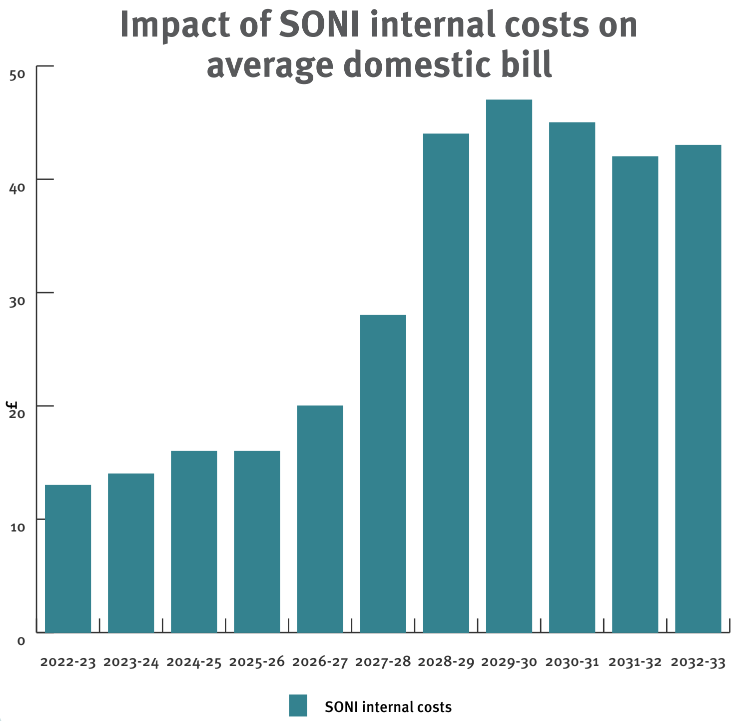

Figure 6: Impact of SONI internal costs on average domestic bill

As a result of necessary investments in capability and systems, our core costs will increase from now to 2032, moving from around £15 per year to around £43 per year by 2032, with a peak at around £46 in 2029. This will represent an average of around 4.6% of the total bill.

While costs will increase over the SRP27, we are mindful of the return on investment that consumers expect to see from their investment in SONI. To this end we commissioned Frontier Economics to undertake the Power of SONI[1] report in 2025.

This report shows the benefits that our actions, particularly regarding the implementation of our Operational Policy Roadmap[2], can bring. Notably, delivery of this roadmap can deliver a £3.8bn benefit to the Northern Ireland economy by 2050.

The 'Power of SONI' report also outlines the influence that SONI can have on different aspects of the consumer bill. Our key influence is over system support services, however it can also influence imperfections charges, NIE Networks' costs associated with the transmission network and to some limited extent wholesale energy prices.

Wholesale costs	**Wholesale energy prices**	Price paid by the supplier to buy the wholesale energy
	Capacity charge	Charge levied to cover the cost of the SEM Capacity Remuneration Mechanism
	Imperfections charge	Charge levied to cover the cost of SONI and EirGrid's control room actions via the SEM balancing market
	Other wholesale charges	Costs such as SEMO operating costs, currency costs and other error volumes – typically these are relatively small
Policy costs	**NI Renewable Obligations**	Suppliers are required to purchase renewable obligation certificates
Use of system charges	**STUoS**	NIE Networks' costs associated with owning, building and maintaining the NI transmission network
	DUoS	NIE Networks' costs associated with owning, building and maintaining the NI distribution network
Levies	**System Support Services**	Charge levied to cover SONI's core costs and ancillary service (DS3) payments
	Other levies	Costs to cover schemes such as NISEP and Moyle Interconnector costs
Supplier margin	**Supplier margin**	Direct costs associated with the supplier (including profit)

Figure 7: End user bill build up **Note green indicates high level of SONI influence, yellow indicates some SONI influence, purple indicates limited or no SONI influence*

By the end of SRP27, additional investment in SONI will have enabled us to offset the additional cost of its core functionality by reducing imperfections costs by an equivalent amount. The savings resulting from the investments made in SRP27 will continue into the SRP32 period and beyond.

As set out in our 'Power of SONI' publication, An additional pound invested in SONI during SRP27 above current expenditure could deliver a net benefit of up to £1.50 during the next price control, and between £4 and £7 by 2050.

This benefit is not limited to domestic consumers. Investment in SONI during SRP27 will also deliver future cost savings for non-domestic consumers, which in turn will have wider economic benefit.

1 "Power of SONI" report shows delivery of SONI Roadmap can deliver savings on electricity bills
2 Operational Policy Roadmap 2025-2035 | SONI

SRP27 Process on a page

We have set out below the key areas of engagement we expect to have with the UR throughout the SRP27 price control process. This includes the key factors, the scale of investment needed, innovation and performance. We have positioned our business plan to ensure that by the end of SRP27 we have delivered on the SONI strategy and achieved the vision for SONI as set out by the Utility Regulator.

SRP27 Key Factors

1. Delivery of SONI Strategy 2025-31
2. TSO Licence Compliance & LC42 Implementation
3. EU Market Developments & SEMC Decisions
4. Revenue Collection Agent – Increasing Costs
5. Support NI Energy Strategy & Climate Change Act

'Building Blocks' for SRP27

Increased Opex (due to LC42 & Wider role)

\+

Increased Capex (relating to IT & Facilities)

\+

Significant use of Uncertainty Mechanisms (IT Investment)

\+

Incentives via simplified EPF

\+

New Innovation Fund

\+

Increased volume & complexity of TNPPs

\+

Updated Financial Parameters (based on CMA precedents)

Financeability for SRP27

Existing Working Capital Challenges

\+

New Working Capital requirements based on SEMC decisions

\+

Funding for increased TNPPs

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Additional Capex Requirements

Financeability Challenge for SONI (& UR)

By 2032, SONI will have:

- Delivered on the goals and ambitions set out in the SONI Strategy
- Developed extensive local expertise to support a whole system approach and enhanced collaboration
- Moved to a Plan led approach ensuring alignment with key stakeholders
- Supported delivery of decarbonisation targets and energy policy as a Trusted advisor
- Reduced cost to consumers via our actions and advice

and achieved the UR Vision for SONI

"Our vision for SONI is that it is a strong and effective TSO that works on behalf of and advocates the interests of NI consumers, in particular with regard to the important changes necessary on the journey to a low-carbon system.
In the all-island arrangements, it should work co-operatively and as an equal partner with EirGrid TSO. The UR wish to make possible the realisation of appropriate synergies and efficiencies that may arise from SONI's position as part of the overall EirGrid Group, but only to the extent compatible with the overriding vision for SONI TSO."

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