

**Joint TAO/TSO PR5 Incentive**

**Multi-Year Balanced Scorecard**

**2022-2026**

15 October 2021

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## 1. Introduction

CRU/20/154 (Dec 2020) contains direction and guidance to EirGrid as the Transmission System Operator (TSO), to ESB Networks as Transmission Asset Owner (TAO) and Distribution System Operator (DSO)/Distribution Asset Owner (DAO) on Incentives and Reporting arrangements for the electricity networks Price Review 5 (PR5) period. Section 7.9 relates specifically to a new TAO/TSO joint multi-year incentive. This is the first time that TAO and TSO will operate under a joint multi-year incentive scheme. TAO and TSO welcome this new joint incentive which will enhance collaboration to deliver optimum outcomes for the customer and help to achieve the targets in the Climate Action Plan (CAP).

This submission contains a proposed methodology to incentivise, audit and assess the efficient TAO/TSO collaboration during 2022-2026 using a multi-year Balanced Scorecard approach as requested by CRU. It contains the specific targets for the 2022, 2023 and 2024 calendar years (as well as 2025 and 2026 at high level) under each heading provided for in CRU/20/154, section 7.9. The targets for subsequent years will be confirmed in advance of the relevant calendar year as part of the rolling annual submission and update of the multi-year incentive proposal.

This document has been prepared for consultation and to enable CRU to review the first multi-year plan and consider; the quality of the plan, its suitability for implementation and audit; and its impact across the areas set out in the TAO/TSO joint incentive. This submission covers the period 2022-2026. The TAO and TSO will subsequently jointly submit to the CRU in September each year, an updated detailed multi-year plan.

## 2. Background

### 2.1 Price Review 5 (PR5) Overview

In 2020, CRU set the price control for the PR5 period for the TSO, and for ESB Networks as TAO and DSO/DAO. The PR5 period runs from 2021 to 2025. CRU's decision paper on the TSO and TAO's Transmission Revenue for PR5 was published in December 2020 (CRU/20/152)<sup>1</sup>.

EirGrid (as TSO) is responsible for operating the transmission system in real-time and planning transmission network maintenance and development. ESB Networks (as TAO) is responsible for maintaining the transmission network and undertaking transmission investment at the request of the TSO.

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<sup>1</sup> <https://www.cru.ie/wp-content/uploads/2020/12/CRU20152-TSO-and-TAO-Transmission-Revenue-2021-20252.pdf>

## 2.2 PR5 Reporting and Incentives Framework - Decision Paper (CRU/20/154)

In December 2020 the CRU published a decision paper (CRU/20/154)<sup>2</sup> on Reporting and Incentives for the PR5 period (2021 to 2026). The document sets out a framework for improving reporting and incentives arrangements, covering activities undertaken by TSO, TAO and DSO/DAO.

The transmission decisions included in CRU/20/154 cover both reporting/monitoring (section 3) and transmission incentives (section 7). Some decisions apply to the TSO and TAO jointly; others apply to only one party.

Section 7.9 sets out the requirements for the TSO and TAO in the area of Joint Incentives. The full text of the decision is included below for reference.

### **CRU/20/154- Section 7.9:**

The TSO/TAO joint incentive will require the TSO (and TAO) to submit a multi-year plan which sets out key milestones and targets against the following areas:

- **Deployment of New Technology:** *ensure that not only are the processes effective in enabling the trialing and piloting of new technology. But also, that the TSO and TAO actively deploy and use new technology on the grid. This metric could include optioneering assessments, deployment of technology and a review of effectiveness.*
- **Project Initiation to CPP Agreed Phase:** *this is an area where efficiencies can be achieved through enhanced collaboration. The TAO and TSO proposed a joint incentive to measure time taken from the issue of Indicative Programmes and CPPs by TSO to reaching CPP agreed with TAO in a calendar year.*
- **Joint Process Improvement:** *examine the TSO and TAOs performance on the quality and rigor of application of joint processes for identifying and implementing efficiencies in project and programme delivery and other areas of collaboration.*
- **Asset and Programme Data Exchange:** *examine the TSO and TAOs performance on the exchange of information and provision of access to transmission asset and transmission work planning and delivery IT systems, data libraries, asset data, and programme & portfolio data with respect to delivery of transmission network Capex for the PR5 programme. The TSO and TAO will prepare a list of systems and data records relating to transmission assets and transmission work planning and delivery that are required to be shared along with timelines for the provision of data to ensure efficient throughput of the PR5 common design and construction quality review process and eliminate the potential for conflicts. The PR5 reporting framework on data verification may also provide useful insights into the effectiveness of this metric.*

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<sup>2</sup> <https://www.cru.ie/wp-content/uploads/2020/12/CRU20154-PR5-Regulatory-Framework-Incentives-and-Reporting-1.pdf>

### **3. TAO/TSO Joint Incentive Multi-Year Balanced Scorecard 2022-2026**

#### **3.1 Proposal Overview**

Both the TSO and TAO have already jointly submitted a Balanced Scorecard proposal to CRU for 2021 in February 2021<sup>3</sup>. This Balanced Scorecard proposal for 2022-26 builds on the 2021 plan following the same core principles and using a similar format. It is in keeping with the aims of the CRU to move to a broader, more audit-based approach when assessing incentive performance. On that basis the TAO and TSO have focussed on key areas where enhanced collaboration between ESB Networks and EirGrid is likely to be of most benefit to our customers during the period 2022-26.

This first multiyear plan and balanced scorecard proposal covers the period 2022 – 24 (as well as 2025 and 2026 at high level). An updated multi-year plan will be submitted to CRU in September annually. Sections 3.2 to 3.4 (and Appendix 1) outline the set of proposed joint multi-year incentives 2022-26. The TAO and TSO will consult publicly in parallel with the submission of this proposal to the CRU in October 2021.

As intended, the introduction of these joint incentives has enhanced the conditions necessary for new levels of engagement and innovation of approach. The incentive areas within the balanced scorecard are by their nature complex and will therefore, for the most part, be assessed on a qualitative basis by the auditors. Given the complexity of the joint incentive proposals and the approach necessary to progress them, it is not practical to specifically define the incentives in terms of quantitative metrics or granular milestones. The independent external audit approach is therefore the appropriate mechanism to assess the modalities of the steps taken to deliver these joint business improvements and to evaluate the outcomes and implementation of measures which are not as yet fully defined. The level of granularity and detail provided within this submission is therefore indicative of the complex matters under consideration. It is anticipated that this submission adequately explains the plan and the rationale and provides sufficient detail to the key stakeholders and partners who are working together to meet national Climate Action Plan targets and regulatory commitments.

#### **3.2 Deployment of New Technology**

The TSO and TAO are working collaboratively to review new technologies for use in the Technology Toolbox for future transmission network planning and development. A programme of work for each asset category; Overhead Lines, Underground Cables and Stations is underway developing the steps required to transition these technologies to business as usual. This Technology Toolbox will facilitate the increase in renewable connections, hand in hand with the transition to a low-carbon energy system. Examples of projects are Dynamic Line Ratings, Power Flow Controllers and Composite Pole structures. Innovative technologies such as these can result in the successful uprating of lines that was previously not feasible and greatly increasing the efficiencies of new circuits being planned.

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<sup>3</sup> As at 15<sup>th</sup> October 2021, CRU decision pending.

It is proposed for each of the years within the multi-year Balanced Scorecard to target the implementation of new technology on the transmission system as described in the Balanced Scorecard Matrix in Appendix 1. The Technology Toolbox tracker will be maintained, updated and developed. This is a qualitative incentive metric with the joint PR5 multi-year incentive framework.

The Technology Toolbox tracker features a list of innovative technologies that are currently in the process of being developed to point of being readily deployable across the transmission system. For each of the projects being considered, the tracker features an industry standard Technology Readiness Level (TRL) assessment of between 1 and 8 with 1 being a technology at concept stage and 8 being a technology that can be readily deployed on the system in a business-as-usual manner. The technologies that will be assessed and/or deployed during 2022 – 2026 are as follows:

ASSET CATEGORY	NEW TECHNOLOGY
Overhead Networks	Composite Cross Arm
Overhead Networks	Composite Pole
Overhead Networks	Dynamic Line Ratings
Underground Networks	DTS - Distributed Temperature Sensing
Underground Networks	S $\geq$ 3000mm <sup>2</sup> Cu XLPE cable
Underground Networks	Trefoil Formation for 220 and 400kV Circuits
Stations	400kV Series Compensation
Stations	Dynamic Power Flow Controllers

### 3.3 Project Initiation to CPP Agreed Phase

The continued collaboration between the organisations from the initiation phase of a project through to the agreed parameter stage is an important focus for increased project throughput towards ultimate project delivery. Maintaining a continuous focus from Indicative Programme (IP) issue to Committed Programme Parameter (CPP) agreement is an area where efficiencies can be achieved through enhanced collaboration. This area has benefitted from increased collaboration between the two organisations in recent years. This incentive will provide a helpful metric on the continued collaboration between both organisations, leading to the ability to develop project mitigations and to develop process improvements where required. This is a quantitative incentive where the TAO and TSO aim to progress 25 transmission projects from IP to CPP agreed (within the target timeline in the Infrastructure Agreement) for each of the years from 2022 to 2024. Due to the particular nature of this incentive, the specific projects to which this metric will apply cannot be stated at this time, but the target list of projects will be agreed by TSO and TAO at the start of the relevant calendar year.

Metric	TARGET
IP Issued to CPP Agreed	25 x IP Issued to CPP Agreed annually 2022-2024, targets for 2025-2026 to be confirmed as the PR5 and PR6 programmes evolve.

Indicative of the improvement to be achieved and maintained during PR5, this target represents an increase of project throughput within the target time as compared with the PR4 period. Monitoring and measuring the progress of each individual project provides assurance on the pipeline of projects. The auditors will gauge performance based on the numbers. Individual projects may be delayed or deferred at any stage due to circumstances outside of the control of either the TSO or TAO, and may fall from the programme and be validly discounted from this target. However both the TSO and TAO are committed to project substitution where possible to maintain the project throughput and to maximise the efficiency and use of resources. This is a challenging target and while appearing static over 2022-24, it is calibrated to meet the project pipeline needs for PR5. The improvement in TSO/TAO collaboration will be evident to the auditors based on the quality of monitoring, proactive management, substitution, information flow and initiatives like batching of projects which will underly achieving the target. Targets for 2025 and 2026 will be based on the project throughput needs which continue to evolve for PR5 and PR6 that have yet to crystallise.

### 3.4 Joint Process Improvements

This metric within the multi-year scorecard will be qualitatively audited and will examine the TAO and TSO's performance in identifying and implementing joint processes leading to efficiencies in project and programme delivery and other areas of collaboration.

The focus in 2022 is on a set of improvements to be implemented in the planning of Transmission Outage Programme (TOP) for 2022. This includes a multiyear look ahead and specific initiatives and prioritisation on key high volume programmes. The benefit of these improvements will

subsequently be embedded in the TOP processes for future years, and will accrue sustainable improvements over the following years.

The focus in 2023 is on further implementation of changes and improvements to TOP 2024 planning and quality assurance processes. In addition, there will be a focus on the provision of an important subset of project management information to the TSO via regular reporting from the new Project Management Information System (PMIS) implementation plan currently underway by the TAO. This provision of information is part of the ongoing sharing of information on system platforms, and the move towards digitisation of the various project management processes.

The focus in 2024 will be to refine and embed the TOP planning improvements into an optimised and enduring process to maximise work delivery. In 2024, it is appropriate to consider and review the performance metrics and programme outcomes in 2021-23 period with a view to establishing whether the optimised processes will succeed in accommodating the required PR5/PR6 maintenance and capital works programmes. The review will also establish and progress specific other project development and delivery processes initiatives that have the potential to optimise project scheduling and outage times and fit more work into the programme. Initiatives under review, pilot or implementation during 2024 will be demonstrated to the auditors.

Over the course of the multi-year period the TSO and TAO will jointly work on improving processes such as how transmission programme and outage data is jointly reported and the effectiveness of processes to increase the through-put of projects through the development stages towards delivery. Further collaborative process improvements will be outlined in subsequent multi-year scorecard plans. Indicative areas of focus are outlined in the table below. Additional process improvements will be identified during the course of the multi-year plan and will be updated on a rolling basis.

Metric	TARGET
Joint Process Improvement	Transmission Outage Programme (TOP)
Joint Process Improvement	Project Management Information System (PMIS) – Project Schedules
Joint Process Improvement	Implementation of Cost Improvements
Joint Process Improvement	Project Acceleration to Project Agreement

### **3.5 Asset and Programme Data Exchange**

This is a qualitative incentive metric which measures the quality of asset and programme data exchange between the two organisations. The provision of useable data to ensure efficient throughput of projects is essential to processes, programmes and portfolios for both the TAO and TSO. Both the TAO and TSO are committed to the proactive and timely provision of information using appropriate systems and data sharing to efficiently deliver transmission network capex for the PR5 programme.

During 2021 both the TAO and TSO are examining and making a full inventory of Asset and Programme data exchange and provision of access to transmission asset and transmission work planning and delivery IT systems, data libraries, asset data, and programme and portfolio data supporting Transmission project delivery.

The TAO and TSO propose to demonstrate progress in the area of Cost Information data sharing which will be implemented during 2022. TSO/TAO overall progress on meeting these targets will be assessed qualitatively by the external auditors. Accurate cost information is critical to TSO project development activities. A joint TAO/TSO project cost estimating working group has been established to improve the cost information available to the TSO. The review and production of an updated set of Transmission Standard Development Costs (TSDCs) by the working group will provide the basis for more accurate estimation of overall transmission project costs, and improve cost certainty in respect of customer connection projects. While essential information sharing between the TAO and TSO is covered by various legislation and agreements, the detail of transmission cost information is commercially sensitive and will remain confidential to the TAO and TSO and to CRU if required for the purposes of regulatory oversight and audit.

The focus in 2023 will be on the Joint Programme Management collaboration SharePoint platform and enhancements to digital first collaboration arrangements.

The focus in 2024 will be on achieving an effective 'one source' of information exchange on appropriate digital collaboration platforms. The collaboration suite will have appropriate control measures and support arrangements and will provide good user experiences. Demonstration of the effective arrangements to auditors will provide full visibility and assurance for stakeholders as to the engagement and collaboration operating at programme level.

The focus in the subsequent years of the multi-year incentive plan will support the digitisation of project management and reporting processes. This will include the continued development of policies, platforms, user experience, structure and support of these systems and data sharing processes to demonstrate improved and timely data sharing at each critical stage of the project development and delivery phase of each project from both a joint programme perspective and at individual project level. The inventory will form the baseline for identifying data exchange improvements in the multi-year plan. Indicative areas of focus are outlined in the table below. The detail and scope of the specific initiatives will continue to develop and additional asset and programme data exchange improvements will be identified during the course of the multi-year plan and will be updated on a rolling basis. This is outlined in the Balanced Scorecard matrix in Appendix 1 which will be updated in future multiyear plan submissions.

Metric	TARGET
Asset and Programme Data Exchange	Transmission Standard Development Costs (TSDCs)
Asset and Programme Data Exchange	JPMO Site Structure and Access to JPMO SharePoint
Asset and Programme Data Exchange	Technical Operating Limits (TOL) data sharing, Close-out and As-Built Drawings, Asset transfer extranet site per project
Asset and Programme Data Exchange	Transmission Outage Programme (TOP)

### **3. 6 Proposed Assessment Principles**

The TAO and TSO propose that the following principles and criteria should apply when auditing and assessing performance against the balanced scorecard:

1. The TAO/TSO may seek an ex post adjustment to the targets reported for a calendar year, particularly where third party events, or exogenous events outside of the TAO's or TSO's control, arise and create a measurable and justifiable deviation from planned or forecast performance. Where relevant third party activities advance the progress of projects and the achievement of specific targets, this too will be noted.
2. Where such issues arise, these will be detailed in the audit materials provided, summarised in the annual TAO/TSO Incentives report and will include the reasons for any adjustments. Such target adjustments will be validated by the external auditor as part of their audit.
3. Each of the metrics on the TAO/TSO PR5 balanced scorecard should be afforded equal weighting. The weighting is provided to allow for the calculation and partial award of the joint incentive as appropriate.
4. The cost of the audit shall be recoverable by the TSO and TAO under Opex each year.
5. In a multi-year Balanced Scorecard framework the audit process will assess the evidence provided by the TSO and TAO in reference to the relevant metrics for the applicable calendar year and not for the five year period.
6. The TSO and TAO will advise in which year a material process improvement is deemed to be sufficiently well developed post implementation to include within a specific audit calendar year.
7. An independent auditor (s) will be engaged to assess performance in this regard who will report the summary audit findings to the CRU. An audit scope document will be prepared jointly by the TAO and TSO. The proposed scoring system is as per the tables included in Appendix 1 and 2.

## **4. Conclusion**

The TAO and TSO believe that this submission provides an appropriate methodology to incentivise efficient collaboration in the period 2022 -26. Our proposed approach is in keeping with the philosophy set out in CRU/20/154. Both qualitative and quantitative metrics are included. This allows the auditor to evaluate incentive performance. This proposal also provides a solid basis for an annual updated submission on the Balanced Scorecard for the TAO/TSO Joint Incentive and the multi-year plan.

The actions in the submission are set out annually for the first 3 years of the incentive plan where possible. This is to provide indicative targets so that the incentive supports progressive delivery and performance across the year. Subject to appropriate governance, the delivery of individual actions may vary to reflect efficient delivery of the overall incentive priorities. Where such dates are provided, it is intended that these are indicative and for information only, and that the incentive outturn assessment will be based on achieving the overall annual deliverables. Full details of the balanced scorecard are provided in Appendix 1.

## 5. Next Steps

The consultation period will run for five weeks, beginning on 15<sup>th</sup> October 2021, and closing on 19<sup>th</sup> November 2021.

### **Consultation Question:**

The purpose of the new Joint TSO/TAO multi-year incentive is to promote efficiencies through enhanced collaboration in network project delivery. Do you have comments on the collaboration activities proposed to achieve this aim as part of the Joint TSO/TAO 2022-2026 multi-year plan?

Interested stakeholder's views are invited until 17:00pm on 19<sup>th</sup> November 2021 and can be sent to [info@eirgrid.com](mailto:info@eirgrid.com) and [consultations@esbnetworks.ie](mailto:consultations@esbnetworks.ie)

## APPENDIX 1: Joint TSO/TAO Multi-Year Balanced Scorecard Metrics 2022-2026

Balanced Score Card for joint EirGrid and ESB Innovation Projects 2022 - 2026											
Item	Metric Description	Weighting	Approach	Strong	Acceptable	Below Acceptable	2022 Targets	2023 Targets	2024 Targets	2025 Targets	2026 Targets
1	<b>Deployment of New Technology (Items 1a, 1b &amp; 1c combined)</b>	25%	See below	See below	See below	See below	See below	See below	See below	See below	See below
1a	<b>Deployment of New Technology (Overhead Lines)</b>		Qualitative	Demonstration of strong performance in the monitoring of the technology toolbox development	Demonstration of acceptable performance in the monitoring of the technology toolbox development	Failure to demonstrate performance in the monitoring of the technology toolbox development	<p><b>Dynamic Line Ratings:</b> Complete design, type and sample testing of proposed Dynamic Line Ratings Technology. Deploy DLR technology on first project - Lisheen Thurles in 2022.</p> <p><b>Composite Crossarm Technology:</b> Complete functional Specification (EirGrid) and begin design of Design Specification (ESB).</p> <p>Review market and identify candidates for Irish transmission system Complete functional Specification (EirGrid)</p>	<p><b>Dynamic Line Ratings:</b> Review progress and further rollout across both transmission and distribution system</p> <p><b>Composite Crossarm Technology:</b> Complete Design Specification (ESB) and proceed to framework process.</p> <p>Complete design Specification (ESB)</p>	<p><b>Dynamic Line Ratings:</b> Review progress and further rollout across both transmission and distribution system.</p> <p><b>Composite Crossarm Technology:</b> Complete design, type and sample testing of Composite crossarm technology.</p> <p>Complete Procurement Process</p>	<p><b>Dynamic Line Ratings:</b> Project complete.</p> <p><b>Composite Crossarm Technology:</b> Technology to be made readily available to proposed projects.</p> <p>Complete Design, Type and Sample testing of Composite Pole Technology</p>	<p><b>Dynamic Line Ratings:</b> Project complete.</p> <p><b>Composite Crossarm Technology:</b> Review for other voltages.</p> <p>Technology to be made readily available to proposed projects.</p>

Balanced Score Card for joint EirGrid and ESB Innovation Projects 2022 - 2026

Item	Metric Description	Weighting	Approach	Strong	Acceptable	Below Acceptable	2022 Targets	2023 Targets	2024 Targets	2025 Targets	2026 Targets
1b	Deployment of New Technology (Underground Cables)		Qualitative	Demonstration of strong performance in the monitoring of the technology toolbox development	Demonstration of acceptable performance in the monitoring of the technology toolbox development	Failure to demonstrate performance in the monitoring of the technology toolbox development	<p><b>S =/&gt; 3000mm2 Cu XLPE cable:</b> Complete functional Specification (EirGrid) and evaluate Vendor Designs &amp; Specifications (ESB) as part of HV cable Term contract due to issue in 2022</p> <p><b>Trefoil formation for 220 and 400kV circuits:</b> Installation underway in 2022</p> <p><b>Distributed Temperature Sensing:</b> Finalising tender award and testing in 2022.</p>	<p><b>S =/&gt; 3000mm2 Cu XLPE cable:</b> Finalise Contract Award /Approved Suppliers (ESB) and Eirgrid .Issue Purchase Order for Agreed Testing Programme ESB/EirGrid</p> <p><b>Trefoil formation for 220 and 400kV circuits:</b> Reviewing performance and fine adjustments to be made.</p> <p><b>Distributed Temperature Sensing:</b> Complete installation in late 2023.</p>	<p><b>S =/&gt; 3000mm2 Cu XLPE cable:</b> Arrange for cable /accessory Production and Installation</p> <p><b>Trefoil formation for 220 and 400kV circuits:</b> Complete review</p> <p><b>Distributed Temperature Sensing:</b> Project complete and review in 2024.</p>	<p><b>S =/&gt; 3000mm2 Cu XLPE cable:</b> Arrange for Cable and accessory production /installation</p> <p><b>Trefoil formation for 220 and 400kV circuits:</b> Project complete.</p>	<p><b>S =/&gt; 3000mm2 Cu XLPE cable:</b> Complete installation commissioning and energisation and storage of strategic spares</p>

Balanced Score Card for joint EirGrid and ESB Innovation Projects 2022 - 2026

Item	Metric Description	Weighting	Approach	Strong	Acceptable	Below Acceptable	2022 Targets	2023 Targets	2024 Targets	2025 Targets	2026 Targets
1c	<b>Deployment of New Technology (HV Stations)</b>		Qualitative	Demonstration of strong performance in the monitoring of the technology toolbox development	Demonstration of acceptable performance in the monitoring of the technology toolbox development	Failure to demonstrate performance in the monitoring of the technology toolbox development	<p><b>400 kV Series Compensation Project:</b></p> <p>Issue EPC tender enquiry</p> <p><b>Dynamic Power Flow Controllers</b></p> <p>Review of DPFC Technology options available and complete Risk Assessment of each option.</p>	<p><b>400 kV Series Compensation Project:</b></p> <p>Complete tender evaluation and contract award. Complete post award design review. Start ground works on 1st installation</p> <p><b>Dynamic Power Flow Controllers</b></p> <p>Prepare tender enquiry package and issue to market (ESB)</p>	<p><b>400 kV Series Compensation Project:</b></p> <p>Ground works on all three installations underway.</p> <p><b>Dynamic Power Flow Controllers</b></p> <p>Complete tender evaluation and contract award. Complete post award design review. Start ground works on 1st installation</p>	<p><b>400 kV Series Compensation Project:</b></p> <p>Commission and energisation of 1st installation</p> <p><b>Dynamic Power Flow Controllers</b></p> <p>Commission and energisation of first installation</p>	<p><b>400 kV Series Compensation Project:</b></p> <p>Energisation of 2nd &amp; 3rd installation.</p> <p><b>Dynamic Power Flow Controllers</b></p> <p>Review performance of 1st installation.</p>

							PR5 Multi-Year Incentives 2022-2026				
No	Metric	Weighting	Type	Strong	Acceptable	Below Acceptable	2022 Targets	2023 Targets	2024 Targets	2025 Targets	2026 Targets
2	Project Initiation to CPP Agreed Phase	25%	Quantitative	> 80% of target	50% to 80% of target	<50% of target	25	25	25	Based on PR5 Programme Evolution	Based on PR6 Programme Evolution
3	Joint Process Improvement	25%	Qualitative	Demonstration of strong project delivery process improvement performance.	Demonstration of acceptable project delivery process improvement performance.	Failure to demonstrate project delivery process improvement performance.	Transmission Outage Planning (TOP) Process Improvements for Work Programme 2022	Further implementation of changes and improvements to TOP process, and Project Management System – Project Schedules	Embedding TOP process improvements by incorporating shared learning, and Demonstrated by Process Improvement Agreement & Implementation	Demonstrated by Process Improvement Agreement & Implementation	Demonstrated by Process Improvement Agreement & Implementation
4	Asset and Programme Data Exchange	25%	Qualitative	Demonstration of strong Asset and Programme Data Exchange performance.	Demonstration of acceptable Asset and Programme Data Exchange performance.	Failure to demonstrate Asset and Programme Data Exchange performance.	Cost Information Working Group based on TSDCs and commercial reviews	Digitisation of project management and reporting processes and development of shared digital repositories for collaboration including a shared JPMO SharePoint	'One Source' information exchange on appropriate digital platforms	Priority Data Exchange Improvements will be identified from the 2021 Data Exchange Inventory and will be included in subsequent year's submissions	Priority Data Exchange Improvements will be identified from the 2021 Data Exchange Inventory and will be included in subsequent year's submissions

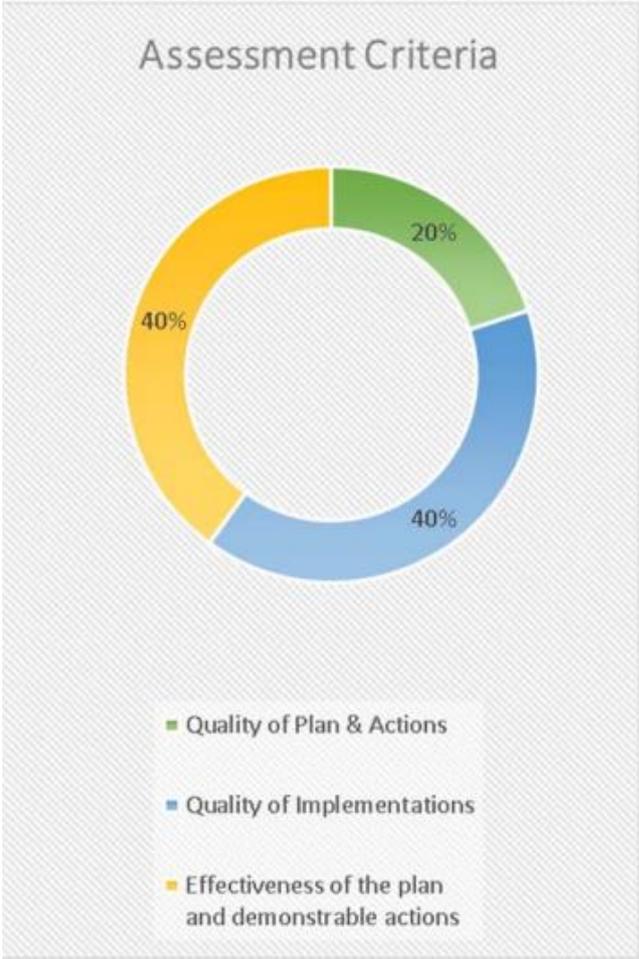
## **APPENDIX 2: Proposed Overall Scoring System**

- An overall weighted average percentage score shall be awarded, as the weighted average of the score within each individual component of the mechanism;
- The incentive revenue earned shall be the overall weighted average percentage multiplied by the total incentive revenue available i.e. for a weighted average score of 50%, the TAO and the TSO shall earn 50% of the available incentive revenue;
- The TAO and TSO will be awarded the same percentage of their available annual incentive/penalty –TAO (+/- €1.5m) and TSO (+€0.2m/- €0.1m).

## **APPENDIX 3: Grading for Qualitative Scoring**

The proposed multi-year audit assessment criteria are outlined in Figure 1.

- An audit in which significant non-compliance is observed will result in a “Below Acceptable” and be awarded a score in the range 0% - 50%. Clear scoring within this range is important for the TAO, TSO and CRU to identify the appropriate level of remedial action and mitigation needed in response to this performance;
- An audit outturn where processes / performance are good or generally good, meeting customer and auditor expectations and demonstrating evidence of a continued commitment to performance improvement, shall receive an “Acceptable” score, in the range 50-80%;
- An audit where processes / performance are consistently good, meeting customer and auditor expectations, and where there is evidence that performance improvement initiatives are delivering positive impact on performance, shall receive a “Strong” score, in the range >80%



**Figure 1 Assessment Criteria**

## APPENDIX 4: Acronyms

- CPP – Committed Project Parameter Document
- CRU – Commission for Regulation of Utilities
- DTS - Distributed Temperature Sensing
- GW – Gateway
- IP – Indicative Programme
- IPD – Investment Planning and Delivery
- JPMO - Joint Programme Management Office
- PMIS - Project Management Information System
- PR5/PR6 – Price Review 5/6
- S  $\geq$  3000mm<sup>2</sup> Cu XLPE cable – Cross Linked Polyethylene Copper cable with a cross sectional area equal to or greater than 3000 square millimetres
- TAO – Transmission Asset Owner
- TOP – Transmission Outage Programme
- TRL -Technology Readiness Level
- TSO – Transmission System Operator
- TSDC – Transmission System Development Costs
- TUoS – Transmission Use of System