



Joint TAO/TSO PR5 Incentive

Multi-Year Balanced Scorecard

2023-2027

30 November 2022

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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. PR5 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 2023-2027 using a multi-year Balanced Scorecard approach as requested by CRU. It contains the targets for the 2023, 2024 and 2025 calendar years in a reasonable level of detail, as well as 2026 and 2027 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 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 2023-2027. An updated 5-year joint multi-year balanced scorecard will be submitted annually to CRU.

Progress against the targets set out within previous multi-year plans does not form part of this document. The TAO and TSO will jointly report to CRU on progress as part of the end of year outturn reporting, detailing targets achieved, along with identification and justification for any deviations from the 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)¹.

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.

¹ <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)² on Reporting and Incentives for the PR5 period. 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.*

² <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 2023-2027

3.1 Proposal Overview

This Balanced Scorecard proposal for 2023-2027 builds on the 2022-2026 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 TAO/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 2023-2027.

This is the second multiyear plan and balanced scorecard proposal, covering the period 2023–2025 (as well as 2026 and 2027 at high level). Sections 3.2 to 3.4 (and Appendix 1) outline the set of proposed joint multi-year incentives 2023-2027. The TAO and TSO will consult publicly in parallel with the submission of this proposal to the CRU in November 2022.

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 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.

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 qualitatively assessed and/or deployed during 2023–2027 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 ² Cu XLPE cable
Underground Networks	Trefoil Formation for 220 and 400kV Circuits
Stations	400kV Series Compensation
Stations	Dynamic Power Flow Controllers

In addition, a Technology Toolbox status report (as specified in CRU202226) will be submitted with the annual joint incentive performance outturn report.

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 2023 to 2025. The ambitious target of progressing 25 projects from IP to CPP agreed was defined following a review of the PR5 plan, aligning with upcoming projects. 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 2023-2025, targets for 2026-2027 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, 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 2023-25, 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 underlay achieving the target. Targets for 2026 and 2027 will be based on the project throughput needs which continue to evolve for PR6 that have yet to crystallise.

The TSO will provide an outturn report to CRU, detailing the CPP projects monitored during the calendar year as part of this joint incentive metric. The report will include a milestone schedule identifying the date of completion of each of the first 5 steps (as applicable); and for those achieving CPP agreement, indicate the proposed TOP delivery year(s). The data in this CPP report will align with the year-end Network Delivery Portfolio (NDP) project milestone data. The NDP was first published by EirGrid in October 2022 and will be updated quarterly.

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 successful delivery of the PR5 programme will be enabled by a strong annual performance outcome in the transmission outage

programme (TOP) therefore a focus for the TSO and TAO will continue to be on initiatives to optimise the TOP outturn delivery performance.

The TAO and TSO have agreed and are implementing a revised Transmission Line Assessment (TLA) processes to optimise delivery of overhead line reinforcement projects. This is a new target under this metric for the 2023 – 2027 MYP, which will further demonstrate the TAO and TSO's commitment to collaboration and ongoing process improvements. In 2023, the outcomes and ongoing business benefits will be demonstrated by the TAO and TSO, and subsequently assessed by the auditors. A review of the TLA process will be completed in 2024, to build upon the success of the TLA approach to date. Further recommendations and enhancements will be considered for implementation during 2024.

The 2022 – 2026 multi-year plan identified the implementation of a new Project Management Information System (PMIS) by the TAO as a 2023 target for Joint Process Improvements. Due to the underlying digital and data sharing aspect of this improvement, its delivery has been consolidated into the digital first collaboration and 'One Source' information exchange targets, captured within the Asset and Programme Data Exchange metric.

During 2024, it is appropriate to consider and review the TOP performance metrics and programme outcomes from the 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 during 2025 to 2027 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.

As part of the focus in 2025 in joint process improvement, the TAO and TSO will look to develop and implement improved processes for early engagement on priority capital projects for delivery for the remainder of the decade and beyond.

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 may 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 Acceleration to Project Agreement
Joint Process Improvement	Enhanced co-ordination on PR5 monitoring, review and PR6 preparation
Joint Process Improvement	Transmission Line Assessment Process
Joint Process Improvement	Improved Early Engagement Processes for Priority Capital Projects

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. 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.

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

The 2022 – 2026 multi-year plan identified the digitisation of project management and reporting processes as a target for 2023. The ongoing delivery of this target has been consolidated into the digital first collaboration and ‘One Source’ information exchange targets. Individual items progressed in 2023 on this journey will be demonstrated to the auditors.

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 2025 will be on moving from periodic static (point in time) information flows to more real-time programme information input and exchange via IT and collaboration systems operated by TSO/TAO and currently under development. Systems in scope may include use of systems such as a Programme and Project Management (PPM) system and leveraging of platforms such as Microsoft Project on-line, SharePoint on-line or similar systems.

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 Asset and Programme Data Exchange inventory completed during 2021 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	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)
Asset and Programme Data Exchange	Enhanced Programme level information exchange
Asset and Programme Data Exchange	Enhanced Portfolio level information exchange on pipeline of projects, forward planning, high level programmes.
Asset and Programme Data Exchange	Information flows that equate to an agreed 'One Source' of programme level data suitable to TSO and TAO individual and joint processes.

3.6 Proposed Assessment Principles

The TAO / 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 2023 - 2027. Our proposed approach is in keeping with the philosophy set out in CRU/20/154 and CRU202226. 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 purpose of the 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 2023-2027 multi-year plan?

Interested stakeholder's views are invited until 17:00 on 13 January 2023, and can be submitted through the EirGrid [consultation portal](#) or by emailing consultations@esbnetworks.ie.

APPENDIX 1: Joint TSO/TAO Multi-Year Balanced Scorecard Metrics 2023-2027

Balanced Scorecard for Joint TSO and TAO Incentive 2023 - 2027											
Item	Metric Description	Weighting	Approach	Strong	Acceptable	Below Acceptable	2023 Targets	2024 Targets	2025 Targets	2026 Targets	2027 Targets
1	Deployment of New Technology (Items 1a, 1b & 1c combined)	25%	See below	See below	See below	See below	See below	See below	See below	See below	See below
1a	Deployment of New Technology (Overhead Lines)		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>Dynamic Line Ratings: Review progress and further rollout across both transmission and distribution system</p> <p>Composite Crossarm Technology: Complete Design Specification (ESB) and proceed to framework process.</p> <p>Complete design Specification (ESB)</p>	<p>Dynamic Line Ratings: Review progress and further rollout across both transmission and distribution system.</p> <p>Composite Crossarm Technology: Complete design, type and sample testing of Composite crossarm technology.</p> <p>Complete Procurement Process</p>	<p>Dynamic Line Ratings: Project complete.</p> <p>Composite Crossarm Technology: Technology to be made readily available to proposed projects.</p> <p>Complete Design, Type and Sample testing of Composite Pole Technology</p>	<p>Dynamic Line Ratings: Project complete.</p> <p>Composite Crossarm Technology: Review for other voltages.</p> <p>Technology to be made readily available to proposed projects.</p>	Based on Technology Toolbox process development.

Balanced Scorecard for Joint TSO and TAO Incentive 2023 - 2027

Item	Metric Description	Weighting	Approach	Strong	Acceptable	Below Acceptable	2023 Targets	2024 Targets	2025 Targets	2026 Targets	2027 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>S =/> 3000mm2 Cu XLPE cable: Finalise Contract Award /Approved Suppliers (ESB) and EirGrid. Issue Purchase Order for Agreed Testing Programme ESB/EirGrid</p> <p>Trefoil formation for 220 and 400kV circuits: Reviewing performance and fine adjustments to be made</p> <p>Distributed Temperature Sensing: Complete installation in late 2023</p>	<p>S =/> 3000mm2 Cu XLPE cable: Arrange for cable / accessory Production and Installation</p> <p>Trefoil formation for 220 and 400kV circuits: Complete review</p> <p>Distributed Temperature Sensing: Project complete and review in 2024.</p>	<p>S =/> 3000mm2 Cu XLPE cable: Arrange for Cable and accessory production / installation</p> <p>Trefoil formation for 220 and 400kV circuits: Project complete.</p>	<p>S =/> 3000mm2 Cu XLPE cable: Complete installation commissioning and energisation and storage of strategic spares</p>	Based on Technology Toolbox Programme development.

Balanced Scorecard for Joint TSO and TAO Incentive 2023 - 2027

Item	Metric Description	Weighting	Approach	Strong	Acceptable	Below Acceptable	2023 Targets	2024 Targets	2025 Targets	2026 Targets	2027 Targets
	Deployment of New Technology (HV Stations)		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>400 kV Series Compensation Project: Tender Scoping/Technical Specification development.</p> <p>Dynamic Power Flow Controllers: Prepare tender enquiry package and issue to market (ESB).</p>	<p>400 kV Series Compensation Project: Complete tender evaluation and contract award.</p> <p>Complete post award design review.</p> <p>Start ground works on 1st installation.</p> <p>Dynamic Power Flow Controllers: Complete tender evaluation and contract award. Complete post award design review.</p>	<p>400 kV Series Compensation Project: Ground works on all three installations underway.</p> <p>Commence Commission and energisation of Series Compensation</p> <p>Dynamic Power Flow Controllers Commission and energisation of first installation</p>	Based on Technology Toolbox Programme development.	Based on Technology Toolbox Programme development.

Balanced Scorecard for Joint TSO and TAO Incentive 2023 - 2027

Item	Metric Description	Weighting	Approach	Strong	Acceptable	Below Acceptable	2023 Targets	2024 Targets	2025 Targets	2026 Targets	2027 Targets
2	Project Initiation to CPP Agreed Phase	25%	Quantitative	> 80% of target	70% to 80% of target	<70% of target	25	25	25	Based on PR6 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.	Further implementation of changes and improvements to TOP process. Demonstration of TLA process improvements.	Embedding TOP process improvements by incorporating shared learning. Complete TLA review and demonstrate enhancements.	Develop and implement Improved Early Engagement Processes for Priority Capital Projects.	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.	Development of and enhancements to shared digital repositories for collaboration, including a shared JPMO SharePoint.	'One Source 2030 Plan' information exchange on appropriate digital platforms. New joint PR6 preparation processes.	Joint approach to the input, upkeep and sharing of programme information and data flows in real-time	Priority Data Exchange Improvements will be included in future submissions	Priority Data Exchange Improvements will be included in future 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.
- 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 in 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% - 70%. 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 is 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 70 - 80%.
- An audit where processes / performance is 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%

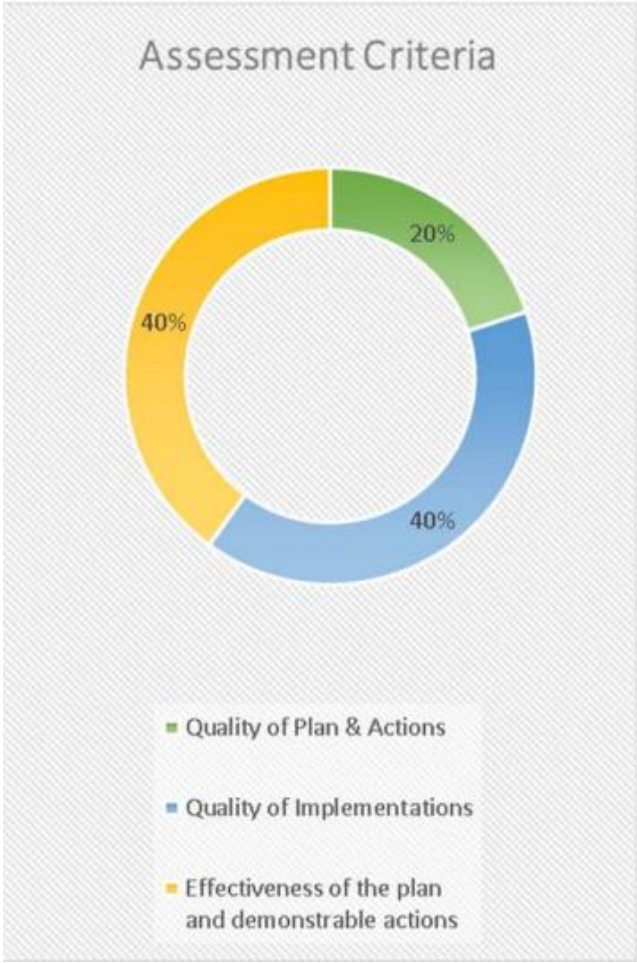


Figure 1 Assessment Criteria

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 3000mm² Cu XLPE cable – Cross Linked Polyethylene Copper cable with a cross sectional area equal to or greater than 3000 square millimeters
- TAO – Transmission Asset Owner
- TLA – Transmission Line Assessment
- TOP – Transmission Outage Programme
- TRL – Technology Readiness Level
- TSO – Transmission System Operator
- TSDC – Transmission System Development Costs
- TUoS – Transmission Use of System