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29 October 2021

Ref: NET/E/TH/446

Dear Alan

Application that the Authority¹ consent to extend the Connection Offer Timelines regarding the Connection Application of Statkraft Ireland Limited

Thank you for your letter of 22 October 2021 (“the **Letter**”).

We treat the Letter as an application, under Condition 25(5) of SONI’s Transmission Licence (“the **Licence**”), seeking the Authority’s consent for the extension of the time period within which SONI (“the **Licensee**”) is required to issue a connection offer to Statkraft Ireland Limited (“**SIL**”). We shall refer to the application contained in the Letter as “the **Application**” or the “**SONI Application**”.

Before setting out the background to the SONI Application, we would make a preliminary reference to the relevant terms of Condition 25 (**C25**) of the Licence.

1. Condition 25 of the Licence.

Condition 25(5) provides, as far as relevant, as follows (our underlining added):

“[SONI] shall offer terms for agreements in accordance with paragraphs 1 and 2 as soon as practicable and (save where the Authority consents to a longer period, which consent may be given on the application of [SONI] following consultation by [SONI] with the person making the application and such other persons as [SONI] considers may be affected or interested) in any event not more than the period specified in paragraph 7 after receipt by [SONI] of an application containing all such information as [SONI] may reasonably require for the purpose of formulating the terms of the offer . . .”

Condition 25(7) provides that the “period specified” in this case is three months.

¹ In this letter “we”, “UR” “us”, and “the Authority” are used interchangeably to refer to the Northern Ireland Authority for Utility Regulation.

2. Background

On 4 June 2021, SONI received a transmission connection application from SIL, seeking to connect a High Inertia Synchronous Compensator (“**HISC**”) at the 275kv substation located at Maydown Road, Coolkeeragh.

SONI deemed the SIL application to be a valid application as of **9 August 2021**. It follows that, barring a successful application to the Authority for a longer period, Condition 25(5) [when read with C 25(7)] obliges SONI to offer the requisite connection offer to SIL as soon as practicable and, in any event, by 9 November 2021, being a date no later than three months from the validation date.

In the Letter SONI refers to the recently published All-island Ten Year Transmission Forecast Statement 2020 (“**TYTFS**”)². That Statement confirms that the short circuit ratings of a number of 275 kV Substation in Northern Ireland have been reduced to 10 kA following a recent review by **NIE Networks**, of the ability of concrete structures at these 275 kV Substations to withstand mechanical forces arising from fault conditions. The Coolkeeragh 275 kV Substation is one of the affected 275 kV Substations.

SONI and NIE Networks state they are working collaboratively to agree and put in place a policy/methodology to assist in assessing if it is appropriate to make connections to substations affected by the TYTFS confirmation, concerning those substations.

3. The SONI Application

The SONI Application is summarised as follows in the Letter.

*“In line with Condition 25 of the TSO Licence, SONI requests that the Authority consents to extend the time required to issue the Connection Offer to [SIL] for its [HISC] project from **5 November 2021 to 30 June 2022.**”*

The following factors have been identified by SONI in support of the Application:

- *The current ongoing known issues regarding short circuit ratings and associated operational risks & safety concerns at Coolkeeragh 275kV substation.*
- *Ongoing work with [NIE Networks] required [to] determine/confirm the actual extent of the risks at Coolkeeragh.*
- *An agreement between SONI and [NIE Networks] to develop and implement a Risk Mitigation strategy and Risk Assessment Policy/Methodology (including appropriate governance) to ensure a consistent approach to assessing if it is possible to make*

² <https://www.soni.ltd.uk/media/documents/All-Island-Ten-Year-Transmission-Forecast-Statement-2020.pdf>

connections into the affected 275 kV Substations in Northern Ireland. This is being proposed as a solution to address the wider issues affecting the number of identified 275kV substations.

- Further assessment required of the HISC connection to determine whether the proposed Statkraft HISC can be reasonably managed operationally via an appropriate Risk Mitigation strategy. This assessment will also confirm if the requested connection into the Coolkeeragh 275 kV Substation is the LCTA or if it is a Customer Preferred Option (“CPO”) connection arrangement.*
- Following this assessment, consultation with other potentially affected / relevant parties at Coolkeeragh will be required.*
- Determination to be made if it is acceptable that the HISC can connect and operate within a range of acceptable risk, following assessment and consultation*
- It is estimated that this process will take to end of **March 2022** to complete.*
- SONI will proceed with the Connection Offer process following the development of the Risk Mitigation strategy and Risk Assessment Policy/Methodology and a subsequent assessment of the HISC project connecting into Coolkeeragh confirming that this would be an acceptable risk under this methodology.*
- The Connection offer process will take the normal 3 month process resulting in a Connection Offer being issued a on (or before, if possible) **end of June 2022** (i.e. 30th June 2022), subject to any unforeseen issues that may arise. Should such an unforeseen issue arise then SONI would be required to seek a further extension.”*

4. The Application Consultation

An application by SONI under C 25(5) requires SONI to consult with:

“ . . . the person making the application [for connection: in this case SIL] and such other persons as [SONI] considers may be affected or interested.”

SONI has consulted with NIE Networks [as the Transmission System Owner] and SIL on the Application. The views of NIE Networks and SIL are set out below. NIE Networks and SIL both provided an emailed response to SONI.

The views of the respective consultees are quoted as follows:

NIE NETWORKS

“The new works at Coolkeeragh 275kV substation necessary to connect the HISC, under legislation, may require the entire substation to be modified to meet updated design standards. The impact of applying these design standards on existing plant and apparatus is currently being explored by SONI, NIE Networks and professional consultants. With this being the case NIE Networks supports an extension to the Construction Offer due date as it would not be possible for NIE Networks to now receive the Construction Application and provide a Construction Offer to meet the current due date of the 5th November 2021.”

SIL

“Statkraft acknowledges the issues which have arisen with the fault level on numerous 275kV substations in Northern Ireland and thanks SONI for your engagement on these issues to date. We understand that these issues impact on our live connection offer process and we accept the need for an extension to our offer process. The proposed extension timelines outlined below look acceptable to us.

We would like to emphasise that we think there may be a number of technical and operational mitigations available to us to deal with the issue at Coolkeeragh as we get into the detail and so we would request that we are consulted as part of the risk assessment and mitigation phase of the work up to March 2022.”

5. Our Decision on the SONI Application

Having considered the matter fully, and taken all relevant matters into account, the Authority,

- (i) Determines to accede to the Application considering it properly founded and, accordingly,
- (ii) gives its consent to the extension of the C 25(5) period – within which a requisite connection offer must be made to SIL in respect of its application effective 9 August 2021 – out to **30 June 2022** (as requested by SONI).

In making this decision the Authority has had proper and full regard to the consultation responses from NIE Networks and SIL. NIE Networks is supportive of the Application. SIL is understanding of the Application.

In making our decision we note the lack of clarity in SONI’s Letter as to the current date for the making of a connection Offer. We calculate that date as being 9 November 2021. The Letter records that the operative date as variously 5 November 2021 and 7 November 2021. Whilst this lack of clarity is unfortunate, it is not something that we need to interrogate. The key date is the newly effective/substituted date by which a connection offer must now be made. That date is 30 June 2022. There is clarity on that in the Letter.

We welcome SONI's acceptance (in its Letter) that it will make an offer of connection (where possible) *before* 30 June 2022 "*if possible*". We would remind SONI that the grant of consent relayed in this letter does not absolve SONI of its C 25 obligation to make a connection offer to SONI *as soon as practicable*. The newly substituted C 25 date (30 June 2022) is a long stop date.

6. SIL's request to be consulted on the development of the new policy/methodology.

SIL's response to SONI's consultation on the Application included a request that it be consulted on the development of the new procedure as described in the Letter. We consider that to be a reasonable request.

6. New Policy/Methodology

We acknowledge and welcome SONI's statement that it will work together with NIE Networks to develop an appropriate policy/methodology concerning operational consideration affecting relevant 275Kv substations. The timely development of the policy/methodology should ensure that potential future connections offers at the affected 275kV substations are not unduly delayed

Going forward, we would appreciate further information in regards to the policy/methodology mentioned in the Letter: to include information as to (i) ownership, (ii) process (iii) further consultation requirements (where appropriate) and (iv) potential interaction with the NIE Networks Annual Maintenance Plan as set out in Section E of the Transmission Interface Agreement ("**TIA**"). We should be pleased to liaise with SONI (and NIE Networks) on this.

We trust this is satisfactory.

Yours sincerely,



Tanya Hedley
Director Networks