

Alan Campbell
SONI Ltd
Castlereagh House,
12 Manse Road,
Belfast,
BT6 9RT

25 March 2022

Ref: NET/E/TH/488

Dear Alan

Application for the Authority's¹ consent to extend the Connection Offer Timelines regarding the Connection Application for the Cam Cluster.

Thank you for your letter of 11 March 2022 ("the **Letter**").

We treat the Letter as an application, made 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 NIE Networks as the Distribution Network Operator ("**NIEN**"). 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 14 October 2021, SONI received an application from NIEN, in its role as the Distribution Network Operator ("**DNO**"), under Section S of the Transmission Interface Arrangements (**TIA**), seeking an offer from SONI to provide necessary transmission works associated with, and including, a proposed connection to the transmission system (as operated by SONI pursuant to the Licence) of a new distribution cluster substation in the vicinity of Cam ("**Cam Cluster**").

SONI deemed the application to be a valid application as of **24 December 2021**. It follows that, unless SONI has the consent of the Authority for a longer period to apply, Condition 25(5) [when read with C 25(7)] obliges SONI to offer the requisite connection offer to NIEN as soon as practicable and, in any event, by no later than **26 March 2022** (this being the date which is three months from the validation date).

SONI state that NIEN's Section S application requested:

- Accommodation of 90MVA capacity;
- That capacity to be located at Grid Co-ordinates 279267, 424770.

We are informed that NIEN undertook a preliminary assessment of the geographical location, based upon the centre point of the locations of the identified individual projects connecting to cluster. The assessment is based on analysis to minimise connection distance from each project location to the cluster, in accordance with the NIE Networks Cluster Methodology.

However, following a site visit and high level desktop analysis carried out by SONI, SONI states that it became evident to it that NIENs proposed site location included in the Section S Application would create some difficulties for establishing the Cam Cluster substation. We are informed that this is due to the following:

- Topography and the proximity to existing housing in the Cluster area;
- Investigation by SONI for establishing alternative site options, resulting in a wider study area being identified.

As a result of the high level desktop analysis, SONI have stated that:

“While at this stage it is not possible to carry out the detailed analysis and stakeholder engagement that would be required to identify and confirm a specific site, SONI believe it is reasonable to use a nominal location at the centre point (277793, 423605) of a study area identified by SONI for the purpose of progressing the Construction Application and subsequent Section S Offer.”

“It is important to note that the final site location will only be identified and confirmed during the SONI Pre-Construction Works stage that requires, but not limited to, for example environmental assessments and community/stakeholder engagement and consultation. There has been further engagement between SONI and the DNO with respect to agreeing this nominal location at the centre point of the study area.”

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 Section S Offer to the DNO for the Cam Cluster from **26 March 2022 to 30 May 2022.**”*

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

- *The proposed grid co-ordinates included in the Section S Application presenting difficulties in terms of establishing the Cam Cluster substation. This was determined after SONI conducted a site visit and via high level desktop analysis.*
- *Alternative locations for the Cam Cluster substation to be investigated by SONI and development of proposed suitable study area.*
- *Further engagement between SONI and the DNO to agree a notional position for the Cam Cluster substation taking account of the impact the location will have both for the DNO with respect to the individual distribution customers who are connecting to the Cam Cluster, and also for SONI with respect to efficient design of the Transmission Connection Assets which will be requested in the Construction Application to the [Transmission Owner (TO)], included in the Construction Offer issued to SONI and which in turn will feed into the Section S Offer to the DNO*
- *Following agreement on the nominal location, studies and analysis to determine the LCTA for the cluster.*
- *SONI require more time to assess the technical complexities, alternative sites and determine the LCTA connection arrangement. This has resulted in a delay of the submission of the Construction Application to the TO*
- *An assessment of the impacts and risks is not applicable. However, SONI can confirm that the issues outlined in (d) above present additional time proposed to study alternative sites for the cluster substation.*

Alternative options were considered by SONI:

- *One alternative to seeking derogation would have been for SONI to reject the application because it was asking for a connection at a point that was likely to create safety issues during construction and maintenance due to the topography of the site. However, that would extend timelines beyond the extension that we are requesting and so therefore was rejected as being excessive.*
- *Issue a Section S Offer based on the grid co-ordinates included in the DNO's application which may result in future issues with costing, technical acceptability including buildability.*

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 NIEN DNO] and such other persons as [SONI] considers may be affected or interested.”

SONI has consulted with NIE Networks (in its capacity as the DNO making the application for connection) and NIE Networks (in its capacity as the Transmission Owner – TO) on the Application. The views of NIE Networks (acting as DNO and as TO) are set out below.

The views of the respective consultees are quoted as follows:

NIE Networks – Distribution Network Operator

“We wish to make it clear that NIE Networks has applied for an offer under Section S of the TIA to provide the necessary transmission works for Cam Cluster. We have not applied to SONI for an offer under Licence Condition 25 of the SONI Licence. As such, the deadlines for the SONI offer are not defined in the SONI licence. What we require from SONI is an offer in accordance with the TIA to provide the necessary Transmission Works to Connect the Cam cluster to the Transmission System.

Given that SONI has provided confirmation of the Section S timelines to NIE Networks to receive a Section S offer for Cam Cluster, NIE Networks will now consult with the affected parties in the queue for Cam and we will discuss the need for extensions with them. Following consultation with the applicants in the queue for Cam Cluster, NIE Networks will refer to the Section S timeline provided by SONI to apply to the UR for extensions for the applicants above. This extension will seek to allow NIE Networks 90 days to provide a quotation once we have received the Section S offer. NIE Networks will keep SONI informed of the outcome of this process with UR.”

NIE Networks – Transmission Owner

“We note that the applicant is NIE Networks (DNO) and we wish to make it clear that NIE Networks (DNO) has applied for an offer under Section S of the TIA to provide the necessary transmission works for Cam Cluster. The DNO has not applied to SONI for an offer under Licence Condition 25 of the SONI Licence. As such, the deadlines for the SONI offer are not defined in the SONI licence. The require from SONI an offer in accordance with the TIA to provide the necessary Transmission Works to connect Cam cluster to the Transmission System.

We are also aware that the DNO will need to consult with the affected parties in the queue for Cam cluster and apply for a lab extension for the utility regulator based on the timelines shown below.”

5. Our Decision on the SONI Application

Having considered the matter fully as a request under Condition 25(5) of SONI's Transmission Licence 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 period – within which SONI is required to make a connection offer to NIEN (DNO) in respect of the application made to SONI and effective 24 December 2021 –to **30 May 2022** (as requested by SONI).

In making this decision the Authority has had proper and full regard to the consultation responses from NIE Networks – acting in its separate capacities and DNO and TO.

We are also informed that SONI has made the Transmission Owner aware of the extensions timelines and in particular the timelines surrounding the construction offer.

We have taken account of SONI's concerns in regards to the justification for requesting the extension under Condition 25 and expect that SONI will progress with further investigations and studies highlighted within the request to ensure that a sufficient connection offer can be made as soon as practicable.

We note NIE Networks DNO comments in regards to their 90 day quotation period for Distribution applicants and the reference to the receipt of a Section S offer within that process. We expect that SONI and NIE Networks will continue to work collaboratively throughout the connection process, and within the provisions of the TIA and their respective Transmission and Distribution Licences.

We welcome SONI's acceptance (in the Letter) that it will make an offer of connection (where possible) *before 30 May 2022 "if possible"*. We would remind SONI that the grant of consent relayed in this letter does not absolve SONI of its C25 obligation to make a connection offer to NIEN *as soon as practicable*. The newly substituted C25 date (30 May 2022) is a long stop date.

We trust this is satisfactory. If you have any queries, please contact Jody O'Boyle.

Yours sincerely,



Tanya Hedley
Director Networks