

John Heywood
Northern Ireland Electricity Networks Ltd
Unit 3,
21 Old Channel Road
Belfast
BT3 9DE

By Email Only: John.Heywood@nienetworks.co.uk

Date: 25 April 2022

Our Ref: NET/E/TH/500

Dear John,

Request for Extension of Time to Issue a Connection Offer for Connection Application at Corlacky Hill Wind Farm, NIE Networks reference 22/00494 (“the Application”)

Thank you for your letter dated 08 April 2022 (Letter) setting out the Application.

The Application

The Letter describes the relevant background¹ to the Application.

Reference is made to Condition 30 of NIE’s distribution licence (**the Licence**).²

Condition 30 (5) provides that (barring specified exceptions) NIE is obliged to make an offer for connection to the distribution system *as soon as practicable* and (by operation of Condition 30 (6)(b)) *in any event* within *3 months* from receipt of a valid/completed application for connection.

Condition 30 (7) of the Licence allows NIE to make an application to the UR³ for a consent to an extended Condition 30 (6)(b) period. The making of such an application

¹ What follows is a summary of the Application. It is not intended to be a complete rehearsal. All parts of the Application have been considered in making the decision set out in this correspondence. Failure to mention parts of the Application should not be taken as representing any failure to have regard to those parts.

² [NIE Distribution Licence](#)

does not change NIE's obligation to make a connection offer *as soon as practicable*. Nor does the grant (by the UR) of any application made change the position. The primary obligation, recorded in Article 20 of the Electricity (NI) Order 1992 – is to offer a connection offer *as soon as practicable* remains.

Corlacky Hill Wind Farm (**CH WF**) joined the queue for *Garvagh Main Cluster* on 25 January 2022. This is the date from which time runs for the purposes of Condition 30 (5) of the Licence. That means that, without the consent of the UR under Condition 30 (7) – NIE is bound to offer terms as soon as practicable and in any event by 25 April 2022.

NIE Networks considers that a connection to *Garvagh Main Cluster* is the most economic and technically feasible solution. The existing 90MVA 110/33kV Transformer at *Garvagh Main Cluster* currently has 70.3MW of connected generation: 16.1MW of committed generation and 3.6MW uncommitted. The Application notes that at the time CH WF applied for connection its application was impacted by two applicants ahead of it in the queue.

The Application identifies that the first applicant in the queue ahead of CH WF is a generator seeking to utilise the remaining capacity at *Garvagh Main Cluster*. Although this applicant has not impacted the design of the connection for CH WF, if they are not fully committed at the time the CH WF offer is issued the cost of the per MW share of the remaining capacity at *Garvagh Main Cluster* would be included within CH WF's offer. Whether or not the applicant is fully committed will be known no later than the 24 June 2022.

The Application also notes that in the assessment of the second application ahead of CH WF (in the queue) it was identified that although the preferred connection would be to *Cam Cluster*, that particular applicant might be entitled to a connection to *Garvagh Main Cluster*. NIE Networks commenced the necessary works and determined that this applicant was entitled to a connection to *Garvagh Main Cluster*.

High level connection methods and costs were presented to this applicant and a period of time given to allow a decision to be made as to how to proceed. The implications of this applicant connecting to *Garvagh Main Cluster* for CH WF would have resulted in a

³ In this correspondence we use the words “us” “we” “our” “UR” “Utility Regulator” and “Authority” interchangeably to refer to the Northern Ireland Authority for Utility Regulation.

second circuit being required from *Garvagh Main Cluster* to the back transmission network. NIE Networks highlights that this type of cost would not have been feasible for CH WF. NIE Networks were not in a position to make a Section S application to SONI until circumstances in respect of the other applicant were known.

The Application continues that the applicant ahead advised they did not want a connection to *Garvagh Main Cluster*. NIE Networks began to process the Section S application to SONI for the connection of CH WF to *Garvagh Main Cluster* as NIE Networks understands that this application for 47.3MW would trigger a requirement of a 2nd 90MVA 110/33kV transformer to be installed at *Garvagh Main Cluster*.

The Application sets out that the Section S application with SONI is still not deemed valid but that NIE understands it will become valid no later than the 18th of April 2022.⁴

SONI has 3 months⁵ to provide NIE Networks with a Section S offer once it is deemed valid. NIE Networks contends that it cannot proceed to design the unique element of the connection (for CH WF) until it is in receipt of the Section S offer for the 2nd transformer at *Garvagh Main Cluster*. Until then NIE Networks cannot be certain that a Section S offer will be provided by SONI, or that unexpected costs will not be included.

The Application requests that the UR consent (pursuant to Condition 30(7)(a) of the Licence) to the period under Condition 30(6)(b) of the Licence (in respect of CH WF's connection application) being extended from until **16 October 2022**.

This end date of 16 October 2022 is made up as follows:

(i) a period of 90 days⁶ out from 18 April 2022 – being the anticipated date by which the Section S Offer will be deemed valid by SONI, (i.e., to 16 July 2022) for SONI to make NIE a Section S Offer viz. the status of the 2nd transformer at *Garvagh Main Cluster*

⁴ This decision letter is based on the information set out in the Application. NIE has not advised the UR that the statement of expectation as to the assignment of validity to the Section S Offer no longer pertains. The UR proceeds, therefore, on the basis that the relevant expectation remains good.

⁵ There is a suggestion in the Application that NIE understands the period to be 90 days. We do not consider that to be correct. However, nothing turns on this.

⁶ As we have noted, it is our view that SONI has 3 months to make the Offer, not 90 days. Nothing turns on this.

(ii) a further period of 3 months⁷ that NIE says it requires for a Design and Quotation period having received the Section S offer from SONI (as per (ii)).

NIE's rationale for the proposed extension is described as follows:

Extension Rationale

- 1. Garvagh Main is the geographically closest 33kV Connection (approximately 7km).*
- 2. If an extension was not granted to allow NIE Networks to receive a section S offer from SONI, NIE Networks would then look to connect Corlacky Hill to the proposed cluster at Cam (approximately 22km). This would have both an economic effect and potentially affect the ability of NIE Networks to offer the requested MEC which could put the project at risk. It should be noted that an extension would be also required for an offer in to Cam Cluster as SONI are currently processing a Section S offer for Cam Cluster.*
- 3. Following discussions with the applicant, it has been agreed that the best approach for this application is to seek an extension but to also progress the unique costs for Corlacky Hill in parallel due to the customer expressing concerns in regards to the timeline for a connection offer. NIE Networks has made the customer aware that is the Section S offer is not as expected, NIE Networks may be required to re-design the unique, resulting in an offer not being provided to October.*

NIE's case on the Application contends as follows.

Consent to the Application would allow the applicant for connection for CH WF to remain in the connection queue with the addition of a 2nd 90MVA 110/33kV at the existing *Garvagh Main Substation* where there is an opportunity for network capacity to become available that would facilitate the connection of this proposed project. It would also facilitate a fair and transparent network capacity allocation and queuing process capacity available for the 2nd 110/33kV 90MVA Transformer at Garvagh Main. Further, this extension (if granted) will enable NIE Networks to progress the connection design and production of a connection offer subject to capacity becoming available.

NIE says that not granting the extension sought would have the following impact:

As capacity is not available at Garvagh Main due to the transformer not having sufficient available capacity, a connection would have to be offered from the proposed Cam

⁷ Incorrectly described as 90 days in the NIE Application, Nothing turns on this.

Cluster. This would result in a connection route of over 20km and would have an economic impact and a potential detrimental effect on the connection capacity.

Consultation associated with the Application

Condition 30(7)(a) of the Licence provides that NIE must consult with the relevant applicant for connection as part of any C 30 (7) application.. In this case that is the developer of CH WF (Renewable Energy Systems (**RES Group**)).

The Application provides evidence of the requisite consultation. E Mail correspondence attached to the Application indicates that RES Group is concerned by the Application.

In an email of 5 April 2022 RES Group makes the case that a 6 months delay for the connection offer for CH WF is unacceptable. RES Group asks for a meeting so as to keep any delays to a minimum.

NIE Networks responded to that email by email of 5 April 2022.

In a further email of 6 April 2022 RES Group indicated that it was content for NIE Networks to process the unique connection design and pricing (for CH WF) in parallel with NIE Networks' engagements with SONI. However, RES Group does state that that *"even a lesser delay of connection offer issuance in August of this year would be damaging to [CH WF]"*. RES Group requested a meeting with NIE Networks and SONI to establish ways to accelerate the process.

The email exchanges between NIE Networks and RES Group refer to telephone contact between the parties.

Condition 30(7)(a) of the Licence also provides that NIE Networks should consult with *"such other persons as [NIE Networks] considers may be affected or interested"* in the Application.

UR notes that NIE Networks has engaged with SONI in determining if there is Transmission Capacity available for CH WF. The UR also notes the confirmation that there are no other persons requesting connection behind CH WF in the connection queue.

Post Application clarifications

We wrote to NIE following receipt of the Application to seek clarification as to the mention of connection offer “issuance” in August 2022 in NIE’s email to RES Group of 5 April 2022 (above). NIE responded by email dated 21 April 2022 as follows:

As [CH WF] has been designated to be connected to Garvagh Main a 2nd Transformer would be required to be installed. A section S application had to be made to SONI which, once submitted and deemed effective, has a 90-day standard.

We have applied for an extended offer date of 16/10/22 due to the fact that we cannot proceed with [CH WF’s] unique costs until the section S offer is received from SONI. To proceed before the Section S offer is received would potentially put [CH WF’s] connection application fee at risk as we cannot be certain of the design until the Section S offer is received.

We have advised the applicant of the risk to their fee if we progress with their unique costs prior to the Section S offer being received, to which they have subsequently responded to advise that we proceed with their unique costs in parallel with the Section S offer. This has the potential of allowing an earlier connection offer issue date.

We have advised them that if the Section S offer, once received, is as we expect then we would look to issue the connection offer by the end of August. This is to allow us sufficient time to finalise the design and request appropriate financial authorisation to issue the offer. If however the Section S offer differs from what we expect we may have to change the design significantly and therefore will have to re-design the connection offer, which could potentially require the full 90-day standard to accommodate. Hence why we have applied for an extension to the 16/10/22.

The Authority’s decision

Having considered the matter fully, the UR hereby confirms that it consents to the Application so that the period under Condition 30(6)(b) of the Licence (in respect of the application for connection of CH WF is now extended until **16 October 2022**).

In making this decision UR has had proper and full regard to the consultation response from RES Group as the developer of CH WF.

RES Group has raised a concern in its consultation response in relation to the time taken for NIE Networks to issue an offer and the subsequent damage this may well have on the CH WF project.

Overall, and having weighed all matters set out in the Application, we have evaluated that it is right to grant the Application.

However, whilst we are persuaded that the Application should be granted, we also consider that we should seek to address the concern expressed by RES Group in its consultation response.

First, we would take this opportunity to confirm that the period ending 16 October 2022 is a “long stop” date. The obligation under Condition 30 of the Licence is (now), subject to applicable exceptions, to offer terms of connection for CH WF “as soon as practicable” and “in any event no later than” 16 October 2022. The Licence obligation is not (now) simply to offer connection terms by 16 October 2022.

No doubt NIE Networks will be mindful of this obligation.

We note that in another recent C 30(7) application NIE explicitly recognised that it was obliged, even where granted a Condition 30(7) “consent”, to offer terms (barring applicable exceptions) “*as quickly as possible*”. We welcome this statement: whilst recognising that the obligation is, technically speaking, an obligation to offer terms as soon as practicable, and in any event within the extended C 30(6)(b) period.

Second, we confirm that we expect that all parties, to include SONI and NIE Networks, will engage with each other to ensure that a suitable connection offer (where available) can be made as soon as practicable. We expect SONI and NIE Networks to continue to work collaboratively throughout a connection process, and within the provisions of the TIA and their respective Transmission and Distribution Licences. Reasonable requests for meetings should be looked on favourably.

Future Extension Requests

We note that NIE Networks has submitted this extension request application approximately 2 weeks before the expiry of the existing Condition 30(6)(b) period.

Taking into account the complexities of this type of extension request, any future extension applications should be provided at least 4 weeks before the expiry of the relevant Condition 30(6)(b) period so as to ensure that any approval granted is provided within the timeframe required.

This decision will be published in the normal way.

Yours sincerely,



Tanya Hedley
Director of Networks

For and authorised by the Authority