

Alan Campbell  
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27 September 2022

Ref: NET/E/TH/585

Dear Alan

**RE: SONI request to the Authority<sup>1</sup> for consent to further extend the Connection Offer Timelines for Connection Application for the Statkraft Coolkeeragh High Inertia Synchronous Compensator Project**

Thank you for your letter of 16 September 2022 (“**the Letter**”).

We treat the Letter as an application, under Condition 25(5) of SONI’s TSO Licence (“**the Licence**”), seeking the Authority’s consent for (a further) extension of the period within which SONI (“**the Licensee**”) is required to issue a connection offer to Statkraft Ireland Limited (“**SIL**”) out to 30 November 2022 (from 30 September 2022). We shall refer to the application contained in the Letter as “**the current 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 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.

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<sup>1</sup> 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)] obliged 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.

On 29 October 2021, the Authority consented - under Condition 25 of the Licence – to an extension of the period within which SONI was obliged to make the requisite connection offer to SIL out to **30 June 2022**.

On 29 June 2022, the Authority consented to a second extension - under Condition 25 of the Licence – to an extension of the period within which SONI was obliged to make the requisite connection offer to SIL out to **30 September 2022**.

The current application is thus the **third** connection offer extension request (from SONI) in relation to SIL’s HISC connection offer. The current application asks that the requisite period is (further) extended to **30 November 2022**.

The current Application (like the previous applications) narrates that SIL’s application for connection involves a connection into the Coolkeeragh 275 kV Substation. It notes (again) that the short circuit ratings of a number of 275 kV Substations in Northern Ireland have been reduced to 10 kA following a previous review by NIE Networks concerning 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 are noted to be continuing to work together as to how to address this issue in the long term. They further continue to monitor the risk on-site in the short term, including establishing the process to put in place a Risk Assessment Policy and Methodology to ensure a consistent approach to assessing if it is possible to make connections into the affected 275 kV Substations in Northern Ireland.

The Risk Assessment Policy and Methodology is at a final stage pending a full legal review and the required governance and approval of both SONI and NIE Networks.

The specific analyses to date shows that there are risks that would be exacerbated by the connection of the HISC at Coolkeeragh. Further examination of this specific situation is now

completed as stated by SONI. However, the specific risk assessment and any mitigation measures are also pending due to the outcome of the legal review. The governance procedures of both SONI and NIE Networks is required and yet to be completed. This is to ensure both parties Directors are satisfied with the liability that they are taking on.

In addition, the assessment to be carried out for the HISC connection also requires input approvals and signoff from ESB Coolkeeragh whose staff will also be working within the relevant compound. Stakeholder engagement is ongoing to ensure that the Directors of ESB Coolkeeragh are also able to fulfil their legal obligations to their staff.

Therefore, without a further extension to the offer period to allow the above ongoing actions to be concluded. SONI are currently not yet able to confirm that making an offer would not result in a breach of “of any regulations made under Article 32 of the Order or of any other enactment relating to safety or standards applicable in respect of the transmission system” nor is SONI able to confirm yet if it is technically acceptable for the HISC to connect into the Coolkeeragh 275 kV Substation and operate within a range of acceptable risk and SONI would need to rely on the protection provided by paragraph 6 (a) (ii) of Condition 25 of its TSO licence, to decline to issue an offer for the connection at this time.

SONI also importantly note within the current application that SONI will only be in a position to issue an offer for the HISC to connect at Coolkeeragh if the risks can be mitigated to the satisfaction of all relevant Directors of all companies where liability would be created by this connection

### 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 further extension of the time required to issue the Connection Offer to [SIL] for its [HISC] project from **30 September 2022 to 30 November 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.*
- *Examination and assessment of this specific situation is now within the final stages, with a full legal review and mitigation measures to be completed.*
- *Further Assessment to ensure compliance under Article 32 of the Order or of any other enactment relating to safety or standards*

- *The assessment to be carried out for the HISC connection also requires input, approvals and signoff from ESB Coolkeeragh.*
- *Additional time is essential for this stakeholder engagement to take place and to ensure that the Directors of ESB Coolkeeragh are also able to fulfil their legal obligations to their staff.*
- *Without a further extension to the offer period, SONI is unable to confirm if it is technically acceptable for the HISC to connect into the Coolkeeragh 275 kV Substation and operate within a range of acceptable risk.*
- *SONI will only issue an offer for the HICS to connect at Coolkeeragh if the risks can be mitigated to the satisfaction of all relevant Directors of all companies where liability would be created by this connection.*

#### **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 current 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 (TO)**

*“The need for concluding the Risk Assessment and Methodology prior to issuing the Offer for the HICS is acceptable. The comments in my previous email below concerning a brief review of the costs prior to the Offer being issued would still stand and is something we can carry out once the RA’s etc have been finalised and signed off.”*

##### **SIL**

*Statkraft is in support of SONI’s decision to seek an extension to the connection offer processing timelines for Coolkeeragh HISC to November 30th 2022. As always, we are happy to engage in any specific discussions in relation to the project that might be useful as you complete your analysis.”*

## 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 current 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 November 2022** (as requested by SONI).
- (iii) This extension supersedes the extension granted to SONI by the Authority on 29 June 2022.
- (iv) The Condition 25(5) Long Stop date for SONI to make SIL a connection offer is now **30 November 2022**.

In making this decision the Authority has had proper and full regard to the consultation responses from NIE Networks and SIL. NIE Networks records that the proposed extension is “*acceptable*”, noting further comments regarding a brief review of costs prior to connection offer being issued. SIL is supportive of the extension period requested.

We welcome SONI’s acceptance (in its Letter) that it will make an offer of connection *before* 30 November 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 requisite connection offer to SIL *as soon as practicable*. The newly substituted C 25 date (30 November 2022) is a long stop date.

## 6. New Policy/Methodology

Detailed within our connection offer extension granted on 29 October 2021 within we stated:

*“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.”*

To date we are yet to receive this information in between the additional extension time periods granted following our consent granted in 29 October 2021. We, should be grateful if SONI would come back to us on this by prior to 30 November 2022. Again, we are happy to liaise with SONI (and NIE Networks) on the relevant issues.

We trust this is satisfactory.

Yours sincerely,



**Tanya Hedley**  
**Director Networks**