



# Notice under Article 14(2) of the Electricity (Northern Ireland) Order 1992

## Consultation on Proposed Modification to SONIs Transmission Licence Condition 40

03 October 2022



## About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs, Markets and Networks. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.



### Our mission

To protect the short- and long-term interests of consumers of electricity, gas and water.



### Our vision

To ensure value and sustainability in energy and water.



### Our values

- Be a best practice regulator: transparent, consistent, proportionate, accountable and targeted.
- Be professional – listening, explaining and acting with integrity.
- Be a collaborative, co-operative and learning team.
- Be motivated and empowered to make a difference.



## Abstract

This paper sets out our proposal for the modification to SONI's Transmission Licence Condition 40 – Transmission Development Plan Northern Ireland (TDPNI)

The proposed modification will align the consultation and reporting obligations of SONI as the Transmission System Operator (TSO) for Northern Ireland in the development of its Ten year Transmission Development Plan with the requirement set out within Article 51 of the European Directive 2019/944.

## Audience

This document is likely to be of interest to regulated companies in the energy industry, government, industry groups, consumer bodies, environmental groups and those with an interest in the energy industry and network planning.

## Consumer impact

Overall, the proposed licence modifications is to align SONI consultation and reporting obligations with European Legislation on a Two Year consultation and reporting cycle.

Consumers would therefore have the opportunity to review and provide consultation responses biennially in regards to the Ten Year Transmission Development Plan for Northern Ireland Developed by SONI.



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## Glossary

Electricity Order	The Electricity (Northern Ireland) Order 1992
EU	European Union
NI	Northern Ireland
SONI	System Operator Northern Ireland
TDPNI	Transmission Development Plan Northern Ireland
TSO	Transmission System Operator
UR	Utility Regulator



# 1. Executive Summary

- 1.1 This paper sets out our proposal to modify Condition 40 of SONIs Transmission Licence in regards to the consultation and reporting obligations of SONIs Ten Year Transmission Development Plan Northern Ireland. The licences affected by the proposed changes are the:
- SONI Transmission Licence<sup>1</sup>
- 1.2 The proposed modification is required to align Condition 40 Paragraph 1 and Paragraph 4 of SONIs Transmission Licence with Article 51 of European Directive 2019/944<sup>2</sup>.
- 1.3 The effect of the licence modification proposal is to amend the consultation and reporting requirements of SONIs Licence requirement to produce a Ten Year Transmission Development Plan for Northern Ireland from annually to “*at least every two years*”.
- 1.4 The implementation of the European Directive 2019/944, Article 51 will place the requirements on SONI to produce a Ten Year Transmission Development Plan for Northern Ireland on a two-year consultation and reporting cycle.
- 1.5 The detailed reasons and effects of the modifications proposed are set out more fully in chapters 2 and 3.
- 1.6 Indicative Timetable and next steps for the modification process is set out within Chapter 4.

## Document Structure

- 1.6. This consultation paper is structured in a number of chapters as follows:
- *Chapter 1 Executive Summary* provides a high-level summary of the proposed licence modifications and structure of this consultation document; it sets out details on how to respond to the licence consultation as well as equality considerations.
  - *Chapter 2 Introduction* provides an overview over the purpose, as well as the background and licence condition impacted by the proposed modification.
  - *Chapter 3 Proposed Modification* describes the related licence modification proposal
  - *Chapter 4 Next Steps* sets out the indicative timetable for the next steps of the licence modification process
  - Annex A shows the proposed changes to the Transmission licence and Licence condition
  - Annex B represents the notice under Article 14(2) of the Electricity (Northern Ireland) Order 1992 of our licence modification proposal
- 1.7. Annex A set out the proposed licence modification as tracked changes to the current licence conditions. Within the annex, proposed deletions are indicated by red text that has been struck through, proposed additions are indicated by red text that is underlined.
- 1.8. Chapters 2 and 3 each contain a section setting out the background to the proposed modifications, a section explaining the modification proposal and a section setting out the related reasons and

<sup>1</sup> [2022-01-17-soni-tso-consolidated.pdf \(uregni.gov.uk\)](#)

<sup>2</sup> [Directive \(EU\) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU \(recast\) \(Text with EEA relevance\) \(legislation.gov.uk\)](#)



effects.

## Responding to this Consultation

- 1.9. The Utility Regulator welcomes industry and stakeholder views and comments on the outlined licence modifications proposal and their effect. Any representations or objections with respect to the proposals may be made on or before **5pm on Friday 07 November 2022** to:

Jody O'Boyle  
Utility Regulator  
Queens House  
14 Queens Street  
Belfast BT1 6ED

Email: [electricity\\_network\\_reporting@uregni.gov.uk](mailto:electricity_network_reporting@uregni.gov.uk) with cc to:-  
[Jody.OBoyle@uregni.gov.uk](mailto:Jody.OBoyle@uregni.gov.uk), [timothy.steele@urgni.gov.uk](mailto:timothy.steele@urgni.gov.uk) and [Ciara.Brennan@uregni.gov.uk](mailto:Ciara.Brennan@uregni.gov.uk)

- 1.10. The Utility Regulator's preference would be for responses to be submitted by e-mail.
- 1.11. Your response may be made public by the Utility Regulator. If you do not want all or part of your response or name made public, please state this clearly in the response by marking your response as 'CONFIDENTIAL'
- 1.12. If you want other information that you provide to be treated as confidential, please be aware that, under the Freedom of Information Act 2000, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential
- 1.13. Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 and the Data Protection Act 2018).
- 1.14. As stated in the GDPR Privacy Statement for consumers and stakeholders, any personal data contained within your response will be deleted once the matter being consulted on has been concluded though the substance of the response may be retained.
- 1.15. The Utility Regulator has published a privacy notice for consumers and stakeholders which sets out the approach to data retention in respect of consultations. This can be found at <https://www.uregni.gov.uk/privacy-notice> or, alternatively, a copy can be obtained by calling 028 9031 1575 or by email at [info@uregni.gov.uk](mailto:info@uregni.gov.uk).
- 1.16. This paper is available in alternative formats such as audio, Braille etc. If an alternative format is required, please contact the office of the Utility Regulator, which will be happy to assist.

## Equality Considerations

- 1.17. As a public authority, the Utility Regulator has a number of obligations arising from Section 75 of the Northern Ireland Act 1998. These obligations concern the promotion of equality of opportunity between:
- i. persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
  - ii. men and women generally;



- iii. persons with disability and persons without; and
  - iv. persons with dependants and persons without.
- 1.18. The Utility Regulator must also have regard to the promotion of good relations between persons of different religious belief, political opinion or racial groups.
- 1.19. In the development of its policies the Utility Regulator also has a statutory duty to have due regard to the needs of vulnerable customers i.e. individuals who are disabled or chronically sick, individuals of pensionable age, individuals with low incomes and individuals residing in rural areas. Some of the above equality categories will therefore overlap with these vulnerable groupings.
- 1.20. In order to assist with equality screening of the proposals contained within this consultation paper, the Utility Regulator requests that respondents provide any information or evidence in relation to the needs, experiences, issues and priorities for different groups which they feel is relevant to the implementation of any of the proposals. Furthermore, the Utility Regulator welcomes any comments which respondents might have in relation to the overall equality impact of the proposals.



# 2 Introduction

## Purpose of this Consultation

- 2.1. The Utility Regulator's (UR) principal objective in carrying out the duties associated with our electricity functions is to protect the interests of consumers of electricity supplied by authorised suppliers, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission, distribution or supply of electricity. We are to carry out these functions in the manner which we consider to be best calculated to further the principal objective having regard to a number of considerations, including the need to secure that licence holders are able to finance the activities which are the subject of obligations imposed on them by or under the relevant legislation.
- 2.2. In line with these duties, this document sets out for consultation our proposals to modify SONIs Transmission Licence. The licence affected by the proposed change are:
- SONIs Transmission Licence
- 2.3. The licence modification will modify Condition 40, Paragraph 1 and Paragraph 4 of SONIs Transmission Licence. The modification will align the consultation and reporting requirements for SONI Ten Year Transmission Development Plan for Northern Ireland with the requirements in European Directive 2019/944, Article 51, '**Network development and powers to make investment**'.
- 2.4. SONI, under Article 10(1)(b) of The Electricity Order (Northern Ireland) 1992<sup>3</sup>, holds a Transmission licence to participate in the transmission of electricity for the purpose of giving a supply, and is the certified Transmission System Operator for Northern Ireland. They are obligated under Article 11 of the 1992 Order, to comply with EU obligations.
- "11A.—(1) Without prejudice to the generality of Article 11(1), a licence must include such conditions as appear to the Authority to be requisite or expedient to ensure any activity authorised by it is carried out in compliance with the relevant requirements and prohibitions laid down by the Directive<sup>4</sup>."*
- 2.5. The European Union Directive 2019/944 sets out the EU obligations with which SONI as the TSO must comply.

## Background

- 2.6. Under Article 22, Paragraph 1, of Directive 2009/72, TSOs shall;
- "...Every year, transmission system operators shall submit to the regulatory authority a ten-year network development plan based on existing and forecast supply and demand after having consulted all the relevant stakeholders. That network development plan shall contain efficient measures in order to guarantee the adequacy of the system and the security of supply".*
- 2.7. Licence Condition 40, Paragraph 1 of SONIs Transmission Licence implements this requirement and states;
- "...The licensee shall, in consultation with the Republic of Ireland System Operator and the Northern Ireland Distribution Operator and Transmission Asset Operator, once every year (and not later than such date as the Authority shall specify) use reasonable endeavours to prepare and publish a TDPNI, in a form approved by the Authority, based on existing and forecast supply and demand after having publicly consulted all the relevant stakeholders and submitting to the Authority (for approval). That TDPNI shall contain efficient measures in order to guarantee the adequacy of the transmission*

<sup>3</sup> [The Electricity \(Northern Ireland\) Order 1992 \(legislation.gov.uk\)](https://legislation.gov.uk)

<sup>4</sup> the Directive" means Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU

*system and the security of supply.”*

- 2.8. Licence Condition 40, Paragraph 4 of SONI's Transmission Licence implements this requirement and states

*“The Licensee may (and shall where directed to do so by the Authority), in consultation with the Republic of Ireland System Operator and the Northern Ireland Distribution Operator and Transmission Asset Operator, periodically revise the information set out in and, with the approval of the Authority, alter the form of the TDPNI prepared in accordance with paragraph 1. It shall also, at least once in every year the Licence is in force, revise that plan so that the information set out in it shall continue to be accurate in all material respects.”*

- 2.9. On an annual cycle, SONI publically consults on their Ten Year Transmission Development Plan and submits the relevant documentation to the Authority for approval. SONI's consultations can be found on their website<sup>5</sup>.

- 2.10. In 2019, the European Parliament and of the council, recast legislation on common rules for the internal market for electricity and amending Directive 2012/27/EU, under the directive 2019/944.

- 2.11. This resulted in changes to the consultation and reporting obligations of Article 22, Directive 2009/72, Network development and powers to make investment, for SONI, in their role as the Transmission System Operator (TSO) for Northern Ireland

- 2.12. The implementation period for the recast of Directive 2019/944 ended on 31 December 2020.

- 2.13. European Directive 2019/944, Article 51 states:

*“...At least every two years, transmission system operators shall submit to the regulatory authority a ten-year network development plan based on existing and forecast supply and demand after having consulted all the relevant stakeholders. That network development plan shall contain efficient measures in order to guarantee the adequacy of the system and the security of supply.”*

- 2.14. As a result of the implementation of Directive 2019/944, Article 51, we are now proposing to modify Condition 40, Paragraph 1 and Paragraph 4 of SONI's Transmission Licence, in a manner that will align with the appropriate European legislative requirements.

## **Impact of Modification**

- 2.15. At present, SONI publically consults on their Ten Year Transmission Development plan on an annual cycle. This provides the opportunity for stakeholders to review and respond to SONI's planned network developments within Northern Ireland, in conjunction with NIE Networks as the Transmission Asset Owner, on an annual basis.

- 2.16. Implementation of this Licence Modification would amend this consultation and reporting requirement to, every two years. As a result, stakeholders would be able to review and respond to planned network developments *“at least every two years”*.

- 2.17. The current annual cycle of consulting and reporting of the ten year Transmission Network Development Plan and the process in the development of the plan *“creates challenges for SONI in their delivery of an annual update, whilst at the same time ensuring the adequate time for stakeholders and the public to input fully to the consultation exercises”*, as stated by SONI.

- 2.18. This licence modification *“shall support fuller consultations on the proposed plan and will introduce a more realistic schedule for the delivery of each edition that reflects the complexities of delivering a network that supports decarbonisation of the energy supply chain in Northern Ireland”*, as stated by SONI.

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<sup>5</sup> [Library \(soni.ltd.uk\)](http://soni.ltd.uk)

- 2.19. Also set out within Directive 2009/72, Article 22 Paragraph 4, there is a requirement on the regulatory authority (i.e. on UR) to consult all actual or potential system users on the ten-year network development plan in an open and transparent manner on an annual basis in regards to SONIs Ten Year Transmission Network Development Plan for Northern Ireland.
- 2.20. This requirement is also set out with Directive 2019/944, Article 51 Paragraph 4. As a result of the implementation of the Directive and the proposed modification to SONIs consulting and reporting obligations within Condition 40 their Transmission Licence, the obligation and requirement for the regulatory authority to consult, will also be undertaken “*at least every two years*”, under Article 59(5)(c) which states:
- 59(5)(c) without prejudice to the procedure under point (c) of Article 44(2), for the first ten-year network development plan, approve the investments planning and the multi-annual network development plan submitted at least every two years by the independent system operator;*
- 2.21. UR’s consultation will be undertaken upon the completion of SONIs Ten Year networks Development Plan consultation process and submission of relevant documentation to UR.

# 3 Proposed Modification to Condition 40 – reasons and effects

## Proposed Licence Modifications

- 3.1. Condition 40, Paragraph 1 of SONI Transmission Licence;

*The licensee shall, in consultation with the Republic of Ireland System Operator and the Northern Ireland Distribution Operator and Transmission Asset Operator, at least every two years (and not later than such date as the Authority shall specify) use reasonable endeavours to prepare and publish a TDPNI, in a form approved by the Authority, based on existing and forecast supply and demand after having publicly consulted all the relevant stakeholders and submitting to the Authority (for approval). That TDPNI shall contain efficient measures in order to guarantee the adequacy of the transmission system and the security of supply.*

- 3.2. Condition 40, Paragraph 4 of SONI Transmission Licence

*The Licensee may (and shall where directed to do so by the Authority), in consultation with the Republic of Ireland System Operator and the Northern Ireland Distribution Operator and Transmission Asset Operator, periodically revise the information set out in and, with the approval of the Authority, alter the form of the TDPNI prepared in accordance with paragraph 1. It shall also, at least every two years the Licence is in force, revise that plan so that the information set out in it shall continue to be accurate in all material respects.*

- 3.3. The proposed red lined licence modifications are set out in detail in Annex A.

## Reasons and Effects

- 3.4. The reason for the proposed change to align SONI's Condition 40, Paragraph 1 and Paragraph 4 Licence requirements with Directive 2019/944, Article 51, Paragraph 1.
- 3.5. Upon the implementation of this licence modification. SONI is required to submit a request for approval in regards to their Ten Year Development Plan for Northern Ireland “*at least every two years*.”
- 3.6. The UR will consider in line with our duties consult on SONI's Ten Year Development plan and if approved, publish our decision.

## 4 Next Steps

- 3.7. This paper represents the Utility Regulator's proposals on modification to SONI's Transmission licence. Table 1 summarises the next steps and associated timelines for the licence modification process. We note that that timelines are indicative at this stage and may be subject to change.
- 3.8. The Authority will agree with SONI and publish in our decision the date of the next expected Ten Year Development Plan for Northern Ireland, following the effective date and implementation of the proposed licence modification. We envisage that the next iteration of the TDPNI will be published in 2023, to cover period 2023-2032. This would be the start of the two year cycle following the implementation of the licence mods under the licence framework of SONI Transmission Licence.
- 3.9. As the licence condition requires SONI to consult with the Republic of Ireland System Transmission System Operator, we have engaged with The Commission for Regulation of Utilities (CRU) prior to this consultation. We will further engage with CRU throughout the consultation period and decision period.

**Table 1: Indicative timelines**

<b>Next Steps</b>	<b>Proposed Date</b>
Notice of proposal to modify SONIs Transmission licences published	03 October 2022
Statutory consultation closes	07 November 2022
Notice of decision to modify SONIs Transmission licences published	November 2022
Licence modification effective date	56 days later

## Annexes

Table 2 below provides an overview over the annexes to this consultation document.

Annex A sets out the proposed modifications tracked against the current licence drafting.

Annex B contains the notice required under Article 14(2) of the Electricity (Northern Ireland) Order 1992 for the licence modification proposal.

**Table 2: Overview over Annexes**

<b>Annex Number</b>	<b>Annex Name</b>
Annex A	Transmission Licence Proposed Modifications
Annex B	Article 14(2) of the Electricity (Northern Ireland) Order 1992 – SONI Transmission Licence

# Annex A- SONI (TSO) Transmission Licence

SONI Transmission Licence - [2022-01-17-soni-tso-consolidated.pdf \(uregni.gov.uk\)](https://www.uregni.gov.uk/2022-01-17-soni-tso-consolidated.pdf)

## Proposed Modification Licence Requirement

### Condition 40 - Transmission Development Plan Northern Ireland (TDPNI)

#### Condition 40 Paragraph 1 - Duty to Prepare and Publish a Plan

1. The licensee shall, in consultation with the Republic of Ireland System Operator and the Northern Ireland Distribution Operator and Transmission Asset Operator, ~~once every year~~ **at least every two years** (and not later than such date as the Authority shall specify) use reasonable endeavours to prepare and publish a TDPNI, in a form approved by the Authority, based on existing and forecast supply and demand after having publicly consulted all the relevant stakeholders and submitting to the Authority (for approval). That TDPNI shall contain efficient measures in order to guarantee the adequacy of the transmission system and the security of supply

#### Condition 40 Paragraph 4 – Revisions to the Plan

4. The Licensee may (and shall where directed to do so by the Authority), in consultation with the Republic of Ireland System Operator and the Northern Ireland Distribution Operator and Transmission Asset Operator, periodically revise the information set out in and, with the approval of the Authority, alter the form of the TDPNI prepared in accordance with paragraph 1. It shall also, ~~at least once in every year~~ **at least every two years** the Licence is in force, revise that plan so that the information set out in it shall continue to be accurate in all material respects.

# Annex B

## Notice under Article 14(2) of the Electricity (Northern Ireland) Order 1992 – Modification Proposed to Condition 40 of the Electricity Transmission Licence Held by SONI Limited

### THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION NOTICE UNDER ARTICLE 14(2) OF THE ELECTRICITY (NORTHERN IRELAND) ORDER 1992 MODIFICATIONS PROPOSED TO THE ELECTRICITY TRANSMISSION LICENCE HELD BY SONI Limited

The Northern Ireland Authority for Utility Regulation ('the Authority') proposes to modify the conditions of a licence in exercise of the powers conferred on it by Article 14(1) of the Electricity (Northern Ireland) Order 1992 ("the Order").

In accordance with Article 14(2) of the Order the Authority gives notice as follows:

1. The Authority proposes to make a modification to the Electricity Transmission licence ("the Licence") held by SONI Limited ("the Licensee").
2. Details of the proposed modifications are set out in chapter 2 of the attached consultation paper on Condition 40 – Transmission Development Plan Northern Ireland of SONI's Transmission Licence as well as in Annex A to that consultation paper.
3. The reasons for the proposed licence modification are set out in chapter 3 of the attached consultation paper.
4. The effects of the proposed licence modification are set out in chapter 3 of the attached consultation paper.
5. Representations with respect to the proposed modifications may be made on or before **5pm on Friday 07 November 2022** to:

Jody O'Boyle  
Utility Regulator  
Queens House  
14 Queens Street  
Belfast BT1 6ED  
(0) 28 9031 1575

Email: [electricity\\_network\\_reporting@uregni.gov.uk](mailto:electricity_network_reporting@uregni.gov.uk) with cc to:-  
[Jody.OBoyle@uregni.gov.uk](mailto:Jody.OBoyle@uregni.gov.uk), [timothy.steele@uregni.gov.uk](mailto:timothy.steele@uregni.gov.uk) and [Ciara.Brennan@uregni.gov.uk](mailto:Ciara.Brennan@uregni.gov.uk)

6. The Authority has, pursuant to Article 14(4) of the Order, sent a copy of this notice to the Licensee, the Department for the Economy and also to the General Consumer Council for Northern Ireland.
7. A copy of this notice and the proposed modification can be obtained in hard copy form from the Authority by contacting Jody O'Boyle at the contact details above.

Dated: 03 October 2022

A handwritten signature in black ink, appearing to read 'J. French', written in a cursive style.

**John French CEO**

**For and on behalf of the Northern Ireland Authority for Utility Regulation**