SONI Draft Transmission Development Plan Northern Ireland 2021-2030 – Mutual Energy response

Mutual Energy welcome the opportunity to respond to the Utility Regulator's ("**UR**") consultation on SONI's updated draft 2021-2030 Transmission Development Plan Northern Ireland ("**TDPNI**") (the "**updated draft TDPNI**").

We note SONI's Report on Public Consultation[1] ("**SONI's consultation report**") on its previous draft TDPNI 2021-2030, including its response to specific aspects of Mutual Energy's response to that consultation. We therefore do not repeat here in full the submissions made to that consultation but rather pick up on the matters raised by Mutual Energy referenced in SONI's consultation report. With that said, this response should be read in conjunction with our response to SONI's consultation on its previous draft TDPNI 2021-2030.[2]

Renewable Electricity

We note SONI's consultation report confirms the updated draft TDPNI was "*compiled based on assumed Energy Strategy targets*" (being 70% electricity consumption from renewable sources ("**RES-E**") by 2030), and that "*future versions of TDPNI (2022 onwards) will be reviewed and assessed in accordance with the Energy Strategy*". However, the Climate Change Act (Northern Ireland) 2022[3] entered into force on 6 June 2022 and increased this target to at least 80% by 2030. It is important the TDPNI reflects what is necessary to deliver this legal requirement.

Moreover, Mutual Energy are supportive of the point made by RenewableNI in its response to the consultation, that any 2030 target is only an interim step on the pathway to net zero. The TDPNI should therefore carefully consider electricity transmission systems developments required over the long term to deliver the full transition to net zero, and particularly any relevant policy objectives in place to support this – e.g. commitments on offshore wind from 2030, development of the hydrogen economy, etc. This will minimise the risk of a short-term focus resulting in suboptimal decision making over the longer term.

Gas Industry Co-ordination / Whole System Approach

SONI's consultation report confirms its intention to revise its TDPNI, *"once the next versions of the Transmission Investment Plan (TIP) and Tomorrows Energy Scenarios Northern Ireland (TESNI) have been compiled"*. We set out in our response to SONI's consultation on the previous draft TDPNI 2021-2030 our understanding that, after having coordinating closely with Northern Ireland Electricity Networks ("**NIE**"), all scenarios included by SONI in TESNI 2020 assumed a high degree of demand electrification across all potential sectors (including heat and transport, etc.) and that the gas grid would effectively be decommissioned by 2050. However, given the ongoing extensive uncertainty regarding optimal paths to net zero energy, failure to properly assess a diverse range of counterfactual net zero energy system scenarios is very likely to result in sub-optimal outcomes for consumers and certainly an inability to demonstrate conclusions (including transmission investment plans etc.) to be in those best interests. We therefore welcome the agreement in SONI's consultation report with our suggestion that closer engagement with the gas industry is required.

[1] https://www.soni.ltd.uk/media/documents/Report-on-Draft-TDPNI-2021-2030-Consultation.pdf
[2] https://consult.soni.ltd.uk/node/333/submissions
[3] https://www.legislation.gov.uk/nia/2022/31/enacted

We also note that UR's recent 'GT22' Price Control for Northern Ireland's Gas Transmission Networks[4] records its expectation that, in order to *"enhance the gas-electricity engagement channels to ensure that whole system thinking is embedded across the energy sector"*, the gas TSO's should "*engage with SONI to include greater integration between the long-term gas and electricity development plans*". While (as SONI's consultation report records) SONI and Mutual Energy are "*currently engaging to understand how decarbonisation will impact both the electricity and gas networks, and this work will inform the next publication of TESNI"*, it is at an early stage and informal in nature.
Mutual Energy therefore recommend engagement with UR would be beneficial on the expectations and structuring of cross-sectoral network planning which will promote delivery of outcomes in the interests of NI consumers. Formalising the engagement will also help, in the longer term, with delivery of the NI energy transition, including management of any security of energy supply risks and may help to inform future relevant energy and related policy considerations.

As you will note from our response to SONI's consultation on its previous draft TDPNI 2021-2030, we have welcomed inclusion of the 'Moyle 275 kV Reinforcement' project in the plan, which would permit full use of Moyle's technical 500 MW capacity. Moyle's export capacity has historically been restricted by limitations on the GB system but these restrictions have been lifted since April 2022, so the NI system limitations mean the maximum export that can be facilitated is 400MW. We note that the estimated completion of this project remains 2024, but understand that meeting this date will be very challenging. As we understand it, this project addresses a contingency risk that is of low probability (being a double circuit trip of the Hannahstown to Ballylumford line). We have previously suggested that a probabilistic cost-benefit analysis of this project be completed at the earliest opportunity to assess whether Moyle's full technical capacity can be used earlier than, or without, completion of the proposed reinforcement. We remain of this view and can also see merit in exploring innovative non-build solutions as part of any CBA, such as a runback service in the event of a trip on the relevant circuit.

[4] https://www.uregni.gov.uk/files/uregni/documents/2022-05/2022-05-17-gt22-final-determination.pdf