

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

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

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Our Ref: NET/E/DH/616

Dear John,

Request for Extension of Time to Issue a Connection Offer for Connection Application for Ballyhanedin Wind Farm, NIE Networks reference 22/00467

Thank you for your letter dated 21 November 2022, setting out an application by NIE Networks for our consent (in writing) that the period specified in Condition 30(6)(b) of NIE Networks' (distribution operator) licence (**the NIE Licence**) shall be substituted by a longer period ending 7 April 2023.

NIE Networks' 21 November application ("**the third application**") is the latest in a series of (three) similar applications for consent under Condition 30(7) of the NIE Licence. The previous application ("**the second application**") was submitted by letter dated 23 September 2022. The second application asked that the Authority consent to a (substituted) longer period - for Condition 30(6)(b) purposes - out from 16 October 2022 to 16 January 2023.

Receipt of the second application coincided with receipt of a related application *by SONI* for a consent to requisite extension under *Condition 25* of the SONI TSO licence. NIE Networks was advised (i) that consideration of the second application would be held over until a decision on the related SONI application and (ii) that it (NIE Networks) would have 14 days from our (published) decision on that SONI application to lodge an augmented/supplemental Condition 30(7) application. It was considered that an extension for Condition 25 purposes would have a knock-on effect for NIE Networks'

requirements *viz.* a related Condition 30(7) application and so it was better to deal with the SONI application *first* and then let NIE Networks decide whether and if so to what extent it needed to re-configure any related Condition 30(7) application.

Our decision on the SONI application was made by way of a published decision letter dated 7 November 2022.¹ Accordingly, NIE Networks has, in delivering the third application, complied with our previous request. We are grateful.

1. Condition 30 of the Licence

Condition 30 provides that (barring specified exceptions) NIE Networks 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 to the distribution system.

Condition 30(7) of the NIE Licence provides for NIE Networks to make an application to the Authority² seeking written consent to a “longer period” than the 3-month period specified in Condition 30(6)(b) of the NIE Licence. Neither the making of a Condition 30(7) application, nor any (written) consent from the Authority in response thereto to a longer period, negates NIE Networks’ obligation to make a connection offer *as soon as practicable*. That obligation – which is recorded in Article 20 of the Electricity (NI) Order 1992 (the **Electricity Order**) – remains.

2. Background

On 26 April 2022, the Authority granted written consent to a longer period (for Condition 30(6)(b) purposes) in response to NIE Networks’ application (“**the first application**”) – dated 8 April 2022 - under Condition 30(7) of the NIE Licence regarding a connection offer for Ballyhanedin wind farm. The longer period consented to was out to 16 October 2022. Reference should be made to the published decision letter³ for details of the applicable background to the first application.

There then followed the second application (dated 23 September). Details of this second application, and how we (initially) responded to it, are set out above. Again, by

¹ [2022-11-07 SONI C25 Feeny Cluster - UR Decision.pdf \(uregni.gov.uk\)](#)

² NIE Ltd: ‘Electricity Distribution Licence’.

³ [2022.04.22-approval-letter-to-nien-for-ballyhanedin-wf-final.pdf \(uregni.gov.uk\)](#)

this second application NIE Networks asked that the operable period for Condition 30(6)(b) purposes be extended out to 16 January 2023 (from 16 October 2022).

We now have the third application. This letter offers the decision on that application.

3. The Third Application

Again, the third application requests consent for a longer period out to 7 April 2023. Like the (two) previous Condition 30(7) applications the third application speaks to the proposal for a cluster connection for the Ballyhanedin wind farm. The designated Cluster is the Feeny Cluster.

In support of the third application NIE Networks states (*inter alia*):

"...The cost of establishing a 110/33kV cluster is quite substantial and therefore SONI and NIE Networks are potentially considering an alternative connection option. SONI and NIE Networks would however need to engage with UR ahead of providing any such connection offer. NIE are currently arranged to meet with the UR on 1 December 2022."

"NIE Networks cannot proceed to design the unique element of the connection until we are in receipt of the Section S offer for Feeny Cluster as SONI may not be able to provide an offer or may change the proposed location of the cluster substation."

"On the basis that NIE Networks will require a Design and Quotation period of three months from the date on which the Section S offer is received, NIE Networks requests an extension of time to issue a connection offer to Ballyhanedin until 7 April 2023, or to issue the offer as soon as practicable within this timescale. A further extension may be required if a Section S offer is not received from SONI by the 7 January 2023."

NIE Networks' stated rationale for the third application is rehearsed as follows:

- a. *"To allow the efficient connection and to minimise the environmental impact of a number of renewable projects through the creation of a new cluster at Feeny.*
- b. *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 Ballyhanedin to Garvagh Main, which would be 20km versus 5km to Feeny Cluster*

- c. *Removing Ballyhanedin from Feeny Cluster would result in Feeny Cluster not being justified as the connection potential would drop below 56MW*
- d. *Following discussions with the applicant, it has been agreed that the best approach for this application is to seek an extension until such time where NIE Networks knows the outcome of the Section S offer from SONI for Feeny Cluster."*

Although NIE Networks contends that the making of the relevant connection offer is subject to external events outside of NIE Networks control – and here NIE Networks refers to matters relating to the receipt of a related Section S offer (for connection of the proposed Feeny Cluster) from SONI – it further states that:-

"...NIE Networks expects to have a Section S offer from SONI by 7 January 2023."

4. Application Impacts

NIE Networks has provided the following information regarding the impacts of granting consent / not granting the consent sought in the third application:-

Granting Consent

- a. *"This extension would allow the applicant to remain in the connection queue for the 90MW at the proposed Feeny Cluster where there is an opportunity for network capacity to become available that would facilitate the connection of this proposed project.*
- b. *This extension would facilitate a fair and transparent network capacity allocation and queuing process for the capacity available for the 90MW at Feeny Cluster*
- c. *Enabling this application to remain in the queue presents a potential benefit by providing a greater opportunity for the remaining capacity for the 90MW at Feeny Cluster to be fully committed*

- d. *This extension will enable NIE Networks to progress the connection design and production of a connection offer subject to capacity becoming available.”*

Not Granting Consent

- a. *“As capacity is not available at Limavady Main BSP due to the transformers currently being fully subscribed, a connection would have to be offered from Garvagh Main S/S. This would result in a connection route of over 20km and potentially through areas of specific scientific interest.*
- b. *A connection to Garvagh Main would result in the need for a 2nd transformer which would be chargeable to the applicant. This has the potential to make the planned windfarm economically unviable when considered alongside the long connection route.”*

5. Consultation with applicant for connection for Ballyhanedin Wind Farm and other parties considered affected

Condition 30(7)(a) of the NIE Licence provides that NIE Networks must consult with the applicant for connection in respect of which the application under Condition 30(7) is made. That applicant is RG Developments Limited (“**RGD**”).

The third application records consultation between NIE Networks and RGD in respect of the Condition 30(7) application made therein. It also records interaction with SONI with regard to available transmission capacity. The views of RGD are now set out.

Position of RGD

“Overall, [RGD] support[s] your extension requests to hopefully provide the necessary time to allow matters to now conclude. However, we would ask that the outcome of the forthcoming meeting on the 1st December 2022 with the UR is fed back as soon as practical. [RGD]’s project relies on on-going investment and it is vital grid connection progress is fed back to our backers at the soonest opportunity to ensure investment can be modelled, justified and then maintained.

We would also request the same transparency and speed of information return when the SONI connection offer is received by NIE.

We also feel feedback and consultation with cluster developers should now be undertaken on an individual developer basis given that the views of other developers associated with the cluster may differ to those of our own. Ongoing collective dialogue/calls could lead to an inaccurate view of our own actual position and intentions.”

Proposed engagement between the NIE Networks, SONI and the Authority

NIE Networks indicates that a meeting as to connection methodology for the related Feeny Cluster is being considered.

Other Applicant

NIE Networks also states that there is one other applicant in the connection queue for the Feeny Cluster, and that it is engaging with this applicant to keep it apprised of developments. It notes that there is no impact of Ballyhanedin on the other applicant. If a Section S offer is received for Feeny Cluster it will be capable of accommodating both projects.

We note that the third application contains past (joint) representations from that other applicant, and RGD, as to potential difficulties with the application of the Cluster process to their respective connection applications.

Other connection methodology

The third application – like the two that preceded it - narrates some complexities with the relevant connection studies. There is a reference to a previous meeting in an email of 22 August which states that:

“It was agreed at the end of this meeting that the establishment of a distribution cluster substation in the vicinity of Feeny was key to the delivery of the 2030 target. It was also felt that such a solution had the potential to remove the need for other transmission investment.”

It is further stated that NIE Networks and SONI are currently working on bringing forward a high-level proposal *“for the solution to the Feeny Cluster to the UR”* on 1 December 2022, *“after which we will look to see the design process to a conclusion to allow the connection offer for Ballyhanedin to be issued.”*

It should be observed here that whilst this meeting was scheduled it has had to be re-arranged due to unforeseen circumstances.

6. The Authority’s decision

Having considered the matter fully, and taking all relevant matters into account⁴, the Authority:

- (i) Determines to accede to the third application, considering it properly founded; and, accordingly
- (ii) gives its (written) consent to a longer period – within which NIE Networks is required to make a connection offer to RGD in respect of the application for connection made for the Ballyhanedin Wind Farm - out (from 16 October 2022) to **7 April 2023**.

In making this decision, we have had proper and full regard to the consultation response from RGD as the developer of Ballyhanedin Wind Farm. We do not consider that the matters raised by RGD should cause us to refuse the third application.

Overall, and having weighed *all* matters set out in the third application (and noting the general concerns about the application of the clustering process), we have evaluated that it is right to grant the consent now sought by NIE Networks. Particular regard has been had to the “impacts” and “rationale” part of the third application.

We acknowledge the relationship between receipt of a Section S offer (from SONI) for connection (to the transmission system) of the proposed Feeny Cluster (substation) and NIE Networks’ ability to formulate an offer for connection to RGD. The third application demonstrates the particular complexities that the grid companies are grappling with in considering the applicable connection methodology for the Feeny Cluster.

⁴ To include our principal objective and related obligations as set out in Article 12 of the Energy (NI) Order 2003.

We recognise that further engagement is needed between the relevant parties during the period of extension in order to arrive at a final viable option for a successful connection. The relevant parties have asked us to participate in relevant discussions as to potential connection solutions. We have made ourselves available for that purpose. The meeting originally scheduled for 1 December 2022 is to be rescheduled in the near future. Of course, any discussions will be framed by our regulatory role and the limitations thereof.

We confirm that the period ending **7 April 2023** is a “long stop” date. The obligation under Condition 30 of the NIE Licence is (now), subject to applicable exceptions⁵, to offer terms of connection for Ballyhanedin Wind Farm “as soon as practicable” and “in any event no later than” 7 April 2023. The licence obligation is not (now) simply to offer connection terms *by* 7 April 2023.

We (again) encourage all parties (to include NIE Networks and SONI) to continue to engage with each other to ensure that a suitable connection offer (where available) can be made as soon as practicable. In particular, we expect SONI and NIE Networks to continue to work collaboratively throughout the relevant connection process within the provisions of the TIA and their respective Transmission and Distribution Licences.

This decision will be published on our website and placed in the Public Electricity Register.

Finally, we should take this opportunity to clarify that our dealings with the third application should not be taken as warrant for Condition 30(7) applications to be made, without issue, in the period following expiry of the relevant Condition 30(6)(b) period (either where previously extended on foot of a previous Condition 30(7) application or otherwise). The circumstances/timings of receipt of the second application were unusual and our general expectation is that Condition 30(7) applications should be lodged in good time prior to expiry of the relevant specified period.

⁵ Consonant with NIE Networks’ licence obligations and its statutory duties set out in Articles 12 and 19 of the Electricity Order.

Please do return to us should you require any clarification.

Yours sincerely,



Donald Henry
Networks and Energy Futures Director