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Our Ref: NET/E/DH/617

Dear John,

Request for Extension of Time to Issue a Connection Offer for Connection Application re Barr Cregg Wind Farm, NIE Networks reference 22/00478 (“the Application”)

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 Barr Cregg 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 [Extension to issuing a connection offer – Barr Craig Windfarm | Utility Regulator \(uregni.gov.uk\)](#)

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 Barr Cregg 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 Barr Craig until 7 April 2023, or to issue the offer as soon as practicable within this timescale. A further extension maybe 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 Barr Craig to Killymallaght Main, which would be 20km versus 11km to Feeny Cluster.*

- c. *Removing Barr Craig 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 they have raised concerns in regards to the cluster connection methodology due the timescales and potential costs of connection to a cluster and have asked for a direct connection. As the cluster is at the designated stage then as per NIE's statement of charges we are to provide a connection offer to this 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 Killymallaght 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 Killymallaght Main would result in the Feeny Cluster no longer being viable and the other generators attached to Feeny being economically unviable through the requirement of long connections routes.”*

5. Consultation with applicant for connection for Barr Cregg 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 RES Energy Systems Limited (“RES”).

The third application records consultation between NIE Networks and RES 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 RES are now set out.

Position of RES on the 21 November application.

An email appended to the 21 November 2022 application makes RES’s objection to the latest Condition 30(7) application by NIE Networks clear. In essence RES states:-

“...this is not a request we support and is in fact totally unacceptable.”

There are also comments on what RES considers inadequacies in the current Clustering approach:

“...two particular flaws we have discussed in recent times are;

- i) The right to leave a cluster (assuming all other necessary criteria are satisfied) is arbitrarily limited to that generator that is first in the queue and no other;*
- ii) A generator can refuse to accept an offer of terms to connect to a generator cluster or it can terminate a previously accepted offer but that generator’s MW of capacity can still contribute to the cluster’s needs case (which is based on planning consent status only).”*

Point ii) was identified in these communications as giving “rise to the potential for significant stranded spend at cost to the NI electricity customer.” It was also stated in the email that the works necessary to extend the Feeny Cluster to new 275kv assets including a new 275kv substation, could cost in excess of £10 million.

“As per our previous communications on this subject, we support clustering in general because it can bring design efficiencies and other economies into the delivery of new least cost renewables. However, the process needs to provide flexibility for circumstances where clustering is not the right answer. Until the process can be changed to enable such flexibility, we strongly encourage NIE to consider engaging with the UR to consider the specific circumstances of the Feeny Cluster and to then take steps to find an alternative approach that will better service the grid integration of least cost renewables in the area.”

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. We note that the third application contains past (joint) representations from that other applicant, and RES, 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 Barr Craig 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 RES in respect of the application for connection made for the Barr Cregg 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 RES as the developer of Barr Cregg Wind Farm. We do not consider that the matters raised by RES should cause us to refuse the 21 November application.

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

Overall, and having weighed *all* matters set out in the 21 November application (to include the RES concerns about the impact of granting the longer period sought, and noting its general concerns about the flexibility 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 21 November 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 RES. The third application demonstrates the particular complexities that the grid companies are grappling with in considering the applicable connection methodology for the Feeny Cluster.

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 Barr Cregg 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.

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

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.

Please do return to us should you require any clarification.

Yours sincerely,



Donald Henry
Networks and Energy Futures Director