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04 Jan 2023

Ref: NET/E/DH/625

Dear Alan

Application for the Authority's¹ consent to extend the Connection Offer Timelines for Connection Application for the EP Kilroot Limited's GT West Project

Thank you for your letter of 19 December 2022 ("the **Letter**").

We treat the Letter as an application ("the **Application/SONI's Application**"), made under Condition 25(5) of SONI's Transmission Licence ("the **Licence**"), seeking the Authority's consent for the extension of the time period within which SONI ("the **Licensee**") is required to issue a connection offer to EP Kilroot Limited ("**EPKL**") for the connection of a Combined Cycle Gas Turbine (**CCGT**) to be located at Kilroot Power Station, Larne Road, Carrickfergus, County Antrim.

We start by setting out the relevant terms of Condition 25 of the Licence. We then move to the Application itself.

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.

¹ 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 21 September 2022, SONI received a Transmission Connection Application from EPKL seeking a Connection Offer to connect a CCGT (EP Kilroot GT West total MEC = 500 MW) – ‘GT West’ - to be located at Kilroot Power Station.

SONI assessed the application and deemed it effective on **4 October 2022**. It follows that, unless SONI has the consent of the Authority for a longer period to apply, Condition 25(5) [when read with C 25(7)] obliges SONI to make the requisite connection offer to EPKL, as soon as practicable and, in any event, by no later than 4 January 2023 (this being the date which is three months from the validation date).

We note that the Application seeks an extension of the Condition 25(7) period out from 2 January 2023 to 2 November 2023. SONI comments in Appendix 1 to the Application that “SONI is not able to issue a Connection Offer within the timescales set out in Condition 25 of its TSO Licence within 3 months (i.e. 90 days).” However, as detailed above, Condition 25 (7) specifies that the requisite period – absent a Condition 25(5) type “extension” – is 3 months. It is not 90 days as SONI appears to presume. Nothing turns on SONI’s error. We treat the Application as an application to extend the specified period out to 2 November 2023.²

The Application states that the existing Kilroot 275 kV Substation “*already has a significant amount of existing generation connected as well as planned generation to be connected so to determine the options for the Least Cost Technically Acceptable (“LCTA”) connection arrangement for a further 500 MW of generation there is a need for SONI to further consider and assess with NIE Networks, in its role as Transmission Owner (“TO”) what the connection options for the GT West connection are.*”

The Application lists “*several known issues which may require major works at Kilroot 275kV Substation to facilitate the new GT West connection and as such additional time will be required to investigate these. This includes the following:*

- *Assessment of the design philosophy of the circuit breaker and a half arrangement at Kilroot 275 kV Substation. This will be necessary due to the large amount of generation at the node and to ensure that the thermal rating of the busbar is adequate. Due to limited information currently available on this Kilroot 275 kV Substation design SONI will need to procure a consultant for and/or research the design philosophy.*
- *There is no available space in the existing Kilroot 275 kV Substation to build out an additional diagonal for GT West; and*
- *A fault level assessment of Kilroot 275 kV Substation will need to be undertaken. This will include engagement with the TO on capability of existing switchgear and possible further engagement with equipment manufacturers.*

² It is right to note that this is the extended period advised to EPKL.

3. The SONI Application

The Application is summarised as follows in the Letter:

“In line with Condition 25 of the TSO Licence, SONI requests that the Authority consents to extend the time required to issue the Connection Offer to EPKL for its GT West project from 2 January 2023 to 2 November 2023”.

The following factors have been identified by SONI in support of the Application:

- A need for SONI to further consider and assess with the TO the LCTA connection options for the GT West Connection
- A need for SONI and the TO to consider the long-term plan for the Kilroot 275kV substation, including the age and condition of the assets, as part of the assessment and determination of the LCTA connection arrangement. This is in light of several known issues which may require major works at Kilroot 275kV substation, outlined above.
- In addition, SONI need to engage with the TO and conduct an updated risk assessment which incorporates the impact of the new GT West connection on the five substations de-rated due to the concrete A frames and flexible catenaries.

The Application also states that these issues *“present technical complexities and the additional time proposed to study and address these at this point will mean a more efficient end to end connection process than having to subsequently revise the connection offer at a later date.”*

The Application records the following:

“SONI is unable to determine the LCTA connection method and complete the relevant processes with the TO under the Transmission Interface Arrangements (“TIA”) within the timescales set out in Condition 25 of the SONI licence.

In addition, based on the information currently available, SONI we would not be able to issue an offer to that we could be confident would not be ‘in breach of any regulations made under Article 32 of the Order or of any other enactment relating to safety or standards applicable in respect for the transmission system’.

The purpose of this extension is therefore to undertake the necessary assessments and analyses. Without this verification, we would not be able to issue an offer for connection at this point in time which would meet the requirements set out in our licence and statute.”

4. The Application Consultation

An application by SONI under Condition 25(5) requires SONI to consult with:

“ . . . the person making the application [for connection: in this case EPKL] and such other persons as [SONI] considers may be affected or interested.”

SONI has consulted with EPKL and NIE Networks (in its capacity as the Transmission Owner (“TO”)). Their views are set out below.

EPKL

EPKL commented (in an email dated 22 December 2022) that *“we cannot support an extension to the offer timelines, however neither do we object to SONI seeking the below extension to the revised timelines. We ask that SONI aspires to issue the Connection Offer ahead of any future deadline agreed by the Utility Regulator. Please note that EP Kilroot’s neutral position on this occasion should not be considered to represent our opinion on any further proposed extensions and we request that any potential further delays are communicated at the earliest opportunity.”*

NIE Networks

“....NIE Networks are happy with your proposal below.” (referring to consultation on the extension sought in the Application) (Email to SONI on 20 December 2022)

The Application contains an earlier correspondence (email of 12 October 2022) from NIE Networks (TO) in which NIE Networks stated that:

“NIE Networks would require further clarification on the Fault level current and time constant which would be experienced if this generator was to connect. This figure should take account of:

- all existing generation at Kilroot which would be connected at the same time as this generator,*
- all other generators at Kilroot which have either received or accepted a connection offer from SONI and*
- the generator referred to in the below connection applications.*

Whether NIE Networks will be able to issue a construction offer will be subject to the ongoing review of the 275 kV fault level risk assessment process.”

5. Our Decision on the SONI Application

It is right that we make some procedural observations before recording our decision on the Application.

Firstly, Appendix 1 to the Application was presented in such a way that it reflected a purported application for a *derogation*. An application under Condition 25(5) is **not** an application for a derogation. However, we have decided that this error is not such as should

cause us to reject the Application on this occasion. Nonetheless, SONI is asked to review its internal processes in this regard so that this error is not repeated. Our general expectations regarding extension applications are set out in our published 31 May 2017 decision paper on connections (the **Decision Paper**).³

Secondly, the Application was submitted before consultation responses were available from EPKL and NIE Networks. The Decision Paper makes clear that there is an expected process for extension applications. It is not clear that the Application meets those expectations so far as consultation with the connection applicant is concerned. We do not consider that this should cause us not to deal with the Application. However, we should be grateful if SONI would look again at the Decision Paper and adapt its processes accordingly.⁴

Thirdly, the Application was submitted on 19 December 2022 which is only 16 days out from the expiry of the un-extended Condition 25(7) period (4 January 2023). Accordingly, that submission was, technically, within the 2-week period set out in the Decision Paper. However, it takes no account of normal closures associated with the festive period. In that way it is not in accord with the spirit of the expectations outlined in the Decision Paper. Furthermore, the Application was, as noted, not originally accompanied by the consultation response from EPKL. This was only made available on 22 December 2022. This is not how we would expect these matters to be processed by SONI. SONI is asked to review its processes in this regard.

All that said, we now return to our decision on the Application. We are prepared, on this occasion, to forgive the procedural failings in the Application. We look past those failures and examine the merits of the Application. We judge the Application against our principal objective and general duties set out in Article 12 of the Energy (NI) Order 2003. Doing all this, our decision is to:

- (i) accede to the Application considering it properly founded; and accordingly
- (ii) give consent to the extension of the period – within which SONI is required⁵ to make a connection offer to EPKL in respect of the relevant application made to SONI and effective 4 October 2022 – to 2 November 2023.

In making this decision, the Authority has had proper and full regard to the consultation responses from EPKL and NIE Networks. We note that EPKL has taken a “*neutral*” position on the extension request and asked “*that SONI aspires to issue the Connection Offer ahead of any future deadline agreed by the Utility Regulator.*”

We recognise that there is a deal of work to be done by SONI and NIE (TO) in: (a) choosing the most appropriate connection arrangement for GT West, (b) facilitating it at Kilroot 275kV substation, and (c) updating risk assessments relating to concrete A frames and flexible

³ [Electricity Connections Review Decision Paper | Utility Regulator \(uregni.gov.uk\)](https://www.uregni.gov.uk/electricity-connections-review-decision-paper)

⁴ We note that the Decision Paper includes an expectation that the licensee (in this case SONI) shall *publicly* consult on the extension application. We are presently minded not to insist on this part of the published expectations. We intend to write separately on this to both NIE Networks and SONI.

⁵ Where the applicable Condition 25 offer exceptions are not demonstrated.

catenaries. SONI has stated in the Application that these issues present technical complexities which will take additional time to study and address. SONI has also stated that doing so now will reduce the chances of subsequent revisions to the connection offer.

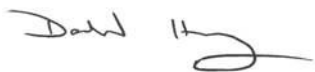
We expect that SONI will progress with the mentioned further investigations and studies to ensure that an appropriate connection offer can be made as soon as practicable.⁶

We would remind SONI that the grant of consent relayed in this letter does not absolve SONI of its Condition 25 obligation to make a connection offer to EPKL *as soon as practicable*. The newly substituted Condition 25 date - 2 November 2023 - is a long stop date.

This decision shall be published and placed on the Electricity Register.

We trust this is satisfactory. If you have any queries, please contact Jody O'Boyle.

Yours sincerely,



Donald Henry
Networks and Energy Futures Director

⁶ Assuming none of the exceptions (to the requirement to make a connection offer) set out in Condition 25 apply.