

Alan Campbell,
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Date: 16 March 2023

Ref: NET/E/RMCL/642

Dear Alan

Request for Authority's¹ consent to extend the Connection Offer Timelines for the TI LIRIC Ltd Interconnector

Thank you for your letter of 3 February 2023 (“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 TI LIRIC Ltd Interconnector.

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

It is outlined in the request that SONI first received a Connection Application from TI LIRIC Ltd (“TI”) on 13 October 2022, seeking to connect an Interconnector, at land adjacent to the [REDACTED] to the Transmission System. SONI state in the request that an initial review of the application “gave rise to number of issues and questions,” which a meeting between TI and SONI on 8 December 2022 “clarified.” TI presented a new application to SONI on 22 December 2022, for 730 MW MIC (export from NI system) and 500 MW MEC (import into NI system). [REDACTED]

[REDACTED] The connection application was deemed effective by SONI on 11 January 2023, with SONI required to issue a connection offer on or before 11 April 2023.

3. The SONI Application

SONI state in the application that to comply with Condition 25(5) and Condition 25(7)(b) of the SONI Transmission Licence, they are required to issue a connection offer on or before 11 April 2023. They have discussed with TI the “complexities surrounding both the technical challenges of the 730 MW MIC applied for and the physical constraints of the existing Kilroot substation,” and reflect from these discussions that TI “understand the situation and fully expect that the 11th April 2023 date will need to be extended.”

“SONI is therefore making an application under Condition 25 (5) to extend the current time period within which SONI are required to issue a connection offer to TI.”

SONI outline the rationale for the extension request within the application:

“The work to fully understand the system impact of the proposed 730 MW MIC will take some time to complete and would, of its own accord, have necessitated a request for an extension to the 11th April 2023 date.”

SONI also outline further issues related to Kilroot substation – “The Kilroot Substation is likely to need replaced or refurbished within the next few years, and the volume of planned and proposed connections means the thermal rating of the substation is likely to be exceeded. Other projects are ahead of TI in the connections queue and will result in no spare bays being available due to the practice of not connecting generation on both sides of a diagonal.” A project to replace or refurbish the Kilroot 275 kV Substation would be progressed through SONI’s 3 part process for developing the grid, with Part 1 including approval from the Authority for pre-construction costs for the preferred option.

“Any connection offer issued to TI will need to take account of the preliminary preferred option for the replacement/refurbishment of the Kilroot Substation. It is not possible to prejudge what that preferred option will be. As such SONI will not be able to issue a connection offer for TI to connect to the Transmission System [REDACTED] until we have received approval from the Utility Regulator for the advancement of the associated Transmission Network Pre-Construction Project (‘TNPP’).”

“To enable SONI to get to the point of submitting the TNPP to the Utility Regulator for approval will require additional time to progress the work required via the established processes. Therefore, SONI is seeking an extension of 12 months to the connection offer issue date while we work to establish a preliminary preferred option for a solution to the issues at the Kilroot Substation, albeit SONI will endeavour to expedite the process, where possible.”

[REDACTED]
[REDACTED]
[REDACTED] *A number of the steps required are not only central to this application but are also an important part of planning for and delivering further connections.”* Not granting the extension would mean, in SONI’s judgement, that *“SONI will not be able to issue a Connection Offer on 4th April 2023. Rather than be non-compliant with Condition 25(5) of the Licence SONI would have to refuse to make the connection offer under Condition 25(6) of the Licence.”* SONI have also concluded there are no alternative actions that would allow them to issue an LCTA connection, as requested by TI, before the 11th April 2023.

4. The Application Consultation

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

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

SONI has consulted with TI and NIE Networks. Their views are set out below:

TI

TI state in their response that *“a delay to securing a connection agreement beyond the end of 2023, would see a delay to the LIRIC programme.”* They questioned the amount of detail included as part of consultation on the analysis that would be needed for the 730MW MIC. In TI’s opinion the letter did not *“explain the nature of the studies, or an indication of how*

long each will take to complete, making it impossible to judge if this is reasonable.” TI requested that SONI provide a description of the required studies and planned timelines and milestones.

In a response to TI included as part of the application, SONI outlined these would include thermal studies, and transient stability analysis (which would require 10-12 weeks to complete, and a further 6-8 weeks for analysis of the results). SONI consider *“these timescales are well within the SONI proposed extension date of 11th April 2024 and your suggested date of 11th November 2023.”*

TI also raised the relation between determining future options for Kilroot, gaining approval from the Authority of a TNPP, and the need for an extension request. They comment that *“we would contend that full and final approval of the TNPP is not a necessary requirement for SONI to issue the Connection Offer. The TNPP guidance indicates substantial flexibility in how the TNPP process can work.”* TI comment that this would allow initial approval to be given, focused on the decision for the preferred option. TI’s view is that, given Authority guidance sets out a decision will be made within 4 months of receiving a TNPP application, a *“10-month period to 11 November 2023, should be more than generous to achieve sufficient approval. An intent to vary at some future point could then be agreed between SONI and UR to update the associated SONI cost recovery for the TNPP, once SONI and NIE complete further analysis.”* TI requested SONI outline the planned timelines and milestones for each of the stages of the TNPP it considers are required before issuing the Connection Offer, and that SONI *“arrange a tripartite meeting with UR to discuss and agree how the timeframes can be accelerated by using flexibility in the TNPP process to enable a timely Connection Offer issuance.”*

TI concluded their consultation response by stating:

“We look forward to working collaboratively with SONI, NIEN and UR to accelerate the processes to provide an Offer on or before 11 November 2023, with the aim of designing a workable solution that allows connection of LirlC before 2030.”

SONI made a response to this TI consultation response, where they commented that *“there are several stages within the TNPP process that provide little in the way of flexibility with regard to what is required.”* SONI provide a list of the sections contained in Annex A of the TNPP Finalised Guidance that must be completed. SONI also commented that *“Our experience of the TNPP process is that delivering all the above will take considerable time.....The nature and scale of these projects will make this TNPP one of the most complex we have had to deal with...”* SONI drew attention to the comment that, if it was established further time would be required to identify the preliminary preferred option for Kilroot, then *“SONI will seek a further extension via the normal processes.”* SONI also

commented that they “*fully understand*” the desire of TI to secure a tripartite meeting with the Authority, and that SONI were already “*devoting considerable resource*” to ensuring interactions with the Authority on this project and the related TNPP “*is as productive as possible*.” SONI also made clear TI’s comments regarding a tripartite meeting would be included in the formal request for extension.

NIE Networks

NIE Networks are quoted in the request as saying that “*any Connection Offer to LIRIC could only be issued once there was some certainty on the future proposals for the 275 kV substation at Kilroot,*” with a “*wide variety of factors over and above this connection for LIRIC,*” which needed to be considered in “*developing the preferred solution for Kilroot 275 kV substation through the Option Appraisal process.*” SONI and NIE Networks would continue to collaborate in considering issues in developing the preferred option, “*including the future uses of the Land Bank lands at Kilroot, all of which will be separate from, and need to be progressed prior to a design being completed for the connection of the LIRIC HVDC Interconnector.*”

“*Based on the above NIE Networks would support SONI’s application for a formal extension from the UR to the current Connection Offer issue date of 11th April 2023.*”

5. Our Decision on the SONI 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 required² to make a connection offer to TI in respect of the relevant application for the Interconnector, effective 11 April 2023 – to 11 April 2024.

In making this decision, we have had proper and full regard to the consultation responses from TI and NIE Networks, and the resultant responses made to them from SONI. We note that NIE Networks state they support the application, and TI say they expect the 11 April 2023 connection offer deadline will need to be extended. We note that the timeline to issue

² Where the applicable Condition 25 offer exceptions are not demonstrated.

an unconditional Connection Offer is dependent on an appraisal of options for replacement or refurbishment of the Kilroot 275 kV Substation, involving an application to the Authority for a TNPP. A Connection Offer to TI would need to take account of the preliminary/preferred option outlined in this TNPP. An extension would give SONI the opportunity to assess these options, and to submit a TNPP, which the Authority would process and make a Decision upon. 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 TI *as soon as practicable*. The newly substituted Condition 25 date – 11 April 2024 - is a long stop date.

We acknowledge the request from TI for a meeting with the Authority and SONI to discuss the timeline for connection, and the Authority would be able to accommodate this request if TI still wished to request this meeting.

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,



Roisin McLaughlin
Head of Networks