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Date: 29 June 2023

Ref: NET/E/DH/692

Dear Eimear

Request for Authority's¹ consent to extend the Connection Offer Timelines for Connection Applications made by Single Buoy Moorings Inc. (SBM)

Thank you for your letter of 20 June 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 period – for the making of an offer of connection by SONI to SBM for the connection of the offshore windfarms known as North Channel 1A and North Channel 1B - which would otherwise apply by operation of Condition 25(5) and Condition 25(7) of the Licence.

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 [connection agreements] . . . 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

The Application explains that on 2 March 2023 SONI received two Transmission Connection Applications (for North Channel Wind 1A and 1B) from SBM seeking two Connection Offers - for connection to the transmission system - in respect of an offshore windfarm called North Channel Wind 1. Each connection application has a MEC of 500MW making the total MEC of the North Channel Wind 1 windfarm as 1GW.

The Application explains why there are two connection applications. It explains that because the Transmission System Security and Planning Standards (“**TSSPS**”) stipulate that the Largest Single Infeed (“**LSI**”) to the Transmission System is no greater than 500 MW:

“SBM [was] required to submit two Connection Applications. The applications will be treated consecutively.”

The Application confirms that the applications for connection terms from SBM were each deemed effective on **6 April 2023**. The Application states that the effect of Condition 25 (when read with Condition 25(7)) is such that – subject to application of exceptions stated in Condition 25 (6) – SONI is obliged to issue the relevant offers on or before **5 July 2023**. It looks (for the reasons stated in the Application) for a Condition 25(5) extension out from 5 July 2023 to **5 December 2023**. We should note at this stage the interpretation of the obligations set out in Condition 25 used in the application.

The obligation - under Condition 25(5) - is to offer terms (under Condition 25(2)) *as soon as practicable* and *in any event* within the specified period (subject to the UR’s extension under C 25(5)). The obligation is not simply to offer (Condition 25(2)) connection terms within 3 months of the receipted application. It follows that the references in the Application to offer “issuance dates” are arguably inapposite.

The Authority would also draw attention to SONI’s calculation of the “3 month period” stated in Condition 25(7). The Application seems to read as though SONI understands that it has - absent a Condition 25(5) extension – until *5 July* before it places itself in breach of that part of the Condition 25 obligation that requires it to offer terms “in any event” within 3 months of receipted application (namely, 6 April). However, our present understanding is that the application of the 3 month period – for a receipted application of 6 April 2023 – would result in non-compliance with the relevant part of the Condition 25 obligation after 6 July 2023 not 5 July 2023. So, SONI looks to fall into error when it refers to 5 July being an operable date under C 25(5) as read with Condition 25(7).

However, we do not consider that these observations should cause us to refuse the Application. Nor do we consider that we need to go back to SONI on the Application. We can deal with the matter practically.

We are content to view the Application as an application - for the reasons given in the Application - for a relevant extension out to **5 December 2023**. The Application is considered in that context.

3. The SONI Application

The Application states that as SONI has progressed the offer process -

“the complexities of offshore connections of this scale have become more apparent as the usual assumptions around connection studies cannot be used. SONI therefore needs to carry out further studies across various timescales and potential scenarios to understand the implication(s) of a project of this size on the network. Until these studies have been completed, SONI is unable to confirm if it is technically acceptable for the Offshore Wind Farms to connect into the Ballylumford 275 kV Substation and operate within a range of acceptable risk.”

“SONI is therefore making an application under Condition 25(5) of the SONI Licence to extend the current time period within which SONI is required to issue both Connection Offers to SBM.”

SONI highlights the difference the proposed size of the connection has made to the process of study that is undertaken under a normal connection process as follows:

“Under the normal connections study processes, SONI study the system with and without a new connection. However, due to the scale of the proposed offshore wind development, there would be a very significant change to the dispatch of generation across the all-island transmission system. Also, the standard approach is to study a small number of extreme (but not necessarily likely) cases in a given year to assess the impact of a connection. Initial studies using this approach have identified a need for a significant programme of network reinforcement. Further time is needed to develop a year-round study assessing all credible generation and network configurations to assess whether such a reinforcement programme is necessary and/or justifiable. SONI estimate that this work will take approximately 5 months, however depending on the outcome of these studies there may be a need for a further extension.”

SONI has – as we understand and treat the Application (see section 2 above) – requested a Condition 25(5) extension out to **5 December 2023**.

The Application states that SONI will:

“endeavour to issue the Connection Offer ahead of the requested extension date if possible, however would note that there remains the possibility of an additional extension requirement depending on the outcome of the studies.”

At this point, we will explore further the usage of “endeavour.” As explained above SONI is (no matter what the outcome of the Application) *obliged* by Condition 25 (subject to stated exceptions) to offer terms *as soon as practicable*. The Application does not change that obligation.

The Application further states that granting the extension sought in the Application will provide the

“opportunity to properly assess how to facilitate the SBM requests for connection at the Ballylumford 275 kV substation . . . If no extension were granted, SONI would not be able to issue a Connection Offer on 5th July 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.”

The Application confirms that it has not been able to identify alternative actions that would obviate the need for the Application.

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 SBM], and such other persons as [SONI] considers may be affected or interested.”

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

SBM

In this reply to SONI’s consultation on the Application (in an email of 16 June 2023) SBM outlines that it is

“fully aware that there be a number of unforeseen issues that can delay a study of this nature and really appreciate you and your teams work in progressing this. We are happy to accept your revised offer date of 5th December.”

NIE Networks

In a reply to SONI's consultation on the Application (email of 6 June 2023), NIE Networks states that it

“would have no objection and would support your proposed request for an extension to the Construction Offer Date for both the North Channel Wind 1a and 1b connections.”

NIE Networks also observed as follows:

“As a side note, there is ongoing discussions between SONI and NIE Networks regarding this connection which is critical and something we'd be keen to continue with to ensure we have a up to date knowledge of what the proposal will comprise of prior to receiving the Construction Application which should hopefully assist us, as much as possible, in getting the Offers prepared and issued within the short time frame”.

We endorse that observation.

5. Our Decision on the SONI Application

We judge the Application against (i) our principal objective and general duties set out in Article 12 of the Energy (NI) Order 2003 and (ii) our published Guidance on extension applications². We consider the Application to have been made in accordance with the Guidance.

Our decision is to:

- (i) accede to the Application considering it properly founded; and accordingly
- (ii) give consent to a longer period **out to 5 December 2023** for the purposes of Condition 25(5) across both connection applications made by SBM for North Channel 1A and North Channel 1B.

In making this decision we have had proper and full regard to the consultation responses from SBM and NIE Networks. Each response expresses support for the Application. We are satisfied to grant the Application (as we treat it) based on the reasons set out in the Application.

We should 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 SBM *as soon as practicable*. The newly substituted longer period does not affect that licence obligation.

² [Electricity Connections Decision FINAL.pdf \(uregni.gov.uk\)](#)

Postscript

Firstly, SONI is asked to reflect upon the observations made in Section 2 above prior to filing any future Condition 25(5) applications in this or any other matter.

Secondly, we note that the Application concerns an offshore windfarm. This is an unusual circumstance. The location of the connection point/s is/are not identified in the Application beyond a statement that SMB would prefer a connection into the 275kV substation at Ballylumford. It is not clear whether the connection point/s will be at a substation located offshore at the windfarm array or at some other location. Nor is it clear whether the connection point will be within or outside the territorial scope of Northern Ireland.

Our assumption is that SONI and SBM (and noting its response to the Application consultation, NIE Networks) are alive to the potential issues and consideration is being given as to how the location of the connection point might influence the processing of any connection arrangements from a regulatory perspective.

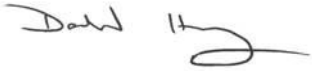
It is, for instance, not clear from the Application whether the generating array for the offshore wind farm/s is/will be within (in part or in whole) the territorial scope of Northern Ireland so that the UR might be able to grant a generating licence/s to SMB (pursuant to our powers under Art 10 of the Electricity (NI) Order) 1992) in respect of the activity of generation taking place at the wind farm/s.

Nor is it clear whether consideration has been given as to whether the ownership/operation of any parts of any point-to-point *transmission* connection/s require to be covered under a licence to *participate in transmission* and how this might interact with the applicable unbundling arrangements.

We should be pleased to offer discussion with the relevant stakeholders in respect of any issues arising. The observations made are for general guidance only. The primary responsibility for ensuring that any finalised arrangements are in conformity with the regulatory framework rests with parties affected. We would expect that expert professional advice is being taken where appropriate.

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

Yours sincerely,



Donald Henry
Networks and Energy Futures Director