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Ref: NET/E/TH/700

Dear Eimear

Request for Authority's¹ consent to extend the Connection Offer Timelines for the EP Ballylumford Limited's D Station CCGT Project

Thank you for your letter of 28 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 allowed for the making of an offer of connection by SONI to EP Ballylumford Limited (**EPBL**) to connect EPBL's Ballylumford D Station Combined Cycle Gas Turbine (CCGT) project (with a Maximum Export Capacity of 350 MW).

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 it is related to two connection applications (the **SBM applications**) from Single Buoy Moorings Inc (**SBM**) for connection of the North Channel Wind 1a and North Channel Wind 1b wind farms. A Condition 25 application (by SONI) in respect of the extension of timelines for the SBM applications, from 5 July 2023 to 5 December 2023, was consented to in a decision by the Authority dated 29 June 2023².

The Application rehearses that the SBM applications are such that due to the scale of the development proposed:

“there would be a very significant change to the dispatch of generation across the All-island Transmission System.”

SONI explains that this requires a year-round study to assess all credible generation and network configurations to assess whether a deeper network reinforcement programme is necessary. Until the studies have been completed, SONI cannot confirm what the LCTA connection arrangement is for North Channel Wind 1a and North Channel Wind 1b.

SONI outlines in the Application that EPBL’s CCGT connection application was deemed effective on **13 April 2023** and is behind the SBM application in the connection queue. SONI states that:

“As such SONI needs to know the outcomes of the additional studies for the connection of the SBM projects before being in a position to finalise the study assumptions for the studies to determine what the LCTA connection arrangement is for the EPBL CCGT.”

Additional time will then be required to:

“carry out probabilistic type studies for the CCGT considering a range of credible generation dispatches and network conditions over the course of a year.”

SONI also comments that:

“Although the connection arrangement for the CCGT is dependent on and subject to the connection arrangement of the SBM projects, for the avoidance of doubt, should the SBM projects withdraw, SONI would still require an extension to carry out the probabilistic type studies for the CCGT connection arrangement.”

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

² <https://www.uregni.gov.uk/files/uregni/documents/2023-07/2023.06.29%20SBM%20N%20Channel%20Decision.pdf>

to issue the relevant offers on or before **12 July 2023**. It applies (for the reasons stated in the Application) for a Condition 25(5) extension out from 12 July 2023 to **12 February 2024**. 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 *12 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, 13 April). However, our present understanding is that the application of the 3 month period - for a receipted (effective) application of 13 April 2023 - would result in non-compliance with the relevant part of the Condition 25 obligation after 13 July 2023 not 12 July 2023. So, SONI looks to fall into error when it refers to 12 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 on this particular point. We can deal with the matter practically.

We are content to view the Application as an application - supported by reasons given in the Application - for a relevant extension out to **12 February 2024**. The Application is considered in that context.

3. The SONI Application

SONI has - as we understand and treat the Application (see section 2 above) - requested a Condition 25(5) extension out to **12 February 2024**.

SONI says it will:

"continue to 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 studies."

At this point, we will explore further the usage of the word "endeavour." As explained above SONI is (no matter what the outcome of the Application) are *obliged* by Condition 25 (subject

to stated exceptions) to offer terms *inter alia* as soon as practicable. The Application does not change that obligation.

SONI's Application states that:

"[the] impact of the extension will be that SONI has the opportunity to properly assess how to facilitate the EPBL's CCGT at the Ballylumford 275 kV Substation and determine the LCTA connection arrangement. A number of the steps required are not only central to the SBM projects and this CCGT project but are also an important part of planning or and delivering any future connections."

SONI further comments that if no [Condition 25(5)] extension were granted:

"SONI would not be able to issue a Connection Offer on 12 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."

SONI also submits that there are no alternative actions that could allow it to issue the connection offer before 12 July 2023.

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

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

EPBL

SONI issued consultation to EPBL (based on requesting an extension to 25 January 2024) on 16 June 2023, and received a response on 23 June 2023. We note that in this consultation EPBL objected to the extension:

"Although EP Ballylumford appreciates SONI and NIE's efforts to provide a robust connection offer we feel we must object to any extension of time. To grant an extension could potentially cause the proposed new capacity to not be qualified for the upcoming 2027/28 T-4 capacity Auction. Previously the System Operators have rejected the qualification in the capacity auction based on a lack of information stemming from SONI not having yet completed their assessments for issuance of a connection offer."

Finally, we ask that SONI aspires to issue the Connection Offer ahead of any deadline agreed by the Utility Regulator.”

SONI subsequently wrote to EPBL (having received a consultation response from NIE Networks (see below)) explaining that it would be asking for an extension out to 12 February 2024:

“[because] the Construction Offer that would be associated the Connection Offer would be due to be processed over the Christmas period under the proposed extension period to 25 January 2024 which means that due to NIE Network suppliers closing for this holiday period communications would be restricted with suppliers and therefore this would have a detrimental effect on the development, and therefore timelines, of the Construction Offer and in turn the Connection Offer.”

In reply, EPBL stated that *“our views remain unchanged.”*

NIE Networks

SONI consulted NIE Networks on this extension application on 16 June 2023. In a reply on 23 June 2023, NIE Networks stated that they had no objection to the request for extension.

NIE Networks also requested that the extension period cover a total of 7 months rather than 6.5 months. It said this:

“The construction offer that would be linked to this connection application would be due to be processed over the Christmas Period under the proposed extension period. Due to suppliers closing for this holiday period communications would be restricted and therefore would have a detrimental effect on construction offer timeline set out in the TIA.

I have also been asked to communicate that SONI would continue to engage with us about what is being proposed so the design is broadly settled on the scope of works before they revised construction application has been received.”

In response, SONI updated the extension offer period to 7 months, and consulted again with NIE Networks. NIE Networks confirmed it was *“in agreement with your proposed extension to 12 February 2024,”* and asked *“that SONI continue to engage with NIE Networks in regard to the design of this application to ensure a compliant and deliverable solution is developed.”*

5. Further interaction on the Application

We liaised with our colleagues on EPBL’s observations as to qualification for the capacity market auction. We did so whilst reserving our position as to the weight attached to such an observation in the context of an application of the type now being considered.

The information from colleagues confirmed that EPBL's position viz. the upcoming auction did not appear to have been jeopardised.

We also liaised with SONI as to how the EBPL application for connection had been and was to be progressed. This further interaction summarised in SONI's response of 7 July as follows:

"In relation to your queries, please see responses below:

- **Prior to the 16 June 2023 What discussion/engagement has there been with the applicant since the application was submitted on 13 April 2023?**

The Connection Application was submitted on 31 March 2023 and deemed effective on 13 April 2023.

The need for an extension was discussed with EP Ballylumford informally on 4 May 2023 and it was explained given that the offshore wind applications were deemed effective (on 6 April 2023) before their CCGT application, that there was a need to establish how the offshore wind would connect before being in a position to establish how the CCGT project could connect.

EP Ballylumford advised that they had noted the offshore wind applications on the published SONI Connections Register and had thought that may impact their application given the location.

SONI advised that we would be in touch in due course when timelines became clearer and as part of the formal consultation process. EP Ballylumford advised that they would consider this and provide a response at that point.

- **If the offshore wind farms decide not to accept their offers, how long would it take to give an offer to this application?**

As set out in the SONI Request, should the offshore wind projects withdraw their application to connect, SONI would still require an extension to carry out the probabilistic type studies for the CCGT connection arrangement.

Due the offshore applications being deemed effective before the CCGT application, then these need to be taken into account when considering potential connection options for the CCGT. In this respect it is that date that the applications were deemed effective and join the 'connections queue' that is relevant in terms of what assumptions need to be considered for connection studies.

In addition, if the long stop date for issuing the offshore wind connection offers is 5 December 2023, and those connection offers are valid for acceptance for 90 days (i.e. on or before 4 March 2023), then this acceptance period would be after the requested long stop date of 12 February 2023 for the CCGT connection offer.

Given the above, the requested extension timeline for the CCGT project would remain the same whether or not offshore wind farms decide not to accept their offers.

SONI do not believe at this stage that issuance of the CCGT offer is subject to the offshore accepting or not accepting their offer. There is however potential that the CCGT offer may need to be modified in the event the withdrawal/non acceptance by the offshore units resulted in a material change to assumptions.

- **What is your plan of action over the extension period to carry out further studies, could some of the work be done in parallel with the additional studies?**

As part of establishing the requested long stop date of 12 February 2023, SONI have already taken into account of some studies for the CCGT project that can be done in parallel with the studies for the offshore connections. However, as set out in the SONI Request, depending on the outcome of the offshore studies, further studies may be required for the offshore connections and the CCGT connection.

The offshore wind projects and the CCGT all have bays available at Ballylumford 275 kV should that be the options for the connections arrangements and so they aren't interdependent in terms of the physical infrastructure. However, it is the wider network implications of these all taken together that needs to be considered."

6. 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 applications³. We consider the Application to have been made in accordance with the Guidance.

Our decision is to:

- accede to the Application considering it properly founded; and accordingly
- give consent to a longer period **out to 12 February 2024** for the purposes of Condition 25(5) in relation to the connection application made by EPBL for EPBL's D Station CCGT Project.

³ [Electricity Connections Decision FINAL.pdf \(uregni.gov.uk\)](#)

In making this decision we have had proper and full regard to the consultation responses from EPBL and NIE Networks. We note in particular that EPBL has opposed the Application and has stated that the extension could potentially lead to issues in qualifying for the 2027/2028 T-4 Capacity Auction.

We do not consider that such “issues” – where established – would present as a reason to deny the Application. And, in any event, it appears that EPBL’s position has not been jeopardised by the circumstances surrounding its Condition 25 application for a grid connection offer. It is for the parties involved in the capacity auction to comply with the relevant arrangements. We consider the Application on its merits.

We note that EPBL has stated that SONI should “aspire” to issue the connection offer ahead of the end of the longer period countenanced in the Application. SONI and EPBL will note the explanation of the Condition 25 obligations set out in this decision letter. SONI’s Application relates to one part of the obligation set out in Condition 25(5). SONI remains obliged (by the other part) to offer terms - subject to the stated exceptions - *as soon as practicable*. Comment has already been offered on SONI’s use of “issuance dates” and the employment of the word “endeavour”.

In summary are satisfied that we should grant the Application (as we treat it) based on the reasons set out in the Application. To clarify, we do not consider that SONI’s email of 7 July materially affects our considerations. We do, however, welcome, SONI’s promptness in getting back to us.

We trust this is satisfactory. If you have any queries, please contact Jody O’Boyle. We will liaise separately as regards any redactions in relation to publication of this decision letter. A suitably framed decision letter will be placed on the Electricity Register.

Yours sincerely,



Tanya Hedley

For and duly authorised by the Authority