

Eimear Watson
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Date: 27 November 2023

Ref: NET/E/DH/748

Dear Eimear

Request for Authority's¹ consent to extend the Connection Offer Timelines for Connection Application for the Limavady BESS Limited Battery Project at Limavady

Thank you for your letter of 2 November 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 by SONI to Limavady BESS Limited for the connection of a battery energy storage system/project (**BESS**) at Limavady to the NI Transmission System 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, so 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 states that on 23 June 2023 SONI received a Transmission Connection Application from Limavady BESS Limited, seeking an offer of terms for connection to the Northern Ireland Transmission System for a BESS at Limavady. SONI deemed this application effective on **8 August 2023**.

The Application further states that the Condition 25 period for the making of a connection offer expires on 6 November 2023. This is not right. The Condition 25 period (noting that the primary obligation is to make an offer as soon as practicable) is “3 months” from the date of a valid application for an offer of terms for connection. It follows that in the present case the Condition 25 licence period expires on 8 November 2023. SONI has (absent a Condition 25 consent to extension granted by the UR) until 8 November (not 6 November 2023) to make an offer of connection (or refuse to make an offer if permitted to do so under the Condition 25(6) exceptions).

The Application records that a mesh extension would be required to facilitate the connection because of an absence of available bays at the Limavady 110 kV Substation. It further states that technical evaluation demonstrated that *“during an N-1 scenario there is a significant risk of the Coolkeeragh-Limavady 110 kV line overloading when the BESS is in operation.”* Accordingly, optioneering was *“required to assess mitigation plans to ensure the application is compliant with the Transmission System Security and Planning Standards (TSSPS),”* with a Transmission Network Pre-Construction Project (TNPP) likely required. Issuance of the relevant Connection Offer would be subject to the prior approval of the TNPP by the Authority.²

The Application further records that it *“has also become apparent via the Planning Panel under the Transmission Interface Arrangements (TIA) that there are distribution connection applications that would trigger the requirement for a TNPP to replace the existing transformers at Limavady with higher capacity units. [NIE Networks] has indicated that an outage for in situ replacement of these transformers may not be feasible and that consequently a mesh extension is likely to be required to safely complete this upgrade.”*

3. The SONI Application

SONI applies for an extension of the Condition 25 period for the making of the Connection Offer, out to 6 September 2024. SONI’s rationale for this request is detailed further below.

² [2018-03-09 Exhibit 1 - TNPP Finalised Guidance_1.pdf \(uregni.gov.uk\)](#)

We begin by noting that whilst the Application was submitted to the Authority with the necessary information - as per the Authority's 2017 Electricity Connections Decision³ (**the Decision Paper Guidance**) – it was not received in line with the expectations set out in the Decision Paper Guidance. The Decision Paper Guidance states that the Authority “*would expect to receive a request from the licensee at least two weeks before the end of the three month connection application period.*” (underlining added). We have already mentioned that the connection application period, in this case, expires on 8 November 2023. The SONI Application was made on 2 November 2023. That is less than one week out from the expiry of the connection application period. The Application offers no explanation for the departure from the expectations set out in the Guidance. Previous interaction indicated that this Application would be made in the middle of October. We shall return to this aspect later in this letter.

Returning to the Application itself it says that:

“As the distribution projects applied and were deemed effective ahead of the Limavady BESS, optioneering is required to determine what implications this would have on the Limavady BESS offer. The issuing of a connection offer to the Customer is therefore also subject to the approval of a TNPP required to uprate the transformers at Limavady.”

SONI anticipates the relevant TNPP application will be submitted to the Authority by February 2024, with the Authority timeline for analysis and approval expected to be up to 4 months. SONI states that the impact of the extension will be to give SONI time to draft and submit the TNPP application for the works required to issue a Connection Offer to Limavady BESS Limited:

“Approval of this TNPP would facilitate the mesh extension required to safely complete the uprate of transformers at Limavady to allow the distribution projects mentioned above, and the Limavady BESS to connect.”

SONI asserts that if the extension to the Connection Offer timeline is not granted, then SONI would not be able to issue the Connection Offer to Limavady BESS Limited and would have to refuse to do so under Condition 25(6). SONI states that it cannot offer a conditional offer:

“SONI is not able to issue the connection offer for Limavady BESS ahead of an approval of the TNPP project otherwise this would be a ‘conditional offer’. Please refer to Determination 522 (ref: [[DET-522 Determination - 23 June 2014 redacted.pdf \(uregni.gov.uk\)](#)]) that determined that it was unreasonable for NIE Networks to require a party to accept a connection offer which contained certain costs and assumptions that were conditional upon a Utility Regulator approval.”

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

SONI has identified one alternative action. However, this “alternative” is described in these terms:

“Hypothetically, if the distribution applications were to withdraw, SONI could make an offer to [Limavady BESS Limited] for the Limavady BESS, with the required mesh extension chargeable to [Limavady BESS Limited]. This is, however, hypothetical. SONI has concluded that the situation as it currently stands (with the two distribution applications ahead of the Limavady BESS application), an offer could not be made to [Limavady BESS Limited] ahead of a TNPP approval.”

Again, SONI has – as we understand and treat the Application (see section 2 above) – requested a Condition 25(5) extension out to **6 September 2024**. We read the Application as maintaining that SONI will likely need all of the 3-month period from receipt of any TNPP approval decision to make a Connection Offer to Limavady BESS Limited.

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

SONI has consulted with Limavady BESS Limited and NIE Networks. Their views are set out below:

Limavady BESS Limited

SONI consulted Limavady BESS Limited on 27 October 2023. Limavady BESS Limited responded on 31 October 2023 stating that: *“We have no objections to the connection offer being put back until Sept 2024.”*

NIE Networks

SONI consulted NIE Networks on 27 October 2023 and NIE Networks responded on 27 October 2023 as follows:

“[NIE Networks] can confirm . . . that [it is] happy to support this extension. As we have a live application awaiting an offer at Limavady Main therefore we would appreciate if there is any chance to bring these timelines forward it is taken – however we understand that this may not be possible.”

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) the published Decision Paper Guidance⁴. We consider the Application to have been made in accordance with the Decision Paper Guidance, save that aspect relating to the expected date of submission (described above).

Our decision is to:

- (i) accede to the Application considering it properly founded; and (accordingly)
- (ii) give consent to a longer period **out to 6 September 2024** for the purposes of Condition 25(5) as regards the Connection Application made by Limavady BESS Limited for the BESS at Limavady.

In making this decision we have had proper and full regard to the consultation responses from Limavady BESS Limited 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 Limavady BESS Limited *as soon as practicable*. The newly substituted longer Condition 25 period does not affect that key licence obligation.

Postscript

We return now to the matter concerning the “late” submission of the Application and the failure by SONI to explain the departure from the expectations set out in the Decision Paper Guidance.

We wish to be clear that SONI should make every reasonable effort to make sure that an application for consent under Condition 25 is made in good time. Some of these applications can be complex. Orderly processing of connection applications will assist all stakeholders. There should in general be compliance with the expectations set out in the Decision Paper Guidance. Departures from those expectations should be explained. We intend to write to SONI separately in relation to this aspect of the Application.

⁴ [Electricity Connections Decision FINAL.pdf \(uregni.gov.uk\)](https://www.uregni.gov.uk/Electricity_Connections_Decision_FINAL.pdf)

This decision will be published in the normal way.

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

Yours sincerely,



Donald Henry
Networks and Energy Futures Director