

NIE Responsible Manager
Northern Ireland Electricity Networks Ltd
Unit 3
21 Old Channel Road
Belfast
BT3 9DE

By Email Only: [NIE Manager Email]

Date: 21 December 2023

Our Ref: NET/E/DH/770

Dear [NIE Manager],

RE: Request for Extension of Time to Issue a Connection Offer for Connection Application – Omagh BESS

Thank you for your letter dated 27 November 2023 (the **Letter**) setting out the application made by NIE Networks Limited (**NIE Networks**), for an extension of time to issue a connection offer (the **Extension Application**).

1. The Extension Application

The Letter describes the relevant background¹ to the Extension Application. Reference is made to Condition 30 of NIE Networks' electricity distribution licence (**the Licence**).²

Condition 30(6) (of the Licence) provides that (barring specified exceptions)³ NIE Networks is obliged to make an offer for connection to the distribution system as *soon as practicable* and (by operation of Condition 30(6)(b)) *in any event* within *3 months* from receipt of a valid/completed application for connection to the distribution system.

¹ What follows is a summary of the Application. It is not intended to be a complete rehearsal. All parts of the Application have been considered in making the decision set out in this correspondence. Failure to mention parts of the Application (or related correspondence) should not be taken as representing any failure to have regard to those parts.

² [NIE Distribution Licence](#).

³ Recorded in Art 21 of the Electricity (NI) Order 1992 (**the Electricity Order**).

Condition 30(7) of the Licence allows NIE Networks to make an application to the Authority⁴ for a (written) consent that the period specified in Condition 30(6)(b) be extended beyond 3 months. The making of such an application does not change NIE Networks' licence obligation⁵ (under Condition 30(6)(a)) to make a connection offer as *soon as practicable*. Nor does the grant (by the Authority) of any such application made change the position. The primary obligation, recorded in Article 20 the Electricity Order - to respond to a connection offer *as soon as practicable* - remains.

NIE Networks is currently considering an application for a connection of a 38MW Battery Energy Storage System (**BESS**) into Omagh Main BSP (the **Connection Application**). We shall refer to the person making the application as the **Connection Applicant**. NIE Networks received the Connection Application on 11 September 2023. Under Condition 30(6), NIE Networks should have made a decision on the Connection Application within 3 months, i.e. not later than 11 December 2023. However, NIE Networks has outlined two major issues with making a decision in respect of the Connection Application by this date.

The first is Transformer capacity at Omagh Main BSP. NIE Networks states in the Extension Application that the 110/33kV Transformers at Omagh Main BSP are oversubscribed/at capacity for generation. Additionally, the Transformers are currently operated under a Special Protection Scheme (**SPS**), which constrains the amount of generation connected under outages and thermal overload. This has created an issue with capacity being available for Omagh BESS.

NIE Networks comments that *“normally this would be grounds for a refusal to connect, however as the BESS has a potential to alleviate both high generation pressures and provide network support at times of abnormal operation, discussions with SONI have resulted in a positive outlook for the connection of the BESS.”* These discussions are expected to be concluded by January 2024, at which point NIE Networks says it can confirm whether a connection offer can be issued.

The second highlighted issue is concerning the Maximum Import Capacity (**MIC**) requested (17MW). NIE Networks says that this would push *“the total group demand into the P2/6 class D category (60MW-300MW) where we [NIE Networks] have to consider N-*

⁴ In this correspondence we use the words “us” “we” “our” “UR” “Utility Regulator” and “Authority” interchangeably to refer to the Northern Ireland Authority for Utility Regulation.

⁵ Which aligns with the statutory duties reflected in Articles 19-25 of the Electricity Order.

1-1 (N-2) scenario. This dictates that a 1/3 of the group demand be re-supplied within 3 hours of an N-2 event.” NIE Networks says that this would have negative consequences for the requested connection (potentially on the customer as opposed to NIE Networks' side) as meeting the Class D requirements would entail extra costs chargeable to the Connection Applicant:

“Due to the isolated position of Omagh Main BSP an entirely new 33kV circuit will have to be designed/costed or potentially a second BSP at Omagh, all of which would be chargeable to the customer. These costs are expected to be significant and are likely to make the project economically unviable in initial discussion with the applicant.”

NIE Networks outlines an alternative action, that would also require the time provided by an extension:

“NIE Networks are currently reviewing guidelines from the Energy Networks Association in regards to electricity storage connections. If these guidelines are adopted by NIE then this would allow the BESS to be controllable and essentially allow the MIC to be removed from the group demand and therefore the P2/6 class D concern is removed.”

Therefore, as this change could, as NIE Networks phrases, *“potentially remove such a detrimental economic consequence”* in relation to the Connection Application, then *“NIE Networks would like to conclude this review prior to making a connection offer.”* NIE Networks believes this review will also be completed by January 2024.

The rationale NIE Networks gives for this application reflects the two main issues outlined above:

- 1. “As the generation capacity at Omagh Main BSP is currently oversubscribed and operated under an SPS, confirmation from SONI in regards to how the BESS will operate is required prior to issuing a connection offer.*
- 2. The MIC has pushed the total group demand into the P2/6 class D scenario which has detrimental economic implications for Omagh BESS.*
- 3. Further discussions are required between SONI and within NIE to resolve items 1 & 2 prior to making a decision on a connection offer.*

4. *As these discussions have yet to be concluded we [NIE Networks] are not able to progress the connection design until all options have been considered and agreed.”*

Both sets of discussions relating to items 1 and 2 are expected to conclude in January 2024. NIE Networks states that the consequence of not granting this extension would be that it would need, pursuant to Condition 30(6)(d) of the Licence, to inform the Connection Applicant that it could not make a connection offer. This would mean that the potential for 17MW of energy storage being connected to the distribution network would be missed.

Therefore, by its Extension Application NIE Networks applies for consent for the relevant period under Condition 30(6)(b) to be substituted by a longer period ending **11 February 2024**.

We note that NIE Networks states that its discussions with SONI “*could have a positive or negative impact on the connection offer for Omagh BESS.*” If the result of the discussions with SONI concerning capacity at Omagh Main BSP is that “*there are Transmission works required (e.g. installation of a new BSP at Omagh) then SONI will require a Section S application from NIE Networks to design and cost such a scheme. In this scenario NIE Networks will need to extend further to allow for the Section S application to be completed and to allow the connection offer process to be completed ... If, however the costs to provide re-supply to Omagh prove to be prohibitive or we [NIE Networks] are unable to agree a connection option with SONI then a refusal to connect will be issued to the applicant as soon as is practicable.*”

2. Consultation associated with the Extension Application

Condition 30(7)(a) of the Licence provides that NIE Networks must consult with the applicant for connection in respect of which the application under Condition 30(7) is made. The Application provides evidence of written and oral consultation on the Application with the Connection Applicant. The Connection Applicant provided a consultation response, by email, dated 27 November 2023 (the **27 November Email**).

However, NIE Networks has not provided details of any formal consultation with SONI that concentrates specifically on the Extension Application. This is despite the fact there appears to be ongoing engagement and discussions with SONI, which appear to be

(if the Extension Application is granted) where this could not happen. The first is that the Connection Application is refused by NIE Networks, resulting from a negative outcome to the discussions concerning the Transformer with SONI. The second is that, even with a positive outcome to these discussions, NIE Networks may need to request a subsequent extension, to allow a Section S application to be completed. We will return to this in the next section of this letter.

The Authority's decision

In making our decision on the Extension Application we have had regard to:

- a) our published decision document on extension applications,⁷
- b) our principal objective (and related statutory objectives) under Article 12 of the Energy (NI) Order 2003,
- c) the contents of the Extension Application set out in the Letter, and
- d) the 27 November Email.

Having considered the matter fully, the Authority hereby confirms that it provides the consent sought in the Extension Application. It follows that the period under Condition 30(6)(b) of the Licence (in respect of the Connection Application made by the Connection Applicant for Omagh BESS) is now extended until **11 February 2024**. We consider the Extension Application justified for the reasons set out in the Letter.

While the Authority has observed that the Connection Applicant supports the Extension Application, it appears to have an expectation that if an extension is granted, a connection offer may be issued before 11 February 2024. The Authority would encourage NIE Networks to engage with the Connection Applicant on next steps that may be taken after this extension decision, to ensure it is fully aware of all relevant matters (particularly the possibility that the Connection Application may still nevertheless be refused in the scenarios outlined above).

The Authority has also observed that NIE Networks believes decisions on Transformer capacity and review of the ENA guidelines will be made by January 2024, and there may then be a need to apply for a further extension before the new extension timeline of 11

⁷ [Electricity Connections Review Decision Paper | Utility Regulator \(uregni.gov.uk\)](https://www.uregni.gov.uk/electricity-connections-review-decision-paper)

February 2024. We would also remind NIE Networks of the need to ensure sufficient time is allowed for any future extension application to be drafted, consulted upon, and forwarded to the Authority.

The Authority has also noted in this decision letter that NIE Networks has not provided evidence that it consulted with SONI formally *on the specific details of this Extension Application*, in line with the expectations set out in the Guidance.

Given that reference has been made to some details of discussions with SONI and the Extension Application has been made following these discussions, and given that future discussions are to take place, the Authority is, on this occasion, taking the position to be that SONI is, at least, neutral to (if not supportive of) the Extension Application. However, we remind NIE Networks to consider the Guidance when formulating future extension requests.

We would take this opportunity to confirm that the period ending 11 February 2024 is a “long stop” date. The obligation under Condition 30 of the Licence is (now), subject to applicable exceptions,⁸ to make a connection offer to the Connection Applicant for Omagh BESS as soon as practicable and in any event no later than 11 February 2024. The Licence obligation is not (now) simply to offer connection terms by 11 February 2024.

This decision will be published in the normal way.

Please do return to us should you require any clarification.

Yours sincerely,



Donald Henry
Duly authorised by the Authority

⁸ Consonant with NIE Networks’ licence obligations and its statutory duties set out in Articles 12 and 19 of the Electricity Order.