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Date: 27 February 2024

Ref: NET/E/DH/858

Dear Eimear

## **Request for Authority's<sup>1</sup> consent to extend the Connection Offer Timelines for the D Station CCGT Project**

Thank you for your letter of 12 February 2024 ("**the Letter**").

We treat the Letter as an application ("**the Second Application**") - made under Condition 25(5) of SONI's Transmission Licence ("**the Licence**")<sup>2</sup> - seeking the Authority's consent for the extension of the period for the making of an offer by SONI for the connection of the Ballylumford D Station Combined Cycle Gas Turbine (CCGT) to the NI Transmission System, which would otherwise apply by operation of Condition 25(5) and Condition 25(7) of the Licence.

The Second Application follows a previous application ("**the First Application**") for extension of the connection offer timeline granted by (published)<sup>3</sup> decision letter ("**the First Decision Letter**") dated 11 July 2023.<sup>4</sup>

The Second Application seeks consent to an extension out to 26 February 2024. The First Application (granted) sought an extension out to 12 February 2024.

We start by setting out the relevant terms of Condition 25 of the Licence. We then move to the Second Application itself:

### **1. Condition 25 of the Licence.**

Condition 25(5) provides, so far as relevant, as follows (our underlining added):

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<sup>1</sup> In this letter "we", "UR" "us", and "the Authority" are used interchangeably to refer to the Northern Ireland Authority for Utility Regulation.

<sup>2</sup> [2022-11-18 SONI TSO Consolidated.pdf \(uregni.gov.uk\)](https://www.uregni.gov.uk/2022-11-18-SONI-TSO-Consolidated.pdf)

<sup>3</sup> [20230711 SONI C25 Extension Request Approval - Ballylumford CCGT.pdf \(uregni.gov.uk\)](https://www.uregni.gov.uk/20230711-SONI-C25-Extension-Request-Approval-Ballylumford-CCGT.pdf)

<sup>4</sup> This letter should be read alongside the decision letter on the First Application.

*“[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, unless the Authority has consented to a longer period.

## 2. Background

The circumstances of the First Application are detailed in the First Decision Letter. This letter should be read alongside the First Decision Letter. In broad summary, the First Decision Letter explained a decision to grant an extension to the Condition 25 period out to 12 February 2024.

In the Second Application SONI describes how, as part of the Connection Offer process, an application was made by SONI to NIE Networks (as Transmission (system) Owner (**TO**)) on 19 December 2023 for a Construction Offer. SONI states that it was expected<sup>5</sup> this Construction Offer would be issued on, or before, 29 January 2024, in line with timelines in the TIA.<sup>6</sup> The Second Application includes details of communication with NIE Networks outlining how the Construction Offer was not issued by 29 January 2024.

On 19 January 2024, SONI received a letter from NIE Networks querying if the installation of a bypass arrangement would be required as part of the connection arrangement. SONI arranged a call with NIE Networks to discuss on 22 January 2024. However, this meeting did not happen due to limited NIE Networks staff availability during Storm Isha. SONI advised NIE Networks on 23 January 2024 that a bypass arrangement would not be required.

On 29 January 2024, NIE Networks sent SONI a letter with details about future replacement of interbus transformers at Ballylumford Substation. In response to this letter, SONI requested clarification from NIE Networks as to whether the Construction Application (for the requisite (TIA) Construction Offer from NIE Networks to SONI) was deemed effective, and if NIE Networks planned to issue a Construction Offer, or seek an extension to the TIA timeline for doing so.

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<sup>5</sup> We consider that we need make no finding as to the validity of this expectation as regards the requirements set out in the TIA.

<sup>6</sup> [TIA-18-November-2021-approved.pdf \(soni.ltd.uk\)](#)

In an email of 31 January 2024, NIE Networks stated to SONI that: *“the Construction Application issued by SONI on 19 December 2023 cannot be offered, therefore it is deemed not effective. Construction Application will need re-submitted to a new mutually agreed arrangement.”*

SONI and NIE Networks discussed the concerns around future work on the interbus transformer on a call (1 February 2024), with SONI producing proposals on future interbus transformer works on 7 February 2024. SONI states that: *“the outcome of these discussions was positive with the TO agreeing to proceed with a Construction Offer based on the current SONI Construction Application submitted on 19 December 2023 and that SONI would discuss internally with the SONI System Operations department what comfort could be given to the TO in relation to future outages for the future interbus transformer works. NIE Networks also agreed that they would endeavour to issue the Construction Offer on or before 12 February 2024.”*

NIE Networks communicated in an email of 8 February 2024 that it could *“. . . confirm the construction offer is in the final stages of authorisation and we are on target to have this with SONI by 12/2/24, or as soon as is practicable.”* We note that the Letter was received late on 12 February 2024 and contains no indication that the Construction Offer was then made. However, as will be explained below, SONI has now confirmed that it is in receipt of the Construction Offer.

### 3. The Second Application

As mentioned above, the Second Application sets out an application for an extension of the Condition 25 period for the making of the Connection Offer out to **26 February 2024** from 12 February 2024. SONI’s rationale for this request differs from that advanced in support of the First Application.

The rationale for the Second Application is founded upon what SONI terms the delay to the expected receipt of the Construction Offer. The Construction Offer is a prerequisite to the making of the relevant Connection Offer. SONI states that: *“given the 2 weeks delay to the Construction Offer issue date, there is then a consequential knock-on impact on the date that the Connection Offer can be issued and therefore SONI is seeking a short extension of 2 weeks to the specified period longstop date.”*

SONI states that the impact of the Authority granting the extension would be that: *“SONI will be able to issue the Connection offer, albeit 2 weeks later than the current period specified.”*

SONI further states that if the extension is not granted: *“SONI would not be able to issue a Connection Offer on 12 February 2024. 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.”*

#### **4. The Second Application Consultation**

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

*“ . . . the person making the application for connection, and such other persons as [SONI] considers may be affected or interested.”*

SONI has consulted with the person making the application (to SONI) for connection (“**the Connection Applicant**”) and NIE Networks. Their views are set out below:

##### The Connection Applicant

SONI consulted the Connection Applicant on 9 February 2024. The consultation response from the Connection Applicant was received and forwarded to the Authority on 13 February 2024. In its response, the Connection Applicant took a ‘neutral’ position on the Second Application as now described:

*“[The Connection Applicant] cannot support an extension to the offer timelines, however neither do we object to SONI seeking the below extension to the revised timelines. We ask that SONI aspires to issue the Connection Offer ahead of any future deadline agreed by the Utility Regulator. Please note that [the Connection Applicant’s] neutral position on this occasion should not be considered to represent our opinion on any further proposed extensions and we request that any potential further delays are communicated at the earliest opportunity.”*

##### NIE Networks

SONI issued a formal written consultation to NIE Networks on the Second Application on 5 February 2024. NIE Networks responded on 8 February 2024 that:

*“[NIE Networks] can confirm the construction offer is in the final stages of authorisation and we are on target to have this with SONI by 12/2/24, or as soon as is practicable,”*

NIE Networks also stated that:

*“NIE Networks supports SONI’s extension request to the [Authority] from on or before 12 February 2024 to on or before 26 February 2024.”*

## 5. Interaction with SONI

We wrote to SONI on 16 February 2024 inquiring whether SONI had received the Connection Offer from NIE Networks. SONI responded as follows:

*“[SONI] can confirm that SONI is in receipt of the NIEN (TO) Construction Offer and we have issued some queries / clarification requests to NIE Networks on aspects of it (as is normal process).*

*As such, SONI is currently on track in terms of being in a position to issue the SONI Connection Offer on or before the requested extended specified period of 26 February 2024.”*

## 6. Our Decision on the Second Application

We judge the Second Application against:

- our principal objective and general duties set out in Article 12 of the Energy (NI) Order 2003
- the published Decision Paper Guidance<sup>7</sup>.

We also have regard to: (i) the consultation response (dated 13 February 2024) from the Connection Applicant, and (ii) the emailed confirmation from SONI (dated 16 February 2024), each received after the Letter making the Second Application.

We grant the Second Application, considering it justified in all the circumstances. Accordingly, we give our written consent for the extension of the specified Condition 25 period (for the making of the relevant Connection offer) out to **26 February 2024**.

We recognise that the Second Application does not appear to exhibit full conformity with the expectations set out in the Decision Paper Guidance. For example, the Second Application was not made until the date the normal licence period expired. Normally we would expect applications to be made no less than two weeks prior to the expiry of the relevant licence period. Furthermore, the Second Application did not contain the consultation response from the Connection Applicant. We would normally expect to see that as part of any application.

Set against these considerations is the clear indication in the Second Application of work between SONI and NIE Networks as to progression of the Construction Offer: work that has now yielded the actual issuance of the Construction Offer. Of relevance too is the fact that SONI offered informal advance notice to the Authority of the making of the Second Application in the period prior to its receipt.

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<sup>7</sup> <https://www.uregni.gov.uk/files/uregni/media-files/Electricity%20Connections%20Decision%20FINAL.pdf>

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 the Connection Applicant “*as soon as practicable*”. The newly substituted longer Condition 25 period does not affect that key licence obligation.

This decision will be published in the normal way and entered on the Register.

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

Yours sincerely,



**Donald Henry**  
**Networks and Energy Futures Director**