John Heywood Northern Ireland Electricity Networks Ltd Unit 3 21 Old Channel Road Belfast BT3 9DE

By Email Only: John.Heywood@nienetworks.co.uk

Date: 13 September 2024

Our Ref: NET/E/JF/1024

Dear John

# Application for consent to a longer period for the issuance of a Connection Offer at Garron Road: NIE Networks Reference: 24/06036

Thank you for your letter received 22 August 2024 (the Letter) setting out an application (the Application) made by NIE Networks Limited (NIE Networks) for an extension to the period within which NIE Networks is required to make a connection offer (the relevant Connection Offer), concerning

In this letter we shall refer to the applicant for the relevant Connection Offer as the **Connection Applicant**.

## 1. Condition 30 of the Licence

The Letter describes the relevant background<sup>1</sup> to the Application. Reference is made to Condition 30 of NIE Networks' licence authorising participation in the activity of distribution (**the Licence**).<sup>2</sup>

Condition 30 (6) (of the Licence) provides that (barring specified exceptions)<sup>3</sup> 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.

Condition 30 (7) of the Licence allows NIE Networks to make an application to the Authority<sup>4</sup> for a (written) consent that the period specified in Condition 30 (6)(b) be longer than 3 months. The making of such an application does <u>not</u> change NIE Networks' licence obligation<sup>5</sup> (under Condition 30(6)(a)) to make a connection offer *as soon as practicable*. Nor does the grant (by the Authority) of the consent sought under any such application change the position. The primary obligation (recorded in Condition 30(6) of the Licence and Article 20 of the Electricity (NI) Order 1992) - to make a connection offer *as soon as practicable* - remains.

#### 2. Background

NIE Networks received an application for the making of the relevant Connection Offer on 13 June 2024. The Application records that NIE Networks considers that absent an extension under Condition 30(7) it is bound to make a (licence standard) relevant Connection Offer by **11 September 2024.**<sup>6</sup>

<sup>&</sup>lt;sup>1</sup> 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.

<sup>&</sup>lt;sup>2</sup> <u>NIE Distribution Licence</u>.

<sup>&</sup>lt;sup>3</sup> Recorded in Article 21 of the Electricity (NI) Order 1992 (the Electricity Order).

<sup>&</sup>lt;sup>4</sup> 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.

<sup>&</sup>lt;sup>5</sup> Which aligns with the statutory duties reflected in Article 15-19 of the Electricity (NI) Order 1992.

<sup>&</sup>lt;sup>6</sup> We understand that NIE Networks has – absent an extension under Condition 30 (7) – out to 13 September 2024 to make an offer of connection. Nothing turns on NIE Networks' apparent error for the purposes of judging the Application and we are content to proceed by recording the 11 September 2024 date mentioned by NIE Networks.

Within the Application, NIE Networks has highlighted that the existing 45MVA Transformers at Larne BSP are at capacity for generation so that there is no existing capacity to facilitate the making of the relevant Connection Offer. The Transformers are due to be replaced by SONI with 90MVA Transformers *"which would free up sufficient capacity to allow this connection to go ahead."* NIE Networks explains that a Transmission Project Agreement (TPA) for the Transformer replacement would need to be signed before a relevant Connection Offer can be provided. It is further explained that the relevant TPA should be signed by the end of December 2024. Progression of the requisite connection design would take a period of up to 3 months.

## 3. The Application

By the Application NIE Networks applies for consent for the relevant period under Condition 30(6) to be substituted by a longer period ending **23 April 2025**.

NIE Networks explains that the date of 23 April 2025 (extending past the three months quoted for the design phase out from the anticipated end December 2024 date for the execution of the relevant TPA) is requested because *"other applications have been submitted in between and extending the offer to the beginning of April would move the application's queue position above others which is against the queueing methodology as other extension requests have already been made to other applicants."* 

In response to a request for further information from the Authority, concerning this point, NIE Networks stated (by email of 6 September 2024) that past extensions related to Larne Main were made on the basis of the TPA being signed in June 2024. With the signing of the TPA expected to be delayed until December 2024, a separate extension request (for connection to Larne by a separate applicant for a connection offer) has been submitted for substituted Condition 30(6) date of March 2025.

NIE Networks further explained that it is also consulting small scale customers on the proposal for new Condition 30(6) extensions out to the start of April 2025. Extension applications had been made for other customers whose (original) connection applications were accepted before the one for Garron Road. These proposed extensions fall in between 1 April 2025 and 22 April 2025. NIE Networks commented that *"Garron Road was made competent on 13<sup>th</sup> June, if [we] extended it to match the other Larne extensions, which would be start of April, it would be skipping the queue position of 5 other applicants, as it was competent after them."* NIE Networks explains that it is this (queuing related) consideration that motivated the decision to seek – by the Application - a Condition 30(6) extension for Garron Road out to 23 April 2025.

NIE Networks explains the rationale for seeking this extension period as follows:

1. As these timescales are outside of NIE Networks control we are not able to progress the connection design until the TPA has been signed.

2. The TPA is estimated to be signed at the end of December 2024, due to the complex nature of the design at the substation.

3. As the planned transformer replacement is imminent it would not be reasonable to refuse the connection on this basis.

4. Once the Transmission Project Agreement has been signed the connection offer design can be progressed with certainty."

NIE Networks states that "Not granting this extension would result in a refusal to connect and would prevent being connected to the network."

The Authority notes that NIE Networks has stated that if the TPA was signed earlier than the anticipated timescale, a relevant Connection Offer would be progressed for an earlier date than the extended date set out in the Application (i.e., 23 April 2025). However, if the TPA was not signed by the anticipated timescale, NIE Networks may need to request a further Condition 30(6) type extension.

#### 4. Consultation on the Application

Condition 30(7)(a) of the Licence provides that NIE Networks must consult with the Connection Applicant when making an Application (for extension) under Condition 30(7).

The Application sets out such consultation with the Connection Applicant. On 10 September 2024 the Connection Applicant responded, commenting *"Yes we support the extension."* 

On 3 September 2024 the Authority sent the Application (with the consent of NIE Networks) to SONI for comment. On 6 September 2024 SONI replied with the following comment:

"Although the DNO has not specifically asked SONI to assess this particular distribution application, as set out in the draft TDP NI 2023-2032, the capacity of the existing 110/33 *kV* transformers at Larne is insufficient for further connection of renewable generation to

the Larne distribution system. There is new generation planned in this area and therefore there is a need to replace the existing transformers at Larne with higher capacity units.

Therefore, SONI is progressing a project to replace the 45MVA transformers at Larne with 90MVA transformers. The value of the pre-construction works associated with this project is below the de-minimis level that would otherwise require a TNPP approval from the UR."

On 11 September 2024, NIE Networks communicated to the Authority that responses from 6 out of 7 Small Scale Generators in the connection queue for Larne Main, consulted as Affected Parties to this application, had been received. The 6 respondents supported the respective applications for extension.

## 5. The Authority's decision

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

- (a) our published decision paper on extension applications<sup>7</sup>
- (b) our principal objective (and related statutory objectives) under Art 12 of the Energy (NI) Order 2003
- (c) the contents of the Application
- (d) the Consultation on the Application.

Having considered the matter fully, the Authority hereby confirms that it provides the consent sought in the Application. It follows that the period under Condition 30(6)(b) of the Licence (in respect of the application by the Connection Applicant for the making of the relevant Connection Offer) is now extended until **23 April 2025**. We consider the Application justified for the reasons set out in the Letter. We have regard to the positive Consultation on the Application.

We would take this opportunity to confirm that the period ending 23 April 2025 is a "long stop" date. The obligation under Condition 30 of the Licence is (now), subject to applicable exceptions<sup>8</sup>, to make a relevant Connection Offer to the Connection Applicant "<u>as soon as practicable</u>" and "<u>in any event no later than</u>" 23 April 2025. The licence obligation is <u>not</u> (now) simply to offer connection terms by 23 April 2025.

<sup>&</sup>lt;sup>7</sup> <u>Electricity Connections Review Decision Paper | Utility Regulator (uregni.gov.uk)</u>

<sup>&</sup>lt;sup>8</sup> Consonant with NIE Networks' licence obligations and its statutory duties set out in Articles 12 and 19 of the Electricity Order.

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

Please do return to us should you require any clarification.

Yours sincerely,

**Jillian Ferris** 

Head of Networks Duly authorised by the Authority