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John Mills
Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED

2 April 2025

Dear John

Deferral of the start date of the next SONI price control to October 2027

NIE Networks welcomes the opportunity to comment on the above UR consultation.

We note the reasons that SONI has requested a further extension of its existing price control; and also, the reasons why the UR is proposing to grant the request for the extension.

The next two years are a critical period in the run up to 2030 and delivery of the Climate Change Act target of 80% RES-E. Thus, NIE Networks does have some reservations that this further delay in introducing a new price control for SONI will have a knock-on effect on SONI's ability to deal with the step-up in transmission investment needed for delivery of these targets in time. This, in turn, will impact on NIE Networks' ability to do the same.

This should be at the forefront of the UR's mind as it finalises its decision on this matter.

One further specific comment is that we would also ask the UR to consider the impact this extension has on the work to transfer transmission SCADA assets to NIE Networks and the associated delivery project.

Yours sincerely

CARL HASHIM
Head of Regulation Strategy

RenewableNI Response to the Utility Regulator's Consultation on the Proposed Two-Year Extension of SONI's Price Control (SRP20)

RenewableNI (RNI) is the voice for the renewable electricity industry in Northern Ireland. Through the development of policy, best practice, and public communications, we represent those engaged in wind, solar, and battery storage development. Our members make up a majority of the renewable industry supply chain in Northern Ireland.

The remainder of this response outlines the broader policy context in which Northern Ireland's decarbonisation targets currently sit and provides general points on the proposal to extend SONI's Price Control Period by a further two years.

Policy Context

The UK Government has legislated for a net-zero economy by 2050, with the power sector leading the transition. Decarbonising electricity is essential to enabling wider electrification of transport and heat, both of which will play a critical role in reducing emissions. The International Energy Agency has stated that all advanced economies must achieve zero-carbon power by 2035 (Zero by 35)[1]. Recognising this urgency, the UK Government has reinforced its [2].

While energy policy is a devolved matter, there is no caveat in the UK's net-zero ambition excluding Northern Ireland. Northern Ireland must not lag behind. RNI successfully advocated for an 80% by 2030 renewable electricity target (80 by 30), which is now a legal requirement under the Climate Change Act (Northern Ireland) 2022. However, this target is not an aspiration but a statutory obligation - one that requires urgent regulatory action to be met. Yet, industry confidence is eroding, with the *Accelerating Renewables* report revealing that even before the current constraints crisis, 82% of investors did not see Northern Ireland as a good place to invest. Persistent regulatory and System Operator delays in both Northern Ireland and the Republic of Ireland, coupled with inadequate investment in grid infrastructure, threaten to stall renewable deployment ahead of 2030.

RenewableNI maintains that 80 by 30 is the minimum necessary to put Northern Ireland on a pathway to Zero by 35. RNI has always contended that 80 by 30 should be seen only as a staging post for a more ambitious long-term goal. The previous 40% by 2020 renewables target initially incentivised a surge in renewable generation. However, once this target was reached, it became a justification for

[1] Net Zero by 2050 - A Roadmap for the Global Energy Sector
[2] Clean Power 2030 Action Plan - GOV.UK

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failing to invest in the infrastructure needed to go beyond it. Northern Ireland is still emerging from this policy vacuum, with stalled progress in renewable deployment and a pressing need for infrastructure expansion.

Northern Ireland currently has approximately 1.8GW of renewable capacity, yet this must at least double to meet the anticipated rise in electricity demand. *Accelerating Renewables*, warns that under a business-as-usual scenario, Northern Ireland will fall well short of its target - only developing 725MW of the 1,900MW required to achieve 80 by 30[3]. A region that was once regarded as a renewable energy leader now risks being left behind.

In September 2024, the Department for the Economy (DfE) published its 2024/25 Business Plan & Three-Year Forward Look, identifying key actions to support the delivery of 80 by 30. These include finalising the Northern Ireland Renewable Electricity Support Scheme (NI RESS) and revising grid connection policy to better facilitate renewable installations and other low-carbon technologies, such as heat pumps and EV charging infrastructure[4]. However, these policy advances must be complemented by urgent grid infrastructure upgrades and clear policies - without them, Northern Ireland will struggle to realise its renewable ambitions.

Recent data from the Northern Ireland Statistics and Research Agency (NISRA) signals a concerning trend. Having reached a peak of 51% of electricity generated by renewables in 2022, we have seen a drop in renewable generation in recent years, falling to 43.5% in 2024[5]. Instead of accelerating progress, renewable deployment is stagnating, placing the 80 by 30 target in serious jeopardy.

Northern Ireland's progress toward 80 by 30 has been far too slow. Grid constraints, firm access barriers, and market uncertainty continue to delay investment in new renewable generation, creating a real risk that the region will fall short of its commitments.

General Points

In general, RNI has no objections to the proposed extension of the SRP20 price control period, on the condition that this extension facilitates the effective implementation of the SRP27 period in a way that supports Northern Ireland's renewable electricity targets. We are of the view that this extension should allow SONI the necessary time to address key challenges in system operation, particularly in enabling increased renewable penetration and supporting grid flexibility. Additionally, we acknowledge that the further extension is intended to facilitate additional work associated with

[3] RNI-Report-Accelerating-renewables-in-Northern-Ireland-online-version.pdf
[4] DfE Business Plan 2024-25 | Department for the Economy
[5] Electricity Consumption and Renewable Generation Statistics | Department for the Economy

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SONI's governance programme and other key projects such as FASS (Future Arrangements for System Services).

We would take this opportunity to emphasise some of our key points that should be taken into account for SRP27, including:

- **SONI must facilitate an efficient and responsive grid:** The SRP27 period should ensure that SONI has the flexibility to develop the system in a way that supports increased renewable electricity connections and reduces grid constraints. This includes allowing for timely and proactive investment.
- **Investment ahead of need**: RNI believes that the current approach, where grid investment lags behind renewable deployment, is not sustainable. The SRP27 period should enable SONI to take a more strategic, forward-looking approach to system planning to avoid delays in renewable integration.
- **Managing uncertainty should not delay progress:** While we acknowledge the need for careful consideration of uncertainty, it must be recognised that decarbonisation will always involve evolving technologies and unforeseen challenges. The next price control should ensure that uncertainty does not become a barrier to necessary grid and market developments.
- **Alignment with renewable electricity support mechanisms:** The SRP27 period should take into account the design of the forthcoming Renewable Electricity Support Scheme (NI RESS) and ensure that the transmission system is equipped to handle the expected increase in renewable capacity.

Overall, we support the extension of the SRP20 period, provided that it enables the development of a stronger SRP27 period, which takes into account the necessary provisions for achieving Northern Ireland's decarbonisation targets.

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SONI Response

Dear John,

This is to confirm on behalf of SONI that we are content with the proposals outlined in the consultation paper relating to the Proposed Modification of SONI Limited's Transmission Licence to facilitate the two-year extension to our current price control.

We would like to again thank the Utility Regulator for your flexibility in facilitating this extension, and we look forward to working with you over the coming months to submit a high-quality business plan by 2nd March 2026.

Thanks,

Rowan

Rowan Tunnicliffe
Head of Commercial and Regulation

SONI

John Mills
The Utility Regulator
Queens House
14 Queen Street
Belfast
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31 March 2025

Dear John,

Proposed Modification of SONI Limited's Transmission Licence. Two Year Extension to SONI Price Control (SRP20) Consultation

I am writing regarding the consultation on the Proposed Modification of SONI Limited's Transmission Licence. Two Year Extension to SONI Price Control (SRP20).

The Consumer Council

The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland.

The Consumer Council has specific statutory duties in relation to energy, postal services, transport, water and sewerage. These include considering consumer complaints and enquiries, carrying out research, and educating and informing consumers.

Extending the current price control by two years rather than one year

In our response to the original Consultation deferring the next SONI Price Control by one year (03 July 2023), we highlighted the potential risks for customers and regulated companies but agreed that the rationale put forward by SONI meant that an extension was necessary.

Our view remains the same – it is important that price controls are not regularly extended one year at a time, but we agree that the "additional work associated with the governance programme and other key projects such as FASS" and the UR's analysis justifies the further extension.

However, it is important that the regulator ensures that, at the end of this extension, a full price control process is implemented, with a full business plan and assessment of costs.

Impacts on consumer bills of SONI's proposed modifications:

We note that the UR has assessed SONI's proposed modifications to financial values for the extension period and that they are broadly in agreement with the proposed allowances. The values proposed by SONI follow the trend of the current price control and align with what would be expected of a rollover.

We agree that the extension is an appropriate time to correct the previous misallocation. We are comfortable that the consultation explains the UR's challenge process, and that SONI's proposals have been scrutinised to minimise the risk of unnecessary spend that would feed through into higher customer bills.

We note that SONI costs typically make up around 2% of a consumer's electricity bill and would not expect this to increase during the extension period without clear justification, based on the analysis provided.

Other Proposed Modifications:

For the modification to the definition of the Average Specified Rate, as the LIBOR rate has been discontinued, we support the change to the Bank of England Base Rate.

We look forward to continued collaboration with the Utility Regulator and other key stakeholders so that the SRP20 price control extension sets an efficient revenue cap to enable SONI to deliver its functions and quality outputs that Northern Ireland consumers necessitate.

Yours sincerely,

Raymond Gormley

Raymond Gormley
Head of Energy