Claire Whiteside Northern Ireland Electricity Networks Ltd 120 Malone Road Belfast BT9 5HT

By Email Only: Claire.Whiteside@nienetworks.co.uk

Date: 16 April 2025

Our Ref: NET/E/JF/1220

Dear Claire,

Application for consent to a longer period for the issuance of a Connection Offer at Castor Bay Road Craigavon, NIE Networks Reference: 24/12516

Thank you for your letter received 13 March 2025 (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 a PV at Castor Bay Road Craigavon. The extended period now applied for expires on 19 June 2025.

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

1. The Application

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

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 <u>NIE Distribution Licence.</u>

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*

"after receipt by [NIE Networks] of an application containing all such information in relation to the required connection as [NIE Networks] may reasonably request."

Condition 30 (6) is to be read alongside and reflects the provision made in Article 20(3) through to Article 20(5) 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 (following requisite consultation) for a consent (in writing) that the period specified in Condition 30 (6)(b) shall be substituted by a longer period and subject to any conditions as specified in the consent.

Significantly, the making – or grant - of a Condition 30(7) type application does <u>not</u> alter NIE Networks' licence obligation⁵ (under Condition 30(6)(a)) to make a connection offer *as soon as practicable*. The primary obligation (recorded in Condition 30(6)(a) of the Licence and Article 20 the Electricity Order) - to make a connection offer *as soon as practicable* - remains.

The Letter states:

"[the application for the relevant Connection Offer from the Connection Applicant] was deemed compliant on 4th December 2024. The license standard at this time for provision of this Connection Offer as well as including days for Storm Darragh and Eowyn was 19 March 2025."

In follow up communication with the Authority, NIE Networks described the make up of the Condition 30 period, from its point of view, as:

"Queue date was 4th December 2024 3 months standard 4th March 2 days for storm Darragh 6th March 13 days for storm Eowyn 19th March."

³ Recorded in Article 21 of the <u>Electricity (NI) Order 1992</u> (**the Electricity Order**): see Condition 30(6) (d) of the Licence.

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 and 20 of the Electricity Order.

NIE Networks also expressed the opinion that the Connection Offer had not been on hold, but the longer period was down to the *"extra license standard days awarded for the storm."*

NIE Networks is wrong in its interpretation of the obligations under Condition 30 and the related "licence standard". The long stop Condition 30 period – in this case – expires on 4 March 2025 <u>unless and until we grant the Application</u>. The occurrence of the storms does not and cannot change that. The Condition 30(6)(b) long stop period is fixed, until moved by a written consent or further written consent granted by the Authority, pursuant to an application (or further application) under Condition 30(7). Any such application must proceed based on the existing (Condition 30(6)(b)) long stop period expiry date.

It follows that we can only (and do) consider the Application as an application (under Condition 30(7)) for consent to further extend the (condition 30(6)(b) long stop period (for the making of a Relevant Connection Offer) out to 19 June 2025 from 4 March 2025. There is no prejudice to the Connection Applicant in proceeding on this basis.

We note, also, that whilst the Application was submitted to the Authority with the necessary information - as per the Authority's 2017 Electricity Connections Decision⁶ (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."* The Authority considers that the connection application period (in this case) expires on 4 March 2025, and therefore the submission date (of the Application) of 4 March 2025 does not fulfil the stated expectations. Even viewed against NIE Networks interpretation - that the connection application period ended on the 19 March 2025 - the application was not submitted two weeks before this date. The Application offers no explanation for the departure from the expectations set out in the Guidance.

The Application (made in the Letter) is for consent – under Condition 30(7) - for a longer substituted Condition 30 (6)(b) period out (from **4 March 2025**) to **19 June 2025**.

NIE Networks outlines in the Application that although it is 'close' to finalising design and costing of a Connection Offer to provide to the Connection Applicant, *"due to the further discussions internally regarding quotation requirements, planned work required at Castor Bay Substation and subsequent project timelines [has] led to a delay in finalising the design and subsequent*

⁶ Electricity Connections Decision FINAL.pdf.

costing of the Connection Offer." NIE Networks asserts that a further three months is needed to *"produce the network study and quotation to the applicant."*

NIE Networks highlights that extra time is needed to review the application for connection alongside the planned work at Castor Bay Substation, *"to ensure the customer is fairly quoted and work that is already planned will be [sic] not be recovered by the applicant."* NIE Networks also expresses hope this review could reduce the cost of the overall project to the Connection Applicant. In consultation with the Connection Applicant, this potential reduction is identified as the cost of replacement switchgear at Castor Bay. NIE Networks states (in the consultation) that the NIE Assets department could potentially cover the costs associated with the replacement switchgear, instead of the Connection Applicant.

NIE Networks further states that granting the extension sought would provide the time needed to complete costing, design and production of the Connection Offer, and *"facilitate a fair and transparent network development plan to the customer."* In the opinion of NIE Networks, not granting the application for extension *"would result in NIE Networks not being able to meet it's license standard."*

2. Consultation associated with 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, via email of 13 March 2025. The Authority notes that NIE Networks stated in the covering email to the Application, that the Connection Applicant had verbally supported the application. Written confirmation was to be sought.

However, the Authority was subsequently forwarded an email from the Connection Applicant to NIE Networks on 21 March 2025 which recorded that the Connection Applicant did not support the applied for extension and *"had hoped [to] receive a connection offer within the next couple of weeks allowing for a small delay/extension."*

The Connection Applicant highlighted that the application for the connection of the **PV** also included a new 33kV switchboard - connection of which was referenced as being time critical - as part of a major project at the relevant site. The Connection Applicant stated that it *could* support this extension if a connection offer/quotation for the new 33kV switchboard was received *"within the next couple of weeks."*

NIE Networks said it would meet with the Connection Applicant at the beginning of April 2025 to discuss these concerns. Following this meeting, the Authority contacted NIE Networks for an update.

In response, NIE Networks commented that it still required the extension, that it had further explained the reasons for the extension application to the Connection Applicant, and that the Connection Applicant was not in support of the application but understood why it was required.

So far as affected parties' consultation is concerned, NIE Networks states in the Application that "there are no other applicants in relation to extending this connection offer."

3. The Authority's decision

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

- (a) our published Decision Paper Guidance⁷
- (b) our principal objective (and related statutory objectives) under Article 12 of the Energy (NI) Order 2003
- (c) the contents of the Application
- (d) the consultation with the Connection Applicant

(e) clarifications sought and received from NIE Networks in the period following receipt of the Letter.

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 for connection made by the Connection Applicant for the **Example 19** V at **Castor Bay Road**) is now extended until **19 June 2025**. We consider the Application justified for the reasons set out in the Letter.

We welcome the commitment of NIE Networks to work with SONI in progressing the relevant connection applications to include that of the Connection Applicant.

We recognise that although NIE Networks says the Connection Applicant understands why the application is required, in written response to (relevant) consultation the Connection Applicant has expressed opposition to the request for extension, highlighting issues around the new 33

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

KV switchboard. We hope some of the Connection Applicant's concerns can be resolved, within the extended Condition 30 period, by NIE Networks.

We would also take this opportunity to confirm that the (extended consented to) period ending 19 June 2025 is a "long stop" date. The obligation under Condition 30 of the Licence is (now), subject to applicable exceptions,⁸ to make a Relevant Connection Offer to the Connection Applicant for the 4.95MW PV at **Castor Bay Road** "as soon as practicable" and "in any event no later than" 19 June 2025. The Licence obligation is not (now) simply to offer connection terms by 19 June 2025.

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

NIE Networks is asked to reflect on our observations (above) as to

- (a) the proper interpretation of the Condition 30 obligations
- (b) the expectations explained in the Decision Paper Guidance.

Our expectation is that further applications for Condition 30 type extensions will be presented in accordance with our observations.

Please do return to us should you require any clarification.

Yours sincerely,

Jillian Ferris Head of Networks 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.