

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

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

Date: 11 April 2025

Our Ref: NET/E/JF/1210

Dear Claire,

Application for consent to a longer period for the issuance of a Connection Offer at Larne BESS, NIE Networks Reference: 23/07794

Thank you for your letter received 28 March 2025 (the **Letter**) setting out an application (**the Third 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 at **Larne Main BSP**. The extended period now applied for expires on 6 June 2025.

NIE Networks has made two related previous extension applications; both approved by the Authority (the **First Application** and the **Second Application**).

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

1. The Third Application

The Letter describes the relevant background¹ to the Third 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 NIE Distribution Licence.



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.

NIE Networks states as part of the Third Application, that it received a valid application (for the Relevant Connection Offer) from the Connection Applicant on 1 August 2023, for the connection of a 20MW BESS into Larne Main BSP. After initial assessment, it was concluded by NIE Networks that the maximum capacity available was due to power swing conditions; a conclusion advised to the Connection Applicant on 29 August 2023 and accepted 3 days later.⁶

It was identified in the First Application that the existing 45MVA Transformers at Larne Main BSP were at capacity for generation, but were due to be replaced with 90MVA Transformers, which would free up sufficient capacity to facilitate a potential Connection Offer to the Connection Applicant. NIE Networks said it would be unable to provide a Connection Offer based on the

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.

⁶ Note because of this, NIE Networks added three days to the Condition 30 "licence standard" period, and stated it therefore lasted until 4 November 2023. The Authority noted, in the Decision Letter concerning the First Application that while NIE Networks had not explained why this was so, whether the longer period extended from 1 November 2023 or 4 November 2023 was not material to the First Application.



Transformer replacement until the relevant Transmission Project Agreement (TPA) had been signed, which was expected to take approximately 8 months (from December 2023).

The Connection Applicant 'reluctantly' supported the First Application, while outlining concerns about its timing and the extended period indicated in it (out from November 2023 to 16 September 2024). The Authority approved the First Application via Decision Letter dated 6 December 2023.⁷

There then came the Second Application - made to the Authority on 2 September 2024 - for extension of the requisite (long-stop) period from 16 September 2024 to 28 March 2025.

NIE Networks outlined in the Second Application that the previously envisaged timetable for the signing of the TPA had not been met due to detailed design work required at Larne Main BSP (to determine the location of required cable sealing ends). NIE Networks anticipated the TPA would be signed by the end of December 2024, with 3 months further needed for the Relevant Connection Offer to be designed and issued to the Connection Applicant.

Again, the Connection Applicant 'reluctantly' accepted the proposed extension, 'to avoid the potential issuance of a 'refusal to connect", while expressing concern about repeated or long-term delays to connection offers. The Authority approved the Second Application, via Decision Letter dated 13 September 2024.⁸

In this Third Application NIE Networks states that although the last extension (to the requisite/long-stop period) was out to 28 March 2025, "With Storm Darragh and Eowyn, this added an additional 15 Licence Standard days and the Connection Offer date was now 12th April 2025."

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 28 March 2025 unless and until we grant the Third Application. 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.

8 2024.09.13 NIE C30 Larne BESS DL - Redacted PDF.pdf.

⁷ 2023.12.06 Larne BESS Decision.pdf.



It follows that we can only (and do) consider the Third 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 6 June 2025 from 28 March 2025. There is no prejudice to the Connection Applicant in proceeding on this basis.

We note that the Third Application was submitted on the afternoon of 28 March 2025; the date of expiry of the (true) Condition 30(6)(b) long stop period. Accordingly, whilst the Third Application was submitted with the necessary information - as per the Authority's 2017 Electricity Connections Decision⁹ (**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." As we consider the end of the (extended) Condition 30 application period to be 28 March 2025, the submission date of 28 March 2025 does not fulfil the stated expectations. The fact that this default might have resulted from NIE Networks' incorrect interpretation of the Condition 30 arrangements (see above) explains but does not excuse the default.

Moving on, NIE Networks details the rationale for the Third Application as another delay in the signing of the TPA, for the replacement of the 45MVA Transformers with the 90MVA Transformers. NIE Networks references a survey on the Larne Main site which needed to be completed to 'determine location of required cable sealing ends.' This is now complete, and NIE Networks states "As a result the design specification for this project has been sent to SONI. SONI require additional time to review the TPA and anticipated this will require a further 10 weeks." NIE Networks asserts that it has "progressed the Connection Offer and will be ready to send [it to] the [Connection Applicant] once the TPA is signed." The estimation in the Thrid Application is that the TPA will be signed at the beginning of June 2025. This explains the extended date of **6 June 2025** for the making of the Relevant Connection Offer.

2. Consultation associated with the Third 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).

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⁹ Electricity Connections Decision FINAL.pdf.



The Third Application sets out such consultation with the Connection Applicant, via email of 27 March 2025. We would observe that this consultation with the Connection Applicant does not align with the expectations (for consultation) set out in our Decision Paper.

The Connection Applicant's response (31 March 2025) to the NIE "consultation" email is like that offered in respect of the First Application and the Second Application. The Connection Applicant states that "to avoid the potential issuance of a 'refusal to connect' by NIEN, we reluctantly acknowledge and accept the proposed extension for the issuance of the Connection Offer. Again, we urge NIEN to expedite the process where possible to avoid any further delay and certainly not request yet another extension."

The Connection Applicant points out that, if this new extension is approved, the "original offer" would have been delayed for almost 20 months, and it "remain[s] seriously concerned that NIEN and SONI appear to be falling short of their widely publicised commitment of achieving ambitious energy targets by repeatedly delaying Connection Offers, in some cases for several years. The timing of all three extension requests has been within the final weeks of the offer issuance period, making project planning extremely difficult."

The Connection Applicant also highlights that, in previous correspondence, it had requested NIE Networks to "take all measures available to expedite the design process and issue an Offer ahead of the deadline that was set for 16/09/24, and certainly not request yet another extension," and called it 'frustrating' to face another extension request.

3. The Authority's decision

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

- (a) our published Decision Paper Guidance¹⁰
- (b) our principal objective (and related statutory objectives) under Article 12 of the Energy (NI) Order 2003
- (c) the contents of the Third Application
- (d) the consultation with the Connection Applicant

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

¹⁰ Electricity Connections Review Decision Paper | Utility Regulator (uregni.gov.uk)



Larne Main BSP) is now extended until **6 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 note the Connection Applicant, although 'reluctantly' supporting the application for extension, has expressed concerns about the length and timing of these extensions, and that a Connection Offer has not been made since the application for a Relevant Connection Offer in 2023. We would ask that NIE Networks reflect upon these concerns.

We would also take this opportunity to confirm that the (extended consented to) period ending 6 June 2025 is a "long stop" date. The obligation under Condition 30 of the Licence is (now), subject to applicable exceptions,¹¹ to make a Relevant Connection Offer to the Connection Applicant for the at Larne Main BSP "as soon as practicable" and "in any event no later than" 6 June 2025. The Licence obligation is not (now) simply to offer connection terms by 6 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)

- (a) as to the proper interpretation of the Condition 30 obligations
- (b) as to 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

¹¹ Consonant with NIE Networks' licence obligations and its statutory duties set out in Articles 12 and 19 of the Electricity Order.

