NOTICE UNDER ARTICLE 10(4) OF THE ELECTRICITY (NORTHERN IRELAND) ORDER 1992 (THE ORDER)

FOR

FAUGHAN STABILITY LIMITED

Utility Regulator

ABSTRACT

On **27 August 2026** the Utility Regulator received an application for a generation licence from **Faughan Stability Limited** to enable it to operate as a Synchronous Condenser. This Notice, pursuant to Article 10(4) of the Electricity (Northern Ireland) Order 1992 outlines UR's powers in respect of granting licences, provides details on the consideration of the application from **Faughan Stability Limited** and details the reasons for the proposed grant of the licence.

AUDIENCE

Consumers and consumer representatives; electricity industry; statutory bodies; government departments

CONSUMER IMPACT

The consumer impact is considered positive. As a licence holder operating a Synchronous Condenser, **Faughan Stability Limited** will be able to provide 2000**MVA** of power to the system, helping to maintain grid frequency stability, delivered from a low carbon source. It is expected therefore to assist in securing the stability of the transmission system, helping to protect security of supply for consumers while working towards delivering decarbonisation targets.

NOTICE UNDER ARTICLE 10(4) OF THE ELECTRICITY (NORTHERN IRELAND) ORDER 1992

Pursuant to Article 10(4) of the Order, the Northern Ireland Authority for Utility Regulation (the "Authority"), hereby gives notice as follows:

1) It proposes, in accordance with Article 10 (1) of the Order, to grant a modified electricity generation licence to Faughan Stability Limited, a limited company having its registered office at 22 Bishopsgate, London, EC2N 4BQ, United Kingdom (the "Proposed Licensee"). Such licence would enable the Proposed Licensee to operate a Synchronous Condenser at Maydown Road, Strathfoyle, Londonderry BT47 6UL, United Kingdom during the period specified in paragraph 2 of the Terms of the Licence

2) Article 10 (1)(a) of the 1992 Order empowers the UR to grant an electricity generation licence to an applicant for such a licence. Article 10(3) of the 1992 Order provides that such an application shall be made in a manner prescribed and be accompanied by the prescribed fee. Further, Article 10(3) of the 1992 Order also provides that the applicant for an electricity generation licence shall publish the application within 14 days of making the application (in the prescribed manner). The requirements made in Article 10(3) are reflected in (Schedule 4 to) the Electricity (Applications for Licences and Extensions of Licences) (No. 2) Regulations (Northern Ireland) 2007 (the 2007 Application Regulations).

The UR has also published guidance in respect of the making of an application for an electricity generation licence (the Guidance). The Guidance makes reference to and reflects the requirements of the 2007 Application Regulations.

In carrying out its (electricity) function to grant (or not grant) an electricity generation licence the UR is required to act in accordance with the provisions of Article 12 of the Energy (NI) Order 2003 (the 2003 Order).

Article 12(1) of the 2003 Order provides as follows:

12.(1) The principal objective of the Department and the Authority in carrying out their respective electricity functions is to protect the interests of consumers of electricity supplied by authorised suppliers, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission, distribution or supply of electricity

Article 12(2) of the 2003 Order provides that

(2) . The Department and the Authority shall carry out those functions in the manner which it considers is best calculated to further the principal objective, having regard to—

(a) the need to secure that all reasonable demands in Northern Ireland or Ireland for electricity are met.

Article 12(3) of the 2003 Order provides that in performing the duty under Art 12(2) of the 2003 Order the Authority is obliged to have regard to (but not exclusively to) the interests of persons described. These persons described are individuals who (i) are the chronically sick or disabled (ii) are of pensionable age (iii) have low incomes and (iv) are residing in rural areas.

Article 10(4) of the 1992 Order provides that:

(4) Before granting a licence under this Article, the Authority shall give notice—

(a) stating that the Authority proposes to grant the licence;

(b) stating the reasons why it is proposed to grant the licence; and

(c) specifying the time (not being less than 28 days from the date of publication of the notice) within which representations or objections with respect to the proposed licence may be made,

and shall consider any representations or objections which are duly made and not withdrawn

3) The UR considers that the grant of an electricity generation licence to Faughan Stability Limited would accord with our responsibilities under Article 12 of the 2003 Order. We assessed that the Faughan Stability Limited Application was made in the prescribed manner, and the appropriate fee had been received. The Faughan Stability Limited application is thus considered made in accordance with the 2007 Application Regulations and the Guidance.

4) In making our Article 12 assessments we had regard to the role that Faughan Stability Limited could be expected to play in the electricity system.

4.1 As a licence holder, operating a Synchronous Condenser, Faughan Stability Limited will be able to consume or produce reactive power on the electricity grid and provide inertia. This reduces the carbon emissions required to maintain a stable system and security of supply, allowing for more non-synchronous generation to be connected to the system, therefore contributing to the potential reduction of the minimum number of conventional units needed on the system.

4.2 Faughan Stability Limited will be able to support and/or replace existing generation sources by helping to maintain system stability in periods of peak demand and/or low renewables, through low carbon technology. This helps to work towards meeting decarbonisation targets.

4.3 As a Synchronous Condenser Operator, Faughan Stability Limited will also be able to provide short circuit contribution to bolster the system's ability to ride-through more immediate disturbances. Additionally, it will also be able to provide the ability to control local system voltage through its reactive power capabilities.

4.4 Faughan Stability Limited were awarded a contract to deliver Low Carbon Inertia Services (LCIS) under phase 1 of SONI's LCIS procurement. A licence

is a requirement to enable Faughan Stability Limited to fulfil that contract and participate in the SEM.

4.5 The UR considered that there was no significant risk of adverse impacts on consumers from the granting of the licence to Faughan Stability Limited.

5) The purpose of this public notice is to bring to the attention the grant of the proposed licence referred to above to persons likely to be affected by such grant and to invite representations or objections in connection with it. Any representations or objections with respect to the proposed licence may be made **on or before 5pm on 15 December 2026.**

The Electricity Generation Licensing Team
Markets Directorate
Utility Regulator
Millennium House
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Belfast, BT2 7AQ
Email: ElecGenLicensing@uregni.gov.uk

5.1 Please be aware that your response to this consultation may be made public by the Utility Regulator.

5.2 Where consultation responses are published, the Utility Regulator will take appropriate steps to remove personal data that is not necessary for publication. Personal data will be handled in accordance with applicable data protection legislation, the Utility Regulator's privacy notice and its retention and disposal arrangements.

5.3 You may ask us to keep all or part of your response confidential. Please state this clearly in your response and explain why. If you wish the Utility Regulator to keep only part of your response confidential, please mark the parts that you would like to be kept confidential and again, explain why. Please note that we may contact you to discuss your wishes.

5.4 The Utility Regulator will take your position regarding the confidentiality of your response, either in whole or in part, into consideration, but cannot guarantee that information identified as confidential will not be published or disclosed. We will consider any confidentiality request on its merits and in accordance with our legal obligations including those arising under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, the Data Protection Act 2018, or where otherwise required by law.

5.5 Copies of all documents can be made available in large print, Braille, audio cassette and a variety of relevant minority languages if required.

6) A copy of the proposed licence can be obtained in electronic form on the Authority's website or in hard copy form using the contact details provided above.

Dated this 17 November 2026.

John French

For and on behalf of the Northern Ireland Authority for Utility Regulation.