

Jo Aston  
SONI Limited  
Castlereagh House  
12 Manse Road  
Belfast  
BT6 9RT

19 June 2020

Our Ref: NET/E/TH/226

Dear Jo

**RE: SONI Limited - Derogation under Condition 16(2) of SONI's TSO Licence in respect of Coolkeeragh ESB's operation of Coolkeeragh Power Station**

**Background:**

The Authority<sup>1</sup> has decided to grant Coolkeeragh ESB (**CESB**) a direction (the **CESB Direction**) under Condition 4(2) of CESB's licence to generate electricity (the **CESB Licence**). The CESB Direction applies to CESB's operation of its C30 (CCGT) unit (**C30 Unit**) at Coolkeeragh Power Station and relieves CESB from its licence obligation to comply with certain specified parts of the Grid Code. SONI has supported the making of the CESB Direction.

The CESB Direction and our reasons for making it are fully set out in a letter (with the CESB Direction as an Annex) which we have also published today.

Condition 16(1) of SONI's TSO Licence (the **SONI Licence**) obliges it to implement the Grid Code. Condition 16(12) of the SONI Licence Grid Code provides that the Authority may relieve SONI of its obligation to implement (or enforce) the Grid Code to the extent specified in any direction.

We have considered whether upon making the CESB Direction we should exercise our power under Condition 16(12) to grant SONI appropriate related relief. We have consulted with SONI as to the exercise of our power under Condition 16(12) of the Licence. SONI is supportive of the making of a requisite direction.

**The Authority's Decision**

We have considered the matters outlined in the CESB Direction, our published 2017 Guidance on derogations<sup>2</sup> and our principal objective and general statutory duties as set out in Article 12 of the Energy (NI) Order 2003. We have also taken into account the fact that SONI is supportive of the making of a requisite direction.

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<sup>1</sup> In this letter (and the direction found at the Annex) the words "Authority" "we" "our" "us" and "UR" are used interchangeably to refer to the Northern Ireland Authority for Utility Regulation.

<sup>2</sup> <https://www.uregni.gov.uk/sites/uregni/files/media-files/Decision%20Paper%20on%20Derogations%20-%20February%202017.pdf>

1.1 Having considered these matters the Authority has decided to make an appropriate direction in exercise of its power under Condition 16(12) of the SONI Licence being satisfied that the making of the CESB Direction renders the making of the direction justified. The direction: -

- (a) is attached as an Annex to this letter
- (b) applies from 00.00 GMT on 20 June 2020
- (c) replaces any previous direction to SONI relieving SONI of any of its obligations under Condition 16(1) of SONI's Licence in respect of any Grid Code obligation of CESB in respect of the C30 Unit now subject to the CESB Direction, which said previous direction is no longer of any effect
- (d) relieves SONI of any obligation it has to comply with, implement (or enforce) the provisions of the Grid Code in respect of CESB obligation to comply with Clauses CC.S1.1.3.8, SDC3.4.1.1(a), SDC3.6.1, and SDC1.4.8.10 of the Grid Code in relation to the C30 Unit to the extent specified in the direction; and
- (e) ceases to apply on and from 00.00 GMT on 1 April 2022, or such earlier date that the Authority shall determine by further direction.

1.2. For the avoidance of doubt, the direction now given only relieves SONI from its Condition 16(1) licence obligation – in respect of CESB's operation of the C30 Unit – to the extent that CESB's operation of the C30 Unit is non-complaint with the relevant clauses of the Grid Code (as written) but nonetheless within the scope of the derogation offered by the CESB Direction. Should CESB fail to operate the C30 Unit within the parameters permitted and provided for by the relevant clause of the Grid Code and/or the CESB Direction then SONI remains bound to take the appropriate action (pursuant to the Grid Code arrangements) in respect of any such default by CESB. We do not expect that this situation will arise, fully expecting that CESB will continue to operate the C30 Unit within the allowed parameters.

1.3 The direction shall cease to apply should the C30 Unit be de-commissioned or replaced.

1.4 The direction shall be entered and maintained in the Electronic Register.



**Signed: Tanya Hedley**

**CC: Coolkeeragh ESB Limited**

ANNEX

**DIRECTION UNDER CONDITION 16(12) OF THE LICENCE TO PARTICIPATE IN  
TRANSMISSION OF ELECTRICITY HELD BY SONI LIMITED**

**TO: SONI Limited**

**Whereas:**

A. SONI Limited ("**SONI**") ("**the Licensee**") holds an electricity transmission licence (the "**Licence**") granted to it on 3<sup>rd</sup> July 2007.

B. The licensee is authorised to participate in the transmission of electricity for the purpose of giving a supply to any premises or enabling a supply to be so given.

C. The Grid Code is required to be prepared by SONI Limited, approved by the Authority and applied by SONI Limited to permit the development, maintenance and operation of an efficient, co-ordinated and economical Transmission System.

D. Condition 16(2) of the Licence requires the Licensee to comply with the provisions of the Grid Code insofar as applicable to it.

E. Condition 16(12) of the Licence provides that the Authority may issue directions (after consultation with the Licensee), relieving the Licensee of its obligations to implement or comply with, or to enforce against any other person any provision of, the Grid Code in respect of such parts of the Transmission system to such extent as may be specified in the directions.

F. The Authority has now made a direction (the **CESB Direction**)<sup>3</sup> granting Coolkeeragh ESB (**CESB**) relief under Condition 4(2) of CESB's licence to generation (the **CESB Licence**) from its obligation under Condition 4(1) of the CESB Licence to comply the following provisions of the Grid Code (to the extent specified) as they apply to CESB's operation of its C30 Unit at Coolkeeragh Power Station for the period commencing 00.00 GMT on 20 June 2020 an ending on 00.00 on 1 April 2022 (being the "**relevant period**")

(i) Clause CC.1.3.8 to the extent that the Licensee shall instead comply with that clause of the Grid Code as if the requirements of that clause instead provided for (and permitted) the Licensee to operate its C30 Unit so that it must be capable of remaining Synchronised to the NI System at an Output which is no greater than (i.e. at a *minimum* generation level of) 80 MW for two 12 hour periods per year, and for the rest of the year 211 MW in CCGT mode and 154 MW in OCGT mode. Operation of the CCGT in OCGT mode shall only be required under emergency conditions or periods of low load on the NI System, in each case as determined by NIE Networks and/or SONI;

AND

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<sup>3</sup> The CESB Direction and the accompanying letter setting out the Authority's reasons for making the CESB Direction have been published and may be found on the UR website.

(ii) Clause SDC3.4.1.1(a); Clause SDC3.6.1; and Clause SDC1.4.8.1, in each case to the extent of when, and only when, the C30 Unit is operating at or below a load point of 234MW.

G. The Authority has consulted with SONI as to the making of a direction under Condition 16 (12) of the licence and SONI is supportive of the making of a requisite direction.

**The Authority now directs as follows:-**

1. The Authority hereby directs that – pursuant to the power in Condition 16(12) of the Licence, the Licensee is relieved of its obligation(s) under Condition 16(1) of the Licence to implement, comply with (and enforce) those clauses of the Grid Code specified in the CESB Direction, in respect of the operation of the C30 Unit, to the extent that those specified clauses of the Grid Code do not provide for or permit CESB to operate the C30 Unit in such way(s) as represents compliance with the derogations set out in and provided to CESB by the CESB Direction.

2. The Authority may revoke, vary or replace this direction by a further Direction before the end of the relevant period.

3. This direction shall further cease to apply on and from any date that the C30 Unit is de-commissioned or replaced.

4. The reasons for this direction are set out in a letter accompanying and published with it.

**Signed:**



**Name: Tanya Hedley**

**Date: 19 June 2020**

**Duly authorised by and on behalf of the Northern Ireland Authority for Utility Regulation**