

All interested parties,  
stakeholders in Northern Ireland,  
and other regulatory bodies.

**Ref: NET/E/TH/174**

Date: 08/01/2020

To whom it may concern

On 15/11/2019 the Utility Regulator (UR) issued a letter<sup>1</sup> detailing the Decision reached in relation to SONI's submission of the amended Synchronous Area Operational Agreement (SAOA) of Northern Ireland and Ireland, and the Load Frequency Control Block Operational Agreement (LFCBOA) of Northern Ireland and Ireland. The UR's decision involved engagement with the Commission for Regulation of Utilities (CRU) and took into account their decision which has considered the Ireland TSO's submission.

The UR stated that the proposals would be approved conditional on the following two changes being made by SONI in advance of the conclusion of the SAOA and LFCBOA (within 1 month following approval);

- i. **SONI must outline explicitly the legal precedence of the various SAOA, LFCBOA and LFC Area Operational Agreement documents and methodologies in relation to other existing agreements. The TSOs are requested to ensure that all affected existing agreements are revised and published (as required) to recognise the primacy of the SOGL Regulation (EU Regulation 2017/1485 of 2<sup>nd</sup> August 2017) requirements and provide transparency to industry.**
- ii. **SONI are requested to ensure they include in Article 11 of the SAOA a commitment to conduct annually an assessment of the evolution of the risk of FCR exhaustion. This should provide a holistic assessment that takes account of future expected changes to levels of non-synchronous generation, the ability of demand side response to provide FCR response and the integration of fast acting providers (and potentially energy reservoir limited providers) of reserve services.**

SONI responded to the UR on the 13/12/2019 outlining the additional two changes that were requested by the UR. The UR are satisfied that SONI have implemented these required amendments in accordance with Article 118 (2) and 119 (2) of the SOGL. As the above conditions are met therefore the approval decision letter of the 15/11/2019 is in effect an approval under Article 6(3) of the SOGL.

Notwithstanding our approval and as highlighted in the UR's decision letter on 15/11/2019 the UR identified remaining concerns on a number of areas which involve interactions with Grid Codes and Distribution Codes, market operations, control centre operations, operational

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<sup>1</sup> [https://www.uregni.gov.uk/sites/uregni/files/media-files/2019.15.11UR%20decision%20letter%20on%20SAOA\\_LFCBOA%20.pdf](https://www.uregni.gov.uk/sites/uregni/files/media-files/2019.15.11UR%20decision%20letter%20on%20SAOA_LFCBOA%20.pdf)

constraint lists, scheduling of fast acting plant, procurement of reserves and system services and linkages with innovation programmes, which are outlined in further detail in Section 5 of the Decision paper.

The timeline the UR outlined for resolution of these issues is outlined in Section 6 of the paper, and is as follows:

- SONI to provide a roadmap to the Regulatory Authorities for delivery of the work required within 3 months of approval of the SAOA and LFCBOA (by 15<sup>th</sup> February 2020).
- SONI Updates provided monthly on progress.
- Interim report on progress achieved within 6 months submitted to the UR (by 15<sup>th</sup> May 2020).
- Completion of all work required within 12 months (by 15<sup>th</sup> November 2020), with report provided on completion by 15<sup>th</sup> December 2020.
- Updated SAOA and LFCBOA submitted within 15 months to reflect changes achieved.

In relation to the remaining issues SONI are required to report to the Regulatory Authorities in line with the timelines outlined above. If you have any queries regarding the information contained within this letter, please contact;

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Yours sincerely



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