
Review of Electricity Distribution & Transmission Connections Policy Consultation Response

A Submission by SONI Ltd.

May 2017



Executive Summary

SONI welcomes the opportunity to participate in the Utility Regulator's (UR) Consultation paper that forms part of its Review of Electricity Distribution and Transmission Connections Policy in Northern Ireland.

In this response SONI makes the following main points:

- It is essential that the decision paper facilitates a connections process that supports the I-SEM capacity market and competitive procurement of system services, to ensure that these markets can deliver value for customers in Northern Ireland.
- SONI will seek to develop a connections policy that works in the long term economic interests of Northern Ireland. However, SONI views the target date of end of August as ambitious, especially in the absence of policy and detailed guidance. The time provided needs to be sufficient to ensure that the resulting process is sufficiently robust, workable and defensible against any potential legal challenge.
- SONI asks that its licence is modified to reflect the rights provided to it under the IME3 Directive as a priority.

SONI is happy to meet with UR to discuss the issues highlighted in this response and to support this review of the connections process and policy.

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1. Introduction & Key Points

SONI welcomes the opportunity to participate in the Utility Regulator's (UR) Consultation on Next Steps for the Review of Electricity Distribution and Transmission Connections Policy in Northern Ireland.

In our response to this Consultation on Next Steps, SONI highlights the following key points:

- SONI is keen to put in place a framework which we can use to facilitate transmission connections.
- SONI will seek to develop a connections policy that works in the long term economic interests of Northern Ireland. However, SONI views the target date of end of August as ambitious, especially in the absence of policy and detailed guidance. The timeline needs to be sufficient to ensure that any process developed is sufficiently robust, workable and defensible against any potential legal challenge.
- While SONI is developing the transmission network to meet the needs and expectations that are currently known, a defined energy policy for Northern Ireland is essential to ensure that the wider, long term needs of society can also be met in an efficient, coordinated and economic manner. In the absence of a long term strategic energy framework beyond 2020, SONI cannot make proactive recommendations about the required network investment that will deliver these long term expectations of society. This will be essential to feed into the development of a longer term process for considering new applications.
- Transmission capacity is limited and rights to the remaining available transmission capacity is being allocated by SONI and NIE Networks as part of the current Phase 1 process. On completion of Phase 1, there will be little capacity remaining and a finite volume of demand available to absorb this generation. SONI has more restricted circumstances under which it is exempt from issuing access offers to requesting parties than NIE Networks¹. It is essential that UR modifies SONI's licence to reflect the rights provided to SONI under the IME3 Directive. We also recognise that there is a gap in the Electricity (NI) Order 1992 and accompanying regulations that needs to be addressed but has not been considered as part of the consultation.
- The main issue with the connections process in Northern Ireland is that, without certainty on future energy policy and hence longer term network investment, SONI is not in a position to issue offers to all applicants. Due to the ongoing work to introduce contestability, it is difficulty in getting a connection offer, rather than difficulty getting connected, that is the main concern.

¹ Articles 19 to 26 of the Electricity (Northern Ireland) Order relate only to holders of distribution licences

- We note that the UR has not consulted on guidance around which connection offers should be prioritised. It is essential that the decision paper facilitates a connections process that supports the I-SEM capacity market and competitive procurement of system services, to ensure that these markets can deliver value for customers in Northern Ireland.
- SONI would be happy to assist UR, in conjunction with NIE Networks and the industry, to develop a framework for how existing assets can be used more flexibly to optimise the use of network capacity.
- SONI concurs that planning permission should be reinstated as a pre-requisite for a distribution connection application.
- SONI's role as the independent TSO could be more clearly represented than it is in the consultation paper. For example, the paper understates the impact of distribution connections on the transmission system and the associated interactions between TSO and DNO.
- It is important that transmission and distribution connections are treated equitably in order to facilitate competition in the generation and supply of electricity. Consequently charges for transmission assets allocated to connecting parties must be consistent with SONI's Transmission Connection Charging Methodology Statement irrespective of the connection voltage.
- Transmission Interface Arrangements (TIA) processes are not consistent with NIE Networks' licence obligations which affects SONI's ability to comply with its own obligations. A review could ensure that there is a consistent framework that meets customers' needs.
- SONI welcomes the UR's intention to allow SONI to deem transmission connection applications as complex and therefore providing longer than the 90 day licence obligation to issue an offer.

SONI is happy to meet with UR to discuss the issues highlighted here, to support this review of the connections process and policy.

2. Response to Issues and Next Steps

In this section SONI provides responses to Section 1 on “Issues and Next Steps” in the UR consultation paper.

While SONI appreciates the tight timescales and need to provide clarity for connecting parties, we also recognise the importance of ensuring that all views are considered through the consultation process. We have addressed both aspects of the consultation paper, those where comments are sought as part of the consultation process and also where a “direction”/“minded to position” is already indicated in the consultation paper.

2.1 Connections Network Management

Utilising Network Capacity

Transmission capacity is limited and rights to the remaining available transmission capacity are being allocated by SONI and NIE Networks as part of the current Phase 1 process. On completion of Phase 1, there will be little capacity available for SONI to allocate, and a finite volume of demand available to absorb this generation. SONI has more restricted circumstances under which it is exempt from issuing offers to requesting parties than NIE Networks.

In paragraph 1.14, it is noted by the UR that network capacity for connecting generation at “distribution level” is similarly constrained. SONI would like to clarify that transmission network capacity is becoming increasingly congested as a result of generation connected to both the transmission and distribution systems.

In relation to paragraph 1.21, SONI would like to explain that the purpose of the Transmission System Security and Planning Standards (TSSPS) is to ensure that the transmission system is developed and maintained to safe, secure and economic standards. To relax these standards would require careful consideration and public consultation. SONI believes there may be an opportunity to review the application of the TSSPS to ensure that transmission access rights are being calculated appropriately depending on the access required.

Planning and innovation is discussed in paragraphs 1.19 and 1.20 in the context of NIE Networks’ RP6 only. However, it should be noted that although the investment decisions are brought forward by NIE Networks in the Transmission Owner (TO) role, SONI as the Transmission System Operator (TSO) is required to develop and propose innovation proposals for the transmission system. SONI sought provision for innovation as part of its price control submission; however no funding was provided by UR.

Recovering Network Capacity

In paragraph 1.22, “allocated network capacity” is discussed. SONI would like to clarify that SONI grants the right to export power onto the transmission network when a

generator is dispatched in accordance with the Grid Code. In doing so it considers the complex nature of all flows onto and over the transmission network. This provision of a right is very different to allocating network capacity to a project, as it reflects the diversity of sources of electricity, the complexity of power flows across the network, SONI's obligation to dispatch generation in accordance with a defined merit order² and fluctuations in demand. The concept of Firm Access Quantity exists only in the commercial space of the SEM, and does not relate to the allocation of a physical quantity of transmission capacity across the entire network at all times.

In paragraph 1.25, the UR has requested that NIE Networks considers whether capacity that has been granted to distribution connections is not being fully utilised. It suggests that NIE Networks should report on the options for releasing network capacity. The consultation document refers to a paper published by Ofgem, which discusses progress that has been made on releasing network capacity by DNOs in England, Scotland and Wales and it highlights areas for future investigation in relation to this topic. SONI appreciates learning can be gained from the experience of GB network operators. To derive best value from this experience it should be considered in the context of network and market arrangements peculiar to Northern Ireland. Therefore it would be beneficial for the UR to engage with SONI, NIE Networks and the industry to understand and provide a framework for using network capacity more flexibly to optimise the use of network capacity in Northern Ireland, rather than assume that what works in GB is also the correct solution for Northern Ireland.

Please note as well that network capacity is utilised by transmission connected customers as well as distribution connected customers. While physical access to the network is of value to connecting parties, access to the market and a place in the merit order are also important. It is therefore essential that any exercise to release capacity delivers value for consumers, through benefits in the wholesale market, as well as providers.

Building More Capacity

SONI would like to clarify the role of the SONI as the TSO in relation to paragraphs 1.27 and 1.28 of the consultation paper. It is SONI's responsibility to plan and develop the transmission system to facilitate connection of generation and demand growth in accordance with the Northern Ireland TSSPS.

The Strategic Energy Framework, which is currently under review, states a target of 40% of electricity consumption in Northern Ireland from renewable resources by 2020. With the renewable generation that is connected and committed to connect in Northern Ireland, and the ongoing developments in system operation through the DS3 programme and appropriate network development, it is currently anticipated that the 40% target will be met.

Energy policy provides a framework for the connections market. It is SONI's role to plan and develop the transmission system to facilitate connections.

² Defined in SONI's TSO licence, and further developed in the Grid Code

While SONI is developing the transmission network to meet the needs and expectations that are currently known, a defined energy policy for Northern Ireland is essential to ensure that the wider long term needs of society can also be met in an efficient, coordinated and economic manner. In the absence of a long term strategic energy framework beyond 2020, SONI cannot make proactive recommendations about the required network investment that will deliver the long term expectations of society, in the most cost efficient manner. A longer term policy is therefore an essential input to the development of a longer term process for considering new applications.

It is premature to assume that further network investment beyond the 2020 40% renewables target “may be inefficient”, in the absence of sufficient studies to substantiate this claim, or a clear policy direction from the Department for the Economy. It is also essential that the full value of network investment to the NI economy is considered when making these determinations.

SONI, however, welcomes the UR’s statement that it intends to engage with us to increase the transparency of the process around proposed network investment.

Connections Charging Framework

In paragraph 1.35, the UR states that they will seek to engage with the Department for the Economy in relation to rebates for generation customers connecting to the distribution system.

As part of the introduction of the Single Electricity Market, transmission connection policy was harmonised across the two jurisdictions. The SONI Transmission Connection Charging Methodology Statement (TCCMS)³ was updated as part of that process and consequently sets out the circumstances whereby a party that is connected to the transmission system and who has funded transmission connection assets is due a rebate when these connection assets are subsequently used by another party connecting to the transmission system within a specified period of time.

Under the current arrangements, Condition 30 of the SONI licence and Section S of the TIA specify that SONI should to apply the SONI TCCMS for transmission works associated with distribution connected generation. This includes charging any subsequent users for their share of connection assets within the first ten years of the asset life. This policy was introduced to ensure a level playing field for generators across the island competing in the SEM. Over the coming years, generators will be competing in more areas through Capacity Auctions and for contracts to provide System Services. It is essential that Northern Ireland generators are not disadvantaged, or given an undue advantage, when participating in these competitions.

³ See SONI Transmission Connection Charging Methodology Statement at: <http://www.soni.ltd.uk/media/documents/Consultations/SONI%20Transmission%20Connection%20Charging%20Methodology%20Statement%20-%20Effective%201%20Sept%202016%20-%20Approved%20by%20UR.pdf>

We would therefore also welcome a clear statement from UR that confirms that SONI should apply its charging statement equally for all Transmission connections, including the apportionment of costs for connection assets between parties connecting within ten years of each other and using the same assets.

Legislation does not currently allow the same rebate principles to apply to distribution connected parties, except at domestic level. The extensive consultation required to amend legislation will provide all affected parties with an opportunity to highlight any difficulties that they see with this change, and SONI would rely on the “change of law” provision within its licence to guarantee that funding would be provided for to cover costs incurred as a result of this change in policy and legislation.

Feedback from industry has again indicated that this is a source of frustration for many developers. For example, if a distribution connected party has paid significant costs for connection assets to get connected and another party subsequently connects making use of these connection assets, the second party effectively gets the use of these at no cost to themselves. This would also have a knock on effect to the O&M charging where the first party would pay the full O&M charges for the ‘shared’ connection assets, while the subsequent connecting party pays no O&M towards the ‘shared’ connection assets.

This scenario can also lead to a distortion of the wholesale market and as such SONI urges the UR to consider the applicability of cost reallocations at distribution as part of this consultation, to prevent distortions in the market.

We note that in paragraph 1.33, UR states its opinion that, under the current legal framework, a connecting party can pay for deeper network investment on a voluntary basis. As this deeper reinforcement will, by definition, be automatically shared with other users, and therefore outside the scope of SONI’s TCCMS, SONI would expect any voluntary payment to be for 100% of the cost of the additional works and outside the scope of any adjustments associated with future use of the assets. We ask that UR highlights in its decision paper any concerns that it may have with this interpretation of paragraph 1.33.

Cluster Connections Policy

As explained in our response to the UR Call for Evidence, we recognise that the cluster policy as set out in the NIE Networks Statement of Charges for Connection to NIE Networks’ Distribution System has been successful in facilitating Magherakeel, Rasharkin, Tremoge, Gort and Curraghamulkin clusters. In doing so, it has enabled the efficient and economic development of both the transmission and distribution systems.

The allocation of responsibility between NIE Networks and SONI changed in 2014 as key aspects of responsibility for the cluster process were moved from NIE Networks to SONI as part of that reorganisation.

However, the cluster policy was developed in the context of distribution connection applications requiring planning permission for their generation project in advance of applying for a grid connection and in the context of a renewables incentives scheme being available, which actively encouraged investment in renewable generation. This context

has now significantly changed and, as stated in our response to the Call for Evidence, we believe that the policy should be reviewed as part of this consultation process to ensure that it continues to be fit for purpose.

Following on from our position on the allocation of costs for shared connection assets, the cluster policy should be reviewed to reflect the fact that this involves the construction of transmission assets, for which SONI is required to charge in accordance with the SONI TCCMS under Section S of the TIA. This is particularly important to avoid distorting signals between connection voltages, or unduly discriminating in favour of particular generators.

2.2 Connections Process & Queue

Planning Permission

SONI is of the view that planning permission should be reinstated as a pre-requisite for a distribution connection application and that it should be retained as a pre-requisite for a transmission connection application. We also understand that this is consistent with the vast majority of industry responses received in the UR Call for Evidence.

In paragraph 1.44, the UR explains that they are willing to request the introduction of legislation to that effect, if there should be a rationale for it. SONI contends that the rationale has already been demonstrated through the industry response to the SONI and NIE Networks consultation on the Alternative Connection Application and Offer Process in March 2016; industry response to the UR's Call for Evidence on the Connection Policy Review; and through the success of the Phase 1 Alternative Connection Application and Offer Process. We would be happy to discuss these responses with UR.

Securities

Under the TCCMS, transmission connection offers require that a MEC bond (if generator customer) and/or a Maximum Import Capacity (MIC) bond (if demand customer) is put in place on offer acceptance. This is so that the rights to the limited capacity on the transmission system are allocated appropriately to projects that are committed to develop.

However, equivalent MEC Bonds are not currently requested to be put in place by the DNO in their distribution connection offers to customers. In this context, it potentially makes it more favourable for a party to seek connection at distribution level rather than transmission level even though distribution connections also make use of the capacity available on the transmission system. Please note that this does not align at distribution level on an All-island basis either, as distribution connected parties in Ireland are requested to put MEC Bonds in place. Consideration should be given to equalising this difference, in order to facilitate competition in the wholesale market

Milestones

We consider it important that mandatory milestones for connections are developed. These should be aligned with those established as part of the new Capacity Market, to ensure efficient and consistent signalling.

Prioritisation of Connections

The main issue with the connections process in Northern Ireland is that, without future network investment or existing generation exiting the market, SONI (and NIE Networks) is not in a position to issue offers to all applicants. It is a difficulty in getting a connection offer, rather than difficulty getting connected that is the main issue that SONI, NIE Networks and the industry dealing with.

SONI understands that the current legislative framework facilitates the prioritisation of connection offers for projects that have been granted Project of Common Interest (PCI) status. However, without some additional form of prioritisation, the benefits that are expected to be obtained for customers in Northern Ireland from the I-SEM capacity market and the competitive procurement of system services have the potential to be placed at risk.

New capacity and service providers will increase the competitiveness of both of these markets, which should result in lower prices across the supply chain than would otherwise have been the case. Both SONI and NIE Networks will need to be able to ensure that potential credible competitors to the incumbent generators are able to participate in these competitions, and be connected in time to deliver the services and/or capacity they are contracted for.

SONI is committed to obtaining the best value for customers from the capacity and system services markets and would welcome an opportunity to work with UR on processes that will facilitate competition and maintain security of supply in Northern Ireland.

While SONI is happy to develop a connections process beyond Phase 1, this will need to reflect the limited capacity currently available on the transmission network. We note that the IME3 Directive referred to in paragraph 2.3 of the paper also extends the right to refuse connection where there is no capacity to TSOs. We therefore ask that this right is transposed into the SONI licence as an urgent priority.

However, simply prohibiting new connections will not deliver an optimal outcome for Northern Ireland customers from the T-4 Capacity Auctions, the first of which is scheduled for September 2018.

Any new providers will be entitled to a ten year contract for capacity, starting four years after the auction. It is expected that the plant that can operate efficiently, earning infra-marginal rent in the energy markets and providing system services will be most likely to succeed in the capacity market. However, lack of access to the network would prevent these, more optimal, providers competing for a contract, resulting in higher than necessary costs to end users over a ten year period, starting in 2022.

We suggest that SONI and the UR work together to identify a mechanism that will facilitate the participation of new, efficient generation in this auction and to subsequently ensure that future network access rights are allocated to it in a way that maximises social welfare.

SONI Offer Timelines

SONI welcomes the UR's intention to allow SONI to deem transmission connection applications as complex and therefore providing longer than the 90 day licence obligation to issue an offer.

It is important that transmission and distribution connections are treated equitably in order to facilitate competition in the generation and supply of electricity. At present the processes specified for distribution connections in the Transmission Interface Arrangements (TIA) are not compatible with NIE Networks' licence obligations. This is outlined in the box below. Consistency between these obligations will be an important outcome of this review of connection policy, and is essential to create a framework that facilitates licence compliance by both SONI and NIE Networks.

TIA Connection Offer Process

Under Condition 25 of the SONI Transmission Licence, SONI is required to issue a connection offer to any person as soon as practicable, and in any event not more than three months from receipt by the Licensee of an application containing all such information as the Licensee may reasonably require for the purpose of formulating the terms of the offer (save where the Authority consents to a longer period). The same connection offer timelines apply to NIE Networks under its Distribution Licence.

Under the current industry arrangements, SONI is responsible for planning the Northern Ireland transmission system, while NIE Networks (under its Transmission Licence) own, construct and maintain the transmission system. Therefore, to enable SONI to make a connection offer to any party SONI must submit a construction application to NIE Networks who will issue SONI with a construction offer. This process is covered by the TIA. SONI therefore is not in control of the full three month offer timeline, and in fact the offer timeline in NIE Networks' transmission licence does not align with the timelines set out in the TIA.

The nature of transmission connections is that they tend to be increasingly complex with few 'standard' or 'straight forward' connections. Unlike distribution connections that are in the main relatively standard, with standard connection equipment readily available (and therefore the costs being more readily determined), transmission connections tend to be more bespoke in both their design and costing. This adds to the time required for both SONI and NIE Networks to produce a transmission connection offer. Therefore the three month offer timeline is becoming increasingly challenging to meet, making it difficult to manage customer expectations.

As explained in our response to the Call for Evidence, we would like to see a review of the offer timelines for transmission connection works and a robust mechanism put in place where the complexity of each transmission application could be assessed up front, and depending on the complexity, a more realistic timeline could be advised to the applicant for the subsequent connection offer. This mechanism could still use the current method of seeking an extension to the three month timeline from the UR, as is currently possible under the SONI licence.

In addition the SONI offer timelines as set out in licence and the TIA processes for distribution connections requiring transmission works are not compatible with NIE Networks offer timelines as set out in its distribution licence obligations. For example, if NIE Networks receives an application for connection to the distribution system and they believe that transmission works are required then NIE Networks must apply to SONI for the transmission assessment. This in turn triggers the SONI three month timeline, effectively doubling the time required for NIE Networks to issue an offer to the applicant.

It is vital that UR engages with SONI at the earliest opportunity to ensure that all issues and business processes are understood so that they can be addressed properly in any TIA or Licence modifications.

2.3 Customer Service, Engagement & Transparency

Pricing Transparency & Network and Generator Information

SONI notes that this section refers only to distribution connections, and therefore has no detailed comments on this section, except that we are supportive of any measures that benefit the customer. It is within NIE Networks remit to provide an appropriate level of information. Finally, SONI would highlight that such measures would be inappropriate and disproportionate for the more complex and highly bespoke connections provided to the transmission system.

3. Response to Extension & Connection Offer Requirements

In this section SONI provides responses to Section 2 on “Extension and Connection Offer Requirements” in the UR consultation paper.

3.1 Requirements to Refuse to Provide a Connection Offer

SONI would again highlight that the IME3 Directive provides it with the same rights as NIE Networks to refuse to offer a connection where it lacks the necessary network capacity. However, in SONI’s case this has not yet been transposed into the Northern Ireland legal framework. While in an ideal world, this transposition would be effected through modification of primary legislation, in practice this can be achieved in a more timely manner through modification of SONI’s licence. We therefore ask that this is done as a matter of urgency and will be happy to meet with UR to discuss appropriate wording.

3.2 Proposed Requirements for Considering and Requesting Extensions

SONI is required to facilitate competition in the generation and supply of electricity and achieves this through a number of mechanisms, including operation of the capacity market and potentially the competitive procurement of system services. Therefore, SONI would like to work with UR to develop a mechanism that allows it to prioritise connections that maximise the benefits for customers from these competitive processes. We would also require the ability to utilise our right to not connect parties where there is insufficient network capacity available and the development of further capacity is not supported by cost benefit analyses.

However, please note even after these issues are resolved, SONI may still need to avail of the option to seek derogation from the 90 day requirement. We have reviewed UR’s proposals and have the following specific comments to make:

- As written, the process would allow the applicant to request derogation from the 90 timeline – this would create an opportunity for prospective connectees to hoard capacity or queue jump by applying before they are in a position to accept an offer. The applicant should only apply for a connection if it is in a position to accept said offer after the 90 day process. This would not be in the public interest, and we strongly suggest that only the TSO or DNO should be permitted to request derogation against the 90 day standard. The applicant has the option of withdrawing its application if its circumstances change.

- We also note that the period specified in the SONI licence is the maximum time available to us to provide an offer. The licence does not currently contain a provision that would allow UR to override the obligation on SONI to provide offers “as soon as practicable”. Therefore, a derogation provided to convenience the applicant would have no relevance if SONI or NIE Networks were in a position to issue an offer as without a licence modification, “as soon as practicable” would continue to take precedence over any longer period consented to by UR.
- While the paper discusses options for public consultation around derogation requests, much of the information around offers is commercially sensitive and SONI is limited in what it is able to disclose⁴. A more meaningful process may be obtained through direct consultation with affected parties, in a manner that does not require the disclosure of commercially sensitive information, noting that for cluster connections the data for individual parties will need to be protected.
- While the paper states that *‘requesting an extension should be based on exceptional circumstances’*, in practice SONI is reliant on NIE Networks as both TAO and DNO. We may have very little advance notice that they may not be able to issue an offer in time (e.g. where bespoke and complex connection arrangements are required). In addition, given the inconsistencies highlighted above between the TIA and NIE Network’s licence, a request for an extension from SONI will only become an ‘exception’ after these obligations are aligned, and allowances are made for complex connections. Until such time, the framework will frustrate SONI in its ability to comply with this requirement and where extensions are the only option available.
- Given that SONI will only be asking for an extension where it is not possible to issue an offer within the prescribed timescales, the value that could be obtained from a comprehensive assessment of the impact of not granting an assessment does not seem to be helpful. A rushed offer, based on partial analysis of complex information would be of limited value to the connecting party and could potentially lead to issues later on in the connections process. We therefore suggest that this requirement is revised to ensure it is only required where SONI or NIE Networks has a viable alternative option available.
- SONI does not believe that paragraph 2.35, which discusses the “removal of an express power for NIE Networks to refuse a connection where to make that connection would place it in breach of the Distribution Code.” is actually an issue; SONI sees no difficulty with the clarification provided in the licence. There are a number of situations where further clarity is provided between licence conditions and between statute and licence. Therefore if this is not causing confusion or contradiction it should be maintained to provide certainty and clarity for all participants.
- We also note that the obligation to comply with the Grid Code and Distribution Code only refer to actual operational situations, not to the theoretical evaluation

⁴ This includes restrictions under licence and statute

applicable to connection offers. It is not the issue of the offer that would place either SONI or NIE Networks in breach of the relevant code; it is the subsequent actions following connection and energisation. Therefore it remains valuable to preserve an explicit right for SONI or NIE Networks to decline to offer connection where a non-compliance situation may arise in the future, and we strongly request that this change is not made.

3.3 Initial Considerations on Refusal to Provide a Connection Offer

Article 32 (2) of Directive 2009/72/EC states that:

“The transmission or distribution system operator may refuse access where it lacks the necessary capacity. Duly substantiated reasons must be given for such refusal, in particular having regard to Article 3, and based on objective and technically and economically justified criteria. The regulatory authorities where Member States have so provided or Member States shall ensure that those criteria are consistently applied and that the system user who has been refused access can make use of a dispute settlement procedure. The regulatory authorities shall also ensure, where appropriate and when refusal of access takes place, that the transmission or distribution system operator provides relevant information on measures that would be necessary to reinforce the network. The party requesting such information may be charged a reasonable fee reflecting the cost of providing such information.”

This provides SONI, as TSO, with the same rights as NIE Networks to refuse access, where no capacity is available. However, these rights are still to be transposed into the Northern Ireland framework. We ask that these are progressed as a matter of urgency and that UR and Department for the Economy work together to review the legislation to ensure that SONI has adequate means to discharge its other duties, such as the economic and efficient development of the network. This primary duty is not always consistent with SONI's current obligation to offer connections to all parties who apply, irrespective of the implications for system security, stability and efficiency.

3.4 Timelines and Next Steps

We note that the timelines for the development of processes and policies are extremely compressed and in our view do not allow sufficient time for SONI and NIE Networks to consult on potential approaches with affected parties and to implement a process which is acceptable to industry and which will also stand up to any potential legal challenges. SONI and NIE Networks cannot implement a “legally robust” offer process without appropriate engagement and consultation with the industry.

We ask that UR review the timeframe, to ensure that a robust and sustainable outcome can be achieved, that delivers benefits for all users of the network in Northern Ireland. In

particular, SONI does not believe that UR has provided sufficient time to allow due consideration of the responses to the expected consultation on licence modifications.