



SONI's Transmission Development Plan for Northern Ireland 2018-27

Decision Paper – June 2019



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs, Markets and Networks. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.



Our mission

To protect the short- and long-term interests of consumers of electricity, gas and water.



Our vision

To ensure value and sustainability in energy and water.



Our values

- Be a best practice regulator: transparent, consistent, proportionate, accountable and targeted.
- Be professional – listening, explaining and acting with integrity.
- Be a collaborative, co-operative and learning team.
- Be motivated and empowered to make a difference.



Abstract

SONI, as Transmission System Operator (TSO), is responsible for ensuring continuity of electricity supply for homes and businesses across Northern Ireland. In order to do so, SONI must plan investment in the transmission network.

The Transmission Development Plan for Northern Ireland (TDPNI) 2018-2027 is the proposal for the development of the NI transmission network and interconnection over the ten years from 2018. This plan presents projects that are expected to be needed for the operation of the transmission network in the short and medium-term.

Audience

This document is likely to be of interest to regulated companies in the energy industry, government, industry groups, consumer bodies, environmental groups and those with an interest in the energy industry and network planning.

Consumer impact

The TDPNI provides clarity to consumers on:

- 1) The drivers of electricity transmission investment;
- 2) The need for action;
- 3) The location and activity of network investment; and
- 4) The estimated cost and timing of project completion.



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Executive Summary

The Transmission Development Plan for Northern Ireland (TDPNI) 2018-2027 is the proposals for the development of the NI transmission network and interconnection over the ten years from 2018. This plan presents projects that are expected to be needed for the operation of the transmission network in the short and medium-term.

The TDPNI will help to achieve the strategic objectives as laid out by national and EU policies. The strategic objectives include:

- a) Ensuring the security of electricity supply;
- b) Ensuring the competitiveness of the national economy;
- c) Ensuring the long-term sustainability of electricity supply.

In accordance with its' licence (Condition 40), SONI must prepare a TDPNI every year. Under Article 22(4) of Directive [2009/72/EC](#), the Utility Regulator (UR) must then consult on the draft TDPNI prepared by SONI.

As part of this process, SONI has consulted upon a plan and submitted a draft TDPNI to the UR for consideration. The UR has [consulted](#) on the draft plan, sharing stakeholder views with SONI.

Both the UR and SONI have considered the responses. This paper sets out the findings of the consultation and final decision of the UR regarding approval of the 2018 TDPNI.

1. Introduction

Background

- 1.1 SONI is the independent electricity Transmission System Operator (TSO) for Northern Ireland. As part of its function as TSO, SONI has a licence obligation under Condition 40 to produce a Transmission Development Plan for Northern Ireland (TDPNI).
- 1.2 SONI has consulted upon a draft TDPNI for 2018-27. Results have been considered and an updated plan has been submitted to the UR.
- 1.3 Under Article 22(4) of Directive [2009/72/EC](#), the UR must then consult on the draft TDPNI prepared by SONI. This consultation closed for comments on the 24 May 2019.
- 1.4 This paper details the findings of the consultation and the subsequent decisions by the UR.

Related Documents

- 1.5 UR consulted on the SONI [Draft TDPNI 2018-27](#). This was accompanied by:
 - a) SONI report - [TDPNI Consultation Responses](#);
 - b) Strategic Environmental Assessment (SEA) – [Environmental Report](#);
 - c) Habitats Regulation Assessment (HRA) – [Report](#).
- 1.6 This paper should be read in conjunction with:
 - a) Final TDPNI 2018-27 – [Report](#);
 - b) SONI report – [Response to Stakeholder Views](#).

2. Overview

TDPNI

2.1 SONI's TDPNI 2018-27 is the first such plan that they have had to complete. This ten year plan undertakes a variety of functions including:

- a) Outlines the drivers for network development;
- b) Details the network investment needs;
- c) Lists the projects and activity required to address these needs;
- d) Describes the TSO's planning process;
- e) Details project information i.e. category, planning area, location, activity, estimated cost and completion date.

2.2 The TDPNI describes 46 different projects under this plan. On a region and project category basis, they are captured as follows:

Table 1: Projects by Planning Area and Category

Projects by Planning Area and Category				
Project Category	North-West	South-East	Both Areas	TOTAL
New Build	9	9	0	18
Uprate / Modify	3	9	2	14
Refurbish / Replace	5	9	0	14
Other	0	0	0	0
TOTAL	17	27	2	46

2.3 SONI expenditure on transmission development projects is estimated at £28m for the ten year period. This figure is the amount required to bring projects to the point of handover to NIE Networks.

2.4 Estimated TAO (Transmission Asset Owner) costs associated with these projects are £450m. The UR will determine the amount that can eventually be recovered from customer and generator tariffs for these projects.

2.5 To allow for comparison of network development projects on a year-on-year basis, data is represented at a fixed point in time - the data freeze date. The data freeze date of TDPNI 2018 is 1 January 2018.

- 2.6 The TDPNI 2018-27 is subject to a Strategic Environmental Assessment (SEA). An environmental report and shadow Habitats Regulations report accompany the TDPNI. The main findings of these assessments have influenced and are incorporated into the Plan.
- 2.7 SONI has also produced a report summarising the feedback received from its own consultation. It details the TSO responses to issues raised and subsequent changes made from the previous version of the TDPNI to the updated plan consulted upon by the UR.

3. Findings

Consultation Responses

3.1 Six responses to the UR consultation were received. These are published alongside this decision paper. Submissions were provide by

- NIRIG (Northern Ireland Renewables Industry Group);
- MEL (Mutual Energy Limited);
- Energia;
- SSE Electricity;
- SPR (Scottish Power Renewables); and
- NIE Networks.

3.2 Amongst the responses there was significant overlap of views. Both Energia and SSE endorsed the NIRIG response. This chapter summarises the stakeholder views and provides UR thoughts.

Table 2: Views and Responses

Issue / Response	Comments
Investment and Capacity	TDPNI does not reflect the required investment needed for increased capacity and connections to deliver decarbonisation targets. <i>[NIRIG, Energia and SPR]</i>
UR Response	<p>In the absence of a policy framework or future decarbonisation targets, such information cannot be reasonably expected to be included within the existing plan.</p> <p>The point is however accepted and it would be anticipated that future plans will address this issue comprehensively when local policy is agreed and formalised.</p>
ATR's	The plan does not make sufficient reference to Associated Transmission Reinforcements (ATR's) and their impact on making existing generation firm. A review of clusters would also be welcome, even if no reinforcements are planned. <i>[NIRIG and SPR]</i>
UR Response	SONI separately publishes a quarterly update on ATR's. This would seem the natural place to address these issues. SONI has also provided some additional detail on clusters in their response paper.
Interconnection	Request clarity on the work required to maximise export capacity on the Moyle Interconnector. <i>[NIRIG and MEL]</i>
UR Response	Work has begun in the area of investigating removing the current interconnector restrictions. This detail is considered relevant and should be provided. UR would expect SONI to include such detail in future versions of the annual development plan.

Coordination	Recommend additional focus on coordination between NIE Networks and SONI. A joint planning committee between the two may help facilitate this. Also stress the importance of network planning of an all-island nature. <i>[NIRIG, Energia and SPR]</i>
UR Response	<p>Under the terms of their licence, SONI already has legal obligations to coordinate planning with NIE Networks and Eirgrid. A Planning Panel of SONI and NIE Networks also exists and meets every two months. No change is therefore anticipated within the existing TDPNI.</p> <p>UR would however be keen to investigate if future arrangements could be strengthened in this regard, either via the TIA or some other method.</p>
Completion Dates	<p>In the interests of transparency, it would be useful to include original and updated estimated completion dates (ECD's). <i>[NIRIG & NIE Networks]</i></p> <p>Recommend an approach whereby timeframe commitments are more rigorously adhered to. <i>[NIRIG, Energia and SPR]</i></p> <p>Completion dates could be broken down by:</p> <ol style="list-style-type: none"> a) Estimated date to obtain pre-construction approval; b) Date of planning approval and landowner consent; and c) The date to complete construction works. <i>[NIE Networks]</i>
UR Response	<p>UR considers that a detailed breakdown of project delivery stages may be of some limited value, but is unlikely to be that beneficial to customers. In future plans there may however be merit in setting out both original and updated ECD's as well as the reason for delay.</p> <p>UR would also welcome monitoring of delivery against plans. However, it does need to be recognised that delays may be outside SONI / NIE Networks control for any number of reasons e.g. environmental factors, legal challenges, planning issues etc.</p>
Scenario Planning	Recommend progress towards the development of Future Energy Scenarios, as these will inform the energy strategy and TDPNI. <i>[NIRIG]</i>
UR Response	UR agrees with this comment and would expect Future Scenarios to be incorporated into transmission plans from 2020.
Technology	Encourage development of a post-DS3 programme to enable higher levels of renewable energy with a greater emphasis on innovation. <i>[NIRIG and SRP]</i>
UR Response	UR agrees with the sentiment but action is outside of the remit of the existing TDPNI. Work on this issue is on-going elsewhere in SONI.

Economics and Cost	<p>The economic benefit of investment in a more robust network needs to be made e.g. renewable energy contribution to business rates. <i>[NIRIG]</i></p> <p>Given the value the export interconnector capacity can contribute through reduction of curtailed generation, TDPNI should be more explicit in committing to reduce or remove existing interconnector restrictions. <i>[MEL]</i></p>
UR Response	<p>The TDPNI does not seem to the UR to be the appropriate vehicle to detail the wider economic benefits of the transmission system.</p> <p>However, it may be beneficial for SONI to detail the economic rationale (with figures) of certain projects i.e. North South Interconnector reducing constraint costs etc. This may be a point of learning for future development plans.</p>
Outage Planning	<p>Recommend that once the TDPNI is updated, SONI should review the feasibility of the outage programme that would be required to facilitate delivery. <i>[NIE Networks]</i></p>
UR Response	<p>The general point is agreed and accepted. No change is however required to the transmission plan.</p>
Connection Policy	<p>There a considerable number of developers considering repowering sites within the TDPNI scope. A well-defined, time-governed process to allow new connections or extensions should be developed to remove uncertainty. <i>[SPR]</i></p> <p>Electricity Order and Licence are no longer fit for purpose and an urgent review of both is required to enable market requirements such as flexibility and smart systems. <i>[SPR]</i></p>
UR Response	<p>The general points are understood. No change is however required to the transmission plan.</p>

3.3 SONI has in parallel conducted a review of stakeholder views. Their comments can be found in the report published alongside this document.

3.4 Within their response, SONI has helpfully provided additional detail where required. TSO thoughts are also largely aligned with UR views. However, an exception may exist with respect to the Moyle Interconnector. SONI has stated that,

“We are in the process of investigating the investments, if any, that will be necessary to maximise utilisation of the Interconnector.....If a project arises from these analyses it will, subject to governance processes, be included in future TDPNIs.”¹

¹ SONI report on the UR TDPNI Consultation, p12.

- 3.5 Given the importance of this asset, both to customers and market participants, it is the UR view that future plans should include an update on interconnector developments. This should be provided in our view regardless of whether a network project has arisen or not.

4. Conclusions

Decisions

- 4.1 UR welcomes the positive engagement from stakeholders on the first TDPNI to be completed by SONI. Value and transparency has been provided as a result of the work, though improvements are possible.
- 4.2 It is the decision of the UR that the 2018 TDPNI be approved and published accordingly.
- 4.3 However, given consultation responses, there are a number of information areas which will need to be addressed in future plans. This includes the following:
- 1) Information on work progress and activity required to maximise export capacity on the Moyle Interconnector.
 - 2) Original and revised estimated completion dates for projects, with detail on reasons for delay.
 - 3) Monitoring of delivery against planned completion dates.
 - 4) Incorporation of Future Energy Scenarios work into the TDPNI.
 - 5) Detail on the economic costs and benefits of certain projects or information on constraint problems which provide a context for action.
- 4.4 Outside of the TDPNI there are other actions to be considered. This includes amongst other things:
- a) How coordination of planning with NIE Networks and Eirgrid can be improved.
 - b) The process for encouraging more renewable grid penetration and innovation.
 - c) Review of outage planning and programming.
- 4.5 Some of these issues may be considered as part of the next SONI price control or as a matter of course.