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By Email Only: John.Heywood@nienetworks.co.uk

Date: 3 May 2024

Our Ref: NET/E/DH/938

Dear John,

Application for consent to a longer period for the issuance of a Connection Offer for 12 Derryhirk Road, Dungannon, NIE Networks Reference: 24/01921

Thank you for your letter dated 25 April 2024 (the **Letter**) setting out an application (the **Application**) made by NIE Networks Limited (**NIE Networks**) for an extension to the period within which NIE Networks is required to make a connection offer (the **relevant Connection Offer**), concerning a ██████ MW Gas CHP at 12 Derryhirk Road, Dungannon.

1. The Application

The Letter describes the relevant background¹ to the Application. Reference is made to Condition 30 of NIE Networks' licence authorising participation in the activity of distribution (the **Licence**).²

¹ What follows is a summary of the Application. It is not intended to be a complete rehearsal. All parts of the Application have been considered in making the decision set out in this correspondence. Failure to mention parts of the Application (or related correspondence) should not be taken as representing any failure to have regard to those parts.

² [NIE Distribution Licence](#).

Condition 30 (6) (of the Licence) provides that (barring specified exceptions)³ NIE Networks is obliged to make an offer for connection to the distribution system as *soon as practicable* and (by operation of Condition 30 (6)(b)) *in any event* within 3 months from receipt of a valid/completed application for connection to the distribution system.

Condition 30 (7) of the Licence allows NIE Networks to make an application to the Authority⁴ for a (written) consent that the period specified in Condition 30 (6)(b) be longer than 3 months. The making of such an application does not change NIE Networks' licence obligation⁵ (under Condition 30(6)(a)) to make a connection offer *as soon as practicable*. Nor does the grant (by the Authority) of the consent sought through any such application change the position. The primary obligation (recorded in Condition 30(6) of the Licence and Article 20 the Electricity Order) - to make a connection offer *as soon as practicable* - remains.

It is explained in the letter that NIE Networks received an application on 7 November 2023 for an offer of connection for a [REDACTED] MW Gas CHP. The application was deemed valid on 27 February 2024.

The "license standard" - at this time - for provision of the relevant Connection Offer to the Connection Applicant – was **27 May 2024**.

By the Application NIE Networks applies for consent for the relevant period under Condition 30(6) to be substituted by a longer period ending **27 January 2025**.

The Application refers to two connection policy changes which came into effect on 7 November 2023 (the "Go-Live" date) affecting: (i) the facility for connection offers (for export) for small scale generation (which in some areas had been closed since 2016) and (ii) the 'over-install' limits for single technology and hybrid co-located sites. These connection policy change decisions can be found here⁶ and here.⁷

³ Recorded in Article 21 of the Electricity (NI) Order 1992 (**the Electricity Order**).

⁴ In this correspondence we use the words "us" "we" "our" "UR" "Utility Regulator" and "Authority" interchangeably to refer to the Northern Ireland Authority for Utility Regulation.

⁵ Which aligns with the statutory duties reflected in Article 19-15 of the Electricity Order.

⁶ [NIE Networks Providing Distribution Generation Export Offers to Applicants less than 5MW – Decision paper.](#)

⁷ [NI Over Install Decision Paper For Final Review \(nienetworks.co.uk\).](#)

The connection policy changes triggered an unusually high volume of applications to connect made to NIE Networks on the “Go-Live” date of 7 November 2023. The volume of applications received (approximately 163 in the space of 4 hours) is explained in the Application as approximate to the volume of applications received in the six months prior to the “Go-Live” date. The Application records that NIE Networks has: assessed all these applications for compliance; validated the information received; and conducted high level studies to determine the BSP each applicant would connect to *“to allow conversations regarding transmission capacity to start with SONI.”*

NIE Networks states that *“this work has taken considerably more resource and time to complete than it would take during normal application levels”* and cites this as a reason for requesting more time to facilitate related liaison with SONI and (if capacity is available) to carry out detailed design and costing work so as to produce a Connection Offer to/for the Connection Applicant.

The Application goes on to accept that the application (for the Connection Offer) was made after the Go Live date of 7 November 2023 but describes the *“knock on effect of the influx”* as the reason for the Application; with NIE Networks asserting that the grant of the Application will allow it *“sufficient time for the development of the connection.”*

The Application also states that NIE Networks will endeavour to issue the Connection Offer *“as soon as practicable”* before the expiry of the substituted period (**27 May 2024**) before acknowledging that further C30(7) type application might be required if *“it is deemed that capacity is not available until the outcome of an applicant ahead”* in the queue.

NIE Networks explains the rationale for seeking the extension sought in the Application as follows:

“Given the influx of applications it will allow

- 1. SONI to determine if transmission capacity is available taking into account of the interactivity of other applicants in the queue ahead of them*
- 2. NIE Networks time to accurately design and cost connections taking account of the impact of others in the queue ahead of them.”*

NIE Networks also states that granting the extension would have the impact of enabling “SONI and NIE Networks to determine if capacity is available, complete connection design and production of a connection offer subject to capacity becoming available,” while not granting the extension “would result in NIE Networks not being able to meet its licence standard.”

We note that NIE Networks has also stated that “further extensions may be required if it is deemed that capacity is not available until the outcome of an applicant ahead of them in the queue is known,” or “if other complex issues arise during NIE Networks’ or SONI’s analysis.”

2. Consultation associated with the Application

Condition 30(7)(a) of the Licence provides that NIE Networks must consult with the Connection Applicant when making an Application (for extension) under Condition 30(7).

The Application sets out such consultation with the Connection Applicant – the Connection Applicant has not provided a response.

3. The Authority’s decision

In making our decision on the Application we have regard to:

- (a) our published decision document on extension applications⁸
- (b) our principal objective (and related statutory objectives) under Art 12 of the Energy (NI) Order 2003
- (c) the contents of the Application
- (d) the consultation with the Connection Applicant.

Having considered the matter fully, the Authority hereby confirms that it provides the consent sought in the Application. It follows that the period under Condition 30(6)(b) of the Licence (in respect of the application for connection made by the Connection Applicant for the [REDACTED] MW Gas CHP at 12 Derryhirk Road, Dungannon) is now extended

⁸ [Electricity Connections Review Decision Paper | Utility Regulator \(uregni.gov.uk\)](https://www.uregni.gov.uk/electricity-connections-review-decision-paper)

until **27 January 2025**. We consider the Application justified for the reasons set out in the Letter.

We welcome the commitment of NIE Networks to work with SONI in progressing the relevant connection applications to include that of the Connection Applicant.

We would take this opportunity to confirm that the period ending 27 January 2025 is a “long stop” date. The obligation under Condition 30 of the Licence is (now), subject to applicable exceptions⁹, to make a Connection Offer to the Connection Applicant for the [REDACTED] MW Gas CHP at 12 Derryhirk Road, Dungannon “as soon as practicable” and “in any event no later than” 27 January 2025. The Licence obligation is not (now) simply to offer connection terms by 27 January 2025.

This decision will be published and placed on the Register in the normal way.

Please do return to us should you require any clarification.

Yours sincerely,



Donald Henry

Networks and Energy Futures Director
Duly authorised by the Authority

⁹ Consonant with NIE Networks’ licence obligations and its statutory duties set out in Articles 12 and 19 of the Electricity Order.