

John Heywood Northern Ireland Electricity Networks Ltd Unit 3 21 Old Channel Road Belfast BT3 9DE

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

Date: 28 June 2024

Our Ref: NET/E/JF/976

Dear John,

Application for consent to a longer period for the issuance of a Connection Offer for 10 Reahill Road, Newtownabbey, NIE Networks Reference: 23/12510

Thank you for your letter dated 17 June 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 at 10 Reahill Road, Newtownabbey.

## 1. The Application

The Letter describes the relevant background<sup>1</sup> to the Application. Reference is made to Condition 30 of NIE Networks' licence authorising participation in the activity of distribution (**the Licence**).<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> 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.

<sup>&</sup>lt;sup>2</sup> NIE Distribution Licence.



Condition 30 (6) (of the Licence) provides that (barring specified exceptions)<sup>3</sup> 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 Authority<sup>4</sup> 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 <u>not</u> change NIE Networks' licence obligation<sup>5</sup> (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 after 7 November 2023 for an offer of connection for a The application was deemed valid on 8 December 2023.

The "license standard" - at this time - for provision of the relevant Connection Offer to the Connection Applicant – was 8 March 2024.

On 22 February 2024, NIE Networks applied to the Authority for an extension of the Condition 30 period (**the first application**). NIE Networks described in the first application how there had been 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 here<sup>6</sup> and here.<sup>7</sup>

<sup>&</sup>lt;sup>3</sup> Recorded in Article 21 of the Electricity (NI) Order 1992 (the Electricity Order).

<sup>&</sup>lt;sup>4</sup> 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.

<sup>&</sup>lt;sup>5</sup> Which aligns with the statutory duties reflected in Article 19-15 of the Electricity Order.

<sup>&</sup>lt;sup>6</sup> NIE Networks Providing Distribution Generation Export Offers to Applicants less than 5MW – Decision paper.

<sup>&</sup>lt;sup>7</sup> 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) was explained in this Application as approximate to the volume of applications received in the six months prior to the "Go-Live" date. The first application recorded that NIE Networks had: 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 stated in the first application that "this work has taken considerably more resource and time to complete than it would take during normal application levels," citing this as a reason for requesting more time to facilitate related liaison with SONI (if capacity was available) to carry out detailed design and costing work so as to produce a Connection Offer to/for the Connection Applicant.

On 7 March 2024, the Authority granted an extension of the timeline for provision of the relevant Connection Offer to the Connection Applicant, to **7 July 2024**.

On 17 June 2024, the Authority received an application (**the second application**), where NIE Networks applies for consent for the relevant period under Condition 30(6) to be substituted by a longer period, ending **7 October 2024**.

NIE Networks describes, in the second application, how the first application had been granted extension "under the assumption that the associated BSP would be Eden Main." At this point we would note that connection to Eden Main was not referenced within the first application.

NIE Networks went on to comment (in the second application), in relation to connection to Eden Main, that "on reflection, the least cost technically accepted solution will be out of Larne Main. As a result of the programmed work at Larne Main, an extension request will be required for a connection offer on 7<sup>th</sup> October 2024."

NIE Networks also outlined present problems with capacity for connection at Larne Main, that could be resolved at a future date - "The existing 45MVA Transformers at Larne Main are currently at capacity for generation. Normally this would be grounds for a refusal to connect, however the transformers are due to be replaced by SONI with 90MVA which



would free up sufficient capacity to allow this connection to go ahead." It is stated in the application that SONI issued NIE Networks with a Functional Specification on 12 December 2023. The next steps are outlined as returning a Design Specification to SONI (approximately 6 months) and preparing the Transmission Project Agreement (approximately 1 month) and the governance meeting arranged (timescale undefined).

NIE Networks states that they have been "advised that the Transmission Project Agreement for the replacement transformers at Larne will take c8 months to be signed. NIE Networks will then require a further three months Connection Design and Quotation period." Figure one in the application indicates a timeline of to 7 July 2024 to complete the Transmission Project Agreement process, and then 3 more months (to 7 October 2024) to issue the Connection Offer.

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

- 1. "As the Transmission Project Agreement is estimated to be approximately 8 months from being signed a connection offer cannot be issued to
- 2. As the planned transformer replacement is imminent it would not be reasonable to refuse the connection on this basis.
- 3. Once the Transmission Project Agreement has been signed the connection offer design can be progressed with certainty.
- 4. As these timescales are outside of NIE Networks control we are not able to progress the connection design until the Transmission Project Agreement has been signed."

NIE Networks also states, in the second application, that "Should the Transmission Project Agreement be agreed and signed earlier than the estimated 8 months, NIE Networks would progress a connection offer for this application at an earlier date." NIE Networks also states that "If, however the Transmission Project Agreement is not completed within the 8 months we may need to extend further." We note that the estimated 8 months theoretically could run over the provisional time allocated for the Transmission Project Agreement part of the process, taking into account the issuing of the Functional Specification on 12 December 2023.

NIE Networks describes the impact of granting this extension request as enabling "a connection offer to be issued against the expected upgrades to the transmission system,"



while not granting the proposed extension would "result in a refusal to connect and would prevent of Renewable Energy being connected to the network."

## 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 and indicates that the Connection Applicant does not object to the Application.

## 3. The Authority's decision

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

- (a) our published decision document on extension applications<sup>8</sup>
- (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.

We have noted within this Decision Letter that there was no reference to connection to Eden Main in the first application, however we do not view this as reason to not progress the second application further.

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 at 10 Reahill Road, Newtownabbey) is now extended until 7 October 2024. 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.

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<sup>&</sup>lt;sup>8</sup> Electricity Connections Review Decision Paper | Utility Regulator (uregni.gov.uk)



We would take this opportunity to confirm that the period ending 7 October 2024 is a "long stop" date. The obligation under Condition 30 of the Licence is (now), subject to applicable exceptions<sup>9</sup>, to make a Connection Offer to the Connection Applicant for the at 10 Reahill Road, Newtownabbey "as soon as practicable" and "in any event no later than" 7 October 2024. The Licence obligation is not (now) simply to offer connection terms by 7 October 2024.

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,

Jillian Ferris

Head of Networks
Duly authorised by the Authority

<sup>&</sup>lt;sup>9</sup> Consonant with NIE Networks' licence obligations and its statutory duties set out in Articles 12 and 19 of the Electricity Order.