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Date: 23 September 2024

Ref: NET/E/JF/1029

Dear Eimear

## **Request for Authority's<sup>1</sup> consent to Extend the Connection Offer Timelines for the Magherafelt BES Project (195MW)**

Thank you for your letter of 30 August 2024 (“**the Letter**”).

We treat the Letter as an application (“**the Application**”) - made under Condition 25(5) of SONI's Transmission Licence (“**the Licence**”) - seeking the Authority's consent for the extension of the period for the making of an offer by SONI to Magherafelt BES Ltd (referred to for ease as the **Connection Applicant**), for the connection of a BESS Project (195MW MEC and MIC), to the Transmission System.

We start by setting out the relevant terms of Condition 25 of the Licence. We then move to the Application:

### **1. Condition 25 of the Licence.**

Condition 25(5) provides, so far as relevant, as follows (our underlining added):

*“[SONI] shall offer terms for [connection agreements] . . . as soon as practicable and (save where the Authority consents to a longer period, which consent may be given on the application of [SONI] following consultation by [SONI] with the person making the application and such other persons as [SONI] considers may be affected or interested) in any event not more than the period specified in paragraph 7 after receipt by [SONI] of an application containing all such information as [SONI] may reasonably require for the purpose of formulating the terms of the offer . . .”*

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<sup>1</sup> In this letter “we”, “UR” “us”, and “the Authority” are used interchangeably to refer to the Northern Ireland Authority for Utility Regulation.

Condition 25 (5) and (7) provides that the “*period specified*” in this case is three months, unless the Authority has consented to a longer period.

## 2. Background

The application (by the Connection Applicant) for the connection of the BESS, was deemed effective by SONI on 13 June 2024.

In the application, SONI has stated that the proposed location of the BESS “*allows for connection at Magherafelt substation only.*” It notes that there is currently no space within the substation for a bay to connect the battery. A re-build of the substation (involving replacement of concrete A Frames and catenaries) would be required to provide fault level capacity. There are a number of options for the re-build which SONI requires time to study and design, which will require the use of an external consultant.

One option for rebuilding the substation is “*to commence re-build offline in the area to the south and transfer over circuits.*” However, it has been noted by SONI that connection of the battery would reduce available space between the battery and current substation boundary. This would hamper the rebuild as the space for bays would be reduced. This would restrict the potential to rebuild offline, which SONI says is always the safer option compared to re-building within a live substation.

## 3. The Application

SONI is applying for an extension of the Condition 25 period for the making of the Connection Offer from 15 September 2024 to **15 September 2026**.

We note that SONI appears to consider that the Condition 25(7) “date” for the making of a connection offer is 15 September 2024. We understand that SONI has – absent an extension under Condition 25(5) – until 13 September 2024 to make an offer of connection. This is due to the fact that the application by the Connection Applicant was deemed effective as of 13 June 2024 by SONI. This is reflected in the Application. The Authority would remind SONI that the period specified in Condition 25 (7) (b) is 3 months, meaning the period for the making of a connection offer is actually shorter than SONI has calculated. While noting this error and making clear SONI should utilise the 3 month period in future calculations, we have proceeded with the 15 September 2024 date used by SONI. Given the timing of the extension application

and our decision, use of the 15 September 2024 date would make no material difference to our decision, nor the implementation of the granted extension period.

SONI's rationale for this request concerns the need for a final option for re-building the substation to be chosen, and the TNPP for this submitted.

SONI has outlined the timescales it is believed will be involved:

- (a) 18 months for the optioneering assessment
- (b) 3 months for Stakeholder engagement and preparation of the TNPP
- (d) 3 months to make the Connection Offer.

SONI explains that these elements build out the requirement for a 2-year extension period for the making of a connection offer to the Connection Applicant. SONI has stated that in accordance with Condition 25(5) of the SONI Licence, *"SONI shall issue an offer as soon as practicable."*

SONI further explains that it has considered that there are no alternative actions that could allow the connection offer (to the Connection Applicant) to be issued by 15 September 2024, and defines the impact of not granting an extension as meaning it *"would not be able to issue a Connection Offer on [15 September 2024] . . . SONI would have to refuse to make the connection offer under Condition 25(6) of the Licence."*

#### **4. The Application Consultation**

An application by SONI under Condition 25(5) requires SONI to consult with *"...the person making the application for connection, and such other persons as [SONI] considers may be affected or interested."*

SONI has consulted with the Connection Applicant, and NIE Networks.

#### **Consultation with the Connection Applicant**

SONI consulted the Connection Applicant on 8 August 2024, with a substantive response received on 23 August 2024. In this, the Connection Applicant raised issues around the length of the extension and the level of consultation.

On 28 August 2024, SONI replied, outlining supporting reasons for making the extension request, and its view that the Connection Applicant had been consulted with. It was also agreed SONI and the Connection Applicant would discuss the issue on a call.

After this call, on 30 August 2024 the Connection Applicant wrote to SONI, making clear it did not object to the extension application. However, the Connection Applicant also commented that *“we remain extremely concerned and frustrated at the overall length of extension that SONI are seeking.....As such, we urge SONI to take all measures available to expediate the process with a view to providing an offer ahead of the 24 month timeframe. A commitment to issue “as soon a (SIC) possible” would be welcome rather than “as soon as practicable” as per SONI’s obligation under Condition 25(5).”*

### **Consultation with NIE Networks**

SONI consulted NIE Networks on 8 August 2024, with an initial response received on 15 August 2024:

In this response, NIE Networks supported *“the need for the extension”* but proposed a new extension date of 13 October 2026, to allow time for a Construction Offer (due to different timescales for price quotation over the summer months).

SONI replied on 19 August 2024, stating that *“It is SONI’s intention to continuously liaise with NIEN(TO) over the 2-year extension period on this and other related projects and connections, and therefore we would anticipate that issues highlighted below would be dealt with within that 2 year extension period.”* SONI also suggested NIE Networks has the option to seek an extension to the Construction Offer timelines from the Authority, nearer the time of submission – which then in turn would trigger another Condition 25 connection offer extension request by SONI.

On 20 August 2024, NIE Networks replied to SONI’s 19 August 2024 email, noting:

*“that SONI and NIE will remain in contact over the extension period and the offer issue date of 15 September 2026, and consequently the construction application date, will be seen as a longstop date and the desire to issue prior to these dates will remain.*

*As advised we believe if the connection offer date remains at 15 September 2026, there is significant risk that NIE will have to request an extension to this date for the reasons stated previously for a total of 4 weeks.*

*However the appetite to deliver this Connection offer in advance of this date and avoid this risk detailed above is clear from both SONI and NIE Networks and as above we are in support of the extension application.”*

## 5. Our Decision on the SONI Application

We judge the Application against: (i) our principal objective and general duties set out in Article 12 of the Energy (NI) Order 2003; and (ii) the published Decision Paper Guidance<sup>2</sup>. We consider the Application to have been made in accordance with the Decision Paper Guidance.

Our decision is to:

- (i) accede to the Application considering it properly founded; and (accordingly)
- (ii) give consent to an extension to **15 September 2026** for the purposes of Condition 25(5) as regards the Connection Application made by the Connection Applicant for the connection of the BESS Project.

In making this decision we have had proper and full regard to the consultation responses from the Connection Applicant and NIE Networks. We note that the Connection Applicant has, while not opposing the extension, raised issues around its proposed length. NIE Networks, also while not opposing the extension, has also raised issues around timing and the Construction Offer.

We are cognisant of the length of extension period requested, and urge SONI to, as it has stated it will, endeavour to issue the Connection Offer as soon as practicable. We recognise more time is required by SONI, with the making of a Connection Offer (to the Connection Applicant) being likely dependent on the need for optioneering, and, likely, the production and approval of a TNPP relating to the Magherafelt Substation re-build. SONI has explained the time likely required for those steps. We would request SONI keeps the Connection Applicant and the Authority updated as the programme of work progresses.

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<sup>2</sup> [Electricity Connections Decision FINAL.pdf \(uregni.gov.uk\)](#).

We are satisfied that we should grant the Application based on the reasons set out in the Application.

However, we should remind SONI that the grant of consent (for an extension of time) relayed in this letter does not absolve SONI of its Condition 25 obligation to make a connection offer to the Connection Applicant *as soon as practicable*. Adherence to this obligation is particularly pertinent given the length of extension period proposed. The newly substituted Condition 25 period does not affect that key licence obligation.

This decision shall be published and placed in the Electricity Register.

We trust this is satisfactory. If you have any queries, please contact Jody O'Boyle.

Yours sincerely,



**Jillian Ferris**  
**Head of Networks**