

Eimear Watson
SONI Ltd
Castlereagh House
12 Manse Road
Belfast
BT6 9RT

Date: 30 August 2024

Ref: NET/E/BM/1014

Dear Eimear

Request for Authority's¹ consent to Extend the Connection Offer Timelines Relating to the Connection Application for the EP Kilroot Steam Turbine Project (ST2)

Thank you for your letter of 16 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 EP Kilroot Limited (referred to for ease as the **Connection Applicant**), for the connection of a 300 MW MEC Steam Turbine (ST2), as part of a proposed Combined Open Cycle Gas Turbine project, 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 . . ."

¹ In this letter "we", "UR" "us", and "the Authority" are used interchangeably to refer to the Northern Ireland Authority for Utility Regulation.

Condition 25(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 ST2, was deemed effective by SONI on 3 June 2024.

SONI outlines in the application that ST2 is “*part of a proposed Combined Open Cycle Gas Turbine project that would make use of the existing EP NI Energy Limited’s OCGTs GT6 (MEC = 350MW) & GT7 (MEC = 350MW).*”

In the Application, SONI explains why it cannot make a connection offer for ST2 by 1 September 2024.² SONI highlights that “*due to existing and planned/committed connections at the Kilroot Substation 275 kV, there are no available bays or room for additional bays to connect ST2.*” At least one other project, mentioned in the Application, is ahead of ST2 in the connection queue.³ SONI contends that this means that “*a potential new substation in the Kilroot area will need to be established to facilitate the connection of ST2.*”

SONI outlines that a new substation at Kilroot would be strategic infrastructure and “*therefore the optioneering assessment will be significant, technically complex, and will include the consideration of new technologies not previously used in Northern Ireland...*” Elements of System Operator Preferred works may be required that would require the production and approval (by the Authority) of a Transmission Networks Pre-Construction project (TNPP).

We note that ST2 was previously the subject of two approvals by the Authority, of applications for an extension to the timeline for the issuing of a Connection Offer, on the 16 June 2022 and 6 September 2022.⁴ These extensions concerned a separate, standalone, application for connection, which was not eventually accepted.

² SONI appears to consider that the Condition 25(7) “date” for the making of a connection offer is 1 September 2024. We understand that SONI has – absent an extension under Condition 25(5) – out to 3 September 2024 to make an offer of connection. Nothing turns on this for the purposes of judging the Application and we are content to proceed by recording the 1 September 2024 date mentioned by SONI.

³ This is the connection of a 480MW CCGT Project (Prime Power), for which an Condition 25 extension was granted by the Authority on the [13 June 2024](#), to August 2026.

⁴ [2022-09-06 UR Decision Letter - ST2 Project SONI C25 extension.pdf \(uregni.gov.uk\)](#).

3. The Application

SONI is applying for an extension of the Condition 25 period for the making of the Connection Offer from 1 September 2024 to **1 September 2026**. SONI's rationale for this request concerns the need for rebuild at Kilroot Substation, and an associated Transmission Network Pre-Construction Project (TNPP):

SONI states that the redevelopment of Kilroot (which would be needed to give ST2 the available space to connect) would require the eventual approval, by the Authority, of an associated TNPP.

SONI has outlined the timescales involved:

- (a) 14 months for the optioneering assessment for a new substation at Kilroot
- (b) 3 months for Stakeholder engagement and preparation of the TNPP
- (c) up to 4 months for the UR to approve 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 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 1 September 2024.

SONI has accepted that it is not completely certain ST2 will be connected via a new substation at Kilroot, and other circumstances may allow ST2 to be connected well before 1 September 2026. However, an extension is, SONI claims, still needed to allow progression of the connection offer process, with it not appearing that a connection offer could be made before 1 September 2024.

SONI defines the impact of not granting an extension as meaning it *“would not be able to issue a Connection Offer on [1 September 2024] . . . SONI would have to refuse to make the connection offer under Condition 25(6) of the Licence.”*

SONI has stated that *“[it] would point out that the situation is fluid as the ST2 connection arrangement is interdependent on other parties' connection arrangements. Therefore, should other parties disappear, or other assumptions change, then it may be possible to progress ST2 Connection Offer sooner, however the need and justification for a new substation in the Kilroot area in general, and more specifically ST2 connection, is becoming increasingly likely.”*

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 9 August 2024, with a response received on 15 August 2024.

In its consultation response the Connection Applicant stated that “*Although [the Connection Applicant] appreciate[s] the need for additional time we cannot support an extension to the offer timelines of such a long duration, however we do not object to SONI seeking an extension to the revised timelines. We ask that SONI review their programme and the timeframe required, as well as aspiring to issue the Connection Offer ahead of any future deadline agreed by the Utility Regulator.*”

SONI replied to this response from the Connection Applicant, also on 15 August 2024. In this reply SONI commented, that based on current assumptions and the other applications in the connection queue, its “*best estimate*” was that the two-year extension was required, but SONI would endeavour to issue the Connection Offer sooner.

SONI also commented that “*As per below, SONI will endeavour to issue the Connection Offer ahead of any future deadline that the Utility Regulator would consent to if this possible. Also, as per below, the ST2 Connection arrangement is interdependent on other parties’ connection arrangements, then should other parties disappear, or other assumptions change, then it may be possible to progress ST2 Connection offer sooner, albeit, the need and justification for a new substation in the Kilroot areas in general, and more specifically ST2 connection, is becoming increasingly likely.*”

Consultation with NIE Networks

SONI consulted NIE Networks on 9 August 2024, with a response received on 15 August 2024:

NIE Networks stated that it does “*support the need for the extension.*” It also requested that another 4 weeks be added to the extension request (for a date of 29 September 2026) so NIE Networks could provide a Construction Offer, citing lengthening timescales in the summer period. In subsequent follow up emails, NIE Networks (on 15 August 2024) agreed to commit to the request for the 1 September 2024 date “*as long as [SONI] can provide the Construction Application 4 weeks earlier.*” In reply, on the 15 August, SONI stated it would endeavour to issue sooner than 8 July 2026. SONI also commented that, within the requested 2 year extended period, “*SONI would be seeking NIEN(TO)’s input and comment on any proposed connection arrangements in advance of submitting the formal Construction Application so this may also help with NIEN(TO)’s concern regarding its ability to issue the Construction Offer within the TIA/Licence timelines.*”

In response (on the 16 August 2024) NIE Networks commented that “*I note that SONI and NIE will remain in contact over the extension period and the offer issue date of 1 September 2026, and consequently the construction application date of 8 July 2026, will be seen as a longstop date and the desire to issue prior to those dates will remain.*”

As advised we believe if the connection offer date of 1 September 2026 was realised then there is a significant risk that NIE will have to request an extension to this date for the reasons stated previously for a total of 4 weeks. We advised SONI of this risk to potentially prevent additional extensions being submitted to the UR in the future if this was the case.

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 Guidance⁵. We consider the Application to have been made in accordance with the Decision Paper Guidance.

⁵ [Electricity Connections Decision FINAL.pdf \(uregni.gov.uk\)](#).

Our decision is to:

- (i) accede to the Application considering it properly founded; and (accordingly)
- (ii) give consent to an extension to **1 September 2026** for the purposes of Condition 25(5) as regards the Connection Application made by the Connection Applicant for the connection of the Interconnector.

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 appreciating the need for extension from 1 September 2024, opposed the extension due to the length of time requested.

We note that SONI, in response, said it would endeavour to issue the Connection Offer sooner than the date of 1 September 2026, and there may be options (although not the most 'likely' to occur) that would lead to the Connection Offer potentially being granted well in advance of this date.

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 possible. We recognise that 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 for the Kilroot substation. SONI has explained the time likely required for those steps. We note that SONI has assured the Connection Applicant will be updated as the process progresses, and we would request SONI also keeps the Authority updated as the programme of work progresses.

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,



Brian Mulhern
Director of Networks and Energy Futures