Utility Regulator www.uregni.gov.uk

John Heywood Northern Ireland Electricity Networks Ltd 120 Malone Road Belfast BT9 5HT

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

Date: 8 October 2024

Our Ref: NET/E/JF/1039

Dear John,

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

Thank you for your letter received 24 September 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) to an applicant for connection (the Connection Applicant) concerning the connection of a Anaerobic Digestion (AD) Plant at 10 Reahill Road.

1. Condition 30 of the Licence

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

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

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 <u>NIE Distribution Licence.</u>

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

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 <u>not</u> 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 of the Electricity Order) - to make a connection offer *as soon as practicable* - remains.

2. Background

The connection of the AD Plant into Larne Main has been the subject of a previous decision of the Authority under Condition 30 (7) consenting to a longer period for the making of the relevant Connection Offer (out to 7 October 2024).⁶ That previous decision was based on the inability of NIE Networks to issue a relevant Connection Offer until a Transmission Project Agreement (**TPA**) had been signed to replace 45MVA Transformers at Larne Main with 90MVA Transformers, so freeing up capacity for the AD Plant to connect. It was previously proposed that the execution of the TPA would take place by 16 June 2024, with the design for the relevant Connection Offer placed to be progressed in the period after that.

NIE Networks states in the (present) Application that the projected timeline for the TPA has not been realised because of the *"detailed design required at Larne Main to determine location of required cable sealing ends."* NIE Networks has been advised that the TPA will be signed by the end of December 2024, with around 3 months then required for the relevant connection to be designed and the relevant Connection Offer issued to the Connection Applicant.

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 15-19 of the Electricity Order.

⁶ 2024.03.06 REDACTED C30 DL 10 Reahill Road.pdf (uregni.gov.uk).

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3. The Application

We note that whilst the Application was submitted to the Authority with the necessary information - as per the Authority's 2017 Electricity Connections Decision (the Decision Paper Guidance) – it was not received in line with the expectations set out in the Decision Paper Guidance. The Decision Paper Guidance states that the Authority *"would expect to receive a request from the licensee at least two weeks before the end of the three month connection application period."* We have already mentioned that the connection application period, in this case, expires on 7 October 2024. The NIE Networks application was made on 24 September 2024. That is just under two weeks out from the expiry of the connection application period. The Application offers no explanation for the departure from the expectations set out in the Guidance.

By the Application NIE Networks applies for consent for the relevant period under Condition 30(6) to be substituted by a longer period, ending **4 April 2025**.

NIE Networks explains the rationale for seeking this extension period as follows:

1. "As these timescales are outside of NIE Networks control we are not able to progress the connection design until the TPA has been signed.

2. The TPA is estimated to be signed at the end of December 2024, due to the complex nature of the design at the substation.

3. As the planned transformer replacement is imminent it would not be reasonable to refuse the connection on this basis.

4. Once the Transmission Project Agreement has been signed the connection offer design can be progressed with certainty."

NIE Networks comments how the application *"is subject to the outcome of an event which is outside of NIE Networks' control"* (the TPA being signed). NIE Networks explains that allowing the extension sought in the Application will enable the connection design and production of the relevant Connection Offer to be progressed, while not granting the extension would *"result in a refusal to connect."*

4. Consultation on 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.

NIE Networks refers to engaging with SONI *"in determining if there is Transmission Capacity available for this applicant."*

NIE Networks also refers to identifying and contacting a number of affected parties, who are *"small scale generators in the queue for the assigned transmission node (Larne Main)."*

5. The Authority's decision

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

(a) our published decision paper on extension applications⁷

(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 on the Application.

We consider the Application to have been made in accordance with the Decision Paper Guidance, save that aspect relating to the expected date of submission (described above). We wish to be clear that NIE Networks should make every reasonable effort to make sure that an application for consent under Condition 30 is made in good time. Some of these applications can be complex. Orderly processing of connection applications will assist all stakeholders. There should in general be compliance with the expectations set out in the Decision Paper Guidance. Departures from those expectations should be explained within the application.

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 (for the making of a relevant Connection Offer to the Connection Applicant) is now extended until **4 April 2025**. We consider the Application justified for the reasons set out in the Letter.

We would take this opportunity to confirm that the period ending 4 April 2025 is a "long stop" date. The obligation under Condition 30 of the Licence is (now), subject to applicable exceptions⁸, to make a relevant Connection Offer to the Connection Applicant "<u>as soon as practicable</u>" and "<u>in any event no later than</u>" 4 April 2025. The Licence obligation is <u>not</u> (now) simply to offer connection terms by 4 April 2025.

⁷ <u>Electricity Connections Review Decision Paper | Utility Regulator (uregni.gov.uk)</u>

⁸ Consonant with NIE Networks' licence obligations and its statutory duties set out in Articles 12 and 19 of the Electricity Order.



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