

Claire Whiteside Northern Ireland Electricity Networks Ltd 120 Malone Road Belfast BT9 5HT

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

Date: 4 November 2024

Our Ref: NET/E/BM/1055

Dear Claire,

Application for consent to a longer period for the issuance of a Connection Offer for Kilroot Business Park, NIE Networks Reference: 23/12718

Thank you for your letter dated 17 October 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 the connection of a Diesel AGU at Kilroot Business Park, Larne Road.

## 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>

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

License.

<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.

<sup>&</sup>lt;sup>3</sup> Recorded in Article 21 of the Electricity (NI) Order 1992 (**the Electricity Order**): see Condition 30(6) (d) of the Licence.



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> (following requisite consultation) for a consent (in writing) that the period specified in Condition 30 (6)(b) shall be substituted by a longer period as specified in the consent. 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 under 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.

This connection has previously been the subject of an extension approval by the UR (**the 'first application'**). It was originally deemed compliant by NIE Networks on 18 December 2023, with the original Condition 30 standard, for the issue of a Connection Offer, therefore, 18 March 2024. NIE Networks made an application for approval, on 1 March 2024, of a request to extend this period. NIE Networks stated in this application that the need for extension was because of an unusually high volume of applications which had been triggered by changes to connection policy (in small scale generation<sup>6</sup> and over install limits<sup>7</sup>), which led to NIE Networks spending more time and resources on processing connection requests. This request for extension was approved by the Authority on 14 March 2024, extending the period for the issue of a connection offer to 2 November 2024. <sup>8</sup>

NIE Networks, in this application (**the 'second application'**) applies for consent for the relevant period under Condition 30(6) to be substituted by a longer period ending **20 December 2024**.

NIE Networks identifies, in the second application, that the proposed connection node for Kilroot Business Park is Eden Main, but notes that currently there is no capacity available to connect the connection applicant's Diesel AGU. However, the connection applicant is behind another customer (the 'other customer') who has committed generation to Eden Main. The other customer is requesting an extension to the longstop milestone. NIE Networks is currently considering this, alongside the other customer's force majeure events, to "determine if an extension request is valid for their longstop milestone." NIE Networks requires until 15 November

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<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 15-19 of the Electricity Order.

<sup>&</sup>lt;sup>7</sup> NI Over Install Decision Paper For Final Review (nienetworks.co.uk).

<sup>&</sup>lt;sup>8</sup> 2024.03.14 REDACTED C30 Larne Road.pdf.

Utility Regulator www.uregni.gov.uk

2024 to process the decision on the longstop milestone decision, with potential, depending on this decision, capacity then would become available for the connection applicant. If this capacity does become available then NIE Networks would require a further 5 weeks to complete the Connection Design and Quotation period.

NIE Networks states that "This extension would allow the applicant to remain in the connection queue at Eden Main where there is an opportunity for network capacity to become available that would facilitate the connection of this proposed project."

NIE Networks says that, in the case of not granting the extension:

"As network capacity is not currently available for this applicant at Eden Main, NIE Networks would be required to issue a connection offer but with a caveat not to connect until the 33kV switchboard is replaced at Eden Main. The estimated completion date for this is Q1 2026. However, if this project was delayed it would have a direct impact on the customers connection date, delaying it further. [The Connection Applicant] have advised that significant delays in their connection timeline will have substantial financial implications of the project."

## 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 provides evidence of written consultation on the Application with the Connection Applicant on 17 October 2024. The Connection Applicant responded, also on 17 October 2024, and commented that it was:

"in support of the proposed extension. It already has invested considerable time and capital in its project and would like to avoid the dilemma of whether or not to install a large reactor for a relatively short period of time, but which may otherwise be needed to avoid financial penalties from the capacity market."

NIE Networks also comments that it has "engaged with SONI in determining if there is Transmission Capacity available for this applicant."

Concerning other affected parties, NIE Networks has taken the position there are none, as no applicants are behind the connection applicant in the connection queue.



## 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>9</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.

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 Diesel AGU at **Kilroot Business Park**, **Larne Road**) is now extended until **20 December 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.

We would take this opportunity to confirm that the (extended consented to) period ending 20 December 2024 is a "long stop" date. The obligation under Condition 30 of the Licence is (now), subject to applicable exceptions<sup>10</sup>, to make a Connection Offer to the Connection Applicant for the Diesel AGU at **Kilroot Business Park, Larne Road** "as soon as practicable" and "in any event no later than" 20 December 2024. The Licence obligation is not (now) simply to offer connection terms by 20 December 2024.

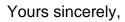
This decision will be published and placed on the Register in the normal way.

Please do return to us should you require any clarification.

<sup>&</sup>lt;sup>9</sup> Electricity Connections Review Decision Paper | Utility Regulator (uregni.gov.uk)

<sup>&</sup>lt;sup>10</sup> Consonant with NIE Networks' licence obligations and its statutory duties set out in Articles 12 and 19 of the Electricity Order.





Brian Mulhern

**Director of Networks and Energy Futures Duly authorised by the Authority**