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

Date: 4 December 2024

Our Ref: NET/E/JF/1070

Dear John,

Application for consent to a longer period for the issuance of a Connection Offer for 30 Lisleen Road, Belfast, NIE Networks Reference: 23/12645

Thank you for your letter dated 19 November 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 [REDACTED] Combined Heat and Power (CHP) Plant at **30 Lisleen Road, Belfast**.

In this letter we shall refer to the person making the application for the relevant Connection Offer as the **Connection Applicant**.

1. The Application

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 operation of Condition 30 (6)(b)) *in any event* within 3 months

“after receipt by [NIE Networks] of an application containing all such information in relation to the required connection as [NIE Networks] may reasonably request.”

Condition 30 (6) is to be read alongside and reflects the provision made in Article 20(3) through to Article 20(5) of the Electricity (NI) Order 1992 (the **Electricity Order**).

Condition 30 (7) of the Licence allows NIE Networks to make an application to the Authority⁴ (following requisite consultation) for a consent (in writing) that the period specified in Condition 30 (6)(b) shall be substituted by a longer period and subject to any conditions as specified in the consent.

Significantly, the making – or grant - of a Condition 30(7) type application does not alter NIE Networks' licence obligation⁵ (under Condition 30(6)(a)) to make a connection offer *as soon as practicable*. The primary obligation (recorded in Condition 30(6)(a) of the Licence and Article 20 the Electricity Order) - to make a connection offer *as soon as practicable* - remains.

The Letter states:

“[the application for the relevant Connection Offer from the Connection Applicant] was deemed compliant on 4 September 2024. The license standard at this time for provision of this Connection Offer was 4 December 2024.”

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 [NIE Distribution Licence](#).

³ Recorded in Article 21 of the Electricity (NI) Order 1992 (**the Electricity Order**): see Condition 30(6) (d) of the Licence.

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 Articles 19 and 20 of the Electricity Order.

The Application (made in the Letter) is for consent – under Condition 30(7) - for a longer substituted Condition 30 (6)(b) period out (from **4 December 2024**) to **15 May 2025**.

The Application refers to 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 here⁶ and here.⁷

As recorded in the Application, the connection policy changes triggered an unusually high volume of connection applications to be made to NIE Networks on the “Go-Live” date of 7 November 2023. The volume of applications received is identified as almost 500 small scale applications since November 2023. The Application records that NIE Networks has 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 states that *“this work has taken considerably more resource and time to complete than it would take during normal application levels”* and cites this as a reason for requesting more time to facilitate related liaison with SONI and (if capacity is available) to carry out detailed design and costing work to produce a relevant Connection Offer.

The Application goes on to accept that the application (for the relevant Connection Offer) was made after the Go Live date of 7 November 2023 but describes the *“knock on effect of the influx”* as the reason for the Application, with NIE Networks asserting that the grant of the Application will allow it *“sufficient time for the development of the connection.”*

The Application further records that:

“Over the past month our team has grown [sic] in size, which will help manage the workload. We are already seeing the benefits of these changes which is improving work load management and an important step in getting back to our 90-day⁸ licence standard for export applications.”

The Application also states that NIE Networks will issue the relevant Connection Offer before 15 May 2025 should it be in a position to do so but acknowledges that a further C30(7) type

⁷ [NI Over Install Decision Paper For Final Review \(nienetworks.co.uk\)](https://www.nienetworks.co.uk).

⁸ We note an error here in that the licence period under Condition 30(6)(b) is 3 months not 90 days.

application might be required *“if other complex issues arise during NIE Networks’ or SONI’s analysis.”*

Reflecting the points above, NIE Networks explains the rationale for seeking the consent sought in the Application as follows:

“Given the influx of applications it will allow

- 1. SONI to determine if transmission capacity is available considering of the interactivity of other applicants in the queue ahead of them*
- 2. NIE Networks time to accurately design and cost connections taking account of the impact of others in the queue ahead of them.”*

NIE Networks also states that granting the consent sought would enable *“SONI and NIE Networks to determine if capacity is available, complete connection design and production of a connection offer subject to capacity becoming available,”* while not granting the extension *“would result in NIE Networks not being able to meet its licence standard.”*

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 Connection Applicant has not made a written response to NIE Networks’ consultation on the Application.

So far as affected parties’ consultation is concerned, the Application says this:

“Affected Parties Consultation

In line with the process outlined in NIE Networks’ ‘Distribution Generation Application and Offer Process Statement’ NIE Networks are engaging with SONI in determining if there is Transmission Capacity available for this applicant.

As highlighted earlier NIE Networks still need to determine alongside SONI how each applicant affects others in the queue ahead of the. NIE Networks therefore have not been able to consult with individual applicants about the impacts of those ahead of them in the queue as it may not be a true reflection. For that reason, NIE Networks does not consider it appropriate to engage

with any further parties in consultation at this stage of the process. When NIE Networks becomes aware of which applicants affect others we will assess if individual extensions have had a determinantal impact on them and whether we need to consult with them at that stage.”

In response to a follow up query from the Authority about why affected parties had not been consulted, NIE Networks commented that *“We engage with SONI on a case by case basis in terms of available export capacity on the transmission network, I have no visibility of this until SONI recommend there is no more available capacity at that bulk supply point. Once SONI determine there is no more export capacity available , I can consult with individuals in the queue fed from there and advise.”*

3. The Authority’s decision

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

- (a) our published decision document on extension applications⁹
- (b) our principal objective (and related statutory objectives) under Article 12 of the Energy (NI) Order 2003
- (c) the contents of the Application
- (d) clarifications sought and received from NIE Networks in the period following receipt of the Letter.

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 █████ CHP at **30 Lisleen Road, Belfast**) is now extended until **15 May 2025**. We consider the Application justified for the reasons set out in the Letter.

The Authority notes that the same reasoning is used in this Application (which is around 11 months after the Go Live date of the Over Install and Zero Export changes) as has been relied upon for previous applications for consent to “extensions” received in 2024. This is something the Authority raised in recent Decision Letters concerning other applications.¹⁰ The Authority has previously communicated concern over the changes being used as a core rationale for extension applications to NIE Networks and would re-iterate this concern in relation to this application.

⁹ [Electricity Connections Review Decision Paper | Utility Regulator \(uregni.gov.uk\)](https://www.uregni.gov.uk/electricity-connections-review-decision-paper)

¹⁰ [2024.10.08 NIE C30 Hollywood Road Redacted_0.pdf \(uregni.gov.uk\)](#).

In July 2024 NIE Networks said it intended to, in future extension applications, to reflect as much detail as possible to customers, both in writing and verbally, about why an extension application is being made. NIE Networks also raised the prospect that it may include different reasoning in support of any forthcoming “extension” applications. However, this is not reflected in the Application. The Authority would request that NIE Networks reflects on these observations.

We do recognise that NIE Networks has stated in the Application that it has expanded the team responsible for connection requests, in response to the increased pressures brought about by the November 2023 changes. NIE Networks has expressed optimism this will allow a return to the pre-November 2023 level of connection applications turnaround, which would be a positive development. The Authority will arrange a meeting with NIE Networks for an update about whether this is the case.

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 15 May 2025 is a “long stop” date. The obligation under Condition 30 of the Licence is (now), subject to applicable exceptions,¹¹ to make a relevant Connection Offer to the Connection Applicant for the [REDACTED] CHP at **30 Lisleen Road** “as soon as practicable” and “in any event no later than” 15 May 2025. The Licence obligation is not (now) simply to offer connection terms by 15 May 2025.

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

¹¹ Consonant with NIE Networks’ licence obligations and its statutory duties set out in Articles 12 and 19 of the Electricity Order.