

Response to draft SONI TDPNI 2023-32

Dear SONI,

We welcome the opportunity to comment on SONI's Draft Transmission Development Plan for Northern Ireland ("TDPNI") for the period 2023-32.

This response is on behalf of Mutual Energy Ltd ("MEL"). MEL owns and operates the Moyle Interconnector ("Moyle"), a 500MW HVDC link between the Northern Irish and Scottish electricity transmission networks. As such, whilst the TDPNI is a very comprehensive document, we limit our feedback solely to the Moyle Interconnector Capacity Increase project mentioned therein.

1. Moyle 275kV Reinforcement / Moyle Interconnector Capacity Increase

As with previous iterations of the TDPNI published since 2019, we very much support the inclusion of the project to address the contingency related to the potential loss of the 275kV circuit connecting the Moyle Interconnector convertor station. We also welcome the identification and prioritisation of this project as a key enabler for meeting the 2030 targets and beyond.

Moyle is capable of moving 500MW of electricity in either direction, however it is currently limited by onshore transmission constraints in Northern Ireland to a maximum of 450MW from Scotland to NI, and 400MW from NI to Scotland. Previously Moyle was also limited by transmission constraints in Scotland, but these have been lifted in recent years. The onshore constraints in NI therefore mean that the full benefit of the interconnector to consumers is not being delivered.

The key aspect of note for MEL in the TDPNI 2023-32 is that it indicates a later completion date of 2028 for the Moyle capacity increase compared to the 2021-30 iteration of the TDP which had a 2024 completion date. We also note that the SONI Forward Work Plan 2023-24¹ ("FWP") refers to a completion date of 2026 but for the purposes of this response assume that the TDPNI is based on the most up-to-date information.

The FWP highlights that the socio-economic welfare benefits of the project are £5.6m. We do not know the detail around how this figure was arrived at or the number of years over which these benefits accrue, but it does appear to be a conservative estimate. Our own modelling suggests that a two-year delay to the project (and the associated increase to Moyle's export capability) would result in the loss of the equivalent of over £10m worth of socio-economic welfare benefits to Northern Ireland consumers².

¹ SONI Forward Work Plan 2023-24

² We note that the basis for this figure differs from SONI's approach as the FWP refers to 'a saving of £5.6m within the study area of Great Britain and the island of Ireland', whereas our analysis looked at the impact on Northern Ireland consumers only. We also understand that this project would go some way to facilitating 500MW imports on Moyle but have not sought to quantify that benefit here.

As we understand it, this project addresses a contingency risk that is of very low probability. We have previously suggested that a probabilistic cost-benefit analysis of this project be completed to assess whether Moyle’s full technical capacity can be used earlier than, or without, completion of the proposed project. At this stage, we assume this assessment has been completed and the project deemed essential to enable 500MW exports on Moyle. We also note that delivery of the six priority projects identified in the TDPNI (including this one) is *“possible by 2030 but is dependent on continued enabling government policy, an efficient and robust planning policy and system and both SONI and NIE Networks having sufficient resources to complete projects in a timely manner”*.

As SONI will be aware from our bilateral engagement, MEL obviously wishes to see the Moyle Interconnector being used to its full technical capacity as soon as possible. Aside from commercial benefits to the Moyle business, this project would benefit market integration, security of supply and facilitate higher penetration of renewables with reduced curtailment. Given Moyle’s position as a TSO in Northern Ireland we would be keen to work with SONI and NIE to consider the feasibility of delivery options to complete the project earlier or minimise the risk of delay. For example, completion of the project will require Moyle to engage its own expert contractors to complete ‘tie in’ works at its own site. Given Moyle’s existing relationships and potential access to resources and the infrequency with which NIE will have undertaken this sort of new 275 kV cable project, we suggest it may be worth considering whether it could be optimal for Moyle to actually deliver this project itself. Whilst we recognise that such a non-standard approach may present its own regulatory and commercial challenges, innovative and collaborative approaches to delivery are likely to be of great benefit and necessary in meeting 2030 targets.

To that end and recognising that the SONI team has previously engaged with MEL on the scope and options for reconfiguration of the network near Moyle and Ballylumford, MEL would welcome further engagement to consider the potential merits and feasibility of a Moyle-led delivery or indeed other approaches whereby Moyle could support or contribute to the timely delivery of the project.

We look forward to future engagement and the successful delivery of the Moyle capacity increase in due course.