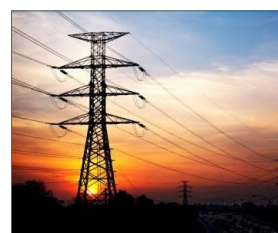


# **Modifications to Transmission Interface Arrangements (TIA) between NIE and SONI resulting from the implementation of the Third Energy Package (IME3)**

Utility Regulator Decision  
27 March 2014



# About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs; Electricity; Gas; Retail and Social; and Water. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

## Our Mission

Value and sustainability in energy and water.

## Our Vision

We will make a difference for consumers by listening, innovating and leading.

## Our Values

Be a best practice regulator: transparent, consistent, proportional, accountable, and targeted.

Be a united team.

Be collaborative and co-operative.

Be professional.

Listen and explain.

Make a difference.

Act with integrity.

## Abstract

In Northern Ireland, the functions of transmission system operation are currently shared between NIE and SONI. The Transmission Interface Agreement (TIA) sets out the arrangements to enable each to fulfil their respective licence obligations.

NIE and SONI jointly proposed modifications to the TIA at the Utility Regulator's request. The modifications were required in conjunction with licence modifications to ensure that the content of the TIA allows effective implementation of the Third Energy Package (IME3) certification decision.

This decision paper approves the modified TIA.

## Audience

This document is most likely to be of interest to regulators, Transmission System Operators (TSOs), generation developers, generation licence holders, and other parties interested in the operation of the transmission system.

## Consumer impact

Modifications to the TIA for the purposes of the Third Energy Package are unlikely to result in significant additional costs for consumers in the short term, and should give rise to reduced costs in the medium/ long term. The modifications to the TIA are subsequential to the modifications to the NIE and SONI licences which have previously been consulted on by the Utility Regulator.

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# 1 Transmission Interface Arrangements (TIA) Modifications

## **Purpose of the paper**

The Transmission Interface Arrangements (TIA) outline the commercial and operational interactions between NIE and SONI and enable the efficient planning and operation of the transmission system.

In order to comply with The Third Energy Package (IME3), and to strengthen arrangements further and guarantee more effective independence going forward, amendments were required to the Transmission Interface Arrangements (TIA) to reflect the arrangements defined by IME3.

This decision paper approves the modified TIA, as proposed jointly by NIE and SONI.

## **Consultation responses**

The UR held a number of face-to-face meetings with NIE and SONI in the latter half of 2013 regarding next steps for the implementation of IME3 arrangements. The UR requested that the TIA be modified by NIE and SONI and submitted to the UR for approval. Although modifications to the TIA had not been formally consulted on previously, the UR decided to consult on proposed amendments given the significant nature of changes to working arrangements between NIE and SONI.

The Utility Regulator consulted on proposed TIA modifications for a period of four weeks and received one response to the consultation.

SSE commented on the Timelines in Section D of the TIA and Connection Arrangements. The time for a Construction application to be submitted by SONI was extended from 23 to 25 business days, however the time period in which NIE has to submit notification of a Construction offer was reduced. In its consultation paper, the Utility Regulator noted that:

*“While Licence Condition 25 of the SONI licence still requires SONI to offer terms to connection applicants in no more than three months from the date of application, the allocation of transmission planning responsibilities to SONI requires TIA changes in terms of the how the three month period is allocated between the companies. The companies are still in discussion on this matter but suggested time periods are set out in the marked-up version of the TIA. It should be noted that these time periods may not be final but Users will not be affected by any changes”.*

NIE and SONI submitted an updated Section D of the TIA to the Utility Regulator which has been accepted. The timelines noted in the modified TIA align with the three month time period required for connection offers.

SSE also asked whether the Utility Regulator’s consultation on arrangements for contestability will deal with Transmission connection arrangements (as SSE note that without the introduction of contestability for Transmission level connections, SONI [and all system users] are dependant on ESB for physical connection to the system). The content of any consultation on contestability has yet to be decided by the UR, but all comments will be considered when drafting begins.

## 4 Next steps

Further minor changes to the TIA may be required subsequent to the publication of the IME3 decision paper to ensure all finalised licence modifications are considered; however the Utility Regulator does not foresee a need for further public consultation to approve minor modifications.

All actions to ensure compliance with Directive 2009/72/EC of IME3 are required to be complete by April 2014.