

21 February 2022

To whom it may concern

SONI Transmission Network Development Plan 2021 - consultation

TI LirIC Limited is engaged in the development of an up to 700MW High Voltage Direct Current electricity interconnector project that will connect the GB and Northern Ireland transmission networks. This project is called the "LirIC" Project.

We welcome SONI's 2021 Transmission Development plan and the clear recognition that interconnection is a critical pillar to system and market operation. We commend SONI for taking a clear position in the 2021 TDPNI which recognises that a key aim is for UK market integration, "Therefore, the aim is to make the UK and NI electricity markets more integrated." (page 59).

We support SONI's view that there are economic benefits of interconnection between NI and GB and note that the LirIC project has been identified as a future interconnection project - which therefore can contribute to the delivery of those benefits. We also note that the latest GB Network Options Assessment (NOA) completed by National Grid Electricity System Operator, and which was published in January, specifically identifies further interconnection between Scotland and Northern Ireland could provide significant socio-economic value to the UK and Ireland.

We also support SONI's view that Interconnection investments are not only about market price differentials but also support long-term economic and system benefits, e.g. increased security of supply and avoidance of generation investment (page 63). These wider benefits are not recognised in the market price differentials. Therefore, in the face of the uncertainty in congestion rents, regulatory arrangements are often needed to support these high social economic welfare investments. This has clear parallels to GB and the RoI, where 'Cap and Floor' approaches have been adopted for the recent interconnectors.

We would make one minor observation regarding the definition of interconnector (page 12) as "The electrical link, facilities and equipment that connect the transmission network of one EU member state to another". The definition may need to be broadened reflect interconnection can be within the UK internal market as well as connecting to, or within, the EU.

TI LirIC look forward to working closely with SONI and interested parties to move the project forward in a timely way – supporting the NI renewable energy ambitions and enabling the power exchange and system security benefits identified by SONI.

Yours sincerely,



Mark Fitch
Corporate Development and Regulation Manager