

# Policy Notice: Land access and landowner compensation for overhead transmission network infrastructure

## Introduction: About this Policy Notice

This Policy Notice sets out the System Operator's approach to securing land access for the purpose of planning new overhead transmission network infrastructure and the payment of compensation to affected landowners.

It sets out a new approach following feedback from stakeholders that the existing approach to landowner compensation was insufficient. The Policy outlined below has been developed based on best practice and case law from elsewhere, existing precedent in Northern Ireland and in consultation with stakeholders.

This Policy was published on 20th January 2025. There has been a subsequent update released on 5<sup>th</sup> June 2025.

## Our role and the current landscape

The Electricity (Northern Ireland) Order 1992 places the following duties on the Transmission System Operator:<sup>1</sup>

*(2) It shall be the duty of the holder of a licence under Article 10(1)(b), as appropriate having regard to the activities authorised by the licence, to—*

*(a) take such steps as are reasonably practicable to—*

*(i) ensure the development and maintenance of an efficient, co-ordinated and economical system of electricity transmission which has the long-term ability to meet reasonable demands for the transmission of electricity; and*

*(ii) contribute to security of supply through adequate transmission capacity and system reliability; and*

*(b) facilitate competition in the supply and generation of electricity.*

As part of its network planning role, SONI plans the infrastructure projects required to maintain and upgrade the transmission system through its "Three-Part Grid Development Process".

In doing so, and in consultation with NIE Networks as the Transmission Owner, SONI identifies the need and options and secures the required planning permission and land consents before handing the project over to NIE Networks for construction and maintenance.

These roles and responsibilities are established in the Transmission Interface Arrangements (TIA) between SONI and NIE Networks.

More specifically, as part of SONI's Three-Part Grid Development Process, SONI engages with the relevant landowners for transmission network projects to secure a consensual voluntary wayleave agreement. Landowners receive an annual wayleave payment based on a schedule of wayleave rates issued by NIE Networks.

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<sup>1</sup> Section 12, Electricity (Northern Ireland) Order 1992, <https://www.legislation.gov.uk/nisi/1992/231/article/12>

While SONI engages with landowners extensively and on many occasions during the grid development process, voluntary wayleave agreements are typically sought once a project has received planning permission.

Once sufficient land consents have been obtained, SONI can proceed with project handover to NIE Networks.

As Northern Ireland's Transmission System Operator, SONI always seeks to secure the required land consents by working collaboratively with landowners on the basis of consensual agreement. In June 2024, SONI published a revised "Landowner Charter" which sets out the principles and standards for its landowner engagement.<sup>2</sup>

However, in some circumstances, where voluntary agreement cannot be reached, SONI is required to apply for a "Necessary Wayleave" to the Department for the Economy. The guidance for this process is set out on the Department's website.<sup>3</sup>

Consistent feedback from stakeholders who represent rural communities and landowners has indicated that the existing approach to landowner compensation was insufficient and unlikely to secure the voluntary land consents in a timely or amicable fashion.

Given the significant programme of infrastructure works required to support Northern Ireland's renewable energy policy and time-bound statutory targets, SONI engaged with the Utility Regulator for Northern Ireland and the Department for the Economy in 2023 about introducing a standard model of landowner compensation based on the provision of a voluntary easement for all future overground transmission network infrastructure projects.

The below Policy sets out the enduring model going forward for land access and compensation for new transmission network development projects.

## **General approach**

The new approach outlined in this Policy Notice sets out the package of compensation that will be provided to landowners aligned to an agreement on the provision of a voluntary easement.

The decision to agree to a voluntary easement in exchange for the below package of compensation is voluntary. For those landowners who do not wish to avail of the package, a voluntary wayleave agreement will still be available with the corresponding annual wayleave payments based on a schedule of wayleave rates issued by NIE Networks.

All details outlined in this Policy Notice are subject to final contractual agreement and associated terms and conditions. Landowners should discuss this with their appointed agent and solicitor.

The contents of this Policy Notice should be read in conjunction with SONI's Landowner Charter which sets out our principles for engaging with landowners.

## **Policy principles, application criteria and additional information**

In developing and consulting on this policy, we have adhered to the following principles:

- **A proportionate approach** – any approach to compensation must consider the cost to the consumer and be proportionate in this respect.

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<sup>2</sup> Landowner Charter (2024), System Operator for Northern Ireland, <https://www.soni.ltd.uk/about/in-the-community/Landowner-Charter-2024-Final.pdf>

<sup>3</sup> Electricity Wayleaves (Necessary), <https://www.economy-ni.gov.uk/articles/electricity-wayleaves-necessary>

- **Use of precedent and benchmarking** – we have considered a range of models and best practice elsewhere, including Great Britain and Ireland. We have also considered the precedent set by the model used for the North South Interconnector and UK case law in the appropriate assessment of land value for easement corridors.
- **Future-focused** – this model will apply to the construction of new overhead transmission lines and infrastructure only given the change in the Northern Ireland Executive’s renewable energy policy ambition and the introduction of statutory targets in 2022. It will not apply to the distribution network and will not be applied retrospectively to existing transmission overhead lines. The model will not be applicable to existing lines undergoing uprate or refurbishment where a wayleave is already in place or where the renewal of a wayleave is required. This would entail prohibitive and unacceptable costs to the consumer.
- **Voluntary consent** – to protect consumers, this model will only be made available for voluntary agreements. For those landowners who wish to avail of the compensation package, annual wayleave payments will no longer be applicable. In the event a landowner does not wish to enter into an easement, a voluntary wayleave will still be offered. In this instance, the wayleave would be subject to the existing annual wayleave payment based on a schedule of wayleave rates issued by NIE Networks and the compensation package would not be applicable. Any requirement for land access to be secured through the Necessary Wayleave process would also be subject to the schedule of wayleave rates issued by NIE Networks.<sup>4</sup> In the event a Necessary Wayleave is required and granted, it will not be possible to offer a voluntary easement and the associated compensation.
- **Fairness and standardisation** – while land values differ across Northern Ireland, we have sought to develop a model that is standardised and creates a “level playing field” for landowners.
- **Budget certainty** – land values can fluctuate up and down in line with market conditions. It is important to balance appropriately accounting for changes in the price of land over the lifetime of a project with the need to protect consumers and the need for certainty in project budgets.

## Contacts

For more information on this Policy Notice or SONI’s wider landowner engagement, please contact:

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<sup>4</sup> For more information on Necessary Wayleaves, visit <https://www.economy-ni.gov.uk/articles/electricity-wayleaves-necessary>

## LANDOWNER COMPENSATION MODEL

The components of the compensation package offered to landowners for all future overhead transmission network development projects is outlined below in exchange for agreement on a voluntary easement. The below components are subject to final contracts.

Compensation package component	Description
<b>Project Easement Payment</b>	<p>For the purposes of this Policy Notice, SONI will calculate the Project Easement payment based on <b>50% diminution of value</b> of the total land required.</p> <p>Industry standards in the utility sector, for which there is existing case law, adopt a percentage diminution in value of the land for the prescribed easement right. This recognises that while the landowner has consensually agreed to the prescribed right, they can continue to farm the land in the applicable manner to their farm business or sector. Some statutory processes do not enable this payment but under a voluntary agreement it is an applied formula.</p> <p>Based on independent, expert advice and stakeholder feedback, this land value component will be determined on <b>a per acre project-by-project basis</b> to balance the need for consistency, variation in land values and budget certainty.</p>

	<p>When SONI applies for regulatory funding approval for network development projects, it will commission an independent, expert valuation for the average land values for an entire project area. This will then produce an “Average Project Land Value.”</p> <p>Therefore, where a project is undertaken in areas of higher land values, this component of the compensation will reflect that and vice-versa. This value will be the same for all landowners affected by the project and will be set in the year when SONI seeks regulatory funding approval. For example, if SONI seeks funding approval in 2024, then a 2024 “Average Project Land Value” will be used.</p> <p>We recognise that it is possible that land values may change between a consensual agreement and construction of the project. To acknowledge the need to proportionally address this, a uniform 10% uplift to this component will be applied.</p> <p>The acceptance of the easement corridor payment is on a full and final basis and will negate any further claims for the apparatus in situ on or across any agricultural land.</p> <p>It is important to note that this Policy Notice applies to agricultural lands. Other land uses may be subject to independent valuation on a case-by-case basis.</p>
<b>Steel tower payment</b>	<p>This is an additional compensation payment to landowners for a tower(s) on their land on top of the easement payment, to recognise that this infrastructure can cause disturbance to farming practices over the lifetime of the line. The exact steel tower payment depends on the size and footprint of the tower e.g. 110kv/275kv/400kv</p>

	<p>single/double circuit. This is based on an inflation-adjusted capitalisation (30 years) on the existing annual wayleave payments and pro-rata per leg based on location.</p> <p>For example, for a 110kv single circuit tower an amount of £4,000 per tower would be payable.</p>
<b>Pole payment</b>	<p>This is an additional compensation payment to landowners for a pole set(s) on their land on top of the easement payment, to recognise that this infrastructure can cause disturbance to farming practices over the lifetime of the line. The exact pole payment depends on footprint and whether it is a single or double pole set. This is based on a capitalisation (30 years) on the existing annual wayleave payments and pro-rata per leg (individual pole) based on location. An amount of £2,000 is payable per pole set.</p>
<b>Sign On payment</b>	<p>This is an additional one-off top up payment based on <b>15% of the total easement and apparatus payment</b> which can only be received subject to legal completion of the Option Agreement and Easement usually within a <b>12-week time bound period from our initial offer</b> <sup>5</sup>.</p>
<b>Agent and solicitor</b>	<p>A contribution of up to £1,500 + VAT Agent Fees and up to £1,500 + VAT Solicitor Fees. This payment is made directly to the agent &amp; solicitor, not the landowner, and is subject to completion of the easement. Any fees associated with crop loss or disturbance are to be agreed in advance with NIE Networks directly.</p>
<b>Goodwill and burdens payment</b>	<p>In recognition of the additional burden placed on landowners of hosting infrastructure that needs to be constructed and maintained on an ongoing basis, including the need to provide timely access for said construction and maintenance works, we will apply a <b>flat top up payment based on 5% of the total easement and apparatus payment</b>.</p>

<sup>5</sup> Additional time will be allowed for exceptions circumstances. These exceptional circumstances are reviewed and assessed by SONI on a case-by-case basis.

	This will be paid on completion of the Option Agreement.
<b>Crop loss and disturbance</b>	<p>This payment will be negotiated and settled between the landowner and or their agent and NIE Networks during the construction phase of the work.</p> <p>Best Practice Guidelines for access to lands is currently under development by network owners across Great Britain, including with input from NIE Networks. This Best Practice Guidance will be made available in due course.</p>

## PAYMENT SCHEDULE

Payment Schedule	Payment Made
Option Payment – 10% of the overall package (deducted from the overall easement and apparatus payment)	Paid on completion of the Option Agreement for subsequent Deed of Easement.
Early Incentive Payment – 15% of the total easement and apparatus payment	Paid on completion of the Option Agreement for subsequent Deed of Easement, subject to a 12-week time bound period from our initial offer.
Goodwill and burdens payment – 5% top up payment based on the total easement and apparatus payment	Paid on completion of the Option Agreement.
60% of the total easement and apparatus payment	Completion of the Deed of Easement.
30% of the total easement and apparatus payment	Energisation of the Project.