

Alan Kennedy
SONI Limited
Castlereagh House
12 Manse Road
Belfast
BT6 9RT

By Email Only: Alan.Kennedy@soni.ltd.uk

Date: 08 August 2025

Our Ref: NET/E/DM/1309

Dear Alan,

RE: SPID 04_2024 AGU Definition Modification

We write following our receipt and consideration of SONI's Grid Code Modification Report (**the Report** - dated 27 June 2025), the accompanying Greenline and Redline versions, and the Modification Proposal Form (dated 12 June 2024), as submitted by SONI to the Utility Regulator (the Authority) in accordance with paragraph 2 of Condition 16 of the electricity transmission licence held by SONI (the Licence).

The Report sets out SONI's proposed modifications to the Grid Code, which would update the AGU Definition into sections of the Grid Code. This was publicly consulted upon on SONI's consultation portal¹ and discussed at a subsequent meeting of the GCRP on 24 September 2024.

The purpose of that modification had been to align the Grid Code with the 1992 Electricity (Northern Ireland) Order. The Grid Code implies that each member Generating Unit operated as part of an AGU must be <10MW, whereas the Order provides for exemptions from licensing requirements only for Persons providing less than 10MW of electrical power.

The Authority's Decision

Having reviewed the material provided, the Authority has decided to approve the making of the AGU Definition Modification. By this decision

¹ <https://consult.soni.ltd.uk/consultation/grid-code-consultation-agu-modification>

letter and in accordance with paragraph 4 of Condition 16 of the Licence, the Authority directs SONI to revise the Grid Code in the manner set out in the Report. SONI must comply with this direction forthwith.

The general background, the details of the AGU Definition Modification, and the reasons for the Authority's decision follow.

The AGU Definition Modification

The changes proposed by SONI are related to the AGU Definition within the Grid Code and the Electricity Order. The Grid Code implies that each member Generating Unit operated as part of an AGU must be <10MW, whereas the Order provides for exemptions from licensing requirements only for Persons providing less than 10MW of electrical power.

As the licensing requirements originate in statute, rather than industry codes of practice, i.e. the Grid Code, Distribution Code, etc. it was proposed to modify the Grid Code to remove the any ambiguity, mitigating the possibility that any participant could infer from the Grid Code that co-located generators comprising capacity >10MW could participate in an AGU.

They proposed that a sentence is added to the GD1 definition of an Aggregated Generating Unit to the effect that the sum of Registered Capacities of Generating Units located at a given User Site must be less than 10MW.

As required by GC6 of the Grid Code, the AGU Definition Modification proposal was reviewed by the Grid Code Review Panel (the Panel) on 12 June 2024.

SONI issued a six week consultation concerning the proposed Modification in Aug 2024.

One response was received from the Federation of Energy Response Aggregators on September 15th, 2024.

Five concerns were raised with the proposed modification (paraphrasing FERA's response):

1. Persons is not a defined term.

2. Generating station is not a defined term.
3. Member is not a defined term.
4. Export volume and on-site demand are not considered.
5. AGU operators are licensed to aggregate generation, thus, even units comprising >10MW behind a single connection would be covered by a license arrangement if aggregated.

SONI responded to the effect that:

1. Persons in this context are the holders of licenses granted under the Order in respect of generation which they own. The term does not appear in the proposed modification.
2. Generating station in this context, simply means all generation within a site boundary i.e. fed via the Connection Point of the User Site. Generating Unit and User Site are defined terms, and are capitalised in the text of the sentence proposed to be inserted into GD1
3. The word “member” comes from the GASOA agreements between the Transmission System Operator and Generator Aggregators, where it is defined. It was included with the aim of distinguishing between generation that is, and is not, aggregated by an AGU Operator. However this concern is material because that distinction is not listed among the exemptions from licensing requirements stipulated by the Order.
4. The Order as written would not exempt >10MW of capacity net of demand from the requirement to be licensed even if <10MW Maximum Export Capacity was contractually agreed (and the connection assets were rated for same). However; it is true that the 10MW threshold stipulated by the Order is net of Demand at the same premises. This concern is material, and merits a revision of the proposed wording.
5. The wording of the Order does not list participation in an aggregation as a condition exempting the owner of a site comprising >10MW generating capacity from the requirement to hold a license. As such there is no scope to consider that an aggregator’s license fulfils the requirements placed upon the owner of a such a site by the Order.

The response was discussed at a subsequent meeting of the GCRP on 24 September 2024. As such SONI changed their proposal to remove the word “member” and the qualification with regard to demand at the same premises, and Annex A is the definition they have requested for approval.

As such SONI prepared the Report and submitted this to the Authority.

SONI's Rationale for the AGU Definition Modification

SONI recommends that the Authority approve the proposed modification. They stated that modification seeks to align the Grid Code with Statute, thus respecting the legal hierarchy in effect in the electricity sector in Northern Ireland. SONI believe that the approval of this modification will ensure the accuracy and relevance of the Grid Code and that the Code is in line with applicable statute legislation.

They stated that the proposed modification supports the objectives of the Grid Code as it;

- promotes transparency for existing and new Users and market participants, and,
- promotes efficiency in the implementation and administration of Grid Code arrangements.

The Authority's Decision and Reasons

Having reviewed the Report and its supporting documentation, the Authority has decided to approve the AGU Definition Modification.

The Authority considers that approval of the AGU Definition Modification is in line with its electricity principal objective under Article 12 of the Energy (Northern Ireland) Order 2003 (the Energy Order). Under Article 12, in exercising its electricity functions, the Authority should have regard to, in relation to our principal function of protecting the interests of consumers, to the need to secure that all reasonable demands for electricity are met.

The modification is sought to ensure that Grid Code would be aligned with applicable statute legislation, increasing transparency for parties connecting to the Transmission and Distribution System, and parties seeking to aggregate generation in order to participate in the Integrated Single Electricity Market.

We consider that the request for approval of the Proposed Modification is well founded for the reasons set out in the Proposal Form and the Modification Report. We further consider that the Now Proposed Modifications facilitates the attainment of the objectives (for the Grid Code) set out in Condition 16(1) of the Licence.

By this decision letter and in accordance with paragraph 4 of Condition 16 of the Licence, the Authority directs SONI to revise the Grid Code in the manner set out in the Report.

This approval shall be effective from the date of this letter. Please proceed to publish an updated version of the Grid Code on SONI's website.

We trust this is satisfactory. Should you have any further queries please contact Jody O'Boyle.

Yours sincerely,



Brian Mulhern

Director of Networks and Energy Futures

Duly authorised by the Authority

Annex A

Aggregated Unit	Generating Unit	A group of Generating Units connected to the Transmission or Distribution System and represented by a Generator Aggregator, each of which must not have a Registered Capacity greater than 10 MW. The sum of the Registered Capacities of Generating Units located at a given User Site must also be less than 10MW, net of Demand at that User Site. An Aggregated Generating Unit with a total Registered Capacity of 4 MW or more shall be subject to Central Dispatch (and shall therefore be a CDGU), but one with a total Registered Capacity of less than 4 MW may only be subject to Central Dispatch subject to agreement with the TSO. Unless otherwise specified by the TSO or otherwise in the Grid Code, information submitted in respect of an Aggregated Generating Unit shall always be at an aggregated level.
------------------------	------------------------	--