

SONI Connections Policy

Connections Process and Use of Planning Permission as a Milestone

Effective 1 February 2018 at 9:00am



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Introduction

SONI is the licensed Transmission System Operator (TSO) in Northern Ireland that is responsible for planning and operating the Transmission System in a safe, secure and economic way to ensure a reliable supply of electricity.

Under Article 12 of the Electricity (Northern Ireland) Order 1992 (the 1992 Order), SONI is required to develop and maintain an efficient, co-ordinated and economical electricity Transmission System in accordance with its TSO Licence. In the context of connections, SONI discharges this duty by offering terms to customers for new connections, or for modification of existing connections, to the Transmission System in line with Condition 25 of its TSO Licence. The Northern Ireland Transmission System Security and Planning Standards (TSSPS) set out the minimum requirements for the planning of the Transmission System, and these mandatory standards are used in SONI's assessment of applications for connection to the Transmission System (referred to as connection application(s)).

The number of connection applications received by SONI has increased in recent years, as has their complexity. SONI recognises the need to issue connection offers as efficiently as possible to projects that have a realistic prospect of being delivered, in a manner that ensures the development of a co-ordinated transmission system and facilitates competition.

The aim of this connections policy is to set out SONI's processes related to the following¹:

- The steps required to be followed to make a connection application, together with the pre-requisites necessary for SONI to deem an application valid;
- The requirements around the offer made by SONI to the applicant for connection to the Transmission System (hereafter referred to as an offer), in particular those related to planning permission and acceptance of the offer; and
- The details of other existing elements which are interlinked with the preparation of the offer process to connect to the Transmission System.

SONI will continue to review this policy to ensure it is effective and up-to-date. SONI reserves the right to modify this policy at any stage to ensure it continues to facilitate compliance with statutory obligations.

Background

To date, applicants seeking to connect to the Transmission System have had to meet three pre-requisites before a connection application would be deemed valid² by SONI,

¹ For the avoidance of doubt, this policy does not apply in relation to Article 11B of the 1992 Order, regarding the provision of additional capacity or energy efficiency measures.

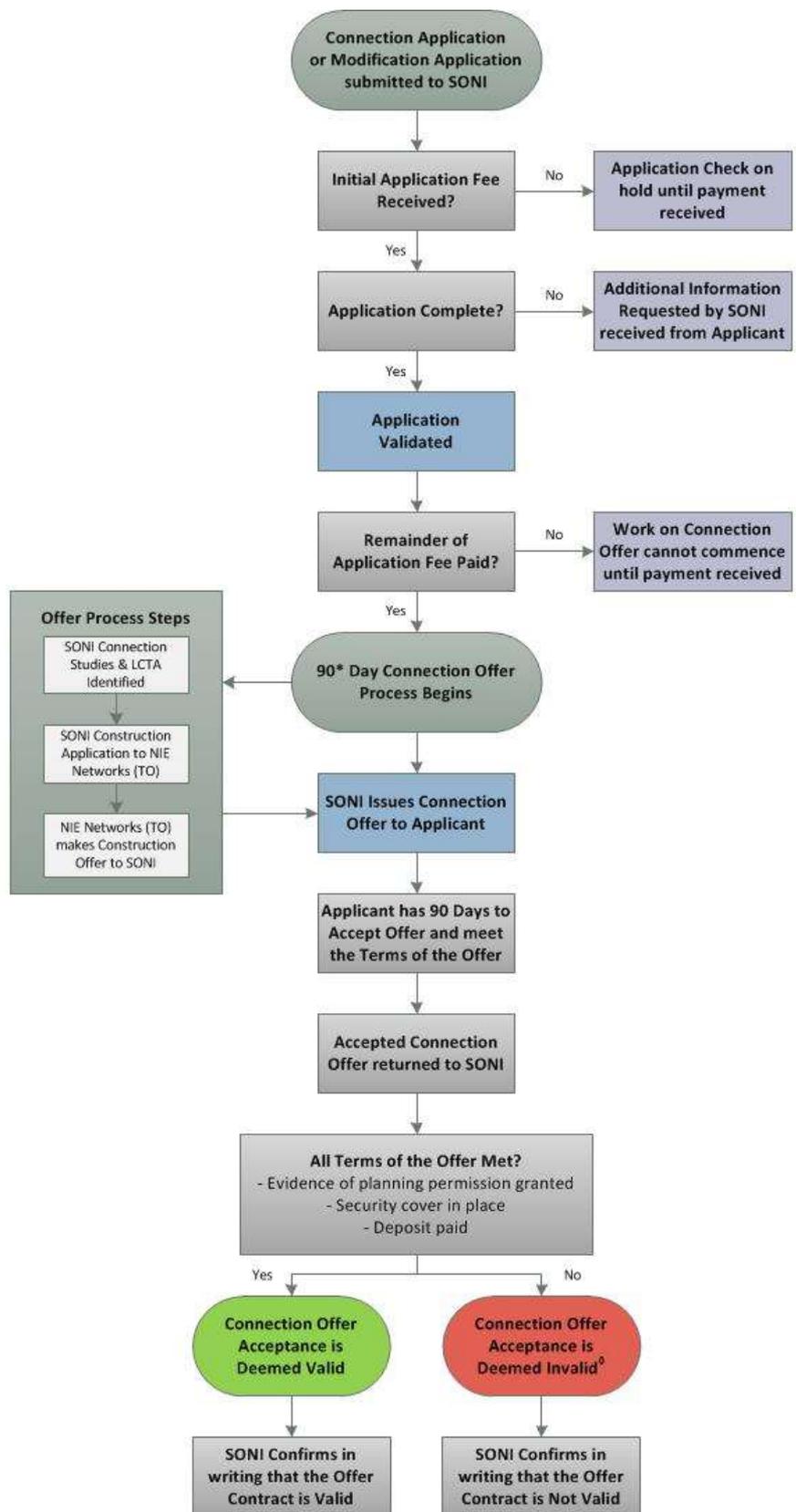
and the offer process would begin. One of the pre-requisites was that the applicant had to have obtained planning permission or other relevant consents³ for the project they were proposing to connect from the relevant authority. These arrangements have been effective in delivering the connection of projects to the Transmission System in an efficient and co-ordinated manner and have been widely supported by industry.

SONI has modified its processes to allow applicants to submit a connection application in advance of obtaining planning permission or other relevant consents. However, planning permission or other relevant consents will continue to be an early milestone in the offer process, as shown in Figure 1.

² Deemed valid means that SONI is in receipt of an application containing all such information as SONI may reasonably require for the purpose of formulating the terms of the offer, as well as the relevant application fee being paid.

³ Please see joint SONI and NIE Networks decision paper entitled "*Generator Connection Process: Allocation of Transmission FAQ in N Ireland & ITC Methodology to determine FAQs; Consenting Requirements in advance of application for offshore generation connection*". Published 8 October 2014.

Figure 1. SONI Transmission Connection Offer Process valid from 1 February 2018 at 09:00



* In the case of complex applications, SONI and NIE Networks may need to request an extension to the offer timelines

^o Unless an extension has been granted by SONI due to exceptional circumstances

Pre-Application

Pre-Application Discussion

If a prospective applicant is considering applying for a connection for their proposed project, SONI will facilitate an informal meeting to discuss the potential connection. At the meeting the proposed project can be discussed, as well as the processes involved in obtaining a connection and SONI will assist in helping to answer any queries the prospective applicant may have.

It should be noted that SONI will not be able to provide any assurances regarding the connection methodology or outcome of the connection offer application process for the proposed project at this stage. However, an informal meeting can still be very helpful in directing a potential customer to relevant, published information that can inform their decision.

Feasibility Studies

Feasibility studies are not part of the offer process. However, SONI may be able to undertake a feasibility study at the request of the applicant, where the terms of reference are agreed and SONI has appropriate resources available to carry out the studies. The scope and limitation of the feasibility study, as well as the costs payable by the applicant must be agreed between SONI and the applicant before any work would commence.

All parties may request a feasibility study option in the early stages of their project. The feasibility studies aim to provide the interested party with indicative electrical connection options and indicative costs for their project (depending on the agreed scope of works). It is important to highlight that while feasibility studies may be useful, they do not constitute an offer and will not, for example, provide any detailed analysis of route selection for the connection options studied. Additionally, the connection methodology as set out in any subsequent offer may differ from the connection methodology identified as part of the feasibility study as other projects and applications will need to be considered at the time that the connection application is submitted by the applicant, as well as any other assumptions that may have changed in the interim.

Connection Application

Under this policy, applicants seeking to connect to the Transmission System will need to meet the following pre-requisites in order for the connection application to be deemed valid:

- Submission of the relevant transmission connection application form (available on the SONI website (www.soni.ltd.uk)) which has been properly completed with all necessary data provided;
- Payment of the relevant connection application fee (hereafter the application fee) in total by electronic fund transfer, cheque or bank draft. An initial payment of £5,000 plus VAT for each application will allow SONI to carry out the relevant application check and provide feedback, but the total application fee has to be paid in full and to have cleared in SONI's account before work on the connection offer can commence; and
- Completion of the application declaration, as per the application form in relation to technical compliance.

It is expected that the majority of projects will have reached an advanced stage in the planning process at the time a connection application is submitted. Therefore, SONI expects the planning application reference number (for example, the reference that can be used on the Northern Ireland Planning Portal) or reference for other relevant consenting regimes³ to be provided in the appropriate section of the connection application.

SONI will only begin work on formulating the offer after the connection application has been deemed valid, all necessary data have been provided, and the total application fee has been paid. The specific details relating to each of the pre-requisites are set out in more detail below.

It should be noted that before SONI can begin the connection studies, the applicant will need to provide all preliminary project planning data for the project, as well as supplying any detailed planning data (as requested) in order to enable SONI to undertake the necessary system studies.

Payment of Application Fees

When making a connection application, the applicant can choose to pay an initial instalment of £5,000 plus VAT (hereafter referred to as the initial fee) or the total application fee. As a minimum, the initial fee must accompany the submission of the application form. SONI shall only commence a formal application check when the initial or total application fee is received and the funds have cleared. The application fee may be paid via by electronic fund transfer, cheque or bank draft.

The value of the application fee is dependent on the Maximum Export Capacity (MEC) and/or Maximum Import Capacity (MIC) of the applicant's project⁴. SONI shall only commence work on the offer once the total application fee has been received and the connection application has been deemed valid. There will be no reduction in the application fee for any reason.

Technical Compliance

Article 12 of the 1992 Order and the terms of the TSO Licence⁵ places a general duty on SONI to develop and maintain an efficient, co-ordinated and economical electricity Transmission System, to contribute to security of supply through system reliability, and also to facilitate competition in the supply and generation of electricity. In complying with this duty, the following components of the application are considered:

Compliance with Grid Code and European Network Codes

Compliance with technical codes and standards is necessary to protect electricity consumers as failure to comply can have a direct and adverse impact on the security and quality of electricity supplied and may have health and safety implications⁶. Therefore, the applicant must commit to compliance with the SONI Grid Code (hereafter called the Grid Code), any relevant European Network Codes and the TSSPS, insofar as they are applicable to the applicant's project.

SONI's offer process assumes that applicants will be compliant with all relevant codes and standards. It is plausible that an applicant may know at the connection application stage, or even before, that the plant or apparatus that they are seeking to connect as part of their project will not be fully compliant with the Grid Code, European Network Codes⁷ and/or the TSSPS. If an applicant does not expect to be able to fully comply with these codes and/or the TSSPS, SONI will require the applicant to obtain a generation licence from the Utility Regulator⁸ (to the extent that it has not already done so) and derogation from the relevant code and/or standard by the end of the 90 day offer acceptance period.

Planning Data and Use of Assumed Data

Preliminary project planning data must be provided to SONI when applying for a new offer or for a modification to an existing offer or connection agreement. The data required are set out in the relevant application forms and in the Planning Code (PC) contained within the Grid Code.

However, it should be noted that under PC6.4.2 of the Grid Code, SONI may specifically request detailed planning data at application stage to permit more detailed system or other Transmission System studies for the purposes of formulating an offer. As such,

⁴ Please see the most recent publication of Transmission Connection Charging Methodology for more details, which is available in the publications section of the SONI website (www.soni.ltd.uk).

⁵ Available on the Utility Regulator's website (<https://www.uregni.gov.uk>)

⁶ As per the Electricity Safety, Quality and Continuity Regulations (Northern Ireland) 2012.

⁷ <https://ec.europa.eu/energy/en/topics/wholesale-market/electricity-network-codes>

⁸ Please note that a Generation Licence is required in order to apply for a derogation (<https://www.uregni.gov.uk/applying-licence>).

SONI reserves the right to request additional data if necessary, and the applicant should provide such information as requested promptly throughout the offer process.

In the absence of the applicant providing the complete set of data required, SONI may use assumed data to complete the connection studies (as set out in section 5 of the Data Registration Code (DRC), contained within the Grid Code). Please note that the use of assumed data by SONI is at the sole technical and financial risk of the applicant, and SONI accepts no responsibility or liability should the assumed data differ from the actual parameters of the as built connection plant and apparatus, including where this results in additional works being required to facilitate the connection (and/or additional costs to the applicant).

In any case, all detailed planning data must be submitted to SONI within 28 days of accepting an offer from SONI. A pro forma setting out the detailed planning data required to be submitted can be supplied by SONI on request. It can also be found within the Grid Code as part of the DRC.

SONI recommends that all potential connection applicants carefully review the Grid Code, the European Network Codes and the TSSPS to ensure that they can meet all the requirements relevant to their type of project.

Application Declaration

On submission of the connection application, the applicant must sign an application declaration.

The application form makes it clear that if an applicant intentionally or negligently makes a false, misleading or inaccurate representation in respect of the above requirements, this may be deemed to be an “*event of default*” under the applicable offer and may result in termination of the offer by SONI. If it is discovered that an applicant has made a false, misleading or inaccurate representation, then the connection application may be removed from processing by SONI, and any live offer rescinded. To be clear, the application declaration applies to the technical compliance portion of the offer process as well as to all other substantive information supplied by the applicant (e.g. location of the project, the operating regime, etc.).

Planning Consent as a Milestone

From 1 February 2018, it will no longer be necessary for applicants to have secured planning permission at the time of submission of a connection application. Achievement of planning permission will instead be a term of any connection offer issued by SONI, as below.

In the offer issued by SONI to the applicant, there will be three terms of the offer that the applicant will need to meet by the end of the 90-day offer acceptance period for the Connection Offer Acceptance to be deemed valid by SONI. These are:

1. Deposit paid;
2. Required security cover in place and in a form agreed with SONI; and
3. Evidence that relevant planning permission or relevant consent³ has been granted.

Evidence demonstrating that relevant planning permission is granted, to SONI's reasonable satisfaction, must be submitted to SONI along with the offer acceptance. Please note that a Notice of Opinion to approve will not be accepted as proof that planning permission has been granted. If the planning permission has not been obtained by the end of the 90-day offer acceptance period, then the offer will lapse unless the applicant has been granted a formal written extension to the offer timelines by SONI (please see the section on "Extensions to Offer Acceptance Period" for details).

In addition, the planning permission must be relevant and accurately reflect the project that is described in the application form⁹.

For the avoidance of doubt, SONI reserves the right to act in its sole discretion in determining whether any evidence of planning permission provided is sufficient. Generally, SONI's role will be to assess whether there is prima facie evidence of sufficient planning permission on the basis of the documentation provided. Where this is unclear, SONI may request further documentation (e.g. Certificate of Lawful Use or Development).

The submission of a connection application without planning permission is done entirely at the sole technical, commercial and financial risk of the applicant.

Application Effective Date

All applications will be assigned an 'application effective date', which will be the later of:

- Date 1:** Date and time that the connection application was received by SONI (either date stamped on the hard copy or the time that the emailed connection application was received);
- Date 2:** Date and time that any clarification or additional information requested as part of the application check (as set out in the "Technical Compliance" section above) is accepted by SONI meaning that the connection application is complete; or
- Date 3:** Date and time which the application fee has cleared and is fully paid.

Where SONI is in receipt of two or more applications, the application with the earliest application effective date will be first in the queue and so forth.

⁹ Please note that the applicant must get planning permission for the site of the connection point, i.e. the connection substation which will be subject to a lease granted to NIE Networks for their plant, apparatus and access

All applicants will have a minimum period of 180 days from the application effective date to secure planning permission (which will ordinarily be comprised of the 90 day offer process time and 90 day offer acceptance period). For the avoidance of doubt, where SONI issues an offer in less than 90 days, additional time will be added to the offer acceptance period so that the applicant has a total of at least 180 days from the application effective date to achieve planning permission. If an applicant chooses to accept the offer in less than 90 days and without planning permission being granted, this is done at their own risk (for example, if an applicant accepts an offer on day 65, they will still have 25 days to provide evidence that planning permission has been obtained). SONI will allow the applicant's acceptance of the offer but the Connection Offer Acceptance will not be deemed valid by SONI and no work on the connection will commence until planning permission is confirmed (which must be secured at the latest by the end of the 90 day offer acceptance period, subject to any formal extension as set out below) and all of the terms of the offer have been met.

Connection Offer

Connection Offer Steps

SONI will endeavour to issue the offer within 90 days of the application effective date. However, it should be noted that where a connection is complex this may not be possible and SONI may need to request an extension from the Utility Regulator to the offer timelines¹⁰. To the extent that this is the case, the timescale for preparation of the offer will be adjusted accordingly, but the offer acceptance period will remain at 90 days. The planning permission timeline will be adjusted accordingly (so as to extend the total period of 180 days to reflect the additional time required for SONI to issue an offer), and planning permission will still be required by the end of the 90 day offer acceptance period.

Figure 1 outlines the steps involved and indicative timescales of the connection offer process, including the interaction between SONI and NIE Networks in developing the offer. For information, the steps that SONI and NIE Networks have to follow in compiling an offer are:

Construction Application: SONI undertakes the necessary connection studies to inform the connection method and applies to NIE Networks, as the Transmission Owner (TO) for an offer to build the transmission connection to the project (hereafter called a construction offer). This application will be based on very high level design assumptions (e.g. around the consideration of other connections that are connecting in the same timeframe, and a connection from point A to B together with a percentage addition to allow for deviation in the route), as many elements of the connection cannot be stated with certainty until the completion of the pre-construction phase (i.e. once planning permission for the grid connection is obtained, ground investigation works have been completed, and landowner consents obtained).

Construction Offer: The TO then develops and submits a construction offer to SONI which will set out high level construction charges to connect the project based on the methodology as outlined in SONI's construction application. The construction offer also includes the high level scope of the construction works (and any assumptions used to develop this scope), commercial terms, a high level construction programme and any other terms and conditions that the TO deem necessary.

Connection Offer: Once the construction offer has been received from the TO, SONI will incorporate the terms and conditions from this into SONI's connection offer to the applicant in respect of the project. The offer will set out the works required to connect the project to the Transmission System, together with the associated charges, commercial terms and a high level programme. While SONI and the TO endeavour to be as accurate as possible in developing the connection charges contained in the offer, there are a number of uncertainties that exist (e.g. considerations that may arise during the planning

¹⁰ This will be done in line with the UR's Decision Paper entitled "*Derogations from Network Codes and Grid Codes / Standards in Electricity Generation, Distribution and Transmission Licences*". Published 17 February 2017.

consultation process, ground conditions that become apparent before or during construction, etc.). Therefore, the charges in the offer are an informed estimate, based on the information available to SONI and the TO at the time of the offer, but the costs may vary as the project progresses.

For the avoidance of doubt, Firm Access Quantity (FAQ) will continue to be assessed and issued after planning consent has been obtained and in line with established processes that were subject to consultation¹¹.

Both SONI and the TO work together to meet the required timescales as set out in their respective licences and the Transmission Interface Arrangements (TIA)¹². However, transmission connections are often complex, even when considering them at a high level, and additional time may be required by either SONI and/or the TO to develop costings and prepare the connection offer.

Offer Acceptance

The offer will remain open to acceptance by the applicant for a period of 90 days. The following are standard terms and conditions applicable to the acceptance of the offer, and should be provided when the signed acceptance form is returned to SONI:

- The offer is accepted by the applicant on or before the offer expiry date;
- Proof that that project applied for has received relevant planning permission;
- The appropriate security cover (e.g. MEC Bond and/or MIC Bond) is in place and in a form agreed with SONI; and
- The deposit against the connection charge is paid, as outlined in the offer.

Should the applicant fail to comply with any of the above terms and conditions by the time of the offer expiry date, the offer will be deemed to have expired. Subject to any formal extensions to the offer, a new connection application and application fee would then be required should the applicant wish to receive a further offer for their project.

In terms of the type of evidence that SONI will typically expect to demonstrate that planning consent has been obtained, this will be either a copy of the planning permission or decision of the Planning Appeals Commission (PAC) as the case may be.

Once the offer has been accepted, SONI will verify that the terms of the offer have been met. Following this, SONI will write to the applicant to confirm that the Connection Offer Acceptance is deemed valid and that the contract is in place. If the applicant fails to meet the terms of the offer, SONI will (unless an extension is granted as a result of exceptional circumstances) write to the applicant to confirm that the acceptance is not valid and the offer has expired.

¹¹ See section 6 of the Decision Paper entitled “*Alternative Connection Application and Offer Process Proposal to Determine FAQs, Decision Paper*”. Published 31 May 2016.

¹² Transmission Interface Arrangements between SONI Ltd and NIE Networks Ltd.

Extensions to Offer Acceptance Period

While SONI will in all cases enforce the offer acceptance period without discrimination, we recognise that there may be a limited number of exceptional circumstances under which it may be appropriate to grant an extension to the offer acceptance timelines. Any extension granted to the offer acceptance timelines will not exceed 90 days, except in exceptional circumstances.

For example, without limitation, extensions may be considered, in the following scenarios:

- Where there has been a demonstrable delay in issuing planning permission (which should have been imminent) outside of the applicants control¹³, and the applicant can provide documentation to support this claim.
- Where planning permission has been granted, but is subject to Judicial Review (JR) proceedings, SONI will consider a request for extension to the offer acceptance timelines and where an extension is granted it will be kept under review. SONI will discuss the offer with the applicant to outline the options available, together with the associated risks. The applicant will also have the option to accept the offer or withdraw from the offer process, subject to the following:
 - If the applicant chooses to accept the offer, SONI will respect the presumption of legality of the planning permission while the JR is ongoing and the project would maintain its place in the connections queue. SONI will commence work on the connection while the JR and any appeal thereof is being considered by the courts; however, this will only be done at the sole financial risk of the applicant. In addition, the offer may need to be reassessed by SONI once the JR has concluded, which may require an additional application fee to be paid by the applicant and/or require additional technical work, including revised studies. If the applicant chooses to accept the offer, they must also meet the other terms of the offer (e.g. the deposit must be paid, required security cover put in place).
 - If the applicant chooses to withdraw from the offer process, then the application will be removed from the queue. If the applicant chooses to reapply at a later date, the offer process will restart from the beginning and the position in the connection queue will move to the new application effective date.

The following scenarios are examples (without limitation) of where SONI will not normally grant extensions to the offer acceptance period:

¹³ Examples of where planning permission has been delayed for reasons 'outside of the applicant's control' are 1) where a Council Planning Committee meeting has been unexpectedly cancelled, or 2) where the Planning Authority will confirm that an unforeseen or unusual circumstance has occurred.

- Where there is no written documentation (e.g. correspondence from the planning authority or Council minutes) to substantiate an applicant's claim there has been a justifiable delay to the determination of the planning application which was beyond the applicant's control; or
- While a planning application is the subject of a pending PAC determination.

There may be other circumstances where an extension may or may not be justified which are not set out above. SONI reserves the right to consider each request on a case by case basis, consistent with its obligations under Condition 15 of the TSO Licence.

If an applicant would like SONI to consider an extension to the acceptance timelines, the applicant will need to formally write to SONI requesting an extension to the offer acceptance timelines, at least 15 business days prior to the offer expiration date. For the avoidance of doubt, an extension request after this date will not be considered with the exception of where a JR action has been taken prior to the offer expiration date. Supporting documentation should be provided with the extension request, which demonstrates that the planning application will be determined imminently (e.g. letter from the planning authority, Notice of Opinion to approve, minutes from relevant Planning Committee, copy of Judicial Review papers).

SONI will consider the applicant's request, its impact on other applicants and the supporting evidence, and will respond in writing with a decision at least 3 business days before the offer expiration date. The extension to the offer acceptance timelines will be in the form of a letter which explains why the extension was granted or refused. The extension decision will be approved by two authorised SONI signatories.

If planning permission has not been secured by the time the extension has expired (save in exceptional circumstances) the applicant will need to reapply, an application fee will be required, and the position in the connection queue will move to the new application effective date.

As part of an annual report made by the Compliance and Assurance Officer (as per Condition 23B of the TSO Licence), SONI will provide details of any extensions that have been granted under this policy together with a brief explanation of why the decision was justified.

Expiry of Offer

If the offer has not been accepted by the applicant and the terms of that offer met by the end of the 90 day acceptance period, and no extension to the offer acceptance period has been granted, then the offer automatically expires. If the applicant wishes to pursue the same connection after the offer expiry date, a new connection application and application fee will be required and the offer process will restart from the beginning and the position in the connection queue will move to the new application effective date.

Contact for Queries

If you have any questions please contact connections@soni.ltd.uk.