

# **Generator Connection Process**

## **Allocation of Transmission FAQ in N Ireland & ITC Methodology to determine FAQs**

**Consultation Paper on consenting requirements in advance  
of application for offshore generation connection**

**1 April 2014**



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## **1 Background and Objective**

A consultation process regarding the determination and allocation of transmission Firm Access Quantities (FAQ) in Northern Ireland (NI) was recently concluded by System Operator Northern Ireland (SONI) and Northern Ireland Electricity (NIE). This process involved the publication of two consultation papers. The original consultation, “Generator Connection Process; ITC Methodology to determine FAQs & Generator Output Reductions Analysis”, issued in October 2011, detailed the proposal to implement a policy of firm and non-firm transmission access in NI for generator connections.

Following consideration of the responses to the October 2011 consultation and subsequent discussions, the All Island Single Electricity Market Committee (SEMC) welcomed SONI and NIE’s plan to consult again on proposed decisions regarding connection arrangements. The second consultation paper, “Generator Connection Process; Allocation of Transmission FAQs in N Ireland & ITC Methodology to determine FAQs”, was issued in March 2013. This paper proposed the establishment of a NI generator listing for onshore developments that facilitated the introduction of transmission FAQ allocation, explained how parties should be added to the listing, responded to all related issues raised by the initial consultation and set out the processes proposed to be adopted by both NIE and SONI going forward regarding the connection of onshore generation and Compressed Air Energy Storage (CAES) developments.

In July 2103 SONI and NIE published a Decision Paper detailing the determinations on the following issues which were endorsed by the SEMC:

- Starting point of FAQ allocation
- Entry to the FAQ listing is based on Connection Application date for onshore generators where planning permission is required for the application to be considered
- Same Date Applications
- CAES generation Connection Applications
- Moyle Assumptions in Incremental Transfer Capacity (ITC) model
- Threshold for assessing FAQs
- Temporary Firm Access
- Special Protection Schemes

Prior to this, in March 2013, Utility Regulator Northern Ireland (UREGNI) issued a consultation paper consulting upon the “Connection Arrangements for Offshore Generation” in NI. At the time of publication of the SONI/NIE Decision Paper, the UREGNI consultation was ongoing. Therefore, SONI and NIE stated in the July 2013 Decision Paper that the outcome of the UREGNI consultation and associated decisions would be incorporated into the connection and FAQ allocation process.

The UREGNI Consultation Paper considered whether Connection Applications for offshore developments should be subject to the same consenting requirements as presently apply to onshore developments. In their consultation UREGNI asked in particular for responses on

whether Connection Applications for offshore developments should be subject only to the receipt of an Exclusivity Agreement from The Crown Estate.

Following its March offshore consultation UREGNI published a “Next Steps” paper in December 2013 and a subsequent “Clarification Notice” in January 2014. However, the issue detailed in the paragraph above was not decided upon in either publication. These papers simply concluded that obtaining planning permission before making a Connection Application is a principle that has been adopted by the Transmission System Operator (TSO) and Distribution System Operator (DSO) to ensure that the development proposals submitted can be delivered in practice. However, UREGNI stated that the SONI or NIE connection charging statements that UREGNI approve places no obligation on a connecting party to have secured planning permission before applying for connection. Whilst UREGNI subsequently clarified that it is NIE (DSO) and SONI (TSO) policy to require planning approval for an onshore development before a Connection Application is made, neither the original “Next Steps” paper nor the “Clarification Notice” dealt with the question relating to offshore Connection Applications that was posed in the original consultation.

Therefore it is necessary for SONI and NIE to address this question by issuing a further consultation paper with the objective of considering and seeking to address this issue.

In this paper SONI and NIE consider whether Connection Applications from offshore developments should be subject to the same consenting requirements as apply to onshore developments and present a joint proposal.

## **2 Proposal on Consents Required for Offshore Generation Prior to Application**

The question of whether Connection Applications for offshore developments should be subject to the same consenting requirements as apply to onshore developments arises because the planning approval for onshore generators is not easily comparable to the consents required for certain other forms of generation such as offshore, as the consenting processes are entirely different.

SONI/NIE believe that the present connection arrangements have been very effective in:

- a) Facilitating numerous projects to get connected
- b) Establishing a clearly identified and independent pipeline of projects
- c) Implementing a fully transparent FAQ allocation process
- d) Providing clarity around the need for infrastructure development

Presently, an onshore developer is required to secure full planning permission prior to Connection Application. This level of consent means that the developer can commence construction. SONI/NIE see no reason to move away from this position for onshore generation. The rationale for requiring planning permission for onshore developments prior to Connection Application is that it provides a high level of assurance that the project will proceed. It also provides more certainty around network build requirements and overall efficiency in infrastructure requirements.

In the SONI/NIE Decision Paper of July 2013, it was stated that CAES is a unique situation and it was considered reasonable for CAES to formally apply for a Grid Connection without full planning permission as the Mineral Prospecting Licence provides the required level of assurance and exclusivity that the project will proceed.

As with CAES, SONI and NIE considers that there needs to be a defined level of “consents” that are required to be in place to support an acceptable Connection Application. To date the offshore developers who are actively investigating projects for connection in Northern Ireland have secured an Exclusivity Agreement and Agreement for Lease from The Crown Estate through a competitive tendering process.

SONI/NIE propose that the securing of an Exclusivity Agreement and Agreement for Lease from The Crown Estate is sufficient to permit an offshore generator to submit a Connection Application. This is on the following basis:

- The securing of an Exclusivity Agreement and Agreement for Lease from The Crown Estate represents a very significant commitment to the offshore proposal and gives the developer exclusive rights to develop the project
- The securing of a Marine Licence is likely to be much more onerous than the granting of planning permission for an onshore wind farm
- Offshore wind farms are likely to require very significant onshore network development, particularly of the transmission system, and to delay this investigation and consenting until a Marine Licence is in place would extend the overall timelines for connection significantly

### **3 Request for Comment**

SONI/NIE would invite interested parties to respond to the following question. In particular, SONI/NIE would like respondents to consider the following questions in their response:

***Do you consider that an Exclusivity Agreement and an Agreement for Lease from The Crown Estate alone should be the required level of consent to allow offshore developers to submit a Connection Application?***

Responses should be sent electronically to Eimear Watson ([eimear.watson@soni.ltd.uk](mailto:eimear.watson@soni.ltd.uk)) by **30<sup>th</sup> April 2014**. Please note that SONI intend to publish all responses to this paper on their website ([www.soni.ltd.uk](http://www.soni.ltd.uk)). Respondents who wish that their response remain confidential should highlight this when submitting the response.

### **4 Related Documents**

- “Generator Connection Process; ITC Methodology to determine FAQs & Generator Output Reductions Analysis” – SONI/NIE Consultation Paper, October 2011.
- “Connection Arrangements for Offshore Generation” – UREGNI Consultation Paper, March 2013.
- “Generator Connection Process; ITC Methodology to determine FAQs & Generator Output Reductions Analysis” – SONI/NIE Response and Further Consultation Paper, March 2013.

- *“Generator Connection Process; Allocation of Transmission FAQ in N Ireland & ITC Methodology to determine FAQs”* – SONI/NIE Decision Paper, July 2013.
- *“Connection Arrangements for Offshore Generation”* – UREGNI Next Steps Paper, December 2013.
- *“Connection Arrangements for Offshore Generation”* – UREGNI Clarification Notice, January 2013.