# Relevant Consent for Interconnectors to Accept a Transmission Connection Offer

**Decision Paper** 



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### 1. Introduction

On 22 December 2020, SONI as Transmission System Operator (TSO) in Northern Ireland published a consultation entitled "Relevant Consent for an Interconnector to Accept a Transmission Connection Offer". The paper outlined the review that SONI had conducted, which identified 5 key milestones for an interconnector project seeking a connection within Northern Ireland, alongside 3 primary objectives, in order to determine an appropriate relevant consent for subsea interconnectors connecting within Northern Ireland.

In summary, the consultation document set out 5 milestones which SONI identified for consideration:

- 1. Contracting for seabed surveys;
- 2. Completion of seabed surveys;
- 3. Completion of onshore environmental surveys and the pre-application community consultation;
- 4. Receipt of all Northern Ireland statutory consents; and
- 5. Completion of TSO licencing and certification processes.

SONI also detailed each of the potential milestones against 3 objectives to:

- 1. Ensure that we are not unduly discriminating either in favour of or against a Transmission subsea interconnector;
- 2. be balanced with our duty to continue to ensure that the Transmission System is planned in an economic, efficient and coordinated manner without the economic signals sent by locational charging for ongoing use of the Transmission System; and
- 3. seek to ensure that Northern Ireland consumers are able to take advantage in a timely manner of the additional competition that additional interconnection can bring while avoiding nugatory investment in wider network reinforcement should the project turn out to be unviable.

The current SONI Connection Policy<sup>2</sup> provides a balance between the speed of connection for developers and the efficient development of the Transmission System. However, the current SONI Connection Policy does not consider the potential for further interconnection between Northern Ireland and other balancing zones.

We are aware that additional sub-sea interconnection to other balancing zones is likely to be beneficial if Northern Ireland is going to achieve any increased renewable electricity target and especially if a target for an average consumption of at least 70% of electricity from renewable sources is set by the Northern Ireland Executive, as indicated likely by the

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https://www.soni.ltd.uk/media/documents/SONI-Consultation-on-Requirements-for-Interconnectors.pdf

<sup>&</sup>lt;sup>2</sup> https://www.soni.ltd.uk/media/documents/Customers/Connections/SONI-Connections-Policy-Effective-1-February-2018.pdf

Minister for the Economy in 2020. The Department for the Economy<sup>3</sup> is currently developing an energy strategy for Northern Ireland to 2030 and beyond. While the precise energy mix that this will deliver is currently uncertain, during the publication of the Energy Strategy Consultation the Minister at that time highlighted that she firmly believes that the target for electricity generated from renewable sources should not be below 70% by 2030<sup>4</sup>. In anticipation of this, we reviewed the current SONI Connection Policy with respect to interconnector connections to ensure that the milestones are appropriate to secure the dual goals of timely connection and efficient development of the deeper Transmission System. SONI's consultation published our findings of that review and requested feedback from industry and stakeholders. The Energy Strategy is expected to be finalised by November 2021, and SONI will keep this decision under review to ensure that it is consistent with and supports the ongoing implementation of that Energy Strategy.

# 2. Description of SONI's Consultation Process

The Relevant Consent for Interconnectors Consultation was published on the SONI website on 22 December 2020 and the consultation ended on 19 February 2021.

### 3. Purpose of the Consultation

In February 2018, SONI removed the prerequisite of requiring the relevant consent to be in place to be able to submit a Transmission Connection Application to SONI. However, the relevant consent continues to be an important and early milestone within the transmission connections offer process.

The provision of evidence that the relevant consent has been obtained is now a condition precedent for the acceptance of any Transmission Connection Offer issued by SONI. Therefore it is expected that the majority of projects will have reached an advanced stage in obtaining their relevant consent at the time a Connection Application is submitted, if not already obtained.

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

- 1. Any required deposit is paid in full;
- 2. Any required security cover, such as a relevant capacity bond<sup>5</sup> is in place and in a form agreed with SONI; and
- 3. Evidence that the relevant consent has been obtained.

<sup>&</sup>lt;sup>3</sup> https://www.economy-ni.gov.uk/topics/energy/energy-strategy

<sup>4</sup> https://www.economy-ni.gov.uk/news/minister-highlights-plan-ambitious-new-renewable-electricity-target

<sup>&</sup>lt;sup>5</sup> See Section 9 of the SONI Transmission Connection Charging Methodology Statement: http://www.soni.ltd.uk/media/documents/SONI-TCCMS-1-April-2019.pdf

The relevant consents are as follows<sup>6</sup>:

- The relevant consent for onshore generation projects<sup>7</sup> is Full Planning Permission;
- The relevant consent for a Compressed Air Energy Storage ("CAES") plant is a Mineral Prospecting Licence; and
- The relevant consent for offshore generation projects (e.g. an offshore windfarm or tidal project) is either an Exclusivity Agreement or an Agreement for Lease from The Crown Estate.

Evidence which demonstrates (to SONI's reasonable satisfaction) that the relevant consent is obtained must be submitted to SONI along with the Connection Offer acceptance. If the relevant consent has not been obtained by the end of the 90-day Connection Offer acceptance period, then the offer will lapse unless the applicant has been granted a formal written extension to the Connection Offer timelines by SONI based on a limited set of circumstances as set out in the SONI Connection Policy.

## 4. Responses to the Consultation

SONI received one submission in response to the consultation. This was from TI LirIC Limited.

We would like to thank TI LirIC Limited for their response. The rest of this paper sets out SONI's decision in progressing the relevant consent for a Transmission subsea interconnector with immediate effect upon publishing this decision paper, alongside a published updated version of the SONI Connections Policy.

# 5. Summary

### **Potential Equivalent Conditions Precedent**

SONI engaged consultants to provide advice about the processes that a generic interconnector project connecting Northern Ireland to another UK jurisdiction. We therefore considered a number of key points in the development process to ensure that this review is as comprehensive as possible and asked industry and stakeholders for their feedback on each milestone.

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<sup>&</sup>lt;sup>6</sup> Refer to Decision Paper at the following link: https://www.soni.ltd.uk/media/documents/Consultations/OffshoreConsentingRequirements/SONI-NIE%20Decision%20Paper%20on%20consenting%20requirements%20for%20offshore%20generation.pdf

<sup>&</sup>lt;sup>7</sup> Onshore projects include generation projects such as conventional generators, wind farms, solar parks, biomass plants, energy from waste plants amongst others.

SONI identified 5 milestones for consideration:

- 1 Contracting for seabed surveys;
- 2 Completion of seabed surveys;
- 3 Completion of onshore environmental surveys and the pre-application community consultation;
- 4 Receipt of all Northern Ireland statutory consents; and
- 5 Completion of TSO licencing and certification processes.

SONI requested any comments or observations on the potential milestones or SONI's assessment of their appropriateness, and whether there are any other aspects of the development process that SONI should consider as a potential milestone.

### **Consultation Response**

The respondent suggested that 4 of 5 of the suggested milestones above would be too onerous, with the exception of contracting for seabed surveys. The respondent also provided the view that inclusion in the ENTSO-E's Ten Year Network Development Plan would be a comparable milestone alongside completion of cable routing feasibility and grid connection feasibility studies.

### 6. SONI Decision

SONI maintain the view that the current relevant consents do not take into consideration the process that a Transmission subsea interconnector takes in order to connect to the Transmission System.

SONI is therefore introducing the following relevant consents for a subsea interconnector:

- Inclusion in ENTSO-E's Ten Year Network Development Plan project list<sup>8</sup>;
- Evidence of the completion of a circuit routing feasibility study; and
- Evidence, to SONI's reasonable satisfaction, that a contract is in place with an offshore survey company to provide seabed surveys.

All 3 requirements above are to be satisfied upon acceptance of a SONI Connection Offer for a Transmission subsea interconnector project.

These conditions are considered as sufficiently challenging to ensure that only committed developers progress their projects whilst not being too onerous to the extent that potential applicants are deterred from progressing their projects. This approach will ensure that NI consumers are able to take advantage in a timely manner of the additional competition that additional interconnection can bring.

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<sup>8</sup> https://www.tyndp.entsoe.eu/

# 7. Next Steps

SONI will now proceed to amend the SONI Connections Policy to reflect the decision made regarding the relevant consents for a Transmission subsea interconnector project and publish this on the SONI website.