

Conleth McAteer  
SONI Limited  
Castlereagh House  
12 Manse Road  
Belfast  
BT6 9RT

08 December 2023

Our Ref: NET/E/DH/761

Dear Conleth,

### **RE DSUOIA Modification for Approval**

SONI has requested that the Utility Regulator (**‘the Authority’**) approve the proposed modification relating to Demand Side Unit System Operator Interface Agreements (**DSUOIA**s).

On 10 October 2023, SONI sent the Authority a request for a modification to the Grid Code relating to DSUOIA. The request included the:

- Original proposed modification
- DSUOIA Consultation Paper
- Consultation response from the Federation of Energy Response Aggregators (FERA)
- Consultation Modification Report.

### **SONI Licence Obligations**

Under Condition 16 (3) of SONI’s Transmission System Operator Licence<sup>1</sup>, the licensee can propose revisions to the Grid Code, that require the Authority’s approval before they can be made:

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<sup>1</sup> [2022-11-18 SONI TSO Consolidated.pdf \(uregni.gov.uk\)](https://www.uregni.gov.uk/2022-11-18-SONI-TSO-Consolidated.pdf)

### “Revision of the Code

3. Revisions to the Grid Code proposed by the Licensee and sent to the Authority pursuant to paragraph 2 shall require the Authority’s approval before they may be made.”

## **Background**

SONI states in the application that DSUOIA’s (agreements between a TSO and a Demand Side Unit<sup>2</sup> Operator, containing detail specific to the DSU) have been in use for a number of years, and that *“the agreements are already in place between the TSO and the vast majority of the existing Demand Side Unit Operators.”*

SONI has commented in the materials submitted that *“The purpose and intention of this modification is to formalise the use of these agreements as well as clarifying their contents.”*

A proposed Modification was presented to the Grid Code Review Panel in May 2023, receiving no comments. In May-June 2023, an initial draft of the modification was consulted upon.

Based on feedback from the Federation of Energy Response Aggregators (FERA), SONI made some changes to the modification, which was discussed again at the Grid Code Review Panel in September 2023. SONI has now submitted the modification to the Authority for approval on 10 October 2023.

## **Detail of the Proposed Modification**

The proposed modification consists of three changes within the ‘Glossary and Definitions’ section of the Grid Code:

- The insertion of a new definition of ‘Demand Side Unit System Operator Interface Agreement’, aligning with SONI’s aim of incorporating these types of agreement into the Grid Code:

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<sup>2</sup> A site or group of sites that can reduce demand when instructed to do so by the TSO, to assist provide capacity to the Grid.

(New wording highlighted) This is defined in the proposed modification as *“The bilateral agreement between the TSO and the Demand Side Unit Operator, which contains the detail specific to the Individual Demand Site(s).”*

- The insertion of extra wording to the definition of ‘Individual Demand Site,’

(New wording highlighted) The definition of Individual Demand Site in the proposed modification has been changed to *“A single premises of a Large Demand Customer connected to the Transmission System or a DNO Demand Customer connected to the Distribution System with a Demand Side Unit MW Capacity.*

*Where the Individual Demand Site forms a Demand Side Unit or is part of an Aggregated Demand Site of which Demand Side Unit Operator has entered into a Demand Side Unit System Operator Interface Agreement with the TSO with respect to that premise.”*

- And in response to comments made on the May-July 2023 consultation, the addition of new wording to the definition of ‘Demand Side Unit Operator.’

(New wording highlighted) *“A person who*

- 1) *Operates a Demand Side Unit, with an aggregated Demand Side Unit MW Capacity not less than 4 MW*
- 2) *Is in receipt of or has signed a Demand Side Unit Operator System Operator Interface Agreement.”*

We also note that a separate Grid Code modification has been proposed in response to FERA’s consultation feedback regarding Aggregated Generating Units and Generator Aggregator System Operator Agreements.

SONI states that a similar modification is being progressed by EirGrid, in relation to their own Grid Code, which the Authority has also noted.<sup>3</sup> In SONI’s opinion, a *“consistent implementation across jurisdictions will benefit DSU Operators across the All-island system.”*

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<sup>3</sup> [MPID306 Recommendation Paper \(eirgridgroup.com\)](https://www.eirgridgroup.com/MPID306-Recommendation-Paper)

## The Decision

Having reviewed these proposals for modification, and the supporting documentation, the Authority is satisfied that SONI has recommended this modification for approval in accordance with the relevant provisions set out in the Grid Code.

Article 12 of the Energy Order 2003 references the need for the Authority to protect the interests of consumers, including having regard to the need to ensure all reasonable demands for electricity are met. Demand Side Units involve large users of electricity possessing the capability to change their usage from their normal consumption patterns, when being instructed to do so by SONI. This assists the efficient management of demand, especially with increasing amounts of renewable and variable generation joining the system. As SONI states in the consultation report, a majority of DSU Operators are already subject to DSUOIA. Given the potential benefits of these agreements in assisting Demand Side Management, we have decided to accept a modification that could formalise the DSUOIA process, and bring clarity for DSU operators.

Therefore, under the provision of SONI's Transmission Licence Condition 16, Paragraph 3 we, as "The Authority", approve the proposed modifications to the Grid Code, as received on 10 October 2023.

The proposed changes shall be effective from the date of this letter. Please proceed to publish an updated version on SONI's website.

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

Yours sincerely,



**Donald Henry**  
**Networks and Energy Futures Director**