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27th September 2012

Re: Approval criteria and incentive mechanisms for RP5 Fund 3 – Investments for Renewable Electricity Consultation Paper

Dear Sarah,

Gaelectric support the position taken by NIRIG on the consultation 'Approval criteria and incentive mechanisms for RP5 Fund 3'. Efficient, effective and timely grid connection is crucial for the delivery of renewable electricity government targets as stated in the Strategic Energy Framework 2010 as well as enabling investment confidence in the renewables industry in Northern Ireland.

Gaelectric appreciate the recognition of the Utility Regulator that network development delays will affect customers by not allowing them to benefit from lower wholesale energy prices at times of high renewable output. We also recognise the need to ensure appropriate governance for a regulated business such as electricity transmission and distribution.

However, the process of project approval as outlined in this consultation is convoluted and has the potential to introduce significant additional delays into an already complex area. In considering the development of new infrastructure to facilitate renewable generation, NIAUR needs to give more weight to the legal imperatives placed on the UK government by the RES-E and IME3 Directives. Grid development is a strategic process and the sum of the whole will be greater than the contribution from any individual component. Justification for development on a piecemeal basis is difficult when set outside the context of an overall strategic framework.

In conclusion Gaelectric would like to thank the Utility Regulator for the opportunity to engage on this issue and to highlight the importance of this issue for the renewables industry in Northern Ireland.

Yours

A handwritten signature in blue ink, appearing to read "Kevin McKeown".

Kevin McKeown

Gaelectric

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