

Notice of proposed modification to Condition 5 'Security Arrangements' of electricity generation licences

03 August 2022







About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing the markets, networks and corporate affairs functional areas of the organisation. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

Our Mission

Value and sustainability in energy and water.

Our Vision

We will make a difference for consumers by listening, innovating and leading.

Our Values

Be a best practice regulator: transparent, consistent, proportional, accountable, and targeted.

Be a united team.

Be collaborative and co-operative.

Be professional.

Listen and explain.

Make a difference.

Act with integrity.

NOTICE UNDER ARTICLE 14(2) OF THE ELECTRICITY (NORTHERN IRELAND) ORDER 1992

In pursuance of its powers under Article 14(1) of the Electricity (Northern Ireland) Order 1992 (as amended) (the "**Order**") the Northern Ireland Authority for Utility Regulation (hereafter referred to as the "**Authority**") hereby gives notice under Article 14(2) of the Order as follows:

- 1 The Authority proposes to modify <u>all</u> electricity generation licences granted under Article 10(1)(a) of the Order, as listed in Annex 1 below. This includes 'DSU generation' licences.
- 2 For consistency purposes and to 'future proof' the licences in line with the energy transition, the Authority proposes to modify these licences by including within Condition 5 ('Security Arrangements') of each electricity generation licence, an additional requirement to aid security of supply which relates specifically to secondary fuel stocks. While the modification is proposed to be included in <u>all</u> electricity generation licences in order to standardise content, its effect will <u>only apply</u> to those licensees who have capability of running on more than one fuel.
- 3 Annex 2 to this notice outlines the proposed modification to each respective licence.
- 4 The reason for the proposed modification is to mitigate against a security of supply risk in instances where secondary fuel stocks held are of limited sufficiency to effectively contribute to a security of supply risk or fuel security event¹. A further reason is that these proposed modifications align with the NI energy transition.
- The effect of the proposed modification is to clearly specify the required quantity of secondary fuel to be held by those generators with secondary fuel capabilities, together with the requirement for regular monthly reporting on those fuel stock levels (including details of last inspection and testing) to the Transmission System Operator (SONI). The overall effect is to increase security of supply, particularly the short term response available from relevant generators. The aim is to have the modification effective for the coming winter and beyond.

¹ As defined in the Fuel Security Code FSC PUBLISHED VERSION OCTOBER 2015.pdf (economy-ni.gov.uk)

6 The purpose of this notice is to bring the proposed modification to the attention of persons likely to be affected by it, and to invite representations or objections in connection thereto. In line with Article 14(3) of the Order, any representations or objections with respect to the proposed modification may be made on or before 17.00 on 31 August 2022 to:

The Generation Licensing Team Utility Regulator Queens House 14 Queen Street Belfast, BT1 6ED

Email: ElecGenLicensing@uregni.gov.uk

- 7 We normally publish responses on our website (<u>www.uregni.gov.uk</u>). However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be easily placed on our website.
- 8 If the decision is to make the proposed modifications, they will take effect not less than 56 days from publication of the Authority's decision on the licence modifications.
- 9 The Authority has, pursuant to Article 14(4) of the Order, published this notice on its website and sent a copy of this notice to each licensee. In addition, the Authority has provided a copy of this notice to the Department for the Economy and the Consumer Council.
- 10 A copy of the proposed modification can be obtained in hard copy from the Generation Licensing Team at the contact details provided above.

Dated this 03 August 2022

John French
Chief Executive

For and on behalf of the Northern Ireland Authority for Utility Regulation

Annex 1

Below is a list of all active electricity generation licenses which the proposed modification within this Article 14 notice relate to.

Generation Licenses

- Altahullion Wind Farm Ltd
- Altamuskin Wind Farm Ltd
- Altaveedan Energy Ltd
- Antrim Wind Energy Ltd Elginny Hill Wind Farm
- Ballykeel Wind Farm Ltd
- Bann Road Solar Project Ltd
- Belfast Energy Storage Company Ltd
- Brockaghboy Wind Farm Ltd
- Carn Hill Wind Farm Ltd
- Church Hill Energy Ltd
- ContourGlobal Solutions (NI)
- Coolkeeragh Power Ltd
- Cornavarrow Wind Farm Ltd
- Craiggore Energy Ltd
- Cregganconroe Wind Farm Ltd
- Crighshane Energy Ltd
- Crockagarran Wind Farm Ltd
- Crockandun Wind Farm Ltd
- Curryfree Wind Farm Ltd
- Drumkee Energy Ltd
- Dunbeg Wind Farm Ltd
- Dunmore Wind Farm Ltd
- EP Ballylumford Ltd
- EP Kilroot Ltd
- EP NI Energy Ltd
- ERE Developments Ltd
- Evishagaran Wind Farm Ltd

- Full Circle Generation Ltd
- Garves Wind Ltd
- Gortfinbar Wind Farm Ltd
- Gronan Wind Farm Ltd
- Gruig Wind Farm Ltd
- Hunters Hill Wind Farm Ltd
- Hunter's Hill Wind Farm Ltd Carrickatane Site
- Hunters Hill Wind Farm Ltd Crockdun Site
- Hunters Hill Wind Farm Ltd Eglish Site
- Inishative Wind Farm Ltd
- Kells BES Ltd
- Lendrum's Bridge Wind Farm Ltd
- Lightsource SPV 10 Ltd
- Lightsource SPV 48 Ltd
- Lightsource SPV 94 Ltd
- Lightsource SPV 231 Ltd
- Long Mountain Wind Farm Ltd
- Lough Hill Wind Farm Ltd
- Mantlin Ltd (Slieve Rushen Wind Farm)
- Molly Wind Ltd
- Monnaboy Wind Farm Ltd
- Mullavilly Energy Ltd
- Ora More Energy Ltd
- Owenreagh Wind Farm Ltd
- ScottishPower Renewables
- Screggagh Wind Farm Ltd
- Seegronan Wind Farm Ltd
- Short Brothers PLC T/a Bombardier Aerospace
- Slieve Divena Wind Farm Ltd
- Slieve Divena Wind Farm No. 2 Ltd
- Smulgedon Wind Farm Ltd
- SSE Renewables UK Ltd (Multiple Site)
- Tappaghan Wind Farm (NI) Ltd

- Teiges Mountain Wind Farm
- Thornog Wind Farm Ltd
- Tyrone Wind Energy Ltd
- WEL Solar Park 15 Ltd
- Wheelhouse Energy (NI) Ltd
- Willmount Ltd (Castlecraig Wind Farm)

<u>Demand Side Unit Generation Licenses</u>

- AC Automation (UK) Ltd DSU generation licence
- Activation Energy DSU Ltd generation licence
- Electricity Exchange Ltd generation licence
- Empower Generation Ltd generation licence
- Energy Trading Ireland DSU Ltd DSU generation licence
- iPower Solutions Ltd DSU generation licence
- Powerhouse Generation Ltd DSU generation licence
- Wire-Lite Sensors Ltd DSU generation licence

Annex 2

Proposed Modifications (shown in mark-up) to all Electricity Generation (including 'DSU Generation' Licences

All electricity generation licences are proposed to be modified for security of supply purposes, specifically secondary fuel stocks.

Condition 5: Security Arrangements

Northern Ireland Fuel Security Code

- The Licensee shall comply with the provisions of the Northern Ireland Fuel Security Code and such provisions shall have effect as if they were set out in this licence.
- The Northern Ireland Fuel Security Code may be amended in accordance with its provisions.

Security of Supply – Stocks of Secondary Fuel

- 3 Paragraph 4 applies where the Licensee operates a generation set:
 - (a) which uses a source of thermal energy;
 - (b) is capable of using a Secondary Fuel for the purposes of its operation; and
 - (c) in respect of which, the Transmission System Operator is entitled pursuant to the Grid Code to instruct the Licensee to carry out a Secondary Fuel Switch.

(a SF Generation Set).

- 4 Where this paragraph applies, the Licensee shall in respect of each SF Generation Set:
 - (a) ensure that, at all times, it holds, at or near to that SF Generation Set, the Required Quantity of Secondary Fuel;
 - (b) on the first working day of each calendar month, submit a report to the Transmission System Operator which sets out the following information:
 - (i) <u>Secondary fuel quantity held [on site] in terms of number of days'</u> at maximum rated capacity on an uninterrupted continuous basis;
 - (ii) <u>Date secondary fuel was last inspected and outcome of that inspection;</u>

- (iii) Date secondary fuel was last tested and outcome of that testing; and
- (iv) Secondary Fuel stock replenishing arrangements and timelines.

Definitions

5 In this Condition:

means the quantity ordinarily required to operate the SF Generation Set at its maximum rated capacity on an uninterrupted basis for a continuous period of at least five calendar days.

Secondary Fuel

has the meaning given to it in the Northern Ireland Fuel Security Code.

has the meaning given to it in the Northern Ireland Fuel Security Code.

Secondary Fuel

has the meaning given to it in the Northern Ireland Fuel Security Code.

SF Generation Set

has the meaning given to that expression in

paragraph 3.