

RenewableNI response to UR's Consultation on NIE Networks One Year Extension to the RP6 Price Control

Introduction

RenewableNI (RNI) is the trade association and voice for the renewable electricity industry in Northern Ireland. We represent over 50 businesses, fostering knowledge exchange, sharing best practice and supporting policy development. Engaged in wind, solar and battery storage, our members make up a large majority of the renewable industry supply chain.

RNI welcomes the opportunity to respond to UR's consultation on NIE Networks One Year Extension to the RP6 Price Control.

Policy Context

The UK Government has set in legislation a requirement for a 'net zero' economy by 2050. As the leader in decarbonisation, the power sector will have to achieve zero-carbon first, with heat and transport expected to significantly electricity as the main way of cutting emissions. The International Energy Agency has stated that all advanced economies must achieve zero carbon power by 2035¹ and the UK Government has made a commitment to achieve this²

Working in conjunction with Wind Energy Ireland, RNI is committed to driving policy to deliver zero carbon power on the island of Ireland by 2035. This can only be achieved if the necessary level of renewable generation and the required zero carbon system services, are facilitated by the electricity network. This has recently become more crucial as Stormont recently agreed a goal of 80% renewable energy by 2030 for Northern Ireland.

¹ Pg. 20, [Net Zero by 2050 - A Roadmap for the Global Energy Sector \(windows.net\)](https://www.windows.net)

² [Plans unveiled to decarbonise UK power system by 2035 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

General Points

In general, RNI has no objections to the extension of the RP6 period, on condition that this will allow for the effective implementation of an RP7 period that enables NI in meeting its renewable targets. We are of the view that this extension would allow NIE Networks further time to address issues relating to net zero, including reaching decarbonization targets and the further incorporation of renewables.

We would take this opportunity to emphasize some of our key points that should be taken into account for RP7, including;

- RP7 should allow flexibility to NIEN to be responsive. In the immediate term (which includes the RP7 period), RNI believes it is reasonable that NIE should be allowed to recover the costs of undertaking the research and development of innovation projects, which in many cases includes running trials for proof of concept.
- RP7 should allow NIEN to make ahead of, or in time investments as opposed to current practice where network investment is lagging behind renewable generation connections.
- The proposed approach to RP7 highlights uncertainty, and how best to manage uncertainty. RNI acknowledges the importance of this, however also notes that there will always be a degree of uncertainty, due to new technology and other unforeseen factors on the way to net zero. RP7 should take into account that NIE cannot provide certainty for each scenario.
- RP7 should take account of the Renewable Electricity Support Scheme decided upon for NI.
- It is noted that there is no proposed review of the Statement of Charges as part of RP7. However, RNI understands that NIEN has been engaging with UR in relation to changing the connections charging methodology to a more shallow basis in order to support the expected widespread transformation of the network to support the connection of distributed low carbon technologies. If this understanding is correct then RNI would suggest that the RP7 basis recognizes this change. In this regard, RNI would support a move to a more shallow charging method as NI generators are at a competitive disadvantage with GB.

Overall, we support the extension of the RP6 period, providing that this enables the development of a stronger RP7 period which takes account of the provisions necessary for NI to reach its decarbonization targets.