DECISION TO GRANT ELECTRICTY GENERATION LICENCE TO BALLYUTOAG WIND FARM LTD

8 JULY 2025



www.uregni.gov.uk



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 Millennium House, Great Victoria Street, in the centre of Belfast. The Chief Executive and two Executive Directors lead teams in each of the main functional areas in the organisation: CEO Office; Price Controls; Networks and Energy Futures; and Markets and Consumer Protection and Enforcement. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

OUR MISSION

To protect the short and long-term interests of consumers of electricity, gas and water.

OUR VISION

To ensure value and sustainability in energy and water.

OUR VALUES

ACCOUNTABLE:

We take ownership of our actions.

TRANSPARENT:

Ensuring trust through openness and honesty.

COLLABORATIVE:

Connecting and working with others for a shared purpose.

DILIGENT:

Working with care and rigour.

RESPECTFUL:

Treating everyone with dignity and fairness.



ABSTRACT

On 8 May 2025 the Utility Regulator gave notice (**the B WF Notice**) under Article 10(4) of the Electricity (Northern Ireland) Order 1992 (the **1992 Order**) that it proposed to grant a licence (the **Proposed Licence**) authorising the generation of electricity to Ballyutoag Wind Farm LTD [Company Number NI 627994] (**B WF**) under Article 10(1)(a) of the 1992 Order. Having considered two duly made responses to the B WF Notice - from two individuals - the Utility Regulator has decided to grant the Proposed Licence to B WF. The licence – the **B WF Licence** - was granted on 8 July 2025 and is in the form of the (draft) Proposed Licence published alongside the B WF Notice. This decision document describes the reasons for our decision.

AUDIENCE

This decision document will be of interest to those whose interests might be affected by the grant of the B WF Licence to include: (i) the electricity industry; and (ii) the persons who submitted the Responses.

CONSUMER IMPACT

The Consumer impact is considered positive. Competition in (licensed) electricity generation will be promoted between B WF and other licensed generators.



Contents Page

1.	Introduction5
2.	Our consideration of the Responses8
3.	Our Decision9



1. Introduction

<u>Background</u>

On 8 May 2025 the Utility Regulator¹ gave notice² (**the B WF Notice**) under Article 10(4) of the Electricity (NI) Order (**the 1992 Order**) that it proposed to grant a licence (**the Proposed Licence**) authorising the generation of electricity to Ballyutoag Wind Farm LTD (**B WF**) under Article 10(1)(a) of the 1992 Order. A copy of the (draft) Proposed Licence was published alongside the B WF Notice.

Two responses (**the Two Responses**) to the B WF Notice - from two individual respondents (**the Two Respondents**) - were *duly made*;³ by which we mean within the time allowed by the B WF Notice. The B WF Notice asked for responses to be communicated by close <u>6 June 2025</u>.

One of the Two Respondents sent a further email (**the Further Email**) "advising" us not to grant the Proposed Licence given an ongoing interaction with another statutory body. The Further Email was sent outside the time allowed for responses to the B WF Notice and it has, accordingly, not been formally considered.⁴

This decision document records our consideration of the (duly made) Two Responses in making our decision to grant the Proposed Licence (with the (now) *granted licence* being referred to as the **B WF Licence**).

Regulatory Framework

Article 10(1)(a) of the 1992 Order empowers the Utility Regulator to grant an electricity generation licence to an applicant for such a licence. Article 10(3) of the 1992 Order provides that such an application shall be made in the *prescribed manner* and be accompanied by the prescribed fee. Art 10(3) of the 1992 Order further provides that the applicant for an electricity generation licence shall publish the application within 14 days of making the application (in the prescribed manner).

The requirements set out in Article 10(3) are reflected in schedule 4 to the Electricity (Applications for Licences and Extensions of Licences) (No. 2)

¹ In this document the words "we" "our" "us" "Authority" "UR" "Utility Regulator" and "we" are used interchangeably to refer to the Northern Ireland Authority for Utility Regulation 2 <u>Consultation on proposed electricity generation licence for Ballyutoag Wind Farm Ltd</u>

³ Art 10(4) of the 1992 Order requires the Utility Regulator to consider responses to the Art 10(4) notice "duly made" and not withdrawn.

⁴ To the extent necessary we can confirm that we do not consider that formal consideration of the Further Email would have changed our assessment as to whether to grant the B WF Licence.



Regulations (Northern Ireland) 2007⁵ (the **2007 Application Regulations**).

The Utility Regulator has also published guidance in respect of the making of an application for an electricity generation licence (**the Guidance**).⁶ The Guidance refers to and reflects the requirements of the 2007 Application Regulations.

In carrying out its (electricity) function to grant (or not grant) an electricity generation licence the Utility Regulator is required to act in accordance with the provisions of Article 12 of the Energy (NI) Order 2003 (**the 2003 Order**).

Article 12(1) of the 2003 Order provides (relevantly) as follows:

12.—(1) The principal objective of the . . . [Utility Regulator] in carrying out their respective electricity functions⁷ is to protect the interests of consumers⁸ of electricity supplied by authorised suppliers, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission, distribution or supply of electricity

Art. 12(2) of the 2003 Order provides that

(2) The ... [Utility Regulator] shall carry out those functions in the manner which it considers is best calculated to further the principal objective, having regard to—

(a) the need to secure that all reasonable demands in Northern Ireland or Ireland for electricity are met...

Article 12(3) of the 2003 Order provides that in performing the duty under Art 12(2) of the 2003 Order the Utility Regulator is obliged to have regard to (but not exclusively to) the interests of persons described. These persons described are individuals who (i) are the chronically sick or disabled (ii) are of pensionable age (iii) have low incomes and, (iv) are residing in rural areas.

Article 10(4) of the 1992 Order provides that:

(4) Before granting a licence under this Article, the [Utility Regulator] shall give notice—

(a) stating that the [Authority] proposes to grant the licence;

⁵ https://www.legislation.gov.uk/nisr/2007/289/pdfs/nisr_20070289_en.pdf

^{6 &}lt;u>http://www.uregni.gov.uk/applying-licence</u>

⁷ This is read to include the grant of an electricity generation licence.

⁸ The reference to consumers is to be read as a reference to existing and future consumers. References to "consumers" in this decision document are to be read accordingly.



(b) stating the reasons why it is proposed to grant the licence; and

(c) specifying the time (not being less than 28 days from the date of publication of the notice) within which representations or objections with respect to the proposed licence may be made,

and shall consider any representations or objections which are duly made and not withdrawn.

The B WF Notice

The B WF Notice was (as mentioned above) published on 8 May 2025. It recorded that the Utility Regulator considered (at that time) that the grant of an electricity generation licence⁹ to B WF would accord with our responsibilities under Art 12 of the 2003 Order: expressing this as follows:

"The Authority considers that the grant of the proposed licence would be an appropriate course of action for it to take as such grant is in keeping with the Authority's principal statutory objective in that it protects the interests of consumers of electricity supplied by authorised suppliers, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission, distribution or supply of electricity."

We assessed at that time that the B WF application for an electricity generation licence was made in the prescribed manner, and the appropriate fee had been received. The B WF application was thus considered made in accordance with the 2007 Application Regulations and the Guidance.

The B WF Notice asked for any responding representations or objections to be sent to us by close <u>6 June 2025</u>.

⁹ In the (standard) form as published (in draft) alongside the published B WF Notice.



2. Our consideration of the Responses

Consideration

The Two Responses each allege regulatory infraction/misconduct on the part of persons (corporate and individual) with stated connection to B WF. The allegations made are <u>not</u> substantiated in the body of either of the Two Responses.

Ordinarily, we would publish the Two Responses as responses to a notice given under Art 10(4) of the 1992 Order. However, we consider that the nature of the allegations made in the Two Responses means that publication is inappropriate in this case.

Whilst the Two Responses do not (themselves) substantiate the allegations made, the Utility Regulator is aware of the general background to the claims made in each of the Two Responses.

The relevant claims have been extensively considered by the Utility Regulator. They have not been determined well-founded. The Two Respondents have (each) been advised (separately) of this in what were termed "final" position letters delivered in November 2024.

In the circumstances, we do not consider that the Two Responses (viewed individually or together) should cause us not to grant the Proposed Licence/BWF Licence. They provide no appropriate basis for any such decision.

The grant of the B WF Licence is considered to further the principal objective and demonstrate consistency with our general statutory duties described in Art 12 of the 2003 Order. We refer again to <u>competition</u> in (licensed) generation.¹⁰ Security of supply¹¹ can also be expected to be enhanced by general (enhanced) competition in generation.

¹⁰ We note that the Article 12(3) category persons can be expected to be more adversely affected by price rises and so their interests are considered particularly protected by measures in promotion of competition.

¹¹ See the consideration in Art 12(2)(a) of the 2003 Order.



3. Our Decision

We have concluded - having carefully considered the (duly made) Two Responses - to grant the BWF Licence.

We consider that the grant of the Proposed Licence to B WF (now the BWF Licence) is (still) appropriate for the reasons set out in the B WF Notice. It is considered that the grant of the B WF Licence is in accord with our statutory responsibilities as set out in Article 12 of the 2003 Order. The B WF application (for a generation licence) was made in accordance with the 2007 Application Regulations (and the Guidance).

The decision to grant the B WF Licence is considered consistent with our principal objective of protecting the interests of consumers.

The B WF Licence was granted to B WF on 8 July 2025. The B WF Licence is in the form of the (draft) Proposed Licence published alongside the B WF Notice. A copy of the B WF Licence shall be published on the Utility Regulator's website. A copy of the B WF Licence may also be viewed by contacting the Utility Regulator's office.

Peter Russell For and on behalf of the Utility Regulator.