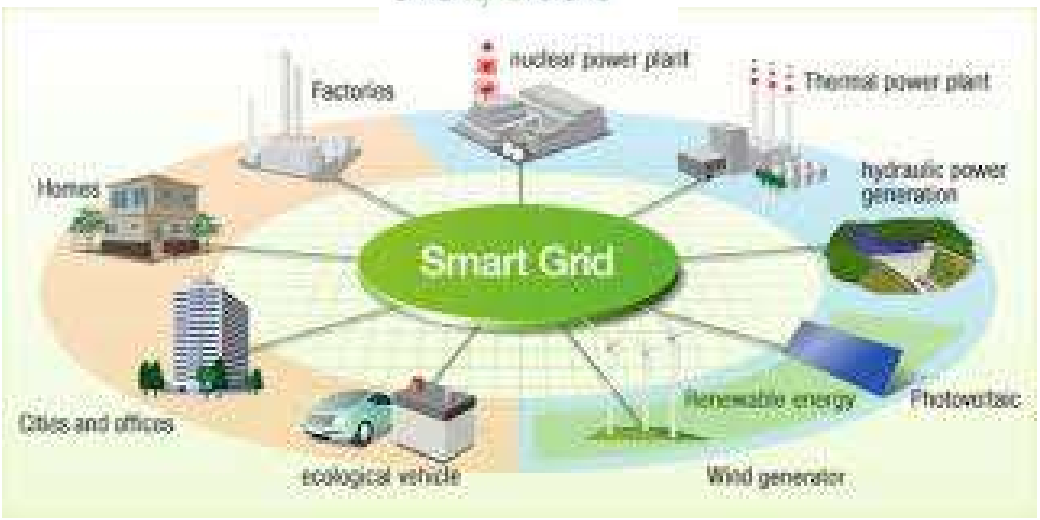

Consultation on the Proposal to Grant an Electricity Transmission License to TI LIRIC LIMITED

The Utility Regulator Norther Ireland

SGI Board Membership Sample

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Consultation: Proposal to grant an electricity Transmission License to TI LIRIC LIMITED

Introduction

Smart Grid Ireland (SGI) welcomes the opportunity to respond to the Utility Regulator consultation incorporating the Notice Under Article 10 (4) of the Electricity (Northern Ireland) Order 1992 to grant an electricity transmission license to TI LIRC Ltd in respect of a proposed interconnector between Northern Ireland and Scotland.

Smart Grid Ireland is a not for profit, all-island advocacy network, with a mission to accelerate the urgent deployment of a highly integrated and flexible electricity grid on the island of Ireland that promotes both economic growth and the energy transition to net zero. We aim to bridge the gap between policy, regulation, investment and delivery.

Power grids are the foundation infrastructure playing a key role in the energy transition. Grid operators face multiple challenges that can potentially put them at risk of being unprepared for the energy transition. The tools and processes available at present for grid planning are not up to the task of optimizing current capacity and planning for the setting up of new efficient capacity. However, an integrated grid modelling approach can create confidence in an uncertain energy environment.

SGI Summary Response to the Utility Regulator (NI) – Consultation

Smart Grid Ireland fully welcomes and supports the granting of a transmission license for the proposed 700MW interconnector between Northern Ireland and Scotland. We consider that the proposed private investment should translate to a decrease on local generating costs. We believe that this investment aligns to the 2050 vision of an interconnected power network throughout the UK / Ireland and Europe. As it stands currently expected interconnection capacity in 2030 and 2040 falls short of Europe's future power system needs. *(Ref Prof Dirk Van Hertem, KU Leuven and EnergyVille, Belgium)*

1. This investment will underpin the SONI Transmission System development plan for ensuring continuity of electricity supply for homes and businesses across Northern Ireland. In order to do so it must also plan investment in the transmission network" SONI's stated strategic objectives are:
   A) Ensuring the security of electricity supply
   B) Ensuring the competitiveness of the economy
   C) Ensuring the long-term sustainability of electricity supply

SGI would also draw the regulators attention to the ENTSO RDI Roadmap 2024 – 2034 on Innovation and the mission to build the power system for a Carbon-Neutral Europe. The aim of developing a fully integrated energy system increasingly calls for a holistic approach, where the planning and operation of European electricity transmission and distribution networks must be harmonized with new energy infrastructure.

2.0 There are additional benefits arising from this investment as it will provide an additional renewable electricity pathway that can enable Northern Ireland reduce our carbon emissions as well underpinning network development and energy supply needs. Both the UK and EU have set ambitious targets for interconnectors, because they are recognized as the ideal technology to help drive the growth and integration of renewable energy.

3.0 Benefits arising will allow us to import clean energy when we need it, within a matter of minutes as well as export excess energy to our neighbour when they need it. This flexibility is critical to continue to deliver a reliable supply of energy, as we transition towards net zero and an energy system dominated by renewable power. It is estimated by the UK National Grid that by 2030, interconnectors will have helped the UK to avoid around 100 million tonnes of carbon emissions.

3.1, When weather conditions dictate that supplies from UK & Scotland wind farms and solar are lower, Northern Ireland should be able to export to Scottish power, with our excess renewable energy which can be sent via the various interconnectors to UK users.

3.2, By connecting Northern Ireland, Scotland and Great Britain to a broader and more diverse sources of energy through interconnectors this investment can also play a vital role in making the country's electricity system more secure.

Benefits include the fact that an additional interconnector will allow operators to react quickly to changes in supply due to the intermittent nature of renewable energy generation and manage peak demand by sharing with neighbouring countries. It will also allow access to a wide range of markets and generation types, which should be designed to save consumers millions of pounds each year.

3.3, In a broader context and since Brexit, interconnectors have continued to play a critical role in sharing clean energy between Ireland, the UK and the EU. While it is also true that some of the trading is less efficient than it was, but the EU-UK Trade and Cooperation Agreement recognizes the importance of efficient cross-border trading arrangements to facilitate the growth and integration of renewables.

Conclusion

In conclusion Smart Grid Ireland welcomes this private sector Interconnector investment which will be a critical factor in facilitating the delivery of a secure, affordable and sustainable energy infrastructure, positioning Northern Ireland and the island of Ireland at the forefront of global smart grid development and the creation of a low carbon grid as the backbone of a thriving all island economy in the Future.

Smart Grid Ireland is committed to continue working closely with our international partners through the global Smart Energy Federation and our European partner organisations to continually develop our understanding of the benefits and challenges arising from inter-country energy trading arrangements to raise awareness of the best outcome for consumers in Northern Ireland.

Bob Barbour – Smart Grid Ireland Secretariat & Chief Executive