

INFORMATION PAPER - FIRM ACCESS

**Preparation work for potential firm access
review in 2026-2027**

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 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

This Information Paper by the Utility Regulator (UR) sets out UR's progress on the scoping project included in our FWP 25/26, entitled "Preparation for potential Firm Access Review in 2026/27". This work has included building a picture of the Firm Access status of Generators, and the level of constraints they are experiencing. We set out how we will continue this work, including establishing more insights into the costs of Firm Access, and what framework we will employ to assess the potential for future changes.

AUDIENCE

This Information Paper will be of interest to relevant Government departments, SONI, renewable Generators and their representative organisations, and organisations representing consumer interests and other stakeholders.

CONSUMER IMPACT

This Information Paper considers the question of how Firm Access is granted to Generators. Any changes to how it is allocated has the potential to pass on significant costs to consumers, hence why it is laid out that consumer costs will have a central place in our framework of future considerations.

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Executive Summary

This paper provides an update on a 2025/2026 Utility Regulator Forward Work Plan project - 'Preparation for potential Firm Access Review in 2026/27'.¹ In delivery of this project, the UR has been looking at how Firm Access affects individual renewable generators, and consumers.

The level of Firm Access held by renewable generators affects the compensation paid when they are dispatched down due to local network constraints. We have reviewed issues such as network development, the legal and policy context, level of alignment with RoI, profitability of generators, future investment, and, particularly, costs to consumers.

We have identified sources of data which will allow us to assess the impact of any changes to the current allocation of Firm Access. We have also carried out a literature review to assess approaches to Firm Access and flexible connections in other regions. We have observed that there are key differences in the level of network constraints in Northern Ireland compared to the Republic of Ireland, where changes to how Firm Access is granted have been recently made.

We are aware of the conflicting views expressed by stakeholders. On one hand, a change in Firm Access procedure could increase consumer costs, while, on the other hand, continuing delays in network development may be increasing the risk profile of non-firm generators.

We have concluded this information paper by outlining our plans for further work on this topic over the next year, including the framework by which we will assess options for consultation.

¹ [Utility Regulator, 'Forward Work Programme 2025/2026'](#).

1. Firm Access - Background

Concept of Firm Access

- 1.1 Firm Access is a market concept in the Single Electricity Market (SEM), relating to the Transmission capacity available to Transmission or Distribution connected Generators, with a Maximum Export Capacity (MEC) of 5MW or above. At present, Firm Access is allocated via SONI's Firm Access Quantity (FAQ) Methodology.²
- 1.2 Firm Access refers to a Generator having guaranteed access to the electricity network. When this becomes unavailable, due to the Generator having to be dispatched down due to 'localised' constraints, it is entitled to compensation payments, set out in the Trading and Settlement Code.³
- 1.3 Where there is insufficient capacity at the connection point, the prospective connectee can choose to connect without Firm Access instead of waiting for reinforcements to take place. That generator would not receive compensation for Dispatch Down due to constraints, which may impact the unit's profitability. However, a unit's connection to the network, and earning revenue from generation, can therefore be made earlier should the generator wish.
- 1.4 Generators without Firm Access need Associated Transmission Reinforcements (ATRs), linked to the project in their Connection Agreements, to be completed to receive full Firm Access to the network.
- 1.5 The flexibility to connect before the network has been reinforced has benefits for the overall system and the TSO, facilitating the earlier connection of more renewable generation.
- 1.6 However, stakeholders have highlighted concerns, including that the lack of guaranteed Firm Access would impact future investment. Stakeholders have also indicated that it may be worthwhile looking into whether bidding behaviour in the SEM differs between firm and non-firm generators.

The Existing Network in Northern Ireland

- 1.7 Dispatch down due to constraints has increased sharply in the last few years. 10% of generation was dispatched down due to constraints in 2018,

² [SONI, 'Generator Connection Process: Allocation of Transmission FAQ In N Ireland and ITC Methodology to Determine FAQs: Decision Paper', 22 July 2013.](#)

³ [SEMO, 'Trading and Settlement Code.'](#)

increasing to over 20% in 2025, and was nearly at 30% in 2024.⁴ There has been some improvement in 2026, with wind dispatched down by 22.3% in January and 15.8% in February.⁵ This reduction has been assisted by actions contained in the Dispatch Down Action Plan⁶. SONI's current projections are that levels of dispatch down due to constraints by 2030 will reduce to just over 5% on average.⁷

- 1.8 This would be dependent on network development proceeding at the pace currently envisaged by SONI, to mitigate bottlenecks, especially in the transfer of electricity from the West of Northern Ireland, where most renewable generation is concentrated.
- 1.9 Most ATRs linked to Generators without Firm Access have been delayed and may in some cases take many more years to be completed, especially when the amount of new renewable generation connecting to the network in future years is considered.⁸
- 1.10 Further delay to the completion of these projects would hamper generators gaining Firm Access to the network and also make reducing constraints more difficult.

Legal and Policy Context

- 1.11 There are potential developments that could change the context relating to compensation paid to generators without Firm Access.
- 1.12 The final scheme design of the Renewable Energy Price Guarantee (REPG) was published by the Department for the Economy (DfE) in September 2025. We understand that this will be followed by publication of the final T&Cs in Q2 2026, and contract awards in 2027. Compensation at strike price "for all constraints and curtailment events" was proposed, "unless compensated elsewhere." DfE referred to 'extremely high' constraint rates potentially deterring investment, and thus increasing auction prices, as a rationale for their approach.⁹
- 1.13 Article 13(7) of Regulation 2019/943, part of the Clean Energy Package (CEP), requires that System Operators compensate renewable generators with firm access in the event of non-market based redispatch. This

⁴ [SONI, 'Annual Renewable Dispatch-Down Report'](#).

⁵ [SONI, 'Historical Monthly and Qtrly DD Summary Report'](#).

⁶ [Draft Dispatch Down Action Plan - System Operator for Northern Ireland - December 2024.pdf](#)

⁷ [Northern Ireland Constraints Report 2023](#).

⁸ UR analysis of SONI Transmission Development Plans (TDPNIs).

⁹ [Department for the Economy, 'Final Scheme Design For A Renewable Electricity Support Scheme for Northern Ireland'](#).

compensation is related to net revenues from the sale of electricity on the day-ahead market including associated financial support.

- 1.14 Interpretation of Article 13 (7) of this Regulation, through SEM Decision SEM-22-009¹⁰ and a pending modification to the Trading and Settlement Code¹¹, has now progressed to the European Court of Justice (ECJ), and one of the open questions is concerning compensation for revenue lost from dispatch down, including foregone financial support.¹²
- 1.15 If Article 13(7) is upheld by the ECJ, this may render transmission system operators (TSOs) liable for payment of several hundred million pounds in compensation, which could be applicable from 2020. This would significantly increase the future level of compensation payments, on an already constrained all-island system, and could therefore impact consumer bills.
- 1.16 Decision could take up to 18 months (late 2026 or longer), with the Irish Supreme Court obliged to implement the ECJ's ruling with no scope for appeal.

Implemented Changes in the Republic of Ireland

- 1.17 The SEM Committee (SEMC) decision on Firm Access in RoI (SEM-23-004), was published in January 2023, and established a new methodology for EirGrid to allocate Firm Access Quantities (FAQ). Key changes include a time-bound Firm Access date, delinking Firm Access from specific ATRs, and providing earlier certainty for generators. This has prompted pressure for Northern Ireland to follow a similar methodology, however, any changes to Northern Ireland policy would be a separate jurisdictional decision.
- 1.18 We have noted that SEMC and CRU have commented that the proposed approach would provide more certainty for investors but could have the effect of higher costs for consumers.^{13,14}
- 1.19 We are also mindful that the level of Dispatch Down due to constraints is lower in RoI than in Northern Ireland. In 2024, Dispatch Down of Wind

¹⁰ [SEM-22-009, 'Decision Paper on Dispatch, Redispatch and Compensation Pursuant to Regulation EU 2019943.'](#)

¹¹ [SEMO, 'Modification Proposal Form \(Mod_05_23\).'](#)

¹² [Energia Group Holdings \(ROI\) DAC & ors v The Commission for Regulation of Utilities GR Windfarms 1 Ltd & ors v Commission for Regulation of Utilities \(Approved\) \[2025\] IESC 1 \(21 January 2025\)](#) – note the reference in Article 13 to excluding 'unjustifiably' low or high compensation.

¹³ [SEM Committee, 'Firm Access Methodology in Ireland Decision: 'EirGrid – Proposed Methodology', SEM-23-004.](#)

¹⁴ [CRU, 'Firm Access – Detailed Methodology', CRU/202363.](#)

Generators due to constraints was around 20% higher in Northern Ireland compared to RoI.¹⁵

¹⁵ [EirGrid and SONI, 'Annual Renewable Energy Constraint and Curtailment Report 2024'](#).

2. Scoping Exercise

Review of International Literature

- 2.1 This has highlighted many areas we may want to consider in any future work, relevant to Northern Ireland.
- 2.2 There is no dominant approach to the allocation of Firm Access across countries. The current Northern Ireland system falls in the middle of a spectrum of approaches. In some jurisdictions, such as Germany, the focus is on compensation, providing full compensation for all dispatch down.¹⁶ This, theoretically, can increase certainty, but can also create unbalanced incentives, that do not lead potential generators to prioritise focusing on local constraints in geographic situation decisions. Other countries, such as the USA, do not employ compensation to generators for dispatch down, with the cost of network congestion being reflected in nodal wholesale pricing and lost opportunity to generate when localised constraints occur.¹⁷
- 2.3 Our review has identified programmes in place elsewhere that look at technical solutions that would enhance the amount of energy that can flow through highly constrained zones. Schemes that enhance intertripping or counteract variabilities in flows, can increase the amount of energy that can flow across constrained areas. Use of batteries can, as well as soaking up demand within a constraint zone, be also employed for reactive grid management, freeing up transmission line capacity.¹⁸ Dispatch flows can also be smoothed through dispatch management or market actions.¹⁹
- 2.4 Approaches to network development elsewhere are becoming linked to the cost of constraints, aligning with overall system plans.²⁰ These approaches may be combined with streamlining of legal and planning processes, that can lengthen the timescales of network development.^{21 22}

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¹⁶ [CEER, Redispatching Arrangements in Europe Against the Background of the Clean Energy Package Requirements](#).

¹⁷ [Grid Strategies, 'Transmission Congestion for 2024'](#).

¹⁸ [NESO, 'Constraints Collaboration Project Webinar: Quarterly Update', 5 November 2025](#).

¹⁹ [National Grid ESO, 'MW Dispatch Service Details Including Visibility and Control Requirements'](#).

²⁰ [Pathway to 2030 for Offshore Wind \(Holistic Network Design\)](#).

²¹ [Government Transmission Acceleration Action Plan, Response to Electricity Networks Commissioner's Report on Accelerating Network Build](#).

²² [Neso, 'Electricity Transmission Design Principles: Consultation on Principles', September 2025](#).

²³ ['Accelerating Infrastructure Report and Action Plan'](#).

- 2.5 A key area identified in this literature review has been the value of flexibility, especially where there were restrictions on, or a lack of formal process for, obtaining a non-firm connection, instead of waiting for network reinforcement. Some countries are enhancing the degree of flexibility around connection arrangements and compensation payments for constraints, through non-firm flexible connection agreements²⁴, where connecting generators may connect, with restrictions such as being the first to be dispatched down when there are constraints. Similarly, there is also increasing use of flexible demand services, where large demand users, within constraint areas, sign agreements to reduce or increase demand, depending on the level of constraints.²⁵
- 2.6 This aligns with overall themes in the reviewed literature, that the network across Europe is becoming more complex and prone to constraint bottlenecks, with the addition of new generation and technologies.²⁶ Dispatch Down is a challenge in multiple jurisdictions. Although they have not risen to the levels seen in Northern Ireland, Dispatch Down due to constraints has risen in recent years in Great Britain, the Republic of Ireland, and elsewhere. Network development to alleviate this is important but will often 'lag' the build out of generation. Therefore, we observed from this review that it is important to pursue other measures to manage constraints, and maintain a flexible, contextually informed approach to compensation for dispatch down caused by constraints.

Identification of Data Required

- 2.7 We have identified what data we needed to inform our considerations. We sourced a range of data and have begun to build a data model to give us a better insight into the potential impact of any changes. Data collected includes:
- a) The Firm Access status and location of individual generators, and the ATR dates they are linked to.

²⁴ Manuel Romeo Monterde, Erik F. Alvarez, Orland Valarezo, 'Non-Firm Grid Connections: A Review of Access Types, Mechanisms, and Regulatory Frameworks.'

²⁵ [NESO, 'Demand for Constraints Assessment' - Guidance](#). Note that there has been some limitations expressed with these programmes – full use of the intertrip scheme, to enable more power to flow on the transmission infrastructure pre-faults, is limited sometimes due to constraints relating to stability and reactive power in certain locations, and sources of inertia decreasing, making it impossible to increase the volume of the intertrip. This is also a limitation of the grid booster scheme, where the injection of new volumes, combined with the tripping of large volumes, could have an impact on system stability. There is also limited surplus battery volume to deliver the service in Scotland – NESO, '[Constraints Collaboration Project: Final Report](#)'.

²⁶ [Redispatch and congestion management - Publications Office of the EU](#).

- b) The data on the constraints experienced by existing generators, and the constraints payments made to each of these individual generators.
 - c) Data on the Renewable Obligation Certificate (ROCs) payments received by the individual generators, when applicable.
 - d) The financial accounts of these renewable generators.
- 2.8 Through this work, we have built a comprehensive picture of the level of constraints individual generators have experienced, for the past five years, (for both firm and non-firm generators). We have also made comparisons between the profitability of generators with and without and Firm Access. We are presently undertaking work which will combine this, and other data to allow us to develop options suitable for consultation.
- 2.9 From initial analysis, we have observed mild correlation between Firm Access levels and generator profitability, and that many non-firm generators are profitable.

3. Next Steps

- 3.1 Following the publication of this information paper, we will proceed with a Forward Work Plan item that would build on this scoping exercise. This work will centre around the development of a consultation on the existing arrangements and whether these should be amended.
- 3.2 The consultation will need to take into account a number of factors, such as the Article 13 ECJ ruling, the REPG and the pace of network development and their impact. It will also consider the value of reducing constraints and whether there are additional measures that can be taken including those outlined in SONIs dispatch down action plan.