

Ciaran MacCann
Compliance and Network Operations
Utility Regulator
Queens House
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Belfast BT1 6ED

(By email to ciaran.maccann@uregni.gov.uk)

15 May 2017

Dear Mr MacCann

Re: Response to NIAUR Review of Electricity Distribution and Transmission Connections Policy Consultation

ABO Wind N.I. Ltd welcomes the opportunity to respond to the Utility Regulator consultation on Connection Policy. ABO Wind N.I. Ltd is a subsidiary of the German-based ABO Wind AG, one of Europe's most experienced wind energy developers. The company was founded in 1996 and has over 300 employees in Germany, France, Spain, Scotland, Ireland and Argentina, with interests in Portugal, Belgium and Bulgaria. ABO Wind has been successful in developing, constructing and maintaining wind farms with over 1000MW of rated capacity in Europe. ABO Wind has commissioned 7.5MW in Scotland, 70MW in the Republic of Ireland and currently has 128MW at various stages of the planning and development process in Northern Ireland.

ABO Wind supports the detailed submission provided by the Northern Ireland Renewable Industry Group (NIRIG). We strongly support the three industry needs outlined in the NIRIG response.

1. Further strengthening of current network to provide firm access for committed generation

There is approximately 1600-1700MW of contracted renewable generation in Northern Ireland. The NIE medium term plan of 110kV works developed and completed over the period 2005-2017 did increase the capacity of the transmission system, particularly in the West of Northern Ireland to accommodate approximately 1000MW of renewable generation. Some of the 1600-1700MW of contracted generation is also in the East of Northern Ireland where there already was existing capacity. We estimate that there is 300-400MW of renewable generation that will require further transmission reinforcements works to receive firm access and reduce network constraints.

SEM and European Policy requires the System Operators, supported by the Regulators, to develop transmission reinforcements to provide firm access and reduce constraints of renewable generation. It appears remiss that in none of the Utility Regulators consultation documents in connection policy in 2016 and 2017 that this obligation has been acknowledged.

Over the past ten years there has been some discussion and analysis of further reinforcement work beyond the NIE medium terms works. However, we understand very limited works have been done by SONI and NIE to actually bring these works into 'on the ground' development rather than just desktop analysis. There has been contracted generation since approximately 2010 that required these reinforcements. The reason for the substantial delays in these reinforcement works is unclear and should be addressed by the Utility Regulator and the System Operators urgently. It appears that there are a number of 110kV projects, a second phase of the medium-term plan that will likely address the immediate constraint risk to the contracted generation. We would request that the System Operators and Regulators agree to prioritise these works.

2. Growth of the electricity network to provide the framework for a modern economy and competitive electricity market

New generator connections are essential to the future development of the Northern Ireland economy. At a time when the majority of countries in the developed world are facilitating the transition to a new low carbon electricity sector, Northern Ireland needs to properly position itself to take advantage of this transition. The advantages of further renewables to Northern Ireland are detailed in the NIRIG response.

Having a functional connection offer process and transmission development programme is critical to facilitating the transition to a low carbon electricity sector. Otherwise, Northern Ireland will appear 'closed for business', not just to companies wanting to invest in low carbon technologies but all existing and potentially new companies wanting to invest in Northern Ireland but expecting a modern electricity system with a plan to transition to a low carbon future. ABO Wind understands that the Utility Regulator is not responsible for Northern Ireland's Energy Strategy but as stated above, a functional connection offer process and transmission development programme are critical, and these are within the Utility Regulators remit.

The Regulators consultation paper over 2016 and 2017 alludes to there being no transmission capacity after Phase 1 is complete. It is very possible that additional transmission capacity could be made readily available, particularly in the east of Northern Ireland. This capacity could possibly be provided without substantial investment additional to the funds that will be facilitated through RP6. ABO Wind requests that the Utility Regulator and SONI provides a transparent process for identifying and publishing the works required to provide additional capacity in all parts of the Northern Ireland network. For example, it is currently unclear what SONI assumed to determine the capacity for Phase 1.

3. An appropriate connection policy in the short-term as well as an enduring policy that facilitates connection of customers and sends the correct market signals

As detailed in the Utility Regulator's paper, grid capacity in Northern Ireland is scarce and investment will be required to provide additional capacity in parts of the network. It is therefore critical that connection policy allocates capacity to those projects most likely to proceed. The previous requirement to have planning permission was very effective in this regard. It is also an approach that the majority of industry supports. It is noted that this was effectively used to allocate capacity in the 2016/17 Phase 1 allocation of connection capacity. ABO Wind supports the reintroduction of the planning permission requirement and believes it should be introduced immediately. As has been demonstrated in Phase 1, the use of planning permission can be used in an interim basis until the necessary legislation is introduced.

We have also provided responses under the headings provided in the Utility Regulator's paper.

1. Connections network management

1.1 Utilising network capacity

As detailed above, there has already been substantial delays in the development of critical transmission reinforcements for committed generation. It would be unacceptable, and outside of the SEM and EU policies, for the Utility Regulator and SONI to further delay works on these reinforcement works. In particular, the next phase of 110kV reinforcement works should be progressed urgently through the design and consenting process.

As also detailed above, there is likely to be capacity for further generation in the east of Northern Ireland with minimum reinforcements or for SONI to review how they calculate available transmission capacity. For example, the generation scenarios SONI consider in their analysis. We agree that in the future demand side management and storage will have to be considered in determining transmission capacity.

We would strongly recommend that NIE and SONI are provided monies in their price reviews for innovation, in particular to innovate on how generators can connect without requiring new distribution and transmission reinforcements.

1.2 Recovering network capacity

We would support the Utility Regulator proposals.

1.3 Building more network capacity

As detailed above, investment is required to provide firm access for committed generation. The Utility Regulator should be proactively ensuring SONI provide these reinforcements as required under SEM and EU policy. There is also the need to start planning the transmission system for the future needs, in particular the transition to a low carbon electricity system.

It is unacceptable that SONI have not published a transmission development plan. We strongly request the Utility Regulator confirm with SONI a timeframe for this plan to be prepared by SONI, reviewed by the Utility Regulator, and published for consultation with Industry.

1.4 Connections charging framework

We have no comment on distribution charging policy as it generally does not impact on large scale wind farms.

1.5 Cluster connections policy

We welcome the Utility Regulator's continued support of the cluster connection policy. The cluster policy has been critical to the efficient connection of renewable generation and has been a major corner stone of the connection policy that is allowing Northern Ireland to move substantially towards meeting its 2020 renewable targets. There is no reason why cluster policy should not continue to help connect further renewable generation. We would note however that development of some of the clusters has been very slow. Moving forward, the process should be streamlined to ensure more efficient development of the clusters.

2. Connections process and queue

2.1 Planning permission

ABO Wind agrees with NIRIG's position that it would be more appropriate for the Utility Regulator to be given greater powers to make connection policy and rules rather than just changing legislation to make planning permission a condition for submitting a connection application. The current priority for legislative change is the planning permission issue but there will be other issues to progress such as rebating. It is not appropriate for legislation to be changed every time connection policy needs updating.

As stated above ABO Wind believe that planning permission should continue to be used in the interim until the proper legislative solutions is put in place.

2.2 Prioritisation of connections

ABO Wind supports NIRIG's proposal to allow DS3 applications to be fast tracked. If any type of generation is to be prioritised this should require further consultation as there is not a detailed proposal in the Regulator paper to comment upon.

2.3 SONI offer timelines

Extension to connection offer periods should be the exception. We agree with NIRIG that any extension to the timelines should still require Utility Regulator's approval.

3. Customer service, engagement and transparency

3.1 Pricing transparency

ABO Wind supports greater transparency on connection charging. As NIE have constructed substantial connection assets over the past 10 years there should be no reason why this procurement experience could not be used to provide better estimates of connection asset costs in their annual connection charging statement. All connection assets that are regularly included in connection offers should be included in the charging statement estimates.

3.2 Network and generator information

ABO Wind would strongly support greater network and generator information being made available. As there is limited capacity in parts of the network, developers can only make decisions to locate generators in areas with capacity or where limited upgrades are required when good information is available. If there are data protection concerns, generator information could be provided per 110kV or 33kV node rather than down at the generator level.

4. Extension and connection offer requirements

4.1 Requirements for connection offer extensions

ABO Wind agrees that there should be greater transparency on how extensions are permitted.

4.2 Requirements to refuse to provide a connection offer

ABO Wind is very concerned that connection offers would not be permitted due to the lack of transmission capacity. SEM policy is clear that generators should be allowed to be connected on a non-firm basis and the System Operators are responsible for completing the deep reinforcements in a timely manner. For access to the All-Island market, it would be discriminatory if generators in Northern Ireland would not be permitted due to lack of transmission capacity. It is the responsibility of both jurisdictions to provide access to the All-Island market.

4.3 What we are reviewing and why

As Phase 1 is almost complete it is critical that the Utility Regulator provides policy direction to the System Operators to allow them to start issuing connection offers under what has been referred to as Phase 2. It would be unacceptable and completely contrary to SEM and EU policy if the System Operators started to refuse to issue connection offers due to the availability of transmission capacity. The 40% renewable generation was always a target and not a cap on renewables. Under SEM policy, generators have a right to access the All-Island market on a non-firm basis.

We are very concerned by the Utility Regulator statement, *“We are also considering whether supporting protections should be put in place so that NIE Networks or SONI connects a customer where it is economically efficient to do so.”* We believe this statement is inappropriate as the Utility Regulator does not have a role to centrally plan what generators can connect to the system. We strongly request that the Utility Regulator directs the System Operators to continue to issue connection offers for projects with planning permission. In parallel the Utility Regulator should work with SONI to develop a transmission development plan to allow Northern Ireland to progress towards a low carbon system.

4.4 Proposed requirements and process for requesting and granting an extension

We agree with NIRIG's comments that the proposed four step process appears to be cumbersome, slow and bureaucratic.

5. Timelines and next steps

ABO Wind is somewhat surprised and concerned at the speed at which the Utility Regulator is proposing to make a decision on this consultation. On issues that will have a critical impact on the Northern Ireland electricity industry and the wider economy it would be unprecedented to make a final decision within two weeks of a consultation being complete. It is unclear if the Utility Regulator has included sufficient time to review and consider the consultation responses before considering and getting the necessary internal approvals for its final decision.

Yours sincerely,



Tamasin Fraser
Head of Development NI
ABO Wind NI Ltd