

30th May 2013

Brian Mulhern
Electricity Directorate
Queens House
14 Queen Street
Belfast BT1 6ED

RE: Connection Arrangements for Offshore Renewable Generation Consultation

Dear Brian,

Bord Gáis Energy (BG Energy) welcomes the Utility Regulator's consultation on 'Connection Arrangements for Offshore Renewable Generation'. BG Energy holds significant onshore wind interests in Northern Ireland but also holds, as part of a joint venture with OpenHydro, a lease from The Crown Estate to develop a 100MW tidal project in the waters offshore of Torr Head.

As a member of the tidal consortium, representing the views of the developers of the two tidal projects off the Northern Ireland coast, BG Energy supports and endorses the comments made in the response submitted by Donal O'Sullivan as Project Manager of the Tidal Ventures Ltd. project and Damian Bettles as Project Manager of the DP Marine Energy Ltd.

In the interests of clarity, BG Energy would like to clarify and reiterate its principle points and concerns with respect to the questions raised in the consultation:

1. Options for Physical Connection

For technical reasons, BG Energy's preferred connection method for its 100MW offshore tidal project is to connect below 110kV, which would therefore be considered a distribution connection. It is currently expected that the project will have an onshore connection point, the details of which will need further consideration and consultation with NIE and SONI.

BG Energy has concerns relating to the suggestion in the consultation paper that there is a 20km maximum length limit for a single connection circuit. Our understanding is that this limit only relates to 'Supergrid Connected Generators' – those above 275kV – and therefore would not apply to the connection of its tidal project. The application of this limit to our

project would represent a significant change to the planning of the project and would have significant cost implications for the project.

2. Ownership, Responsibilities and Licence Arrangements

BG Energy's current preference is that responsibility for the ownership, operation and maintenance of the offshore connection assets rests with the project developers. Critical to this preference is our view that, given our current preferred connection methodology, the Torr Head Project would not be subject to IME3 unbundling requirements.

3. System Security, LCTA Connection Design, Cost Allocation and Charging Arrangements

BG Energy does not believe that the facilitation of its tidal project requires a significant review of the general connection and charging principles. However, BG Energy urges the Utility Regulator to promptly progress arrangements for the contestability of shallow connection assets in NI. This is critical for developers in terms of better enabling them to manage the costs, timelines and general risks associated with grid connections.

4. Connection Application Process and the NI Queue for new Connections

BG Energy appreciates the recognition of the Utility Regulator of the unique issues faced by offshore developers in planning and developing their projects. It is also important to note that the tidal project offshore of Torr Head has received a lease agreement from the Crown Estate and in so doing has expended significant time and finances in progressing the project to date. In this regard, it is clear that the developers of the project are committed to the development and completion of the project. Given the inherent risks associated with such a new technology, it is imperative that the application and connection design process does not cause undue delays or give rise to further costs in delivering the project to completion.

With that in mind, BG Energy is of the view that its tidal project should be permitted to make an application for connection to the NI system ahead of Planning Approval to better enable the progression of the project.

Furthermore, BG Energy believes that the project should be included in the ITC analysis at the soonest possible date to provide greater certainty to the projects and to reduce certain of the controllable risks related to the project. For the purposes of providing clarity to the debate on

this issue for all stakeholders, BG Energy would support an analysis being undertaken by the System Operators to study the impact of the different offshore projects on the system and the availability of capacity on the system.

5. Changes to the Grid Code

BG Energy proposes the establishment of a Grid Code Review Panel Working Group to examine and assess if and where changes to the Grid Code may be needed to facilitate the connection of offshore renewable generation.

As stated at the outset, BG Energy submitted more substantive comments on the different aspects of the consultation as part of the joint response from the tidal consortium. The purpose of this response is to firstly endorse the position set out in that response and secondly to clarify, at a high level, BG Energy's principle views and concerns relating to the consultation.

I would very much welcome an opportunity to discuss the detail of our response with you. In the meantime, please do not hesitate in contacting me if you have any comments or queries.

Yours sincerely,

Jill Murray
Regulatory Affairs Manager
Bord Gáis Energy

c.c. Donal O'Sullivan, Bord Gáis Energy
Margaret Riordan, Bord Gáis Energy