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# Brookfield Renewable Ireland

## Response to Review of Electricity Distribution and Transmission Connections Policy

*Submission Date: 15 May 2017*

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Date: 15 May 2017

**RE: Review of Electricity Distribution and Transmission Connections Policy**

Dear Sirs,

Brookfield Renewable welcome the opportunity to provide feedback on the Review of Electricity Distribution and Transmission Connections Policy, published by the Northern Ireland Utility Regulator. This is an important issue for Brookfield Renewable, as well as the wider renewable energy industry, and we support the submission made by NIRIG in response to this consultation.

Brookfield Renewable Ireland is part of Brookfield Renewable Partners L.P., one of the largest publicly-traded pure-play renewable power platforms globally with over 10,700 MW of hydroelectric and wind capacity across 15 power markets and in excess of 470 MW of operating wind capacity with a 200 MW wind development pipeline in Ireland. Our power operating platform employs over 2,200 people globally, including full operating, development, construction oversight, and wholesale power marketing capabilities. In addition to operating a wind portfolio in the Single Electricity Market, Brookfield Renewable also actively trade power across the interconnectors between SEM and BETTA.

Below is a summary of our position in relation to grid connection policy in Northern Ireland.

### Enduring Grid Connection Policy

We believe that an enduring grid connection policy, which addresses grid connection and grid capacity, is required for Northern Ireland. It is essential that renewable energy projects have access to a grid connection in order to reduce electricity costs for consumers<sup>1</sup> and that there is sufficient grid capacity available to accommodate these projects. An enduring grid connection policy is critical to facilitate project development, provide regulatory certainty and develop a route to a grid connection in Northern Ireland.

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<sup>1</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2926875](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2926875)

In the interim, the current situation needs to be addressed and progression on 'Phase 2' projects is urgently required. The removal of the planning permission requirement when applying for a grid connection has created a significant bottleneck and a largely inefficient system. Brookfield Renewable believe that a requirement for full planning permission at the grid connection offer stage is a suitable interim measure to ensure that grid connection offers and scarce network capacity is allocated to legitimate projects. Brookfield Renewable are of the opinion that subsequent 'Phases' of grid connection offers should be considered until the enduring grid connection policy is implemented. Furthermore, we believe that this should not be limited to where network capacity currently exists as network development must progress in order to meet demand.

Brookfield Renewable note the suggestion in the consultation paper that "certain types of connection may bring greater benefits than others and so should be prioritised". We believe that fairness should be applied in any such cases and that robust justification would be required should any particular technology type be prioritised. We welcome NIAUR's acknowledgement that any prioritisation of connections "would not be to the detriment of other non-comparable applicants". Brookfield Renewable support NIAUR's request in the consultation paper that NIE networks and SONI ensure a robust process is in place for considering new applications beyond Phase 1. We do however request clarification on same and confirmation that this will be consulted on in due course.

In the long-term, Brookfield Renewable proposes that any grid capacity offer should be utilised within a specified timeframe, or according to enforceable milestones, such as planning permission, to allow projects a reasonable length of time to achieve operation, after which the grid capacity should be re-allocated to other projects following release. This approach would minimise the number of speculative applications and grid hoarding and will ensure efficient allocation and release of available grid capacity.

### Network Investment

Renewable Energy is essential to decarbonising Northern Ireland's electricity system, improving security of supply, lowering customer prices and helping to meet growing consumer demand. It is vital that there is sufficient capacity on the system to accommodate these projects and to ensure that renewables are part of the energy mix in Northern Ireland going forward. Therefore, in parallel to the enduring grid connection policy, there also needs to be a commitment to invest in and improve network capacity in Northern Ireland.

A transmission development plan is required to provide transparency in relation to proposed network investment and clear market signals. Significant development of the transmission system is required to facilitate a robust, flexible grid network for generators and consumers into the future. Under NIE Network's Transmission and Distribution Price Control (RP6) Draft Determination, a mechanism to allow for additional investment to increase the capacity and capabilities of the transmission system has been proposed. While this is welcomed, we also note

that under RP6, it is proposed to reduce transmission investment by £9 million per annum relative to current Price Control, RP5. We believe this reduction is unwarranted given the very slow development of the transmission reinforcements required to provide firm access to the wind farms which are contracted or connected and to minimise constraints. Continued efforts to improve network capacity need to be prioritised and investment in transmission reinforcement needs to be strategically addressed. There is a significant shortfall between committed renewable generation and the transmission reinforcements required to provide firm access. This contravenes the SEM generator connection policy decision paper (AIP/SEM/114/06) which states that system operators and network owners should be obliged to complete deep reinforcements in a timely manner.

### Recovering Network Capacity

Brookfield Renewable support NIAUR's request in the consultation paper that NIE Networks consider the incidence of under-utilisation. We also request that an as-built rating review is also considered, to take account of the multiple margins of safety which are built into ratings assigned to assets. This has the potential to release pre-existing network capacity back into the system thereby optimising existing infrastructure and minimising constraints.

### Connections Charging Framework - Rebates

Brookfield Renewable welcome the agreement by NIAUR in the consultation paper that those who connect and make partial use of others assets should have to contribute some payment towards their use. We support the implementation of an open and fair rebating structure, in particular in relation to cluster charging. Currently those connecting after the original cluster has been paid for or after a second transformer is installed and paid for can benefit from these connection assets without contributing. We request that this is addressed as a high priority.

### Cluster Connections Policy

Brookfield Renewable also welcome NIAUR's continued support of cluster development and also the suggestion that further network information could be made available regarding connections, committed and contracted generation and applications, particularly in the case of clusters where there is an interaction between participants.

### Regulatory Certainty

Regulatory changes are required to ensure a more efficient grid connection policy. We believe that the Utility Regulator, NIE and SONI should have increased decision making power and that legislative change should not be required to make changes to the connection policy. We feel this legislative process is inappropriate and leads to unnecessary delays in an already lengthy process. We recommend a review of the Utility Regulator's licence to assess its role in reviewing and approving connection policy, rather than just ensuring that current license requirements are properly implemented. This is of increasing importance given the ongoing changes to the design

of energy systems, including the increased penetration of renewables, smart metering, storage devices etc. A robust regulatory framework needs to be in place to facilitate the system adapting to change in a timely fashion.

#### Extension and connection offer requirements

Brookfield Renewable agree with the proposal that granting requests for extensions should be the exception rather than the norm. We also support NIAUR's view that the extension request process can be further strengthened given the limited transparency or accountability in how extensions are requested and granted to date.

We consider the proposed requirements and process for requesting and granting extensions to be reasonable albeit somewhat cumbersome. We don't however agree with the proposal to facilitate the refusal of grid connection offers by NIE Networks as we feel this could lead to a vicious circle of reduced investment in network reinforcement and subsequent further grid connection offer refusals. Instead we believe a transmission development plan is required to provide transparency in relation to proposed network investment and clear market signals as well as facilitating a robust, flexible grid network for generators and consumers into the future.

Should you require any further information in relation to the points raised above please don't hesitate to get in touch.

Kind regards,

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