

Mr Simon Scott  
Utility Regulator  
Queens House  
14 Queens Street  
Belfast  
BT1 6ED

22 July 2010

Dear Simon

## **Consultation on Vacant Sites within NIE Land Bank**

The CBI is the UK's leading business organisation, speaking for some 240,000 businesses that together employ around a third of the private sector workforce. With offices across the UK as well as representation in Brussels, Washington, Beijing and Delhi the CBI communicates the British business voice around the world.

In Northern Ireland our members have a strong interest in energy policy which can ensure the international competitiveness of the Northern Ireland economy.

We welcome the opportunity of commenting on this consultation document, and our views on the questions raised in the consultation document are set out below.

### **Should these sites be offered for lease or sale for power generation or for any other purpose?**

CBI strongly recommends that the three key sites (Belfast Harbour, Coolkeeragh and Kilroot) should be retained for power generation purposes:

- The sites have high strategic value and provide suitable locations for power generation (with existing links to the transmission network)
- Significant new low carbon generation capacity will be required to help meet the Executives Programme for Government CO2 goals in the years ahead
- The new Strategic Energy Framework is likely to confirm the need to increase the level of power generation from renewable sources – increasing the 'predictable' quantity of renewable (ie from non-wind sources) will become increasingly important to ensure energy security
- The sites have significant potential for low carbon generating capacity including biomass and energy from waste projects both of which could provide import fuel diversity benefits for Northern Ireland



Nigel Smyth, Director, CBI Northern Ireland

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We do not believe any of the three sites should be offered for lease or sale for any other purpose at this time.

The consultation document also identifies two additional sites identified as unsuitable for power generation – we accept these should be disposed of to the benefit of consumers.

**What criteria/pre-conditions should be used in assessing any proposals for bidders?**

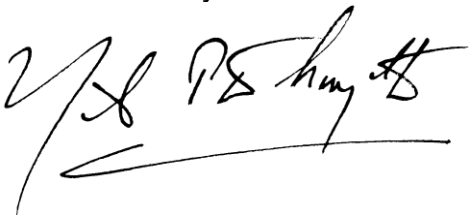
We agree that it is important to establish key criteria for assessing any proposals which may emerge from power generation developers. Such criteria should include;

- The party(ies) must demonstrate that they have both the technical capability and the financial resources to bring their project to fruition
- Their commitment to proceed in a timely manner (to avoid 'landbanking') should be demonstrated
- The criteria should be designed with the aim of encouraging development of low carbon power generating plant

**Are there any other criteria which should be taken into consideration?**

- The most important criteria is to maximise the use of these sites in a manner which supports the goals set out in the Strategic Energy Framework – this should be the over-riding criteria. A key requirement is likely to be the need to develop predictable low-carbon generation capacity, but other attributes, including increasing competition, and improving fuel diversity may also need to be considered
- Rental income should be used as a lesser degree – it is important that rental charges are set commercially and are not used to distort competition or to deter potential developers. Rental income policy for the sites should be designed to encourage early development and avoid 'landbanking'.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nigel PE Smyth', with a long horizontal flourish underneath.

Nigel PE Smyth  
Director, CBI Northern Ireland