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Utility Regulator
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23rd June 2010

Consultation on Vacant Sites within the NIE Land Bank

Simon,

Please find below a response from AES Kilroot Power Limited in relation to the above consultation. If you should require any further information or would like to discuss any of the points raised in more detail please do not hesitate to contact us.

AES Kilroot Power Limited, a subsidiary of the AES Corporation, is the owner and operator of Kilroot Power station on the north shore of Belfast Lough. As one of the world's largest power companies, The AES Corporation owns and operates a diverse and growing portfolio of generation and distribution businesses with the capacity to serve 100 million people worldwide. Our power plants encompass a broad range of technologies and fuel types, from coal to gas to renewables such as wind, hydro and biomass.

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

Any sites within the Land Bank that are suitable for developing an electricity generating station or an activity associated with the operation of an electricity generating station should be reserved for that purpose and made available to project developers on commercial terms by way of a lease agreement. These sites should not be offered for sale as this would make it difficult to recover the site in the event that it was no longer used for electricity generation or an activity associated with the operation of an electricity generating station. This should not preclude the sites from being leased on a shorter term basis for other uses that may not be related to electricity generation providing that all of the necessary consents are in place and that such uses do not impair the site potential in

relation to the future development of an electricity generating station or an activity associated with the operation of an electricity generating station. Any such shorter term lease should be on commercial terms and include conditions that will allow the site to become available for the development of an electricity generating station or an activity associated with the operation of an electricity generating station if such a proposal arises and meets the qualification and assessment criteria.

Any vacant Land Bank sites that do not have the potential to be utilised for the development of an electricity generating station or an activity associated with the operation of an electricity generating station should be offered for sale on commercial terms.

4.1 *Are there any further pre-conditions which proposals should meet before proceeding to the next stage of the assessment?*

Any developer making a proposal to develop an electricity generating station or an activity associated with the operation of an electricity generating station should be required to demonstrate to the satisfaction of the Regulatory Authority that it has the technical and financial capability to develop the proposal within a reasonable timescale. The developer should also demonstrate to the satisfaction of the Regulatory Authority that the proposal is compliant with all of the relevant planning and environmental regulations. Any offer to lease a vacant Land Bank site should include conditions that will terminate the lease in the event the project does not proceed within a reasonable timescale or when the project ceases to operate.

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

The primary criteria for the assessment of a proposal to develop an electricity generating station or an activity associated with the operation of an electricity generating station that has met the pre-conditions should be consistency with Northern Ireland energy policy. The rental income from a Land Bank site should be assessed by way of an independent valuation and not used as an assessment criterion.

Kind Regards

AES Kilroot Power Limited