



Mr Ciaran MacCann
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By email to: Ciaran.maccann@uregni.gov.uk and SONIUREGNI@uregni.gov.uk

Re: SONI Price Control 2020-2025 Draft Determination Consultation

Dear Mr McCann

DP Energy welcomes the opportunity to engage with the Utility Regulator and respond to this consultation paper on the SONI Price Control 2020-2025 Draft Determination.

At present, the Department for the Economy (DfE) is working on an updated energy strategy for Northern Ireland and it is clear we will have an increased ambition in terms of a renewable electricity target by 2030, in line with the UK's next zero emissions target by 2050 and the Climate Action Plan in the Republic of Ireland. We believe that SONI will play a crucial role in enabling Northern Ireland to meet its future renewable energy and decarbonisation targets. Therefore, it is essential that SONI is adequately funded and incentivised to deliver the changes required over the next 5 years to ensure we are put on the right path for 2030 and beyond.

DP Energy fully supports the Northern Ireland Renewables Industry Group (NIRIG) response to the consultation and wishes to reiterate that the points raised in their consultation response are extremely important to ensure the success of the upcoming price control period.

In line with NIRIG's response, we highlight our concern that many of SONI's proposed new initiatives to facilitate the integration of renewable generation are seeing significant cost disallowances. We recognise that the electricity sector is quite dynamic at present with many changes projected to take place over the next decade, however we emphasise the need to send a strong investment signal to industry in Northern Ireland. Investment in new programmes such as DS3+ and control centre tools can greatly reduce the cost of renewable deployment and provide an effective signal to industry that issues in relation to dispatch down are being managed. Any delays or uncertainty in relation to the funding for these programmes could potentially lead to higher renewable development costs, which will be reflected in consumer costs, as it is likely we will be moving to a form of auction based renewable support

We also support NIRIG's proposals that incentives in relation to annual dispatch down, SNSP and RES-E targets be introduced which will help ensure that SONI is focused on delivering outcomes that will be of benefit to consumers and to the renewables industry. This must be developed in

parallel with SONI having sufficient flexibility and capacity to progress the necessary initiatives to deliver on these targets.

Finally, we note that Northern Ireland is part of the Single Electricity Market (SEM) and stress the importance of North-South co-operation and alignment in policy areas such as DS3 and other all-island initiatives to integrate renewables onto the power system. DS3 has been an outstanding success in this regard which has made the all-island system a world leader in the integration of renewable generation. In order to build on that achievement, it is essential that there is co-ordinated approach in both jurisdictions in relation to the funding, incentives and regulation of the grid.

In conclusion, we would like to thank the Utility Regulator for the opportunity to engage on this matter and look forward to continuing our work with you in future.

Yours sincerely,

Sara Armstrong

DP Energy