

Stephen and Ciaran Devine
ERE Developments Limited
79 Chichester Street
Belfast
BT1 4JE

14th November 2017

Our Ref – CNO/E/TH/255

Dear Sirs,

RE: ERE Developments Limited
Direction under Condition 4 of Electricity Generation Licence

Whereas:

- (A) ERE Developments Limited (**the Licensee**) holds an electricity generation licence granted to it on 22 June 2011 (**the Licence**).
- (B) The Licensee is authorised to generate electricity at 18 Lisahally Road, Derry, County Londonderry, BT47 6FL.
- (C) Paragraph 1 of Condition 4 of the Licence requires the Licensee to comply with the provisions of the Grid Code and the Distribution Code insofar as applicable to it.
- (D) Paragraph 2(a) of Condition 4 of the Licence provides that the Utility Regulator (**UR**) may following consultation with the Transmission System Operator (namely SONI Limited (**SONI**)) and the Transmission Owner (namely Northern Ireland Electricity Networks Limited (**NIE Networks**)), issue directions relieving the Licensee of its obligation under paragraph 1 of Condition 4 in respect of such parts of the Grid Code and to such extent as may be specified in those directions.
- (E) The Grid Code is the code of that title which is required to be prepared by SONI in accordance with licence to participate in the transmission of electricity.
- (F) On 9th May 2017 ERE Developments Limited submitted a document (**the derogation request**) the UR requesting lifetime derogations from two requirements of the SONI Grid Code in relation to Lisahally Power Station:-

CC.S1.1.3.7

Start-Up and Ramp Rates

- (a) *A Generating Unit must be capable of Start-Up:*
 - (i) *from cold within 14 hours;*

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- (ii) from warm within 5 hours;
- (iii) from hot within 3 hours.

The block Load on synchronising must be no greater than 40 MW.

(b) A Generating Unit which is in a hot condition must be capable of ramping up from part-load pursuant to a Dispatch instruction at a rate of at least 3% of MCR per minute.

(c) A Generating Unit must be capable of de-loading at a rate of at least 3% of MCR per minute.

CC.S1.2.3.3

A Generating Unit must be capable of remaining Synchronised to the NI System at an Output which is no greater than the lower of 80 MW or 40% of maximum continuous rating.

- (G) The derogation request was submitted two days prior to the expiration of a UR Direction to ERE Developments Limited dated 11th May 2015, which granted derogations from the above two Grid Code requirements. ERE Developments Limited now seeks derogations on modified terms than those granted in the UR Direction of 11th May 2015, which move further away from the Grid Code requirements.
- (H) The UR has consulted with NIE Networks, SONI and ERE Developments Limited and having reviewed the submissions by the parties to date, the UR considers that it is not in a position to make a decision on the derogation request at present, based on the information provided. The UR intends to engage a Consultant to assist in the assessment of the request.
- (I) As such, in the interim, the UR deems it appropriate to extend the terms of the derogations granted in the Direction dated 11th May 2015 for a limited period. This will allow sufficient time for full and proper analysis of all relevant factors relating to the derogation request.

The Utility Regulator now gives the following Direction:

1. Pursuant to its power under paragraph 2(a) of Condition 4 of the Licence, the UR directs that the Licensee:-
 - a. is relieved of its obligations under Condition 4 of the Licence to comply with, in relation to Lisahally Power Station, Section CC.S1.1.3.7 of the SONI Grid Code.
 - b. is relieved of its obligations under Condition 4 of the Licence to comply with, in relation to Lisahally Power Station, Section CC.S1.2.3.3 of the

SONI Grid Code. Lisahally Power Station must comply with the following requirement: *“A Generating Unit must be capable of remaining Synchronised to the NI System at an output which is no lower than 70% of maximum continuous rating.”*

2. The following conditions shall apply:
 - This Direction applies until 11th May 2018.
 - This Direction relates solely to Lisahally Power Station and does not set a precedent for future derogations.
3. During the period in which this Direction applies, the UR may request further information from ERE Developments Limited. The UR would expect that this information is received in a timely manner and within the timeframe specified by the UR so that it can be properly assessed prior to the expiration of this Direction. Furthermore the UR would expect that any future derogation requests are received in a timely manner to allow for the necessary consideration of relevant issues in line with the UR's Guidance Document on Derogation Requests¹.

Signed

Name: Tanya Hedley

Authorised by and on behalf of the Northern Ireland Authority for Utility Regulation

¹ <https://www.uregni.gov.uk/sites/uregni/files/media-files/Guidance%20Document%20on%20Derogations%20-%20February%202017.pdf>