

Stephen and Ciaran Devine
ERE Developments Limited
Lisahally Power Station
18 Lisahally Road
Maydown
Londonderry
BT47 6FL

27th November 2018

Our Ref – NET/E/TH/29

Dear Sirs,

RE: Direction under Condition 4 of ERE Developments Limited (ERE) Electricity Generation Licence - Derogation Request from SONI Grid Code Conditions CC.S1.2.3.3 and CC.S1.2.3.4

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 the Licence to participate in the transmission of electricity.
- (F) On 9th May 2017 ERE 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. On 23rd January 2018 ERE submitted an updated derogation request to correct a numbering anomaly. The Grid Code requirements which ERE has requested to derogate from are as follows:-

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.

CC.S1.2.3.4***Start-Up and Ramp Rates***

(a) A Generating Unit must be capable of Start-Up:

- (i) from cold within 14 hours;*
- (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.

(G) In its consideration of the derogation request, the UR has consulted with SONI, ERE, NIE Networks, and has appointed Consultants to produce a technical assessment (enclosed). Having reviewed all relevant information and considered the specific and unique circumstances of this case, the UR now gives the following Direction:-

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.S1.2.3.3 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 greater than 70% of maximum continuous rating.”
 - b. is relieved of its obligations under Condition 4 of the Licence to comply with, in relation to Lisahally Power Station, Section CC.S1.2.3.4 of the SONI Grid Code. Lisahally Power Station must comply with a ramping up/de-loading rate of 2.4 MW/h.
2. The following conditions shall apply:
 - This Direction applies from 30th November 2018 until 30th November 2028.

- This Direction relates solely to Lisahally Power Station and does not set a precedent for future derogations.
- Within the time limits of this Direction, the Licensee should explore any new technology as it may emerge which could restore the Lisahally Plant to full Grid Code compliance.

Reasons for this decision

A number of factors have informed this decision, which include:-

- That the design of biomass power plants of this type would not usually allow the plant to be controlled to the extent required by the Grid Code (40% maximum continuous rating (MCR)) and therefore some form of derogation would be expected.
- The UR does not consider that sufficient evidence has been provided to justify the request to amend the derogation parameter for MCR to 100%.
- Based on the evidence presented, it is considered reasonable to maintain the parameters granted in the May 2015 Direction (70% MCR, 2.4MW/h ramp rate) unchanged.
- The UR does not consider there are strong enough grounds in this case to issue a derogation which extends to the lifetime of the plant. In reaching this conclusion, comments from SONI have been taken into account.
- The ten year time limit will allow for a future review of the circumstances surrounding this matter and the emergence of any new technologies which could bring the Lisahally Plant in line with the Grid Code requirements.

The UR would wish to highlight that it requires any new plant to be fully compliant with the Grid Code as set out in the Licence. Should ERE have a query as to the Grid Code compliance of any prospective development, such matters must be addressed with the UR and SONI prior to plant design.

Signed

Name: Tanya Hedley

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