



NIRIG response to Northern Ireland Electricity plc Transmission and Distribution Fifth Price Control (RP5)

1st October 2010

The Northern Ireland Renewables Industry Group (NIRIG) is a collaboration between IWEA and Renewable UK. NIRIG welcomes the opportunity to comment on the Consultation on Northern Ireland Electricity plc Transmission and Distribution Fifth Price Control (RP5) and has a number of comments outlined below.

- There is a requirement for significant transmission infrastructure development to meet the targets for renewable development. The Renewable Integration Development Project (RIDP) is identifying transmission reinforcements required. Significant funding will be required over the next 10 years to take these projects through the planning and construction process. The delivery of these assets will be critical to Northern Ireland meeting its 40% renewable target.
- With the increasing amount of wind generation coming on the system in the coming years, there will be many generators connecting to the distribution network. While the cost of connection is covered by generators it is essential that there are sufficient resources available in NIE to cope with the increasing workload. Adequate resources are required within the generation planning, connection policy development and the project delivery areas. The price control review needs to take this workload into consideration when determining the revenue for RP5.

It is essential that there are incentives in place to ensure that the resources available are used efficiently, and that potential delays are minimized through the use of meaningful incentives. These incentives should be closely related to actual business lost so that developers can have some confidence in relation to build out rates and connection dates.

It is essential that any external consultants are used and managed properly to ensure that proposed budgets are not exceeded.

- The NIE T&D Price Control needs to take into account all SEM arrangements which may influence the future operation and development of the network in Northern Ireland. These include policies to encourage demand side market participation, transmission connection policy, locational network signals, and the promotion of regional integration.
- NIRIG requests that the option of contesting shallow connection assets is introduced. Resources will be required within NIE to develop the policies, procedures and functional specifications to facilitate the introduction of contestability.
- As generators are required to pay in full for shallow connection assets this price review does not directly impact on these costs. However greater transparency is required on connection costs used in connection offers. NIRIG requests a review of the current costing levels and structure, including O&M costs. The standard costs should be published (as is done by the CER) to enable appropriate benchmarking with costs achievable under contestability.
- NIRIG welcomes the recognition that the NIE T&D Price Control review needs to take new legislation into account including the Renewables Directive and the Strategic Energy Framework for Northern Ireland.
- NIRIG welcomes the recognition of the need for revenue for smart metering. It is important that there is sufficient revenue to ensure that smart metering can be rolled out in an efficient manner. Smart metering will allow increased demand side management of electricity use and increased penetration of wind generation on the electricity system.

In conclusion, NIRIG would like to thank NIAUR for the opportunity to respond to this consultation. NIRIG would like to request a meeting with NIAUR to discuss or develop any of the points raised above.