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Compliance and Network Operations  
Utility Regulator  
Queens House  
14 Queens Street  
Belfast BT1 6ED

15 May 2017

Dear Utility Regulator,

**IoD NI response to Consultation on Review of Electricity Distribution and Transmission Connections Policy**

The Business Environment Committee of the Institute of Directors in Northern Ireland has expressed serious concerns on behalf of businesses about the increasingly constrained electricity distribution and transmission network in Northern Ireland and the practical constraints (both financial and timeline) associated with business' seeking increased or new grid connections.

An increasing and vibrant business consumer base is essential for ensuring the affordable cost of electricity for all in society.

Since the Strategic Energy Framework 2010, connection policy in Northern Ireland has been targeted at the generation side with particular bias towards renewables. From a practical viewpoint this policy and targeted generation sector has resulted in the electricity grid being stretched throughout Northern Ireland both at the *shallow* and *deeper* parts of the network.

The consequence with current policy and indeed with the proposed Connections Policy (and related RP6 Draft Determination) is negative in the extreme to business consumers wishing an increased or new grid connection. Left unchanged, such a policy will throttle economic activity and lead to businesses taking the decision of self generation or worse relocation to the Republic of Ireland where connections policy is much more favourable to the additional business requirements.

The IoD wish to highlight the following areas of concern regarding the proposed *Electricity Distribution and Transmission Connections Policy*:

**1. *Shallow & Deeper reinforcement charging***

The IoD believe that the proposal is designed to cater for the business requirements of large scale generation type connections to the detriment of the SME consumer sector which is the backbone of the NI economy.

Whilst it is reasonable to ask the SME consumer to meet the costs associated with the shallow side of connections, it is wholly unsatisfactory and unreasonable to seek the recovery of the deeper costs which should be covered by the general consumer base.

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**2. Apportionment for Connections**

It is essential that the business consumer connection costs are proportionate to the MIC application and that excess network capacity requirements as a consequence of the application are apportioned to the network in the short term and to future new connections as they arise in the medium to long term.

**3. Batching/Clustering**

The IoD has engaged with the Regulator in the recent past and discussed the requirement/benefits associated with clustering network applications in the same region/node of the network. It is a cause of disappointment and concern that no allowance or mechanism has been proposed to encourage/prioritise clustering of connections in the same area where the network is clearly stretched and constraining business expansion and jobs.

**4. Queuing of Applications for Connection**

The first-come, first-served approach to connection applications should be rethought in the current climate of network constraints and finite resources. The IoD would encourage a mechanism which would allow NIE and SONI together an element of leeway if their professional judgement clearly shows the need from a distribution, transmission and/or system operation viewpoint. This should be imbedded in the policy for connections.

**5. Prioritisation of Technology Applications**

It is essential that NIE/SONI are given responsibility for prioritising new technology connections taking account of location, network constraints, system operation benefits and the NI economic and social need potential.

The IoD in Northern Ireland would be pleased to meet and discuss these issues if the Utility Regulator felt this would be of benefit in enhancing the proposed *Electricity Distribution and Transmission Connections Policy*.

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Bill Beers

Chair, Business Environment Committee

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