



Ref. TL/UR

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Sarah Friedel
Utility Regulator
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Dear Sarah

Thank-you for the opportunity to respond to the Consultation paper on Electricity Connection Policies for Northern Ireland Distribution.

Overview of Linton & Robinson Renewables:

Our company is based in the Northwest of the province since, founded in 1954 and has been primarily supplying products and services to all aspects of Agricultural since then.

In 2006 we saw the need to diversify into Renewable energy products, particularly wind turbines and biomass boilers. Farmers in Northern Ireland own and hold the largest percentage of land in Northern Ireland and of course the best wind sites giving us opportunities for our existing customer base and new markets throughout all of Ireland.

We supply various services to progress the sale of wind turbines up to 250kw, ranging from site survey, planning, grid connection process, specifying and supply suitable turbine and full project management to final commissioning

To this point we have invested heavily in time and money and with the help of invest NI have now set up a business employing five people and indirect employment to various subcontractors.

At the beginning of this year and particularly in April with the announcement of the NIROCs scheme or predictions and sales targets suggested good sales by the end of 2010, as yet this has not happened for various reasons. Grid connection is a major issue and has taken its part in stalling the sales process so hopefully in giving my views it may go part of the way to help find a solution?

Section 3) Current charging methodology in the Statement of Charges
(New domestic and smaller business connections)

Proposed solution

The Utility Regulator proposes that, in order to promote cost reflective charging and to encourage connections at the points of the network that require the least construction of new assets, the 40% subsidy be removed from the start of RP5.

Views sought

The Utility Regulator welcomes comments about the proposed removal of the 40% subsidy.

As the majority of the good wind sites are in outlying areas with weak grid connection I would suggest should remain in some form.

Section 4) Treatment of domestic connections of significant cost

Possible solutions

The Utility Regulator believes that when a customer is building a new house or premises etc the cost of the connection to the distribution system should be factored into the overall cost of the building and that the cost of connection should be paid in full. Therefore, while regulatory scrutiny will continue to be applied to the composition of these connection costs, these costs should act as a locational signal and no subsidy is proposed.

This should act as an incentive to developers to balance the costs of constructing properties with the cost of the construction of any additional electricity infrastructure required.

Views Sought

Do you consider that the charging of the full cost of a connection for a new dwelling or business premises would act as a locational signal to future developers and will ensure a balanced decision about the total costs associated with the alternative options available?

[No comments on this.](#)

Section 5) Connection costs paid by —vulnerable customers

Views Sought

Do you consider it appropriate that the Utility Regulator, in conjunction with the CCNI, and NIE divert resources to this line of work?

Do you consider that it is appropriate that a limit should be set as to the amount a vulnerable customer should pay for their connection?

What levels of funding do you consider to be appropriate for vulnerable customers?

If a limit is set do you consider it appropriate that those vulnerable customers with a high cost connection have part or all of their connection funded through the wider customer base?

What steps do you consider appropriate for the Utility Regulator to take to ensure that any new process developed for the treatment of vulnerable customers is not abused?

[No comment on this.](#)

Section 6) Connection of micro-generation

Possible solutions

Given the subsidy available to renewable micro-generators in GB for connections, the Utility Regulator believes that subsidies could be considered for NI. However this should be assessed in the context of the differing characteristics of the electricity systems in GB and NI.

Views sought

Do you consider it appropriate for micro-generation connections to be subsidised by the use of system tariffs in NI, given the demand profile and generation portfolio expected over the coming decade and the target of 40% of electricity supplied in NI to come from renewable sources by 2020.

What level of subsidy of the cost of connection do you think should be considered by the Utility Regulator?

[We would suggest that any micro generator for wind or hydro up to 250kw in line with the NIROCs payment should have some incentives or subsidies either a one off 50% discount or tariff linked to the size of the generator over a period of ten to fifteen years.](#)

Section 7) Rebates for generators and customers

Possible solutions

The Utility Regulator is considering harmonising the Statement of Charges for Connection to the Northern Ireland Distribution System with the Transmission Connection Charging Methodology Statement and adopting a ten year period for the allocation of rebates for shared connection assets. These proposals would be applicable from a future date that the Utility Regulator would determine.

Views sought

Do you consider it appropriate that a ten year period for rebates for shared connection assets is adopted?

Do you consider it appropriate that rebates will apply to all classes of customers connected to the distribution system?

Yes we would agree with the solution proposal. A ten year rebate period may be suitable for a wind turbine on a good production site but others with average wind speeds will need a longer period?

Section 8) The definition of connection assets and associated costs

Possible solutions

One option, the Utility Regulator is considering, is a change to the distribution connection definitions. This change would be in line with the definition given in the transmission connection charging statement where the connections costs are for the connections assets defined as those assets which are installed to enable the transfer for the Maximum Export Capacity (MEC) or the Maximum Import Capacity (MIC) of the user(s) located at the connection point.

as a result of the user's effect on fault current levels (excluding any other location other than the transmission node to which the User is connecting)

This would effectively introduce a —semi – shallow□ connection policy. It will also have the effect of reducing the cost of the connection to the applicant. It should be noted, where asset reinforcement is required at other nodes or at other voltages due to the connection, this cost will have to be borne by the wider consumer body through an increase in the Distribution Use of System charges. Currently generators do not pay any charge for use of the distribution system as they are deemed to have paid the full cost at time of connection, this may need to be reviewed if the policy changes.

Views sought

Do you consider changing the definition currently in place regarding connection assets for the distribution system appropriate?

The Utility Regulator welcomes views on the merits of changing from a partially deep to semi-shallow connection, and the appropriateness of charging only demand customers for use of the distribution system.

Changing the definition would seem appropriate.

The large percentage of small scale single wind turbines up to 250kw will be installed primarily to supply farms or small businesses and spill any surplus to grid export.

This creates an import/export scenario; will import load subsidy be available on these connections?

Section 9) Timing of Connection Offers and Connections

Possible solutions

To achieve a faster turn around in quotes and completion of the work will require a greater resource from NIE and in doing so could push up the cost of the connection quote. Going forward into NIE's next price control RP5 NIE could be incentives to reduce both quotation times and the length of time it takes to connect a customer. This would only be applicable if NIE could demonstrate that there was added value to all customers. Respondent's views on this topic will be taken forward and will help the Utility Regulator make informed decisions going forward into RP5.

Other solutions could be

- Should the offer from NIE include a date for connection (or a time from accepting the offer)?
- Should there be an option to pay for an accelerated service?

Views sought

Do you consider it appropriate to incentivise NIE to reduce connection and quotation times?
Do you consider it appropriate that NIE include a contractually binding duration for the connection works in their offers, with the areas outside their control that relate to the timing of that specific connection identified?

Having an incentive to reduce quotation or connection times and adding cost would not be recommended.

We understand NIE have very limited personnel to deal with quotations and technical issues. This needs to be addressed as it would be in the private sector.

NIE charge a large up front payment which would appear to more than cover their costs and indeed allow for the extra staffing required.

Allowing private companies to tender for grid line connections as they do in other parts of the UK would create competition and reduce pricing and installation lead times. This is based on other models in the UK.

Section 10) The treatment of Charges for Connecting Groups of Generators

10. The treatment of Charges for Connecting Groups of Generators

Current situation

On 16 March 2010 NIE published a consultation paper on the Charges for Connecting Groups of Generators to the Northern Ireland Distribution System. The consultation focused on the proposals for connecting groups, or 'clusters', of generation projects to the distribution system and, in particular, outlines potential charging options. Views were invited on these proposals.

The consultation was open for 6 weeks and respondents were asked to address their responses to NIE.

Based on this consultation, NIE has provided a report to the Utility Regulator identifying its recommendations for the connection of groups of generators.

A link to this document has been provided in Section 14 References.

Views sought

The Utility Regulator would welcome any further views respondents may have on NIE's recommendations to the Utility Regulator.

We have no comments to make.

Section 11) Other issues

Issues with current situation

Several customers have approached the Utility Regulator in recent months with regard to O&M costs and have indicated to the Utility Regulator problems with the O&M charges. Customers feel that the O&M costs can be excessive considering the actual cost of maintaining their connection asset. These were also raised in the responses received to the NIE consultation paper.

Possible solutions

The Utility Regulator does not at this time propose any changes to the O&M charges. Given the number of complaints raised however the Utility Regulator will seek to address the O&M costs in future papers.

Views Sought

Do you consider the above O&M costs and method of charging for them to be appropriate?

Agreed, O&M costs are certainly too high.

There seems to be no differences made between small scale single turbines from 20kw up to 250kw and the wind farm connections on the other end of the scale.

Wind farms are naturally located on areas of high wind yield and grid connection can be offset because of the multi megawatt output down a single point grid connection. This is not so viable with a single turbine connection with all the stifling regulations laid down by NIE

Section 12) Views sought

The Utility Regulator would welcome views on any issues or concerns relating to this topic.

As previously mentioned NIE seem to treat small turbines rated 20kw up to 250kw on the same scale as groups of large MW turbines. We understand NIE require any generator above 100Kw to have SCADA which is a minimum of £25000 to install. This is not required in most other European countries who also boast lower grid connection costs.

All new wind turbines already have protection systems included without a need for a secondary system. It is totally unfair for a third party (NIE) to take control of a private generator and restrict outputs.

From our experience it is quite easy to predict where the majority cluster of single small turbines will be installed. Rather than spend large amounts of money on the SCADA system this could be used to upgrade or reinforce the grid in those areas and increase the potential of connection more generation.

Our client base is made up of small and large farm businesses, community groups, sports clubs etc. This is a great opportunity to bring much needed income back into these communities and keep the countryside sustainable. Let's help that process as quickly and easily for the customers.

Yours sincerely

Trevor Linton
Director