

Mr Caspar Swales
 Utility Regulator for Northern Ireland
 14 Queen Street
 Belfast
 BT1 6ED

Mutual Energy Limited
 First Floor The Arena Building
 85 Ormeau Road, Belfast BT7 1SH
 Tel: +44 28 9043 7580 Fax: +44 28 9024 9673
 Web: www.mutual-energy.com

18th May 2017

Dear sir,

Mutual Energy response to the NIE Networks RP6 Draft Determination

Mutual Energy owns and operates the Moyle Interconnector, providing 500MW of interconnection capacity between the transmission systems in Great Britain and Northern Ireland. As part of a mutual organisation, the Moyle Interconnector exists to benefit the electricity customers of Northern Ireland. The value of the Moyle Interconnector has been calculated (Energy Link, October 2014) as approximately £40m/year¹ (based on 250MW; Northern Ireland consumer benefits; value to all-island market is approximately 4 times this). SONI assessed the future incremental annual benefits of an additional 250MW to be of the order of £16m/year.

However, future benefit will only be maximised when the Moyle Interconnector can operate at full capacity.

Current network constraints in Northern Ireland (and Great Britain) have led to restrictions on maximum flows on the Moyle Interconnector². The existing import/export limits at the Ballycronan More Connection Point and the technical reasons for the limits are summarised below:

	RATING	LIMITING FACTOR
Import into NI	450MW (winter)	a. Largest single infeed to All-Island System. b. Thermal rating of local 110kV network. c. Voltage stability.
Import into NI	400MW (summer)	Thermal limit of local 275kV network
Export from NI	300MW (all seasons)	Voltage stability

In order to capture the full benefit of interconnection, it is vital that these ac system constraints are addressed so that the capacity restrictions can be removed. This is in line with requirements under Regulation 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity, most notably paragraph 1.7 of Annex 1³.

¹ Relevant documents can be found at <https://www.uregni.gov.uk/publications/exchange-letters-between-utility-regulator-and-moyle-interconnector-ltd-february-2015>

² Most notably National Grid restricts NI-GB flows on Moyle. Work is progressing with National Grid in order to alleviate this restriction.

³ "TSOs shall not limit interconnection capacity in order to solve congestion inside their own control area, save for the abovementioned reasons and reasons of operational security. If such a situation occurs, this shall be described and transparently presented by the TSOs to all the system users. Such a situation shall be tolerated only until a long-term solution is found. The methodology and projects for achieving the long-term solution shall be described and transparently presented by the TSOs to all the system users".



Mutual Energy understands the processes around transmission system planning and development in Northern Ireland, and would therefore expect to see reference to SONI schemes to address such restrictions in the NIE Networks plan for any given regulatory period (albeit with approval from Utility Regulator coming via the D5 mechanism). We note that in 2014 SONI completed a detailed cost benefit analysis into potential network reinforcements to support increased flows on Moyle which reached positive conclusions. Therefore, we would expect that projects to remove restrictions on interconnection capacity would have been included in the NIE Networks RP6 Business Plan. However Mutual Energy notes that the RP6 plan makes no mention of addressing these capacity restrictions or the legal requirement to do so; further, the Utility Regulator draft determination for RP6 contains no reference to addressing these restrictions either.

We would therefore urge all parties concerned to consider the requirements set out above, the positive economic case for doing so, and ensure that the relevant plans are developed and implemented in a timely manner, in order to further benefit energy consumers in Northern Ireland.

Yours sincerely,



Sam Gibson

Moyle Maintenance Manager