

**NIAUR's Consultation on
Electricity Connection Policy to
the Northern Ireland Distribution
System**

NIE Energy Supply's Response

10 January 2011



Introduction

NIE Energy Supply (NIEES) is a regulated electricity retail business within the Viridian Group. It supplies electricity to around 780,000 homes and businesses in Northern Ireland. NIEES welcomes the opportunity to respond to this consultation on the Electricity Connection Policy to the Northern Ireland Distribution System.

NIEES has no direct interests in large-scale renewable generation asset ownership. However, it is particularly supportive of the development of the market for micro and other de minimis generation in Northern Ireland, both as a means of reducing carbon emissions and, at a householder and business level, of reducing exposure to global energy costs.

NIEES is actively involved in supporting micro generation in Northern Ireland and acts as an Ofgem Agent on behalf of more than 500 generators. NIEES has a tariff in place to reward renewable electricity generators for both exported electricity and Renewable Obligation Certificates (ROCs) and over 700 customers are currently availing of this service.

General comments

There has been a significant change in the small renewable generation landscape over the last year, prompted largely by the introduction of the Renewable Obligation Order (NI) 2010 to the renewable sector. The enhanced banding arrangements for some technologies has led to a switch in interest from micro generators (<50kW) to larger generators (>200kW).

The number of micro generators has dropped considerably, primarily due to the closure of the various Government funding programmes, but also because of the anticipation about Government incentive mechanisms which may or may not be introduced in the future. There has been a definite shift towards larger generators who can avail of the increased ROC banding levels and this was demonstrated between May and October 2010 when there were over one hundred and fifty 225/250kW wind turbines in the planning approval process.

Whilst it is unlikely that all these wind turbines will get through planning and/or the NIE grid connection process, even a 25% success rate would present a major increase compared to the previous position of only two 225kW turbines. This significant increase in renewable generation is welcome for Northern Ireland in terms of the ambitious renewable electricity target for 2010, but it also presents some areas for concern.

Communication

Balancing the current trend of fewer micro generators (<50kW) with the increase in larger scale technologies and also combined with the target of 40% of renewable electricity by 2020 will be a challenge for Northern Ireland in the context of the electricity network. NIE need to effectively communicate with generators in a timely and transparent manner to help avoid confusion and frustration through lack of information and clarity. The NIE resource currently allocated to dealing with customer connection applications and communication

will need to be addressed in RP5 bearing in mind the volume of enquiries and applications being received.

An improved online facility may help to alleviate some of the enquiries which are currently being directed to the NIE resource. If generators knew that they could go online to track the progress of their application, it may help to avoid unnecessary telephone calls which can lead to delays with other activities.

Helping generators to understand the electricity network limitations in Northern Ireland and conditioning them to the fact that not all generator applications will be successful is something which needs to be addressed.

Timing of Connection Offers and Connections

The timing of connection offers remains a concerning issue for generators although NIEES understands that there are various parameters outside of NIE's control which can delay the issuing of some connection offers. Managing generator expectations and ensuring that generators are aware of all of the information that they need to provide to NIE may help to improve the efficiency of the connection offer process.

An accelerated service is probably what all generators are looking for from NIE so, depending on the cost of the service, NIE may find that there could be a significant demand if this became available.

Other issues

NIEES is aware of a number of micro generators who have installed a renewable energy technology and, as a result, their electricity meter is effectively 'running backwards'. This issue has been flagged to NIE on a number of occasions and it was agreed that all G83 applications will have a meter check/replacement - an agreement which has not been fulfilled. NIEES would urge NIE to revisit this issue and to help prevent further Revenue Protection issues by checking all G83 applications have the correct metering installed.