

## **NIRIG response to NIAUR consultation on Contestability - Proposed Next Steps Paper**

**19<sup>th</sup> June 2015**

### **Introduction**

The Northern Ireland Renewables Industry Group (NIRIG) is a joint collaboration between the Irish Wind Energy Association and RenewableUK. NIRIG represents the views of the large and small scale renewable energy industry in Northern Ireland, providing a conduit for knowledge exchange, policy development support and consensus on best practice between all stakeholders in renewable energy.

NIRIG welcomes the opportunity to respond to this consultation. We note the commitment by all key stakeholders to the timely delivery of contestability in connections and support all efforts to deliver contestability in as speedy a timeframe as possible. However, it is clear that a number of the renewables industry perspectives have not been taken on board in the proposed next steps paper.

The Next Steps paper covers a scope of works to introduce contestability across all connection types. In a Northern Ireland context this covers load and generator connections across distribution and transmission voltages.

The proposal would seem to follow the GB model; however, in GB the DNOs are the participating partners excluding National Grid.

The proposal also proposes an 'all or nothing' approach to contestable works from the point of connection and proposes that works can only be undertaken by Lloyds accredited bodies.

**We believe that the above proposals are very likely to limit contestability opportunities and therefore lead to a reduction in the expected benefits of competition. We have made some specific recommendations in our response and strongly recommend that these be considered by NIAUR.**

**We note that NIRIG has consistently urged the principle that contestability be delivered within as fast a timeframe as reasonably possible. The next steps paper does not appear to follow this principle.**

Specifically, our concerns are:-

- **Connection type**

The paper seeks to introduce contestability across all connection types at the same time, to ensure consistency across all connection types and therefore no discrimination. We agree that there should be no discrimination. However, this proposed approach does not allow for a phased approach by which certain elements could be introduced first.

A phased introduction would have the benefit of allowing the system to settle in whilst gaining experience of operation of the system. It would also allow for benefits at the earliest possible time.

The timescales associated with a full introduction of contestability stretch to late 2016/2017. With the impending changes to generation support mechanisms in 2016 and 2017 there is a large proportion of potential candidates for whom this would be too late. We specifically refer here to the expected closure of the NIRO to all new generation after 31<sup>st</sup> March 2017. There is no certainty about support for any form of technology after that point, whether the small-scale FIT or large-scale CfD and no detail about potential grace periods currently available.

We strongly urge that implementation of certain, particularly simpler elements of contestable connections be expedited where possible to provide greatest benefit given the uncertainty of support from 2017.

- **Scope of Contestability**

The list of activities covers all the necessary activities, although we continue to recommend that additional contestable works such as final connection should remain as 'second tier' possibilities for contestability.

We have major concerns regarding the definition of point of connection and, in turn, the 'all or nothing' stance from that point.

Point of connection is currently defined as an existing point on the existing network. As final connection to the network is excluded from the scope, this precluded any connection to an existing overhead structure unless an initial terminal point is constructed adjacent to the existing network leaving a short span for construction by the network operator. This does not support optimum design.

The inclusion of overhead line construction as part of the 'all or nothing' also causes concern. The skills required for this work are limited in availability. For larger connections where major contracts are placed this may be feasible; however, for smaller connections it is problematic.

We agree that a system where a contesting party has the ability to "pick & mix" from the scope of activities would be unworkable. However, we believe that the system should be

flexible enough to allow the party to step in at any point along the chain of contestable activities and carry through to completion. We recommend further discussion of the definition of 'point of connection'.

There is also a need for further clarity around protection items and ownership diagrams (especially protection).

### **Accreditation**

The paper advocates adherence to the GB model using the Lloyds register. We generally agree that some nature of accreditation would be useful, particularly for small-scale connections.

For larger connections, there is normally a major contract in place for Electrical Balance of Plant (EBOP) which has been drawn up utilising the Achilles system. This is a European standard and predominately the contractors appointed are industry standard infrastructure providers. This is applicable both in the North & the South of Ireland. Recognition of Achilles as well as Lloyds would be more practical way forward rs.

In the context of the potential early closure of the GB RO in 2016, pressure on delivery of contestable connections will increase and in simple terms, there may not be sufficient availability of Lloyds-accredited providers to deliver NI connections within the timeframe that developers here also need to work to i.e. 31 March 2017.

Furthermore, the process of registration with Lloyds can be lengthy and cost prohibitive, these cost not only for the registration but also for compliance with record systems etc. Adherence to the Lloyds-only status could easily lead to situation where only GB ICPs have the workload to justify the costs and local companies are excluded.

Within Northern Ireland, most of the companies involved in development and service provision of both load and generation projects are active north and south, with the generators supplying into the All Ireland Market. The proposal as stands creates a disparity between the CER system (successfully in operation for a number of years) and the GB proposal for NI.

With the links between SONI/EirGrid and NIE/ESB it would benefit from a more coordinated approach across jurisdictions.

We therefore recommend that additional forms of accreditation be assessed and utilised to avoid scenarios where the pool of available connection providers is restricted. We also reiterate that *any accreditation scheme, if required, should not unduly delay the effective introduction of contestability.*

We look forward to continued engagement with all stakeholders on the introduction of contestability.