

NIRIG response to NIAUR Draft Forward Work Programme 2015-16

27th January 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 electricity industry in Northern Ireland, providing a conduit for knowledge exchange, policy development support and consensus on best practice between all stakeholders in renewable electricity. NIRIG welcomes the opportunity to respond to the NIAUR Draft Forward Work Programme 2015-16.

Routine Regulatory activities

NIE Regulatory Instructions and Guidance

We note the introduction of this new cost reporting regime and we expect that it will be introduced and delivered in a manner that increases the efficiency and effectiveness of the price control process for both NIE and NIAUR. It is in everyone's interest that the experience and delays of RP5 are not repeated.

Expansion of role in determinations

We note the expectation that compliance and enforcement matters will be a growing focus in the coming period. As an industry we believe that this role is necessary but note that clear and unambiguous policies with appropriate buy-in from NIAUR will lessen the need for time-consuming and costly determinations.

Projects

Projects 5 /6 - Produce proposals for electricity cost reporting and NIE and SONI price control

As expressed above it is in the interests of the industry and the wider economy that price controls are in place in a timely manner.

Project 9 - Publish next steps on the contestability of connections to electricity networks

By Q2 2015 we would expect that a regulatory framework for contestability is in place and the associated processes and NIE/SONI functional specs will have been published. This is extremely

important as it will enable wide-ranging contestable connections to take place beginning in Q3, allowing faster and/or cheaper connections. In this we strongly concur with the ETI Committee's Recommendation 2 arising from its report into Electricity Policy Part 3¹ that:

'the Utility Regulator must review current plans with a view to introducing contestability within a much earlier timeframe than currently proposed' (our emphasis)

Project 10 - Work with NIE to deliver a new approach to electricity connections

We suggest that this also includes SONI. Their role in connections and Project 40 is also extremely important.

We strongly recommend that NIAUR develops an agreed approach to consultation processes and policy-making that arise from Project 40 to ensure confidence that they have widespread, including regulatory support.

We note that funding arrangements for certain aspects of Project 40 have still to be agreed between NIE and NIAUR. This includes managed connections and 2nd transformers. We would urge that these matters are resolved quickly and appropriately so that there is no delay to the introduction of solutions.

Overall we are very supportive of this initiative and welcome the resource and commitment shown so far by all stakeholders to Project 40.

Project 13 – Deliver the I-SEM in line with the overall project plan

We welcome the emphasis on delivering the I-SEM as a flagship policy. Continued industry engagement is extremely important.

Project 17 – contribute to develop new ancillary services to facilitate renewable generation under DS3 initiative

This is a vital piece of work and has already been severely delayed. In order to meet our renewable electricity targets in an efficient manner the DS3 programme needs to be delivered to ensure the increase of the SNSP from 50% to 75%. Failure to deliver may result in the use of alternative more expensive technologies or less efficient use of resources, which will ultimately increase the cost to the consumer both in monetary terms and in terms of providing a competitive and sustainable source of energy in the long-term.

Project 24 – Work with DETI and DECC to facilitate the implementation of the NI relevant aspects of Electricity Market Reform

There is currently great uncertainty about the timing and opportunities for engagement in EMR for Northern Ireland developers. We urge that timeframes and implementation plans are published as quickly as possible to provide visibility for investors and developers

¹ <http://www.niassembly.gov.uk/Documents/Reports/Enterprise-Trade-and-Investment/Report-on-the-Electricity-Policy-Review-Part-III-Grid-Connections.pdf>

We welcome the opportunity to respond to this consultation.