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Submitted by email to: ciaran.maccann@uregni.gov.uk

Dear Ciaran

RES draft response- Review of Electricity Distribution and Transmission Connections Policy – Next steps paper

RES is one of the world's leading independent renewable energy companies working across the globe to develop, construct and operate projects that contribute to our goal of a secure, low carbon and affordable energy future. RES has been an established presence at the forefront of the renewable energy industry for over three decades. Our core activities are the development, design, construction, financing and operation of wind and solar PV projects and we are also active in electricity storage, DSM and transmission. Globally, we have built approximately 10GW of renewable energy generation, including almost 10% of the UK's current wind energy capacity. Since developing our first onshore wind farm in Northern Ireland in the early 1990s, RES has subsequently developed and / or constructed 16 onshore wind farms totalling 229MW. This equates to over 37% of Northern Ireland's onshore wind capacity. RES currently operates over 83MW of wind capacity across Northern Ireland, has secured planning permission for a further 63MW awaiting construction and has 56MW in the planning system. In addition RES has a very strong future onshore wind pipeline, and is in the early stages of energy storage development in Northern Ireland.

We consider ourselves well-placed, therefore, to comment on the important issues addressed in this consultation and are grateful for the opportunity to respond. We hope you find our comments below of interest and we will be more than happy to assist with any further information as required. We strongly agree that there is a need to fundamentally review the connection policy to facilitate efficient and cost effective connections. The current connection policy cannot effectively deal with the influx of 1500MW worth of connection applications, which is against a background of severe network capacity shortfalls and uncertainty over future national energy policy. The referred influx of applications is further compounded by the fact that there is already circa 700MW of contracted but not yet connected generation ahead in the grid capacity queue, which does not have corresponding network capacity nor any approved network reinforcement plans.

The key points we would like to make are:

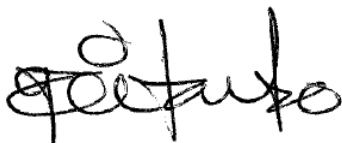
1. As there is currently 1700MW of connected and committed generation against a firm network capacity of 1000 MW, not only is further transmission reinforcement necessary to facilitate connections applications to be processed under Phase 2, but reinforcement is now overdue to make all the connected and contracted generation firm. We would like to reiterate that transmission development plans for the contracted generation have not been forthcoming for years and these plans need to be prioritised. It is hard to see how the connection application process would function satisfactorily without a visible transmission

development plan, as there would be no clear basis for generators to develop generation projects.

2. It is still not clear how the influx of applications, now set aside as Phase 2 applications, whose original generation capacity was quoted as 1500MW but is now being quoted as 1200MW, are going to be processed. In the Alternative Connection Application and Offer Process Decision Paper dated 16/02/2017, NIEN and SONI noted that the industry response had not been supportive of the proposed batch processing approach to connection applications but instead had favoured the re-introduction of planning consent as pre-requisite for connection applications. The decision paper concluded that further urgent input was required from policy makers and other key stakeholders. The current consultation paper also notes that respondents to the subsequent Utility Regulators (UR) call for evidence paper were overwhelmingly opposed to batch processing and instead strongly favoured the use of planning permission as an interim measure. We note that UR has now requested NIEN and SONI to consider applying planning consent as a factor in determining the terms of a connection offer, "if this falls within the regulatory framework". We feel that the regulatory direction is not as clear as the UR should have a view as to whether such usage of planning permission is within the regulatory framework. Furthermore if the UR is expecting NIEN to issue Phase 2 offers by end of August 2017 "unless a further extension is granted" this makes the policy formulation for dealing with these offers very urgent.
3. Relating to the Phase 2 applications, we would like to reiterate our proposals for planning consent to be used in the interim as the basis for processing connection offers sequentially under Phase 2, whilst the enduring process is being finalised. This approach could be buttressed by the UR granting extensions NIEN for Phase 2 applications that have no planning consent. A major outcome of the current consultation should include a clear plan for concluding the enduring connection process, with timelines that accommodate the time required to make the necessary legislative changes, if required.

Our detailed response is hereby appended. Please do not hesitate to contact me should you have any questions.

Yours faithfully



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Detailed comments:

Issue	Draft response
Possible modification of regulatory framework to give Regulator more powers	We recognise that UR has to continue working within the current policy framework set by Government but we would support changes that give UR the necessary powers to provide more effective regulation.
Utilising existing capacity	<p>Potentially network capacity could be realised from relaxing planning and connection standards without compromising network security and stability. We propose that an industry working group be set up to identify any feasible options for relaxing planning standards.</p> <p>Long term energy storage devices could be effective for time shifting network flows and hence achieve reinforcement deferral but the current use of system charging regimes do not suit them and in some cases discriminate against them. In order to set up appropriate tariff mechanisms, we would propose that an industry working group be set up.</p>
Recovering network capacity	We agree with the request to NIEN to establish the extent of capacity under-utilisation and propose appropriate measures to encourage release of capacity. However this cannot be a substitute for progressing network development plans to enable firm capacity for contracted generation.
Building more network capacity	We do not agree that making decisions on reinforcement projects project by a project basis by the UR, using the D5 mechanism as proposed under RP6 plans is the most effective system. For instance the need case for the transmission reinforcement to provide firm capacity for generation already contracted has already been established and is overdue; we therefore urge the prioritisation of necessary transmission development plans to provide this network capacity in a timely manner.

Issue	Draft response
Connections charging framework	<p>We agree with the decision not to consider deeper connection charging for transmission reinforcement. However for small scale generation (SSG) connected at lower voltages , deep distribution charging methodology may provide SSG with more opportunities to connect and avoid the current framework which leads to an impasse where NIEI cannot reinforce the network and the SSG applicant has no route to funding the for reinforcement.</p> <p>Rebating has been under discussion for years. Decisive action now needs to be taken so that any relevant legislation changes can be initiated and completed.</p>
Cluster connection policy	<p>We support the continuation of the clusters connection policy in general. However, the subsequent transformer policy, which saddles the applicant triggering the requirement with the full cost of the second or third transformer (even though there may be subsequent applicants known at the time), highlights the need to establish a rebating policy.</p>
Planning Permission	<p>The current influx of applications is an indication of capacity hoarding, which hitherto had not been an issue due to past use of planning permission as a pre-requisite for grid applications. As long as the current scarcity of connection capacity hoarding remains an issue. Therefore speculative applications need to be dealt with effectively under any new enduring connection policy. We have previously suggested that use of the GB-style managed milestone approach is likely to be effective in discouraging capacity hoarding and we still believe so. Furthermore the use of planning consent as a criterion for securing/retaining capacity is consistent with the referred managed milestone approach. As it may take time to effect any changes in legislation to robustly support this, we suggest that in the interim or for Phase 2 applications, sequential processing of applications in the date order of planning consent be adopted. To strengthen this approach, NIEN can obtain a time extension from UR for the processing of applications without planning consent.</p>
Prioritisation of certain connections	<p>We support the prioritisation of connections which promote flexible network utilisation or enhance network capacity. Detailed proposals for this approach need to be consulted upon. However, and to align for the policy in ROI, DS3 connections must be allowed immediately.</p>

Issue	Draft response
SONI offer timelines	We would support licence modifications to allow SONI to declare complex offers and hence allow those offers to be issued after 90 days of application, but only in exceptional circumstances. In such cases, SONI should consult with the applicant and seek approval from UR
Pricing transparency	We welcome any moves that enhance both NIEN pricing transparency and standards of services which can be achieved via a Quotation Accuracy Scheme and other types of Guaranteed Standards of Service.
Network and generator information	We look forward to engaging with the UR and other industry participant on this subject.
Requirements to refuse to provide a connection offer / Initial considerations on refusal to provide a connection offer	Clear guidance is required to set-out how lack of capacity can be cited as grounds for refusal to make a connection requiring justification where NIEN cannot economically justify undertaking the necessary reinforcement. We think that such refusal could only work where records/ a tally of such suppressed potential connections are/is kept for a review on network investment decision when the applications reach critical mass and there is a system of approved network developments plans.
Proposed requirements and process for requesting and granting an extension	UR has set out a process by which NIEN/SONI can seek extensions beyond 90 days for issuing offers. The proposed process requires NIE/SONI to publicly consult with affected parties and submit a request to UR at least two weeks before the expiry of the connection application period. The UR then makes a decision within a week. Given the timing of regulatory decision, one week before expiry of period, would this not ensure that the offer time period would be longer than 90 days, regardless of UR's decision? What would happen in the case of UR refusal to grant the extension – what further time would the Licensee have to issue the connection offer?