

10th September 2013

Renewables Grid Liaison Group

Minutes of Meeting

Attendees	
Utility Regulator	Tanya Hedley (TH), Sarah Friedel (SF), Jody O'Boyle (JOB),
NIRIG	Michael Harper (MH), Meabh Cormacain (MC), Mervyn Adams (MA(d)), Billy Graham (BG)
NIE	Gerry Hodgkinson (GH), Michael Atkinson (MA), David de Casseres (DdC), Aidan Bradley (AB)
SONI	Dick Lewis (DL)
UFO	Gary Hawkes(GHs)
DETI	Alison Clydesdale (AC)
Apologies	

No	Item	Action
1	Apologies Donogh O'Brian - Billy Graham attended on behalf of SSG	
2	Minutes from meeting on 26th June Two issues were raised in respect of the minutes of the meeting of 26 June. <ul style="list-style-type: none"> SF requested that it should be minuted that in para 2 of item 4 it should be recorded that it is the MTP projects <u>approved in Jan 2013</u> that provide for the firm access of generation MAd asked that, despite the note in the previous minutes in respect of item 8, the issue of refunds should be retained on the agenda Actions from meeting on 26th June Action 1; Complete Action 2; Complete Action 3; Complete Actions under 4; Bullet point 1; Ongoing Bullet point 2; Changes to TIA being developed Bullet point 4; FAQ process published on Soni website Bullet point 5; Soni to provide UR with cover note and Soni website links; UR to publish on RGLG website	SONI/UR

No	Item	Action
	<p>Action 5; No comments received regarding impact of Ofgem offshore consultation on NI. MH commented that he did not foresee any implications</p> <p>Action 6; Item covered on agenda</p> <p>Action 7; Rebate policy to continue as agenda item</p> <p>Action 8; DETI invited and in attendance.</p>	
3	<p>Renewables Integration Status Report</p> <p>It was agreed that the report should be updated twice each year. Next update to be circulated for consideration at the November 13 meeting.</p> <p>Members to consider whether any changes should be made in terms of content</p>	<p>NIE</p> <p>All</p>
4	<p>Cluster Charging and Re-Quotes</p> <p>MA summarised the present position:-</p> <ul style="list-style-type: none"> • Requotes on the basis of the updated Statement of charges being prepared • Working with Soni to include FAQ/ATR information <p>MA(d) commented that Industry is generally comfortable with this; however he raised a concern over NIE's proposed requirements for payment security which will be problematic in particular for generators that have not achieved financial closure at the time of the connection offer.</p> <p>GH explained the rationale for its proposed payment security approach which was to protect customers and be non discriminatory between generators.</p> <p>It was agreed that NIRIG, NIE and UR should meet to consider the issues.</p>	<p>NIE/NIRIG/UR</p>
5	<p>Generation Connection – FAQ process</p> <p>It was considered that this item had been covered adequately under item 4.</p> <p>DL commented that the Generator Output Reductions Report detailing information for 2014 and 2020 has been published on its website</p>	
6	<p>Offshore Consultation</p> <p>TH advised that UR was finalising its review of responses to the consultation and intended to meet with Soni to discuss further.</p>	<p>UR</p>

No	Item	Action
	<p>MH enquired about timescales for a decision. TH explained that timescales would need to take account of significant changes to the membership of the UR board. Whilst she planned to table a position to a board meeting in Oct or Nov, this did not necessarily mean that a decision would be made by December. TH felt that she would be able to provide a clearer timetable at the November meeting of the RGLG. She also explained that some aspects of the decision making process would be subject to SEM consideration.</p> <p>AC noted that the timetable for finalising the consultation was important for enabling DETI to take forward its offshore energy legislation proposals to meet the timeframe of the Assembly's legislative programme.</p>	
7	<p>Rebates</p> <p>MA(d) enquired about the status of any legislative change to facilitate the extension of rebates beyond domestic customers. He explained that this is an important issue for the industry and would welcome progressing of this matter.</p> <p>AC explained that any change would need to be accommodated within the overall legislative programme, which was a matter for the assembly business office.</p> <p>MA(d) stated that the Industry would be keen to engage in any process to bring forward legislation.</p>	
8	<p>Small Scale Generation – 11kV Network Access</p> <p><u>8(a) Network status/conditional offers</u></p> <p>There was robust discussion around this item. A summary of inputs from the various parties are as follows:-</p> <p><u>NIE Position</u></p> <p>NIE described the situation as being at 'crisis' level, with around 60 conditional offers awaiting a decision on 33kV and/or 33/11kV investment and how it was experiencing huge frustration from the developer community around the time being taken to resolve these matters.</p> <p>NIE outlined how during the course of a number of interactions it had provided the UR with information on 33kV investment categories which grouped broadly into; [1] lower level investments which would free significant MW and [2] major investments, along with specific levels of investment required at a number of primary substations – with a view to agreeing an approach to these investments.</p>	

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	<p>NIE remained firmly of the view that the information provided to date included the substance of that required for decision making.</p> <p>NIE also stated that it was not best positioned to provide detailed cost benefit analysis which the UR may require for certain investments given that NIE did not have access to the cost benefit analysis behind DETI incentive policy. Also that it was important to understand how DETI intended to review incentives given the emerging network constraints and the continuing high level of applications.</p> <p>NIE firmly stated its view that it was essential for all major stakeholders to take ownership and work together to find a way through this very serious situation.</p> <p>NIE stated that: in any case decisions are required as a matter of urgency in order to inform the market of what will happen next.</p> <p><u>UR position</u></p> <p>The UR made it clear that the statutory framework only permits it to approve investment that has first been requested by NIE. By the date of the meeting the UR had not received any request to approve investment for 33kV infrastructure for small scale generation.</p> <p>The UR also informed the meeting that these investments had initially been included within the RP5 Competition Commission (CC) process, which removed the right of the UR to make the final decision about whether customers should fund these investments or not. It was agreed at a meeting with the CC on 5 September that these could be requested and assessed under part (viii) of the Dt term in NIE's current licence.</p> <p>UR outlined their position that since NIE has a duty to develop an economic network any investment proposal it would expect NIE to undertake sufficient cost benefit analysis (CBA) to satisfy its own compliance obligations.</p> <p>Whilst the UR has received submissions on this topic from NIE none of these actually requested approval for funding or stated what NIE would commit to deliver in exchange for a certain amount of investment.</p> <p>A specific request is essential and this would need to be accompanied by further information about the costs and benefits to allow these to be approved or otherwise. Without this the UR would be operating outside of its legal vires and statutory duties. The UR expressed surprise that the meeting was expecting it to operate in that manner</p>	

No	Item	Action
	<p>and made it clear that this was not an option.</p> <p>UR suggested that the details of the NIE submissions might be discussed directly after the meeting with a view to identifying any further information required and then bringing forward proposals for the lower level investments to its October Board meeting.</p> <p>The UR indicated that consultation may be required to determine strategy for the higher level investments. This would be dependent on the CC Final Determination.</p> <p>[Note: a further meeting took place once the RGLG had finished with SF, MA and AB to discuss the shape of a specific request required from NIE to support a proposal to the UR October Board meeting.]</p> <p><u>NIRIG/UFU position</u></p> <p>Both NIRIG and UFU expressed significant concern over the plight of developers who have invested considerably on the basis of Government policy and are now unable to connect to the network</p> <p>They were disappointed that UR was not able to approve the required investment. They considered that there is an element of the required investment (particularly in relation to work at primary substation transformers) that should be approved without any significant CBA on the basis of it being low cost.</p> <p>MA(d) suggested that the investments are considered as short, medium and long terms plans as has applied to transmission investments</p> <p><u>DETI position</u></p> <p>DETI explained that whilst Government had overall renewable targets it did not have specific targets for small scale volumes – this would result from the market.</p> <p>DETI advised that its role was to develop and advise on policy and it had consulted on the ROCs incentives before the ROCs were formalised and made available to the industry</p> <p>Whilst DETI is fully aware of the issues relating to the network, it can have no role in approving network investment.</p> <p>DETI will be reviewing incentives and this review will be evidence based – important that all stakeholders provide input.</p> <p><u>SONI position</u></p>	

No	Item	Action
	<p>DL inputted that increasing levels of small scale uncontrollable generation would inevitably result in increased constraints and curtailment of large scale (controllable) renewable generation.</p> <p><u>Conclusion/action</u></p> <p>It was agreed that UR and NIE should meet urgently to consider how to move things forward, with a particular focus on investigating scope to consider a “short term” subset of the investments tabled by NIE.</p> <p><u>8(b) Study into Smart options</u></p> <p>MA explained that a study into the scope for Smart options for the connection of Small Scale Generation to 11kV networks was now out to tender, with tenders to be submitted by the end of September. Subject to a successful tendering/selection process it is planned to let the contract in October with contract duration of 6 to 8 weeks. MA emphasised that this was purely a desk top study and there would need to be a further stage before any implementation.</p>	NIE/UR
9	<p>AOB</p> <p>DD raised a concern over DETI's decision to stand down the SEIDWG Grid Development & Renewable Energy sub-group on the basis it duplicates the role of the RGLG. DD's concern related to the absence of a forum to discuss and advance strategic matters affecting the delivery of transmission infrastructure which is critical to the increased use of renewable energy. He noted that DOE Planning Service had been a member of the sub-group, but were not represented within the RGLG group.</p> <p>Whilst the meeting did not come to a conclusion on this concern AC clarified that DETI considered that the RGLG meeting had an operational scope and this reflected DETI's observer role. She felt that, if the standing down of the SEIDWG subgroup was considered to leave a gap then consideration could be given to a separate forum for infrastructure planning. MAd indicated that the industry would engage if such a forum was to develop. TH considered that individual members could respond to DETI if they considered it appropriate.</p>	
10	<p>Dates for next meetings</p> <p>Dates agreed as follows:</p> <ul style="list-style-type: none"> ▪ 12 Nov 2013, 1000 at UR Office 	

Summary of actions

No	Item	Action
1.	FAQ process/info; Soni to provide UR with cover note and Soni website links; UR to publish on RGLG website	Soni/UR
2.	Renewables Integration Status Report; Next update to be circulated for consideration at the November 13 meeting. Members to consider whether any changes should be made in terms of content	NIE All
3.	UR to contact Soni regarding Off-shore consultation	UR
4.	Payment Security; NIRIG, NIE and UR should meet to consider the issues.	NIE/NIRIG/UR
5.	Small Scale Generation; UR and NIE to meet urgently to consider how to move things forward, with a particular focus on investigating scope to consider a “short term” subset of the investments tabled by NIE.	NIE/UR