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Leigh Smyth
Utility Regulator
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By email to: leigh.smyth@uregni.gov.uk

Our Ref: DV01-003164

1 October 2010

Dear Ms Smyth,

Re: RES Response to Northern Ireland Electricity plc Transmission and Distribution Fifth Price Control (RP5)

RES UK and Ireland Ltd is part of the RES group of companies. RES has been developing wind projects on the island of Ireland since the early 1990s, having developed 14 operating wind farms and 1 single turbine in Northern Ireland and four operating wind farms in the Republic of Ireland, totalling over 241MW. RES currently owns or operates over 134MW of wind capacity across Ireland. In addition RES has a further 35MW in construction or with planning consent.

RES is a member of the Northern Ireland Renewable Industry Group, which is submitting a response to this consultation on its members' behalf. We endorse the NIRIG response, which forms the basis of this response.

RES welcomes the opportunity to comment on the Consultation on Northern Ireland Electricity plc Transmission and Distribution Fifth Price Control (RP5) and has a number of comments outlined below.

With the increasing amount of wind generation coming on the system in the coming years, there will be many generators connecting to the distribution network. While the cost of connection is covered by generators it is essential that there are sufficient resources available in NIE to cope with the increasing workload. The price control review needs to take this workload into consideration when determining the revenue for RP5.

There is a requirement for significant transmission infrastructure development to meet the targets for renewable development. The Renewable Integration Development Project (RIDP) is identifying transmission reinforcements required. Significant funding will be required over the next 10 years to take these projects through the planning and construction process. The delivery of these assets will be critical to Northern Ireland meeting its 40% renewable target. It is important that the Price Control allows for this development to take place in a timely manner.

It is essential that there are incentives in place to ensure that the resources available are used efficiently, and that potential delays are minimized through the use of meaningful incentives. These incentives should be closely related to actual business lost so that developers can have some confidence in relation to build out rates and connection dates.

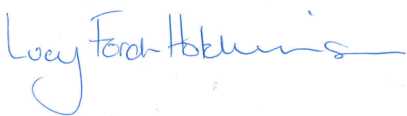
The NIE T&D Price Control needs to take into account all SEM arrangements which may influence the future operation and development of the network in Northern Ireland. These include policies to encourage demand side market participation, transmission connection policy, locational network signals, and the promotion of regional integration.

RES welcomes the recognition that the NIE T&D Price Control review needs to take new legislation into account including the Renewables Directive and the Strategic Energy Framework for Northern Ireland. We welcome the recognition of the need for revenue for smart metering. It is important that there is sufficient allowed revenue to ensure that smart metering can be rolled out in an efficient manner. Smart metering will allow increased demand side management of electricity use and increased penetration of wind generation on the electricity system.

When minimizing costs to the consumer it is important that the Utility Regulatory takes a long term approach. Often minimizing short term costs can lead to unnecessarily high costs over the long term.

If any points made in this response require further clarification, please don't hesitate to contact RES.

Yours sincerely,



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