

## **NIRIG response to NIAUR Draft Forward Work Programme 2013-14**

**18<sup>th</sup> January 2013**

### **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 the NIAUR Draft Forward Work Programme 2013-14 and further appreciates the briefing which was provided on 17th December 2012.

### **General comments**

NIRIG would recommend that the NIAUR Forward Work Programme (FWP) outline which specific policy objectives that each project aims to contribute to. NIRIG believes that this would improve the fulfilment of one of the key principles of regulation, namely that regulatory frameworks should form a logical part of the Government's broader policy context, consistent with established priorities, and enable cross-sector delivery of policy goals where appropriate. Further, NIRIG would also recommend that the FWP outline how progress on policy goals will be monitored.

NIRIG also notes that there is no reference to engagement in wider groups or fora and we would recommend that NIAUR outline the ways in which they will coordinate with industry, government departments and other stakeholders to progress policy development and implementation. For example, it would be useful to see a schedule of meetings of the Sustainable Energy Interdepartmental Working Group: both the Group itself and sub-group on grid development and renewable energy, which we understand from the Northern Ireland Executive's Sustainable Energy Action Plan 2012-15 to be one of the key methods of coordination between key decision-makers in sustainable energy.

On a specific point, we note that among the key challenges (objectives) outlined in the FWP there is no objective specifically relating to the need to plan for and accommodate increasing levels of renewable electricity generation. NIRIG would recommend that an additional challenge be included, as follows:

*Facilitating the development of infrastructure to accommodate increased levels of renewable energy generation and dispatch in line with the SEF target of 40% electricity from renewable sources by 2020.*

## **Projects**

**Project 13.** We welcome the Utility Regulator's emphasis on the need to harmonise energy markets through influencing and developing arrangements for regional integration of the electricity market. NIRIG believes that it will be crucial to have significant stakeholder engagement in these processes through the Stakeholder Forum on the European Internal Market. Further, we note and support the recent IWEA recommendation on the creation of a Market Integration Forum, whereby sharing of information on the development and progress of the project, discussion of constituent issues that feed into decisions on the SEM market design and the sharing of expertise and views could be facilitated.

**Project 14.** NIRIG would like to reiterate comments made in our response to both the RP5 Draft Determination consultation and RP5 Fund 3 consultation regarding the implementation of the role of the reporter; namely, that we would recommend that any such position contributes to efficiency and speed of projects approvals.

**Project 16.** NIRIG notes that reviewing the value of introducing contestability is considered to be a Priority 2. While we understand the definition of Priority 1 projects to be those which are legal and mandatory, we believe that contestability should be reviewed within this Forward Work Programme as Priority 1 and not delayed any further. Contestability is one of the key elements which will deliver lower costs and improve speed of delivery of sustainable objectives and government targets, as has recently been demonstrated in the construction of the Slieve Kirk cluster substation. We also note that the 2012-13 FWP included a project to 'Review the implications of both private networks and contestability of connections within electricity networks' (Ref 24). NIRIG has concerns that this project could fail to be delivered if it is not prioritised.

**Project 17.** We welcome the Utility Regulator's commitment to determining and implementing offshore connection policy and consulting on new offshore generation licensing and look forward to working together on the development of these policies.

**Project 20.** NIRIG would recommend that the introduction of new market services and arrangements for payments to allow additional renewable generation connection and reduced costs for consumers (the DS-3 project and associated Grid Code modifications) be reprioritised to Priority 1, as additional renewable generation connection will contribute to Northern Ireland, UK and European policy objectives to increase the proportion of electricity from renewable sources by 2020.

**Project 24.** Regarding the reliability of the Moyle interconnector we believe that the reliable functioning of this interconnector is crucial, but also that use of the interconnector should be maximised to reduce curtailment. Any study should incorporate restrictions in

the grid connections in Scotland which are essential for renewable energy export to Great Britain.

**Project 26.** We understand that NIAUR intends to review generation connection policy and firm access and quantity allocation in light of the situation in the SEM whereby firm access only exists when capacity is confirmed. NIRIG notes that there is still no final decision on firm access allocation. Developers are still awaiting outstanding connection offers since July 2010 because firm access quantities have not yet been confirmed. NIRIG recommends that NIAUR commits to facilitating infrastructure in this FWP and beyond in order to increase Firm Access Quantities for generators in Northern Ireland.

**Project 40.** NIRIG agrees that the introduction of new support mechanisms for renewables is a priority but believes that the timeframe of Q4 is too late for assessment of electricity market reform proposals with DETI. These proposals will require engagement throughout the year and it is important that NIAUR takes into account and influences their development on an on-going basis.

**Project 45.** It is not clear from this project whether the Energy Bill refers to the DETI Energy Bill, DECC Energy Bill or DETI Offshore Energy Bill. This lack of clarity may be considered indicative of the absence of clear links between the FWP and policy objectives as set out by DETI.

## **Conclusion**

NIRIG welcomes the opportunity to comment on the NIAUR FWP 2013-14. We believe that the programme will be improved by a clear link with policy goals and an appropriate mechanism for monitoring progress on these goals. There is a need to deliver clarity on the strategic policy framework within which independent regulatory decisions are made. This would strengthen the regulatory environment in a way that protects consumers and enables cost effective investment in the energy sector. Northern Ireland consumers, investors and policy makers need to be confident that regulatory decisions are aligned with the Government's strategic policy framework.

We look forward to continuing to engage with NIAUR directly and through the Renewables Grid Liaison Group, which we believe represents a very positive commitment to a transparent and practical engagement with relevant stakeholders.

For further information, please contact:

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**NIRIG**