



RES UK & Ireland Limited
Willowbank Business Park, Willowbank Road, Millbrook, Larne
County Antrim, Northern Ireland BT40 2SF, United Kingdom
T +44 (0)28 2844 0580 F +44 (0)1923 299 299
E info@res-group.com www.res-group.com

To be submitted via elena.ardines@uregni.gov.uk.

Elena Ardines
Strategy Branch
The Utility Regulator
Queens House 14
Queen Street
Belfast BT1 6ED

Our Ref: EN01-003529

18 January 2013

Dear Elena

Re: Response to Consultation on Utility Regulator Forward Work Plan April 2013 – March 2014

RES has been developing wind projects on the island of Ireland since the early 1990s, having developed 14 operating wind farms in Northern Ireland and 4 operating wind farms in the Republic of Ireland, totalling over 241MW. RES currently owns or operates over 134MW of wind capacity across the island. In addition, RES has 90MW of wind capacity in development with planning consent in Northern Ireland and a further 65MW of new wind generation currently in the planning system. RES has been an established presence at the forefront of the wind energy industry for over three decades. Our core activity is the development, design, construction, financing and operation of wind farm projects worldwide. With a portfolio of more than 6.5GW constructed and several gigawatts under construction and in development, RES continues to play a leading role in what is now the world's fastest growing energy sector. RES is also involved other energy sectors including offshore wind, wave, tidal, biomass and photovoltaic power.

RES welcomes the opportunity to respond to the UREGNI "Draft Forward Work Programme (April 2013 – March 2014)" consultation document of 16 November 2012 ("the Forward Work Plan consultation"). RES endorses the views and proposals set out in the NIRIG response to the Forward Work Plan consultation. In addition RES has the following comments:

1. We note that there is no project dealing with the conclusion of the *NIE cluster connection and charging policy*. Bearing in mind that NIE and the Utility Regulator each issued a consultation paper in March 2010 and November 2010 respectively on the Cluster Charging methodology and the Utility Regulator's decision paper was subsequently published in April 2011, the finalisation of the cluster charging policy is long overdue. In light of the interaction with progress of desperately needed transmission reinforcement, RES considers that this should be scheduled for completion before March 2013. In the event that this is not possible, RES proposes that the cluster connection and charging policy consultation should be completed in the 2013-2014 Forward Work Plan no later than Q2. We therefore propose an additional priority 1 project to "*Finalise NIE cluster connection and charging policy*" by Q2. If UREGNI can not commit to such a timescale, **RES would strongly urge UREGNI** to consider interim funding arrangements in order to allow NIE to progress works on cluster projects where need case is evidenced through levels of consented generation to levels that satisfy the criteria set out in the cluster connection

and charging policy paper. The ongoing state of limbo of such cluster projects, brought about by a seeming indefinite delay to key UREGNI decisions will soon bring about the demise of many consented renewables projects that are critical to the meeting of 2020 renewables targets.

2. *Project 16: Review the value of introducing contestability*

In addition to the comments made in the NIRIG response, which we support, we also note that the objective of the project is simply to “review the value of” rather than to introduce contestability. The establishment of competition through contestability will inevitably bring about overall cost reductions that would ultimately be passed through to the Northern Ireland consumer. Experience in GB and RoI regulatory jurisdictions are testament to the value that contestability can bring to economy and efficiency. In GB, regulated margins on contestable works have been removed in many instances, such has been the level of competition established. We would therefore be more favourable to a priority 1 project to “implement” contestability by Q4. If it is deemed not feasible to complete the implementation of contestability within the proposed Forward Work Plan, then at least the project to “review the value of” contestability should be raised to priority 1 as proposed in the NIRIG response.

3. *Project 26- Review generation connection policy and firm access and quantity allocation*

We support the priority 1 designation and note that this project is targeted for completion by Q2. Since Q2/2010, NIE has virtually suspended issuing connection offers as developers are unwilling to commit to connection offers without FAQ information thus many renewable generation projects have not progressed ever since. We therefore urge the Utility Regulator to ensure that this project is completed by Q2 as proposed.

RES seeks to be clear and constructive in all consultation responses and I hope you find the above consistent with these objectives. If you wish to discuss this response or any other relevant matter, please do not hesitate to contact me.

Yours sincerely,

Claver Chitambo
Senior Grid Engineer
E Claver.Chitambo@res-ltd.com
T +44 (0) 1788 220 789