



**Response to the Utility Regulator Review of Electricity Distribution  
and Transmission Connections Policy – A Call for Evidence**

**January 2017**

## **1 Introduction**

- 1.1 The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (NI) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland (NI).
- 1.2 The Consumer Council welcomes the opportunity to respond to the Utility Regulator (UR) Review of Electricity Distribution and Transmission Connections Policy Call for Evidence.

## **2 Consultation questions**

### **Q1. Do you agree with these strategic priorities?**

- 2.1 Overall we agree and support the UR's strategic priorities for this review. In particular it is imperative that the outcomes of this review contribute to keeping electricity bills as low as possible and a connections process that delivers higher levels of customer service, timely and accurate information and price transparency.
- 2.2 It is important that the UR aligns this review with the NIE Networks RP6 price control. This would enable both projects to inform each other, share common objectives and to make the most effective use of resources.
- 2.3 Recommendations two and six of the Consumer Engagement Advisory Panel (CEAP) Empowering Consumers report<sup>1</sup> asked NIE Networks to improve consumers' satisfaction with its connection process, and to continue to have ongoing consumer engagement to evaluate its RP6 performance and outcomes. We ask the UR to consider how CEAP can be of benefit to this

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<sup>1</sup> [http://www.nienetworks.co.uk/documents/Future\\_Plans/Empowering-Consumers-CEAP-report-2016.aspx](http://www.nienetworks.co.uk/documents/Future_Plans/Empowering-Consumers-CEAP-report-2016.aspx)

review, for example, providing consumer feedback and research on specific proposals and investment decisions that may result from this review.

**Q2. Do you agree that these are the main developments we should be mindful of?  
Are there any other developments which are important?**

2.4 The Consumer Council agrees with the list of developments the UR has provided. We suggest five additional issues :

- i. We ask the UR to consider the impact that the UK exit from the EU (Brexit) will have on NI energy policy and the knock on effect this could have on a electricity network connections policy. Two issues we have identified are:
  - If Brexit results in the removal from NI of EU legislation such as the EU Industrial Emissions Directive and the European Renewable Energy Directive. This could help influence renewable generation policy in NI, which is intrinsically linked to this review; and
  - Brexit may have a negative impact on the process of integration and interconnection between the ROI and NI electricity grids. If this became a reality, this could signal the need for additional generation in NI, and the need for increased capacity of the NI grid.
- ii. The proposal for a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources<sup>2</sup>. The document was published on 30 November 2016 and suggests amending and removing recitals 62 and 63 that provided protection to renewable generators in low density areas around non-discriminatory criteria and fair connection costs. The removal of the non-discriminatory provisions could have a profound impact on the connections policy and therefore we ask the UR to examine its potential impact.

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<sup>2</sup> [https://ec.europa.eu/energy/sites/ener/files/documents/1\\_en\\_act\\_part1\\_v7\\_1.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/1_en_act_part1_v7_1.pdf)

- iii. NI Executive renewable generation target post 2020 and decision on the Contracts for Difference (CFD) renewable energy support mechanism;
- iv. The UR issued a call for evidence on electricity Guaranteed Standards of Service (GSS) in November 2016. The paper points out that separate regulations<sup>3</sup> covering GSS for connections were introduced in GB in 2015. The UR's review of GSS may therefore have an impact on this review; and
- v. Consider the long term impact that the potential developments of initiatives and technologies such as community energy initiatives and electricity storage may have on the connections policy requirements in NI.

**Q3. Is there a role for connections policy to promote effective network management? If so, what are the issues which need addressed and potential solutions as part of this review?**

2.5 NIE Networks has identified a number of capacity and grid load issues linked to the connection to the electricity grid of additional renewable generation. Therefore we believe that the connections policy can have an impact on network management.

2.6 Other organisations such as NIE Networks and SONI have a greater expertise in this area. The Consumer Council welcomes the opportunity to assess any evidence that is presented as part of this review to assess the benefit or detriment to consumers.

**Q4. Should we review the distribution charging framework, with a view to making connection charges deeper? If so, how should this be designed? What are the benefits, costs and risks of doing so?**

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<sup>3</sup> <http://www.legislation.gov.uk/ukxi/2015/698/contents/made>

2.7 The Consumer Council acknowledges the UR's proposal to review the distribution charging framework as a possible solution to improve the connection process. Such changes may support government priorities around renewable generation or help effective network management in NI. However, we believe strongly that any changes implemented should not result in higher bills for consumers unless these are consulted upon and fully justified. For example, in support of other high priority objectives such as contributing to the security of the supply in NI.

2.8 The Consumer Council welcomes the opportunity to assess evidence about the benefit, costs and risks to consumers of amending the charging framework to inform our opinion on any proposals that result from this review.

**Q5. Should we review how the connections process and queue is managed? If so, what are the issues which need addressed and potential solutions?**

2.9 The connections queue is a sensitive issue and a source of significant dissatisfaction among consumers affected. Therefore the Consumer Council believes that this review should provide a resolution to outstanding connections and implement remedies that prevent a reoccurrence of the issues encountered.

2.10 From our understanding of the issue, the queue is largely a result of the following:

- The lack of network capacity, particularly in areas where demand for renewable generation is highest; and
- Procedural changes and customer service issues resulting from the removal of the planning permission connection prerequisite in 2015.

- 2.11 There are a number of issues associated with the lack of network capacity. A critical one for consumers is the required network reinforcement costs and the liability to pay for those.
- 2.12 The Consumer Council will not comment on network capacity issues or solutions, as NIE Networks and SONI have the expertise in this area. However, we wish to stress our position that the broad interest of consumers should be at the centre of this review. Therefore measures to address the queue or increase capacity to accommodate additional renewable generation should not result in higher bills for consumers.
- 2.13 We have commented on the issues around customer service and suggested some solutions under question 6 below starting on point 2.14.

**Q6. Should we consider connections customer service, engagement and pricing transparency as part of this review? What are the issues which need addressed and potential solutions?**

- 2.14 Evidence is available from consumers who invested significant sums of money in small renewable generation equipment and are still waiting for a connection.
- 2.15 These cases have highlighted a number of issues such as upfront communication about the feasibility of individual connections, improved customer service, effective ongoing engagement and communications, as well as clear and transparent pricing.
- 2.16 Those consumers affected by the queue may have chosen not to invest in renewable generation equipment had they known that a connection to the grid was not feasible, or that it would be more costly or take longer to complete than they anticipated.

- 2.17 The Consumer Council believes that as a result of this review, applicants for new connections need to receive accurate information about the feasibility, timescales and cost of their connection at the earliest possible opportunity. We suggest that given the capacity issues that are likely to remain a feature of the NI network landscape, specific provisions in this area should be made for applications that are linked to renewable generation investment decisions. This would help consumers make informed investment decisions and prevent the dissatisfaction that the current delays and uncertainty have caused.

**Q7. Are there other issues we should review? Which issue(s) are in your view the most material and why?**

- 2.18 Increasingly the Consumer Council is receiving consumer complaints about cosmetic damage to properties caused by fouling from birds roosting on overhead lines located above their properties.
- 2.19 This is an issue that causes significant impact to those affected and as far as we understand, experts are yet to find an effective solution. We would ask UR and NIE Networks to consider any findings from this review that can help alleviate, address or prevent this issue in the future.

### **3 Conclusion**

- 3.1 The “protection of the interests of consumers<sup>4</sup> of electricity” ought to be at the heart of any decision resulting from this review of the electricity distribution and transmission connections policy.
- 3.2 The Consumer Council wishes to express its commitment to continue working with the UR, the electricity retail industry and wider stakeholders to help develop measures that enable consumers to benefit from competition.

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<sup>4</sup> Defined as domestic and non-domestic.

If you require further information or you wish to discuss any aspect of this response please contact Paulino Garcia on 02890 251645 or [Paulino.Garcia@consumercouncil.org.uk](mailto:Paulino.Garcia@consumercouncil.org.uk).





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