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Natalie Downey
The Utility Regulator
Queens House
14 Queen Street
Belfast BT1 6ED

Dear Natalie,

SONI Governance - A Call for Evidence

The Ulster Farmers Union (UFU) is comprised of 11,500 members making us the largest representatives of the land-based sector in Northern Ireland. Traditionally, our interaction with SONI would have been due to the numerous infrastructure installations which crosses our members land and the associated issues relating to access to the ground.

In terms of offering an opinion in relation to the options for change regarding governance arrangements, we feel that we only have limited insight into what is proposed for discussion in this Call for Evidence. However, the UFU would be in favour of Option 4 “Managerial independence of SONO from Eirgrid” plc since this supports and compliments our answers to the questions below.

In recent years, our involvement has evolved with the land-band sector involvement in energy transition, with a significant proportion of UFU members being involved in a small-scale renewable energy generation (SSEG); AD plants, wind turbines, Solar PV etc

Going forward the UFU believes that we have barely scratched the surface in realising our potential in terms of Small-Scale Renewables (SSR). Moving beyond ROC payments, we will envisage the integration of existing and new SSR installations within the Northern Ireland energy infrastructure. Furthermore, the roles of SSRs will develop beyond simply energy generation and develop in line with advances in energy storage, demand management and alternative technologies i.e. Hydrogen.

Consequently, the UFU is best placed to answer the fourth set of questions in this Call for Evidence, namely the flexibility of future arrangements protecting the interests of Northern Ireland consumers, generators and other stakeholders in the context of energy transition.

Before answering those specific questions, we would like to comment to Transparency and Accountability.

Whether stakeholders believe transparency in SONIs governance procedures be improved and if so how?

The Ulster Farmers Union is of the opinion that improvements must be made in relation to improving the transparency of SONIs governance procedures.

Flexibility for Future Arrangements

What enablers stakeholders consider will be important for SONIs role in the energy transition and what barriers to these enablers might exist?

In the Call for Evidence, the Utility Regulator refer to the uptake of low distributed low-carbon generation. It is the UFU opinion that this view could be short sighted. In the push towards Zero Carbon in 2050, there should be consideration given to technology which incorporates Carbon Capture and Storage (CCS). CCS is a technology that can capture up to 90% of the carbon dioxide (CO₂) emissions produced from the use of fossil fuels in electricity generation, preventing the carbon dioxide from entering the atmosphere. Furthermore, the use of CCS with renewable biomass is one of the few carbon abatement technologies that can be used in a 'carbon-negative' mode, thereby actually taking carbon dioxide out of the atmosphere. The land-based sector in Northern Ireland could play a central role in the role out of this technology. In addition, as a sector we have a significant role to play in carbon reduction via our own farming practices.

What resources, including SONI personnel and systems will be necessary for energy transition?

See above however, we would be keen for SONI to undertake further work on energy storage in conjunction with NIE Networks etc. This is referred to in further detail below.

Whether local knowledge needs to be retained in SONI or whether this can be contracting in, and the extent to which such knowledge is important now and will be future

The UFU has reservations about any contracting in at the detriment of local knowledge. The battery array project overseen by AES UK and Ireland at Kilroot was an example of a success story where most of the project involved the use of local knowledge. With Renewables playing a central role in energy transition, the development of renewables in Northern Ireland has produced a knowledge base which is the envy of many outside the country. There is an array of education courses and higher education establishments such as South West College in Enniskillen producing an outstanding knowledge set on a number of forward-looking initiatives.

Consequently, we believe that local knowledge should be retained.

The need for local knowledge is further needed in light of on-going transitional work being overseen by NIE Networks. NIE Network have recognised that the demands on the electricity network are changing. Renewable generation and its use continue to develop; electric vehicle/electric pump use is accelerating, energy storage is rapidly improving and crucially as far as our members are concerned, more consumers now have the ability to produce their own electricity, in other words “prosumers”. The word Prosumer

accurately defines many UFU who have wind turbines, solar PV installations on their farms and who make use of the energy generated.

The electricity grid was designed originally to facilitate the flow of electrical energy towards the customer, and this was the traditional function of a Distributed Network Operator (DNO) i.e NIE Networks in its current form. In the Consultation, NIE Networks have recognised that they need to evolve into a more active role in network control/management. In other words, NIE have recognised that they need to evolve from a DNO to a DSO (Distribution System Operator). A DSO securely operates and develops an active electricity distribution system comprising of network, demand, generation and other flexible distributed energy resources (DERs) and crucially enables customers to be both producers and consumers. For this to be a success, there will need to continued access to local knowledge and this could be compromised by any move to contracting-in.

If you have any queries regarding this response do not hesitate to get in touch.

Yours sincerely,

Chris Osborne
UFU Senior Policy Officer