

Respondent Details

Company Name:	RES
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No.	Question	Your response	Consent to Publish Response (Y/N)
Q1	How would you define 'contestability'?	In its broadest sense, "contestability" means the presence of competition. In GB, the term contestable is at present generally interpreted as referring to competition in construction of distribution connections that are ultimately adopted by the host DNO. The call for evidence document considers other areas where competition could be applied including transmission connections and 3rd party licensing. RES supports consideration of all opportunities for introduction of competition at this early stage, including private wires, 3rd party licensed wires and would note that, in relation to 3rd party licensing, Ofgem are also considering the introduction of competition in onshore transmission in GB (to supplement the IDNO and OFTO regimes). In relation to offshore transmission in GB, the OFTO arrangements also supports contestability in development and construction.	Y
Q2	What do you see as the main benefits of introducing contestability in new connections: A) To the consumer? B) To your company?	The main benefits of contestability are those that arise where ever effective competition is introduced. These are; i) Reduced costs arrived at through efficiency gains driven by competition ii) improved services including improved delivery timescales iii) help address resourcing bottleneck from NIE and SONI All of these benefits should realise benefits to RES as a deliverer of projects but also to the consumer that should see downward pressure on retail prices through reduced costs and also as a result of raised competition in generation.	Y
Q3	What is the nature of your company's business?	RES's primary activities are as a developer, constructor, operator and owner of renewable energy power stations, however it also has interests across the globe in other support services such as transmission wires and energy storage (particularly in the USA).	Y
Q4	What is your role in making new connections to the electricity network... A) At present? B) In the future?	At present, RES does not participate directly in the delivery of grid connections in the UK and Ireland (although it is currently active in delivery of transmission wires in the USA). It is currently investigating future opportunities in delivery and possible ownership of grid assets in UK and Ireland.	Y
Q5	What past experience do you have in making new connections to the electricity network... A) in Northern Ireland? B) or elsewhere? (Please state location)	RES has experience of delivery of transmission voltage grid assets in Portugal, Scandinavia and also in the USA, where it has ongoing transmission wires development and construction business. RES also has experience in delivery of onshore and offshore network assets for GB offshore wind farms.	Y
Q6	What type of connections are you interested in?	Onshore, EHV connections suitable for large to medium renewable power stations and also connections suitable for energy storage projects. RES is also interested in offshore transmission connections.	Y

No.	Question	Your response	Consent to Publish Response (Y/N)
Q7	<p>Should contestability be applied to:</p> <p>A) Transmission and distribution connections?</p> <p>B) Onshore and offshore connections?</p>	<p>At this early stage, RES would support <u>consideration</u> of contestability in all areas of licensed wire delivery, operation and ownership both onshore and offshore. This is not to say that RES necessarily supports the introduction of contestability across the board, rather it is keen that the broadest and most comprehensive debate takes place. That said, RES would add that its recent experience in attempting to secure timely and economic EHV grid connections for its large onshore wind projects with NIE has proven particularly challenging of late. RES knows that it is not alone in finding itself in this position. Also, RES recent experience with contestable connections contractors in GB is that they can offer significant value in terms of both price and service (e.g. speed of delivery). For this reason, RES would particularly welcome steps to progress the debate around contestability of connection construction works (similar to that which exists at distribution voltage in GB) in the timeliest manner possible. Similarly, RES considers that contestability in offshore transmission delivery is essential for the investment case for offshore renewables in Northern Ireland and needs to be prioritised as an area for timely progression.</p>	Y
Q8	<p>To what extent should different rules apply to Transmission Network Operators and Distribution System Operators?</p>	<p>The controls around contestability should be considered in light of a range of factors including potential for impact on security and quality of supply, extent of benefits to the consumer and extent of benefit of competition. For example, contestability in distribution voltage connection constructions (akin to that which currently exists in GB) would appear to be an area of activity where consideration of these factors would support its timely introduction across the board subject to application of suitable controls (for example, controls equivalent to those which currently apply in GB). Similarly, the introduction of Independent DNOs should be an area where swift progress could be made. It should be noted that Ofgem has recently published an ITPR consultation document in which proposes the introduction of competition into onshore transmission but only in relation to new "strategic" infrastructure that is not proposed to be meshed with the existing operational transmission system.</p>	Y
Q9	<p>To what extent should different rules apply to offshore connections and onshore connections?</p>	<p>As noted above, the rules and controls around contestability should be considered in the context of specific areas of activity. It seems likely that different rules would apply to onshore distribution connection construction compared to 3rd party licensing of onshore or offshore transmission assets. In relation to offshore transmission, RES would note that NIE and SONI have no previous experience of subsea asset delivery. This is one of the reasons why the introduction of contestability to offshore transmission is essential for the investment case for offshore renewables in Northern Ireland.</p>	Y

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Q10	What industry codes would require updating to facilitate contestable connections?	<p>Requires detailed consideration. Areas of regulatory framework likely to be considered as candidates for change;</p> <ul style="list-style-type: none"> i) Charging statements ii) The standard form of NIE / SONI connection offers iii) A new standard form of adoption agreement (where connection assets are constructed by a contestable contractor but then adopted by the host licensee) iv) Transmission Interface Agreement (to take account of new third party transmission licensees) v) standard licence conditions for the activities of distribution and transmission 	Y
Q11	What works should be deemed as non-contestable?	RES considers that any work that may compromise the integrity of the existing operating grid systems or which can only be safely be undertaken by the host wires licensees should be defined as non-contestable. In GB, non-contestable works broadly means any work that involves intervention with existing operating assets although it should be noted that different GB DNOs have been applying varying interpretations of non-contestable.	Y
Q12	How should operations and maintenance be managed during the lifetime of a contestable asset?	RES considers that the model for O&M of grid assets, whether delivered contestably or otherwise, need not change as a result of the introduction of contestability. Where an asset is constructed by a contestable contractor and is then adopted by the host licensee, the adopting licensee would then conduct O&M and charge for O&M in accordance with its regulatory duties. Where an asset is constructed and then adopted by a new host licensee, that new host licensee would conduct O&M and charge for O&M in accordance with its own regulatory duties whatever they may be.	Y
Q13	Should different degrees of contestability be introduced for each connection type?	Yes. As per the response to Q8, RES considers that contestability needs to be considered in the context of the voltage and type of grid asset to be delivered.	Y
Q14	What are the barriers to introducing contestable connections?	The extent of barriers to be overcome in order to introduce contestability will vary depending on the extent of contestability to be introduced. For example, the introduction of contestable connection construction at distribution voltage should not require fundamental industry change. The introduction of 3rd part licensing of onshore transmission may require change to primary legislation.	Y
Q15	What is the current impact of not having contestability in the connections market?	The key impact of not having contestability in the connections market is around investor confidence. The key challenge for developers of renewable power stations is the securing of timely and economic grid connections. For as long as SONI and NIE hold a monopoly position in these services, Northern Ireland is not going to be as attractive an investment opportunity as it could be.	Y

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Q16	What is your view of best practice in regard to contestable connections?	RES considers that the question of best practice is not linked to contestability. Where industry best practice has been established through regulation or industry standards that best practice should be adhered to by new contestable participants.	Y
Q17	What type of arrangements would achieve the right balance between contestable and non-contestable works?	As per the responses to Q8 and Q13, RES considers that this is a very broad question and requires detailed consideration in the context of the specific activity being contemplated.	Y
Q18	What problems could arise from the introduction of contestability?	RES considers that risks associated with contestability require careful consideration. However, RES would also note that there are many effective models for contestability in grid connections in effect in other markets, most notably GB, RoI and the USA to name a few. These markets demonstrate that there are controls, measures and procedures that can be adopted that allow contestability to benefit the electricity generation and supply industries.	Y
Q19	How much of a factor is the cost/timing of a new connection in regards to setting up a business/generator?	Cost and timing of grid connection is now critical for new power station projects in Northern Ireland. Grid connections now rival planning consent as the critical risk that threatens new renewable power station projects.	Y

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I1-1	Describe your issue		
I1-2	How often does this issue arise?		
I1-3	Where does the issue arise?		
I1-4	What more could be done to deal with the issue?		
I1-5	Why can't the issue be dealt with or what are the barriers to implementing change?		
I1-6	How has delivery of your connection been affected by this issue?		

No.	Question	Your response	Consent to Publish Response (Y/N)
I2-1	Describe your issue		
I2-2	How often does this issue arise?		
I2-3	Where does the issue arise?		
I2-4	What more could be done to deal with the issue?		
I2-5	Why can't the issue be dealt with or what are the barriers to implementing change?		
I2-6	How has delivery of your connection been affected by this issue?		

No.	Question	Your response	Consent to Publish Response (Y/N)
I3-1	Describe your issue		
I3-2	How often does this issue arise?		
I3-3	Where does the issue arise?		
I3-4	What more could be done to deal with the issue?		
I3-5	Why can't the issue be dealt with or what are the barriers to implementing change?		
I3-6	How has delivery of your connection been affected by this issue?		