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Dear Briege

Written response by RES to: Consultation on the Utility Regulator for Northern Ireland Draft Forward Work Programme 2019-2020

RES is the world's largest independent renewable energy company with a portfolio of over 16 GW and operations across Europe, the Americas and Asia-Pacific. RES has been at the forefront of renewable energy development for 35 years and is active in a range of energy technologies including onshore and offshore wind, solar, energy storage and transmission and distribution employing 2000 people in 10 countries.

From our office in Larne Co Antrim, RES has been at the forefront of wind farm development in Northern Ireland since the early 1990s having developed and/or constructed 22 onshore windfarms totalling 310MW. RES has a growing portfolio of projects in N.Ireland with 48MW under or awaiting construction a further 80MW in the planning system and numerous other projects in the development pipeline. We are also active in the Republic of Ireland with a number of consented storage and solar projects and a large on shore wind pipeline.

RES wants to be a part of Ireland's energy future, ensuring that our projects contribute to decarbonising our electricity system at the least cost to the consumer, in line with RES' vision to be a leader in the transition to a future where everyone has access to affordable low carbon energy. We consider ourselves well-placed, therefore, to comment on the important issues addressed in this consultation and welcome this Utility Regulator consultation on the draft Forward Work Programme 2019-2020.

We are pleased to see "supporting of renewables" listed in the context for your business plan. One of the key challenges facing the renewable industry in NI is transmission development. NIE Networks have started to ration grid capacity by permitting connection offers to be issued only at a few identified cluster substations. This is a clear indication of transmission reinforcement significantly lagging behind the needs of connected parties. We also see this manifested across all renewable projects past and present as transmission development projects have been subject to lengthy delays leaving connected renewable generators, which entered into grid connection agreements on a non-firm basis on the understanding that their Associated Transmission Reinforcement (ATRs) would be completed in certain timescales, facing higher uncompensated generation output reductions (grid constraints). Renewable electricity, particularly large scale wind and solar, are the cheapest forms of new generation and have a positive impact on wholesale electricity prices, however this issue undoubtedly makes Northern Ireland less attractive to investors reducing competition and ultimately costing the consumer.

As an example, one of the key ATRs, the Omagh South -Turleenan 275kV circuit, had an expected completion date (ECD) of 2020 according to a FAQ letter issued by SONI in relation to one of our projects in 2013. However, the ECD had slipped to 2024 according to a subsequent FAQ letter issued in 2015 in relation to another project. Furthermore, according to a FAQ letter that was issued in 2017, SONI stopped estimating the ECD for this ATR and instead merely listed it as “still in development”. As such we would encourage the regulator to specifically identify supporting the delivery of key transmission projects as a driver to achieving objectives 1 and 3 thus delivering the effective competition and fair outcomes required to secure Northern Irelands energy supply in a low carbon future.

From a regulatory perspective, these projects will not proceed without the necessary regulatory approvals. In this respect we suggest that clear and efficient processes be put in place for such approvals to be made in a timely and transparent manner

In relation to strategic objective 2: **Enabling 21st century networks** we would raise the below 2 items

1. Project Description 2: **Reshape incentivisation arrangements for SONI and SEMO.**
We would encourage the UREGNI to consider adopting elements of the Ofgem RIIO (Revenue=Incentives + Innovation + Outputs) framework to set the price controls for SONI and NIE.
2. Project Description 5: **Carry out review of electricity network tariff structures.**
We would encourage the UREGNI to target the establishment of clear and fair Use of System Charging methodology for electricity storage connections.
Developers and System Operators are progressing storage connections but the absence of regulated and published charging methodologies for storage connections is leaving room for differing interpretations of charges applicable to storage (such interpretations being inferred from the charges applicable to demand and generation connections). Currently it is not clear how the UOS charges can be implemented for DS3 storage connections once they are connected.

Both of these items are interlinked with the delivery of objectives 1 and 3 as a key part of securing investment in innovative projects which will deliver the effective competition and fair outcomes required to secure Northern Irelands energy supply in a low carbon future.

We hope you find our comments above of interest and we will be more than happy to assist with any further information as required.

Yours faithfully



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