

NIRIG response to “Consultation on NIE Networks Providing Distribution Generation Offers with Non-Firm Market Access”

The Northern Ireland Renewables Industry Group (NIRIG) represents the views of the renewable electricity industry in Northern Ireland, providing a conduit for knowledge exchange, policy development, support and consensus on best practice between all stakeholders. Committed to making a positive difference, we promote responsible development, support good community engagement and deliver low-cost electricity generation from sources such as onshore wind, tidal, solar and storage using our greatest natural resources.

NIRIG welcomes the opportunity to respond to the NIEN and SONI consultation on NIE Networks Providing Distribution Generation Offers with Non-Firm Market Access for applicants 5MW and above. With the re-establishment of the Northern Ireland Executive, and the current consultation on our future energy strategy from the Department for the Economy, this is an extremely important time for the future of Northern Ireland’s renewable electricity sector. We will be establishing a new ambitious 2030 RES-E target as an interim step towards full decarbonisation, as such, we believe it is key that we maintain momentum in the build out of renewable electricity generation.

Approach 1:

Q1. Do you agree with the advantages and disadvantages associated with Approach 1 as set out in this paper?

Yes, NIRIG is content that the advantages and disadvantages of Approach 1 which are outlined are accurate.

Q2. Are there any advantages or disadvantages with Approach 1 which has not been identified?

A further and significant disadvantage of Approach 1 is that it will stymie renewable development resulting in a loss to the economy and negatively impacting on our ability to decarbonise the electricity supply. NIRIG members are already expressing frustration at the inability to get (reasonable) connection offers and deem the ‘status quo’ approach as unacceptable.

Q3. Do you believe that NIE Networks and SONI should maintain the status quo in relation to distribution connection offers until new RES policy is implemented? Please set out the rationale for your response.

No, the status quo is unacceptable to NIRIG members.

There is sufficient policy direction to justify the issuing of new non-firm connection offers. The consultation paper in section 6.2 states;

“To date energy policy has played a major role in supporting approval of funding system reinforcements driven by renewables”.

While Northern Ireland has yet to establish a new energy strategy to follow the Strategic Energy Framework, as a region of the UK we have a duty to contribute to the achievement of ‘Net Zero’ by 2050.

Evidence suggests that to achieve net zero by 2050 it will be necessary to decarbonise power by 2040, as outlined in Eirgrid’s *Tomorrow’s Energy Scenarios*¹. In the consultation document Figure 2 shows that there has been a significant slowdown in the growth of renewables in Northern Ireland since 2018, and while access to grid is not the sole reason for this, it is a contributory factor.

There is no likely scenario in which the Northern Ireland Executive sets a policy other than to increase renewable generation and while the exact level of the ambition is as yet unknown, it would be irresponsible of NIEN and SONI to knowingly and deliberately restrict renewable development in light of the wider net zero policy context.

There is an onus on NIEN and SONI as regulated bodies to ensure the sustainability of the power supply. The status quo is restricting the development of renewable capacity and the advantages outlined of this approach are insufficient to justify the continuation of the current approach.

Approach 2:

Q4. Do you agree with the advantages and disadvantages associated with Approach 2 as set out in this paper?

NIRIG is aware that Approach 2 has the potential to have a negative impact on existing generators and therefore accept that this is a disadvantage to this approach. For this we reason we favour Approach 2A which would limit this risk.

We accept that in the absence of policy it has been difficult to secure approval for further system reinforcements. However, the UK net zero requirement has set a clear policy towards full decarbonisation of the power system. Given that heat and transport are proving more difficult to decarbonise, the early focus must be on the decarbonisation of the power supply.

The policy direction and the viable technologies are clear and predictable for electricity generation in the next decade and NIRIG believes that a strong case can and should be made to the Utility Regulator for system reinforcements.

The consultation document states as a disadvantage of Approach 2;

“There will still be cases where applicants are refused due to lack of capacity at distribution level or transformer capacity at transmission level.”

¹ Eirgrid’s ‘*Tomorrow’s Energy Scenarios 2019 Ireland*’ <http://www.eirgridgroup.com/site-files/library/EirGrid/EirGrid-TES-2019-Report.pdf>

This is a reality of the three approaches rather than a disadvantage of Approach 2 and NIRIG therefore believes it should be discounted in any decision making process.

Q5. Are there any advantages or disadvantages with Approach 2 which has not been identified?

No. NIRIG is content that all advantages and disadvantages have been outlined with the caveats outlined above.

Q6. Do you believe that NIE Networks and SONI should change the distribution offer process to enable the issue of offers with Non-firm market access to LSG generation where there is capacity in the distribution system and transformer capacity at bulk supply points? Please set out the rationale for your response.

Yes, NIRIG believes that it is now necessary to change the process for issuing distribution offers to enable the issue of non-firm access and facilitate the connection of new renewable generation. NIRIG strongly view this as only an interim measure until there is greater certainty on Northern Ireland energy policy and NIE can move back to issuing offers with firm access.

We note the commitment outlined in the consultation document that;

“The applicant would be provided with a high-level outline of ATRs required to bring their project to full FAQ”.

NIRIG would like clarity as to whether this includes a commitment to deliver the outlined ATRs in a timely manner, subject to approval.

We would take this opportunity to press the need for ATRs for existing generators to be progressed and reiterate our assertion that the necessary policy context now exists to make the case for such reinforcements.

Approach 2a:

Q7. Do you agree with the advantages and disadvantages associated with Approach 2a set out in this paper?

NIRIG is largely in agreement with the advantages and disadvantages listed, again with the exception to the reality that some applications will still be refused, as this applies to all approaches and should therefore be discounted.

In particular we would emphasise that new generation should not come at the expense of the viability of existing generation which is why we see the ability to manage the risk of increased curtailment and constraint through a MW limit as a significant advantage. However, ultimately we want to see dispatch down reduced through grid reinforcement and the completion of ATRs.

Q8. Are there any advantages or disadvantages with Approach 2a which has not been identified?

No, NIRIG believes the advantages and disadvantages to be well outlined.

Q9. Do you agree with SONI and NIE Networks MW limit of Non-Firm Market Access? If you believe other rationale should be considered please outline what and how this should be used.

NIRIG believes the limit should be set higher than in the SONI and NIEN analysis. The rationale for a 206MW cap was to enable sufficient generation to meet the 2025 target of the “Addressing Climate Change” scenario in the SONI TES consultation. While we welcome the level of ambition being set at the highest level scenario we feel that this cap could ultimately result in a failure to meet this ambition.

Not all projects that receive a connection offer will necessarily proceed. Therefore, in order to achieve the delivery of 206MW of generation, the limit would need to be set higher.

NIRIG analysis shows of October 2019 data (attached separately) shows that there was 107.6MW of generation with planning consent but without a connection offer. There was a further 364.55MW in planning as well as a significant number of storage projects. It is hard to estimate what proportion of these projects will come to fruition with market, planning and grid issues all acting as potential barriers. However, as the consultation document states, a 206MW limit is at risk of being consumed by a small number of large projects, in particular storage projects.

NIRIG therefore proposes a limit of 400MW to allow for a sufficient proportion of pipeline projects to come to fruition and to mitigate the risk of a small number of large projects consuming the limited capacity. It is worth noting that NIRIG members will consist of both new and existing generators and believe that on balance this level of cap will allow for sufficient new generation without having such an unacceptable impact on existing generation.

Preferred Option

Q11. Which of the approaches outlined in this consultation is your preferred approach?

NIRIG prefers Approach 2A with a limit of 400MW.

Q12. What do you believe should trigger a further review of the decisions that arise from this consultation?

NIRIG believes that the cap should be reviewed when new Northern Ireland RES-E energy targets are agreed, every two years or when the limit is reached, whichever comes first.

Furthermore, whilst maintaining our contention that sufficient policy exists to justify grid investment, we would be hopeful that the forthcoming energy strategy will set ambitious targets for renewable generation and that an acceleration of grid investment will result and therefore mitigate the need for the issuing of non-firm access offers.

However, it is important to retain the option of issuing non-firm offers where such investment does not come forward, to avoid the current situation of lack of access to the distribution network, resurfacing in the future.

NIRIG is grateful to SONI and NIEN for the issuing of this consultation and the opportunity to respond. I am more than willing to provide any further clarification you may require as to our position on this issue.

Steven

Steven Agnew, Head of NIRIG

Appendix: NIRIG member companies which have approved this response

A&L Goodbody
ABO Wind
Air Core
Andy McCrea Consulting
Brookfield
Cleaver Fulton Rankin
Community Windpower Ltd
DP Energy
Energia
Everun
Farm Energy NI
Goudsmit
Greencoat Capital
Heron Bros
Ionic
LightsourceBP
Mullan Grid Consulting
NTR
RES
Scottish Power Renewables
Wind Factory