Brookfield

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Castlereagh
12 Manse Road
Belfast
BT6 9RT

NIE Networks
120 Malone Road
Belfast
BT9 5HT

Date: 1st April 2016

RE: Alternative Connection Application and Offer Process Proposal

Dear Sir/Madam,

Thank you for the opportunity to provide feedback on the Alternative Connection Application and Offer Process Proposal. In addition to our comments below we also support the NIRIG position submitted in response to the same consultation.

Brookfield Renewable Ireland is part of Brookfield Renewable Energy Group, one of the largest publicly-traded pure-play renewable power platforms globally with over 7,300 MW of hydroelectric and wind capacity across 14 power markets and in excess of 460MW of operating wind capacity with a 200MW wind development pipeline in Ireland. Our power operating platform employs over 1,500 people globally, including full operating, development, construction oversight, and wholesale power marketing capabilities.

Brookfield do not agree with the Batch Process as proposed and believe that NIE/SONI should use this opportunity to develop and deliver an enduring grid connection policy for Northern Ireland. The closing date for the proposed Batch Process will encourage another influx of speculative applications due to the fact that after the closure of this Batch Process there is no mechanism for accepting or processing further grid connection applications. Brookfield feel that the analysis required for this Batch will be an inefficient use of TSO/DNO resources and that genuine projects will suffer from the influx of speculative applications.

Brookfield believe that a deterrent for speculative applications blocking genuine projects getting access to the grid and causing additional unnecessary work for the TSO/DNO is required. Planning permission was an appropriate measure to ensure project legitimacy. However, Brookfield also recognise the challenges that projects have faced through lengthy planning processes that are out of their control. A compromise that Brookfield support is to allow planning and grid applications to continue in parallel. To facilitate this NIE/SONI should require at least a valid planning application that has been stamped and validated by the planning authority to accept grid connection applications.

In addition to inefficient use of TSO/DNO resources and restricting genuine projects getting access to the grid, the Batch process promotes hoarding of grid and its treatment as a commodity. This was evident from the Irish experience and NIE/SONI should endeavour not to make the same mistakes as the system that is being replaced by the CER. Brookfield strongly believe that in the absence of supports, following the closure of ROCs, genuine merchant projects should be encouraged to connect and their financing should not be made more difficult through high drop outs and a secondary market for grid.

Brookfield also support the interim proposals made by NIRIG for an interim solution while an appropriate enduring connection policy is being developed. For consistency with the high levels principles of allocation of capacity efficiently and reducing rework of offers, Brookfield believe that such capacity should only be awarded to projects with full planning permission.

The remainder of this response addresses the specific questions asked in the Consultation.I would be pleased to discuss these points or any other in relation to the Connection Application and Offer Process in more detail.

Kind Regards,

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Question 1: Do you have any additional suggestions for consideration in relation to continuing to apply the existing connection application and offer process given the recent influx of connection applications received?

Brookfield understand the challenges faced by the TSO/DNO in performing iterative and incremental analysis on the distribution and transmission systems on a project by project basis, a task which is now unfit for purpose given the recent influx of applications. However, we do not believe that the most efficient solution is to accept the entire influx of applications (including speculative) and assess together with genuine project applications. Brookfield believe that the influx of applications after removal of the planning permission requirement on the 12th August 2015 underpins the importance of preventing purely speculative applications from clogging up the connection queue and that this is an appropriate opportunity to develop an enduring connection policy that addresses this concern.

Question 2: Do you consider that the underpinning principles of the proposed connection application and offer process at a high level address the approach necessary to deal with the influx of connection applications? Can you suggest any further principles that should be considered?

Brookfield believe that minimisation of grid hoarding and speculative applications should be a further principle of the grid connection application process. These types of application cause inefficient use of TSO and DNO resources and restrict genuine projects access to grid capacity. Brookfield do not believe that it is appropriate for grid to be traded as a commodity at the expense of viable projects. Although efficient use of TSO/DNO resources is listed as an underpinning principle Brookfield strongly believe that speculative applications and grid hoarding should be explicitly deterred in the underpinning principles and as a result through the application process. Efficiency and equity of treatment for projects seeking grid connection should be captured in the underlying principles which should consider and deter the negative impact of:

- multiple speculative applications,
- high drop-out rates and re-worked connection charges as a result,
- grid hoarding,
- the creation of a secondary market for grid, and
- the need to develop a detailed set of connection offer rules.

Brookfield also believe that national carbon and renewable energy targets should be referenced in the underpinning principles.

Question 3: Do you agree that the Batch Process is the most pragmatic alternative connection application and offer process to deal with the recent influx of applications? Do you have any other suggestions or specific comments on the proposed approach?

Brookfield do not believe that the Batch Process proposed is the most pragmatic approach to deal with the recent influx of applications and that it would be more appropriate to use this opportunity to deliver an enduring connection policy. The Commission for Energy Regulation (CER), having learned from the Batch system utilised for connections to the transmission and distribution systems in the South, have opted to move away from it and are consulting on a new connection policy which addresses the shortfalls of the former Batch system. CER are replacing the large batches with more frequent analysis of smaller numbers of applications and moving towards planning requirements for grid application. An enduring policy with smaller more frequent processing promote efficiency for projects and system analysis as developers are not encouraged to 'panic submit' in the absence any opportunity to connect if they miss the batch. NIE, SONI and the Utility Regulator should use this opportunity to learn from the improvements deemed necessary by the CER.

Brookfield also believe that one of the most significant issues with the approach as proposed is the fact that there are no planning requirements associated. We are of the view that this opens the door for speculative applications which is evident from the influx of applications once this requirement was removed. Brookfield also acknowledge that the planning process can present significant delays to projects and that there is merit in allowing the planning and grid applications to proceed in parallel. As a compromise Brookfield propose that grid applicants should have achieved planning milestones for example having a fully valid stamped planning application with reference number before a grid connection could be applied for.

As the NIRO comes to a close it is crucial that the regulatory environment promotes stability and protection for future wind projects. Such projects will operate on a merchant basis to decarbonise the NI electricity system and contribute to national and European carbon and renewable energy targets The introduction of a grid capacity application procedure that creates more hurdles and further uncertainty will reduce the chances that such projects can be developed. In the absence of visibility on further support for onshore wind, barriers should be reduced for merchant wind projects connecting to the grid, not increased.

Question 4: Do you agree with the proposal to remove all consenting requirements for transmission connection applications?

Brookfield do not agree with the proposal to remove all consenting requirements for transmission connection applications. Please see Brookfield's position on planning permission provided in response to Question 3 which applies to both transmission and distribution connection applications.

Question 5: Do you agree with the types of connection applications that are proposed to be included in the Batch? Please provide reasons for any views expressed.

Brookfield believe that the connection policy should only consider the allocation of new MEC. It is not appropriate for this consultation to address overinstalled generation and additional technologies if the MEC remains unchanged. These issues should be dealt with through modifications to existing connection offers/agreements and processed outside of the enduring connection process.

Question 6: What do you believe would be an adequate length of time between a decision paper from this consultation process being issued and the proposed Closure Date? Do you agree that a 4-week period would be adequate? Please provide reasons for any preference.

Brookfield do not believe that the solution proposed is suitable and do not support an extensive Batch Process with a future closure date which encourages speculative applications, creates extensive, possibly unnecessary work for the TSO/DNO and both decreases the likelihood that genuine projects are awarded grid access and increases the time taken to notify successful parties In the absence of an enduring connection policy, a batch closure date will force a further influx of speculative applications into the Batch. This will have the same undesirable outcomes as mentioned above:

- Inefficient use of DNO and TSO resources,
- High drop-out rates,
- Large increases in re-worked charges,
- A secondary market for grid, and
- Decrease the likelihood that genuine projects will progress in a timely manner.

Question 7: Is there any information you can provide to describe how it is proposed that the over-installed plant, particularly in the case where there is a mix of generation technologies, is capped to MEC safely and securely?

It is common practice in the wind industry for controllable projects to over install with a controller for limiting the MW output to MEC and is required as part of the grid code. This is required for curtailment and constraint output reductions. The same controller would reduce the aggregate output of a mix of technologies behind the meter to the same level. However, as mentioned above overinstall and additional technologies should not be considered in this consultation if they do not impact on the MEC.

Question 8: Is there any information you can provide to describe how it is proposed to limit the availability declarations from the generation site to the SEM and the SONI control centre via SCADA?

This is common practice in ROI for overinstalled wind sites where Eirgrid standards only allow wind farms to report Available Active Power (AAP) of 6% more than the MEC. OEM hard coded SCADA software upgrades can create this limit for the AAP limit.

Question 9: Please provide any information you feel could explain how, if there is more than one technology type on site, the generation behind the connection point will be reduced in the event of a system constraint or curtailment?

A master controller can limit output from multiple generation sources with individual controllers.

Question 10: Are there any further considerations for the TSO and DNO before this type of connection can be facilitated?

No comment.

Question 11: Do you agree with the proposal for allocating any remaining Cluster capacity as a priority and issue these offers outside of the Batch Process? Can you suggest any alternatives for consideration?

Brookfield do agree with the proposal to assign transmission capacity allocated prior to closure date to distribution connections as a priority. However, partial capacity allocation to a project should be discussed with applicant before it is offered as it might make the project financially unviable.

Question 12: Do you agree that a change may be required to the weighting of projects connecting into Clusters that have not submitted for planning permission and subsequent connection offers have expired or been rejected? Would you consider a weighting of zero for such projects to be acceptable?

Brookfield support a zero weighting for grid applicants with expired and rejected offers.

Question 13: Do you agree that the proposal to order the transmission assessments of the Groups based on the Groups with the earliest individual Valid Connection Application is a practical approach? If not, can you suggest any alternatives?

Brookfield do not believe that each of the groups can be assessed separately as the groups will impact on each other. In the interest of determining the optimal connection methods for individual groups Brookfield believe that the most equitable solution is to assess groups on the basis of aweighted average connection date.

Question 14: Do you believe it would be a prudent approach in the first instance for the TSO to determine whether there is existing grid capacity and issue offers where there is capacity as a priority, accepting that other applicants not included in this phase 1 would need to wait longer for connection offers?

Brookfield agree with this proposal and urge the TSO to ensure that existing grid capacity is awarded on date order. Brookfield believe that such offers must be made only to projects with planning permission.

Question 15: In relation to connection offer validity periods, what length of time do you suggest would strike a balance between giving customers enough time to consider the connection offer and not unduly delay starting to process the remainder of the Batch?

No comment.

Question 16: In order to reduce time, it is proposed to allow a period of 10 days from information on initial nodal assignment being provided for a decision to be made on whether to withdraw from an application from the process. Do you consider that the suggested 10-day period will provide an adequate balance between reducing delays and allowing high level decisions to be made by developers?

Brookfield agree with the 10 days as proposed and suggest that a generic refund level for applicants that withdraw at this stage is agreed in advance.

Question 17: Do you believe that high level information on estimated nodal assignment, connection method, potential charges and estimated timeframes for delivery would be of value and enable a decision to withdraw early to be made?

Yes.

Question 18: Can you suggest any alternatives to ensure that customers are committed to their connection application?

Brookfield's position is outlined in response to Question 3. Connection agreements should be conditional on achieving planning milestones. Brookfield suggest that grid applications should be accepted with a planning authority validated planning application.

Question 19: Do you agree with the proposal to share the costs of common connection assets between applicants on a per MW basis as described?

Brookfield agree with the proposal to share the connection costs between applicants on a MW basis. Following withdrawn applications the connection assets should be revised to ensure that they still represent the LCTA for the cluster. Brookfield also see no need to provide the bond at this early stage as the DNO is not exposed to any risk at this stage. It would be more appropriate to post the bond pre-construction.

Question 20: Do you think Proposal A or Proposal B is preferable for entry into the FAQ list? Do you have any other suggestions for entry into the FAQ list?

Brookfield support Proposal A.

Question 21: Would a connection offer for generators of 5MW and above without firm access assessment provide sufficient information for that offer to be accepted or for high level decisions on project viability to be made?

GOR, FAQ and ATR are essential pieces of information in determining the viability of a project. However, for the interim arrangements, in the interests of expedience, it is appropriate for such offers to be made. Both should be provided in the Batch Process.

Question 22: Would a connection offer which does not contain GOR information provide sufficient information for that offer to be accepted or high level decisions on project viability to be made?

As per answer to Question 21.

Question 23: Is it essential for GOR information to be issued along with FAQ and ATR information or is GOR information alone sufficient information for an offer to be accepted?

As per answers to Questions 21 and 22, all should be provided.

Question 24: Do you agree that the offer acceptance criteria outlined above strikes the right balance between ensuring that applicants are committed to their projects, without being too onerous that applicants will not be in a position to accept their offer?

Brookfield believe that there should be a planning permission requirement or offer with additional planning conditions to ensure that applicants are committed to their projects.

Question 25: Do you agree that project milestones relating specifically to securing planning permission are required now that the planning permission pre-requisite has been removed for applications to the Distribution System? What do you believe to be an adequate length of time to secure planning permission after a connection offer has been accepted?

The timeline for securing planning permission is out the developers control and project specific. A long stop date here would be inappropriate, unless extensions are acceptable for planning permission delays.

Question 26: Do you believe that the outcome of the OFGEM milestone consultation in GB should be applied in Northern Ireland without further consultation?

No, that would not be appropriate as the factors that affect projects in Northern Ireland, including system operator policies and the regulatory regime, are different.