Response to Consultation on Alternative Connection Application and Offer Process Proposal.

31/03/16

Kingspan ESB welcome the opportunity to respond to NIE and SONI's Consultation on Alternative Connection Application and Offer Process Proposal.

Kingspan ESB are a provider of Rooftop Solar PV in the Northern Ireland market. Our Funded Solar offer allows business customers to avail of significant energy savings, making them (and in turn Northern Ireland) more competitive. It is evident from this consultation and subsequent workshops that the proposed alternative process will act as a major barrier to this type of generation project in the future, this depriving businesses the opportunity to take control of their energy costs and decarbonisation.

Before a response on the particular consultation process we would make the comment that although not ideal, the existing application and offer process (before removal of the planning requirement) was fit for purpose and provided a level of certainty to project developers. A return to the previous process, with a requirement for planning, should be the first avenue exhausted in dealing with the current issues.

The main point we would make about the proposed alternative process is that it is far too complex, uncertain, potentially costly, and lengthy for typical embedded SSG. This would act as a major disincentive to these type of projects, and it is our view that this is against the principle of equitable treatment of generators.

Kingspan ESB responses to specific consultation questions:

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?

In the first instance a return to a planning permission requirement should be sought. The entire proposed batch process is as a result of an influx of applications with the lifting of the planning requirement and the batch process may not be repeated in the future. Significant effort is being expended on designing an application system which is for a one off problem. This effort will be wasted in many cases (as ROC deadlines and unviable offers are received) and the delays being caused by this are significant

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?

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Predictability. We are now facing 12 months or more for offers. Is the 90 day response now completely void and where does this sit with NIE's licence obligations?

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?

A return to the planning requirement is by far the most sensible solution to this issue. A batch process creates large delays and is not suitable for project developers, in particular to embedded SSG projects ('autoproducers') which may be developed by small businesses and have very short development and construction timelines.

There is very little detail provided on timelines, which creates a huge amount of uncertainty for developers, again particularly for SSG. SSG projects will not have the capability to be involved in a long grid application process with multiple iterations and huge time and cost uncertainties.

In other jurisdictions there is a breakout for any batch process such as in ROI where wind <0.5MW is considered outside the Group Processing Approach (GPA or 'batch'). It would be pragmatic to have a generator size limit before involving very small projects in a complex batching arrangement with no clarity on timescales and costs.

In addition the process for assessing embedded SSG generation connections needs to be reviewed as currently it is our view that NIE take a very conservative approach to assessing capacity, without taking into account the generation profile of the technology or the diversification of generation on a particular circuit.

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

No. This is demonstrably an inferior application approach to the enduring arrangement.

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.

No. SSG, particularly embedded ('autoproducer') should not be included in the batching process, particularly smaller projects (<1MW). The process acts as a massive disincentive to small, private project developers and is against the principle of equitable treatment of generators

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.

The Closure Date should be the date of the decision paper. The industry has been made aware of these issues over the last 9 months and the proposed approach has been public since December. There is no reason to add another month of delay onto the resolution of this issue.

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?

No response

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?

No response

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?

No response

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

No response

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?

No response

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?

No response

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?

Depending on how many Groups are developed these should be assessed simultaneously. An effort should be made to expedite the first offers as this will effectively start the first iteration where multiple projects will withdraw from the process

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?

Yes we agree with this approach, however some SSG should be already assessed outside the batch before this.

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?

30 – 60 days is an appropriate timeline in this instance

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?

It is unclear if the level of information provided from the initial nodal assignment would allow for a quick (10 day) decision to withdraw from the application process.

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?

Not enough clarity has been given on the high level information to allow a response to this question. It depends on the level of information provided, and the certainty around this information.

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

At some point a MEC bond should be required to ensure commitment to connection offers.

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?

For SSG applicant, again particularly at the smaller scale, this would not be a suitable proposal as these projects have much shorter development and construction periods than LSG.

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?

No Response

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?

No Response

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?

No Response

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?

No Response

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?

No Response

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?

No Response

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 Response

Again Kingspan ESB appreciate the opportunity to respond to this consultation.

Regards,

Mel Courtney - Director