

1st April 2016

Northern Ireland Electricity Networks (NIE Networks),
Central processing,
57 Dargan Road,
Belfast,
BT3 9JU.

Re: NIE & SONI Alternative Connection Application and Offer Process Consultation

Dear Sir/Madam,

With reference to the above consultation process, **Stream BioEnergy** welcomes this opportunity to contribute to the discussion on an alternative connection process for Northern Ireland.

Company Background

Stream BioEnergy (SBE) is an independent, Irish owned, renewable energy development company with an emphasis on delivering infrastructure to process organic waste in Ireland. As part of a vision for an improved, safer, more secure and sustainable clean energy future, SBE promotes the use of Anaerobic Digestion (AD) to generate renewable energy from organic materials in a way that safeguards our environment. SBE specialises in project development and plans to deploy this proven and established energy generation and waste treatment technology as part of Ireland's integrated waste management treatment infrastructure. The management team of Stream has significant experience of developing and operating renewable energy infrastructure projects throughout Europe.

SBE has acquired planning permission for a large scale AD facility in Ballymena to process locally sourced poultry litter. Construction of this plant is due to commence shortly and when operational the facility will provide a sustainable way of managing poultry litter as well as generating up to 3MW of renewable electricity to power local homes and businesses. SBE is also in the process of developing large scale AD plants in Dublin and Cork.

It is not our intention to address each question that is posed in the consultation document but rather we wish to make the following general points that are relevant to the discussion.

Requirement for Planning Permission

As a developer of energy generating projects SBE strongly encourages a reversal to the recent change to the generation connections environment and a re-introduction of a grant of planning permission as a pre-requisite for applying for a generation connection to the Distribution System, as well as maintaining this requirement for Transmission Connection application to SONI. As mentioned in the Consultation Paper the change to the generation connection process, which resulted from a Utility Regulator Determination, has led to an unprecedented number of applications for connections to the grid being submitted to NIE Networks over a short period. Many of these applications relate to speculative projects that are not very advanced in the development process and have not yet obtained planning permission or indeed even submitted a planning application. The assessment of such a large number of speculative applications is not an efficient use of limited resources and taxpayers money.

As a result of the removal of the planning permission requirement, genuine projects that will deliver urgently needed infrastructure are being and will continue to be delayed by speculative projects unless the Utility Regulator Determination is reversed. Furthermore, the 'real' projects will carry the risk of speculative projects going forward if the proposed batching, order of transmission assessment, and sharing of the costs of common connection assets proposals presented in the Consultation Paper are implemented.

For example, if the proposed ordering of the transmission assessments of the Groups based on the Groups with the earliest individual Valid Connection Application as set out in Section 8.7 of the Consultation paper is applied, there is a risk that a genuine project or projects in a particular group or groups could be significantly delayed if speculative projects in other groups are prioritised due to having earlier application dates. An alternative queuing system is needed which gives priority to projects that are real and well developed, particularly those with a grant of planning permission.

The Batch system being proposed could work well if the large majority of the projects in the applied groupings are genuine and well advanced. However, given the large number of speculative projects currently in the system SBE feels it would be very difficult to successfully implement this type of system.

It is proposed in Section 8.15 of the Consultation Paper that a number of project milestones be introduced post offer acceptance to ensure that the network capacity is allocated fairly and used efficiently. Whilst SBE would welcome the proposal to initiate a planning application and also an EIA (if required) within 2 months of offer acceptance in a future generation connection application process that does not include grant of planning permission as a pre-requisite for making an application, we contend that if such planning process related control measures can be introduced they should be applied as a pre-requisite to making a grid application in the first instance.

The proposed project milestone of obtaining planning permission within a specified period of time of offer acceptance e.g., 12 months would be difficult to apply as developers cannot control the timeframe of the planning process. For example, certain planning applications could be subject to lengthy delays through third party appeals.

Obtaining planning permission can be very costly and can take considerable time and effort. In general, only serious developers and projects will undertake and progress through this challenging process. As such the grant of planning permission is a useful way of distinguishing realistic projects from speculative projects and controlling the number of applications for connection to the network. Therefore, SBE urges the re-introduction of a grant of planning permission as a pre-requisite for applying for a generation connection to the Distribution System.

The comments above relate to Questions 1 to 4, 12, 13, and 25 of the Consultation Paper.

Connection Charges Bond


The proposal outlined in Section 8.10 of the Consultation Paper to request a Connection Charges Bond equal to the cost of the MW share of the shared Connection Assets may pose difficulty to smaller scale developers. Bonds of this nature are not typically available to SMEs and therefore cash backing would be required. Whilst this may not be a difficulty for large scale developers or utilities SMEs are unlikely to have the resources to satisfy this. It is suggested that the bond would be required with acceptance of terms which typically would be returned in advance of financial close on a project and release of investor funds.

SBE suggests that a higher level of deposit should be requested with acceptance of terms and that NIE should initially meet the cost of any withdrawals, with the ability to pass this charge to future applicants. This response relates to Questions 19 and 24 of the Consultation Paper.

We trust that you will consider these points carefully in the preparation of a new Grid Connection Policy for Ireland and **Stream BioEnergy** is available at your convenience for further engagement in relation to any of the issues raised in this correspondence.

I would be grateful if you could please acknowledge receipt of this submission.

Sincerely,



Morgan Burke
Development Manager
Stream BioEnergy