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Dear Mr McLoughlin,

Allocation of Transmission FAQ in N Ireland & ITC Methodology to determine FAQs – Response and Further Consultation Paper

The DP Marine Energy and DEME Blue Energy development consortium (DPME/DBE) hold the Agreement for Lease from the Crown Estate for the development of a 100 MW tidal energy park off the northwest coast of Antrim at Fair Head.

DPME/DBE welcomes the acknowledgement by SONI/NIE of the progress being made in the field of off-shore renewable energy generation. We also welcome the opportunity to respond on how off shore renewable generators should be considered in the connection application process.

This response is specifically targeted at Section 3.5 of the consultation paper relating to off-shore generation and CAES generation connection applications. It seems the question relating to off-shore generation can be split into two distinct considerations "What level of permission is appropriate for the legitimate submission and acceptance of a connection application?" and "Should off-shore renewables be considered in the same way as on-shore in the ITC Methodology?" Therefore our response is split in this way and is given in the acknowledgement of a number of commonalities between off-shore renewables, but where appropriate seeks to highlight some of the distinct differences specific to tidal energy generation.

What level of permission is appropriate for legitimate submission and acceptance of connection applications for offshore renewables?

This must be considered in the context of the current premise stated in the consultation paper, that the requirement to obtain Planning Approval prior to applying for a Connection Offer provides a level of reassurance that the project will proceed, hence justifying entrance to the generation FAQ listing.

In respect of the above, it must be considered that the Agreements for Lease for the three off-shore development zones were awarded through a competitive tender process in which applicants were specifically required to demonstrate the viability of their proposed projects, together with their competence, resource and financial commitment to deliver them.

This tender selection process in itself differentiates off-shore renewables from their on-shore counterparts. Entry to the market, and thus a subsequent connection application, is restricted by the award of a Crown Estate lease which requires substantial expenditure for tender participation and further financial commitment by the successful leaseholders.

The consultation also acknowledges that there are different and additional consents required for off-shore projects. Due to the nature of off-shore projects, the cost of the environmental assessments and other surveys are significantly higher than they would be for an equivalent on-shore project.

It would unduly burden off-shore developers if it was required to obtain all the additional consents prior to a connection application submission which would confirm whether or not a viable grid connection existed. This is particularly acute for tidal developers because of the already increased financial risk due to the infancy of the industry.

Furthermore, it is not possible to begin consenting of the on-shore grid assets required by the cited off-shore projects, until these have been determined in the connection application process. If the connection application submission is delayed until after all additional consents for the off-shore assets are obtained, the critical path timeline for the delivery of the projects will mean that they will be unlikely to contribute to the 2020 targets of the Strategic Energy Framework 2010.

Should off-shore renewables be considered in the same way as on-shore in the ITC Methodology?

NI Government Strategic Energy Policy, as set out in the Strategic Energy Framework 2010, is to achieve 40% renewable electricity in the supplied energy mix by 2020. As well as obviously improving environmental sustainability, one of the key objectives is to provide future energy supply security.

If renewable energy is to provide 40% of the energy mix, then the renewable quota itself is must be made up of a balanced and complimentary portfolio of generation sources and technologies. Tidal generation will have an important role to play in this, with the distinct advantage of providing energy from a resource that is entirely predictable and consistent.

For this reason, a multi-streamed ITC Methodology might be considered, where weighting is given based on a renewable technology's contribution to delivering the right energy mix to fulfil the government's strategic energy policy. Within this, it would be normal to see a differentiation between the renewables such as wind, tidal, wave and CAES based on their respective generation characteristics.

By putting in place the appropriate development and investment environment to promote tidal and the other emerging off-shore technologies, there is an opportunity for Northern Ireland to capitalise on the wider benefit by extending its R&D expertise in this field and securing its position in the future supply chain.

Yours sincerely,

Damian Bettles
Project Manager
DP Marine Energy Ltd