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SONI
Castlereagh House
12 Manse Road
Belfast
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25th April 2014

Consultation Paper on consenting requirements in advance of application for offshore generation connection

Dear Eimear,

Thank you for giving SSE the opportunity to comment on SONI and NIE's consultation paper on consenting requirements in advance of application for offshore generation connection.

SSE is a utility with both generation and supply interests in Northern Ireland. As SSE Airtricity we supply more than 180,000 electricity customers in Northern Ireland. We are also the largest renewable developer on the island, with over 500MW of installed wind generation (87MW in Northern Ireland).

Connection Application

The consultation paper invites respondents to consider the following question:

“Do you consider that an Exclusivity Agreement and an Agreement for Lease from the Crown Estate alone should be the required level of consent to allow offshore developers to submit a Connection Application?”

The clarification note issued on the 15th April states that “*submit*” means that a submission would be acceptable by SONI/NIE to initiate the Connection Application process.

SSE would agree that either an Exclusivity Agreement or Agreement for Lease from the Crown Estate alone could be the required level of consent to allow offshore developers to submit a Connection Application, given that a marine licence is not a comparable consenting requirement.

However, SSE would note that an Exclusivity Agreement or Agreement for Lease does not represent a substantive commitment to proceed with a project, nor does it require any substantive investment or commitment from developers. For instance, there are 28.9GW of projects with exclusivity agreements in GB Round 3.

ITC List

The decision paper on ***'Allocation of Transmission FAQ in N Ireland & ITC Methodology to determine FAQs'*** published in July 2013 states that the "Connection Application Date" will be used to determine the order for the ITC list. SONI and NIE have defined the date to be used for ITC list sequencing as:

"The date of receipt of connection application by either SONI or NIE subject to the conditions that the connection application in question is (1) fully complete and (2) supported by the prior granting of planning consent."

SSE would state that a differential condition for Connection Application does not set a precedent for differential conditions under the ITC methodology. As TSO and DSO respectively, SONI and NIE must apply an ITC rule-set that is equitable, fair and non-discriminatory between electricity licence holders. The consultation paper states that:

"Entry to the FAQ listing is based on Connection Application date for onshore generators where planning permission is required for the application to be considered"

This is not what the July decision paper states. It defines a Connection Application date for generators, a separate Connection Application date for CAES and leaves the question of offshore generation to the Utility Regulator. The Utility Regulator did not decide on the issue in their December 2013 Next Steps paper, and non-discrimination conditions continue to apply under both the SONI and NIE licences.

The reason stated in the consultation paper for applying differential consenting requirements for Connection Applications is that *"offshore generation will require very significant onshore network development, and to delay this investigation until a Marine Licence is in place would extend overall timelines for connection significantly"*. Applying differential consenting arrangements resolves this, but applying differential definitions for entry into the ITC process does not – it simply creates a potential asset for the offshore developer¹, and restricts available firm capacity from projects that have cleared a substantially larger project commitment hurdle.

SONI and NIE must continue to apply an equitable and non-discriminatory definition for ITC list sequencing for all electricity licence holders.

Yours sincerely,

Connor Powell
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¹ Particularly if that capacity can be moved onshore, as has happened in Ireland.