

12th April 2013

Electronic submission to:

Mr. Gareth McLoughlin (gareth.mcloughlin@soni.ltd.uk)

System Operator Northern Ireland Ltd

Castlereagh House

12 Manse Road

Belfast

BT6 9RT

Re: Allocation of Transmission FAQ in N Ireland & ITC Methodology to determine FAQs

Dear Mr McLoughlin,

DW Consultancy Ltd. (DWC) welcomes SONI and NIE's publication of this consultation paper titled '*Generator Connection Process - Allocation of Transmission FAQ in N Ireland & ITC Methodology to determine FAQs*'.

In the first instance, we generally support the positions outlined by the Northern Ireland Renewable Industry Group (NIRIG) in their response to this consultation. See below some additional comments from DWC on this important consultation.

Section 3.1 Starting point of allocating FAQs - We welcome the change from the previous consultation to allow all connected windfarms by March 2012 and those with signed connection offers by 31st of December 2010 to be deemed financially firm. However we do note that all live connection offers from before December 2010 are not being deemed firm. It has to be recognised that the majority of these connection offers were not executed due to the delay in the introduction of the cluster charging policy. Writing this response now in April 2013 we are still awaiting a final decision on this consultation. As the delay in a decision on this charging policy, and the resulting delay in developers executing connection offers, was due to NIE and the Regulator it is unreasonable that these generators are now being disadvantaged. DWC respectfully requests that the extension of deemed firm access is extended to all projects with live connection offers in December 2010.

Section 3.2 Entry to the NI generation listing - DWC's onshore wind projects have been treated under the current grid processing rules of requiring planning permission before connection applications can be submitted. Although some projects are taking up to seven years to progress through the planning process and possibly another 5 years to become connected, we still view the current process

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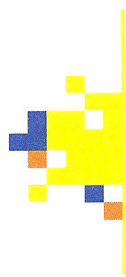
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as fit for purpose and fair. It ensures that no speculative projects secure grid capacity before they are ready to proceed. This ruleset is actually envied by other jurisdictions such as the Republic of Ireland, where an extensive grid queue has developed and speculative grid capacity has now got a substantial market value. DWC strongly oppose the proposal that offshore generators should be allowed to apply for a grid connection before having received the necessary consents and with only an option for a lease in place. To address the offshore generators concerns on the uncertainty associated with the shallow connection assets required for their projects (with regard to any planning requirements), an alternative process should be developed by SONI to determine their shallow connection method(s) at an early stage. This should not require a connection agreement to be in place or valuable transmission capacity to be prematurely secured. It is DWC's firm opinion that it would be a clear case of discrimination if generators are treated differently in the connection offer process for any reason other than short term security of supply.

Section 3.3 Order in which applications are assessed in the ITC model - DWC notes the change from planning permission date to connection application date for the allocation for firm access. Although DWC agrees in principle with using connection application date going forward there was a reasonable expectation in the industry that planning permission date was going to be used. This expectation was built up from interactions between developers and system operators over the past 10 years and in fact was proposed again in the 2011 consultation paper. We therefore propose that planning permission date is used up to a defined date, possibly the issuing of this consultation paper, and connection application date is used from that point forward. If connection application date is used it will be important that there is greater transparency on the connection application dates of projects. We propose that a log of projects connection application dates and MEC is maintained on NIE and SONI's website.

Section 4.1 Time Horizon & 4.2 Transmission Reinforcements - As outlined in our previous response to the October 2011 consultation, it is essential that all the necessary deep reinforcements required to provide firm access to a generator are detailed in the connection offer or its supporting documents. We note that this is actually a requirement under the NIE and SONI licences. We therefore welcome the proposal to provide this information along with connection offers and to regularly update progress on the deep reinforcements on the system operators websites.

Section 4.5 Threshold for assessing FAQs - We welcome the proposal to complete an impact analysis on the threshold level for assessing and allocating FAQs to distribution generation. However we are concerned that having taken 18 months to issue the second phase of this consultation it is now a matter of urgency to complete this impact analysis. We note that there is a substantial number of small projects applying for grid capacity and this is eroding the available firm capacity of the network for larger generators. We respectfully request that this impact analysis is actioned immediately and before a final decision on this consultation.

Section 4.7 Special Protection Schemes - We note that it is proposed that SPS's are not used going forward in the calculation of firm access. We estimate that the use of SPS could provide at least an



additional 150MW of firm access over the next five year period. As these SPS schemes are funded by generators there would be no cost to the NI consumer for the provision of this firm capacity. This potential 150MWs would contribute approximately 4% of the 40% required to meet the 2020 renewable target. At a time when there is much discussion about the cost of deep reinforcements to accommodate renewable generation we are surprised that this solution is not being considered further. We respectfully request that SONI complete a cost benefit analysis on the use of SPS to provide firm access.

Should you have any queries, or should you wish to discuss this matter further, then please do not hesitate in contacting us.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Barry O'Kane", is written over a horizontal line. Below the line, the text "Barry O'Kane, B.Eng, C.Eng, MIEI, Chartered Engineer For: DW Consultancy Ltd." is printed in a bold, black, sans-serif font.

**Barry O'Kane, B.Eng, C.Eng, MIEI,
Chartered Engineer
For: DW Consultancy Ltd.**

cc **Ms. Doreen Walker** **DW Consultancy Ltd.**