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Friday, 12 April 2013

**BY E-MAIL AND POST**

Dear Gareth,

**Re: TCI Renewables response to SONI consultation on: Allocation of Transmission FAQ in Northern Ireland and ITC Methodology to determine FAQs - Response and Further Consultation Paper**

TCI welcomes the opportunity to respond to the above referred to SONI Response and Further Consultation Paper on the allocation of transmission FAQ's in Northern Ireland and the associated ITC methodology to determine FAQ's. The issues addressed in this consultation will provide an important part of the framework for the connection offer process for on-going and future grid connections. TCI would hope that this consultation will become part of an on-going process to address the current deficit in appropriate connection policy for connecting renewables generation in Northern Ireland; specifically that connection policy which affects the well matured and already consented on-shore generation capacity.

TCI is pleased to note that a number of the recommendations we made in response to the previous consultation have been taken on board. In particular, we note and welcome the extension of the cut-off date for financially firm access for connected and contracted projects. We also welcome the SONI/NIE proposal that connecting generators will be added to the ITC analysis list in order of the date of connection application, instead of the originally proposed planning permission date and that the analysis period now extends to 2018. TCI believes that the connection application date is the most appropriate point of entry for all technologies to ensure consistency. However, it must be clear that the first connection application date after receipt of planning permission is the date to be used for on-shore projects.

TCI would also request confirmation that any subsequent change in connection, i.e. from DSO to TSO, or where NIE recommends a cluster connection rather than an LCTA, should not be considered a reapplication and the first date stamp should be retained.

Subject to the outcome of the NIAUR consultation, TCI considers that **off-shore generators should only be permitted to enter the FAQ allocation process where a respective grid connection application follows the prior formal receipt of full planning permission, as per the protocol adopted for on-shore generators.** It would be wholly discriminatory to existing and future grid connection applicants for planning permitted or constructed on-shore wind farm generation schemes to be disadvantaged in terms of their FAQ allocation by any generator seeking to submit a grid connection application in attainment of firm access without first having formally attained full planning permission for their respective generation. Such an occurrence of non-planning permitted generators being allowed to enter the FAQ allocation process without first attaining planning permission under the same connection protocol as on-shore generators would not be acceptable to TCI Renewables and would most certainly be challenged.

TCI would also like to note that while we understand the consultation does not focus on constraint reports, there is a clear need for these and we would urge that a timetable for the production of constraint reports be agreed between SONI and NIAUR as soon as possible, with a view to publication before June 2013. **The broader question for Industry is whether it is acceptable to fast track off-shore large scale generation development without first having the transmission infrastructure in place to distribute such generation efficiently without significantly impacting (in the form of significantly increased constraint levels) upon those on-shore operators/developers who have been investing over a long period with a view of Northern Ireland achieving its 40% renewable target. We look forward to debating this issue in the appropriate forum.**

The remainder of this response addresses specific sections of the consultation.

### **3 Proposed decision regarding N Ireland Generator listings and the allocation of transmission FAQ**

#### **3.1 Starting point of allocating FAQs**

TCI welcomes and supports the proposal that all wind farms with an accepted connection offer as of 31st December 2010, including any subsequent modifications or amendments to those accepted connection offers, and wind farms connected by the 31st of March 2012 are considered financially firm. We would note, however, that this is inequitable treatment of those generators who had submitted connection applications before December 2010, but had not accepted offers due to delays in the cluster process.

## **3.2 Entry to the NI generation listing**

### **3.2.1 Response and revised proposal**

TCI welcomes SONI's response and agrees that it is appropriate for on-shore generators to have planning permission for their generation project before applying for a Connection Offer. This is entirely appropriate given that this will provide a level of reassurance that the project will actually proceed; a level of reassurance which also provides greater confirmation via the grid connection application of the actual capacity being sought for connection, thereby keeping any analyses factually based. We would similarly expect the same qualifying criteria to be upheld by SONI for off-shore generators, in keeping with Condition 15 (Non-Discrimination) of the SONI Transmission System Operator Licence.

### **3.2.2 Further considerations regarding other generation technologies**

TCI considers that all generation proposals brought forward for FAQ listing, using any generation technology (on-shore, off-shore, CAES), must first be in possession of full planning permission (and all associated consents) to fully permit the project before a grid connection application can be validated to facilitate ITC analysis.

## **3.3 Order in which applications are assessed in the ITC model**

TCI supports the SONI/NIE proposal that connecting generators will be added to the ITC analysis list in order of 'connection application date', instead of the originally proposed 'planning permission date'. **We would however further qualify that the connection date must be that date upon which both a duly completed grid connection application and corresponding grid connection application fee is made. Only when receipt of both of these key deliverables is attained should a connection application date qualify as the date of listing for ITC analysis.**

### **3.3.1 SONI's Response to revised proposal**

TCI strongly believes that the first connection application date post-receipt of planning permission is the most appropriate point of entry into the ITC list for generators. However, TCI would request clarification and a guarantee that the first connection application date, regardless of any subsequent amendments to the connection application, is considered to be the relevant date stamp. If, for example, a project applies for an LCTA and NIE subsequently recommends a cluster connection, the date of the first application should be considered the connection application date. Similarly, in a project where a change of System Operator may be required, the reapplication

should be considered the same application and the place in the queue should not be lost. TCI would further recommend that appropriate systems should be created to track and safeguard queue position. While TCI understands that there may be concerns surrounding generators who may 'shop around' for firm access, we believe that there should be a principle of queue processing that respects a generator's original application. We would also argue that uncertainty in connection policy development over recent years has largely been beyond the control of the renewables industry, and that positive progress in grid infrastructure development and process should not adversely impact developers who have applied for connection offers during this period of change.

Whilst it is noted that NIAUR is conducting a parallel consultation on off-shore connection arrangements, TCI considers that, subject to the outcome of that consultation (which should not impinge the timely and effective delivery of this consultation), **off-shore generators should only be allowed to enter the FAQ allocation process when in receipt of full planning permission and following the qualifying submittal of their respective generation connection applications and respective application payments to the System Operator.** This would ensure a consistent point of entry onto the FAQ list for all technologies.

No advantage should be afforded to off-shore generators over on-shore generators as both technologies require an iterative design and lengthy EIA process; both of which also require a similar pre-planning application understanding of their respective connection arrangements, as can be attained through direct liaison and discussion with the System Operator.

**To afford preferential FAQ listing rights to off-shore generation technologies due to the mere absence of an appropriate predetermined connection policy would be discriminatory to on-shore generation and its own established and evolving policy; as would the impact of off-shore aspirational generation capacities on any ITC analysis until formally determined through the planning permission process. This is particularly pertinent as the 800MW of off-shore potential identified by Crown Estate has yet to be optimised or indeed proven to be attainable.**

**Additionally, as mentioned in our introduction it would be wholly inappropriate to fast-track off-shore large-scale generation development without first having the required transmission infrastructure in place, or at minimum fully planned, planning permitted and programmed for delivery in order to distribute such generation**

efficiently without significantly impacting the interconnection capability and constraint levels of those on-shore operators/developers who have been investing over a long period and awaiting the delivery of the planned and programmed infrastructure to interconnect its already consented and actual generation capacity (ie. not an aspirational 800MW which may not actually materialise in reality following the completeness of the development and planning permitting processes) with a view of Northern Ireland achieving its 40% renewable target, and within the 2020 timescale.

TCI shall make further specific comment concerning the above in its May response to the NIAUR consultation on off-shore connection arrangements.

TCI would thus strongly urge that the publication of a decision on this consultation should proceed separately from the outcome of the NIAUR off-shore consultation.

TCI notes that it is SONI/NIE's intention to reallocate FAQ under the normal ITC rules if a connection offer is not accepted within the connection acceptance period. TCI requests that this should not impact any revised connection offer issued as part of a dispute process.

### **3.4 Same date application**

TCI supports the proposal that in the situation whereby the System Operator receives more than one connection application on the same date and the capacity is interchangeable then any available capacity will be allocated on a pro-rata basis based on MEC. **We would however qualify that a connection application to be deemed as such must be duly completed together with payment of corresponding application fee.**

### **3.5 Off-shore generation and CAES generation connection applications**

TCI would insist that other forms of generation must follow the exact same qualification criteria for FAQ listing and ITC analysis as that for on-shore generators in that the entry requirements for off-shore and CAES must comprise a full and comprehensive planning approval (to include approval of confirmed maximum export capacity) together with a simultaneously submitted and valid grid connection application c/w associated application fee.

## **4 Assumptions of ITC analysis**

### **4.1 Time horizon**

TCI welcomes SONI's intention to provide ITC results per transmission node on an annual basis for a seven year horizon.

#### **4.1.1 SONI's response**

TCI welcomes SONI's intention to issue indicative FAQ's beyond the prior 2016 period to at least 2018 and that these shall be run each year (possibly in October) to comprise a subsequent seven-year indicative forecast; albeit this may not always compliment the availability of information concerning NIE's seven-year network planning forecast for transmission reinforcements.

### **4.2 Transmission reinforcements**

TCI welcomes SONI/NIE's proposal to provide details of the necessary transmission reinforcements required to provide a connection with FAQ equal to MEC, along with the expected completion dates of these works. We also welcome the proposal to include ATR information with connection offers and the proposals to update generators as the project receives firm access. We believe that providing this information in a separate document to the connection offer will enable the provision of up-to-date information. TCI would like to highlight that transmission reinforcements required for firm access, such as the Renewables Integration Development Plan (RIDP) should also be referred to, with indicative timeframes.

### **4.3 All-island ITC model**

TCI welcomes SONI's assurance that it will seek to investigate the resolution of any outstanding issues concerning a harmonised all-island approach to ITC analysis with EirGrid so that the different connection processes that apply in each jurisdiction can be harmonised to the extent that no party is treated less favourably.

### **4.4 Moyle assumptions in the ITC model**

TCI strongly believes that the allocation of firm access should use realistic information about non-wind generation including consideration of the priority dispatch rules for renewable generation **and that various scenarios are considered – from no Moyle import capacity, to average summer and average winter capacities, through to full maximum import capacity.** We also believe that the East-West and Moyle

Interconnectors should be treated consistently for the purposes of firm access by both SONI and EirGrid. TCI would also recommend that flows on the Moyle Interconnector reflect future market conditions and SONI's priority dispatch obligations. Countertrading should take place to free up more capacity for renewable generators.

#### **4.5 Threshold for assessing FAQs**

TCI agrees that for the purposes of implementing proposed changes as soon as possible it is appropriate to proceed on the basis of using 5MW as a threshold until such times as a lower level may be deemed necessary. TCI would urge SONI to undertake an analysis of the impact of increasing numbers of smaller generation connections coming on line with a future view to further consulting with industry as to the appropriateness of reviewing the current 5MW threshold and allocating FAQ's for distribution connections. TCI would be keen to understand when such an analysis could be carried out.

#### **4.6 Temporary Firm Access**

TCI believes that temporary firm access is a useful tool and also has the potential to promote efficient use of the network. It would only require to be removed when other generators connect and should be relatively straightforward to define.

#### **4.7 Special Protection Schemes (SPS)**

TCI would recommend that SONI/NIE continue to use all possible methods of providing firm access for renewable generators in Northern Ireland, including, where appropriate, existing and new special protection schemes.

#### **Figure B.4**

TCI would suggest that a clear process should be implemented to allow SONI and NIE to consider the transmission and distribution LCTA and allocate the original connection application to the appropriate System Operator, without the risk of the generator losing its place in the queue.

Thank you for this opportunity to consider this Response and Further Consultation paper in follow-up to your October 2011 consultation and our then subsequent response.

We look forward to the timely evaluation of this further consultation and resultant issue for your final decision paper in early course.

Should you have any queries arising from the above response, please contact the undersigned by return.

Yours sincerely,



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**Peter Craig**

Projects Director (Ireland)

for and on behalf of TCI Renewables Limited