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Dear NIE Networks

**RE: RES Response to Consultation on NIE Networks Providing Distribution Generation Offers with Non-Firm Market Access.**

RES is the world's largest independent renewable energy company with a portfolio of over 17 GW and operations across Europe, the Americas and Asia-Pacific. RES has been at the forefront of renewable energy development for 38 years and is active in a range of energy technologies including onshore and offshore wind, solar, energy storage and transmission and distribution.

From our office in Larne Co Antrim, RES has been at the forefront of wind farm development in the Republic of Ireland and Northern Ireland since the early 1990s. RES has a growing portfolio of solar and energy storage projects across Ireland.

RES wants to be a part of Northern Ireland's energy future, ensuring that our projects contribute to decarbonising our electricity system to the least cost to the consumer. We consider ourselves well-placed to comment on the important issues addressed in this consultation and are grateful for the opportunity to respond.

We welcome this Consultation on NIE Networks providing distribution generation offers with non-firm market access. In essence, the consultation sets out two basic choices of either stopping the issuing of distribution offers (if the status quo, option 1, is maintained) and issuing offers with non-firm access to a market with increasing grid constraints (if either of the options 2 or 2a are chosen). The former approach would result in closing the Northern Ireland market to any new distribution connected renewable generation project, which would not be supportive of the UK government's 2050 net zero target and would severely curtail the renewable industry sector in Northern Ireland. The latter approach would offer some opportunity for new distribution connected renewable electricity projects, albeit subject to an increasing project specific route to market risk, associated with escalating grid constraint. We are therefore of the view that option 1, i.e. keeping the status quo, is not the right way forward.

The remaining options involve NIE Networks issuing non-firm distribution offers subject to availability of capacity within the local distribution system and the relevant bulk supply point either without limit (option 2) or within an agreed MW limit (option 2a). The main issue associated with these two options is uncompensated grid constraint, which, in the absence of long overdue grid reinforcement, would be likely to reach levels that prevent further investment in renewable energy projects. Assuming an appropriate MW limit can be set, we are minded to favour the implementation of option 2a as an interim measure only but not as enduring policy, as discussed further below.

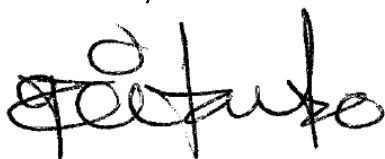
We are of the view that the implementation of option 2a would only work as a short-term measure and within the framework of an appropriate MW limit for the reasons outlined below:

- (i) We support this approach as an interim measure to enable some opportunity for the continuation of investment in new renewable energy projects pending the completion of the NI Energy Strategy review. However, such an interim measure will not permit the levels of investment in new renewable energy projects required in order to deliver upon Northern Ireland's Net Zero commitments. The outcome of Energy Strategy Review will need to be supported by a new enduring connections policy that will support long-term investment in new renewables. This will require an end to non-firm connection offers and the introduction of a new policy that will ensure new offers are "bankable" either through delivery of new infrastructure or necessary compensation measures.
- (ii) The MW limit should be such that projects in planning and with planning should be given a reasonable chance of securing a connection offer. If the MW limit is set too low, then this may only enable grid connection offers for a small number of big projects before the limit is reached. Any MW limit must be accompanied by a mechanism for review and the setting of a new limit, if required. The MW limit could be also based on a maximum level of constraints to be informed by investor driven criteria.
- (iii) Another important consideration is how the additional constraints will be allocated to individual projects. We would consider that the current policy of allocating the constraints on a pro-rata basis (which includes currently connected firm and non-firm generation) is the best way of minimising the impact on the new non-firm generation (and impact on existing firm generation is mitigated by the fact that firm generation is compensated for constraint losses). If the additional constraints are allocated only to new non-firm generation, the forecast level of constraints would be highly likely to prevent final investment decisions and therefore project delivery.

It is also noteworthy that there is significant renewable generation in operation, which was connected with non-firm access but with associated transmission reinforcements (ATRs) to make the export capacity firm in time. The fact that a significant portion of these generators' export capacity has not yet achieved firm access is a clear indication that transmission reinforcements are significantly lagging behind the needs of connected parties. We urge SONI and NIE to facilitate implementation of these ATRs, which would not only make the connected generation firm, but would also alleviate the potential constraints faced by the projects which would be contracted under the proposed non-firm regime. Examples of key ATRs which need to be progressed urgently are the second North-South Interconnector and the 100kV Rasharkin - Kells line.

The above comments are offered in a spirit of positive cooperation towards the development of an appropriate connection policy and we will be happy to clarify any of the points raised in this letter.

Yours faithfully



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