

RURAL ENTERPRISE COMMITTEE

The Rural Enterprise Committee has met on three occasions since the 2013 AGM.

NIE and Grid Connection

Grid Connection of Small-Scale Renewables

Grid connection of small scale renewable generators remains the biggest barrier and single policy issue facing the Rural Enterprise Committee and much of the effort of the Committee has focused on addressing with this area.

- **Conditional Offers**

Due to the nature of the NI electricity grid, the connecting of single small scale renewable generation units has created two major problems; colossal grid connection costs which is associated with the additional reinforcement of the 11kV network and the fact that capacity has been reached on parts of the 33kV network. These two problems have led to the need for both Voltage Management and what is known as Reverse Power Flow (Reverse power flow less of a problem in GB because they have more load than here in Northern Ireland, our grid is more rural by nature with less clustered dwellings in the countryside, what are known as Hamlets in GB). As a result, NIE had to issue Conditional Offers resulting in a back log of grid connection applications

The UFU wrote to NIE and the Utility Regulator, raising concerns about Conditional Offers; the outdated NIE Heat Map; UFU called for improvements in communications between NIE and landowners. In reply the NIE Chief Executive met with the UFU followed by a meeting with the Regulator shortly after. During the meetings we questioned the concept of conditional offers and how they were managed and stressed the urgent need to improve the transparency of the Grid Connection processes.

In August 2014, the Utility Regulator announced that Conditional Offers would need to be withdrawn. The UFU worked with NIE in managing how this decision would be communicated to members. At the same time, NIE stated that they would need to undertake a review of the Statement of Charges. This review considered the various options to deal with the 11kV and 33kV problems including whether alternative connection arrangements might be offered. What developed from this was known as Project 40.

- **Project 40**

Project 40 was been launched and the UFU sit on the management board along with NIE, CAFRE and NIRIG. The Board has met on four occasions since the Regulator decision on Conditional Offers and NIE have given this significant kudos. The remit of Project 40 is to look at developing an approach whereby the output of the generator is controlled (a managed connection leading to curtailment) to avoid 33kV network capacity limits being reached and to reduce connection costs associated with 11kV network reinforcement. In terms of time scale, NIE are realistic in that they envisage that it is likely to take to 2016 before changes could be implemented. The idea is that curtailment will be managed via sub-station monitoring system and line-monitoring devices will be installed to monitor for and avoid overloading. Progress to date has been slow and work is currently working towards setting up a pilot installation.

Despite the progress made with NIE and the movement on Grid Connection, technical problems still exist which need to be addressed such as: the need for NIE Grid Connection Surgeries (similar to those being run by Western Power Distribution, in conjunction with the NFU in England); NIE Staffing levels; the need for an NIE connection policy document; problems associated with OFGEM

accreditation and the role of NIE; publications of Expenditure to date spent on grid connections in Northern Ireland.

- **Enterprise Minister Statement to the NI Assembly**

On 3rd March Enterprise Minister Arlene Foster MLA expressed her “frustration” during Question Time in the Assembly at the on-going Grid Connection situation in Northern Ireland. She urged NIE, SONI and the Utility Regulator to work towards getting to the bottom of why the grid connection problems have not been resolved. She said that she had convened a summit in a bid to resolve the matter and issued a stern warning to any organisation that fails to cooperate. She went as far as to say that failure to reach a voluntary solution could lead to “other measures” being considered.

- **Heat Map**

NIE have issued an updated version of the Heat Map, showing parts of Northern Ireland where the grid is at full (or approaching) capacity, this followed UFU calls for the information to be updated and enhanced.

- **Communications with NIE**

In January 2015, President, Chief Executive designate and Senior Policy Officer met with the new NIE Chief Executive Nicholas Tarrant and NIE Asset Director Robert Wasson. The UFU raised the ongoing connection problems facing small scale renewable generators, with Project 40 being drawn up to tackle these issues. Going forward, the UFU raised the possibility of connection workshops and highlighted the need for technical support in relation to energy storage.

- **Contestability of Connections**

The monopolist nature of NIE’s presence means that competitive tenders cannot be undertaken for the grid connection process. For example, one of the major problems concerns the fact that NIE are that has to buy in key parts, an example being a new switch panel, which for this particular connection had to be bought in from Israel at the cost of £1m.

In December 2014, the Utility Regulator invited response to their Consultation on Contestability of Grid Connections in Northern Ireland. The UFU submitted their response stating that the model would need to mirror that in GB, namely Northern Ireland Energy Policy is closer to that in GB than what it is in RoI. The UFU made clear that for Contestability to meet its true objectives, namely improved efficiency for connections through competition, at the very minimum, Independent Connection Provider (ICP) and Independent Distribution Network Operator (IDNO) need to be introduced. ICPs should be allowed to operate as they do in GB (allowed to build contestable assets). Secondly and most importantly, IDNOs need to be introduced and be permitted to build and own distribution network assets, and to be in turn responsible for the operation and maintenance of assets.

In our response, we set out how reasoning as to why policy consideration should also be given to “private wire agreements” and how Contestability of Connections could be incorporated into their development. We recognised the level of legislative upheaval required, but this area along with Microgrids needs to be considered from a policy viewpoint as an alternative to traditional grid connection and the advent of contestability could allow this to become closer to being realised. The UFU acknowledged the probable impact of not having contestability as continued lengthy timescales for developers and expensive grid connection costs, but clearly pointed out that the costs of not introducing contestability correctly would be far worse. It is for that reason we are supporting the GB model with the introduction of a system which considers the role of ICPs and IDNOs.

The UFU have seats on the following industry boards:

Renewable Grid Liaison Group (RGLG) – This group has met on five occasions since the last AGM. RGLG is made up of the UFU, Utility Regulator, NIE, SONI, NIRIG (Northern Ireland Renewables Industry Group) and DETI.

Northern Ireland Renewable Heat Incentive (RHI) Stage Two

Domestic RHI launched in December 2014. The UFU met with DETI to discuss this in January 2015 and it will be of a significant benefit to many farmhouses throughout Northern Ireland.

ADBA (Anaerobic Digestion and Bio-resources Association) Trade Exhibition, Annual Conference and Dinner

- **UK AD & Biogas 2014**- Chair and the Senior Policy Officer attended the ADBA annual trade event in the Birmingham NEC in July 2014.
- **ADBA Annual Conference** - The annual conference was held in Westminster on 9 December 2014 and was attended by the Chair.
- **ADBA Dinner in Belfast** - In early February 2015, the Committee Chairman was invited to speak at a dinner chaired by ADBA Chief Executive Charlotte Morton in Belfast.

Energy Storage

It is the UFU view that a battery storage solution would mitigate against the need for curtailment (as being considered by NIE under Project 40).

- **Stormont Energy Storage Event** - Deputy President, Chair, and Senior Policy Officer attended Stormont Energy Storage Event on 10 November 2014.

UFU Rural Enterprise Committee to Wright Bus

The UFU Rural Enterprise Committee visited Wright Bus factory in Ballymena on 25 November. The Committee met with the Managing Director John McLaughlin and Product Director Mark Mitchell. The Committee showed specific interest in the alternative fuel aspect of their bus engines, including the “Boris Bus” used by Transport for London and their use of Hybrid diesel/battery-powered engine. The UFU are looking at the use of second hand lithium batteries for the storage of renewable energy. The visit also included a tour of the factory.

Micro-grid and Storage of Renewables in SE Down

Work is continuing in relation to developing a Microgrid in the Lecale area of SE Down, however, progress is slow and this is attributed to the infancy of the concept. The UFU remain very supportive of the role of microgrids, both at a district level and of particular relevance, and to the possibility of how a farm business could incorporate renewable energy and heat in the future.

- **Evidence to ETI Committee** - In September, the Deputy President, Chairman and Senior Policy Officer provided oral evidence to the NI Assembly ETI Committee. The UFU received support for the concept of a Micro-Grid solution and also provided the Committee with detail on on-farm energy storage.

POFRE (Practical On-Farm Renewable Energy) Events

UFU continue to sit on the organisation committee for the POFRE information events. There were two events held since the UFU AGM; 28 October 2014 in Greenmount and 18 February 2015 in CAFRE Enniskillen. Senior Policy Officer has provided presentations at both events.

Consultation Responses

The UFU have responded to the following major Consultations;

- DECC Community Energy Call for Evidence (DECC)
- Contestability for Grid Connections (NIAUR)
- Environment Committee - Inquiry Into Wind Energy Report