

From the Office of the Minister



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Mr Chris Osborne
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24 March 2016

Dear Chris

Thank you for your letter of 10 March 2016 setting out your views on the forthcoming consultation on the closure of the Northern Ireland Renewables Obligation (NIRO) to new small scale onshore wind. I welcome your response on the further, separate consultation on small scale wind and acknowledge that it would have been preferable to have been able to give certainty before the end of the current mandate. Sadly, that was not possible but I hope to be in a position to issue the consultation shortly.

Unfortunately, I have to agree with your central conclusion that the DECC Secretary of State is unlikely to depart from her stated position that there must be equivalence between GB and NI closure if arrangements are to remain socialised across the UK. I have tried on numerous occasions throughout the process to obtain more favourable arrangements for NI but we are now faced with DECC's backstop powers being enacted as part of the Energy Bill. I don't think it is in anyone's interest that these are activated.

The specific points you raise are addressed below.

Investment Freeze Grace Period

In my consultation response of 4 March on closure of the NIRO to large scale wind, I announced the introduction of an investment freezing grace period for large scale projects that have been unable to secure financial investment as a result of uncertainty created by DECC's decisions on support for onshore wind. I recognise that small scale wind projects have also been impacted in this way and would propose to consult on the same approach in the forthcoming consultation. I plan to consult on providing an investment freeze grace period that is 3 months longer than the one provided for in GB and for the large scale wind projects in NI. This assumes however that closure legislation would be forthcoming in June 2016.

Amendments to existing planning approvals and transfer of site ownership

Both of these issues were raised during the previous consultation and were covered in the consultation response. The consultation on small scale closure will provide clarification on these issues.

Existing Planning approvals

In relation to amendments to an existing planning approval for a wind turbine, DETI will not move to legislate on this issue. Instead, it will be up to developers to satisfy Ofgem at the time of accreditation that the evidence they have provided for the 'approved development' condition relates to the station their accreditation application is for.

The existing NIRO closure legislation provides the framework within which Ofgem works when accrediting projects. Ofgem will issue guidance in due course once the NI closure legislation is passed. It would be anticipated that this would mirror both the existing Ofgem GB guidance and the Ofgem guidance that will issue in due course for NI large scale wind projects.

Transfer of Site Ownership

Current guidance from Ofgem provides for the making of a declaration in relation to transfer of site ownership. There would be no plans from DETI to change the legislation in a way which would mean Ofgem would have to change their approach in respect of site ownership.

It should be noted however that Ofgem will not accept any evidence of meeting approved development eligibility criteria or grace periods until an application for accreditation is submitted.

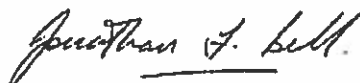
My officials have already raised these issues with Ofgem through the NIRO closure working group and will continue to do so.

NIE Networks letter

Again, this matter was raised during the previous consultation and was addressed in the consultation response. The need for letters has been discussed with NIE Networks on many occasions and in particular as an action point for them through the NIRO closure working group. The next meeting of this group is on the 7th April and if the letters have not issued by then I have asked my officials to raise the matter again with NIE networks.

It is my intention to publish the consultation on closure of the NIRO to small scale onshore wind as soon as possible.

Yours sincerely



JONATHAN BELL MLA

Minister of Enterprise, Trade and Investment