

Email: NIRO2016@detini.gov.uk

6th May 2016

Renewable Electricity Branch
Department of Enterprise, Trade and Investment
Netherleigh
Massey Avenue
BELFAST
BT4 2JP

Dear Sir/Madam,

Re: 24 March 2016 Consultation on the closure of the Northern Ireland Renewables Obligation to new small scale onshore wind

We welcome the opportunity to respond to the consultation on the closure of the Northern Ireland Renewables Obligation (NIRO) to new small scale onshore wind. Please note this is a joint response from representatives of the small scale wind sector, namely; Simple Power Ltd, the Ulster Farmers' Union and Renewable NI.

Background

The small scale wind industry has major economic benefits for the rural economy in Northern Ireland, including investment of circa £25 million each year, the support of up to 5,000 jobs and generation of significant additional income for farm businesses. As we have outlined many times, including directly to the previous ETI Minister and Committee, the sector has also faced unique challenges since the introduction of the NIRO, particularly around planning, access to finance and grid connection delays.

Those involved in the small scale wind sector have always accepted that the NIRO must come to a controlled and managed end. However, we have also cautioned against failing to protect significant investments which have been made on existing projects.

The dissatisfaction of our sector with the previous consultation on the closure of the NIRO to new onshore wind in 2016 (30th September 2015 Consultation) has been well documented. That consultation exercise was fundamentally flawed in terms of the detail provided as well as the insufficient two week period afforded to stakeholders to respond.

We are pleased at the decision by DETI to consult again separately on the closure of the NIRO for new small scale onshore wind. However, we do believe this should have been done much sooner thus avoiding the creation of further delay and uncertainty and drawing out the conclusion of the issue into the next Assembly mandate.

Preferred Option: Option 1

Given the constraints outlined in the latest consultation document by DETI and the clear unwillingness by DECC to relax the closure date and criteria for small scale wind, despite our consistent calls for them to do so, we believe the best way forward for our sector at this stage is the adoption of the proposals outlined in **Option 1**.

Option 1 adopts the same eligibility criteria as outlined in the previous 30th September 2015 Consultation (around planning permission, grid connection and land ownership) and grace period conditions for eligible and non-eligible projects. However, further to that it also includes an extended Investment Freeze Grace Period. This would allow projects that meet the investment freeze grace period until 31 March 2019 to commission and accredit should they also meet the approved development and grid or radar delay grace period criteria. This an equitable and welcome addition given the greater delay experienced by the small scale onshore wind sector compared to others.

Whilst options 2 and 3 have also been included in the consultation document and outlined in some detail, we do not believe they can be taken forward without DECC introducing the backstop power as included in the current Energy Bill. They should therefore not be considered as viable options for implementation by DETI.

NIE Networks Letters

Further to the above, we would again reiterate the importance of the timely issuing of **NIE Networks letters** to those projects which meet the 30/9/15 '*approved development*' criteria and do not have an estimated connection time following the acceptance of a connection offer.

The new Department of the Economy must appreciate the significance of the prompt issuing of these letters as they are crucial to enable eligibility for the additional one year (2017/18) grace period, where subsequent NIE or radar issues occur beyond the control of the farmer or developer.


It is also very important that the language used in these letters by NIE is acceptable to OFGEM to qualify under the grace period criteria. We would ask that the Department for the Economy engages with NIE and OFGEM to ensure this is dealt with appropriately.

Future Consultation on support mechanism for Small scale renewables

It is imperative that the Department of the Economy consults at the earliest opportunity in the new 2016 Assembly mandate on a new mechanism for supporting small scale renewable generation following the closure of the NIRO. The absence of a support mechanism to replace the NIRO leaves Northern Ireland as the only part of the UK with no subsidy in place for small scale wind generation. This consultation should include consideration of alternatives to facilitate small scale renewable generation such as private wire agreements, local supply (wheeling) and energy storage.

We would also stress that given the political unease within the previous NI Assembly mandate for a Northern Ireland funded support mechanism for large scale renewables, any consultation on a future support mechanism for small scale should be 'stand-alone', i.e. be separate from any large scale wind consultation. This will ensure that the costs and benefits of small scale are examined fairly and objectively.

Yours sincerely,



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Chief Executive
Simple Power



CHRIS OSBORNE
Senior Policy Officer
Ulster Farmers Union

ROB MCMILLAN
General Manager
Renewable N