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10<sup>th</sup> March 2016

Mr Jonathan Bell MLA  
DETI Minister  
Netherleigh House  
Massey Avenue  
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**New consultation on the closure of Northern Ireland Renewables Obligation to small scale (non cluster) Onshore Wind**

**STRICTLY WITHOUT PREJUDICE**

Dear Minister,

Further to the publication of your 4<sup>th</sup> March 2016 response to the NIRO Closure for Onshore wind consultation published on 30 September 2015, we are writing to set out our views on how best to take matters forward for small scale wind.

We wish to firstly acknowledge and thank you for deciding to consult separately on the closure of the NIRO for small scale (non-cluster) wind turbines. We would naturally wish to point out that this could and should have been done much sooner – particularly to allow for clarity and certainty before the end of the current Assembly mandate. The delay in de-coupling and re-consulting has created further delay and uncertainty for the sector, particularly for those seeking confirmation of funding for projects.

We trust with your support and that of your Department, we can now collectively work to resolve a small number of key issues as soon as possible, to allow for a controlled and managed NIRO closure.

Despite our best efforts to press for some relaxation of this closure date for small scale wind and the criteria attached to it, DECC have remained stubbornly resistant to any change. Their logic, as explained to us, is driven by a desire to close the NIRO on the same terms as the GB RO and to close the door to any 'new' projects. We now reluctantly accept that the DECC position is immovable.

Despite this, we believe there are four key areas where DETI can assist the small scale wind sector as part of a new March 2016 consultation and assist qualifying projects to commissioning within the closure period.

**i. Investment Freeze Grace Period**

We note that due to delays in a decision on the NIRO closure for large scale (cluster) wind projects, DETI has set out, in its decision of 4<sup>th</sup> March 2016, an investment freeze grace period extending the closure date, subject to meeting relevant criteria, of 31<sup>st</sup> December 2018.

Given that the delays around the NIRO closure for small scale (non-cluster) wind have also affected investment decisions and that we expect the new Minister for the Economy to make a final decision on this matter in June 2016, we would ask that logically a pro-rata investment freeze grace period should apply for small scale wind i.e. extended by three months i.e. to 31<sup>st</sup> March 2019.

This clearly does not open the door to any 'new' projects but treats those already meeting the 30/9/2015 criteria fairly and equitably with the closure terms for large scale wind.

ii. **Sites with planning consent by 30/9/15 but require change of turbine model**

There are a number of farmers and developers who meet all the 30<sup>th</sup> September 2015 'approved development' criteria but for reasons beyond their control, can't install the turbine for which they have planning consent and need to install a different turbine model.

A replacement turbine model would have the same or perhaps even lower generating capacity than that already consented and would be typically 225kW or 250kW. It would also require a 'change of turbine model' planning approval which will be determined after 30/9/2015.

We understand that guidance issued by OFGEM pursuant to the GB RO closure addressed this issue. Specifically, we would refer you to page 19 and Section 3.11 of the *Draft RO Onshore Wind Closure guidance (copy attached)*:

*3.11. We are aware that variations may be made to a planning permission or grid connection arrangements as a project progresses. Should such variations have happened after planning consent was granted in accordance with the requirements of the Energy Bill 2016, we will not take these into account for the purposes of our grace period assessment. However, if, the relevant evidence was not in place in accordance with the conditions set out in the legislation, (eg if, on assessment, it is clear to us that the subject of the application does not relate to the station covered by the grace period evidence), a grace period will not be granted.*

We believe this allows for a change of turbine model provided it is on the same site and the wind turbine generation output is equivalent (or lower) to that consented prior to the (30/9/15) cut-off date. Clarification on this is important for funding in particular as lenders want to see proof that a borrower will not breach the 30/9/15 eligibility criteria.

We would ask that DETI seeks clarification and provides similar, if not equivalent, guidance for the small wind sector in this regard.

Again, this does not create any 'new projects' and the onus would rest with the farmer or developer to ensure the guidance test is met.

iii. **Assignment, disposal or sale of sites which otherwise meet the 30/9/15 criteria**

We would also ask that DETI seek clarification to allow sites which otherwise meet the 30<sup>th</sup> September 2015 eligibility criteria but, due to circumstances beyond the control of the farmer/developer, the site has to be sold or assigned to another party to build it out.

This could happen where a farmer has become ill or perhaps dies and needs to assign or transfer the site into another Parties' name. It could also apply to a situation where a farmer or developer cannot secure the funding to build out the project.

DECC should again be re-assured that this would not constitute a 'new project' but would simply provide a common sense practical solution in a very small number of cases.

iv. **NIE Networks Letters to enable grace period qualification until 31<sup>st</sup> March 2018**

It is crucial that NIE issues these *network letters* for all 'approved development' projects as quickly as possible. The letters as you know, will state that NIE expects to connect a project before the 31<sup>st</sup> March

2017 and can be used for an additional one year grace period, where subsequent NIE or radar issues occur beyond the control of the farmer or developer.

There is no excuse for delay in issuing these letters, if only projects with accepted grid connection offers by 30 September 2015 can qualify.

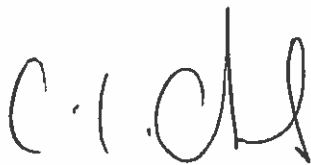
In other words, NIE are no longer being asked to issue new grid connection offers post 30<sup>th</sup> September 2015, so their resources should be directed to ensure these priority network letters are issued now. We would ask your Department uses all its influence to ensure these letters are issued before the end of April 2016.

The delay in issuing these letters is impacting upon those awaiting finance from lenders who are otherwise unconvinced that the farmer or developer will secure a grid connection before 31<sup>st</sup> March 2017.

In summary, we ask that you give consideration to these issues urgently. The small wind sector has been subjected to insurmountable barriers from the outset of the NIRO and we would urge that you factor our proposals into a new consultation for the closure of the NIRO for small scale wind we ask that you give consideration to these issues urgently and factor them into a new consultation for the closure of the NIRO for small scale wind.

We look forward to your reply and we are more than willing to meet with DETI officials at any time, if that will help resolve these outstanding matters quickly.

Yours sincerely



**CHRIS OSBORNE**  
UFU Senior Policy Officer