

**FROM THE PRESIDENT**

25th November 2015

Without Prejudice

Mr Jonathan Bell MLA
DETI Minister
Netherleigh House
Massey Avenue
BELFAST
BT4 2JP

Dear Minister,

Proposed solution for treatment of Small scale (non-cluster) wind following Consultation on Closure of Northern Ireland Renewables Obligation to new Onshore Wind in 2016

Given the urgent need for clarity around your Onshore wind NIRO closure proposals and the strong cross-Party political support for a *'better deal'* for small scale wind (turbine projects <250kW) from the ETI Committee, the *Ulster Farmers Union*, *Simple Power Ltd*, *Wind NI* and *Renewable NI* have developed a proposal for consideration which is set out below. We should point out that this letter and proposal is also issued strictly without prejudice to any potential legal challenge to the consultation document and DETI.

We propose that DETI takes the following action:

- i. **Decouples and removes small scale wind from the (30/9/15) Onshore Wind NIRO Closure proposals**, allowing 'large wind' the certainty its promoters request within the timeframes set out in the consultation document; and
- ii. **Produces a new 'stand-alone' consultation paper for small scale (non-cluster) onshore wind (projects <250kW) which proposes:**
 - a. The NIRO for 'small scale wind' to remain in place until 31st March 2018
 - b. An additional one year grace period with appropriate eligibility criteria - to take account of NIE grid connection delays and relieve pressure on all involved. (Note: we feel some minor changes to the current proposed eligibility criteria are required but these can be discussed and agreed with DETI.)

The cost of the NIRO extension for small scale wind would be spread across NI customers and the cost would be very low. Based on an assumption of 200 turbines connecting within this new period, producing 500MWh per annum (at £40 Rocs), the cost would be approximately 0.3% or circa £1.80 per annum on a typical domestic bill and 0.5% on an industrial bill (£100 extra on a £20,000 per annum bill).

The NI cost for small scale wind would only apply to new projects connecting between 1st April 2016 and the end of the grace period. This April 2016 start date would follow the proposed DECC closure date for new onshore wind projects. All other NIRO renewable costs (non-wind, large scale wind and small scale wind projects until 31st March 2016) would be socialized by DECC across the UK as currently proposed.

A small scale wind consultation document would also provide an opportunity for DETI to explore the introduction of a Northern Ireland small scale FiT similar to GB which could be introduced for new projects from 1st April 2018.

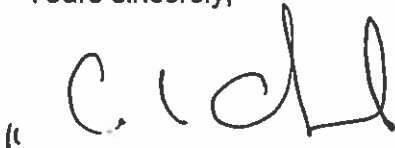
We understand that DETI is speaking to DECC and intends to present an update on various discussions to the ETI Committee week commencing 30th November 2015.

The economic impact of the current DETI onshore wind NIRO closure proposals will be devastating for Northern Ireland's small scale onshore wind industry and will plunge it into crisis. There will be significant job losses in the sector, which will permeate all areas of the industry, including development companies and farmers, as well as the network of subcontractors and suppliers who support the sector.

In light of this, we believe our proposal should receive broad political support at the ETI Committee and from Manufacturing NI. We would urge you to discuss it with the Committee members at the earliest opportunity.

We would be happy to meet you to provide any further comments or respond to any questions.

Yours sincerely,



IAN MARSHALL
President

Cc
Simple Power Ltd
Wind NI Ltd
Renewable NI Ltd
ETI Committee
DFP Minister
DARD Minister
DARD Committee
OFMDFM