

Christopher Osborne

From: Luke Hargreaves <Luke.Hargreaves@ofgem.gov.uk>
Sent: 20 June 2016 16:04
To: Christopher Osborne
Cc: Amy Ling; 'Dodds, Frankie'; Sarah.brady@uregni.gov.uk
Subject: RE: NIRO and Grace Periods (non-wind) [OFFICIAL]

Dear Chris

How nice to you hear from you. We'll give the scenario in question some thought.

Some initial reactions are that:

- ☐ There is no formal mechanism within NIRO legislation for a prospective participant to get comfort from us on a grace period decision in advance of commissioning their generating station.
- ☐ The legislation sets out a number of criteria that have to be evidenced if a grid delay grace period is to be granted.

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- Some of this evidence relies on a suitable document being produced by the relevant network operator – as such NIE would have a role to play in providing the necessary evidence should the plant be built.
- It'll be important for the generator to present documentation that shows the date by which the grid works were originally due to be completed was prior to 1 April 2017.
- Particularly in view of the sums involved, it may be prudent for Personal information
redacted by the RHI Inquiry to seek his own legal advice on NIRO eligibility before proceeding in making any form of payment to NIE.

We'll get back to you with any further thoughts we might have.

Thanks
 Luke

From: Christopher Osborne [mailto:christopher@ufuhq.com]
Sent: 20 June 2016 14:31
To: Luke Hargreaves
Subject: NIRO and Grace Periods (non-wind)
Importance: High

Good afternoon Luke,

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I trust you are well. It has been a while since we last spoke, we chatted back in 2013 and you kindly facilitated a meeting between ourselves and several members of your team at your Millbank offices. It was our Utility Regulator who suggested that you would be the correct person to speak to about this query.

I have started to receive a number of calls from UFU members who are in the throes of building Anaerobic Digestion plants and they have applied to connect these to the electricity grid. Many are now being told by our DNO that they are not going to get their projects connected to the grid before 31 March 2017, the closure date for the NIRO for non-wind and the deadline for NIRO accreditation (without a grace period).

I have a specific query regarding one of our members who has experienced such a delay;

Irrelevant information redacted by the RHI Inquiry

[Redacted]

Tel – Personal Information redacted by the RHI Inquiry

The Renewables Obligation Closure Order (NI) 2015 sets out clearly defined grace periods, one of which related to grid delays. [Redacted] has a formal offer from NIE Networks to connect his AD plant to the grid and is required to pay his 20% deposit (£135,000). However, he has been informed by NIE Networks that he will not be connected until July 2017 with the delay being due to capacity problems at the local sub-station and subsequent upgrade work. No one at NIE Networks has been able to confirm whether or not he will be able to avail of the grace period which he needs to be

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granted in order to allow him to claim the NIRO. I have spoken to NIE Networks and they suggested that I speak to DfE (formerly DETI) in Belfast. I spoke to Chris Stewart who is Head of Energy and he consequently suggested that I speak to OFGEM, since NIRO accreditation and eligibility for grace periods are functions carried out by yourselves, on behalf of the Utility Regulator and OFGEM have the responsibility for determining if a generating station meets the requirements for accreditation.

In [Redacted] case, his total grid connection cost close to £600,000 and you can understand why he is hesitant to proceed as he does not know if he will be able to qualify for a grace period in relation to grid delays.

Are you in a position to provide any clarity on this matter?

Many thanks and I look forward to hearing from you.

Chris

Chris Osborne
Senior Policy Officer

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Christopher Osborne

From: Stewart, Chris (DFE) <Chris.Stewart@economy-ni.gov.uk>
Sent: 20 June 2016 16:37
To: Christopher Osborne
Cc: Clydesdale, Alison; McIlwrath, Linda
Subject: RE: NIRO and Grace Periods (non-wind)

Chris

Apologies for the delay in replying.

Energy Division colleagues advise me that the appropriate contacts would be:

On NIRO non wind :

Nicola Percival (Nicola.percival@ofgem.gov.uk) on 0203 263 9896 or Anne-Marie Robinson (anne-marie.robinson@ofgem.gov.uk) on 0207 901 7423.

On RHI:

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Teri Clifton, teri.clifton@ofgem.gov.uk tel 0141 341 3991.

I also understand that Energy Division colleagues have offered to contact Ofgem on your members' behalf if you let them have details of the applications.

I trust this is helpful.

Chris Stewart

From: Christopher Osborne [<mailto:christopher@ufuhq.com>]
Sent: 16 June 2016 13:36
To: Stewart, Chris (DFE)
Subject: RE: NIRO and Grace Periods (non-wind)

Good afternoon Chris.

Thank you for coming back to me and clarifying the position.

Can you suggest anyone we could talk to at OFGEM in order to discuss the grace period problem being faced by our member?

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This forms a wider problem we have always faced when it comes to OFGEM and one that we would like to raise with DfE. In relation to the RHI, should an applicant have a problem with their application, they should have been able to contact OFGEM quickly to have it rectified, yet so bad is the line of communication, problems appear to go undetected until forward thinking members call to seek progress. When they do call they are either placed on hold or get through to the wrong person. This is not an effective line of communication and not ideal when an applicant has so much riding on the outcome.

Priority though needs to be given to getting a contact at OFGEM to discuss the Irrelevant information redacted by the RHI Inquiry case as the deadline is now 4 day away with NIE Networks and we can readdress the OFGEM communication problems later.

Many thanks and I look forward to hearing from you.

Chris

From: Stewart, Chris (DFE) [<mailto:Chris.Stewart@economy-ni.gov.uk>]
Sent: 15 June 2016 15:25
To: Christopher Osborne
Cc: McIlwrath, Linda
Subject: RE: NIRO and Grace Periods (non-wind)

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Chris,

Thank you for your email of 10 June regarding concerns a member of UFU is having in relation to installing an Anaerobic Digestion plant. Please accept my apologies for the delay in replying.

I understand your member's concerns, especially in light of the large sums of money involved for obtaining grid connection. The Renewables Obligation Closure Order (NI) 2015, which came into operation last September closes the Northern Ireland Renewables Obligation (NIRO) to all non-wind technologies on 31 March 2017. It also sets out clearly defined grace periods, one of which relates to grid or radar delays. In order for your member to meet the grid or radar delay grace period, they would need to satisfy the criteria set out in the legislation.

NIRO accreditation and eligibility for grace periods are functions carried out by Ofgem, on behalf of the Northern Ireland Authority for Utility Regulation. Ultimately, Ofgem have the responsibility for determining if a generating station meets the requirements for accreditation.

Yours sincerely,

Chris

From: Christopher Osborne [<mailto:christopher@ufuhq.com>]
Sent: 15 June 2016 14:45
To: Stewart, Chris (DFE)

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Subject: FW: NIRO and Grace Periods (non-wind)
Importance: High

Good afternoon Chris.

Have you had a chance to look at this as yet? Our member has been given a deadline of 20 June 2016 to accept/refuse and it rapidly approaching.

Many thanks and I look forward to hearing from you.

Chris

From: Christopher Osborne
Sent: 10 June 2016 14:20
To: 'chris.stewart@economy-ni.gov.uk'
Subject: NIRO and Grace Periods (non-wind)
Importance: High

Good afternoon Chris.

I trust you are well.

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I have started to receive a number of calls from UFU members in the throes of building Anaerobic Digestion plants. I have one member who has been told that due to upgrade work on the local substation he will not get connected to the grid until July 2017 yet the NIRO for non-wind closes on 31 March that year.

The member in question has a formal offer and is required to pay his deposit to NIE Networks (£135,000 – total grid connection cost close to £600,000) and this needs to be paid before 20 June 2016. You can understand why he is hesitant to proceed as he does not know if he will be able to qualify for a grace period in relation to grid delays.

Can you provide any clarity on this matter?

Many thanks and I look forward to hearing from you.

Chris Osborne
Senior Policy Officer

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