



**Response to Call for Evidence by
The Utility Regulator and the Department for the
Economy**

**Review of the Connections Policy Framework in
Northern Ireland**

Electricity Association of Ireland

Status: Final

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The Electricity Association of Ireland (EAI) is the representative body for the electricity industry and gas retail sector operating within the Single Electricity Market (SEM) on the Island of Ireland.

Our membership comprises utilities that represent 90% of generation and retail business activities and 100% of distribution within the market. Our members range in size from single plant operators and independent suppliers to international power utilities.

We believe that electricity has a fundamental role in providing energy services in a decarbonised, sustainable future, in particular through the progressive electrification of transport and heating. We believe that this can be achieved, in the overall interest of society, through competitive markets that foster investment and innovation.

We promote this vision through constructive engagement with key policy, regulatory, technology and academic stakeholders both at domestic and EU levels.

We represent the Irish electricity industry in EURELECTRIC, the representative body for the European electricity industry, and help shape the broader European response to developing policy and legislative initiatives.



Introduction

The EAI welcomes the opportunity to respond to this call for evidence on connection policy in Northern Ireland. Connection policy is an important part of delivering the very ambitious levels of renewables and other generation capacity that we need to decarbonise the electricity system. Any connections policy must fit with a wider transition-ready electricity system and regulatory framework.

Grid Connection Regime Options

It is important that the enduring connection policy in Northern Ireland takes account of neighbouring jurisdictions in particular to ensure where possible generators in Northern Ireland are not unduly disadvantaged. From the options given in the CfE, the most appropriate option is shallow for both demand and generation for the reasons listed below:

- When incorporated into a bid price for state support - A shallow connection offer will result in lower bid prices. And locking in cheaper strike prices for the length of a 15–20-year contract, outweighs the cost of consumers funding a greater proportion of the connection in the short run (Regulatory Asset Base (RAB) rate of return versus a developer's required rate of return).
- Shallow charging methodology for demand, reduces the appetite for Off Grid solutions, ensuring that networks costs are not overly funded by the poorest communities (who cannot avail of off grid solutions).

Plan-led v Developer-led

The EAI preference would be to continue with developer-led in addition to anticipatory grid investment. Northern Ireland has been successful in its cluster station approach by providing reinforcements based on the pipeline of projects. The EAI would recommend a continuation of this chosen policy.

Permitting Before Grid

Some element of planning is needed to address speculative grid applications which create a bottleneck and further backlog. Not having planning as a prerequisite further exacerbates the timeline process.

In the absence of legislative change to require full planning permission as a pre-requisite, interim requirements/milestones may strike the appropriate balance between concern regarding speculative applications (and/or hoarded capacity) and developing projects as swiftly as possible through current planning and grid connection queues. One such milestone example could be to require a live planning application and reference number. This could be beneficial to reduce the backlog of speculative applications and thus reducing the overall timelines for grid connections.

3 Month Timeframe

Logically the solution to this problem is not to lengthen the timeline but to take steps to address the backlog. This includes moving toward setting a prerequisite for firm planning consent prior to a grid connection application. There are lessons to be learned in Great Britain where there is a massive backlog because planning is not required as well as also having a speculative application problem. There is still a derogation possible for SONI to go beyond the 3-month timeline on a case-by-case basis.

