A Review of the Connections Policy Framework in Northern Ireland

Department for the Economy (DfE) and Utility Regulator (UR)

A Joint Call for Evidence

Derry City and Strabane District Council Draft Response

September 2023

Q1 What are the risks and opportunities in relation to the development of micro grids and what issues do these raise for the connections framework in NI?

The development of micro grids which utilise renewable energy technologies and energy storage solutions provides an opportunity for organisations / developers to reduce fossil fuel consumption, increase energy independence, improve security of energy supply, and reduce carbon emissions.

The development of micro grids in constrained capacity areas would free up grid capacity allowing additional low carbon technology connections without the need to levy additional reinforcement costs onto the connecting party.

The issues raised for the connections framework in NI is the potential variation in load profiles, reduction in income for network operator which could result in higher costs for other consumers in the short to medium term. Overall energy costs could reduce in the long term if renewable and net zero targets are met.

Q2 Do you agree with our guiding principles? Please expand your answer.

Yes, DCSDC agree with our guiding principles outlined in the framework document**.**

Q3 Do you agree with our proposed scope in relation to this connection review? This includes:

- **Are there other issues which you consider we should take into account. If so, please explain why.**
- **Are there any connection areas we should remove from our scope of our review? If so, please explain why.**

Yes, DCSDC agree with the proposed scope in relation to this connection review.

Q4 Do you consider the current 'partially deep' connection boundary in NI appropriate? Please explain your rationale further and provide evidence.

No, Derry City and Strabane District Council don't consider the current 'partially deep' connection boundary in NI to be appropriate. Several constituents have contacted council to complain that the costs of NIEN connections prohibited them from installing low carbon technologies specifically in a self-build property located in rural locations.

DCSDC submitted a council consortium application to the Energy Saving Trust in 2022 for their 'OnStreet Residential Chargepoint Scheme', and the NIE connection costs for 25% of the EV charger locations were significantly higher than the cap set by the funder. Of the 25%, the NIE connection costs were on average £10,000 per charger, with some connections costing £13,000.

For the year 2023-24, the funder has set a 'total' funding cap of £7,500 per EV charger, which was previously £13,000. This £7,500 is to include connection costs, hardware costs, costs for installation and signage and marking – therefore if the consortium is to apply for a second time, they may not be able to secure the required locations, as the 'current' NIE connection costs will exceed the funding caps available.

Q5 Do you consider a shallow connection boundary to be appropriate in the NI context? Please explain your rationale further and provide evidence.

If so, which of the following connection types should have a shallow connection boundary;

- **Demand only**
- **Generation only**
- **Demand and Generation**
- **An alternate connection type (for example Domestic / Non-Domestic connections)**

Please explain your rationale further.

No, DCSDC do not consider a shallow connection boundary to be appropriate in the NI context as this would place too high a burden on general consumers due

to the existing high levels in fuel poverty and deprivation which exist within the council area.

Q6 Do you consider a shallow-ish connection boundary to be appropriate in the NI context? Please explain your rationale further and provide evidence.

If so, which of the following connection types should have a shallow-ish connection boundary;

- **Demand only**
- **Generation only**
- **Demand and Generation**
- **An alternate connection type (for example Domestic / Non-Domestic connections)**

Please explain your rationale further.

Yes, DCSDC consider a shallow-ish connection boundary to be appropriate in the NI context as the compromise between accelerating the transition towards renewable generation and increasing levels of socialised costs**.** The shallow-ish connection boundary should apply to generation and demand and generation only connections as these relate directly to increased renewable electricity targets.

Q7 Do you believe that moving to a more shallow connection boundary in NI will deliver NI renewable targets which otherwise would not be met? Please provide evidence to demonstrate this answer.

DCSDC believe that moving to a more shallow connection boundary would be a positive step for increasing the uptake of renewable technologies in line with NI government targets. At present the existing reinforcement costs to install large scale renewables is prohibitive to accelerating generation. Reducing the overall potential reinforcement costs will allow more generation projects to proceed.

Q8 Please provide evidence of the potential impacts on energy affordability in NI if reinforcement costs were socialised further? What would the impact on energy affordability be in NI if household bills were to increase per annum by;

- **1-3%**
- **4-7%**

- **7-10%**
- **>10%**

The DCSDC region is among the most disadvantaged regions in NI with 65% of households experiencing some level of deprivation. Deprivation is measured by employment, education, health, and housing. (https://build.nisra.gov.uk/en/custom/data?d=HOUSEHOLD&v=LGD14&v=HH_)DEPRIVATION).

49% of households in DCSDC are classified as experiencing unemployment or economic inactivity therefore levels of fuel poverty are higher than the NI average.

For these reasons listed above the impact on households of increased socialised costs above the 1-3% levels would have a detrimental impact on a large proportion of the population.

Q9 Can NIE Networks differentiate between RP6 allowances, RP7 business plan connection requests and how these differentiate and have to be factored into the analysis that has been done on potential reinforcement connection costs analysis NIE Networks have completed?

DCSDC believe it would be beneficial to see the analysis of connection costs during the PR6 and RP7 time periods to determine if the existing framework is adequate to keep pace with the scale of change and investment required to match renewable energy targets by 2030.

Q10. Do you think developer led or plan led is the best approach for the future development of connections in NI? Please explain your answer.

DCSDC think that developer led is the best approach for the future development of connections in NI. Currently the planning system in NI appears to be under resourced and it can take several years for renewable energy development decisions to be processed. According to NISRA website 121 renewable energy planning applications were made in 2022/23. 151 applications are shown as live with 71% of these for wind turbines. 36.5% were in the planning system for over a year. (https://www.infrastructure-ni.gov.uk/system/files/publications/infrastructure/planning-statistics-2022-23-bulletin.pdf)

Q11. Do you think the current 3-month timeframe for SONI and the NIE Networks to issue a connection offer is appropriate? Please explain your answer.

Yes, DCSDC think the 3-month timeframe for SONI and the NIEN is appropriate for domestic and small-scale connection offers. For larger scale developments then a longer timeframe of up to 6 months would be appropriate. Longer timeframes may interfere with investment or funding timescales and therefore delay or halt project progression.

Q12. If our legislation facilitated it, should obtaining planning permission be a prerequisite in order to receive a grid connection? Please explain your answer.

The current planning permission timescales for renewable energy schemes in NI is considered to be excessive with lack of resources cited as the main reason for planning delays. The planning system in ROI is much shorter and for that reason some investors will look to developing projects there. If planning permission became a prerequisite in order to receive a grid connection, then major investment would need to be focused on planning resources.

Q13. If our legislation facilitated it, do respondents consider any other issues associated with the current queue process? Or that a different approach to managing the connection queue, would result in quicker connections? If so, what would that be? Are there any lessons to be learned from other jurisdictions?

At present there is limited feedback for consumers relating to current waiting times for connection approval. Connection queue updates via an online service would be helpful for consumers to view application progress.

DCSDC were a partner on the EU Interreg EV FASTER project, which was to originally install new electricity supplies for new Rapid chargers, however NIE's timeframe for works was too long for the project timeframe - which meant that the project had to resort to taking supply from adjoining buildings. This created multiple issues for councils and caused DCSDC and several other councils to withdraw from the project.

Q14. Do you have any other information relevant to the subject matter of this Call for Evidence that you think we should consider?

The Energy Saving Trust in England has set a reduced funding cap of £7,500 per EV charger for the 'OnStreet Residential Chargepoint Scheme', which was previously £13,000 per EV charger. This £7,500 is to include DNO connection costs, hardware costs, costs for installation and signage and marking. Local

authorities in NI wish to apply for this fund again and remain hopeful that connection costs will be affordable for a second application.

Q15. Please list any connection issues you have raised in order of priority. Please explain your reasoning behind your priority.

A medium sized Solar PV connection agreement for a council owned recycling centre was delayed by a number of years before a no – export agreement was granted. There wasn't enough capacity in the area to connect back to the grid. Once the system was connected savings in the region of 20% were achieved.

DCSDC were a partner on the EU Interreg EV FASTER project, which was to originally install new electricity supplies for new Rapid chargers, however NIE's timeframe for works was too long for the project timeframe - which meant that the project had to resort to taking supply from adjoining buildings. This created multiple issues for councils and caused DCSDC and several other councils to withdraw from the project.

A G99 application was submitted to NIEN for permission to install a small battery storage system within a council owned theatre with existing solar panels. The costs of the battery storage project were funded by Interreg, and the installation timescales came very close to the funding deadline as NIEN permission was delayed by up to 9 months.

A Cultural Hub Project capital development project which was in part a refurbishment and in part a replacement new build (with no additional floor space created) had high connection costs in the region of £28K. This involved an upgrade to the existing supply to accommodate a Theatre (AV installation) and a hydraulic door (3-phase supply). Overall engagement with NIE was positive but the validity period for conditional offer was too short (3 months). Needed to pay a deposit to guarantee capacity several months pre-tender (and in advance of having approval to proceed from funders) to avoid employer risk under building contract.

DCSDC submitted a council consortium application to the Energy Saving Trust in 2022 for their 'OnStreet Residential Chargepoint Scheme', and the NIE connection costs for 25% of the EV charger locations were significantly higher than the cap set by the funder. Of the 25%, the NIE connection costs were on average £10,000 per charger, with some connections costing £13,000. For the

current financial year, the EST has set a reduced funding cap of £7,500 per EV charger, which was previously £13,000 per EV charger. This £7,500 is to include DNO connection costs, hardware costs, costs for installation and signage and marking. Local authorities in NI wish to apply for this fund again and remain hopeful that connection costs will be affordable for a second application.