

Questions and Draft Responses:

1. 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?

No response provided

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

Yes.

However, we would propose that the first guiding principle should be amended to state that the Connections Policy Framework review will facilitate the delivery of the Executive's Energy Strategy targets, and also the requirements of the Climate Change Act (NI) 2022.

We would also stress that there should be recognition that in future there will be an increasing number of consumers of electricity who are 'prosumers', generating their own electricity, and investing in renewable energy technologies.

3. 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 the scope of our review? If so, please explain why

Yes.

The Call for Evidence (CfE) notes the importance of getting connected quickly, easily and at a fair price. The focus of the CfE is on connection costs, which we would agree is an important matter to support future decarbonisation. As part of the scope of this CfE and further planned engagement, it would be beneficial to also consider the important issues of speed and simplicity of electricity connections in more detail, as these may also be a significant barrier to delivery of future renewable energy targets.

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

Section 5.18 of the Call for Evidence (CfE) highlights that, in order to make any potential changes to the current connection framework, it is essential to know the potential costs to NI customers. For this reason, it is difficult to provide an answer to this question at this time. As part of any future consultation on this area we would suggest that information on typical/estimated connection costs should be provided, alongside the potential cost implications for consumers, in order to support a more informed position. This should also highlight if there are particular regions or council areas where the current connection methodology presents more of a challenge i.e. where there are greater constraints on the grid and the cost of investing in renewable energy is disproportionately higher.

We would note a number of relevant points which relate to the current charging methodology and alternatives.

A 'partially deep' charging methodology may act as a financial barrier to those wishing to invest in decarbonisation and as such it could be argued that alternative methodologies may be more appropriate (subject to consideration of consumer protection).

The CfE notes the position in other parts of the UK and Ireland, where a shallower connection boundary is in place. It would be beneficial to model the financial impact of this position, if similar were to be adopted in Northern Ireland.

The current methodology is likely to directly impact many homes and businesses, and may also impact on future decarbonisation and financial decisions by councils e.g. to decarbonise buildings using heat pumps, to provide electric vehicle charging infrastructure, or to invest in renewable electricity generation (such as a solar farm).

We appreciate the significant complexity of balancing the need to remove barriers to decarbonisation, whilst also ensuring consumers are protected. We would note that consumers are not only impacted by costs passed through their electricity bills, but also via other means, such as rates. For example, removing high connection costs (and addressing simplicity and speed of connection) may make a particular renewable energy project by a council more financially viable, which in turn may mean that energy costs can be reduced, which can benefit rate payers.

We would stress the need to consider consumers in more rural locations, as those households and businesses are likely to have a greater need to travel by car (and so may be more likely to purchase an electric vehicle in the future) and they may also have fewer options to decarbonise heat, such as reduced access to the gas network (and so may be more likely to install technologies such as heat pumps). This may suggest that rural customers may be more likely to require additional grid capacity and so may be impacted more significantly by the choice of charging methodology. Whilst the CfE notes that there has been investment through RP6 and further planned investment through RP7, which is intended to reduce connection charges, the impact on rural homes and businesses should be carefully considered. For example, it would be beneficial to review historical connection costs for heat pumps and EVs for individual rural consumers (e.g. the need to upgrade small transformers), in comparison to those in a more urban environment, and consider the impact of each of the proposed connection methodologies.

We would also note that there may be other future policy developments to support decarbonisation in Northern Ireland and would question which connection policy is appropriate. For example, the Department of Finance is currently consulting on potential changes to building regulations. Areas being considered for new buildings include the potential increased use of heat pumps, and also the provision of infrastructure for EV charging. This includes potentially providing EV charge-points at all new dwellings where there is associated parking, similar to the position in England (where there is a cost cap of £3,600 in place for the average connection cost i.e. the additional cost due to including EV charger provision). The current 'partially deep' methodology may have a significant impact for new developments, where a combination of EVs, PV Panels and heat pumps may be required in order to comply with future regulations.

5. Do you consider a shallower 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.

Please see relevant information in our response to Question 4.

6. Do you consider a shallow-ish 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 (for example Domestic/Non-Domestic connections)
- An alternate connection type

Please explain your rationale further.

Please see relevant information in our response to Question 4.

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

Please see relevant information in our response to Question 4.

As noted in this response, a 'partially deep' charging methodology may act as a financial barrier to those wishing to invest in decarbonisation and as such it could be argued that alternative methodologies may be more appropriate. However, we do not have adequate evidence or information to understand the impact any changes will have on consumers, in order to ensure they are protected from charges which may be considered to be unreasonable.

It would be beneficial for the Utility Regulator to provide any available information and modelling in order to support a more informed position.

The regional impact of alternative charging methodologies, including the impact on rural consumers, should be considered (e.g. are certain areas in Northern Ireland, or rural customers in general, more likely to be unable to invest in renewable or sustainable technologies if the current charging methodology is retained).

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

- 1-3%
- 4-7%
- 7-10%
- >10%

We do not have direct evidence to respond to this question.

However, a useful tool to consider may be the Northern Ireland fuel price ready reckoner for fuel poverty (available from NIHE website). This tool was produced around 2018 and considers 35 fuel price scenarios which were applied to the 2016 modelled position of fuel poverty for Northern Ireland, including changes to the price of electricity.

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

No response provided

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

No response provided

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

The current timeframe of 3 months should be shortened.

This timeframe has specific challenges for projects where grant funding is made available, but the funding is time bounded e.g. for installing renewable technologies or EV charging infrastructure. SONI and NIEN may need specific details on the proposals which cannot be provided until the works have been procured (in order to determine specific products or solutions) and so the uncertainty around grid connection can lead to further difficulties when undertaking innovative projects.

It would be beneficial to clarify the timeframe for connection offers in other parts of the UK and Ireland, and consider any options to reduce the current 3 month timeframe.

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

An electricity connection is one of a number of permits and statutory processes that a developer must complete in order to carry out development. Most of these are separate from the Development Management process, and obtaining these consents prior to the planning authority determining the application is not considered to be of determining weight. Therefore, the Council considers that the suggested change in the law would have little impact on the processing of applications for developments which require an electricity connection, other than to increase pressure on local authorities to progress these in a timely manner. However, the Council does consider that if "Shovel Ready" schemes were afforded priority over those which had not received planning permission then this could allow these to be prioritised and enable a faster rate of connection of renewable energy schemes.

13. 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?

No response provided

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

No response provided

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

No response provided

PLEASE NOTE THAT THIS CONSULTATION RESPONSE IS SUBJECT TO REVIEW BY COUNCIL. WE RESERVE THE RIGHT TO WITHDRAW THIS CONSULTATION RESPONSE OR TO REVERT TO MAKE REVISIONS TO OUR RESPONSE, IN LINE WITH ANY FEEDBACK AND INTERNAL APPROVALS.