

## RenewableNI response to the Utility Regulator's SONI Price Control 2026-31: Approach Document Consultation

RenewableNI (RNI) is the voice of the renewable electricity industry. Through the development of policy, best practice and public communications, we represent those engaged in wind, solar and battery storage development. Our members make up a large majority of the renewable industry supply chain in Northern Ireland.

RNI welcomes the opportunity to submit a response to Utility Regulator's (UR) SONI Price Control 2026-31: Approach Document Consultation (SRP26 Approach Document).

### Policy Context

The UK Government has set in legislation a requirement for a 'net zero' economy by 2050<sup>1</sup>. As the leader in decarbonisation, the power sector will have to achieve zero-carbon first, with heat and transport expected to significantly rely on electrification as the main way of cutting emissions. The UK Government has made a commitment to decarbonising the electricity system by 2035<sup>2</sup> and there is no caveat in the UK ambition excluding NI.

Furthermore, the UK will face a general election this year. The Labour Party, who could form the next government, has committed to bringing forward the UK target for zero carbon electricity to 2030<sup>3</sup>.

RNI successfully advocated for an ambitious 80% by 2030 renewable electricity target (80 by 30), which is now a legal requirement of our climate change legislation and will contribute to the UK government meeting its 2050 net zero pledge.

RNI has always contended that the 80 by 30 target was the minimum necessary to set us on a robust pathway to reaching Zero by 2035, and was a staging post for the longer term ambition. The previous 40% by 2020 renewables' target, galvanized a significant upsurge in renewable energy development, but once achieved, we saw inertia set in as it became an excuse to not invest in the next phase of infrastructure needed for 2030 and beyond. Consequently, having connected c. 400MW in 2017 alone, NI has only connected 86MW this decade. We cannot allow a similar policy 'cliff edge' following 2030 and take decisions with the longer term goals for 2035 and 2050 in mind.

Lessons must be learned from this failure. RNI is greatly concerned that we are not on track to meet the ambitious 80% by 2030 target for renewable electricity. The recently restored Stormont Executive has multiple priorities to tackle. RNI sees 2024, as we approach the mid-point of the decade, as a critical juncture in the net zero transition and a timely opportunity for a renewed and ambitious focus on delivering our renewable energy and climate change targets. There is no time for continued inaction and a business as usual approach is simply not sufficient.

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<sup>1</sup> [UK becomes first major economy to pass net zero emissions law - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

<sup>2</sup> [Plans unveiled to decarbonise UK power system by 2035 - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

<sup>3</sup> Pg. 6, [Clean Power Mission Doc - 8 FEB AMENDS \(labour.org.uk\)](http://labour.org.uk)

NI Minister for the Economy, Conor Murphy MLA has set his economic vision for the future of Northern Ireland and it is heartening for the renewables' industry to see net zero included as one of his four critical objectives<sup>4</sup>. The scale and complexity of this challenge should not be underestimated. It will demand innovation, investment and, crucially, leadership and collaboration from all stakeholders across government and industry.

RNI hopes that the SRP26 will enable SONI to play its vital role in transformation of the grid as it works to update and build out the grid infrastructure to facilitate the increased levels of renewable electricity required to achieve Northern Ireland's clean energy targets.

## Overview

RNI appreciates that this consultation is on the framework which will be used to guide the approach to be taken by the UR in assessing SONI's SRP26 and how the electricity transmission system operator (TSO) formulates a business plan which delivers for customers, consumers and its wider stakeholder base and we will submit a comprehensive response to the UR's draft determination when published in 2025.

However, RNI would like to take the opportunity at this juncture, to highlight the pressing importance for SRP26 to recognize the need and make provision for adequate TSO funding and incentives to directly and effectively address the persistently high levels of dispatch down which have now characterized Northern Ireland as a constraints zone. SRP26 must ensure that addressing this issue is a key objective and aim.

The SRP26 Approach Document states at 3.11 that key objectives to be delivered on are to "ensure that SRP26 promotes the development of a flexible, resilient and integrated electricity network" and to "make provision for necessary investment and activities." Since the latter part of 2023, levels of dispatch down of renewable generation output have risen to circa 25% of available renewable energy output. By most projections, this trend is expected to be sustained or worsen in the short to medium term and will act as a significant disincentive to future renewable generation in Northern Ireland unless strategic steps are taken to address this.

## Acute Wind Dispatch Down Problem in Northern Ireland

Northern Ireland wind generation has been experiencing unsustainably high levels of dispatch down. 2023 saw indisputably worrying figures developing with regard to constraint levels in Northern Ireland. Based on SONI's Wind dispatch down reports, NI wind constraints have increased almost fivefold from SONI's own figures from 5.8% constraints at the end of 2022 to 25.6% in Q4 2023.

2023 and the early months of 2024 have also seen record levels of Moyle interconnector imports, even during periods of high wind and sometimes corresponding to when wind is being curtailed. Future proposed market changes in GB under the UK Government's Review of Electricity Market Arrangements (REMA) could also possibly result in even higher imports through Moyle.

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<sup>4</sup> [Minister sets out his vision for the economy | Department for the Economy \(economy-ni.gov.uk\)](https://www.economy-ni.gov.uk/minister-sets-out-his-vision-for-the-economy)

Displacing the domestic renewables industry in NI will have a profound and detrimental impact on both the government's climate targets and the cost to the NI consumer. There is no mention of compensation for dispatch down in the SRP26 Approach Document.

When the UR approaches consideration of SONI's Business Plan under SRP26, RNI would propose that the regulator consider how the current level of constraints, highly likely to continue in the immediate future results in wasted clean, affordable and indigenous renewable energy, risks the economic viability of existing investments, creates an unsustainable investor environment for future renewable energy project development and endangers achieving the 80 by 30 target.

## RNI recommendations on funding and incentives to reduce dispatch down in SRP26

Article 13(5)(a) of Regulation (EU) 2019/943 requires that TSOs and DSOs shall "*guarantee the capability of transmission networks and distribution networks to transmit electricity produced from renewable energy sources or high-efficiency cogeneration with minimum possible redispatching*".

Article 13(5)(a) goes on to provide that limited redispatching is allowed in limited cases where it is more economically efficient or where redispatching does not exceed 5% of annual electricity generated. This is currently significantly exceeded in Northern Ireland.

Under Article 59 of Directive (EU) 2019/944, the UR is obliged to ensure that SRP26 allows SONI to make the network investments required by Article 13 of Regulation (EU) 2019/943.

Specific measures should be proposed to address this in the SONI business plan and subsequent consultations on the SRP26.

Pending completion of the above, SONI is obliged to compensate generators for redispatch (backdated to 1 January 2020) under Article 13(7) Regulation (EU) 2019/943. This is an obligation that rests with the TSO and must, therefore, also be reflected in SRP26.

Combined with the full implementation of Article 13(7) compensation, the formal setting of KPIs may prove useful as an additional measure to monitor and assess the performance of SONI going forward.

## Conclusion

The forthcoming renewable electricity support scheme may provide compensation for dispatch down from future renewable energy generation, but it will not address the current issue of the economic viability of existing investments.

The EU regulations cited above are applicable, and when the UR approaches consideration of SONI's Business Plan under SRP26 and further consults on this, addressing dispatch down and compensation should be considered.



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