

THE BELFAST HARBOUR USERS GROUP

Tel: 028 90325 465
Fax: 028 90347 971

C/o W & R Barnett Ltd
23 Clarendon Road
Belfast BT1 3BG

19th July 2010

Mr Simon Scott
Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED
Simon.scott@uregni.go.uk



Dear Mr Scott,

Re: Utility Regulator Consultation on Vacant Sites within the NIE Land Bank:

Background on Belfast Harbour Users Group ("BHUG"):

Belfast Harbour Users Group represents the interests of the users of the Port of Belfast. A list of the members of BHUG is appended to this response.

Should these sites be offered for lease or sale for power generation or for any other purpose?

The Belfast West site, with its access to deep water berths and the electricity distribution system is of particular strategic value as a power generation site.

The Belfast West Site should be reserved for Biomass power generation. Large scale biomass generation is required to fulfil the DETINI's 40% renewable energy target by 2020. A site with access to deep water berths is essential for a large scale biomass power project in Northern Ireland.

The Belfast West site, given its proximity to the primary animal feed importation terminals on the Island of Ireland, that Incineration is an inappropriate use.

Protections should be put in the site contract to ensure best opportunity for development and return to the regulator in the event of failure to develop after a reasonable period of time.

The sites should be offered for long-term lease, with a restrictive user clause and reversion in the event that they cease to be used for power generation by the Lessee.

If, following consideration of responses, the Utility Regulator decides to instruct the release of the land bank site to the market for generation, what criteria should be used in assessing any proposals from bidders?

Pre-conditions: Technical and financial capability to manage such a project and bring it to fruition

BHUG strongly agree that only proposals from parties intending to build power generation capacity and with the financial and technical resources to credibly deliver such a commitment should be considered.

Respondents are asked if there are any further pre-conditions which proposals should meet before proceeding to the next stage of assessment?

Proposals should be aligned with government energy policy, specifically the draft DETNI Strategic Energy Framework which contains a 40% renewable energy target for 2020 and the draft DETINI Strategic Action Plan which targets 200MW of large scale Biomass generation by 2015.

Assessment Criteria: Rental Income; Consistency with Energy Policy

BHUG consider that rental income is a valid criterion, but that it should be a secondary criterion. Speculative and/or sub-optimal projects should not be allowed to progress on the grounds of offers of superior rental income.

BHUG consider that consistency with energy policy should be a primary criterion of assessment.

Respondents are asked if there are any further criteria which should be taken into consideration

BHUG considers that other primary criteria should also include:

- Probability of project completion, with particular reference to the commitment, financial resources and track record of the developers behind the proposal.
- Probability of successful operation, including consideration of fuel-sourcing capabilities.

BHUG consider that in the case of the Belfast West Site, the Regulator should show strong preference towards projects which benefit from and show intention to use the deep-water berths in the Port of Belfast

Yours sincerely,



M J McAREE
Hon Secretary

Member Companies

Albion Chemicals Group
Allied Mills
All-Route Shipping (NI) Ltd
Andrews Flour
Arklow Shipping Ltd
Belfast Container Terminal (BCT) Ltd
BP Oil UK
James Kingsberry Ltd
Cefetra Ltd
Chem-Vite Group
CMA CGM Shipping (Ireland) Ltd
Coastal Container Line
Conexpo (NI) Ltd
DCC Energy (NI) Ltd / Emo / Flogas
M F Ewings (Shipping) Ltd
Ferran Port Services Ltd
Ferris & Co (Belfast) Ltd
Heyn Group
Harland & Wolff Heavy Industries
Hamilton Shipping Holdings Ltd
Isle of Man Steam Packet
James Neill Ltd
James Tolland & Co Ltd
Jenkins Shipping Co Ltd
John Burke & Co Ltd
John Hogg & Co Ltd
Kaneb Terminals Ltd
Lagan Cement Company
Lissan Coal Company
Mersey Docks & Harbour Co
Mezeron Ltd
Norfolk Line
North Down Grain
O'Connor & McCann Ltd
Precision Liquids
William Reid Shipping
Samskip
Stena Line
Svitzer Marine Ltd
T R Group
Charles Tennant & Co (NI) Ltd
Total Cargo Services (NI) Ltd
United Molasses (Ire) Ltd
R & H Hall Trading Ltd
West Twin Silos Ltd
Wood-NI
W & R Barnett Ltd