

Stephen and Ciaran Devine
ERE Developments Limited
Lisahally Power Station
18 Lisahally Road
Maydown
Londonderry
BT47 6FL

17th August 2018

Our Ref – CNO/E/TH/428

Dear Sirs,

**RE: ERE Developments Limited
Direction under Condition 4 of Electricity Generation Licence**

Whereas:

- (A) ERE Developments Limited (**the Licensee**) holds an electricity generation licence granted to it on 22 June 2011 (**the Licence**).
- (B) The Licensee is authorised to generate electricity at 18 Lisahally Road, Derry, and County Londonderry, BT47 6FL.
- (C) Paragraph 1 of Condition 4 of the Licence requires the Licensee to comply with the provisions of the Grid Code and the Distribution Code insofar as applicable to it.
- (D) Paragraph 2(a) of Condition 4 of the Licence provides that the Utility Regulator (**UR**) may following consultation with the Transmission System Operator (namely SONI Limited (**SONI**)) and the Transmission Owner (namely Northern Ireland Electricity Networks Limited (**NIE Networks**)), issue directions relieving the Licensee of its obligation under paragraph 1 of Condition 4 in respect of such parts of the Grid Code and to such extent as may be specified in those directions.
- (E) The Grid Code is the code of that title which is required to be prepared by SONI in accordance with licence to participate in the transmission of electricity.
- (F) On 9th May 2017 ERE Developments Limited submitted a document (**the derogation request**) the UR requesting lifetime derogations from two requirements of the SONI Grid Code in relation to Lisahally Power Station. On 23rd January 2018 ERE Developments Limited submitted an updated derogation request to correct a numbering anomaly. The Grid Code requirements which ERE Developments Limited has requested to derogate from are as follows:-

CC.S1.2.3.4

Start-Up and Ramp Rates

(a) A Generating Unit must be capable of Start-Up:

- (i) from cold within 14 hours;***
- (ii) from warm within 5 hours;***
- (iii) from hot within 3 hours.***

The block Load on synchronising must be no greater than 40 MW.

(b) A Generating Unit which is in a hot condition must be capable of ramping up from part-load pursuant to a Dispatch instruction at a rate of at least 3% of MCR per minute.

(c) A Generating Unit must be capable of de-loading at a rate of at least 3% of MCR per minute.

CC.S1.2.3.3

A Generating Unit must be capable of remaining Synchronised to the NI System at an Output which is no greater than the lower of 80 MW or 40% of maximum continuous rating.

(G) In its consideration of the derogation request, the UR has consulted with NIE Networks, SONI, ERE Developments Limited and has appointed Consultants to produce a technical assessment. After review of the Consultants' report together with the submissions from the parties, the UR decided to follow the Consultants' recommendations which are set out below:-

- There is a need to investigate the capability of using steam turbine bypass to reduce electrical output without adjusting the furnace. This should include a combination of design review, testing (if appropriate) and high level (initially) feasibility of any necessary modifications to establish the capital cost of enabling such functionality.**
- ERE should carry out controlled testing to confirm the level of electrical output reduction and rate of reduction achievable through the furnace controls while maintaining emissions within the prescribed levels. This would be testing similar to the grid connection testing that appears to have been undertaken in 2015, but include emissions data to confirm ramp rates that still enable compliance with the Integrated Pollution Prevention and Control (IPPC) emissions limits.**
- All testing should be independently witnessed and the data recorded submitted to the Authority.**
- ERE should pursue the potential for a derogation against the IPPC permit's emissions limits to enable closer compliance to Grid Code.**

(H) On 6th April 2018 the UR issued a time limited derogation to ERE Developments Limited until 17th August 2018 and directed that that ERE Developments Limited engage appropriately qualified personnel to conduct the testing and investigations set out in the Consultants' recommendations and produce a report for the UR on the findings.

- (I) On 2nd August 2018 the UR received a request from ERE Developments Limited to extend the terms of the existing derogation for a further period to allow for plant testing which is now scheduled for 10th September 2018. ERE Developments Limited has stated that it will deliver a final report by the end of September 2018.
- (J) The UR has considered the request for an extension and deems it appropriate to extend the terms of the derogation granted in the Direction dated 6th April 2018 for a further limited period. This will allow sufficient time for the requisite testing and investigations to be carried out and for UR analysis of the results prior to reaching a final decision on the derogation request.

The Utility Regulator now gives the following Direction:

1. Pursuant to its power under paragraph 2(a) of Condition 4 of the Licence, the UR directs that the Licensee:-
 - a. is relieved of its obligations under Condition 4 of the Licence to comply with, in relation to Lisahally Power Station, Section CC.S1.2.3.4 of the SONI Grid Code.
 - b. is relieved of its obligations under Condition 4 of the Licence to comply with, in relation to Lisahally Power Station, Section CC.S1.2.3.3 of the SONI Grid Code. Lisahally Power Station must comply with the following requirement:-*"A Generating Unit must be capable of remaining Synchronised to the NI System at an output which is no lower than 70% of maximum continuous rating."*
2. The following conditions shall apply:
 - This Direction applies until 30th November 2018.
 - This Direction relates solely to Lisahally Power Station and does not set a precedent for future derogations.
3. This Direction is dependent on the requisite tests and investigations being carried out a timely manner to allow for the necessary consideration of relevant issues in line with the UR's Guidance Document on Derogation Requests¹. ERE Developments Limited should provide a final report detailing the results of the tests and investigations to the UR by no later than 30th September 2018.

Signed


Name: Tanya Hedley

Authorised by and on behalf of the Northern Ireland Authority for Utility Regulation

¹ <https://www.uregni.gov.uk/sites/uregni/files/media-files/Guidance%20Document%20on%20Derogations%20-%20February%202017.pdf>