Air Core
Providing green energy solutions for a fresher future

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Air Core response to DETI Consultation on The Closure of the Renewables Obligation to new onshore wind in 2016

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Air Core welcomes the opportunity to respond to the DETI Consultation on The Closure of the Renewables Obligation (RO) to new onshore wind in 2016.

Air Core are a Belfast based small scale renewable energy developers. This is a family run business boasting over 25 years' experience in planning, electrical engineering and agriculture which are all key elements associated with selecting suitable renewable energy sites.

The introduction of the higher banding levels for small scale onshore wind in 2010 significantly contributed to the increase in deployment. Since September 2010 Air Core have reviewed over 1450 sites for development, lodged over 100 planning applications and secured 70 approvals, giving Air Core the potential to be the largest medium scale wind energy developer in Northern Ireland.

The closure of the NIRO will therefore have a massive detrimental impact not only on our company but the onshore wind industry as a whole. This is compounded by the fact that there is currently no visibility on post-NIRO support for renewables. Closing the NIRO early for onshore wind will impact investment in this growing sector and leads to grave uncertainty about Northern Ireland's ability to decarbonise electricity.

The previous growth in the small scale energy sector has had a positive impact on the income potential of the Northern Ireland farming community. It has led to increased jobs and investment in this sector, enabled Northern Ireland to introduce new training and career opportunities. All of these are set to end, as eligible projects are built out but no new projects are able to enter the market.

As DETI are aware developers have been struggling to secure grid connection offers due to Northern Ireland Electricity infrastructure restrictions meaning offers in certain areas were not available until upgrades works had been completed. In other areas were connection offers were available, these were at an excessive level meaning that the development may not have been economical to build out. To date our average grid connection offer is £224,600 which on the build out of a 250kW machine is ⅓ – ¼ of the total construction cost. As a result of the above, if the proposal outlined in this consultation are to be implemented, Air Core alone will not be able to develop 37 (9.2MW) of our consented sites which is 50% of our total portfolio due to not being able to secure grid connection offers.

Furthermore in order to get sites developed companies were accepting grid connection offers even though the economics did not add up. These approvals were accepted on the basis that amendments

would be sought to the existing planning approvals to change the turbine model and/or dimensions. A number of these amendments are still pending due to delays with the change over to the super councils in Northern Ireland and therefore there is now uncertainty if these pending application will be acceptable under the new eligibility scheme.

Evidently this announcement could massively impact the industry in Northern Ireland therefore what is now required to allow projects to be developed successfully is clarity. We therefore ask for a rapid progress on the NIRO Closure Order in order to enable investment decisions to ensure projects are developed within the proposed timeframes. This clarity is required for both the large-scale and small-scale onshore wind sectors.

Do you have any comments on the proposed eligibility and evidence criteria for grace periods?

Air Core need more clarity on the eligibility and evidence required for the proposed grace periods, on review of the proposal there is uncertainty around the following:

Commissioning and accreditation

The definition of both commissioning and accreditation needs to be appropriate for Northern Ireland. We urge that clarity is provided as quickly as possible on these definitions and that the process needs to be straightforward. It is concerning that the definitions may lead to a gap whereby a project that is energised prior to the end of the grace period does not have enough time to receive accreditation by the cut-off date. We anticipate that a significant number of projects are likely to be energised within a relatively short time-frame. NIAUR, SONI and NIE must ensure that appropriate resource planning takes place now to prepare for commissioning these projects.

Demonstrate that they have relevant planning permission dated no later than the relevant eligibility date.

Due to excessive grid connection costs, the financial viability of a number of on shore wind projects in Northern Ireland were in jeopardy and in order to get the economics of these sites to work amendments to the original planning permissions were required. These were not to alter the turbine output capacity but to formalise an amended turbine model which may have meant the dimensions of the development were also altered. The change to the super councils in Northern Ireland have undoubtedly added at least six months onto these applications being processed and as such a number of amendments are still pending in the planning system. We therefore request that the following be specified as acceptable under the grace period eligibility:

- **Amendments to an original planning approval that were submitted prior to 30th September 2015**

Another area of clarity required, is if any grace will be given for dimension planning amendments that may be required by funder's post 30th September to allow a project to be built out, provided they have a grid connection offer accepted and land rights in place?

Demonstrate that they have a grid connection offer and acceptance of that offer, both dated no later than the relevant eligibility date

Is there going to be any route to market for generators who applied for grid connection pre 30th September 2015 but NIE were unable to provide offers for due to infrastructure restrictions but remained in the queue to see if the utility regulator would approve the required upgrades.

Grace Period Criteria for projects that meet the eligibility criteria as set out in paragraph 2.8
Annex A - Grid Connection – Point 3

This annex refers to situations were NIE/SONI provide a letter to confirm that the connection works were completed after 31st March 2017, and, in NIE/SONI's opinion, the failure to complete the relevant grid works on or before 31st March 2017 was outside of the control of the generating station developer and was not due to any breach by a generating station developer of any agreement with the relevant network operator.

We reiterate here the need for appropriate definitions of accreditation and commissioning.

It is critical that NIE/SONI provide a list of scenarios that they would classify to be in the control of the developer and any breaches that may occur. This is essential to allow finance to be secured for further projects should for any reason a generator not be connected before March 2017.

For example if NIE/SONI are unable to get a wayleave signed for 9 months due to third party objection is this matter in NIE/SONI control or is it in the developers remit?

It should also be a condition NIE/SONI should also have to provide a letter that in NIE/SONI's opinion although the relevant grid works were completed prior to 31 March 2017 that in their opinion there was insufficient time for the generating station to satisfy commissioning and accreditation requirements.

2.12 - "Ofgem will only be able to assess eligibility for grace periods once it is content that all other eligibility criteria have been met and the project has been commissioned".

This implies that an applicant must carry out all of the work, right up to Commissioning, at risk, with no indication from Ofgem that the developer has satisfied the grace period criteria until after the wind turbine commissions. This is unreasonable. It would be judicious to expect Ofgem to assess the criteria, at an early stage, before additional expenditure has been incurred by the applicant.

For any further queries on the above please do not hesitate to get in touch.

Brendan Boyd
Air Core Managing Director