AYR POWER LIMITED

14 November 2015

Dear Sirs,

Response to the Consultation on the Closure of the Northern Ireland Renewables Obligation to new onshore wind in 2016 - Private and Confidential

Ayr Power Limited is a developer of renewable projects with a number of onshore wind projects in Northern Ireland rated at less than 250kw ("sub-250kw wind projects").

As a general comment, we are disappointed with the proposed early closure of the ROC regime and believe this will be detrimental to the renewable energy industry. Furthermore, we are of the view this will seriously affect future on-shore wind deployment in Northern Ireland, especially sub-250kw wind projects which, in our opinion, are the most beneficial turbines for rural communities.

As a consequence of the early closure of the Northern Ireland Renewables Obligation, we believe that the majority of sub-250kw wind projects which do not meet the eligibility criteria to qualify for 4 ROCs may no longer be viable, especially when additional considerations such as the Northern Ireland Electricity ('NIE') current consultation on 'managed connections' (which could increase both costs and potentially decrease generation profile) are taken in consideration.

We note the Consultation comments that DECC legislation is still progressing through Parliament and would encourage DETI to further consult on any implications arising there from.

It follows from the changes to the scope of the planning definition now to apply in Great Britain that there ought to be a revision of the grid acceptance date to a later date, we suggest the 31st March 2016. This would help accommodate the different situation which pertained in Northern Ireland as regards the inability of applicants to apply for grid before planning was granted. There are, we would submit, grounds to believe that the delays associated with the NIE practice are sufficiently different to connection policy in GB to warrant a later eligibility date.

We have reviewed the proposed eligibility and evidence criteria and generally would welcome clear guidelines to be issued at the earliest opportunity covering:

i) the process to receive formal confirmation that a project meets the required eligibility criteria upon presentation of the relevant information, and

ii) the process for NIE/SONI to issue the relevant documentation expected from them.

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We have set out below additional comments.

1. Eligibility criteria

i. The planning permission requirement ought to include situations to allow for successful planning appeals against refusals and delays.

ii. In order to recognise that in contrast to the position in England, Scotland and Wales, NIE has by its policy of requiring a planning permission to have been granted before a grid application could be applied for by the applicant (now overturned by the Regulator) disadvantaged NI applicants the grid criteria ought to be extended to include all grid offers accepted prior to the 31st March 2016.

In addition, we would welcome clear guidelines to be issued as soon as possible for those projects meeting the eligibility criteria to be formally recognized as such.

2. Application timeframe for grace period eligibility

The timeframe as currently proposed only allows for applications to be made after delays have materialised and we believe this significantly adds to project risks.

We believe a better approach would be to also offer the opportunity for a 'preliminary grace period qualification confirmation' at the outset, albeit subject to only one final condition, that is *the Receipt of a letter from NIE/SONI confirming that the relevant grid 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*.

This approach would have the following benefits:

1) give greater comfort at the outset as to the grace period qualifying status of a project;

2) minimize the documentation required at a later date, hence facilitating the speed of the grace period application process; and

3) reduce the burden on NIE which may become overwhelmed with grid connections work and, as a consequence, grid delays becoming a more common occurrence.

3. Evidence for grace period eligibility

- *Regarding the eligibility requirement for the provision of a letter from the network operator (NIE/SONI) which confirms that at the date of receipt of the connection application for the proposed generating station it was the intention to complete the relevant grid works no later than 31st March 2017*

  We would welcome clear guidelines issued to NIE/SONI and from NIE/SONI to developer/operator in order for this confirmation to be issued at the earliest opportunity.

- *Regarding the requirement for a letter from NIE/SONI confirming that the relevant grid 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 feel the confirmation in relation to 'any breach' of 'any agreement' is unnecessary, too widely worded (no materiality threshold included), and could force NIE/SONI having to make too much of a fine judgement to comply with this wording and issue its opinion. In addition, an operator would have little or no recourse in the event of a disagreement.

- Regarding the requirement to demonstrate that the operator has a grid connection offer and acceptance of that offer, both dated no later than the relevant eligibility date or confirmation that no grid connection is required

  We have been advised by DETI that in cases where no grid connection is required that a Director's Certificate stating that this is the case should be sufficient in order to qualify for the Grace Period and this ought to form part of the guidance. If additional information beyond a Director's Certificate is required clear guidelines on what would need to be submitted would be welcomed.

  In addition, the reference to confirmation that no grid connection is required in the consultation ought to be incorporated into the Order so that it is clear that it is included in the grace conditions for early closure and applies to the situation where there is no grid connection required as defined in the Order. We believe that this is necessary to avoid discrimination between projects which require a grid connection those that do not.

Yours faithfully,

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Christopher Caldwell
for and on behalf of
Ayr Power Limited