

NIRIG response to the Consultation Paper on GTUoS Tariff Methodology and rates for the Tariff Year 2012/13

16th July 2012

The Northern Ireland Renewables Industry Group (NIRIG) is a joint collaboration between the Irish Wind Energy Association and RenewableUK. NIRIG represents the views of the renewable energy industry in Northern Ireland, providing a conduit for knowledge exchange, policy development support and consensus on best practice between all stakeholders in renewable energy.

NIRIG welcomes the opportunity to respond to the Joint Regulatory Authority All-Island Generator TUoS Tariffs Methodology and rates for the tariff year 2012/13. NIRIG apologises for the delay in submitting this response and hope that it will be possible to accept this late submission.

NIRIG supports the IWEA response to this consultation and would request that this support be noted. In particular, NIRIG would like to stress that the new methodology has significant impact on tariffs for wind farms and many will see an increase in tariffs. Along with other recent regulatory consultations this will introduce volatility in the business case which causes debt and equity providers to require higher margins.

In addition, NIRIG would specifically like to note that:

- The NI Tariffs are based on the "Summer Minimum High Wind" scenario. However in this scenario wind is generating at levels in excess of what would actually be permitted. It seems then that "use of system" tariff is being calculated based on scenarios that will not happen in reality.

- Consideration needs to be given to the fact that non-firm generators are not compensated when constrained, therefore charging non-firm and firm generators on a like for like basis for TUoS is not appropriate.
- At the workshop in June 2011 it was noted that the inclusion of the North South Interconnector is driving the tariffs in Northern Ireland. As stated previously it is very unlikely that this will be built in the timeframe associated with these tariffs and NIRIG would reiterate our concerns that this is being included for these calculations.

It is clear that the implementation of the proposed methodology will have a significant negative impact on windfarms. This proposed decision raises significant regulatory uncertainty for wind developers and can be seen as a barrier to future investment. The methodology is still extremely complex and remains volatile over the lifetime of a windfarm. NIRIG believes this still needs to be addressed. The RAs committed to reviewing a number of elements of the methodology prior to setting the 2012/13 tariffs and we request that these issues are addressed prior to a final decision.

NIRIG welcomes the opportunity to comment on this consultation. If there are any queries on the above, please contact:

Meabh Cormacain
Policy and Communications Coordinator
Northern Ireland Renewables Industry Group
Forsyth House
Cromac Square
Belfast
BT2 8LA

+44 (0) 7837 291 699

+44 (0) 2890 511 220