

30 June 2016

## Ofgem E-Serve response to consultation on our draft 'Northern Ireland Renewables Obligation (RO): Closure of the scheme to onshore wind >5MW'

On 24 March 2016 Ofgem E-Serve published a draft of the 'Northern Ireland Renewables Obligation: Closure of the scheme to onshore wind >5MW' for consultation. The document was created to provide clear guidance on the closure of the Northern Ireland Renewables Obligation ('the NIRO') to onshore wind capacity >5MW from 1 April 2016. We published the consultation to seek views from stakeholders on whether we had omitted anything or if we could have been clearer in the document.

The consultation period closed on 21 April 2016. We have reviewed all responses and, where appropriate, have updated the guidance document. The [final version of the document](#) was published on 30 June 2016.

### The consultation period

We would like to thank all stakeholders who responded to the consultation. We have used your responses to make changes to the final guidance. Table 1 lists the changes we made and explains why we made them. We received a number of queries which we felt did not require changes to the guidance but which we have included answers to in Table 2.

Table 1 - Changes to the guidance

| Section of the final guidance document | What has changed?   |
|--|---|
| Throughout document                    | Updated text to reflect that the guidance is final, not draft.  |
| Throughout document                    | Updated references to the Department for Enterprise, Trade and Investment in Northern Ireland (DETINI) to the Department for the Economy in Northern Ireland (DfE).   |
| Throughout document                    | Updated references to Ofgem to Ofgem E-Serve  |
| Throughout document                    | Updated text to clarify that evidence demonstrating that the station meets the conditions for the relevant grace period can be emailed to us <b>after</b> the final date of the relevant grace period. However the text explaining that the application must be submitted and the station commissioned on or before the final date of the relevant grace period in order to qualify has remained the same. Chapter 4 contains detailed information on this. |
| P. 2                                   | Updated link to the consultation documents on the new DfE website.  |
| P. 4                                   | Amended the title of Figure 1 for clarity.  |
| P. 4                                   | Revised explanation of primary date beneath Figure 1 for further clarity.   |
| P. 6                                   | Added paragraph 1.5 to explain that 'operator', 'generator' and 'developer' are used interchangeably.   |
| P. 8                                   | Amended the first bullet point under paragraph 2.2 to be clear that the   |

30 June 2016

|               |  |
|---------------|--|
|               | NIRO Closure Order 2016 does not close the scheme to preliminary applications.   |
| P. 11         | Amended the title of Figure 4 for clarity.   |
| P. 11         | Revised explanation of primary date beneath Figure 4 for further clarity.  |
| P. 14         | A clarification has been added into footnote 4 that planning permission under the Planning (Northern Ireland) Order 1991 is acceptable within the scope of the Closure Order.  |
| P. 14-15      | In Table 1, 'Planning Permission', evidence option 'A': further detail added to explain that if a station has commissioned within the time period limits of the planning permission, then we do not require further evidence that time period conditions were not breached.  |
| P. 15         | Table 1, 'Planning Permission', evidence option 'B': amended wording here to clarify that we require a declaration from the operator (ie the super-user of the account on the register or other appropriate person).   |
| P. 15 & 16-17 | Table 1, 'Planning Permission', evidence option 'A' <u>and</u> Table 1, 'Grid works offer and acceptance', evidence option 'A': further detail added to explain the evidence requirements relating to stations which are connecting to a cluster.                            |
| P. 14-18      | Table 1 (throughout): correction made to acknowledge that documentation confirming connection to a cluster could be from SONI or Northern Ireland Electricity Networks Limited.  |
| P. 18-19      | Updated and added wording to provide greater clarity around variations to required evidence for planning permission.   |
| P. 19         | Updated and added wording to provide greater clarity around variations to required evidence for grid connection.   |
| P. 20         | Table 2, 'Grid works agreement': added wording to state that the letter from the network operator confirming grid works acceptance should be signed by an appropriate individual.  |
| P. 30         | Clarification added in paragraph 4.28 that applicants will be notified should we be minded to reject an application if it is considered not to be eligible for the scheme.   |
| P. 31         | Correction of a minor typo.  |
| Annex 3       | We have added wording into the third bullet point within template 3 (investment freezing condition) which allows developers to declare that they meet the investment freezing condition without prejudice to other declarations they may be making to meet other conditions. |

## Table 2 - Our response to queries and suggestions from the consultation

|   |
|---|
| <p>1. Can Ofgem take pre-commissioning work carried out prior to energisation into account where full commissioning may not take place prior to the closure of a grace period?</p> <p>The legislation is clear that a station must be commissioned on or before the final date of the relevant grace period in order to be successful in applying for accreditation after 1 April 2016. Ofgem cannot act outside the requirements of the legislation.</p>   |
| <p>2. Can Ofgem review grace period evidence requirements prior to a full application being submitted in order to provide earlier assurance of a project's eligibility?</p> <p>The legislation is clear as to when we must assess the grace period evidence. This evidence is assessed at the time a full application for accreditation for the generating station is submitted. We cannot assess any grace period evidence before a full application for accreditation has been submitted and the station has been commissioned.</p> |

30 June 2016

3. In order to be eligible for the grid delay condition must the project have been fully constructed so that it could have been commissioned in all other respects, except for the grid delay, before the relevant 'primary date'?

No. The legislation requires us to assess the evidence as laid out in the NIRO Closure Order 2016 and does not specify that the station must be fully constructed in order to meet this condition. Therefore we will not assess whether a station was fully constructed before the relevant 'primary date' as part of our assessment of grid delay evidence.

4. Will Ofgem E-Serve be scheduling additional resource in advance of the final dates of the grace periods?

We will ensure that appropriate resource is in place to deal with increased application volumes around the final dates of the grace periods. Applicants should note that the timing of our final decision will not impact on a generating station's eligibility for a grace period.

5. Why does the guidance require that a subsidiary have its own investment grade credit rating?

The definition of 'recognised lender' in the Closure Order is unambiguous and we, as the scheme administrators, must administer the scheme in accordance with the regulations as they are written. As such we have chosen to leave the wording of paragraph 3.32 as it is.

6. Could Ofgem E-Serve provide a template for use by third parties (eg network operators) to confirm the delay of an accepted connection offer previously accepted by the operator of the station?

We have not included a template for third party confirmations in order to avoid inadvertently restricting what these entities wish to say in their confirmation. A template may make such a third parties feel that they cannot include any information that they may wish to include.

Paragraph 3.24 in the guidance provides detail stating that confirmation of a delay is in no way an admission of liability by that third party.

7. For the purpose of clarity, can a more detailed definition of commissioned be provided?

The NIRO Order defines 'commissioned' and we have published an ['Essential guide to commissioning'](#) which gives guidance on how to demonstrate to us that your generating station has been commissioned. Providing express guidance on certain commissioning scenarios creates risk for both us and prospective participants. As such, we assess applications on a case by case basis in respect of the definition in the NIRO Order.