



renewables

Mr. Jamie Burke
Single Electricity Market Committee
C/o Commission for Energy Regulation
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Friday, 25 May 2012

BY E-MAIL TO: jburke@cer.ie

Dear Mr Burke,

**RE: TCI Renewables Response to the “Treatment of Curtailment in Tie-Break situations”
– SEM-12-028**

As an active participant in renewables development in Northern Ireland we thank the Single Electricity Market Committee (SEMC) for their invite to respond to the *Treatment of Curtailment in Tie-Breaks situations* consultation paper.

By way of introduction, TCI first established offices in Belfast in 1999 offering specialist infrastructure services to the communications and renewables generation sector, delivering Northern Ireland’s first ‘on-site’ wind generating power station at Antrim Area Hospital in 2004 for the then United Hospital Trust, before establishing a dedicated renewables division (TCI Renewables Limited) in 2005 to develop renewable energy projects in Ireland, Northern Ireland and the wider UK marketplace; later expanding into the North American market.

Amidst our long established reputation for developing on-site renewables power generation solutions for intensive energy users such as hospitals, councils and local industry, TCI Renewables Limited (TCIR) has developed a significant large scale wind farm portfolio of over 100 MW of consented projects across Northern Ireland alone, with another 150+ MW of additional locally sited projects in development, making us one of the most successful private developers and investors in the renewable energy sector in Northern Ireland.

As an independent, locally based wind farm developer with affiliated membership to the Irish Wind Energy Association (IWEA), RenewableUK and the Northern Ireland Renewables Industry Group (NIRIG), the latter of whom to which we are active committee members, **TCIR strongly supports the positions put forward by IWEA on the options presented in their paper, as it does with those impacts and concerns highlighted in the NIRIG response.**

However, while we strongly support IWEA’s alternative Option 3 proposal, we would like to emphasise that careful consideration needs to be applied to determining the appropriate cut off mechanism that defines the tranche of projects which are expected to deliver the MW required to meet the 2020 targets, i.e., the cut off mechanism that defines the projects that would be curtailed for the operational lifetime of the project on a pro-rata basis irrespective of firmness.

In footnote 14 SEMC recognise that grandfathering could be applied from a certain date, meaning that providing a project is generating power before such date it will qualify as a project presumed to be required to meet the 2020 targets (2020 projects) and have its curtailment level

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protected from generation connecting post the 2020 target ("2020 Projects"). SEMC have suggested 1 January 2018 as the cut-off date to qualify as a 2020 Project in their example. Within TCIR's project portfolio we have up to 73 MW of projects which may have an in service date of 31 December 2017 resulting from cluster connections yet to be approved by the NIAUR. In TCIR's situation, if due to circumstances outside TCIR's control (delays by Northern Ireland Electricity Ltd as an example) any of our projects did not commence generation before 1 January 2018 then such project would not qualify to be included as a 2020 Project and would bear all curtailment on the system first, immediately becoming economically unviable.

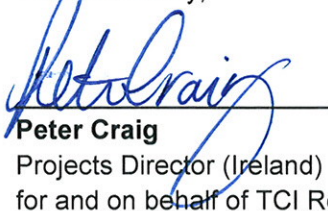
In the above example, any of TCIR's projects could miss the 1 January 2018 cut-off date by 5 days for reasons outside of TCIR's control and instantly become unviable. We believe there will be number of projects that could easily experience the same circumstances. The likely impact of implementing such a crude mechanism to define 2020 Projects is that projects with an in service date leading up to the 1 January 2018 cut-off date will not obtain finance as there is a risk of the projects missing the in service date and becoming [unviable]. Further, it is not reasonable to expect investors to pay significant grid deposits, subsequent turbine deposits and to commence construction works without having certainty that they qualify as a 2020 Project.

For the above reasons, and to ensure a stable investment environment, we believe a more suitable mechanism to qualify as a 2020 Project would be the requirement for the project to execute a grid connection offer, with an in service date prior to the cut-off date, being 1 January 2018 in the SEMC's example.

In conclusion to our support for the IWEA and NIRIG responses we would reiterate that the allocation of curtailment is a critical matter to be addressed in provision of a stable and bankable policy framework which in turn facilitates the wind energy sectors both north and south of Ireland to move forward.

Thank you again for the opportunity to engage direct with the SEMC on this wind industry critical consultation given the significant implications it has for the viability of the sector.

Yours sincerely,


Peter Craig
Projects Director (Ireland)
for and on behalf of TCI Renewables Limited

Cc. Ms. Fiona Hepper, Head of Energy at DETI
Ms. Alison Clydesdale, Energy Division, DETI

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