



Department of  
**Enterprise, Trade  
and Investment**  
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## **DETI Response**

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# **Energy**

**DETI Response to consultation on Closure of the Northern Ireland  
Renewables Obligation to new onshore wind in 2016**

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March 2016

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# INTRODUCTION

# 1

## Background

- 1.1 On 30 September 2015, the DETI Minister, Jonathan Bell MLA, issued a two week consultation on the proposed closure of the Northern Ireland Renewables Obligation (NIRO) to onshore wind from 1 April 2016. The consultation proposed exceptions to closure in the form of grace periods for onshore wind projects that are able to meet specific criteria.
- 1.2 In issuing the consultation, the Minister explained the rationale for his proposal to align with the approach being taken in Great Britain by the Department of Energy and Climate Change (DECC). This maximised the contribution of the onshore wind sector whilst minimising subsidy costs for energy consumers.
- 1.3 DETI's 30 September consultation proposed following the GB closure position by closing the NIRO to new onshore wind from 1 April 2016. This applied to wind projects of all sizes.
- 1.4 This document is the DETI Response to the consultation in light of DECC's clarified policy position and sets out the decisions adopted.
- 1.5 It also sets out proposals for a further consultation on closure of the NIRO to small scale onshore wind projects.

## DECC Policy Position

- 1.6 In the period since the consultation closed, the Minister sought to secure a more favourable outcome for Northern Ireland and wrote in November 2015 to the Secretary of State for Energy and Climate Change (DECC SoS) informing her of the tenor of the almost 500 responses to the consultation and raising issues which result from her decision on early closure of the Renewables Obligation to onshore wind. The Minister specifically sought further flexibility on the closure of the NIRO to small scale wind generators.

- 1.7 A response was received from the DECC SoS in late December 2015 which reconfirms her position that where there is not an equivalent approach to GB closure in NI then DECC will seek to protect GB consumers by desocialising the costs of NI projects that do not meet the eligibility criteria.
- 1.8 The response received from the DECC SoS in December also confirmed that the cost of projects that do meet the approved development eligibility criteria as set out in the 30 September consultation would continue to be socialised. The vast majority of the existing NI pipeline of onshore wind projects is likely to meet these criteria. In paying for the NIRO, via their electricity bills, NI consumers will continue to benefit from the socialisation of these costs across the UK. This benefit is enhanced because of the favourable obligation level which NI enjoys compared to the rest of the UK.
- 1.9 During January and February 2016 DECC tabled amendments to the Energy Bill which include a “back stop” power to protect GB consumers. The power could be exercised to prevent the use in GB of NIROCs relating to onshore wind which do not meet specified criteria. DECC has confirmed that it intends to exercise this power only if NI does not close the NIRO on equivalent terms to GB or ensure that any additional support is funded by Northern Ireland.
- 1.10 It is DECC’s position that if NI wishes to support onshore wind projects that do not meet the eligibility criteria that are equivalent to those being proposed in GB, it is for NI to cover the costs of these projects. Our assumption is that DECC consider the early closure (also known as the ‘approved development’) criteria as set out in the 30 September consultation as equivalent to GB.

## **DECC Backstop Power**

- 1.11 The backstop power will give DECC powers to prevent GB suppliers from meeting their Renewables Obligation by redeeming NIROCs from projects that do not meet the closure eligibility criteria.
- 1.12 While the impact of DECC’s action cannot be predicted with any certainty there is a risk that it could impact on investor confidence in all NI renewable projects (not just wind) and GB suppliers willingness to buy NIROCs.
- 1.13 The consequence of the power being exercised effectively would be that the only market for these restricted NIROCs would be the NI market. This could lead to a reduction in value of these NIROCs and subsequently impact on project viability.

## **Responses to the Consultation**

- 1.14 The consultation closed on 14 October 2015. In total, 477 responses were received from a range of stakeholders including members of the public, independent generators, developers, trade associations, energy suppliers, and Non Government Organisations (NGOs).

- 1.15 We are grateful to all those who took the time to respond. A list of respondents can be found at Annex B.
- 1.16 Approximately 80% of responses objected to the proposed closure of the NIRO to onshore wind projects in 2016. Approximately 20% of responses supported the proposed early closure.
- 1.17 The majority of the objections were from small scale wind developers, with many submitted on template letters. A number of large scale developers, whilst unhappy with the proposals, sought to have legislation progressed as soon as possible in order to secure financial close.

## **Decision**

- 1.18 Taking account of the December confirmed policy position on NIRO closure at UK level enables a dual approach to be adopted. The 30 September 2015 consultation was based on an understanding that there was an “all or nothing” approach to NIRO closure at that time. Any departure from the agreed UK position would have resulted in the de-socialisation of all costs with significant impact on the level of consumer contribution to the NIRO. Now that the position has been clarified, the Minister has decided on the following approach.
- 1.19 The NIRO will close to new large scale (i.e. above 5MW installed capacity) onshore wind generating stations and existing large scale generating stations adding additional capacity from 1 April 2016 in line with the 30 September consultation proposals. Large scale onshore wind projects seeking to accredit after 1 April 2016 will be required to meet the eligibility requirements set out in the consultation (the ‘approved development’ conditions) and detailed below. This is to provide certainty on NIRO closure for these projects.
- 1.20 Large scale projects that do not meet the eligibility requirements for the approved development grace period in 2016/17 will still be eligible to accredit after 31 March 2016 if they meet the grid or radar delay grace period conditions (see paragraphs 2.11-2.12 for more detail).
- 1.21 In addition the Minister has decided to consult further on closure arrangements for new small scale (i.e. up to and including 5MW installed capacity) onshore wind and existing small scale generating stations adding additional capacity. The NIRO will therefore remain open for the time being for small scale projects until further consultation is completed. This further round of consultation is to enable stakeholders to take into account the possible consequences of DECC’s backstop power, if exercised.

## **Summary of requirements**

- 1.22 The following is a summary of the conditions that have to be met:
- (i) Large scale onshore wind projects seeking to accredit under the NIRO between 1 April 2016 and 31 March 2017 must meet:

- a) the approved development conditions (as set out in the consultation and listed below); or
  - b) the grid or radar delay grace period conditions should they not meet the approved development conditions.
- (ii) Large scale onshore wind projects seeking to accredit under the NIRO from 1 April 2017 must meet the approved development conditions and must meet:
- a) the grid or radar delay conditions; and/or
  - b) the investment freezing conditions.

In line with the position adopted in GB, evidence that all three conditions in (ii) above will allow NIRO accreditation up to 31 December 2018.

1.23 Annex A sets out the above grace periods in terms of eligibility by year.

### **Large scale projects meeting the ‘approved development’ eligibility criteria**

1.24 As indicated above, large scale onshore wind projects which seek to accredit under the NIRO after 31 March 2016 and which meet the approved development eligibility criteria outlined below fall within the policy approach agreed with DECC. Such projects, where applicable, will also be able to access the radar or grid delay grace period during 2017/18.

1.25 These projects must be able to demonstrate to Ofgem at the time of accreditation that they meet the approved development conditions i.e. that they are in possession of the following by the relevant grace period eligibility date:

- (i) Relevant planning permission dated no later than the relevant grace period eligibility date;
- (ii) A grid connection offer and acceptance of that offer, both dated no later than the relevant grace period eligibility date or confirmation that no grid connection is required; and
- (iii) A declaration confirming that, as at the relevant grace period eligibility date, the developer or proposed operator of the station owns the land on which the station is to be situated or has an option or agreement to lease the land or is party to an exclusivity agreement in relation to the land.

1.26 The ‘relevant grace period eligibility date’ is 30 September 2015 for non-cluster connecting generating stations and 30 October 2015 for cluster connecting stations.

## **Small scale projects (up to and including 5MW) – provision of information**

- 1.27 As noted above, DETI will not move immediately to introduce legislation to close the NIRO to new small scale onshore wind from 1 April 2016. Proposals and implications linked to a possible later closure date will be the subject of a further round of consultation.
- 1.28 The legislation to close the NIRO from 1 April 2016 for large scale onshore wind will **not** apply to projects up to and including 5MW total installed capacity. Therefore small scale projects can continue to accredit for the time being, but it should be noted that such small scale projects may be required in due course, to provide information to Ofgem as to whether or not they meet the eligibility requirements set out in the consultation document and listed at para 1.25 above in the event that DECC proceed with regulations to restrict GB suppliers from being able to redeem NIROCs that DECC consider as ineligible.
- 1.29 This is to ensure that projects up to and including 5MW which do meet the criteria in the consultation proposals of 30 September 2015 – which the DECC SoS regards as equivalent to closure proposals in the rest of the UK - can be identified. It should be noted that DECC has already introduced enabling powers on 18 January in the Energy Bill to allow them to restrict GB suppliers from meeting their Renewables Obligation by presenting NIROCs from projects that do not meet the eligibility criteria. DECC has not yet confirmed a timescale for introducing the implementing regulations.

## **Implications of DECC restrictions on GB suppliers presenting certain NIROCs**

- 1.30 The DECC SoS has stated that should Northern Ireland not close the NIRO on an equivalent basis to the rest of the UK, DECC will take steps to protect GB consumers. Previously, this had been referred to as the de-socialisation of costs i.e. the costs for not aligning with GB policy would have to be borne exclusively by NI consumers.
- 1.31 How GB consumers will be protected has since been clarified. The legislation governing the NIRO and ROs in GB allows for the trade of NIROCs and GBROCs across the UK. Therefore, a GB electricity supplier can purchase NIROCs to meet or contribute to its annual obligation (similarly, a NI supplier can do likewise with GBROCs). If NI adopts a different policy approach to GB, DECC will move (via a clause in the Energy Bill) to prevent a GB supplier from meeting all or part of its obligation by presenting NIROCs from an onshore wind generator that does not meet the early closure eligibility criteria.
- 1.32 On the basis of these proposals any project which accredited from 1 April 2016 and which did not satisfy all three eligibility criteria outlined in para 1.25 would not be able to sell their ROCs outside Northern Ireland. As this is a significant change from the assumption upon which the last consultation was based about UK policy and its impact in NI (in respect of

those projects which fell outside the accepted eligibility criteria) a further round of consultation will be undertaken on small scale wind.

## **Implementation**

- 1.33 The legislation implementing the decisions in this response will be set out in a Renewables Obligation Closure Order (Northern Ireland) 2016 which is intended to come into operation in March 2016, subject to the approval of the Northern Ireland Assembly.
- 1.34 The Department has established a NIRO closure working group which brings together industry representatives, NIE Networks, SONI, the Utility Regulator, Ofgem and DOE. The purpose of this group is to provide a forum for all organisations to work together to ensure a managed approach to NIRO closure.
- 1.35 A further consultation on closure of the NIRO to small scale projects will follow.



# GRACE PERIOD CRITERIA – POINTS OF CLARIFICATION

## 2

- 2.1 The consultation sought views on the proposed eligibility and evidence criteria for early closure grace periods. These grace periods would allow new onshore wind projects (and additional capacity) to accredit under the NIRO beyond 31 March 2016.
- 2.2 **The following must be read in light of the decisions outlined in Chapter 1** i.e.
- (i) The NIRO will close to new large scale onshore wind (and existing generating stations seeking to add additional capacity) from 1 April 2016 with exceptions in the form of grace periods.
  - (ii) Large scale onshore wind projects seeking to accredit between 1 April 2016 and 31 March 2017 must meet the approved development conditions or the radar or grid delay conditions.
  - (iii) Large scale onshore wind projects seeking to accredit after 31 March 2017 must meet the approved development conditions **and** must meet the grid or radar delay conditions, and/or the investment freezing conditions.
  - (iv) For the time being the NIRO **will not** close to small scale onshore wind (and existing generating stations seeking to add additional capacity) from 1 April 2016.
  - (v)
- 2.3 The consultation set out the proposed early closure grace period ‘approved development’ conditions. In order to be eligible for the approved development grace period, large scale projects will be expected to demonstrate that they satisfy all of the conditions as of 30 September 2015 for non-cluster connections or 30 October 2015 for cluster connected

projects. The early closure approved development grace period criteria proposed in the consultation was:

- (i) Demonstrate evidence of relevant planning permission dated no later than the relevant grace period eligibility date;
- (ii) Demonstrate evidence of a grid connection offer and acceptance of that offer, both dated no later than the relevant grace period eligibility date or confirmation that no grid connection is required; and
- (iii) Provide a Director's Certificate confirming that, as at the relevant grace period eligibility date, the developer or proposed operator of the station owns the land on which the station is to be situated or has an option or agreement to lease the land or is party to an exclusivity agreement in relation to the land.

2.4 Large scale projects that satisfy the early closure grace period criteria will need to submit evidence outlined above in paragraph 2.3 as part of the accreditation process with Ofgem. There is no requirement to submit evidence to Ofgem in advance of applying for NIRO accreditation.

2.5 There will be further consultation on small scale wind closure.

### **Grace period eligibility dates for 'approved development' condition**

2.6 Whilst the eligibility date for 'approved development' grace period entitlement in GB is 18 June 2015, DETI was able to secure a concession for later and separate eligibility dates for connections to clusters (30 October 2015) and for non-cluster connections (30 September 2015). DECC accepted that the cluster connection policy adopted in NI by NIE Networks and SONI – and approved by the Utility Regulator – is unique to Northern Ireland and therefore merited a later eligibility date.

2.7 However, DECC's view is that the issues facing direct connections are not unique to Northern Ireland and therefore the GB policy position of using an eligibility date to coincide with the consultation publication date was to be adopted for NI.

2.8 The majority of responses which referred to the eligibility dates were of the view that:

- The same eligibility dates should apply to cluster and non-cluster connections.
- The eligibility date should be 31 March 2016.
- No account has been taken of grid saturation in NI which has delayed the connection of many projects, particularly at small scale.

- It was wrong to set an eligibility date which coincided with the publication date of the consultation thus giving no advance warning to allow a project to meet the eligibility date criteria.

2.9 There was some confusion regarding what was meant by an ‘eligibility date’. For the purposes of clarity, ‘eligibility date’ as referred to in the consultation is the date when evidence of meeting the ‘approved development’ grace period condition needs to have been in place. A project will be able to request an early closure grace period at the time of applying to Ofgem for NIRO accreditation. Eligibility date in the context of NIRO accreditation refers to your accreditation date, which for new stations is the latter of your application and commissioning date.

### **Decision**

2.10 The grace period eligibility dates for the approved development condition remain as 30 September 2015 for non-cluster connected generating stations and 30 October 2015 for cluster-connected generating stations.

### **Projects that do not meet ‘approved development’ conditions – grid or radar delay grace period in 2016/17**

2.11 Large scale onshore wind projects that are not able to meet the relevant eligibility date criteria have until 31 March 2016 to accredit under the NIRO.

2.12 Clauses have been tabled in DECC’s Energy Bill which provide for a 12 month grace period to address grid or radar connection delays for projects expected to accredit by 31 March 2016 but are delayed. Accordingly, the same 12 month grace period for grid and radar delays will be included in the corresponding Northern Ireland legislation.

### **Approved development grace period: Eligibility Criteria for NIRO accreditation**

2.13 The consultation set out the criteria for projects seeking to accredit under the NIRO after 31 March 2016. The following details some of the issues raised during the consultation and approach adopted by the Department.

#### **Demonstrate that the project has relevant planning permission dated no later than the relevant eligibility date**

2.14 A number of consultation responses commented on this specific criteria. Comments included:

- Previous policy to have planning approved in advance of grid application has slowed projects in Northern Ireland;

- Clarification sought where planning permission is already in place but amendment is/has been submitted;
- Planning move to new councils has delayed decisions;
- Planning criteria should be based on application submitted by 30 September;
- Planning should include those projects which received a resolution to grant planning prior to the eligibility date but with conditions still to be determined or an Article 40 of the Planning (NI) Order to be completed.

### **DETI consideration, clarification and decision**

- 2.15 The issue of requiring planning permission prior to applying for grid connection was a NIE Networks/SONI policy. The differences between NI and GB grid connection policy were considered, however in order to retain socialisation it was necessary to follow the DECC policy position on planning permission.
- 2.16 Following consideration of the consultation responses in relation to the planning permission eligibility criteria, **DETI has decided that the planning criteria will be introduced as set out in the consultation document.** Therefore, applicants must demonstrate that the relevant planning permission is dated on or before the relevant grace period eligibility date in order to be eligible to accredit up to 31 March 2017.
- 2.17 At the time of applying for accreditation, generating stations will be required to provide evidence that planning permission for the station or additional capacity was granted on or before the relevant grace period eligibility date, and that any conditions as to the time period within which the development to which the permission relates must be begun, have not been breached.

### **Amendments to existing planning approvals**

- 2.18 In relation to amendments to an existing planning approval for a wind turbine, DETI will not move to legislate on this issue. Instead, it will be up to developers to satisfy Ofgem at the time of accreditation that the evidence they have provided for the 'approved development' condition relates to the station their accreditation application is for

### **Planning appeals**

- 2.19 Clauses have been introduced in the Energy Bill to allow GB projects which had planning permission refused at the time of the relevant grace period eligibility date but subsequently overturned on appeal to be eligible for the approved development grace period.
- 2.20 We have considered the possibility of replicating the GB position however we have reluctantly concluded that the lack of a statutory time period for planning appeals to be heard in Northern Ireland combined with

historically different planning/grid policy approach adopted in Northern until recently makes a comparison with GB unworkable.

- 2.21 Any NI projects which are successful in appeal after the eligibility date are in any case unlikely to be in possession of an accepted grid connection offer dated no later than the relevant grace period eligibility date. This is because up to 30 July 2015, evidence of planning permission was required by NIE Networks as part of a grid connection application for generation connections. This policy was subsequently changed following a Determination by the Utility Regulator.
- 2.22 Any solution that would require a later eligibility date for accepted grid connection offers and/or an elongated grace period, would be inconsistent with the eligibility criteria consulted on and hence is likely to be considered as ineligible by DECC. DECC has confirmed that GB suppliers will not be able to redeem NIROCs from any project that is considered ineligible.

**Demonstrate that the project 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**

- 2.23 A large number of consultation responses commented on this specific criteria. The key issues raised were:
- Clarification sought regarding off-grid connections and zero-export connections in relation to the eligibility criteria.
  - Clarification sought where a grid connection offer was made but then withdrawn (i.e. NIE Networks conditional offers).
  - A template NIE Networks/SONI grace period letter needs to be developed now.
  - Lenders require the NIE Networks/SONI grace period letter upfront.
  - Clarity needed where grid connection is made before 31 March 2018 but commissioning and accrediting happens after this date (gap).
  - Clarification sought on projects sharing grid connection with a project which already has a connection.
  - Clusters need to be clearly defined in legislation.
  - Need to protect cluster connections where a project withdraws and risks the cluster build.

#### **Off-grid and zero export connection**

- 2.24 Off-grid connections are connections which are entirely without connection to the electricity network. As no grid connection is necessary, a declaration from the generator stating such will be required by Ofgem along with the

other evidence demonstrating that the project meets the eligibility criteria when applying for accreditation.

- 2.25 It is the Department's understanding that zero export connections are still required to undergo the normal grid connection application process with NIE Networks as an assessment of the impact is still required. Therefore, if a project does not have an accepted grid connection offer for zero export by the relevant date, it will not meet the grace period eligibility criteria.
- 2.26 It will be up to developers to satisfy Ofgem at the time of accreditation that the generating station is off-grid.

### **NIE Networks letter**

- 2.27 Where appropriate, NIE Networks and SONI will issue a letter to those projects which have not received an estimated connection date at the time of accepting a connection offer. This letter is intended to fulfil the legislative requirement for the developer to provide a copy of a document written by or on behalf of the network operator which estimated or set a date for completion of the relevant grid works. Ofgem will provide guidance in due course on what they would expect to see in letters related to the grid or radar delay grace period. It should be noted that Ofgem will not accept any evidence of meeting approved development eligibility criteria or grace periods until an application for accreditation is submitted.

### **Connection and accreditation gap**

- 2.28 Several respondents highlighted possible scenarios whereby a grid connection is made shortly before 31 March 2017 but the generating station still needs to commission and accredit under the NIRO, which may not happen until after 31 March.
- 2.29 There will always be an element of risk that developers must consider when seeking to accredit under any of the three Renewables Obligations. The fact that a station must be commissioned and have submitted an application in order to be eligible for accreditation is a fundamental rule of the Renewables Obligation for all technologies in all circumstances.

### **Shared connections**

- 2.30 Several respondents sought clarification on eligibility for shared grid connections. As a grid application is still required for any further installations to an already approved connection, the project will still have to meet the grid connection eligibility criteria.

### **Definition of cluster connections**

- 2.31 The consultation proposed that onshore wind connecting to an identified NIE networks cluster would have a later eligibility date of 30 October 2015 due to the different connection policy involved. A number of respondents sought confirmation that the 30 October eligibility date refers to both NIE

Networks and SONI connections to an identified cluster. We can confirm that this is the case.

- 2.32 A definition of clusters was also requested by respondents. A precise definition will be included in the legislation in due course

**Provide a Director's Certificate confirming that, as at the relevant eligibility date, the developer or proposed operator of the station owns the land on which the station is to be situated or has an option or agreement to lease the land or is party to an exclusivity agreement in relation to the land**

- 2.33 The Department received very few responses in relation to the proposed development rights eligibility criteria; however a number of queries have subsequently been raised following the closure of the consultation seeking clarity on whether they would meet the criteria based on particular scenarios.

- 2.34 The consultation proposed that the evidence presented should be in the form of a Director's Certificate. This is no longer the case. Instead, the documents required are a declaration by the operator of the station that, to the best of the operator's knowledge and belief, as at 30 September 2015 a relevant developer of the station or additional capacity (or a person connected, within the meaning of section 1122 of the Corporation Tax Act 2010, with a relevant developer of the station or additional capacity)—

- (a) was an owner or lessee of the land on which the station or additional capacity is situated,
- (b) had entered into an agreement to purchase or lease the land on which the station or additional capacity is situated,
- (c) had an option to purchase or to lease the land on which the station or additional capacity is situated, or
- (d) was a party to an exclusivity agreement in relation to the land on which the station or additional capacity is situated.

- 2.35 The Department acknowledges that there may be scenarios which may not clearly fit the criteria set out in paragraph 2.34 and in those situations the applicant may wish to take their own independent legal advice.

## **Investment freezing grace period**

- 2.36 DECC has introduced clauses in the Energy Bill introducing an investment freezing grace period for projects which have met the approved development grace period criteria but have not been able to secure financial investment during the period between the Secretary of State's announcement of 18 June 2015 and Royal Assent of the Energy Bill. This is based on evidence gathered by DECC that certain projects are experiencing an investment freeze whereby financiers are unwilling to lend to projects until Royal Assent is achieved for the Bill due to ongoing legislative uncertainty.
- 2.37 As this grace period was only proposed by DECC after the DETI consultation had issued, it was not included in our list of proposals. Nevertheless, a number of respondents did highlight the DECC investment freezing grace period in their submissions and requested that a similar grace period was needed for Northern Ireland.
- 2.38 DETI is of the view that the uncertainty created by the DECC announcement on 18 June 2015 has led to unavoidable uncertainty in Northern Ireland. If onshore wind projects in Northern Ireland have experienced delays in reaching financial close due to this uncertainty then they should be afforded the same consideration as projects in Great Britain.
- 2.39 In GB, it is proposed that the investment freezing grace period will equate to the length of time from DECC's announcement on early closure i.e. 18 June 2015 until the Energy Act becomes law. This is expected to be a total time of nine months.
- 2.40 DETI has therefore decided to introduce a similar grace period for projects in NI that have been unable to secure financial investment as a result of uncertainty created by DECC's decisions on support for onshore wind. The time period for Northern Ireland projects will be equivalent to the length of time from DECC's 18 June announcement until the Northern Ireland legislation is in place. This is expected to equate to approximately nine months also.

## **How the investment freezing grace period will work**

- 2.41 The policy adopted in Northern Ireland will follow that proposed for GB developers. Projects which satisfy the investment freezing condition must also demonstrate that they satisfy the approved development grace period conditions.
- 2.42 Eligible projects will be able to apply for accreditation:
- (i) In the period 1 April 2017 to 31 December 2017 should they meet the approved development conditions and investment freezing conditions but not require the grid or radar delay grace period.



- (ii) In the period 1 April 2017 to 31 March 2017 should they meet the approved development conditions and the grid or radar delay grace period conditions.
- (iii) In the period 1 January 2018 to 31 December 2018 should they meet the approved development condition, the investment freezing condition and their grid connection estimated date was before 1 January 2018.

2.43 This is set out in diagram format at Annex A.

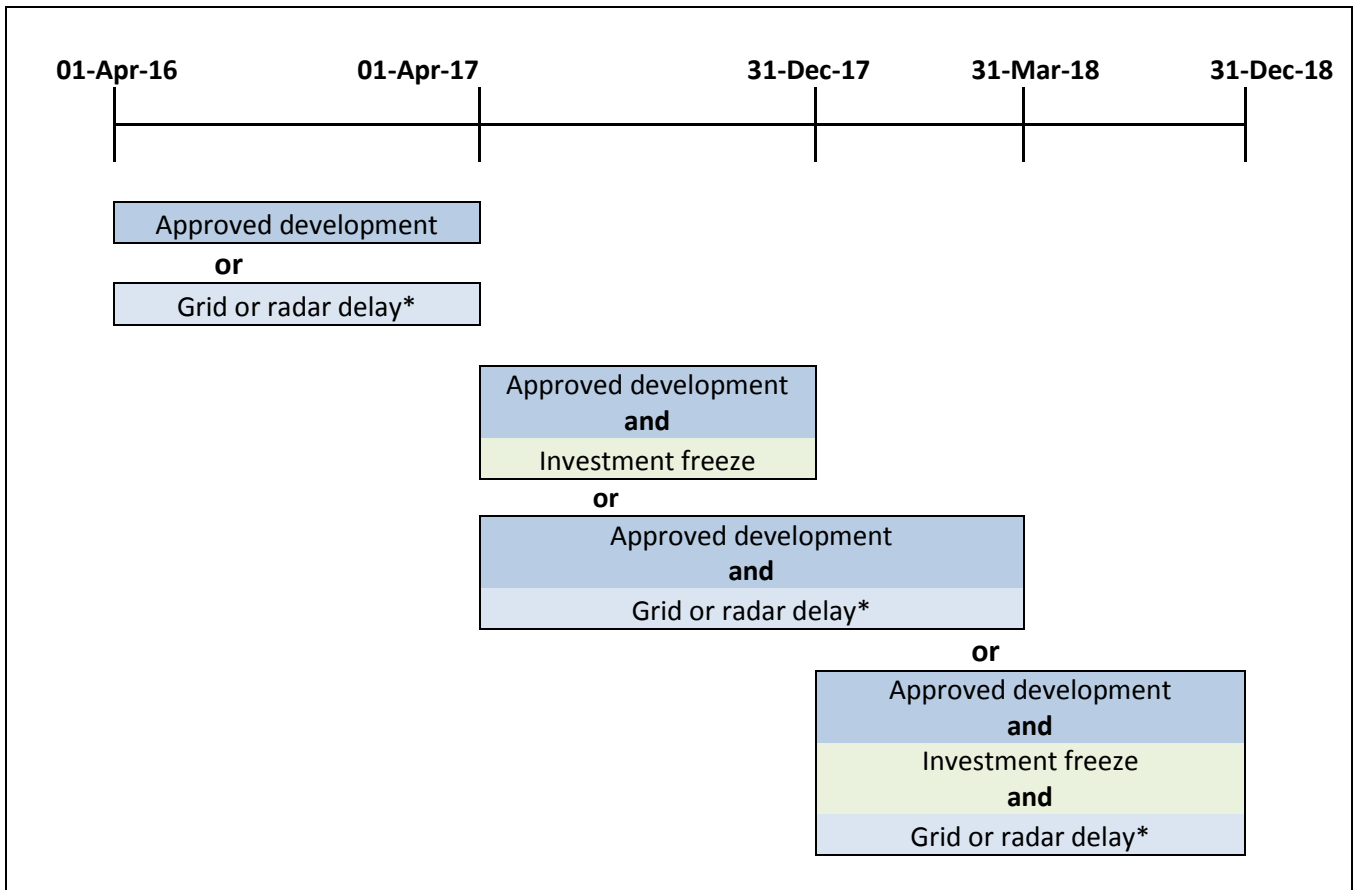
**What will projects need to demonstrate in order to satisfy the investment freezing condition?**

- 2.44 The proposed investment freezing condition requires operators of affected projects to provide a declaration stating that, to the best of the operator's knowledge and belief that as at the date of coming into operation of the Renewables Obligation Closure (Order (Northern Ireland) 2016):
- (a) funding from a recognised lender was required before the station could be commissioned or additional capacity could form part of the station;
  - (b) the recognised lender was not prepared to provide funding until the Renewables Obligation Closure Order (Northern Ireland) 2016 was made because of uncertainty over whether the Order would be made or its wording if made; and
  - (c) the station would have been commissioned, or the additional capacity would have formed part of the station, on or before 31 March 2017 if the funding had been provided before the Renewables Obligation Closure Order (Northern Ireland) 2016 was made.
- 2.45 The operator of the project will also be expected to secure a letter or other document, dated on or before the date which is 28 days after the Renewables Obligation Closure Order (Northern Ireland) 2016 is made, from a recognised lender confirming (whether or not the confirmation is subject to any conditions or other terms) that the lender was not prepared to provide funding in respect of the station or additional capacity until the Order is made, because of uncertainty over whether the Order would be made or its wording if made.
- 2.46 A 'recognised lender' is 'a provider of debt finance which has been issued with an investment grade credit rating by registered credit rating agency'.
- 2.47 The investment freezing condition is intended to work in the same way as existing grace periods relating to the closure of the NIRO. There is no separate application to determine eligibility for the grace period or for the additional time for projects affected by an investment freeze – projects just need to submit the required evidence to demonstrate eligibility at the time they apply to Ofgem to accredit under the NIRO.

## **Investment freeze and grid/radar delay grace periods**

- 2.48 As noted above, there may be projects which satisfy the grid or radar delay grace period condition and the investment freezing condition. Under these circumstances, these projects will have until 31 December 2018 to commission and accredit under the NIRO.
- 2.49 Such projects will be required to provide evidence, in line with that proposed for the 2016/17 and 2017/18 grid or radar delay grace periods, that the relevant grid or radar works were expected to be completed no later than 31 December 2017 but were delayed due to circumstances outside the control of the operator.

Grace periods available and conditions that must be met for a station to be eligible for accreditation under the NIRO grace periods from 1 April 2016



\* Depending on when the grid or radar delay condition is being applied for, the latest date a station should have evidence to meet this condition in place will differ.

## Index of NIRO Consultation Responses

ABO Wind NI Ltd	Invest NI
Action Renewables	IWCM
Advent Wind	Juno
Air Core	Kingspan Wind
Ayr Power Limited	Macwindgen Limited
Ballykeel v2	Manufacturing NI
Ballykeel Wind Farm	Mid + East Antrim
Baranailt Wind Farm	Mistral Energy
BHC Distributers Ltd	MKA Planning Ltd
Brookfield Renewable Ireland	MPG Wind
Broughderg Area Development Assoc	MullanGrid
Calzach	NI Environmental Link
Canavan Associates Ltd	NI Green Party
Carey Consulting	NIE Networks
CD Consulting	NILGA
Creagh Concrete Products Ltd	NIRIG
DOE	North West Wind Limited
Downshire East Area, Lisburn, Castlereagh	NRG Solutions
Duncan Plant (DPC)	Oakdene Renewable Energy Ltd
DW Consultancy Ltd	Ofgem
Energya Wind Technologies Ltd (EWT)	Precision Gear Company
Energia	Rathlin Development & Community Assoc.
Ensix	Renewable NI
First Wind Ltd	RES
Flux Energy Consulting	rm energy
Gaelectric	Robin McCullough + Son
Geini	SDLP
Gusto Wind Limited	Silotank
Holsen Limited	Sinn Fein
Hydropower Ireland	Sixtowns Aware
Innovation Technologies (Ireland) NI	Solar Power NI

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Synergy Wind Ltd  
tci renewables  
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The Green Yard NI Ltd  
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Virogen (2 different responses)  
West Tyrone Against Wind Turbines  
Wind Energy Generation Limited  
Wind NI  
Windmills No1 Limited  
Windmills No2 Limited  
Windwatch NI  
Windyfields

In addition there were 394 responses  
from members of the public.



March 2016

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