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Sent: 10 July 2008 17:29
To: NIRO REFORM 2008
Attachments: B9 NIROC Comments.doc

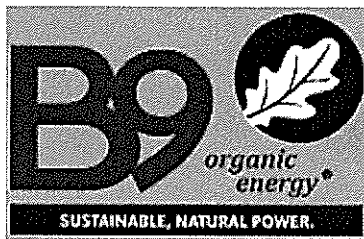
To Malachey McKernan

Sustainable Energy Department of Enterprise Trade and Investment.

Please find enclosed comments by B9 Organic Energy Limited on the Proposed Reform of the Northern Ireland Renewables Obligation.

Best Regards

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24/09/2008



Proposed Reform of the Northern Ireland Renewables Obligation

Preliminary Consultation – May 2008

Comments by B9 Organic Energy Ltd

Submission Date 10 July 2008

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B9 Energy welcomes the opportunity to comment on the proposed reform of the Northern Ireland Renewable Obligation (NIROC).

B9 Energy has been developing renewable energy projects in Northern Ireland for over 15 years. We are well known for wind farms but have also been involved in, wood chip gasification, anaerobic digestion of organic wastes, tidal stream and recently landfill gas power generation projects.

The first UK landfill gas project was developed in 1986 and in the rest of the UK the industry is mature. For political and historic reasons in spite of the NI-NFFO no landfill gas project development occurred in Northern Ireland until very recently and the industry is only now finding its feet under the current economic scenario of 1 ROC per MWh electricity supplied.

We have identified landfill sites in Northern Ireland which could deliver a combined production of over 16MW of constant output renewable power. It is important that this resource is developed because not only is it an important source of renewable energy in its own right, but it can help stabilise the electricity supply grid and stimulate further generation. Power consolidators find it especially useful as it provides the base supply for amalgamation with intermittent sources such as wind.

However the majority of these landfill sites have historically been constructed on *ad hoc* on "dilute and disperse" principles, not engineered for landfill gas containment and collection. As such, not only is the efficiency of collection of the landfill gas reduced but also their rate of gas production will decline more quickly than that of an average landfill site in the rest of the UK. They are also significantly smaller projects with relatively high grid connection costs and so are atypical of the reference projects used in the economic analysis commissioned by BERR. Our own technical and economic analyses suggest that development of the majority will not be viable if proposals to reduce their entitlement to only 0.25 ROCs per MWh are implemented.

Landfill site owners are legally required to install gas collection systems and to flare the gas but rigorous enforcement of this requirement has only recently started. The majority of the sites are owned by local councils so if the projects are not developed not only will the resource will be wasted but capital and operating costs involved in the collection and disposal of the landfill gas will also fall on local ratepayers.

Current "Grandfathering" proposals are that large generating stations must receive Preliminary Accreditation before 1 April 2009 and Full Accreditation by 31 March 2011 in order to qualify for 1.0 ROC/MWh electricity supplied.

Local authority procurement procedures, together with delays in grid connection quotes and Planning will mean that all of these projects will struggle to achieve Preliminary Accreditation before 1 April 2009 and will thus be rendered uneconomic.

Removing the requirement to receive Preliminary Accreditation by 1 April 2009 but retaining the Grandfathering cut off requirement of Full Accreditation by 31 March 2011 will in our opinion just about provide sufficient time and economic incentive to encourage private sector development of this important source of renewable energy.

B9 is broadly in support of the BERR proposals and reform of the NIROC as outlined in the consultation document. However for the reasons stated above we feel that landfill gas projects in Northern Ireland deserve to be treated as a special case and propose an amendment to remove the requirement to achieve Preliminary Accreditation by 1 April 2009 for Grandfathering these projects.