

Francey, David

From: McKernan, Malachy
Sent: 10 July 2008 10:44
To: jasonpatterson@swampni.org.uk
Cc: NIRO REFORM 2008
Subject: FW: NIRO
Attachments: NI ROCS response July 08.doc

Jason

Received with thanks

malachy

Malachy McKernan

Sustainable Energy
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Please consider the environment - do you really need to print this e-mail?

From: Jason Patterson [mailto:jasonpatterson@swampni.org.uk]
Sent: 09 July 2008 15:42
To: McKernan, Malachy
Cc: 'Graham Byrne'; 'Jolene Keys'; david.mckee@armagh.gov.uk; 'Bertie McMinn'; 'David Lindsay'; 'Derek Duncan'; 'Gerry Knox'; 'Jim McCorry'; 'Kevin O'Gara'; 'Lorraine Crawford'
Subject: NIRO

Dear Mr McKernan,

Re: Consultation on Proposed Banding of the Northern Ireland Renewables Obligation (NIRO)

Following your invitation for comments on the NIRO, please find attached our response which has been prepared on behalf of the eight member councils of the Southern Waste Management Partnership.

Kind regards,

Jason Patterson

24/09/2008

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9 July 2008

Mr Malachy McKernan,
Sustainable Energy
Department of Enterprise, Trade and Investment
Netherleigh
Massey Avenue
BELFAST
BT4 2JP.
Dear Mr Hamilton,

**RE: Consultation on Proposed Banding of the Northern Ireland
Renewables Obligation (NIRO)**

Dear Mr McKernan,

1. INTRODUCTION

- 1.1** This response has been prepared on behalf of the eight councils of the Southern Waste Management Partnership (SWaMP) listed below; following your request for comments on the proposals contained in the consultation document.

Armagh City & District Council
Banbridge District Council
Cookstown District Council
Craigavon Borough Council
Dungannon & South Tyrone Borough Council
Fermanagh District Council
Newry & Mourne District Council
Omagh District Council

Individual member councils within SWaMP may also make their own separate responses.

- 1.2 In principle SWaMP agrees that the Northern Ireland Renewables Obligation (NIRO) is the Department's main policy measure for supporting the development of renewable electricity in Northern Ireland, and agrees strongly that the banded NIRO will need to differ from the BERR proposals to take account of NI-specific issues.
- 1.3 It is noted that the current Preliminary Consultation will be followed up by a Statutory Consultation from August to October, with decisions by December.
- 1.4 More specific comments relating to the full range of issues highlighted for consideration are detailed in 2, below:

2. ISSUES FOR CONSIDERATION

- 2.1 SWaMP supports the proposal for emerging technologies including anaerobic digestion, gasification and pyrolysis to be supported by granting these advanced conversion technologies 2 ROCs/MWh. SWaMP would also propose that due consideration should be given to classifying landfill gas as an emerging technology in NI.
- 2.2 In 2008, Northern Ireland's Renewable Obligation is 3%, but the actual production is currently 5% and hence SWaMP agrees that NI should be allowed to trade excess into GB.
- 2.3 The principle of banding has been agreed for the UK. It is noted that both BERR/OFGEM would like to keep the banding as simple as possible, but due consideration must be given to NI-specific issues, including the utilisation of landfill gas.
- 2.4 In 2006/7 40% of UK Renewable Obligations Certificates (ROCs) were generated from landfill gas in GB, there is therefore a well-developed production in GB. It should be noted however that there were no ROCs from LFG in NI, which is also further disadvantaged by the fact that landfill sites are also smaller scale in NI than in GB.
- 2.5 In NI the total electricity capacity is 200MW, with the 2012 target for renewables being 40MW. Of this total, the non-wind target equates to 6MW. The total estimated landfill gas generation capacity is 15MW if all sites are developed, thus helping to enable NI to meet renewable targets if these LFG technologies are enabled.
- 2.6 The UK proposal is to reduce the level of support to 0.25 ROCs/MWh (for new sites) from the current 1ROC. SWaMP believes that this change would greatly disadvantage NI in meeting its renewable targets

- 2.7 It should also be noted that connection costs are high in NI compared to GB, with the average GB connection costing £60k - £100k, whilst NI connections are up to £2m making some sites unviable.
- 2.8 Planning Permission in NI is also more difficult as landfill sites are less remote from housing than in GB and noise control adds an additional cost.
- 2.9 Operational sites in GB will continue to operate at 1 ROC and hence **SWaMP proposes that development of the market in NI would be at a disadvantage unless there was a deferment of the banding proposal until at least the next review in 2011.**

We note that the Department has made no reference to the current legislatively binding sub-regional waste management plans and would advise the Department to liaise closely with the local government waste management groups to ensure a satisfactory way forward.

If we can be of any further assistance please do not hesitate to contact us.

Yours sincerely,



Graham Byrne
Operational Director
Southern Waste Management Partnership

cc SWaMP CTO's