

Mr Owen McMullan
Chairman
West Tyrone Against Wind Turbines

FAO:
Public Accounts Committee
Room 371
Parliament Buildings
Ballymiscaw
Stormont
Belfast
BT4 3XX

RE: Inquiry into Renewable Energy Generation

To Whom It May Concern,

West Tyrone Against Wind Turbines (WTAWT) is a group with mounting concerns about the environmental, health, social and economic impacts of industrial wind plant and related infrastructure. We welcome this opportunity to bring some key points in relation to the recent NIAO Report to the attention of the Public Accounts Committee.

Executive Summary

We concur with NIAO report into Renewable energy that payback periods are achievable in four years or less in some instances.

We would question some of the figures provided in the KPMG report that were supposed to rebut the NIAO report.

We believe performance indicators, cost/ benefit analysis and value for money need to be assessed for Renewables schemes in Northern Ireland

A number of the issues with the NIRO echo those of the RHI scheme and involve the same departments and decision makers therefore we feel there is need for a full independent investigation into renewables in Northern Ireland (to include large scale wind) before any further incentive schemes or policies are written.

NIAO Report

Our group considered some financial aspects of wind energy as we were alarmed at the RHI Inquiry revelations and strongly suspected similar shortcomings with other renewables schemes. Confirmation was found in the recent report from the NIAO which was professionally completed in connection with single turbines and anaerobic digesters. Renewables NI have alleged the NIAO report is "not fit for purpose" citing that "the quality and methodology of research and analysis used to calculate the rate of return for investment in small scale wind projects was deeply flawed", we strongly disagree. Perhaps this should be said of the rapidly produced KPMG report on behalf of Renewables NI, given that the figures presented are based on a dataset that is frequently referred to

but not presented as evidence. This makes affording credibility to the figures presented impossible, hopefully this is something your committee has access to, otherwise the KPMG report cannot be taken as factual.

Even with the limited information we have access to, there are a few points that cause concern. The KPMG report only appears to look at 706 “small scale wind assets” between 100kw -250kw, however the NIAO report stated there were 1,209 small scale standalone turbines in Northern Ireland. We wondered why 503 turbines had been excluded and came to the conclusion they may be Microgenerators which appear to operate without any governance. According to the most recent DFE report “Electricity consumption and renewable generation in NI” (year ending June 2020) none of the departments or organisations involved in the oversight of electricity generation in Northern Ireland appear to know exactly how many microgeneration stations there are, how much electricity they produce (and get paid for) and how much of this electricity they are using themselves or ‘spilling onto the grid’ or indeed generating at all.¹ We also noted that KPMG based their calculations on renewables figures from 2018 when there are more current figures from 2020 available, surely it would be good practice to use the most current figures if available?

The number of stations accredited in NI after the cut off period in July 2016 was extremely concerning with the most common year of accreditation being year ending March 2017. This echoes the RHI scheme therefore we would like to know what checks were carried out to ensure that these turbines were fully operational at the time and still qualified for accreditation? It is also clear from the report that de-rating of larger turbines has become common practice with the most common size of turbine in the report being listed as 224KW. Now that we are aware of this practice (one that was probably never anticipated by the policy makers) we believe there is a need for a new condition to prevent any further applications that take advantage of this loophole. Are there checks in place to ensure that the larger turbines have actually been de-rated? Page 17 of the KPMG report states one of the benefits of repowering turbines as “providing increased energy without additional turbines” an admirable objective given the proliferation of turbines across Northern Ireland but if this is a goal why limit the capacity of the replacement turbines at all?

There are a number of sources that substantiate the NIAO conclusions of subsidies being overly generous and return on investment periods. Invest NI’s literature stated a four-year payback is possible. We believe payback could be achieved in even less than four years as a lot of the small-scale renewables also benefited from grants to purchase, install and create associated infrastructure (also from the public purse through Invest NI grants, Rural Development Partnership for renewable energy schemes and farm diversification schemes). We are not alone in this belief Dr Gordon Hughes recent report and the spotlight investigation team also concur as does the salesperson Ralph Hubert featured on the programme stating payback periods of “3-4 years maximum”. Renewables NI appear to be the only organisation disagreeing and their report does nothing to disapprove it, given the omission of evidence to support their projections and the absence of any grants being declared or other income payments being shown. The cost to purchase and erect second-hand turbines in the KPMG report seems excessively high in comparison to those that dealers and owners are quoting. If these extremely high capital costs and expenses are being used in tax returns and accounts it would explain how the turbines qualify for small business rates relief despite their very lucrative income.

The Requirement for Cost Benefit Analysis.

¹ <https://www.economy-ni.gov.uk/sites/default/files/publications/economy/Issue-16-Electricity-consumption-renewable-generation-northern-ireland-july-2019-june-2020.pdf>

It is clear from the NIAO report that a cost benefit analysis was never properly produced and that cost controls weren't properly implemented. Indeed, it appears that the only performance indicators used to assess the success of renewables is the uptake of the different schemes and the amount of renewable energy available. Given that the schemes were introduced to fill an environmental target, surely one of the key performance indicators and objectives should be the environmental impact? Has there been a positive or detrimental environmental impact e.g., loss of peat bog, effect on protected habitats, bog slide, water pollution etc.? What have the actual CO2 savings and the fossil fuel reductions been, if any, considering the amount of fossil fuels used in the manufacture, transportation, construction, operation and requirement for spinning inertia along with baseload. When all is said and done, we still depend on fossil fuels to guarantee our lights are kept on.

There have been many unsubstantiated claims made regarding the 'cheap and free' energy that is provided by wind, unfortunately consumers are yet to experience this. In real terms electricity prices have increased over the interim years in tandem with the cost of renewables and an associated subsidy harvesting that is beyond reasonable bounds of incentivization.

The perceived economic benefits of renewables have never been retrospectively and independently assessed. Given the fact that no cost saving measures to safeguard the public purse were implemented, together with the admissions and revelations during the RHI inquiry, it is vital that a full independent inquiry is conducted into all other renewable schemes in Northern Ireland. For example, the rates which local councils were promised from wind farms have recently been significantly reduced.

The Hidden Cost of Renewables

There is a need for a separate financial review into large scale wind as it is responsible for the majority of our renewable generation and has not been included in the NIAO report. While we are aware that there is a much smaller margin of difference in the ROC's awarded to large scale wind here and in the UK, there are still vast sums of money involved due to the quantities of energy generated and mostly wasted. There also seems to be quite a considerable difference in other payments which generate substantial and perhaps overly lucrative revenues for large scale wind here such as constraints, curtailment and capacity payments and grants. Coincidentally none of these have been mentioned for the smaller scale renewables but surely, they would also qualify which would reduce payback periods even further?

A recent energy strategy bulletin from the DfE quotes a fuel poverty rate of 22% in Northern Ireland. It further mentions an estimated 43,800 households in extreme fuel poverty. This is remarkably conservative compared to a 2015 report by a charity called 'Age Sector Platform'. The charity stated fuel poverty had contributed to 2,390 extra winter deaths in Northern Ireland over the four previous years. It also stated Northern Ireland had 42% of households in fuel poverty. Given the absurd level of associated subsidy harvesting, this figure will inevitably increase with electricity costs and the impact of Covid19 with job losses and people on furlough schemes.

If the North South Interconnector goes ahead, the cost of which will be passed onto the consumer, the numbers of NI homes in fuel poverty will make drastic reading, a point we highlighted at the PAC (Planning Appeals Commission) hearing for the North South Interconnector in the presence of the Utility Regulator which was an area of concern to the Commissioner. In addition, high energy costs in Northern Ireland have contributed to job losses, especially in the manufacturing sector as highlighted by the loss of 860 jobs at Michelin. The report of the Energy and Manufacturing Group in Northern Ireland into the challenges facing manufacturing which has been with DETI since 24 March

2016, is still a major cause for concern. High energy costs and the funding of renewable energy schemes, continue to have a negative impact in Northern Ireland.

Retrospective economic assessments of the wind programme to date demonstrate loss of jobs in the total economy, a slowdown in economic activity and an increase in the balance of payments deficit. Examples from all around the world clearly show that wind is a major waste of economic resources with no demonstrable benefits, simply unchallenged claims. Something that would have been revealed much sooner if the assessment of cost and benefits against alternatives, required by the legal framework, had been undertaken at the appropriate time. The disbenefits have never been considered, especially the potential for future litigation cases such as the Knock Iveagh wind turbine, Meenbog peat slide, adverse health and personal injury cases associated with wind turbines and associated infrastructure including substations, overhead powerlines and dangerous Battery Energy Storage Systems (BESS).

The Future of Renewables in Northern Ireland

We would like to see these points addressed and other issues surrounding large scale wind energy investigated. We believe there is a need for a further independent enquiry if not a criminal investigation, considering a number of the decision makers involved, were also involved in the RHI scheme.

There were 44 recommendations made by the RHI inquiry. How many of these have been implemented to ensure the same mistakes cannot occur again, given that the same departments will be responsible for future energy policy?

In the interest of transparency and accountability, there is an urgent need for cost control measures and checks to be put in place to safeguard the public purse and deliver value for money for consumers. As the only part of the UK allowed to set its own energy policies, it is vital the issues raised are addressed before any further renewable energy scheme incentives are created.

We are available for further consultation and respectfully request acknowledgement of this submission.

Kind Regards,

Owen McMullan (Chairman)

On behalf of West Tyrone Against Wind Turbines