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RenewableNI response to the Public Accounts Committee Inquiry into the Energy Strategy

Introduction

1. RenewableNI is the voice of Northern Ireland's renewable electricity industry. Our members operate across wind, solar, battery storage and the wider renewable electricity supply chain.
2. RenewableNI welcomed the publication of the Energy Strategy in 2021 and supports its overall objectives and broad direction. While the Strategy is often viewed through an environmental and decarbonisation lens, it is fundamentally about how Northern Ireland delivers the infrastructure, energy security and economic foundations required to support future competitiveness and prosperity
3. Affordable, secure and reliably priced renewable electricity is increasingly a prerequisite for economic growth. Businesses cannot expand, invest or electrify their operations if the necessary network capacity is unavailable or uncertain. Renewable electricity will therefore be critical to Northern Ireland's future competitiveness.
4. It is also becoming an increasingly important factor in investment decisions, with many multinational companies now seeking access to low-carbon and renewable electricity as part of their corporate sustainability commitments, procurement requirements and net zero targets. In many cases, the availability of renewable electricity is no longer just a 'nice to have' for these companies, but a prerequisite for investment and business location decisions.
5. In terms of energy, the main hurdle that Executive departments have to overcome now is delivery. The Department for the Economy (DfE) is the lead department responsible for the Energy Strategy and therefore has overall responsibility for its delivery. However, many of the barriers identified by industry sit beyond the direct control of DfE and require coordinated and collaborative action across Executive departments, planning authorities, local councils, regulators, network operators, North-South bodies and governments across these islands. The effectiveness of the Energy Strategy should therefore be judged not only on the actions of DfE, but on the ability of the wider system to deliver outcomes.
6. Northern Ireland does not lack ambition, strategies, action plans, consultations, policy statements, taskforces or delivery groups. Over recent years, government, regulators, industry and the general public have largely reached an understanding of what is required to deliver the energy transition. The main problem has been turning that consensus on what is needed into tangible progress, which often falls short of the pace and scale required.
7. As a result, many of the barriers identified when the Energy Strategy was first published remain today, including delays to critical grid infrastructure, prolonged planning and consenting

processes, uncertainty over future market arrangements, and challenges in providing investors with sufficient confidence needed to commit capital at the scale required.

8. **The success of the Energy Strategy will ultimately be determined by delivery. The key challenge facing Northern Ireland is no longer identifying what needs to be done, but ensuring that the necessary actions are implemented at the pace and scale required.**

Has the Energy Strategy and its implementation had a positive, negative or mixed impact on your sector?

1. The impact has been mixed.
2. The Energy Strategy established a clearer direction for Northern Ireland's energy transition and helped create the policy basis for the statutory target. It recognised that a decarbonised electricity system must underpin the wider electrification of transport, heat and, where possible, industry. It has also provided an important policy framework for initiatives such as the forthcoming Renewable Electricity Price Guarantee (REPG). RenewableNI advocated for these objectives in its original response to the Energy Strategy consultation and continues to support, as we have done from the start, the 80% renewable generation target.
3. Recent progress on the Renewable Electricity Generation Bill (REGB), which will provide the legislative basis for the REPG, is welcome. Northern Ireland has been without a long-term support mechanism for renewable electricity since the closure of the Northern Ireland Renewables Obligation (NIRO) in 2017. If the REPG passes through the Assembly and remains on course to deliver its first auction round on the current timetable, it will bring an end to almost a decade without a long-term support mechanism for renewable electricity generation. The proposed REPG scheme would provide a clearer route to market and help restore the long-term investment signals needed to develop new renewable generation.
4. RenewableNI's assessment of the 2026 Energy Strategy Action Plan was that it was directionally positive but light on delivery certainty. **However, notwithstanding recent progress on the REGB and REPG, implementation of the wider Strategy has not progressed at the pace required.**
5. Many actions in the 2026 Action Plan were not sufficiently time-bound or measurable, making it difficult to assess progress or hold delivery bodies to account. RenewableNI raised concerns directly with the Department regarding the absence of measurable milestones and clear delivery timelines. The Department has subsequently advised RenewableNI that actions within the 2026 Action Plan remain on course for delivery within the 2026 calendar year. It will be important that progress against these commitments is transparently reported and assessed.
6. The Strategy has provided a clear direction of travel, but its positive impact has been constrained by the gap between policy intent and actual delivery.

What impact, if any, is the current Energy Strategy having on investment decisions within your sector, including business confidence and future investment planning?

1. Investment decisions are ultimately driven by confidence in delivery and the existence of a supportive environment in which to invest.
2. For renewable electricity, and onshore wind in particular, Northern Ireland is often envied internationally as one of the best locations for renewable energy development due to its wind resources. However, world-class renewable resources alone are not enough to attract and retain investment.
3. Investors require confidence and certainty that projects can operate successfully and deliver an acceptable return over the long term.
4. One of the clearest examples is the level of constraint and dispatch down experienced by renewable generators. To maintain a stable electricity system, generators are frequently instructed to reduce output when network limitations prevent electricity from being transported to where it is needed. For some projects, this can end up having significant financial implications.
5. The situation is compounded by the fact that many constrained assets do not yet have firm access, which determines the extent to which generators are protected from the financial impacts of network constraints, including eligibility for compensation when they are prevented from generating. In many cases, firm access is dependent on the completion of critical network reinforcements. However, a number of these reinforcements have experienced substantial delays, in some instances of more than a decade.
6. When making an investment decision, developers will have factored in a certain level of constraint and assumptions regarding when projects would obtain firm access following the delivery of associated reinforcements. What could not reasonably have been anticipated was the scale of dispatch down now being experienced, combined with the extent of delays to infrastructure that underpins those assumptions.
7. As a result, some projects are experiencing financial pressures that were not foreseeable at the point of investment. This inevitably affects wider investor confidence and future investment planning. Investors are looking not only at Northern Ireland's renewable energy resources, but at whether the wider policy, regulatory and infrastructure environment provides confidence that projects can be delivered and operated successfully over the long term.
8. Renewable projects take a long time to come to fruition, from site selection through to land agreements, environmental surveys and impact assessments, planning submissions, consultations with local residents and statutory consultees, securing grid connections and wayleaves, financing and investment approvals, procurement of turbines and other major equipment, and ultimately construction and commissioning. The costs quickly stack up.
9. Some developers have invested significant capital on the basis that a viable route to market was not far away, and have applied for and received grid connection offers which are timebound. RenewableNI is aware of examples where connection agreements are approaching, or have reached, their longstop dates.
10. Developers in this position are facing difficult choices. They must either energise into an uncertain merchant market characterised by high levels of uncompensated dispatch down that were not, and by all accounts could not have been, anticipated when the original investment decision was made, or withdraw from the connection queue. In many cases, withdrawal means

forfeiting the bond paid to secure export capacity, which for large projects can run into millions of pounds, and reapplying for a connection. Reapplying for the capacity and connection is not always possible, as developers may lose their place in the queue and be unable to secure equivalent capacity again.

11. The concerns above are not theoretical. **In 2023, RenewableNI surveyed investors and found that 82% of respondents considered Northern Ireland an unattractive location for renewable energy investment, but all those surveyed said they would invest if the policy environment was more supportive¹.** Both before and since that survey, RenewableNI has repeatedly highlighted to government, the Utility Regulator and SONI that persistent delays to critical network reinforcements continue to undermine investment confidence.
12. RenewableNI has consistently raised concerns regarding repeated slippage in delivery timelines, the removal of estimated completion dates for key reinforcements and the consequences this creates for investor confidence and long-term investment planning. These concerns are compounded by the fact that some reinforcements associated with the delivery of firm access have experienced delays of more than a decade. While developers can reasonably factor a degree of constraint risk into investment decisions, it is considerably more difficult to account for prolonged infrastructure delays and the levels of dispatch down currently being experienced across the system.
13. **The consequences are not limited to the renewable electricity sector. Delays to investment ultimately affect Northern Ireland's wider economy**, reducing opportunities for construction, manufacturing and local supply chains, while slowing progress towards a more secure and resilient energy system. At a time when businesses increasingly seek access to affordable, low-carbon electricity, failure to deliver the infrastructure and policy certainty required risks weakening Northern Ireland's competitiveness relative to neighbouring jurisdictions.
14. Access to renewable electricity is also becoming an increasingly important factor in wider business location decisions. Many multinational companies now seek access to low-carbon and renewable electricity as part of their sustainability commitments and decarbonisation strategies. **Northern Ireland's ability to attract and retain future investment will increasingly depend on its ability to provide both renewable electricity and the infrastructure required to deliver it.**

Are there aspects of the current policy, regulatory or infrastructure environment that are supporting investment or creating barriers to investment?

1. Progress on the Renewable Electricity Generation Bill (REGB), which underpins the Renewable Electricity Price Guarantee (REPG) and will provide the legislative framework for the Department for the Economy to proceed with auctions, is welcome and represents the most significant positive development for the renewable electricity sector in recent years.
2. However, as stated previously, the Bill is only the first step in the process. It must pass through the Assembly during this mandate. If it does not, the process effectively returns to the starting

¹ 2023, [Accelerating Renewables in Northern Ireland](#), RenewableNI

point and risks further delaying investment decisions. Investors will not wait indefinitely for policy certainty. If delivered at a pace consistent with Northern Ireland's 2030 renewable electricity targets, and supported by clear and investable scheme terms, it has the potential to restore confidence, provide a viable route to market and unlock much-needed investment in new renewable generation.

3. While the REPG will be one of the main drivers for future investment, it is not sufficient on its own. Significant policy, regulatory and infrastructure barriers remain and will require coordinated action from government, the Utility Regulator, SONI and NIE Networks if Northern Ireland is to be viewed as an attractive and competitive location for renewable energy investment.
4. Grid capacity and infrastructure delivery continue to be among the most significant challenges facing renewable energy investment in Northern Ireland. Delays to strategic transmission reinforcements, uncertainty around connection timelines and ongoing questions regarding firm access create unnecessary risk and uncertainty for developers, investors and ultimately, both domestic and business customers in Northern Ireland.
5. Timely delivery of NIE Networks' RP7 investment programme, alongside key transmission reinforcements and wider network upgrades, will be essential to supporting renewable deployment, electrification and future economic growth. Delivery will require coordinated action across government, the Utility Regulator, SONI and NIE Networks. While policy frameworks are important, the success of the Energy Strategy will ultimately depend on whether the infrastructure required to support it is delivered.
6. RenewableNI also has significant concerns regarding recent increases in grid connection costs. A number of members have experienced substantial and unexpected increases in connection charges, in some cases exceeding 150% compared to earlier estimates. These increases have emerged with limited advance notice and can fundamentally alter the viability of projects which have already incurred considerable development expenditure. Industry appreciates that costs can change, particularly given recent inflationary and supply chain pressures. However, there must also be greater transparency regarding the drivers of these increases and a willingness to work with affected developers where significant additional costs threaten otherwise viable projects.
7. Planning and consenting also remain key barriers. RenewableNI members continue to report lengthy timescales, delays within statutory consultee processes and uncertainty around decision-making. All of this increases development costs, extends project timelines and further weakens investor confidence.
8. Similar concerns apply within the offshore wind sector. There is strong interest in offshore wind development in Northern Ireland, but progress is currently contingent on enabling policy decisions, in particular the passage of the Offshore Renewable Energy Installations (OREI) Bill. Without this legislation and other actions including the finalisation of the Strategic Environmental Assessment, the Crown Estate is not in a position to proceed with seabed leasing.

9. Progression of the OREI Bill within this Assembly mandate is one of RenewableNI's 10 Key Asks for offshore wind. It would demonstrate there is political backing for offshore in Northern Irish waters, which is crucial for maintaining investor interest in the offshore space.
10. Delays to the progression of the OREI Bill mean it is now unlikely to be enacted during the current mandate. This prolongs uncertainty for developers and investors and risks weakening confidence in Northern Ireland as a destination for offshore renewable energy investment.
11. Other delays to key policy and planning milestones, including progression of the offshore renewable energy programme and associated environmental assessments, have slowed momentum and created uncertainty regarding investment timelines. Investors require confidence not only in long-term policy ambition, but in the timely delivery of the frameworks needed to enable projects to progress.
12. **The Committee should also recognise that electricity infrastructure is increasingly a strategic enabler of wider government objectives**, including housing delivery, economic development, inward investment and regional growth. Delays to electricity infrastructure do not only affect renewable energy projects, they can also constrain wider economic growth and future development.
13. Reliable access to electricity capacity is becoming an increasingly important consideration for investors, businesses and developers across multiple sectors of the economy.
14. The challenges currently being experienced with wastewater infrastructure provide a useful example of the economic consequences that can arise when critical enabling infrastructure does not keep pace with demand. Northern Ireland should seek to avoid similar constraints emerging within the electricity system.
15. The transition is not solely about connecting additional renewable generation. The Energy Strategy also envisages increasing electrification of transport, heat and parts of industry. This will require significant investment in network infrastructure and anticipatory grid reinforcement. Future electricity infrastructure should be planned not only around today's demand, but around the needs of a more electrified and productive economy.
16. At the same time, electrification presents an opportunity. Increased deployment of electric vehicles, smart charging, heat pumps, storage and flexible industrial demand can help absorb renewable generation that might otherwise be constrained or dispatched down. Electrification, flexibility, storage and network investment should therefore be viewed as complementary parts of the same solution. If approached in a coordinated and strategic manner, Northern Ireland can simultaneously support the decarbonisation of electricity, transport, heat and industry while reducing inefficiencies within the electricity system and making better use of renewable generation.

Does the current pace of delivery under the Energy Strategy provide sufficient certainty for businesses to plan and invest?

1. No.
2. While there has been progress in some areas, the overall pace of delivery does not yet provide sufficient certainty for businesses to plan and invest with confidence.
3. Businesses making long-term investment decisions require clarity.

4. RenewableNI welcomes the publication of Energy Strategy Action Plans and associated work programmes. However, there is a clear distinction between identifying actions and delivering outcomes. The effectiveness of implementation should be judged by measurable results and tangible outcomes, rather than by plans, consultations or commitments alone.
5. Developers and investors are well used to managing commercial risk. What is more difficult to manage is uncertainty regarding policy implementation, delivery of the infrastructure necessary to bring their investment to market and project timelines which are dependent on others (e.g., planners, the TSO, DSO and the Utility Regulator). Repeated delays or slippage in these areas can affect investment decisions and undermine confidence that Northern Ireland can deliver on its stated ambitions.
6. Northern Ireland is competing for investment with neighbouring jurisdictions that are progressing renewable support schemes, network reinforcement and planning reform at pace.
7. Until industry sees more consistent delivery across these areas, uncertainty will continue to influence investment decisions and increase the risk that investment is directed elsewhere.

Are there any particular implementation issues the Committee should be aware of when considering the effectiveness of the Energy Strategy?

1. We believe the Committee should view the Energy Strategy as an economic vehicle and infrastructure challenge as much as an energy policy challenge.
2. A recurring issue in Northern Ireland energy policy is a tendency to plan infrastructure around current demand and current system requirements, rather than the needs of the economy and society we are seeking to create. This can end up in a circular problem where infrastructure investment is delayed until demand materialises, while demand growth is constrained by the absence of infrastructure. At some point, one must move first. If Northern Ireland is serious about attracting inward investment, supporting electrification and delivering long-term economic growth, infrastructure investment must lead rather than follow. Investors will not commit capital where there is uncertainty over whether the infrastructure required to support their operations will exist.
3. Treating infrastructure and demand growth as a perpetual 'chicken and egg' problem risks Northern Ireland continually playing catch-up, only delivering infrastructure and policy reforms once constraints have already emerged rather than in anticipation of future need.
4. Much of Northern Ireland's electricity network has its origins in infrastructure developed during the 1940s and 1950s. Those responsible for that investment were not building solely for the needs of their own generation. They recognised that future economic growth and rising electricity demand would require significant expansion of the system and invested accordingly.
5. The same foresight shown by previous generations is required today. Investment decisions should be informed not only by today's needs, but by the electricity needs of an increasingly electrified society and economy over the coming decades.
6. Delivering a renewables-dominated electricity system, supporting economic growth, strengthening energy security and enabling the electrification of transport, heat and industry will require generational investment in associated infrastructure.

7. As has already been stated throughout this response, the problem is not identifying what needs to be done. The challenge is actually delivering infrastructure and reforms at the pace required.
8. The Committee should also consider whether sufficient accountability exists across the many organisations involved in delivering the Energy Strategy. Successful delivery requires coordinated action across all of them. Where progress falls behind schedule, responsibility and accountability should be clear and mitigations should be put in place to minimise delays wherever possible, rather than accepting the delay.
9. **Finally, RenewableNI believes the Strategy should be assessed through tangible outcomes rather than activity alone.** Key measures of success should include infrastructure delivered, renewable electricity connected, connection and reinforcement timelines improved, dispatch down reduced and progress towards the 2030 renewable electricity target. More broadly, the Committee should consider whether implementation is improving investor confidence, strengthening energy security and supporting wider economic growth.



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