Response ID ANON-9F4U-5N4F-5

Submitted to Renewable Electricity Generation Bill
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Introduction

1 What is your name?

name:
[redacted]

2 What is your email address?

email address:
[redacted]

3 Are you providing a submission on behalf of an organisation or business?

Yes

If yes, please provide the name of the organisation or business below:

Kiwind Ltd

Consent

4 Please confirm that you have read the Northern Ireland Assembly Committee's Privacy Notice by clicking the button below.

yes:
Yes

5 How would you like your submission to be published?

Yes. Publish but with my personal information and any content that could be used to identify me redacted.

Clause 1 - Overview of this Act

6 Do you agree that Contracts for Difference should be the basis for encouraging renewable electricity generation?

Yes

If no, how should this clause be amended?:

It would be helpful if there was another type of encouragement for smaller household installations, not just utility scale projects. Current provisions make it prohibitive for a smaller generator to make it possible to take advantage of this type of subsidy as the cost of 'doing business' is more than likely outweigh any costs of signing up to a trader etc.

7 Do you agree that the generating contracts should be managed using a counterparty?

Yes

If yes, who should the counterparty be?:

It should be independent market traders - like in other markets like Germany and France.

If no, how should this clause be amended?:

8 Do you agree that the costs of the counterparty should be met by a supplier levy?

No

If no, how should this clause be amended?:

The levy should be paid by the

9 Do you have any further amendments that you would like to propose to this clause?

clause 1:

The phrase "in the opinion of the Department" gives extremely broad discretion with little objective test.

I'd prefer wording along the lines of:

"...which demonstrably contributes to the reduction of greenhouse gas emissions in accordance with published eligibility criteria.
or at least publish the criteria it will use.

Suggest purpose could be clarified as below; "to encourage investment in low-carbon electricity generation, improve security of electricity supply and contribute to the achievement of Northern Ireland's climate targets."

Whilst Clause 1 provides an appropriate high-level overview of the purpose of the legislation, consideration should be given to strengthening the objectives of the Act by recognising not only greenhouse gas reduction, but also investment certainty, security of electricity supply and the need for regular, transparent allocation rounds. Greater certainty regarding the long-term operation of the CfD regime would improve investor confidence and support the delivery of Northern Ireland's renewable energy targets.

Clause 2 - Contracts for Difference

10 Do you agree that the Department should be able to make regulations in respect of the key terms and payments of the Contracts for Difference?

Yes

If no, how should this clause be amended?:

Yes, in principle. The Department should have the flexibility to make regulations governing the detailed operation of Contracts for Difference, as these mechanisms are likely to evolve over time in response to market conditions, technology developments and experience gained from allocation rounds.

However, given the significance of these regulations to investor confidence and project bankability, it is important that:

there is meaningful consultation with industry before regulations are introduced or amended;
sufficient notice is provided before changes take effect, particularly where they may affect projects already in development;
the methodology for determining key terms (including market reference prices and strike prices) is transparent and based on objective principles; and
changes are made in a predictable manner to maintain confidence in the Northern Ireland renewable energy market.

11 Do you have any further amendments that you would like to propose to this clause?

clause 2 :

As someone involved in project development, I'd also recommend that once a project has secured a CfD, the commercial terms should not be capable of being materially altered retrospectively through later regulations. Investors and lenders will expect regulatory stability over the life of the contract. While the Bill appears to contemplate regulations governing the CfD framework rather than changing existing contracts, it would be helpful if this principle were made explicit or confirmed in the accompanying guidance. That would send a strong signal that Northern Ireland intends to provide a stable investment environment.

Clause 3 - Eligible generators and eligible generating stations

12 Do you agree that the Department should be able to make regulations in respect of the definition of eligible electricity generating activities?

Yes

If no, how should this clause be amended?:

Yes, in principle. The Department should have the flexibility to define eligible generating activities through regulations, allowing the CfD scheme to adapt to technological developments and changing energy policy over time.

However, the eligibility criteria should be developed in close consultation with industry and should be transparent, objective and technology-neutral wherever practical. The criteria should provide long-term certainty for developers and investors, recognising that renewable energy projects typically require several years of development before reaching an allocation round.

The regulations should also avoid unnecessarily excluding emerging technologies or innovative project configurations where they can demonstrate value to the Northern Ireland electricity system and contribute to decarbonisation.

13 Do you have any further amendments that you would like to propose to this clause?

clause 3:

The eligibility framework should remain sufficiently flexible to accommodate a wide range of renewable technologies, including onshore wind, solar PV, co-located battery energy storage, repowering of existing renewable assets and future low-carbon technologies as they mature. This will maximise competition and support delivery of Northern Ireland's renewable energy and security of supply objectives.

Clause 4 - Counterparty

14 Do you agree that the Department should be able to make regulations in respect of the designation of a counterparty?

Yes

If no, how should this clause be amended?:

Yes, in principle. The Department should have the flexibility to designate the CfD counterparty through regulations, as this will allow the most appropriate organisation to be appointed and, if necessary, replaced in the future without requiring further primary legislation.

However, given the central role of the counterparty in administering long-term Contracts for Difference, it is essential that the designated body is financially robust, operationally independent and subject to appropriate governance and oversight. The designation process should be transparent and provide confidence to developers, investors and lenders that contractual obligations will be honoured throughout the lifetime of the CfDs.

Consideration should also be given to ensuring continuity of contractual obligations where a counterparty changes, so that existing CfDs remain fully protected and unaffected by any future transfer of responsibilities.

15 Do you have any further amendments that you would like to propose to this clause?

clause 4:

Northern Ireland is a relatively small market. Rather than creating an entirely new body, I'd encourage the Department to consider whether there are efficiencies in aligning with the existing GB Low Carbon Contracts Company (LCCC) or adopting similar governance arrangements where practical. Using an established model could reduce administration costs, provide greater investor confidence and improve consistency for developers active across both Great Britain and Northern Ireland, while still allowing for Northern Ireland-specific policy objectives.

Clause 5 - Allocation rounds

16 Do you agree that the Department should be able to make an allocation round for Contracts for Difference from time to time and at its discretion?

No

If no, how should this clause be amended?:

No, not without additional safeguards.

While the Department should retain flexibility over the timing and design of allocation rounds, the legislation should also provide greater certainty regarding the frequency of those rounds. Renewable energy projects typically require several years of development, significant upfront investment and long-term financing. Developers and investors therefore need confidence that there will be regular opportunities to compete for Contracts for Difference.

Consideration should be given to requiring the Department to publish a forward timetable or indicative schedule for allocation rounds, together with clear criteria where a round is delayed or not held. This would improve investor confidence, support supply chain planning and reduce development risk while still allowing the Department flexibility to respond to market conditions.

17 Do you agree that the Department should be obliged to publish related notices, issue terms and publish rules and thus make an allocation scheme, at its discretion?

Yes

If no, how should this clause be amended?:

Yes, the Department should be required to publish allocation round notices, standard terms and allocation schemes. Transparency is essential to ensure a fair, competitive and bankable CfD process.

However, these documents should not be issued solely at the Department's discretion. The legislation or supporting regulations should require appropriate consultation with industry prior to significant changes, provide sufficient notice before an allocation round commences, and ensure that the published rules and standard terms remain stable throughout each allocation round.

Developers invest considerable time and capital in preparing applications. A transparent and predictable framework is therefore essential to maintain investor confidence and support effective competition.

18 Do you agree that the Department should make regulations in respect of how generators are to apply and how applications are to be adjudged as successful?

Yes

If no, how should this clause be amended?:

Yes, in principle. The Department should make regulations governing the application process and the assessment of applications, as this provides the flexibility to refine the scheme over time and respond to market developments.

However, the regulations should establish a transparent, objective and non-discriminatory assessment process. Developers should have a clear understanding of the eligibility requirements, evaluation criteria and decision-making methodology before submitting an application. This is essential to ensure fairness, maintain investor confidence and encourage effective competition.

The regulations should also include appropriate governance arrangements, including clear timescales for assessment, publication of key allocation parameters, and a mechanism for applicants to seek clarification or challenge procedural errors where appropriate.

19 Do you have any further amendments that you would like to propose to this clause?

clause 5:

In the absence of a predictable allocation programme, there is a risk that developers defer investment, skilled resources move to neighbouring markets and Northern Ireland falls behind in delivering its renewable energy and climate targets. A regular and transparent CfD programme would provide a stronger investment signal and help build a sustainable local supply chain.

Clause 6 - Allocation scheme

20 Do you agree that the NI electricity grid system operator should determine the outcome of a Contracts for Difference allocation round?

Yes

If no, how should this clause be amended?:

Yes, in principle. The Northern Ireland electricity system operator is well placed to determine the outcome of a Contracts for Difference allocation round, given its technical expertise and understanding of the electricity system, grid constraints and project deliverability.

However, the role should be exercised within a clearly defined and transparent framework. The assessment criteria, decision-making process and governance arrangements should be objective, consistently applied and subject to appropriate oversight to ensure fairness and maintain market confidence.

Where the system operator is responsible for administering the allocation process, appropriate measures should also be in place to manage any actual or perceived conflicts of interest and to ensure that decisions are independently auditable.

21 Do you agree that the allocation scheme devised by the Department and at its discretion should specify the strike price, the setting of targets including how electricity is to be generated?

If no, how should this clause be amended?:

The Department should have the ability to establish the allocation framework, including strike price methodology and allocation targets. However, these decisions should not rest solely at the Department's discretion.

Given their significant impact on competition, project viability and investor confidence, the methodology for determining strike prices, allocation targets and technology eligibility should be transparent, evidence-based and subject to appropriate consultation with industry.

The allocation framework should balance achieving value for consumers with delivering sufficient investment certainty to attract long-term capital into Northern Ireland's renewable energy sector. Any significant changes should be published well in advance of allocation rounds to allow developers adequate time to respond.

22 Do you have any further amendments that you would like to propose to this clause?

clause 6:

The system operator's role in assessing applications should focus on technical and procedural matters, such as eligibility and deliverability, rather than wider policy decisions. Strategic policy matters, including auction budgets, eligible technologies and allocation objectives, should remain the responsibility of the Department.

Clause 7 - Agreements to modify certain standard terms

23 Do you agree that the counterparty and the generator should be able to amend the terms of the Contract for Difference contract in the circumstances specified?

Yes

If no, how should this clause be amended?:

Yes, in principle. Allowing limited amendments to standard Contract for Difference terms is sensible, as it provides flexibility to address project-specific circumstances without undermining the consistency of the CfD framework.

However, the scope for modifications should remain tightly controlled. The legislation or supporting regulations should clearly define what constitutes a "minor" and "necessary" modification to ensure the process is transparent, consistent and applied fairly across all projects.

Modifications should not be permitted where they would materially alter the commercial balance of the Contract for Difference, provide a competitive advantage to an individual project, or undermine confidence in the integrity of the allocation process.

24 Do you agree that the Department should have the power to make regulations to specify how and when the terms of the Contract for Difference contract may be modified?

Yes

If no, how should this clause be amended?:

Yes, in principle. The Department should have the power to make regulations governing how and when the terms of a Contract for Difference may be modified. This will provide the flexibility to establish a clear and efficient process while allowing the framework to evolve over time.

However, the regulations should clearly define the circumstances in which modifications will be permitted, the information required from applicants, the criteria for assessing requests and the timescales for decisions. The process should be transparent, proportionate and applied consistently across all projects.

Any changes to the modification framework should be subject to appropriate consultation with industry and should not undermine the certainty or bankability of existing Contracts for Difference.

25 Do you have any further amendments that you would like to propose to this clause?

clause 7 :

I would support the Department having this power, provided the regulations are about administering a tightly controlled process—not creating an open-ended ability to rewrite commercial terms. The emphasis should remain on preserving the integrity and standardisation of the CfD regime while allowing limited flexibility where genuinely necessary.

Clause 8 - Contracts for Difference notifications

26 Do you agree that Contracts for Difference allocations should be sent to the counterparty?

Yes

If no, how should this clause be amended?:

Yes. The counterparty should receive formal notification of successful Contract for Difference allocations, as this provides the basis for entering into the Contract for Difference and ensures that the allocation process is properly documented and administered.

However, the notification process should be clear, accurate and timely. The information provided should be sufficient to enable the counterparty to issue the Contract for Difference without unnecessary delay, and the process should minimise the risk of administrative errors or inconsistencies.

27 Do you agree with the proposed content of the notification?

Yes

If no, how should this clause be amended?:

Yes, in principle. The proposed notification content provides an appropriate minimum basis for the counterparty to prepare and issue the Contract for Difference.

However, the regulations should clearly specify the information that must be included to ensure consistency, minimise administrative errors and facilitate timely contract execution. The required information should be standardised and published in advance of each allocation round.

28 Do you agree that the Department should be able to, through regulations, vary the content and circumstances of issuing for notifications?

Yes

If no, how should this clause be amended?:

Yes, in principle. The Department should have the ability to amend the content of, and circumstances for issuing, Contract for Difference notifications through regulations. This provides the flexibility needed to improve the operation of the scheme over time and respond to practical experience.

However, any changes should be proportionate, transparent and subject to appropriate consultation with industry where they are material. Notification requirements should remain standardised and should not be amended during an active allocation round unless exceptional circumstances require it.

Developers should also be given sufficient notice of any changes to enable them to prepare applications and financing arrangements with confidence.

This will help maintain investor confidence and ensure the efficient administration of the CfD regime.

29 Do you have any further amendments that you would like to propose to this clause?

clause 8 :

Any revised notification requirements should apply prospectively rather than retrospectively. Projects participating in an allocation round should be assessed against the notification requirements published at the commencement of that round to ensure fairness and regulatory certainty.

Clause 9 - Allocation: offer to contract on standard terms

30 Do you agree that the counterparty should be required to offer to contract with a relevant electricity generator subject to the terms of the notification?

Yes

If no, how should this clause be amended?:

Yes. The counterparty should be required to offer a Contract for Difference to a successful electricity generator in accordance with the information contained in the Contract for Difference notification. This provides certainty that, once a project has successfully completed the allocation process, the contract will be issued on the published terms and at the awarded strike price.

This approach supports transparency, fairness and investor confidence by ensuring that the counterparty acts as the contractual administrator rather than exercising further discretion over whether a contract is offered.

31 Do you agree that the Department should be able to, through regulations, in respect of how the counterparty is to apply or complete the standard terms and in respect of timelines and failure to complete?

Yes

If no, how should this clause be amended?:

Yes, in principle. The Department should have the power to make regulations governing how the counterparty completes and issues the standard Contract for Difference terms, together with the associated timescales and procedures where a contract is not completed.

However, the regulations should ensure that the process is transparent, objective and efficient. They should include clear deadlines for both the counterparty and the successful generator, minimise unnecessary administrative delays and provide certainty to developers, investors and lenders.

The circumstances in which a Contract for Difference may not be completed should be clearly defined and limited to objective matters, such as failure by the generator to meet specified requirements or failure to accept the offer within the prescribed timeframe. The regulations should not permit unnecessary discretion once a project has been successfully allocated a Contract for Difference.

32 Do you have any further amendments that you would like to propose to this clause?

clause 9:

Where a Contract for Difference is not completed, the regulations should provide a clear and transparent process, including defined consequences, opportunities to remedy administrative errors where appropriate, and clarity on whether capacity may be reallocated. This will reduce uncertainty and ensure consistency across allocation rounds. There should also be provision for an appeal process where circumstances outside of the contract holder (grid etc) have hampered the ability to fulfil the obligations of the contract in a timely manner.

Clause 10 - Supplier levy

33 Do you agree that the Department should be able to make regulations to require electricity suppliers to pay a levy to the counterparty to cover the counterparty's costs of making payments to electricity generators under Contracts for Difference including covering losses as a result of insolvency or supplier default?

Yes

If no, how should this clause be amended?:

34 Do you agree that the Department should be able to, through regulations, allow for the exemption of certain electricity supplies from the levy?

Yes

If no, how should this clause be amended?:

Yes, in principle. The Department should have the power to exempt certain electricity supplies from the supplier levy where there is a clear and justified public policy rationale.

However, any exemptions should be transparent, evidence-based and applied consistently. The impact of exemptions on the remaining suppliers, electricity consumers and the overall financial sustainability of the Contracts for Difference scheme should be fully assessed before they are introduced.

The Department should also consult with affected stakeholders before introducing or materially changing any exemptions and should periodically review whether they remain justified.

35 Do you have any further amendments that you would like to propose to this clause?

clause 10:

Particular consideration should be given to the impact of the levy on competition within the Northern Ireland electricity supply market. The levy should be designed so that it does not place a disproportionate burden on smaller suppliers or create unintended barriers to market participation.

Exemptions should not distort competition within the electricity market or create unintended advantages for particular suppliers or customer groups. Where exemptions are introduced, the Department should publish the rationale and expected financial impact to ensure transparency.

Clause 11 - Supplier levy: supplementary

36 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Yes, in principle. The Department should have the power to make regulations governing the operation of the supplier levy, including financial collateral arrangements and the recovery of unpaid amounts. These provisions are important to ensure that the counterparty can meet its obligations under Contracts for Difference and maintain confidence in the financial integrity of the scheme.

However, the collateral requirements should be proportionate, risk-based and applied consistently across electricity suppliers. They should reflect the financial risk posed by individual suppliers and should not create unnecessary barriers to competition, particularly for smaller suppliers.

The recovery of unpaid levy amounts as a civil debt is appropriate, provided there are clear procedures, appropriate rights of appeal and transparency in the calculation and enforcement of any sums due.

Clause 12 - Payments to electricity suppliers

37 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Yes, in principle. The Department should have the power to make regulations requiring the counterparty to return surplus funds to electricity suppliers where appropriate. This provides an important mechanism to ensure that the Contracts for Difference scheme operates efficiently and does not retain excessive reserves.

Where such payments are made, it is appropriate that regulations require suppliers to pass the benefit through to electricity consumers. However, the mechanism for doing so should be transparent, practical and capable of being independently verified.

The regulations should also establish clear criteria for determining when surplus funds should be returned, ensuring that sufficient reserves remain to maintain the financial resilience of the Contracts for Difference scheme.

Clause 13 - Community benefit

38 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Yes, in principle. Community benefit is an important element of renewable energy development and can play a valuable role in supporting local communities, improving public acceptance and delivering lasting social and economic benefits.

The Department should therefore have the power to make regulations governing community benefit arrangements. However, the framework should provide sufficient flexibility to reflect the differing characteristics of projects and local communities, rather than prescribing a single approach for all developments. Details of exactly how to determine which properties in a specified locality should be very explicit - there will be properties that are neighbours to those in receipt of a benefit and this cannot be seen to be the 'developer' as the arbiter of this problem.

The regulations should establish clear principles for transparency, accountability and governance, while allowing generators and local communities

flexibility to determine how community benefit funding can best meet local needs.

Clause 14 - Sums held by, and liabilities of, the counterparty

39 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Clause 15 - Information and advice

40 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Clause 16 - Oversight and resolution of disputes

41 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Clause 17 - Further provision in connection with CfDs

42 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Yes, in principle. The Department should have the ability to make further provision in connection with Contracts for Difference to ensure the scheme can operate efficiently and adapt to future developments.

However, given the breadth of the powers contained within this clause, they should be exercised transparently, proportionately and only where necessary to support the effective operation of the CfD regime. Significant changes should be subject to appropriate consultation with industry and should not undermine the certainty or stability of existing Contracts for Difference.

In particular, where regulations alter the responsibilities of the counterparty, the system operator or other bodies, the Department should clearly demonstrate that such changes improve the efficiency, governance or effectiveness of the scheme and do not adversely affect market confidence.

Clause 18 - Making of Regulations

43 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Yes, in principle. The consultation requirements and Assembly scrutiny provisions provide an appropriate framework for the development of secondary legislation under the Bill.

The requirement to consult the Utility Regulator, the System Operator, the distributor and electricity suppliers is welcomed. However, consideration should also be given to explicitly recognising renewable energy developers, generators, investors, lenders and representative industry bodies as key stakeholders, given that the regulations will directly affect investment decisions and project delivery.

The distinction between affirmative and negative resolution procedures is generally appropriate. However, where regulations made under the negative procedure could have a material impact on the operation of the CfD scheme or investor confidence, the Department should undertake full stakeholder consultation and publish an assessment of the likely impacts before introducing the regulations.

Clause 19 and Schedule 2 - Consequential and other provisions

44 Do you agree with the provisions of this clause and Schedule?

Yes

If no, how should this clause and schedule be amended?:

Clause 20 - Interpretation

45 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Clause 21 - Commencement

46 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Schedule 1 - Designation of other persons to be the counterparty

47 Do you agree with the provisions of this schedule?

Yes

If no, how should this schedule be amended?:

Additional Comments

48 Please provide any additional comments on the Bill you feel should be considered.

additional comments:

We welcome the introduction of the Renewable Electricity Generation Bill and strongly support the establishment of a Northern Ireland Contracts for Difference regime. A well-designed CfD scheme has the potential to significantly accelerate renewable electricity deployment, improve security of supply, attract long-term private investment and assist Northern Ireland in achieving its climate and decarbonisation targets.

Overall, the Bill provides an appropriate enabling framework. However, much of the detail that will determine the success of the scheme is left to secondary legislation. It will therefore be essential that the Department develops these regulations through meaningful engagement with industry and provides a stable, transparent and predictable regulatory framework.

In particular, we encourage the Department to:

provide greater certainty over the frequency and forward timetable of CfD allocation rounds to improve investor confidence;
ensure that regulations are transparent, evidence-based and developed through meaningful consultation with developers, investors, lenders and wider industry stakeholders;
minimise unnecessary administrative complexity and ensure that application, notification and contract award processes are efficient and supported by clear timescales;
maintain standardised and bankable Contract for Difference terms, with only limited and clearly defined scope for modification;
ensure levy arrangements remain proportionate, transparent and appropriate for the scale of the Northern Ireland electricity market; and
provide long-term regulatory stability, recognising that renewable energy projects typically require significant upfront investment and development periods extending over many years.

We also encourage the Department to ensure that the CfD regime reflects the particular characteristics of the Northern Ireland market, including its smaller scale, grid constraints and comparatively limited project pipeline. The scheme should support effective competition while remaining attractive to investors and capable of delivering a diverse pipeline of renewable generation.

We look forward to continued engagement with the Department as the supporting regulations are developed and implemented.

Submit your survey

49 If you provide an email address you will be sent a receipt and a link to a PDF copy of your response.

email:
