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Submitted to Renewable Electricity Generation Bill
Submitted on 2026-10-20 15:49:58

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:

System Operator for Northern Ireland (SONI)

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 in full.

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?:

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

Yes

If yes, who should the counterparty be?:

The financeability of the counterparty to a CfD is critical for guaranteeing revenue certainty for each REPG project for the life of the contract. While SONI does not endorse a specific counterparty, SONI would like to highlight that it would not be an appropriate counterparty for the REGP due to its financeability limitations.

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?

Yes

If no, how should this clause be amended?:

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

clause 1:

Territory that eligible generation is located in: We note that the Bill does not appear to limit the scheme to generation that is located in Northern Ireland nor to generation that could reduce emissions related to electricity consumption that takes place in Northern Ireland. If any generator, or part of a generator, was located outside of NI we would need to know how SONI (or another party undertaking the allocation activities) could verify evidence that those generators can meet any technical criteria, such as grid access or metering data. Additionally, the location of generators has implications on their

ability to obtain a licence from the Utility Regulator or an exemption from DfE. This in turn has implications for SONI entering into commercial agreements. This extends to enforcement of compliance with Northern Ireland Grid Code and SONI's ability to dispatch the generation.

It may be that details on this matter will be set out in secondary legislation. However, given the importance of the issue of the location of generators to grid connections and metering arrangements, SONI's view is that this should be included in the primary legislation. Having this boundary set in primary legislation will support efficient delivery and remove ambiguity for each allocation round. Leaving this issue to secondary legislation creates ambiguity right now and potentially could lead to inconsistency between the secondary regulations/criteria that apply to each auction round of the REPG.

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?:

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

clause 2 :

Bidding behaviours and impact on other markets: While the reference price in the CfD will encourage participation in that specific reference market, by the time these generators are commissioned, there should also be a daily system services market that they can participate in. If REPG generation does not also participate in that market, that cost to consumers will be higher than necessary.

SONI would welcome clear reference within the Bill to bidding behaviour in other electricity markets. The interaction between markets is an important consideration that needs clearly laid out to avoid unnecessary top-ups to generators and to prevent windfalls. This is a complex topic and one of the ways in which the scheme could impact other aspects of the consumer bill. More explicit language in the Bill would make it clear that the DfE has the necessary powers to include bidding or market participation obligations within the standard CfD terms.

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?:

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

clause 3:

Geographic location of eligible generation: The Bill allows the geographic location of generation to be specified. SONI assumes that this relates to broad areas within Northern Ireland (or other territory). From a SONI perspective, the node that the generation is connected to is important. Locational requirements will help manage network capacity for new generator connections. Available connection nodes, bays and network-capacity constraints will be relevant.

SONI would welcome clarity on whether the wording of the Bill relates only to specifying geographic locations (council areas, townlands etc)? Or where "geographic location" may not be specific enough, whether it can also extend to specifying aspects related to grid connections such as substations with availability for connection.

The implications of locational signals in the REPG will need to be assessed. This includes increased network charges that will be allocated to consumers in NI and payments for dispatch down of non-firm generation that cannot be transported to consumers.

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?:

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

clause 4:

With regard to the power to designate a counterparty, SONI would welcome a required assessment of the designated entity's financial robustness to fulfil its obligations in carrying out its role in respect of the Renewable Energy Price Guarantee. Without such an assessment, there is a risk that a counterparty could be designated without adequate consideration of its long-term financeability, potentially undermining the REPG and limiting the effectiveness of the

legislation in attracting the renewable generation required.

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?

Yes

If no, how should this clause be amended?:

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?:

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?:

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

clause 5:

A key consideration from SONI's perspective is the interaction between SONI and the Department for Economy before allocation rounds with regards to network capacity, system requirements and connection arrangements.

Consultation with the System Operator would be valuable as part of the process for determining the volume and timing of allocation rounds. This would help ensure that projects awarded CfDs have a realistic pathway to connection and operation, reducing delivery risks and supporting achievement of renewable electricity targets.

With regard to the allocation rounds for Contracts for Difference, appropriate checks, transparency requirements and consultation requirements should be considered for inclusion in the legislation. Additionally, the legislation could include clarification regarding whether there is a duty to consult stakeholders before making regulations governing allocation rounds. Given the significance of these regulations for electricity consumers, generators, investors and the Northern Ireland electricity system, there would be value in including a requirement for public consultation before key aspects of the CfD framework are established or materially amended. This would help ensure that each allocation round is robust. It will also help to provide greater protection to consumers from a cost perspective.

With regard to the obligation to publish related notices, issue terms and rules to make an allocation scheme, SONI would welcome clarity as to whether this includes an obligation for the Department for the Economy to publish a consultation on the CfD terms or any amendments for each allocation round. Without clear consultation requirements and consumer protection safeguards in the Bill, there is a risk that significant policy decisions could be made without sufficient scrutiny, or that support levels could exceed what is necessary to secure investment.

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?

No

If no, how should this clause be amended?:

Definition of System Operator: With regard to wording in question 20, "Do you agree that the NI electricity grid system operator should determine the outcome of a Contracts for Difference allocation round", SONI is of the understanding that the Bill does not use the term "NI electricity grid system operator" and instead uses the broader term "the system operator" meaning the holder of a licence under Article 10(1)(b) of the Electricity (Northern Ireland) Order 1992 for the whole of Northern Ireland. Clarification of this definition would be beneficial. SONI's view is that this clause should be amended to refer to 'the Transmission System Operator'.

The definition of "system operator" should be clarified in the Renewable Electricity Generation Bill. The proposed definition also includes NIE Networks in its role as Transmission Asset Owner. It could also potentially include the owner of the LirIC interconnector. SONI is currently the only holder of an NI Transmission Licence that contains a condition pertinent to the REPG. We therefore suggest that the definition of "system operator" in the Bill be amended to include a reference to a holder of a licence that permits them to deliver activities related to the REPG.

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?:

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

clause 6:

Inclusion of technical criteria in each allocation scheme: The Bill appears to only provide the Department for the Economy with the ability to include commercial matters with each allocation scheme. Technical/non-commercial criteria such as grid access or planning permission will also need to be specified within each allocation scheme to ensure that only viable projects are able to bid. We would welcome confirmation regarding explicit powers to include wider criteria or prerequisites for participation in each allocation scheme.

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?

No

If no, how should this clause be amended?:

SONI's understanding is that inclusion of this clause means that modifications (which will need to be minor and necessary) will be allowed to enable more participation in the REPG auctions. However, standard contractual terms for a CfD under the REPG provide a level playing field for participation in competitive allocation rounds. The option for individual modifications are not permitted in other electricity market related auctions (such as the Capacity Market). SONI would therefore query whether modifications to standard terms are necessary for the REPG.

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?

No

If no, how should this clause be amended?:

As previously mentioned, SONI's understanding is that inclusion of this clause means that modifications (which will need to be minor and necessary) are allowed to enable more participation in the REPG auctions. However, standard contractual terms for a CfD under the REPG provide a level playing field for participation in competitive allocation rounds. SONI would therefore query whether modifications to standard terms are necessary for the REPG.

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

clause 7 :

No

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?:

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

Yes

If no, how should this clause be amended?:

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?:

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

clause 8 :

No

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?:

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?:

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

clause 9:

SONI would welcome clarity on the interaction between Clause 7 (modifications of standard terms) and the requirement for the counterparty to offer to contract with a relevant electricity generator subject to the terms of the notification. The Bill appears to require the counterparty to offer a contract to a successful electricity generator on the terms set out in the notification. However, Clause 7 allows for the modification of certain standard terms. It is unclear how these two provisions are intended to operate together in practice. SONI would welcome greater clarity in this legislation regarding how the obligation to contract on standard terms is reconciled with the ability to modify those terms under Clause 7, and what safeguards will be in place to ensure consistency, fairness and value for money for the consumer.

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?

Not Answered

If no, how should this clause be amended?:

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

clause 10:

No

Clause 11 - Supplier levy: supplementary

36 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

Clause 12 - Payments to electricity suppliers

37 Do you agree with the provisions of this clause?

Not Answered

If no, how should this clause be amended?:

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

39 Do you agree with the provisions of this clause?

Not Answered

If no, how should this clause be amended?:

Clause 15 - Information and advice

40 Do you agree with the provisions of this clause?

No

If no, how should this clause be amended?:

The Bill provides the Department for Economy with wide ranging powers to draft regulations that could force the disclosure of information by a wide range of private companies on any topic. In SONI's view, a more proportionate approach for consideration would be for the provision of information powers to be limited to matters related to the REPG. SONI welcomes the intention of Clause 15 but considers it important that any information-sharing obligation is consistent with SONI's existing licence obligations relating to confidential and protected information. Information obtained by SONI in the course of carrying out its licensed functions is subject to established confidentiality and use restrictions, designed to protect commercially sensitive information and prevent the conferral of unfair commercial advantage. Any statutory power or duty to provide information or advice should therefore be accompanied by clear limitations and safeguards to ensure consistency with those existing obligations.

Clause 16 - Oversight and resolution of disputes

41 Do you agree with the provisions of this clause?

No

If no, how should this clause be amended?:

SONI would welcome further detail in relation to the following: Who is responsible for monitoring and reviewing, who is responsible for appointing them and who is responsible for paying them? As currently drafted, Clause 16 (6)(7)(8) keeps several options open. If SONI is appointed or required to contract with the monitor and/or reviewer, we would require appropriate licence modifications and funding to perform these roles.

16.1.c states that a report is to be submitted only "if the monitor considers it appropriate to do so". As currently drafted, SONI is of the view that this introduces uncertainty and risk. We would welcome consideration and clarity on whether this report should always be submitted.

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?:

Clause 18 - Making of Regulations

43 Do you agree with the provisions of this clause?

Yes

If no, how should this clause be amended?:

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?

No

If no, how should this clause be amended?:

Definition of System Operator: There is currently ambiguity in the Renewable Electricity Generation Bill regarding the definition of "system operator". The proposed definition also includes NIE Networks in its role as Transmission Asset Owner, . It could also potentially include the owner of the LirIC interconnector. SONI is currently the only holder of an NI Transmission Licence that contains a condition pertinent to the REPG. SONI recommends that this ambiguity is removed by amending the definition of "system operator" in the Bill to include a reference to a holder of a licence that permits them to

deliver activities related to the REPG.

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?:

There is currently no mention in Schedule 1 of the process for choosing a new counterparty. Given SONI will need to provide a counterparty with data, we recommend that the Bill includes details on how this decision is to be made, and whether the the TSO needs to be consulted.

Additional Comments

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

additional comments:

Certainty around cost recovery: Other legislation (e.g. the European Network Codes) explicitly provides TSOs with certainty around the recovery of costs incurred when implementing the legislation. While the costs incurred by the counterparty are guaranteed by this Bill, the System Operator costs are not. SONI would welcome the precedent set in other legislation being applied here, via wording to ensure that SONI has a right to recover the costs that it incurs when delivering all of the responsibilities and activities allocated to it by the Department for the Economy under this legislation. This should include the costs of providing analysis and information to the Department for the Economy and Utility Regulator in the context of the scheme.

Costs associated with disputes: In addition to costs associated with processing the allocation scheme and providing information to the Department for the Economy and Utility Regulator, SONI will also be involved in any disputes that arise. It is important that SONI has certainty in its ability to recover the legal costs in relation to these disputes. The role envisaged for SONI by the draft legislation may increase the number of disputes that we are exposed to by the very nature of the activities we would be undertaking and the potential commercial rewards for parties participating in the allocation process. This will therefore increase SONI's financial risk exposure and could impact our overall financeability. We would welcome clarity in the legislation that the System Operator has the right to this cost recovery.

Ongoing engagement with SONI is required in the development of the subordinate legislation: A large proportion of the operational detail of the Renewable Electricity Price Guarantee will be established through subordinate regulations rather than in this Renewable Energy Generation Act. SONI welcomes continued engagement with the Department for the Economy during the drafting of this subordinate legislation. Decisions relating to generator eligibility, metering arrangements, connections policy, locational considerations, and auction capacity volumes will have implications for the operation and development of the power system. Early and ongoing engagement with SONI will help ensure that the framework takes account of network capacity, system security requirements and the practical challenges associated with integrating increasing volumes of renewable generation while maintaining security of supply. This will ultimately support the efficient delivery of renewable energy targets while enabling SONI to continue performing its statutory role of operating the transmission system in a safe, secure and economic manner, and ensuring that consumers receive maximum value from the scheme. SONI is committed to ongoing engagement with the Department for the Economy, and to supporting it throughout the process of developing and implementing the subordinate legislation.

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:
