

NORTHERN IRELAND CHAMBER OF COMMERCE AND INDUSTRY

Response to SONI, Shaping our Electricity Future - June 2021

1.0 BACKGROUND

With 1,000 members, representing almost 105,000 employees, NI Chamber has supported the development of the economy for almost 240 years and is 100% funded by the private sector. We work across all of Northern Ireland, helping SMEs to grow and export and larger firms to thrive.

Our membership spans businesses across key sectors including manufacturing, construction, professional services and a broad range of wider services. We consult with these members on a regular basis, around all issues/concerns that they face in doing business locally, nationally and internationally.

NI Chamber and our members are committed to the decarbonisation of the Northern Ireland economy as we move towards net zero carbon emissions by 2050. We also recognise that the deployment of increased levels of renewable energy generation in the coming years will help attract investment and create jobs across Northern Ireland while supporting the green economic recovery.

2.0 NI CHAMBER RESPONSE

NI Chamber commends SONI for its engagement and outreach on how the electricity transmission grid can be developed to handle at least 70% renewable electricity by 2030. We would also like to thank SONI for the direct engagement undertaken with NI Chamber and our members on this consultation, which has improved our understanding of the issues being considered and has helped to inform this response.

NI Chamber also appreciates the clarity given by SONI in outlining the four approaches to prepare Northern Ireland's grid for clean electricity. The scale of the challenge is made clear and we note the numerous variables at play in getting this to work whether it be government/regulation policy, cooperation from the generation sector, planning, extent of project investment, safety, security of supply, timing and other considerations.

SONI have clearly set out the challenges, provided a clearly defined set of approaches to developing the grid and made the scale of the challenge clear. What is important now is to be pragmatic about where the key priorities are that will make the biggest impact towards the 2030 target, set out what support is needed to drive these priorities and ensure that all key stakeholders are bought into making this deliverable in time and to scale.

Having reviewed all four options, **NI Chamber concludes that it is not just one of these options that will be successful and our members would like to know whether there is scope for a more blended approach going forward.**

For example, SONI has already demonstrated through its engineering expertise and innovative approach that it can drive world-leading levels of renewable electricity on the system that has enabled Northern Ireland to achieve 49% renewable electricity consumption in 2020. The positive relationship with the renewable energy sector here has and will continue to be critical in preparing the grid for 2030. We would emphasise the need to ensure the continued role of the renewable energy sector in that journey.

Separately, NI Chamber would raise some concerns about the prospect of SONI adopting a 'Demand-Led' approach to grid development in the coming years. These concerns primarily relate to the fact that based on this approach, the future locations of large energy users and associated investment will effectively be determined by the condition of the electricity transmission network.

While it is noted that this is presented as the most cost-effective option, it is our view that decisions regarding the location of these types of developments must involve the consideration of other factors and input from other stakeholders. Directing all new, large energy users to the north and west of Northern Ireland will create competitive disadvantages for other areas that will be unable to attract these types of investments as a result.

3.0 CONCLUSION

Nine years is a relatively short period when it comes to infrastructure investment. We know from experience that trying to deliver on time and in budget in Northern Ireland is extremely challenging. This is where we believe there needs to be a step change in how Northern Ireland delivers on its renewables and net zero commitments. The planning process is a particular concern but there are also issues around legislation, budgets, project management and policy. We appreciate that SONI has conveyed that sense of urgency to the Department for the Economy, Economic Committees and others and NI Chamber is keen to do as much as possible to support that urgent drive for the delivery of new infrastructure investment.

Once again, we commend SONI for the work carried out to date on the Shaping Our Electricity Future consultation and we appreciate the opportunity to make a submission. We appreciate SONI's candor around the disruptive nature of change and the implications for consumers and business. This makes the planning aspect of the investment all the more important because our members and the wider business community need security of supply because it can have tangible impacts on production, sales, costs and delivery.

We look forward to continued discussion with you as you work towards publishing a finalised Strategy.

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