
Rural Network NI

Power NI

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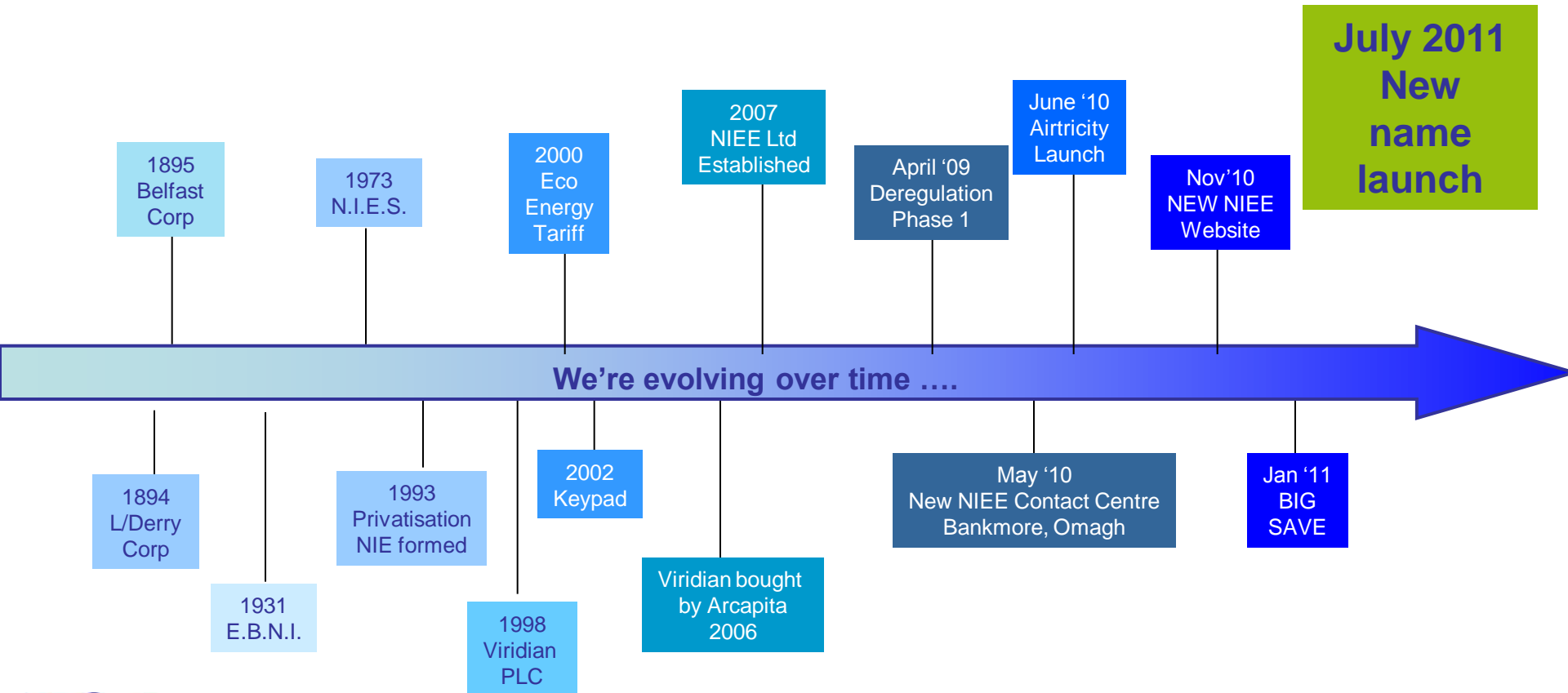


Power NI

- The new name for NIE Energy
- Offices in Belfast, Omagh & Ballymena with 140 staff
- We have a licence to supply electricity for both domestic and small business customers
- We supply c.732,000 customers
- We offer a range of customer energy services, for example, boiler servicing, insulation, solar water heating, solar PV, air source heat pumps.



Our heritage



**More than just your
energy supplier**

Power NI – where we are now

New name, same great company.

Still committed to:

- delivering value above and beyond price
- helping our customers to save energy and money
- stay up-to-date with energy efficiency
- contributing to our communities
- staying in tune with customers' needs and wants
- supporting the local renewable energy industry



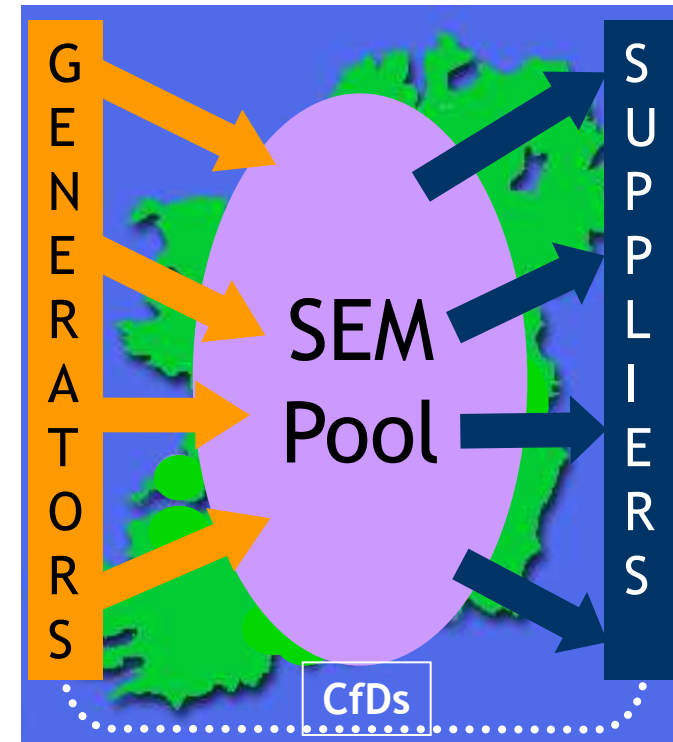
Options for selling electricity

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1. Participate in the Single Electricity Market (SEM)
 2. Enter into a Power Purchase Agreement (PPA) with an electricity supplier
 3. Avail of Power NI's Generation tariff



Single Electricity Market

- Generators under 10MW have a choice of selling their electricity through the Single Electricity Market and receiving SMP – a variable rate for their output that all generators receive.
- Generators must sign up to quite onerous market rules and requirements eg posting credit cover.
- Would need a ‘relevant arrangement’ with a supplier to get ROCs.
- It is not usual for smaller generators to join the SEM.



Bilateral agreement (PPA)

- Generators under 10MW do not have to sell their output through SEM but rather can enter into a bilateral agreement with a supplier.
- Power NI is actively seeking bilateral agreements with generators of a reasonable size for:
 - Electricity output and all other green benefits
 - Renewable Obligation Certificates (ROCs)
- This would be negotiated and would be for a fixed term, eg 2-5 years, and settled on a monthly basis.
- The rates would be based on agreed percentages of outturn SMP and decisions about ROCs – generators would be offered either buyout price and recycle fund or monthly auction.
- This allows the generator to benefit from any upside in market prices, but also exposes them to the downsides. ie it is reflective of the market



Generation tariff

Power NI Generation tariff

- Power NI is keen to support the local renewable energy industry and has had a Generation tariff in place since February 2006.
- Over 800 generators are currently registered ranging from 1kW solar PV systems to wind turbines and hydro generators.
- Two different products are available depending on size of generator – flat rate and market tracker (new from 1 October 2011).



Power NI Flat Rate (up to 50kW)

Export

- Power NI offers a published tariff for generators up to 50kW. This tariff offers a fixed price for export and ROCs for a year (must be together).
 - The flat rate from 1 October 2011 is 6.39p/kWh
- This rate is based on forecast market rates, so Power NI takes the risk for the year. The tariff is approved in advance of the tariff year (1 October) by NIAUR.
- Generators must apply to Power NI by following a simple application process.

ROCs

- Power NI acts as an Ofgem agent for generators up to 50kW and ROCs are issued once a year (usually July).
- Generators must provide Power NI with information to assist with the application process but Ofgem have ultimate responsibility for accrediting stations and issuing ROCs.
- ROC price for 2011-2012 is 4.3p/kWh but different generators can avail of different levels of ROCs (banding levels are set by DETI).



ROCs

- ROC banding levels are decided upon by DETI and legislation is required to make changes.
- Ofgem accredit stations on behalf of DETI at the appropriate level.
- Power NI will pay generators for ROCs depending on the ROCs issued by Ofgem.

		Banding level
Existing microgenerators		2 ROCs
Wind	Up to 250kW	4 ROCs
	250kW – 5MW	1 ROC
Photovoltaic (PV)	Up to 50kW	4 ROCs
	50kW – 5MW	2 ROCs
Hydro	Up to 20kW	4 ROCs
	20kW – 250kW	3 ROCs
	250kW – 1MW	2 ROCs
	1MW – 5MW	1 ROC
AD	Up to 50kW	4 ROCs
	50kW – 500kW	4 ROCs
	500kW – 5MW	3 ROCs
Biomass	Up to 50kW	2 ROCs
	50kW – 5MW	1.5 ROCs



Power NI Market Tracker (50kW-250kW)

Export

- This product is designed for generators between 50-250kW.
- Generators must have half hourly online meter.
- Generators will receive an export price which will reference SMP (price changes every half hour).
- Power NI receives meter data every month and it is settled against monthly SMP prices.
- Power NI pays generators every month and also can issue half hourly information.

ROCs

- Generators over 50kW must be responsible for their own ROC administration.
- Generators who are registered for market tracker have an option for managing their ROCs:
 - ROC auction – Power NI will auction ROCs on behalf of generators through monthly NFPA auctions (www.nfpa.co.uk)

OR

- Generators can choose to accept a proportion of the ROC buy-out and recycle fund.



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The same, but better