

# Belfast Harbour

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[REDACTED]  
Department of Energy & Climate Change  
Area 4C  
3 Whitehall Place  
LONDON  
SW1A 2HD

25 November 2010

Dear [REDACTED]

## CONSULTATION ON THE PROVISION OF THIRD PARTY ACCESS TO LICENCE EXEMPT ELECTRICITY AND GAS NETWORKS

Belfast Harbour Commissioners welcome the opportunity to comment on the consultation document published in mid October.

Belfast Harbour handles 60% of Northern Ireland's sea borne trade and is a vital gateway for raw materials, exports and consumer goods for the entire island. The Port is also Northern Ireland's leading logistics and distribution hub and is home to many well-known local businesses such as the George Best City Airport, Harland & Wolff, Bombardier, Odyssey, the NI Science Park and Titanic Quarter.

BHC considers that the consultation proposals could have a serious financial and operational impact on port businesses.

### Background

Given the significant lead times associated with the purchase and implementation of additional electricity supplies (up to 2 years within the NI electricity supply market) BHC adopts a policy of investing in such electricity acquisition and its associated distribution in order to have appropriate electrical infrastructure in place to support business development opportunities. For example, BHC is currently investing circa £2.5m to install 15MW of electrical supply to a 56 acre development site within the Harbour Estate to supply a fully serviced site in anticipation of future Port and Harbour Estate capacity projects.

BHC through a regular open tendering process is able to purchase electricity in bulk and at high voltage to obtain the best possible prices. Such contribution enables the Port to offer electricity to customers at competitive prices and still achieve a contribution towards electricity infrastructure investment.

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### Comments

BHC is concerned that the implementation of the Third Party Access legislation in its current form will impair our ability to invest "ahead of the project curve". Without such an approach development opportunities might be delayed or lost with an associated detrimental effect on the wider NI economy, particularly in respect of attracting inward investment projects.

The proposed Third Party Access Legislation will increase costs to the port and existing customers in a number of ways:

- Administration cost increases associated with responding to access requests and with managing the resulting more complex, distribution of electricity;
- Electricity purchase cost increases for existing customer associated with the diminution of bulk purchasing potential for future contracts and indeed the infringement of price break volumes in existing contracts;
- Maintenance costs and distribution costs. It should be noted here that Ofgem have not yet established how tariffs will be set.

Given the potential negative impact on existing electricity customers and the potential impairment of the Port's ability to invest to attract future business, BHC request that DECC reconsider the proposed approach.

BHC would suggest that given the regular open tendering of electricity and the existing or future customers ability to connect directly to the national grid there is no requirement for Third Party Access provisions.

If the determination is made that such regulations are required BHC would request:

- Mechanisms are established to ensure that there is no negative cost impact on the Port and its existing customers;
- DECC review the proposed 3 weeks response time as this is wholly inadequate.

Yours sincerely

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