

**Consultation on Funding for  
Grid Upgrade Development Programme for renewables.**

**Submission by Airtricity**

Airtricity welcome the opportunity to comment on the CER consultation on Funding for Grid Upgrade Development Programme for renewables. The input from airtricity is highlighted in the following sections:

1. Airtricity supports the Funding of Grid Upgrade Development Programme for Renewables
2. Airtricity supports the establishment of the fund and recovery of the fund through the TUoS charges
3. Airtricity comments on the conclusions of the Steering Group as follows:

| <i><b>Conclusion of Steering Group</b></i>   | <i><b>Airtricity Comments</b></i>   |
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| The grid upgrades should be planned by reference to perceived demand for shared infrastructure;  | Airtricity supports this conclusion however upgrades should include provision of equipment to allow turbine compliance with grid code.                          |
| Perceived demand should be based on clusters with two or more projects with full planning permission intending to connect to the upgrade;  | Airtricity supports this conclusion, however significant changes in planning permissions granted may have changed the emphasis on particular cluster locations. |
| The prioritisation of clusters for investment support should operate on a first come first served principle subject to compliance with minimum requirements with a fall back selection criterion in the event of simultaneous applications exceeding the available fund; | Airtricity supports this conclusion   |
| The first come first served principle should apply to any project compliant with the qualifying criteria, at that time;  | Airtricity supports this conclusion   |
| Project developers should be charged under reasonable assumptions for the capacity reserved as a proportion of the grid upgrade built.   | Airtricity supports this conclusion   |

4. Airtricity recommends that the Steering Group recommendation for five clusters should be re-confirmed in light of developments since the work was completed in 2001. There are many new planning permissions.
5. The terms of reference for the Steering Group was for the “identification and selection of grid upgrades in certain areas.” From the document it seems that the concept of Grid Upgrades is limited to extending grid lines. The key obstacle to attainment of 578MW of connections from AER 6 will be the ability of current turbine technology to comply with the grid code, some of this compliance with the grid code will not be possible without additional equipment. Airtricity recommends that the issue of Grid Upgrades should include additional equipment required to enhance compliance with the Transmission System Grid Code.
6. Airtricity supports the rapid implementation of the Grid upgrade development programme, in at least one instance ESB Networks, appears to be delaying the provision of a network connection at 38kV in favour of a funded 110kV connection. This type of situation must be resolved quickly.
7. In relation to the envisioned upgrades on the network, Airtricity recommends that all work be publicly tendered to ensure the best value for money.

8. In the absence of access to the Grid Upgrade report it is impossible to comment on the specific clusters or the work programme, however given the numbers of planning permissions in certain areas in Donegal, Galway and Limerick, Kerry a number of clusters are likely to be in these areas. Airtricity is familiar with approximate costs for grid connections and planning permissions in these areas, the allocation of €300,000 in 2003 seems very minimal in the context of 5 clusters. An acceleration of the need to complete grid connections will be required, with the recent announcement of the AER 6 programme.