

19th February, 2003

Ms Clare Beausang
Commission for Energy Regulation
Plaza House, Belgard Road
Tallaght, Co. Dublin

Dear Clare

RE: CER/03/016 Funding of Grid Upgrade Development Programme for Renewables

The Commission's invitation for comment on the funding of grid upgrade development programme for renewables refers.

On behalf of ESB National Grid I would like to make a number of general comments:

1. ESB National Grid is broadly supportive of the connection approach, as referred to in the consultation paper, whereby clusters of renewable energy projects would be connected to the transmission grid via a single node on the transmission system.
2. We assume that the DSO will adhere to the normal connection processes regarding connection of these distribution stations to the transmission system.
3. One small point is that 'EirGrid' should be replaced by 'ESB National Grid' in the document.
4. Given that the funding will cover both distribution and transmission assets, why is it proposed that the funding be recovered under TUoS, rather than DUoS ?
5. If the funding is to be recovered under TUoS:
 - ◆ who will claim the EU grant - the TAO or the TSO ?
 - ◆ we presume that the fund will be collected by the Transmission Asset Owner element of the TUoS tariff.

The following comments are made on basis of our understanding as a result of our involvement as a technical advisor to the Steering Group for the Grid Upgrade Development Programme:

1. No construction will begin on any cluster unless there is at least one generator with a signed transmission or distribution connection agreement, who has formally applied to be connected to a specific cluster
2. Construction will only begin on any cluster if there is sufficient money in the fund to complete that cluster and any other clusters, where construction has already started, or has been committed to start
3. Any assets which qualify for funding are shared, and are not therefore contestable, even if they are transmission connection assets

These points were not clear from the consultation paper.

Anne Trotter
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ESB National Grid