

Mr. Denis Cagney,  
Commission for Energy Regulation,  
Plaza House,  
Belgard Road,  
Tallaght,  
Dublin 24.

1<sup>st</sup> October 2004

Dear Denis,

Thank you for your note of earlier today on the issues arising from the imminent lifting of the moratorium on issuing of wind offers.

We are pleased to confirm that intensive work relating to wind connections will continue during the time period which it is anticipated will be necessary to reach a conclusion on the consultation process for Group Processing. You have suggested that it might take 4 to 5 weeks for this, and we believe that this is an achievable timeframe. It is important to emphasise that offers for transmission connections would not in any case issue within this time-scale. This is because there is significant work, some of which has already been ongoing for some time, to be carried out by the TSO prior to the issuing of the next offers. Because the work being carried out during the consultation is vital and important in progressing this issue, I can assure you that the consultation does not in itself cause any delay.

It is worth noting that under the existing connection offer process, although each applicant is considered separately, in making an offer to any one applicant we do look at the impact of other system requirements on the applicant's connection, and amend the applicant's connection method accordingly. Given the number of wind applications we have, many of which interact, we would regularly find that we would be adjusting the connection method for the "first in queue" applications to take account of the likely future requirements for other applications in the area. This is consistent with practice to date, and would render most of the applications to be deemed "complex" under the existing Connection Offer Process. Accordingly it is our view that we are not in any way "suspending" the issue of offers pending the outcome of the consultation.

We would propose that in addition to current ongoing work, there are some areas of work which we believe should begin without delay (some of which require CER approval). These work areas also require to be completed prior to the issuing of offers and if not advanced now could cause delays to offers issuing later on. Below we have listed our current ongoing work and other specific work areas which we believe should commence over the period from now to the point at which there is an outcome to the consultation on

Group Processing. It should be noted that most, if not all, of these are required largely independent of the outcome of the current consultation process.

- Notwithstanding the consultation process for the Group Processing proposal, the CER to issue its final direction on “*Generator Connection Offer Processes: Process for Connection of Generation to the Transmission and Distribution Systems in Ireland*” as appropriate. This will allow the TSO and DSO to review and update their standard documentation and processes e.g. connection agreement templates and general conditions, in the areas of required securities and payment schedules. Consequently this will reduce the expected turnaround time for connection offers once the connection method has been identified and costed. We would expect to complete this work within a 6 to 8 week timeframe.
- A request will be sent to each applicant to formally confirm that they wish to receive a connection offer and that they intend to proceed with the development of their windfarm and therefore that they wish it to remain in the connection offer process. In the case where a TSO applicant wishes to withdraw from the process they will receive a refund of the application fees that they have paid<sup>1</sup>. For DSO applicants who wish to remain in the process, in accordance with the CER Direction in the previous point, an application fee will be requested to allow the applicant to remain in the process<sup>2</sup>. This should ensure the most efficient processing of applications who have a current intention of proceeding to an operational windfarm.
- A substantial volume of correspondence was received this week from applicants in response to our request for dynamic modelling information. We are actively assessing the completeness of the dynamic models for each individual applicant. Due to the high volume of checks to be carried out, over one hundred applicants, we expect this work to be completed within 4 to 6 weeks. We note that the CER Direction “Wind Generator Connection Policy” 9<sup>th</sup> July 2004 states that “*processing by the DSO or TSO as appropriate should only commence, when appropriate dynamic models have been received by the TSO*”.
- We have discovered in a number of cases, whilst reviewing applicant submissions on dynamic modelling, that a number of key parameters have changed from some applicants’ original application forms. We also intend to clarify, in parallel with the dynamic completeness checks, any discrepancies between the original application forms and recent submissions. This should prevent the delay that would be caused by having to reissue offers that contained incorrect parameters.
- Both system operators have been actively engaging regarding specific details of connection method for wind generators. Modeling of the current wind

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<sup>1</sup> This requires CER approval, but we believe it is an appropriate step regardless of the consultation outcome.

<sup>2</sup> Of course this is a matter for CER and the DSO, but again we believe this to be an appropriate step independent of the consultation process outcome.

applications in our PSS/E software package in preparation for loadflow and short circuit simulations has been in progress. We are also continuing to compile data sets for various study scenarios to include up to date generation portfolio and network improvements for seasons and years to be studied. We propose to continue and advance this work to enable us to expedite the issuing of offers once the outcome of the consultation process has been established.

- We are also investigating possible shallow connection methods and intend to continue to examine and update:
  - available expansion room at existing stations
  - feasible line routes
  - costs

We have engaged in high level identification of possible deep reinforcements for the various shallow connection options and ballpark costs, estimated lead time and feasibility for these deep transmission reinforcements. We also believe that investigation into alternative technologies for connection to the grid could be facilitated in the interim consultation period.

In addition to the above work which we believe is required prior to the issuing of connection offers, CER will be aware that we have begun, and propose to expedite, studies that will identify the likely nature and scale of the requirement to constrain wind generation under a range of potential future scenarios. While not required to issue connection offers, we believe that this will facilitate an individual applicants understanding of how constraining will affect their financial model for their project prior to committing to receive a connection offer.

We are also finalising the definition of an ‘appropriate model’, in conjunction with the industry, to be included in the Planning Code Appendix of the Grid Code and the corresponding section of the Distribution Code. We believe that clarity in relation to these dynamic requirements will also aid the applicant in making their turbine selection and in designing their windfarm at an appropriately early stage of their project.

I hope you find this information helpful, and please feel free to revert to us with any further questions or clarifications.

Best Regards

**Andrew Cooke**  
Manager, Regulation and Pricing  
ESB National Grid