

23 December 2004

Our Ref: 19580

Mr K. J. O'Brien
Managing Director
ESB National Grid
27 Lower Fitzwilliam Street
Dublin 2

Dear Kieran

Direction on Resuming Connection Offers to Wind Generators

The Commission is writing to you pursuant to its powers under Section 34(1) of the Electricity Regulation Act, 1999 to issue directions relating to the terms for connections to the transmission system. We are writing a similar letter to the Distribution System Operator (DSO), a copy of which is attached.

The Commission hereby directs ESB National Grid, in its capacity as Transmission System Operator (TSO), and ESB Networks in its capacity as DSO, to resume issuing connection offers to wind generator applicants in accordance with the conditions set out below. The background and rationale for this direction have been set out in various documents which have been subject to public consultation¹, in correspondence between the Commission and the system operators, in the industry forum held on 1st November last, and in the Background Paper which accompanies this Direction.

The conditions for resuming connection offers are as follows: -

1. The System Operators will give immediate priority to issuing connection offers to those 34 applications which were deemed complete by 3rd December 2003 and which, the Commission understands, amount to a total export capacity of 381MW.
2. These 34 applications will be deemed to form a combined queue – i.e. there will be no differentiation between applications to the TSO and to the DSO.

¹ Group Processing Approach for Renewable Generator Connection Applications, ESB Networks and ESB National Grid, September 2004, CER/04/317.
Resuming Connection Offers to Wind Generators – Proposed Direction to System Operators, CER, November 2004, CER/04/354.

3. To ensure that each of the 34 applications can rest assured that, on receipt of their connection offer, they will not run the risk of having it withdrawn under the current rules for “interacting offers”, all of these 34 applications will be subjected to the Group Processing Approach philosophy as described in the joint TSO/DSO proposal of 5th October 2004. In effect, these applications will collectively constitute Gate 1 and will be broken down into Groups for processing purposes by reference to geographic location and degree of interaction.
4. The identities of these 34 applicants and of the individual Groups within them will be as set out in the **Schedule** attached to this Direction.
5. Individual offers within these 34 applications will issue as the relevant studies are available. Therefore, offers will issue to the 34 applicants as soon as they are ready and not in accordance with a strict queuing system. This is on the basis that all of the 34 offers will have issued no later than 5 months from the date of the Commission Direction and some well in advance of that, as indicated in the attached schedule.
6. The Commission’s intention is that, in any future rules it may introduce regarding the financial treatment of wind generators who may be constrained off by the TSO for system stability reasons, no differentiation will apply within the 34 applications constituting Gate 1.
7. Each of the 34 applicants will have 30 business days to accept their connection offer, not 70 business days as applies at present. This shortening of the time to accept is justified by reference to premium now attached to receipt of a connection offer, the need to take account of the interests of *all* applicants and the urgency attached to the resumption of connection agreements and new wind generators coming on stream.
8. The probability factors cited in the formula outlined in the Group Processing Approach document of 5th October for the purpose of defining connection charges for these Gate 1 applicants shall be 1.
9. The System Operators may nominate individual applications within these 34 applications to be treated as transmission or distribution applications where this is technically justified from an overall system perspective.
10. Connection offers to wind generator applicants shall issue only in accordance with these conditions until such time as offers have issued to all applicants identified in the Schedule.

11. For the avoidance of doubt all applicants will be required to post a Capacity Bond of €10,000 per MW on connection offer acceptance. This has been provided for in an earlier direction, CER/04/319.
12. All connection agreements issued to Gate 1 applicants will be subject to a validity period. This principle has also been provided for in CER/04/319. However the detailed rules for its implementation will be proposed to the industry shortly in a separate consultation paper.

The Commission will be developing, in cooperation with the TSO and the DSO, proposals for Gate 2 and subsequent Gate criteria with a view to these being published and considered with the industry in the very near future. We will be writing separately to the operators in this regard.

This direction takes immediate effect.

Yours sincerely

Tom Reeves,
Chairperson

Michael G. Tutty,
Commissioner

CC. Mr. John Shine, Executive Director, ESB Networks

Schedule of Gate 1 Applications

This schedule was provided by ESBNG on request from the Commission. The schedule shows the groupings and list of applications deemed by the Transmission System Operator and/or the Distribution System Operator complete prior to the 3rd December 2003 and have complied with the provision of information for dynamic studies. Indicative timeframes for issuing offers to the 34 applicants is also shown.

Update on Status of Wind Connections:

- 896 MW connected or contracted
- 20 MW (about to sign) in live PMOD offers (some PMODs have lapsed)
- 381 MW Pre-Moratorium Applications, as detailed below
- **1,297 MW is total of above**

In the Pre-Moratorium applications, as listed below, only those applications, which have provided the necessary information for dynamic studies, have been included.

If the System Operators start processing the groups in queue order, i.e. the group with the application, which is first in the queue is processed first, and so on as resources allow, offers in the groups would be ready to issue within the following estimated timescales:

- **Wexford / South Wicklow Group**
 - 11 distribution applications (DG34, DG30 (a-h), DG37, DG45) totalling 31MW
 - Offers to issue approx. 3 months after CER direction
- **Kerry / West Limerick Group**
 - 3 transmission (TG12, TG18 & TG22) & 6 distribution applications (DG03, DG23, DG23a, DG24, DG25, DG35) totalling 222 MW
 - Offers issue approx. 4-5 months after CER direction
- **Monaghan / Louth Group**
 - 2 distribution applications DG36 & DG62 totalling 9 MW
 - Offers issue approx. 2 months after CER direction
- **Donegal Group**
 - 8 distribution applications (DG38, DG39, DG42, DG43, DG44, DG46, DG51, DG61) totalling 76 MW
 - Offers issue approx. 4 months after CER direction

- **Clare Group**
 - 2 transmission applications TG14 & TG15 - 22 MW
 - Offers issue approx. 3 months after CER direction
- **W Cork Group**
 - 1 distribution application - DG41 – 15 MW
 - Offer to issue approx. 4 months after CER direction
- **Sligo Group**
 - 1 distribution application - DG52 - 6 MW
 - Offers to issue approx. 4 months after CER direction

Assumptions re the Above:

- For studies it is assumed that all windfarms connect in October 2005
- Only load flow and short circuit studies will be undertaken; therefore the offers will contain a caveat with regard to dynamic studies, which will need to be carried out before connection.

Table 1: Applications to be included in Gate 1

ESBNG Reference	MW	COMPLETE	Group
DG34	6.75	28/08/2003	Wexford / S Wicklow
TG18	41.23	26/09/2003	Kerry / W Limerick
DG62	1.7	08/10/2003	Louth / Monaghan
DG36	7.5	16/10/2003	Louth / Monaghan
DG23	5	26/06/2003	Kerry / W Limerick
DG23a	18	26/06/2003	Kerry / W Limerick
DG24	6.8	26/06/2003	Kerry / W Limerick
TG12	37.8	23/05/2003	Kerry / W Limerick
DG25	15.3	02/07/2003	Kerry / W Limerick
DG35	22.5	08/09/2003	Kerry / W Limerick
DG03	24.7	21/11/2001	Kerry / W Limerick
DG38	11.9	24/10/2003	Donegal
TG14 ²	21.9	04/07/2003	Clare

² TG14 and TG15 are applications for the same site, with different requested connection methods. Only one of the two ensuing connection offers can be accepted.



Commission for Energy Regulation
An Coimisiún um Rialáil Fuinnimh

TG15²	21.9	04/07/2003	Clare
DG30a-h (8)	14.45	24/10/2003	Wexford / S Wicklow
DG39	5.1	28/10/2003	Donegal
DG37	5	28/10/2003	Wexford / S Wicklow
DG61	2.55	10/11/2003	Donegal
DG46	7.65	12/11/2003	Donegal
DG43	15	19/11/2003	Donegal
DG42	14	20/11/2003	Donegal
DG41	15	19/11/2003	W Cork
DG45	4.5	21/11/2003	Wexford / S Wicklow
DG51	0.6	27/11/2003	Donegal
DG44	19.25	27/11/2003	Donegal
DG52	6	27/11/2003	Sligo
TG22	51	03/12/2003	Kerry / W Limerick

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