

## **SUBMISSION FROM HIBERNIAN WIND POWER ON PROPOSED CER DIRECTION<sup>1</sup> ON THE GROUP PROCESSING APPROACH**

### **1 Scope**

1.1 While the posting dated 14<sup>th</sup> February on [www.cer.ie](http://www.cer.ie) referred to this only as ‘a proposed direction in relation to the terms and charges for connection to and use of the transmission system’, it clearly covers the distribution system as well.

1.2 The reference to ‘Renewable’ in the title is not defined.

As pointed out by Hibernian Wind Power in its submission<sup>2</sup> last October in response to the CER consultation on ‘Group Processing Approach for Renewable Generator Connection Applications’, a footnote in that document defined ‘renewable’ as including CHP.

That would include projects like the large thermal project at Aughinish.

An explanation as to why that should be so would be helpful.

1.3 The reference to ‘conventional generating plant’ in Section 4.4: Generators Affected is not defined either.

As it is not clear why those renewable generators which are dispatchable and use synchronous generators should be subject to all the disadvantages of being treated in a Group Processing Approach while other generators which are dispatchable and use synchronous generators may not be, clarification of this issue would be helpful.

### **2 Groups and Subgroups**

2.1 The proposed direction defines a Group as ‘the applicants that have exactly the same deep reinforcements’.

It is not clear what ‘have’ means in this context and an explanation would be helpful.

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<sup>1</sup> [www.cer.ie/cerdocs/cer05010.pdf](http://www.cer.ie/cerdocs/cer05010.pdf)

<sup>2</sup> [www.hibernianwindpower.ie/hiberwindresponse\\_CERGroupConsultation.pdf](http://www.hibernianwindpower.ie/hiberwindresponse_CERGroupConsultation.pdf)

In determining the need for deep reinforcement, is the generation capacity covered by the applications added individually or collectively to the connected and committed capacity?

If it is added individually, how is the sequence in which it is added selected?

If it is added collectively, how can individual deep reinforcements be attributed to particular applications?

How can it be assumed that those applications would be geographically close to each other?

How is this definition reconciled with the statement in the amended CER proposal<sup>3</sup> on Group Processing Approach for Renewable Connection Applications dated September 2004 that Groups would be defined:

*... based on [the] level of interaction and geographic location [of applications] ?*

With potentially up to 4,000 MW cumulative wind capacity having to be considered even in the case of Gate 2, how will the dispatch – and, potentially, constraint – be selected for the reference conditions used in load flow studies to determine connection methods and deep reinforcements?

Transparency of the process and prior consultation on its details would be very advantageous in gaining its acceptance by the wind generation sector.

2.2 The proposed direction defines a Subgroup as:

*A number of applicants in the same geographic location who will share a connection method or connection assets.*

An explanation of the concept of a shared connection method would be helpful.

Will every Subgroup be a subset of a Group?

If so, how does this follow from their respective definitions?

2.3 As references to ‘Group/Subgroup’ in Section 4.8: Connection Charging Issues and to ‘Groups/Subgroups’ in Appendix B are unclear, clarification of what is meant would be helpful.

### **3 Fairness and equity**

3.1 While Section 3: Guiding Criteria of the proposed direction states:

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<sup>3</sup> [www.cer.ie/cerdocs/cer04317.pdf](http://www.cer.ie/cerdocs/cer04317.pdf)

*The outstanding connection ... provisions should be:*

- *fair and reasonable in dealing with connections to the system ...*
- *conducive to promoting the development of renewable forms of generation,*

Section 4.4: Generators Affected states:

*In the event that a connection application is received for a conventional generating plant and this has the potential to affect the offers issued to individual renewable generators under the Group Processing Approach rules, the TSO shall consult with the Commission. The Commission reserves the right to issue a specific direction to the System Operators to deal with this contingency if it concludes that such a direction is warranted on grounds of the wider public interest.*

- 3.2 The acceptance of connection offers for 1,125 MW of thermal projects in the first few months of the wind connection offer moratorium had serious and irrevocable adverse impacts on the wind generation sector. This proposal now extends the prospect of grid connection applications which have yet to be deemed complete for thermal generators further compromising grid connection applications which have already been deemed complete for wind generators.
- 3.3 As this appears to be in conflict with its declared criteria, it would be helpful if CER were to either:
- show how the proposal conforms with the criteria
  - or
  - revise it so that it is clearly seen to do so.

#### **4 Hoarding of access rights**

- 4.1 Section 1: Introduction of the proposed direction states:

*rules of access should be subject to more strict conditions in order to ensure fairness to all parties and to avoid wasteful hoarding of access rights*

When will such rigour be applied to capacity that has already been secured?

#### **5 Dynamic simulation**

- 5.1 Section 4.7: TSO's Dynamic Simulations for Windfarms states:

*... the TSO has proposed that offers which issue before global dynamics studies are complete will contain a caveat stating that the connection is subject to the results of the completed dynamic analysis.*

However, the CER Draft Direction<sup>4</sup> on Wind Generator Connection Policy in May 2004 stated:

*... until ESBNG's studies on the likely overall system impact of wind generation is complete **in six months or so**.*

That time has long since passed.

When are they expected to be complete?

- 5.2 Can it be confirmed that none of the 'unanticipated network reinforcement works' that may arise from the global dynamic analysis according to this Section 4.7 will be chargeable to the applicant?

## 6 **Probability factors**

- 6.1 The meaning of the following in Section 4.8: Connection Charging Issues is not clear:

*If in practice, however, the probability factor of 1 is overly optimistic the Commission, and the System Operators, will review the situation, but with a view to ensuring that applicants who have taken up offers are not adversely affected.*

- 6.2 Can it be confirmed that the proposal in this Section 4.8 to set the probability factors to unity for Gate 2 will not result in iterations regardless of the level of connection offer acceptance?

## 7 **DSO / TSO distinctions**

- 7.1 Clarity is required in relation to that minority of 110 kV assets which are operated by ESB Networks.

- 7.2 In Section 4.3: Distribution Standard Pricing Approach, should 'all offers' read 'all DSO offers'?

- 7.3 In light of the statement in Section 4.5: Transmission vs Distribution Connections:

*The Commission has already decided that the System Operators may nominate individual applications within Gate 1 to be treated as either transmission or distribution applications where this is technically justified from an overall system*

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<sup>4</sup> [www.cer.ie/cerdocs/cer04183.pdf](http://www.cer.ie/cerdocs/cer04183.pdf)

*perspective. This principle shall apply to all Gates under the Group Processing Approach.*

should:

- ‘distribution applications’ in Section 4.3: Distribution Standard Pricing Approach read ‘DSO offers’?
- ‘distribution applicant’ in the first paragraph of page 11 read something along the lines of ‘applicant in receipt of a connection offer from DSO’?
- ‘distribution applicants’ in the fifth paragraph of page 11 read something along the lines of ‘applicants in receipt of connection offers from DSO’?
- ‘DSO Generator Applications’ in Figure 1 read something along the lines of ‘generator applications for which connection offers are being prepared by DSO’?

(This point was previously made in the appendix to the Hibernian Wind Power Submission<sup>5</sup> to CER of 28<sup>th</sup> October 2004)

## **8 Contestability**

8.1 The CER Annual Report for 2002<sup>6</sup> stated:

*In 2002, the CER began to work with ESB National Grid on consolidating the processes and documentation required to uphold connecting parties’ rights to construct their own shallow connection works. This work **will continue into early 2003.***

Section 4.9: Contestability of Connections of the proposed direction now states:

*The TSO has proposed that the transmission Shared Connection Assets be deemed non-contestable under the Group Processing until a “Contestability Code of Practice” is put in place, which clearly sets out each party’s rights, obligations and available remedies ... The Commission understands that the TSO is currently reviewing its contestability policy and will be issuing a consultation paper to the industry.*

Is this part of the work referred to in the Annual Report and, if so, when can it be realistically expected to be completed?

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<sup>5</sup> [www.hibernianwindpower.ie/hiberwindresponse\\_CERGroupConsultation.pdf](http://www.hibernianwindpower.ie/hiberwindresponse_CERGroupConsultation.pdf)

<sup>6</sup> [www.cer.ie/cerdocs/cer03138.pdf](http://www.cer.ie/cerdocs/cer03138.pdf)

(This point was previously made in the Hibernian Wind Power submission<sup>7</sup> to CER of 28<sup>th</sup> October 2004)

## 9 Validity period

- 9.1 Last year's CER Direction<sup>8</sup> on Resuming Connection Offers to Wind Generators stated:

*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.*

However, Section 4.2: Connection Agreement Validity Period of the proposed direction states:

*All connection agreements issued to applicants will be subject to a validity period or backstop date ... The system operators are currently reviewing their respective connection agreements with a view to aligning the necessary provisions. The Commission expects to receive the proposed detailed rules for the implementation of the connection agreement validity period **shortly**.*

When can this be expected?

## 10 Gate 2 criteria

- 10.1 Last year's CER Direction<sup>9</sup> on Resuming Connection Offers to Wind Generators stated:

*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**.*

- 10.2 However, Section 2: Background of the proposed direction states:

*The proposed direction does not... anticipate the criteria for inclusion in Gate 2. This will be the subject of a separate proposed direction which the Commission will be issuing for consultation **very shortly**.*

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<sup>7</sup> [www.hibernianwindpower.ie/hiberwindresponse\\_CERGroupConsultation.pdf](http://www.hibernianwindpower.ie/hiberwindresponse_CERGroupConsultation.pdf)

<sup>8</sup> [www.cer.ie/cerdocs/cer04381.pdf](http://www.cer.ie/cerdocs/cer04381.pdf)

<sup>9</sup> [www.cer.ie/cerdocs/cer04381.pdf](http://www.cer.ie/cerdocs/cer04381.pdf)

10.3 When can this be expected?

## 11 Other definitions

11.1 While a complex definition of ‘Shared Subgroup Connection Asset’ is provided in Appendix A, no such phrase occurs in the text.

11.2 However, none of the following – which appear in the text capitalised as shown – is defined:

- Shared Asset
- Shared Connection
- Shared Connection Asset
- Distribution Shared Asset
- Dedicated Connection Asset
- Distribution Probability Factor
- Transmission Probability Factor
- Dedicated Shallow Connection Asset
- transmission Shared Connection Asset
- Shared Transmission Connection Asset.

The inclusion of a clear definition of each of these would improve the rigour of the document and greatly assist its interpretation.

## 12 Editorial issues

12.1 Section 4.4: Generators Affected states:

*In the event that a connection application is received for a conventional generating plant and this has the potential to affect the **offers issued** to individual renewable generators under the Group Processing Approach rules ...*

Does ‘offers issued’ in this context include:

- offers which are going to be issued?
- offers which have been issued and have not been accepted?
- offers which have been issued and have been accepted?

12.2 The statement in Section 4.8: Connection Charging Issues:

*‘the Commission believes that the risk of stranded assets should be reduced’*

is ambiguous, as it could mean either ‘ought to be reduced’ or ‘is likely to be reduced’.

12.3 Does the statement in Section 4.9: Contestability of Connections:

*In principle, the Commission proposes that the entire shallow connection of the generator should be considered contestable. This includes both the Dedicated and Shared Connection Asset.*

extend to distribution connections?

12.4 Should ‘independently to the overall financial package’ in Section 4.8: Connection Charging Issues read ‘independently of the overall financial package’

12.5 Should ‘without incurring any penalties and the other party having no remedy rights’ in the first bullet in Section 4.9: Contestability of Connections read ‘without incurring any penalties and *with* the other party having no remedy rights’?

12.6 To avoid the false impression that it presents the complete charging formula, should something along the lines of ‘for shared connection assets’ be added to the caption of Figure 1?

12.7 The significance of the asterisk after ‘Subgroup’ in Figure 1 is not clear.

12.8 The location of the interface with pre-existing infrastructure is not clear in Figure 2.

12.9 In the absence of caption or headers, the significance of the table at the bottom of Figure 2 is not clear.

12.10 Should ‘Connection Agreement Validity Period’ in Appendix B read ‘Connection Offer Validity Period’?

12.11 Should ‘alternate’ in Appendix B read ‘alternative’?