

9th February 2005,

Dear Mr Kearney,

Ref: Standard Pricing Approach for Generators

I am writing on behalf of Wexford Organisation for Rural Development (W.O.R.D.) regarding the above document which you have invited submissions on.

W.O.R.D. administers the Leader +, National Rural Development Programme and Rural Social Scheme for County Wexford and the remit of the company is to support alternative rural enterprises, foster an entrepreneurial culture and assist in the creation of sustainable rural communities. Our company was also instrumental in the setting up of the Wexford Energy Management Agency in partnership with Wexford County Council.

Under the Leader + Programme (2001 – 2006) a new measure was created called 'Environmentally Friendly Measures' which was established to support renewable energy enterprises in rural areas in Ireland. As a direct result of this our company have supported four groups of farmers to measure their wind speeds and assess the viability of developing wind turbines on their land as an alternative rural enterprise. A further fifteen groups expressed interest in measuring wind speeds on their land in County Wexford but have not been in receipt of grant aid due to the uncertainty of the industry at a national level.

After carefully considering the document by ESB Networks titled 'Standard Pricing Approach for Generators' we have a number of concerns as follows:-

- The necessity to accept the connection offer within 30 days and to give 100% payment at this stage if it is a shared connection. The 30 day payment period is far too short and should be extended.
- The potential for the cost to increase under certain circumstances as identified in schedule 2. There is no incentive for ESB Networks to achieve the lowest cost because all costs are being passed on to the wind turbine generator. This is a very inequitable situation and we recommend that those who are bearing the cost at the end of the process should be allowed some input at the negotiation stage.
- The costs of connection is set by ESB Networks and there is no competition or tendering for this connection cost. An element of competition in relation to this matter would be of benefit to all interested parties and stakeholders.

- There is no indication regarding when the grid connection will be completed because planning permission for the grid lines would not even have been applied for at the time when the wind turbine generator has to meet the 100% payment fee. It would be of great benefit if the CER could look at this situation regarding the 100% payment.

In the Green Paper on Sustainable Energy, 1999, the government stated that it was interested in facilitating local involvement in renewable energy schemes. In this Green Paper it suggests that net-metering would be considered although to date this has not been implemented. Therefore the only mechanism by which local people can become involved in wind energy projects is through the procedure outlined in the 'ESB Networks Standard Pricing Approach for Generators.' However, after discussions with the groups of farmers that W.O.R.D. have assisted, it is apparent that to meet the requirements laid down by the ESB Networks submission, it would place enormous financial pressure on this target group.

In summary, the Board of W.O.R.D. (the Board comprises of 21 members representing a cross-section of organisations within the County) would like to highlight that EU and national funds are being awarded to support renewable energy initiatives in rural areas across Ireland and at a national level policies are being designed which make it virtually prohibitive for these renewable energy initiatives to operate.

Yours sincerely,

John O'Sullivan
Chairman, Board of W.O.R.D.