

5th December 2007

Our Ref: 35366

Simon Grimes
Manger, Commercial & Regulation
EirGrid
27 Lower Fitzwilliam Street
Dublin 2

Re. Direction to Issue a Connection Offer to an OCGT Application

Dear Simon,

I refer to your correspondence of 1st November and to the connection application from Mountside Properties Limited for a 98 MW Open Cycle Gas Turbine (OCGT) generating plant at Purcellsinch, Co. Kilkenny, which was deemed complete by EirGrid on 17th October.

The question for the Commission is whether it should issue a direction to EirGrid to process this application for connection ahead of renewable applicants in the connection queue that it potentially interacts with. The Commission has considered the matter in accordance with its direction of April 2005 (CER/05/049), taking account of the public interest benefits arising from the project and its potential system access costs on renewable applicants, and now issues a direction on the matter as set out below.

Looking to the public benefits, a new 98 MW OCGT generating plant would, given its predictability, contribute to Ireland's security of supply at a time of growing demand for electricity. There is also a benefit to the electricity system associated with connecting such an OCGT plant. Due to its particularly high level of output flexibility, it can assist in smoothing out the natural variability that occurs in wind powered generation. Connecting this flexible plant therefore makes it more feasible to accommodate increasing amounts of wind to the system and to achieve Government targets for renewables, to the benefit of the wind sector and the environment generally. Furthermore, this project's particular location on the network is such that it would be likely to have a net positive effect on required system reinforcements, given the scarcity of generation in the south-east and the potential closure of older generating plant. In this context the plant's specific location may also help to mitigate any system voltage issues that may arise.

The application is from an independent market participant, Mountside Properties Limited, and accommodating this plant on the network would accordingly help to increase competition in the generation segment of the electricity market.



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

In terms of the impacts on renewables of connecting this plant, we note from your correspondence that it is expected to be negligible due to the small number of renewable applicants in the area where the plant is seeking to locate. Therefore accommodating the plant is not anticipated to significantly impact on either their shallow connection cost, the timing of their deep connection to the network or the level of constraints they would face prior to firm access.

On the basis of the above, the Commission hereby directs EirGrid, pursuant to Section 34(1) of the Electricity Regulation Act, 1999, to issue a connection offer as soon as practical to Mountside Properties Limited's proposed 98 MW OCGT plant at Purcellsinch.

Yours sincerely,

A handwritten signature in blue ink that reads 'Andrew Ebrill'.

Andrew Ebrill
Manager, Electricity Transmission

CC. Cathy Mannion, Director, Electricity Networks and Retail;
Tom Reeves, Commissioner; and,
Michael G. Tutty, Commissioner.