Dear Sir or Madam

With reference to the Contestability for Distribution and Transmission Level Connections to the Electricity System paper (CER09/127), ART Generation welcomes the opportunity to comment on this paper and for the opportunity for applicants to consider contestability for their grid connections.

In response to this paper, ART Generation would like to comment as follows:

1. We agree with the Commission for Energy Regulation (CER) that the sum costs of applicants who chose not to proceed following an offer of acceptance should be underwritten by the TUoS/DUoS customer.

2. We believe that unanimous agreement should not be required for generators sharing connection assets. Each applicant in a group will be at different stages of development with some parties running out of planning permission while others may be preparing planning applications and financing. Only those elements of the costs which are directly associated with their project should be allocated to the generator who wishes to proceed with the development (e.g. 100% line costs etc). In certain cases, there will be no conflict as the proposed technical solution for the group which was originally proposed will be the same technical solution for the go-alone applicant. We propose a bi-lateral agreement with the System Operator and that those intermediate costs are underwritten by TUoS / DUoS for those who are not ready. The applicant that is not ready to proceed at this particular stage can proceed at a later date, enjoying the benefit of the deep/shallow reinforcements and repay the TUoS / DUoS.

3. ART Generation rejects the Systems Operators proposal under Section 6.2.1 “At a minimum of 3 months prior to offer issue, or at an earlier date is so advised by DSO, the developer must indicate they require a contestable offer.” ART Generation believes that as the applicant is paying for the grid connection costs, full information should be available (i.e. a detailed grid connection offer), before the generator decides whether or not to go contestable so as to make an informed decision. In many cases, it may suit the applicant not to go contestable and they may wish to enjoy the benefit of using the DSO. We propose as an alternative solution that within 50 business days of the detailed grid offer been issued the applicant makes a decision whether to go contestable or not. This proposal would be consistent with current practice.
4. In the example cited in *Appendix A Scenario 3*, we believe those works inside the DSO boundary should be clearly itemised as such works represent a significant portion of the grid offer. An applicant should have visibility of these costs and an opportunity to tender and supply (free issue) major items. The engineering and construction costs should be clearly itemised and these packages should also be available to tender subject to the contractor having the necessary qualification / expertise to undertake the works under the supervision of the DSO.

5. ART Generation believes that the requirement for a bond should be posted two years from the date of issue of their grid offer as this will allow the applicant time to complete the route design and secured planning. The value of the bond should be consistent with the recent Direction from the CER on the Capacity Bond (CER/09/138).

We trust that these proposals will be considered favourably.

Yours sincerely,

Richard Walshe