Endesa Ireland welcomes the opportunity to respond to the proposals included in the consultation paper on the contestability for distribution and transmission level connections to the electricity system. Endesa Ireland supports ESB Network’s efforts to develop policies to implement SI 226 in a transparent and equitable manner.

Endesa Ireland considers that the ability to contest connection offers is necessary in the development of a competitive market. As the number of distribution connected generators increase, this right will be exercised more frequently. Transparent, non-discriminatory and sufficiently detailed policies relating to contestable connections will facilitate connections to the distribution and transmission systems.

Following are Endesa Ireland’s comments on the proposal set out in the consultation paper:

Key Principles

Endesa Ireland is in agreement with the majority of the key principles proposed by ESB Networks. However, Endesa Ireland considers that two of these principles should be revised.

ESB Networks has proposed that a developer must decide whether to request a contestable or a non-contestable connection offer “a minimum of 3 months prior to offer issue or as advised by the DSO”. Endesa Ireland considers that a standard connection offer should be issued to all parties. Within this connection offer, the costs associated with contestable and non-contestable activities should be identified such that all parties have the opportunity to contest the connection offers, eliminating the need for connecting parties to advise the DSO in advance. In addition, along with the connection offer, the DSO should issue a standard specification outlining the requirements that must be satisfied by the developer in constructing the connection. This will help the developer to make a more informed decision when considering whether to contest the offer.

ESB Networks has an option of whether or not to take ownership of connection assets built contestably. Endesa Ireland considers that subjective appropriation of assets should be eliminated, as these decisions lack transparency. Rather, there should be a consistent policy applied. Therefore, Endesa Ireland considers that ESB Networks must
take ownership of all distribution assets built contestably or it should be the option of the developer as to whether or not they transfer ownership to ESB Networks.

**Contestable and Non-Contestable Activities**

Endesa Ireland is in agreement with the activities that have been deemed contestable and non-contestable.

**Financial Arrangements**

Endesa Ireland supports the ESB Network’s proposal requiring a developer to post a performance bond with the DSO, which may be drawn down if the developer fails to complete the works prior to a contractual longstop date or is unable to complete the works, where the asset is required to connection subsequent projects or is necessary for system development. Developers should be advised at the time of offer issuance of the bond rating requirements, if any.

**Contestable Connections – Rules Going Forward**

As stated under “Key Principles” above, Endesa Ireland does not consider that developers must indicate that they require a contestable offer. ESB Networks should provide information on the contestable aspects of a connection offer as standard to all applicants.

Endesa Ireland considers that where shared assets are involved, the requirement for all developers sharing the asset to agree to the shared assets being contestably built seems in contravention of SI 226. Endesa Ireland’s interpretation of SI 226 would give all applicants the right to contest an offer and does not limit this right due to the type of connection. In the event that one or more of the parties sharing an asset do not agree to the shared assets being contestably built, Endesa Ireland proposes that ESB Networks develops a new connection offer for these parties or issues a connection offer that will connect them to the contestably built asset once the construction is complete and ESB Networks has taken ownership of the asset. The right of the party wishing to contest the construction of the asset must be maintained.
Building Shared Connection Assets Contestably

Endesa Ireland does not consider that ESB Networks can deny parties sharing a connection asset the right to contest a connection offer. However, where all parties agree to contest a connection offer, Endesa Ireland agrees that they must nominate a developer.

Given that parties seeking a contestable group connection are free to agree the percentage of costs allocated to each party sharing a connection asset, ESB Networks responsibility to take over the costs for any party that drops out of a group connection should be limited to the amount included in the contestable element of the connection offers. Otherwise, the parties could agree to allocate the majority of the connection costs to one party who then chooses not to proceed with a contestable build. In this instance, the DUoS customer would be significantly subsidising contestable builds.

If ESB Networks are not required to issue a standard connection offer with contestable and non-contestable elements, they should be involved in the allocation of costs to all parties sharing a connection asset.

The likelihood of parties dropping out of a group connection is less likely if some evidence of project commitment is required when applying for a connection. Endesa Ireland considers that applicants for connection offers should be required to provide evidence of engagement of a consultant to provide EIA services or, if an applicant is completing such EIA services on their own behalf, they should be required to provide evidence of their ability to complete the task.

In order to receive planning permission, developers will be required to submit an EIA statement. Therefore, Endesa Ireland considers that this is a reasonable requirement to minimise speculative applications.