

Submission in Response to CER/09/127
From Island Seafood Ltd, Killybegs, Co. Donegal

To: Ms Bríd O'Donovan
Commission for Energy Regulation
The Exchange
Belgard Square North
Tallaght, Dublin 24
18 September 2009

Re: Submission in Response to the Consultation Paper
“Contestability for Distribution and Transmission Level Connections
to the Electricity System” (CER/09/127)

Dear Bríd,

I am very pleased to have the opportunity of making a submission in response to your consultation paper on contestability for distribution connections to the electricity system. I am the MD of Island Seafood Ltd, which operates a fish processing facility at Carricknamohill, Killybegs, Co. Donegal, and I have asked Peter Duffy of Enercomm International to prepare this submission on behalf of our company.

We have excellent wind speeds on a hilltop close to our fish processing facility and are anxious to erect a wind turbine there, and then using a direct contestable line to supply the facility and operate in autogeneration mode.

We trust you will view of proposals and arguments as rational and pragmatic, and we look forward to a positive outcome when the Commission's Direction is issued on this matter in due course.

Finally, if you require clarification on any point in the submission don't hesitate to contact us on it.

Sincerely Yours

Mick O'Donnell
Managing Director
Island Seafood Ltd
Killybegs, Co. Donegal

Submission in Response to the Consultation Paper “Contestability for Distribution and Transmission Level Connections to the Electricity System” (CER/09/127)

Introduction

On 15th June 2009 the Minister signed legislation (SI 226 of 2009) permitting offers for connection to the network at distribution level on a contestable basis, i.e. the applicant and/or the DSO may arrange the construction of the connection to the system. Contestability is the right of applicants to construct, or arrange to have constructed, a generator connection to the distribution system.

Island Seafood Ltd, which operates a fish processing factory at Carricknamohill, Killybegs, Co. Donegal, wishes to erect a wind turbine on an adjacent hilltop, less than one mile from its fish factory, and then using a direct contestable line to supply electricity to the facility and operate in autogeneration mode. The manner in which this distribution contestability is implemented can enable Island Seafood Ltd to construct the off-site wind turbine, feed the electricity to the factory via a direct contestable distribution line and then operate the factory as an autogeneration site.

Background

This consultation paper offers interested parties the opportunity to have an input into how the DSO should process applications, offers and subsequent connections to the electricity system on a contestable basis. The paper also seeks views on the financial risk posed on generators in situations where they choose not to proceed with the contestability route following acceptance of an offer, for shared connection assets. With this introduction of distribution contestability the CER considers it appropriate to review the rules governing contestability at transmission level (in operation since 2000) as part of the same process. The consultation paper is accompanied by Appendix A, which sets out the detailed proposals from ESB Networks on how contestability should be implemented.

Safe, Secure, Reliable and Efficient Manner

In addition to spelling out what works shall be contestable and what works shall not be, ESB Networks rightly focus on the requirement that the Distribution System continues to be developed in a safe, secure, reliable and efficient manner.

Incorrect Limitation to Windfarms

Appendix A, which details proposals from ESB Networks on how contestability should be implemented, is a highly technical document. It gives a very narrow and apparently incorrect interpretation of the Statutory Instrument. For example Appendix A states “SI226 2009 confers on wind farm developers the right to construct all or part of their connection to the Distribution System”. This seems an incorrect interpretation of the SI as there is no reference to ‘wind’ in SI 226 of 2009. The Statutory Instrument states “... for the purpose of connecting a generating station to the distribution system ...” – there is no reference or limitation to wind in the SI.

Contestable Work

It is proposed that the following activities **will be contestable** but subject to approval by ESB Networks: detailed design, route and site selection, planning permission, wayleaves, equipment purchasing, construction and pre-commissioning

Non- Contestable Work

It is proposed that the certain activities **will not be contestable**, for example: the determination of the connection method, any associated system reinforcements, system protection and communication, determination of assets to be transferred to ESB networks, specification of sites, routes, wayleaves and equipment, commissioning and maintenance.

Wind Turbine and Autogeneration

While the focus of the paper is on windfarms there is no mention of autogeneration, but of course this does not rule it out. The CER's direction (CER/03/237) states that "An Autoproducer shall be a person who has entered into a Connection Agreement with the DSO or TSO and generates and consumes electricity in a Single Premises, or on whose behalf another person generates electricity in the Single Premises, essentially for the first person's own consumption in that Single Premises."

The key point here is that an Autoproducer generates and consumes electricity in a single premises, or has another person generate the electricity essentially for the first person's own consumption in that single premises. In contrast to this a generator normally generates for export and consumes only house load on site.

Contestable Direct Line Connecting Off-Site Generator (Wind Turbine) to Factory/Manufacturing Facility

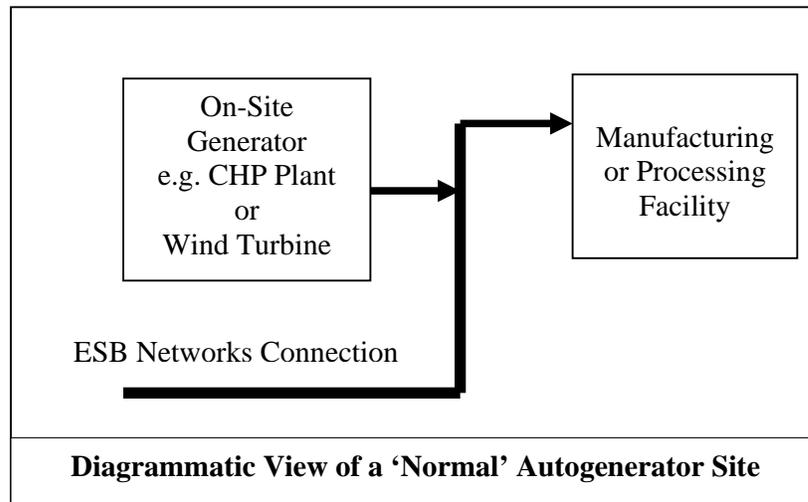
There is a considerable energy saving to be made by both Island Seafood Ltd and the country in general through the wider use of autogeneration. The development of wind turbine technology has increased the interest in installing wind turbines as on-site generation and operating the facility as a 'normal' autogeneration site. However, where there are considerably better wind speeds available adjacent to the factory the question has been raised as to whether an off-site windfarm (or single wind turbine) could be classed as an autogeneration facility. Under this arrangement, a direct contestable distribution line would connect the off-site wind turbine to the factory; this line may or may not cross a public roadway or public pathway.

This raises the question of whether this arrangement would comply with the regulatory definition of Autogeneration. For example would a windfarm, located (say) two kilometers from and connected by a direct contestable line to a manufacturing facility, qualify for autogenerator status. This is dealt with below in the section '**Proposed Solution**'.

Normal Arrangement for Autogeneration Site

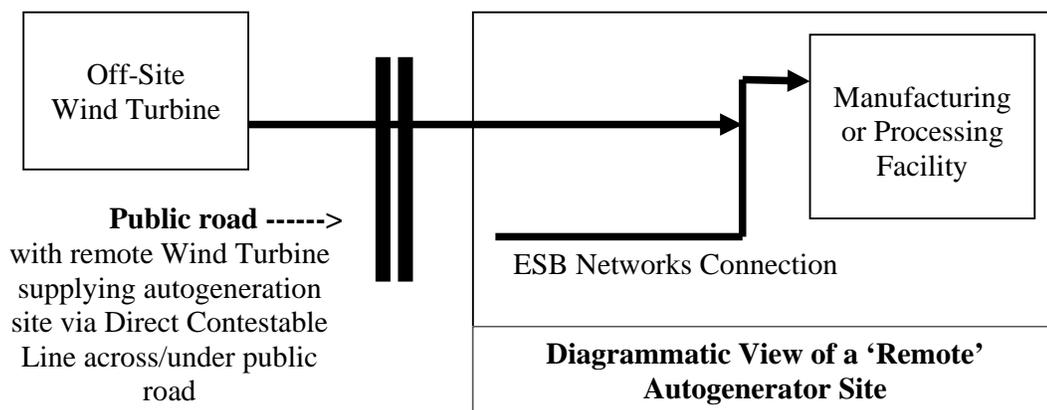
The following diagram shows the normal arrangement for autogeneration. This shows the:

- Manufacturing or Processing Facility
- On-site Generator
- ESB Networks Connection



Alternative Arrangement for Autogeneration Site

Under this alternative arrangement the off-site wind turbine could be located within a few miles and would be connected by direct line to the manufacturing or processing facility, which would see this arrangement no differently than if the wind turbine was located on the heart of the site. Under this proposed arrangement the site would have a normal autogeneration connection with MIC (Maximum Import Capacity) relating to the plant. The MEC (Maximum Export Capacity) would relate to the allowable excess export.



Proposed Solution

The solution proposed here is to change the definition of Autogeneration rather than to change the definition of Single Premises. The latter is defined (see Definition of a Single Premises below) in Section 2 (Interpretation) of Part I of the Electricity Regulation Act, 1999 and therefore would require a legislative amendment.

The new definition relating to an autogeneration site would explicitly state that the generation shall be located either on-site or off-site with an exclusive connection via a direct contestable line/cable to the Single Premises. All of the connection standards, procedures and protection measures would be adhered to just as if this was a ‘normal’ autogeneration site. To prevent new windfarms from bypassing the Group Processing Approach, the CER could limit exports to 0.5 MW, which is the currently threshold for remaining outside the GPA.

Just as autogeneration sites are currently categorised as ‘importing’ or ‘exporting’ they could be further categorised as ‘localised’ or ‘remote’ – ‘localised’ would refer to the current situation where generator is on-site while ‘remote’ would refer to where the generator is off-site and connected exclusively to the Single Premises.

In Summary

The core of this consultation refers to the connection of windfarms to the distribution system and this, presumably, covers the situation where the windfarm consists of a single turbine connecting to the distribution system.

This submission is seeking to have the CER’s Direction specifically include the situation where a wind turbine (or other small generator) connects to an autogeneration site, via a contestable (direct) line. All of the connection standards, procedures and protection measures would be adhered to just as if this was a ‘normal’ autogeneration site. This new situation would be termed a ‘remote’ autogeneration site.

Quite simply, just as an on-site generator on an autogenerator site is currently connected through (for example) a 50m on-site line/cable to the distribution system, this submission is seeking to have an off-site generator connected through (for example) a 1,500m contestable (direct) line/cable to the autogenerator site, and to enjoy the benefits of an autogenerator site.

Definition of a Single Premises

In Section 2 (Interpretation) of Part I of the Electricity Regulation Act, 1999 the following definition is given: “‘single premises’ means one or more buildings or structures, occupied and used by a person, where each building or structure is adjacent to, or contiguous with, the other building or structure’.

