IWEA response to the Distribution System Operator proposals for facilitating contestable connections to the distribution electricity network.

IWEA welcome opportunity to comment on the consultation paper on the Distribution System Operator proposals for facilitating contestable connections to the distribution electricity network. This is a very welcome initiative which will have great significance for the industry going forward.

Barriers to Contestability for Shared Assets

Contestability of transmission assets has been an important connection policy since its introduction in 2000. Multiple windfarms have now connected with contestable connections. The majority of the contestable connections to-date has been for dedicated rather than shared assets.

However since the introduction of group processing, and in particular subgroups of Gate 2 windfarms, it has been difficult for developers to agree contestability for shared assets. One of the main difficulties is the requirement for cross-bonding between the developers. The IWEA welcomes that the CER and ESB Networks are addressing this issue with the proposals in the consultation document. The CER’s proposal that the TUoS/DUoS customer underwrites generators choosing not to proceed may remove the requirement for developers to provide a bond to the developer undertaking the contestable works. ESB Networks proposal for a performance bond may remove the requirement for the developer undertaking the contestable works to provide bonds directly to the other developers.

The other barrier to contestability that is emerging with shared assets is the timing at which developers can choose to nominate a contestable connection. Developers should be able to request a contestable connection at a number of stages during the development of the connection and not just prior to the consenting process. For example, the system operator manages the connection asset through the consenting process and the developer or subgroup then contest the construction of the asset. The options outlined above should be available for the contestability of both transmission and distribution assets.
Key Principles

One of the key principles identified is that “All Distribution Assets (even where they are not taken over in the first instance) will be built to ESB Networks Ltd. Distribution Standards as provided to the party who is undertaking the contestable build.”

In this instance IWEA believe that some standards may need to be revised and would ask in particular that certain standards should not be over specified e.g. cable in rural areas. In this case there currently is one 38 kV and MV cable size available which does not provide much choice but has advantages with respect to standardization.

In reviewing the specifications we would also ask for flexibility also with respect to transformers, especially if a case can be made with respect to a better engineering solution.

IWEA would like to see a proactive approach in this regard.

Contestable Activities

Works and assets that are required for system protection and communication should also be contestable. The equipment is publicly available, and no reason why communications equipment for example should be given special treatment. This makes up a large portion of costs for small developers in particular.

Also IWEA would like to request that metering also be contestable.

Bonds

It is noted that a developer undertaking a contestable build will be required to post a performance bond with the DSO in respect of the connection works. IWEA need clarity on what level of bond will be required.

The requirement for a performance bond for dedicated assets appears to be unnecessary. There may be a small number of instances where a dedicated asset is used by a subsequent gate or the asset may also be required for system development; these scenarios are the exception rather than the norm and should drive the requirement for a performance bond for all dedicated assets, These scenarios could be address by providing a provision in the connection contract to allow for dedicate assets that become shared in the future to require performance bonds. It is also noted that to-date no performance bond has been required for dedicated transmission assets and multiple contestable connections have been successfully complete.
There is also currently no mention of groups and how bonds would operate in this context. It would also need to be clarified if the lead developer in a group that would be responsible for a bond or if it applies to all members of a group.

The contestable connection agreement may also require long stop dates and step in rights to ensure that the interests of the non-lead developer are protected.

We need to ensure we avoid the situation where a group is forced into a bond situation at an early stage when they might not be in a position to do so. Bonds should only be required when all consents are complete and the lead developer or subgroup are in a position to provide a bond.

We respectfully request that carefully consideration should be given to the value and the timing of the bond to ensure it does not introduce a new barrier to contestability.

**Building shared connection assets contestably**

IWEA accept the key principle proposed that all parties sharing a connection asset would have to agree, and nominate a developer in writing to allow the shared assets to be built contestably.

While the need to get agreement for shared assets can be a contentious issue amongst developers, IWEA believe that it is appropriate that agreement is required for building of shared assets.

**Resources**

Resources within ESBN need to be in place in order to meet the aims of these proposals. In particular if industry is to get the benefit of control over timelines, there cannot be a weak link with respect to commissioners. Currently the timeline re: booking of commissioners is very unclear. If there are issues over the date that requires changes the result is the developer going to the back of the queue. IWEA would like to have the option to procure and secure a qualified commissioner who is pre-approved by the systems operators and who is also reportable and answerable to the system operators.

Adequate resources will also be required to modify connection offers, prepare functional specifications, review designs and on-site inspection.

Given the critical nature of the commissioning activity, we would like to in particular see the option of commissioning related activities being carried out at weekends or holiday periods.