

Response to CER/15/284

CONSULTATION	Review of Connection and Grid Access Policy: Initial Thinking & Proposed Transitional Arrangements
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TYPE OF COMPANY	Energy infrastructure development and construction
INTEREST IN CONSULTATION	To ensure that fair and reasonable approach is given to auto-generation opportunities in Ireland

SECTION 3

QUESTION 1: Do you agree with the policy objective for the Enduring Connection Policy? Are there other matters the CER should consider?

ANSWER: CES Energy agrees with the policy objectives for the Enduring Connection Policy. However, we would like to point out the importance of promoting efficient use of existing infrastructure, as it will help to reduce the end-user cost of the network. In fact, industry in Ireland are repeatedly highlighting the cost for energy in comparison to their US or European operations. Efficient use of existing infrastructure should therefore be given the highest priority. Auto-generation should be prioritised in Ireland which is similar to other EU countries as the most efficient use of existing infrastructure.

QUESTION 2: Do you agree with the application of the above underlying principles to the development of Enduring Connection Policy? Are there any other principles that the CER should consider?

ANSWER: CES Energy agrees with the underlying principles for the development of Enduring Connection Policy. We would like to highlight, however, that an optimal and cost-effective development of the grid infrastructure is paramount to keep the end-user cost of the network as low as possible and therefore ease the burden of high electricity bills of local Irish businesses. Optimal grid development should be given the highest priority which in our opinion would be modifications to existing connection agreements to facilitate auto-generation. We require a long term stable policy which will allow all interested parties to formalise future energy strategies and investments.

QUESTION 3: What is your view on the high level processing approach outlined above? Are there other processing approaches the CER should consider?

ANSWER: We certainly support projects getting access to the network in a timely manner. We feel that the high level approach should ensure the speedy delivery of genuine projects. The past experience with grid applications for wind generation which resulted in a large number of speculative developers applying for a grid development for the sole purpose of securing a “number in the Q” and then reselling to a genuine investor should be disincentivised. This process just added development cost and by association additional energy costs for end users. This also resulted in a number of applications which were never utilised, therefore clogging the system. Firstly, auto-generation grid applications should be prioritised under the new system, secondly only projects who have commenced the project development cycle should be offered grid applications.

The CER should consider the ratio of MIC (Maximum Import Capacity) to MEC (Maximum Export Capacity) when deciding on prioritization of grid applications.

SECTION 4

QUESTION 4: Do respondents agree that the CER should consider the connection of renewables as one of several drivers to be balanced in the development of an enduring connection policy?

ANSWER: Under our EU commitments for carbon reduction, CES Energy feels that the connection of renewables should be clearly defined to ensure low cost investment in the sector. Low cost investment will deliver low cost renewable energy.

Large international industrial companies are increasingly requesting lower cost, lower carbon electricity, further enhanced by COP 21 commitments.

QUESTION 5: Should connection policy make explicit provision for interconnectors? If so, what issues should the CER take into consideration?

ANSWER: No input from CES Energy.

QUESTION 6: Should the technologies and projects currently covered under the non-GPA process be processed under the GPA process when the new connection policy is implemented?

ANSWER: The non-GPA process should ensure connection of projects to the grid in a timely manner. CES Energy acknowledges that the current influx of applications for new solar connections leads to considerable delay in processing these applications, which effectively blocks other projects to be connected in a timely manner also. CES Energy suggests that these new applications for solar connections are no longer processed under the non-GPA process.

CES Energy recommends that modifications to existing connection agreements for auto-generation customers should be timely processed under the non-GPA process as they represent the most efficient use of existing grid infrastructure.

QUESTION 7: Should some categories of project be processed outside the GPA process when the new connection policy is implemented?

ANSWER: Yes. Specifically, auto-generation projects should be processed outside the GPA process. Auto-generation projects are delivering power directly to the consumer, in parallel to the consumer's existing grid connection. In case the consumer does not consume all generated power, the excess power is usually exported to the grid.

These projects do not require new grid connections, but only modifications to the existing grid connection of the consumer to allow for parallel connection and export of excess power. Therefore, auto-generation projects represent the most efficient use of the existing electrical infrastructure (network) and should be given the highest priority.

We should ensure that auto-generation projects are getting connected in a timely manner. The non-GPA process can ensure such prioritization, once it is cleared of the current high numbers of applications. If a project requires only a modification of an existing grid connection agreement of a demand customer, and the requested Maximum Export Capacity (MEC) is equal or less than the Maximum Import Capacity (MIC). Auto-generation and decentralised power is a major trend in other European countries to ensure most efficient use of existing network and delivering the lowest cost power to end users.

A recent concern has been that projects processed under the non-GPA process can have a cumulative effect on the network especially since they are often clustered around certain points on the network. This issue is very unlikely to arise with auto-generation projects. Auto-generation projects are located on site of large demand customers or in the direct vicinity of the site. Usually, there are only one or two projects per demand customer. As these customers are spread over the entire country, CES Energy does not anticipate significant levels of regional clustering.

QUESTION 8: Do respondents agree that the CER should progress the development of the Enduring Connection Policy in advance of I-SEM go-live?

ANSWER: Yes, CES Energy is of the opinion that the Enduring Connection Policy should be put into practice as soon as possible, Grid connection policy is completely separate to I-SEM. There will also be complications trying to have a harmonised approach relating to NI connections.

QUESTION 9: Should connection policy facilitate a mix of generation and in particular facilitate providers of system services? Should connection policy focus on certain technology types or rely entirely on market signals?

ANSWER: The connection policy should facilitate a mix of export generation and auto-generation utilizing multiple technologies, ensuring the key drivers of cost and carbon reduction are considered in parallel.

QUESTION 10: Should projects which make the most efficient use of the existing network be prioritised over projects driving more deep reinforcements?

ANSWER: Yes, efficient use of existing infrastructure is paramount to keeping the end user cost of the network as low as possible and therefore ease the burden of high electricity bills of local Irish businesses and households. Efficient use of existing infrastructure should be given the highest priority.

Specifically, auto-generation projects should be prioritized as they make the most efficient use of the existing network infrastructure. Auto-generation projects are delivering power directly to the consumer, mostly large demand customers, in parallel to the consumer's existing grid connection. In case the consumer does not consume all generated power, the excess power is usually exported to the grid. Therefore, auto-generation projects do not require new grid connections, but only modifications to the existing grid connection of the consumer to allow for parallel connection and export of excess power.

If a project requires only a modification of an existing grid connection agreement of a demand customer, and the requested Maximum Export Capacity (MEC) is equal or less than the Maximum Import Capacity (MIC), this project should be prioritized.

QUESTION 11: Should large demand connection which make the most efficient use of the existing network be encouraged through the Enduring Connection Policy?

ANSWER: Yes, priority should be given to auto-generation/decentralized local generation to make the most efficient use of the existing network.

QUESTION 12: Are there any specific issues the CER should take into consideration regarding community based schemes?

ANSWER: The CER should develop a strategy which clearly indicates how auto-generation/decentralized power solutions which deliver substantial economic environmental and community benefits. A clear transparent strategy will deliver low cost finance into this sector, resulting in reduced energy cost for end users.

QUESTION 13: Should the CER include planning permission in the criteria for receiving a connection offer?

ANSWER: No, a prerequisite for planning consent is too restrictive. However, some change of the current process is required to disincentivise the speculative developers.

QUESTION 14: Have we identified the correct policy issues? Are there policy issues which we have not accounted for?

ANSWER: An additional policy issue to be considered is the modification of existing connection agreements to facilitate auto-generation and decentralized power solutions. These should be prioritized and treated in a separate manner to ensure reduced energy cost for industry in Ireland.

QUESTION 15: Should the GPA process be retained? And should there be more frequent rounds of offer processing?

ANSWER: Yes, however, more frequent rounds of offers should be considered.

QUESTION 16: Should the non-GPA approach be revised?

ANSWER: Yes, auto-generation should be classified as non-GPA and should be processed in a timely manner. The non-GPA process can ensure such prioritization. If a project requires only a modification of an existing grid connection agreement of a demand customer, and the requested Maximum Export Capacity (MEC) is equal or less than the Maximum Import Capacity (MIC), this project should be prioritized. Specifically, auto-generation projects should be processed under the non-GPA process. Auto-generation projects are delivering power directly to the consumer, in parallel to the consumer's existing grid connection. In case the consumer does not consume all generated power, the excess power is usually exported to the grid.

These projects do not require new grid connections, but only modifications to the existing grid connection of the consumer to allow for parallel connection and export of excess power. Therefore, auto-generation projects represent the most efficient use of the existing electrical infrastructure (network) and should be given the highest priority.

SECTION 5

QUESTION 17: Comments are requested on the above proposed transitional arrangements, specifically:

Whether these transitional measures should be implemented ahead of the development and implementation of the Enduring Connection Policy;

The timing of such arrangements (30th June 2016 for policy measure (1) and (2));

The appropriate level of increase in capacity under policy measure (2) to deliver most final customer benefit.

ANSWER:

Yes, the transitional measures should be implemented ahead of the development and implementation of the Enduring Connection Policy.

Yes, we are in agreement with the timings of such arrangements (30th June 2016 for policy measure (1) and (2)).