
CER/15/284

***Review of Connection and Grid Access
Policy: Initial Thinking & Proposed
Transitional Arrangements***

A Response by EirGrid

5th February 2016



Introduction

EirGrid welcomes the opportunity to respond to the Commission for Energy Regulation's (the CER) Consultation on Future Access Policy (CER/15/284) (the 'Consultation Paper'). The future evolution of connection and access policy is of fundamental importance. EirGrid has provided a comprehensive response to the various points consulted upon. EirGrid would welcome the opportunity to discuss its response with the CER.

EirGrid would summarise its key messages under three headings:

Enduring Arrangements

- The future connection and access regime must have a clear commitment model. Any once off measures to manage the existing 'queue' of applicants, or parties contracted, should not diminish that commitment;
- The access regime, and the treatment of access by the market, is integral to the overall connection arrangements. This needs to be considered in the context of I-SEM and the European Network Codes;
- Efficient use of the transmission network is important and Gates and Group processing continue to have an important role to play in this regard. Equally arrangements must facilitate the connection of generation where that generation is needed and provide for the characteristics necessary for the future operation of the power system; and
- Interconnectors are not the same as either generation or demand and need to be treated separately and in accordance with the overarching European policy framework. Equally, Projects of Common Interest need to be facilitated.

Demand Connections

- Connection policy should facilitate the connection of new demand facilities. Meeting demand represents the very raison d'être of the development of the power system. As a result large demand connections should not be part of the enduring connection and access policy regime for generators and should continue to be treated separately; and
- Notwithstanding this there are a number of points raised within this document in respect of demand connections requiring further consideration.

Transitional Arrangements

- It is important that the volume of applications for the transitional measures is manageable;
- The criteria set out for eligibility for all three measures proposed needs to be tightened. Specific proposals are set out in the detail of this response;
- The level of network analysis must be limited to ensure offers can issue in a timely manner.

- The CER needs to confirm how non GPA applications will be managed together with the transitional arrangements; and
- Due consideration must be given to the time required to mobilise the resources required to effect the decision.

There is currently no specific CER direction on how to treat post-Gate 3 generation applications. The situation today whereby projects which utilise spare capacity or bring significant network benefits cannot get a connection offer needs to be addressed on an enduring basis. EirGrid is supportive of achieving an enduring connection policy through this consultation process with the ultimate aim of eliminating the requirement for the CER to consult in the future on “who gets offers”.

Whilst recognising this consultation paper is specifically about Grid connection access in Ireland due consideration should be given to commonality between Ireland and Northern Ireland, where that commonality is appropriate.

This response is broken down into 3 sections. Section 1 answers the questions posed by CER on the enduring connection policy principles. Section 2 answers the questions posed by the CER on the transitional arrangements. Section 3 provides an overview of the key points and issues identified by EirGrid in developing its response.

Section 1:

Response to Specific Questions Posed under Part 1

3. Enduring Connection Policy: Objective, Principles and Approach

3.1. Enduring Connection Policy Objective and Underlying Principles

Question:

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

EirGrid is supportive of the Enduring Policy Objective and Underlying Principles as outlined by the CER in the Consultation Paper.

EirGrid would also suggest that the CER consider the following additional principles:

- ***Flexibility*** – allowance for new technology and state of the art to enter the market for both energy and non-energy service provision.
- ***Exit signals*** – to discourage the retention of network capacity by plant that is inefficient in both the energy and non-energy service provision.

EirGrid believes for the long term interests of consumers that the CER consider the facilitation of connections for small scale relevant new technology to provide necessary non-energy services and lead to long term competitive pressure in these markets. These technologies should only be considered where there has been a clear demonstrated need for these non-energy services.

3.2. Enduring Connection Policy: High Level Approach

Question:

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

EirGrid is supportive of a rolling gate concept. Intervals between gates will be required to facilitate offer processing and offer acceptance. EirGrid recommends that consideration be given to having different gate designs that provide access where:

1. Providing connection offers to projects that would allow the deferral or cancellation of a planned grid reinforcement project
2. Providing connection offers where there is spare capacity on the grid
3. Providing connection offers where capacity is scarce or requires significant deep reinforcements

Gates for 1 and 2 above should be run at frequent intervals. A longer window of time is required to receive applicants that fit under 3 above so that the associated reinforcements required to connect these applicants are optimised. Hence this gate would run at longer intervals.

Within each of these gate designs a mechanism for managing any over-subscription will still be required. Traditionally this has been achieved through applying a “date order of application”. EirGrid believes that whilst there are benefits to that approach other criteria must be considered. In particular, the relative benefits different projects have in terms of the overall operability and efficiency of the power system should be factored into the decision.

EirGrid considers that group processing is an efficient way to develop the network and minimise connection costs to customers and should be supported, however it should not be the only approach to processing connection offers. EirGrid believes that no one approach on its own can deliver on the objectives of an enduring connection policy. Within a Gate scheme both grouped and non-grouped connections will be required depending on size, location and volume of applicants. Outside of Gates a mechanism such as non-GPA should exist to allow offers to be issued for the purpose of trialling new technologies and/or offers that facilitate the connection of resources required urgently on the power system due to an unforeseen shortage of energy or system services.

In all cases it is important the design of gates and process approaches do not result in connection offers themselves being a scarce commodity that has a value and is traded between developers. EirGrid suggests that the CER give consideration to removing some of the flexibility offered by the Connection Offer Policy and Process (COPP) paper such as relocation of capacity. This flexibility has encouraged trading of connection contracts which is not seen by EirGrid to be a good outcome for the industry as a whole. Having certainty that there is a mechanism by which a project can get a connection offer should be sufficient to mitigate the need for capacity relocation.

Finally, EirGrid believes that the philosophy behind firm access and any process for allocating firm access is an integral part of the Enduring Connection Policy. A fundamental review of firm access should, in our view, form part of the consultation process.

4. Enduring Connection Policy: Key Policy Drivers to Determining Appropriate Connection Criteria

4.1. Renewable Targets

Question:

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?

EirGrid agrees that renewables targets are a driver for connection policy but not the only one. Connection policy must align with all relevant EU Regulations, EU Policies and Frameworks, Irish Energy Policy, Irish legislation and EU Network Codes and must be capable of evolving as these do. Connection of renewable energy is only one of the drivers behind a balanced enduring connection policy.

As the independently certified TSO in Ireland, EirGrid's role is to deliver quality connection, transmission and market services to electricity generators, suppliers and customers utilising the high voltage electricity system. Whilst EirGrid will not prejudice or support any particular form of energy that might provide Ireland's electricity power in the post-2020 period, it is important that connection and access policy supports Ireland's power system requirements in terms of both the technical requirements of grid management and the necessary portfolio mix.

Continuing the major reinforcement of Ireland's transmission system and obtaining the most effective portfolio mix is fundamental to achieving government policy in respect to efficiency, sustainability and economic development. EirGrid believes that any issues and challenges relating to the accommodation of any particular public policy objective including technology or energy source on the system should be addressed in a fair and open manner with a balanced consideration of all issues.

4.2. Interconnection, Demand and Generation Forecasts

Question:

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

It is EirGrid's view that explicit provision should be made for interconnectors in connection policy reflecting the European policy and directives that are currently in place. EirGrid believes interconnectors enable market competition and should not be viewed as competing with other users. As such, it is EirGrid's view that the connection policy for interconnectors should be treated separately to that of wider connection policy such that the development of policy for one does not unduly delay the other.

As detailed in the CER's consultation paper, the provisions of the Third Package and EU Network Codes require preferential treatment for interconnectors and such projects are explicitly facilitated under the Projects of Common Interest (PCI) Regulations. Depending on the timelines associated with the consultation process on enduring connection policy it may be necessary for the CER to bring out an interim decision on interconnection connection policy to facilitate the progression of projects approved under the EU Projects of Common Interest (PCI) Regulations (EU/347/2013) and to achieve the policy objectives set out in the EU policy framework on interconnection.

It is EirGrid's view that a number of the principles outlined by the CER as part of the considerations in developing Enduring Connection Policy are applicable to interconnectors and in particular, the principle of Optimal Grid Development and end user impact.

In addition, the points made by EirGrid later in this submission relating to the requirement for an appropriate commitment model for getting a connection offer should apply to interconnectors in line with the principle outlined in the CER's consultation paper of facilitating "viable projects and discourage 'hoarding' of capacity".

The following issues are also proposed for consideration by the CER in relation to access for interconnection:

- The mechanism by which reinforcements required to accommodate interconnection are identified and considered.
- The ability of the power system to be operated safely and securely with an AC or DC interconnector, specifically where the interconnector is very large and could impact on frequency stability and overall operability of the system.
- The criteria required for different interconnectors in terms of the provision of capacity/firmness.

4.3. Treatment of Non-GPA Applications

Question:

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

EirGrid recognises the benefit that a non-GPA process can bring when managing the connection of very small generators. However, EirGrid has concerns over the effectiveness of the existing policy. In particular EirGrid has a concern over the volume of applicants currently being processed under the non- GPA process. In addition there needs to be greater clarity on what technologies provide research benefit. With respect to non-energy service requirements of the power system in the future EirGrid is well placed to provide guidelines to provide such clarity.

Large volumes of generation connected under a non-GPA process can affect the controllability, visibility and predictability of the power system in a negative way and it is important that the non-GPA process is designed to avoid this.

The sequential nature of processing applications under Non-GPA is appropriate however it cannot support a large volume of applicants. One mechanism to control volume is to have a very low MW threshold for specific generation technology above which non-GPA is not applicable.

EirGrid believes that a non-GPA approach may be suitable for connections in situations such as trialling new technology or addressing urgent shortages in capacity or system services. In the event that the Non-GPA direction is superseded by the outcome of this consultation process, the new access policy will need to have a process to facilitate the connection of such projects.

If a non-GPA approach is retained the CER must put in place checks and balances to ensure that the process remains manageable and appropriate at all times.

4.4. Connection and Access Considerations

4.4.1. I-SEM Design

Question:

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

EirGrid agree that the development of the Enduring Connection Policy should proceed in advance of I-SEM go-live. However, EirGrid believes it is important the policy takes account of the likely treatment of non-firm generation in iSEM and in the dispatch process post-iSEM.

4.4.2. DS3

Question:

Should connection policy facilitate a mix of generation and in particular facilitate providers of system services?

As noted in response to question 4.1 connection policy should be driven by EU and Irish Policy as well as meeting the needs of well-functioning power and market systems. The DS3 System Services Procurement project is in the implementation phase with consultation on detailed design is ongoing. While in principle EirGrid believe there needs to be a more holistic understanding of what a connection offers and what the system needs. In this instance EirGrid generally supports facilitating necessary non-energy service providers with a connection.

EirGrid does believe that an Enduring Future Access Policy needs to facilitate a mix of the following:

- Generation (Energy and System Services)
- Generation (Energy only)
- Non energy service provision (including DS3 System Services)
- Other connecting parties (interconnectors, demand, CHP)
- New third party technologies

Should connection policy focus on certain technology types or rely entirely on market signals?

EirGrid believes that, in an ideal world, efficient market signals coupled with a high “commitment requirement” to receive a connection offer should incentivise the right type and mix of technology seeking to connect to the system. Connection policy should only need to target specific technologies in situations where:

- Irish and EU policy objectives are not being met
- there is a scarcity of grid capacity and rules are required about who can avail of it
- there is a shortage of a particular technology necessary for the secure operation of the system

In these scenarios connection policy should be capable of focusing or incentivising certain technology types, recognising the property right conveyed to users of scarce transmission capacity under a shallow connection charging regime. EirGrid expands on how proposals for allocating scarce capacity in the next section of this response.

EirGrid would caution that it is essential that the commitment required from developers to apply for, accept and construct a connection is of a sufficient level that it deters speculative applications for projects which may not be capable of being delivered. Amassing of capacity with a clear specific purpose for that capacity is something which must be actively avoided and discouraged.

4.4.3. Network Issues

Question:

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

In principle, EirGrid supports the concept that connection policy should seek to use the network efficiently. However, the need for major deep reinforcements to facilitate connection should not be ruled out completely. EirGrid would like to highlight the need to carefully consider EU regulations (Ref. Directive 2009/72/EC Article 23) regarding the connection of new power plant to the transmission system, which states that the TSO shall not be entitled to refuse access on the grounds of possible future limitations to available network capacity or on the grounds that it will lead to additional costs linked with necessary capacity increase of system elements. The legally binding requirements of the EU Network codes and relevant aspects of EU Regulations and Irish legislation must also be fulfilled by the enduring connection policy.

Nonetheless a “Plan-led” access policy brings many benefits. A hybrid approach which optimises the utilisation of existing and planned assets but can also facilitate connection where there is currently no capacity would be favoured. One mechanism to promote the efficient use of the network would be to undertake regular analysis of the grid and identify where capacity exists and process applications for this capacity in a stand-alone Gate. Consideration should also be given to a gate for developments that can alleviate a constraint on the system or defer a network reinforcement project. Developers seeking connection in parts of the grid where capacity does not currently exist could be processed in a different Gate which would run at less frequent intervals and inform the new network development needs assessment.

The issue of Firm Access is also highly relevant to this aspect of connection policy. EirGrid believes that the philosophy of firm access, its alignment with market and dispatch principles and the methodology by which it is allocated all need to be reviewed as part of this consultation process.

4.4.4. Demand

Question:

Should large demand connections which make the most efficient use of the existing network be encouraged through the Enduring Connection Policy?

Meeting demand represents the very raison d'être of the development of the power system. Connection policy should facilitate the connection of new demand facilities. EirGrid does not believe, large demand connections should be part of the enduring connection and access policy regime for generators and should continue to be treated separately.

EirGrid believes that connection of demand at any location on the network should not be prohibited under connection policy. Incentives aimed at encouraging demand to locate on one part of the network must be balanced against the wider economic needs of the country to facilitate employment growth in all regions. Competing demand, where there are limitations on the network's ability to accommodate all demand seeking to connect in a timely fashion, does however increasingly need to be considered

Incentives seeking to promote efficient use of the network should be very carefully considered. Incentives would most likely be in the form of financial incentives implemented through a review of connection or TUoS charging policy for demand customers. The extent to which such incentives would promote efficient use of the network will depend on the relative worth of the incentive against the other factors driving costs associated with the development of a demand facility e.g. availability of gas, transport and IT infrastructure, availability of an appropriate workforce, proximity to existing facilities etc. It is assumed that charging principles are not part of this consultation and as such this topic may be suited to a different type of consultation process than that which is the being considered here.

EirGrid does believe that the enduring connection policy should facilitate participation of demand facilities in the energy and system services markets. Consideration should be given to processing connection offers for demand facilities seeking a small export capacity to enable their participation in system services auctions or the energy market. However, the export capacity allowed should be limited to small percentage of the import capacity if the connection is to be processed outside of a Gate.

4.4.6. Community Based Schemes

Question:

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

Section 4.4 of the Department of Communications, Energy & Natural Resource's White Paper entitled Ireland's Transition to a Low Carbon Energy Future states that:

- "Community-level energy efficiency and renewable energy projects, using a range of technologies, will play an important role in the energy transition."
- "There will be opportunities for communities to collaborate, including with local government and energy agencies, to develop community energy efficiency and renewable energy projects."
- "SEAI will continue to provide a range of supports to communities and homeowners in relation to the deployment of renewable energy technologies and energy efficiency projects, including training, advice and grant support."

EirGrid is supportive of any measure which would promote sustainable development and connection of new generation. However, EirGrid would need to maintain a fair and transparent approach to Grid Connection to satisfy the terms of its licence as TSO.

EirGrid would ask for more detail on any CER proposals with regards to community based schemes to be provided in further consultation on Enduring Future Access Policy.

There may be potential for a limited non-GPA path for community based schemes which meet a clearly defined criterion e.g. evidence of finance capability. The CER should develop a clear definition of a Community Based Scheme including a minimum percentage of community ownership required.

4.4.7. Planning & Consenting Considerations

Question:

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

EirGrid agrees with the CER that planning and consenting should be a consideration of connection policy and should form part of any further consultation on Enduring Future Access Policy. EirGrid believe that reinforcing the “commitment model” to obtain, accept and construct a connection is fundamental to ensuring executed connection offers progress to energisation in a timely manner. EirGrid are supportive of any change to connection policy which gives greater certainty that generators with executed connection offers will progress.

In light of the O’Grianna ruling, requiring applicants to have obtained planning permission in order to get an offer may be challenging. The O’Grianna judgement stated that before granting planning permission the cumulative impact of the development and its connection to the Grid ought to be considered. It may therefore be difficult for the applicant to get planning permission in the absence of an offer or at least knowledge of their connection method.

Alternative options to the Customer having obtained full planning permission could be:

- **Time-bound Offer:** In reality, time-bound offers are already in existence with the enforcement of Longstop Dates. The current Longstop Dates are more than ample (2-3 years post schedule achievement of planning permission). The CER might want to consider significantly reducing the Consent Issue Date Longstop Dates in Connection Agreements in any further consultation on Enduring Future Access Policy. The CER could also require that the applicant must submit a planning application to the relevant authority within “X” months of accepting a connection offer. The submission of planning permission represents a commitment and positive step in project progression. This could also represent a longstop date allowing EirGrid to terminate Connection Agreements where this important step in project progression is not reached in a timely manner.
- **Evidence of Planning Permission Progression:** It could be proposed that an applicant would need to provide confirmation that:
 - the project is to be developed on land zoned appropriately; and
 - Preliminary discussions with the planning authority have taken place.

This could be supported by introducing a 12 month limit on applying for all necessary consents after which a connection agreement is terminated.

- **Provision of pre-connection offer connection methods:** The CER could consider if there is scope to provide a connection method prior to a full connection offer. Each applicant would be treated independently of one another and would only apply for a connection offer once planning has been granted. However, this model does not align with a group

processed in approach (sharing connections) and may not be suitable in all circumstances.

In addition, EirGrid would be supportive of any mechanisms to strengthen the commitment model from generators applying for an executing connection offers. This is from the perspective of providing greater certainty that generators with executed connection offers will progress and connect and hence mitigate network planning risks. The CER could consider the following in further consultation with respect to a commitment model:

- Pay monthly non-refundable TUoS charges (or % of TUoS charges) from the date of connection offer acceptance
- Provision of up front non-refundable security or payments
- Shorter longstop periods
- More scope for unilateral termination of a connection agreement for non-progression
- Tightening or complete elimination of COPP rules that apply to non-connected generators

Connection offers need to be non-transferable to ensure that if a development is not capable of being delivered the connection agreement is terminated. Permissible modifications should be strictly limited to changing the number and type of turbines to reflect technology evolution and to relocation of a generation facility within 1 kilometre of the contracted location; re-powering of existing facilities with replacement or alternate technology should also be permitted. This would encourage developers to give up contracts sooner if they fail to get planning permission and reduce the value of a “black market” for trading contracts. It is envisaged that the introduction of such a measure would also limit the ability to hoard capacity.

4.5. Conclusions

Question:

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

List of applications outside of Gate 3 and NON GPA process currently on hold

Section 2.1.4 of the paper states that there are 25,400 MW of applications not being processed today. Some of these applications date back to 2006. The CER proposes that only applications received after the date the enduring connection process is established would be processed under the new criteria. The CER should clarify what happens to the applications in the queue today and ensure that if applications are removed do not simply re-submit exactly the same application. This would be linked to the issues of the commitment customers must show when applying for a connection as described in our response under section 4.4.7.

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

EirGrid has addressed this question under question 4.3.

Section 2:

Response to Part 2: Transitional Arrangements

Section 5 Proposed Transitional Arrangements

EirGrid is supportive of the CER proposals for a limited number of policy measures in 2016 to assist the transition from the existing connection policy towards the Enduring Connection Policy.

Transitional Arrangements Summary of key Issues

Transitional Measures 5.1, 5.2 and 5.3 are discussed in further detail below. The following is a summary of the key issues identified by EirGrid in developing its response to the proposed Transitional Arrangements.

Eligibility

For the effective implementation of the transitional arrangements it is important that the volume of applications for the transitional measures is manageable. Therefore, it is EirGrid's view that the criteria set out for eligibility needs to be tightened for all three measures for the reasons identified below and expanded upon further within this response. EirGrid believes measure 5.1 should be limited to applicants whose connection projects have not moved into the construction (post-consenting) phase by 30th June 2016. EirGrid proposes measure 5.2 should be limited to applicants who already have the generating capacity installed to provide the additional 10%. EirGrid proposes that limiting the deadline for new generator applications under measure 5.3 to November 2016 will provide the most benefit from this measure.

Implementation

It is envisaged that once the level of interest for proposed measures 5.1 and 5.2 is known some of the clarifications sought may no longer be relevant and may be replaced by other queries on implementation. EirGrid proposes that once the level of interest has been determined we would brief the CER and identify at that point any issues that would require further discussion or clarification.

In the meantime, EirGrid has highlighted a number of points on arrangements 5.1, 5.2 and 5.3 which would need to be addressed to ensure that the SOs can quickly move to implementation if so directed by the CER.

Required Level of System Analysis for Transitional Arrangements

For the effective implementation of the transitional arrangements it is important the required level of network analysis must be limited to ensure offers can issue in a timely manner.

Interaction of non-GPA Process with Transitional Arrangements

EirGrid is processing an exceptionally high volume of non-GPA applications and forecast this to continue throughout 2016. The CER needs to confirm how to manage these applications together with the transitional arrangement in terms of priority for offer issuance and access to network capacity, both shallow and deep.

Indicative Implementation Timelines

The implementation timelines envisaged are relatively short and the feasibility of the timelines can only be confirmed once the level of interest for each measure is known.

With regards to the following text taken from Section 5 Transitional Arrangement:

“It is proposed that policy measures (1) and (2) would be implemented in advance of 30th June 2016, thereby providing clarity at that time on the capacity of the existing fleet to supply system services.”

EirGrid would like to clarify the meaning of *“implemented”*. EirGrid understands that all applications for both measures 5.1 and 5.2 are to be received by 30th June 2016. As outlined in responses to each of the individual measures, it is not possible for measures 5.1 and 5.2 to be implemented in full by the 30th June 2016. It is also not possible to have clarity by this date on the ability of the existing fleet to provide system services. Indicative timelines for the implementation of each measure, implementation of the DS3 System Services project and the interactions between each are set out in greater detail below.

Should a decision require a large volume of connection offer processing and network analysis work, due consideration must be given to the time required to mobilise the resources required to effect the decision.

Section 5.1 - Release of Existing Capacity

EirGrid is supportive of this measure as a “one-off capacity release amnesty” for contracted projects, not in a position to progress to connection, to release the capacity reserved to them by applying to terminate their Connection Agreement under the terms of this proposed CER Direction.

EirGrid under Section 1 of this response have commented on the need to reinforce the ‘commitment model’ to obtain, accept and construct a connection. It is assumed this measure is a ‘one time only’ proposal and that changes to the commitment model would ensure such a measure would not be required going forward.

EirGrid would like to clarify that a project failing to meet the longstop dates specified in their connection agreement is not the only scenario under which EirGrid may terminate the Connection Agreement as stated in Section 5.1 of the Consultation Paper. There are various other grounds under which EirGrid may terminate a Connection Agreement under the provisions of the General Conditions. In addition, there are also terms under which a Customer may terminate their Connection Agreement.

In Section 5.1 of its consultation paper, the CER proposes *“to incentivise projects which are unlikely to become operational to release their capacity before termination of their Connection Agreement.”* EirGrid’s understanding is that the CER’s objective is to incentivise projects which are unlikely to connect to release their Maximum Export Capacity (MEC). In this regard, EirGrid has interpreted “operational” as referring to “connection” as opposed to completion of Grid Code Testing (i.e. achievement of the Operational Date).

In particular EirGrid believe it would be beneficial for the CER to clarify the following:

Eligibility

a) *Applicable to All Contracted Capacity – Irrespective of Gate*

It is assumed that this measure is applicable to all currently contracted generators irrespective of Gate and including non-GPA customers.

b) *Limit Application to Projects where the connection works have not yet moved to construction phase, materials have not been ordered and/or the connection works have not been completed (“Limit to Projects in Stage 1”)*

EirGrid proposes that this should only apply to projects that are in Stage 1 of development (i.e. Consenting Phase) on the 30th June 2016. EirGrid has identified approximately 28 transmission contracted projects that have not yet reached this stage. These projects represent a total MEC of 1800MW. EirGrid considers this appropriate in order to limit the Use of System customers’ exposure.

Application of Proposed Direction

a) Connection Offer Processing Paper Ruleset on Reprocessing Subgroups Due to Termination Of Connection Agreement

Under Section 10 of COPP, where a contracted project drops out of a pre-defined sub-group due to termination of a connection agreement the System Operator will re-examine the connection method and optimise it. This could result in the capacity being released not being available for re-allocation under Measure 5.2. Nonetheless, failure to re-optimize the connection method could expose the Use of System customer to additional costs e.g. carrying the per MW share of the sub-group charges or the cost of any stranded assets. The CER should confirm if Section 10 of COPP applies to this decision.

b) Applicable Refunds

EirGrid assumes the refunding of First Stage Payments forms part of the 'one-off capacity release amnesty' and that changes to the 'commitment model' would ensure that such a measure would not be required going forward. The text of the consultation paper limits the refund to 100% of the First Stage Payment. EirGrid would like the CER to clarify if it is intended to mean **net of costs incurred to date**¹. If the CER directs that this provision also applies to projects where the connection works are completed or are in construction/material ordering phase then clarity is required as to whether the refund only applies to the First Stage Payment (net of costs incurred to date) or to all payments received (net of costs incurred to date).

The Consultation paper is silent on the treatment of bonds (if any) held by EirGrid in respect of the capacity to be released. It is assumed that EirGrid would be directed by the CER under the terms of this measure not to drawdown on any bonds (including MEC Bonds and Connection Charges Bonds) held by EirGrid under the terms of the Connection Agreement for the capacity. Any bonds held by EirGrid, including those held under MEC Bonding Regime 1, would be returned to Customers in a timely manner once the termination agreement has been executed in full.

c) Mechanism for Terminating Connection Agreements

TSO under the terms of the Connection Agreement are only entitled to terminate a Connection Agreement unilaterally in specific circumstances. In order to meet the objectives proposed, the CER would need to specifically direct that EirGrid would be entitled to terminate a Connection Agreement unilaterally in response to an application **submitted** by applicants under the measure outlined in 5.1 of the Consultation Paper. This would expedite the process of obtaining clarity on the magnitude of capacity released under this measure.

¹ Should this not be the case EirGrid would require separate recovery of the costs incurred.

Once the ruleset for the termination of contracts is confirmed and the volume of requests is known EirGrid can advise individual applicants of the time required to process the termination requests and the level of refunds applicable.

d) Termination Fee

There is no current standard termination fee set out in the CER approved Modification Fee Paper. This Paper is a good set of guidelines for determining an appropriate fee and EirGrid therefore proposes to use the category of “MEC Change” which includes fee levels for MEC decreases. The actual fee level would be determined based on whether works needed to be optimised, etc.

Impact on Third Parties

Site Related Connection Equipment

The release of capacity may result in the re-optimisation of Site Related Connection Equipment for subgroups as noted above. The magnitude of the re-optimisation required will only be known once there is clarity as to how much capacity is being released under this measure. EirGrid notes that the re-optimisation process may have impacts on other generators, particularly in subgroups and could result in a delay to their connection works proceeding.

Other Issues

Capacity Relocation

Section 17 of COPP outlines the circumstances under which a contracted party may be eligible to relocate part of or their entire project from their allocated node.

Capacity Relocation was previously allowed to facilitate projects that could not progress at their allocated node to relocate and progress their projects at a new location. The proposed measure under 5.1 now allows for applicants who cannot progress to release their capacity and not lose their First Stage Payment and have their bonds drawn down.

In addition, EirGrid assumes for the CER to achieve its objective of identifying spare capacity on the Network to allow offers issue under measure 5.2 they need to also consider the issue of capacity relocation and the uncertainty this currently introduces.

EirGrid would propose that the deadline of the 30th June also applies to applications for capacity relocation and that capacity relocation would be prohibited after this date. Mergers and Splits within a node would still be allowed but not capacity relocations. This proposal would allow TSO accurately assess the available capacity available at a node without the uncertainty created by capacity relocation requests.

Summary of clarifications sought from the CER for Measure 5.1:

- The CER should clarify that all contracted generators are eligible to apply, irrespective of under which direction they were awarded capacity?
- The CER need to clarify if any eligibility criteria should apply to limit applications to projects still in stage 1 on the 30th June 2016?
- Do the CER intend that Section 10 of COPP will apply to terminations under this measure?
- EirGrid are seeking clarity as to whether the refund due to the Customer should be 100% of First Stage Payment less all costs incurred to date or 100% of **all** monies received to date less costs incurred to date?
- It is also assumed that EirGrid would not drawdown on bonds (if any) held under the terms of the Connection Agreement for the released capacity and would return the bonds in a timely manner once the termination agreement has been executed in full?
- The CER should clarify if EirGrid can unilaterally terminate a Connection Agreement on receipt of an application under this Measure 5.1.
- EirGrid will apply an appropriate Termination Fee in accordance with the CER approved Modification Fee Paper most likely based on Fee levels for MEC reductions.
- Can the CER clarify whether relocation of capacity would continue to be allowed after the 30th June 2016?

Section 5.2 Existing Connections

EirGrid is supportive of this measure for existing connected facilities with existing generating capacity to increase their MEC by means of a group processing assessment under the terms of this proposed the CER Direction.

Basis for assessment of Shallow and Deep capacity

It should be noted that the concept of shallow and deep works is very much a connection charging concept. Shallow works in this discussion in essence mean Site Related Connection Equipment and references to deep works or dep reinforcements refer to Associated Transmission Reinforcements.

There is a very important clarification required by EirGrid to fully understand the process proposed by the CER under this measure. The CER make a number of references to the deep reinforcements, to non-firm offers and to ignoring impacts on constraint and curtailment levels

- “The increase in capacity will not drive any new deep reinforcement”
- “While the offer would be on a non-firm basis, applicants would be required to accept a firm offer for this capacity at a later date, potentially under the enduring regime.”
- “any applications that would drive new deep reinforcements or changes to the connection assets should be excluded”
- “The increase in capacity will not have any interactions Excluding any impact on constraint or curtailment levels” with currently contracted generators”

There is some ambiguity in relation to whether the capacity is allocated a) on a non-firm basis with no deep reinforcements assigned or b) to projects that definitively do not drive new deep reinforcements and can received firm access without new reinforcements being required at any stage. If the latter is proposed by the CER, EirGrid believe that this measure is not implementable within a reasonable timeframe. The only approved mechanism for assigning firm access and ensuring no deep reinforcement projects are driven by the applicant is to run the Incremental Transfer Capacity (ITC) process. Any other approach would be out of line with the treatment of Gate 3, non-GPA and other applicants. In order to implement this proposal EirGrid requests the CER to direct that a process equivalent to today’s non-GPA process is applied i.e. any assessment is limited to a shallow assessment and a non-thermal deep assessment (e.g. considering voltage, short-circuit, dynamic or power quality issues) based on the applicants that apply for the increased 10%. Generators that are not limited by their shallow connection assets could be given non-firm offers. In respect of the assessment of Shallow Capacity additional metering and RTUs may be required; it is assumed the criteria excludes these minor works from the connection asset definition for the purposes of this measure.

Eligibility Criteria

EirGrid asks the CER to consider the eligibility criteria that apply to this measure and address the following issues in its decision

- EirGrid would like the CER to clarify if references to “increase capacity” in this Section of the paper should read “increase in contracted MEC.” Parties are already allowed to over-install up to 20% of their contracted MEC, hence this measure only changes the existing policy framework if it means an increase in contracted MEC.
- EirGrid notes the CER is limiting the proposal to 10% of the MEC that is currently firm (on the 30th June 2016?). It should be noted that under the ITC process firm access was allocated on a ‘date order of application’ basis whereas generators are connecting to the system in a completely different order. EirGrid noted earlier in its response that the philosophy and allocation process for firm access would benefit from a significant review. As such, EirGrid considers that bringing firmness into this measure may not reflect the capability of the network to accommodate the additional MEC. EirGrid believes, and would ask the CER to consider whether it is more appropriate to limit the proposal to 10% of the contracted MEC rather than the firm MEC.
- Under Section 5.2 of the Consultation paper bullet point two of the offer criteria states that “The generator is already connected to the network or will be connected before 30th June 2016”. For Phased Connection Agreements, the project may have phases that are contracted and connected or phases that are contracted but not yet connected. With regards to phased connection contracts, is the additional MEC limited to 10% of the contracted MEC connected or the total contracted MEC (including the phases contracted but not yet connected)?

Timing of connection of additional capacity

The CER have stated that “..allowing existing generators to increase their capacity on the grounds that these units will be able to bring their capacity onto the system considerably faster than a generator that does not have an existing connection...”. EirGrid notes that the CER have not put any time limit on when that additional generation must be installed and operational. EirGrid recommends the CER put such a limit in place. EirGrid suggests the CER considers limiting the number of eligible applicants to projects where the capacity is already installed or will be installed by 30th June 2016. Other projects can seek to increase MEC under the enduring connection policy. EirGrid estimates that if this eligibility criterion were applied the total MW of additional MEC that could be applied for under this measure is approximately 330 MW. If no such limit is imposed this could result in approximately 1000 MW of additional MEC applications being applied for under this measure. This could use up any capacity that would otherwise be available to developers under Measure 5.3.

Another factor to consider is that processing 1000MW of applications would be a time consuming process and is likely to encounter many of the same issues that are being considered as part of the Enduring Future Access Philosophy which could take time to resolve and therefore lose the benefit of introducing this transitional measure at all.

Interaction with Non-GPA Offer Processing

In order to implement this measure EirGrid would need to understand how this arrangement would be applied while simultaneously accepting and processing non-GPA applications.

Clarifications sought from the CER:

EirGrid have highlighted three areas where the CER need to clarify how measure 5.2 and the Non-GPA process potentially interact:

- **Offer Processing Schedule** – Do applications received under measure 5.2 get priority in offer processing schedule over non-GPA applicants?
- **Offer Processing Assessments** – Considering available capacity do non-firm generators get included in models?
- **Firm Access Quantity** – Do applications received under measure 5.2 get priority in the assignment of Firm Access Quantity over non-GPA applicants in the future?

Modification Fees and Lead-times

EirGrid assume that as per the CER approved Modification Fees for Connection Offers dated March 2013, the applicable modification fee for applicants applying for this measure would be fees for new applications in EirGrid's applicable Statement of Charges. Depending on the scale and nature of the requests it is assumed the standard processing timelines of 90 Business Days would also apply to the process of these offers.

Modified Connection Charges Due to new MEC

Current CER approved charging policy will apply to the additional MEC awarded under measure 5.2. From a charging perspective the additional MECs will be considered a separate gate and therefore the charging mechanism will be allocated charges based on per MW shares of current year standard charges for the new MEC. Subsequently rebates will be administered where applicable.

Indicative Timelines and interaction with Measure 5.3

The finalisation of the termination process required for Measure 5.1 and the commencement of the assessment of available MEC for Measure 5.2 are interdependent. Assuming Measure 5.1 is fully completed by September 2016, including any re-optimisation of connection works, offer processing of applications under Measure 5.2 would commence in December 2016 and offer execution would be completed by 30th September 2017.

The CER should consider if applications for capacity under Measure 5.2 and Measure 5.3 should be assessed together. If so, a tie-break rule set will be required. Furthermore the timelines of the System Services Project (see next section) would determine that offer processing could only commence in March 2017. If not, the assessment of applications under Measure 5.3 will be based on the assumption that all applicants receiving offers under Measure 5.2 will accept their offers.

Capacity Relocation

It may be the case, even with a 30th June deadline for capacity relocation requests, some capacity relocation offers that are being processed may not be confirmed before the determination of available capacity at a node commences. Clarity would be needed on how to determine available capacity in that situation. The capacity relocation ruleset also requires the consent of other parties where it is expected to have an impact on them. A relocation request that is moving capacity into a node where an existing customer may wish to increase by 10% could reduce the available capacity therefore would impact on the existing customer. EirGrid would need clarification on whether consent would be required from the existing customer in this instance. If consent is required at what point should EirGrid be requesting consent from the existing parties?

Current Standards

EirGrid would advise applicants that are seeking to increase by 10% to be mindful that current Grid Code requirements or other connection standards, including controllability, would apply to any new capacity and would not be covered by previous derogations. The integration of new plant into an existing site which has already been tested and deemed operational should also be considered by those applicants.

Summary of clarifications sought from the CER for Measure 5.2:

- EirGrid requests the CER to direct that a process equivalent to today's non-GPA process is applied for assessment of the capacity available under this measure.
- EirGrid would like the CER to clarify if references to "increase capacity" in this Section of the paper should read "increase in contracted MEC."
- EirGrid asks the CER to consider if it is more appropriate to limit the proposal to 10% of the contracted MEC rather than the firm MEC.
- EirGrid would like the CER to clarify is the additional MEC limited to 10% of the contracted MEC connected or the total contracted MEC (including the phases contracted but not yet connected)?
- EirGrid suggests the CER considers limiting the number of eligible applicants to projects where the capacity is already installed or will be installed by 30th June 2016.
- EirGrid asks the CER to clarify how the timing of Measure 5.2 will interact with Measure 5.3 and how both will interact with the current non-GPA process and with and whether capacity relocation applications/offers should be treated as executed for the purposes of determining available capacity at a node.
- Can CER clarify the consenting rules for capacity relocations at nodes where there are existing customers who may wish to increase by 10%?

Section 5.3 Units seeking to provide System Services required by the TSO

EirGrid is supportive of any consideration given to facilitating the connection of DS3 System Service Providers to the grid.

EirGrid having considered both the Consultation Paper timelines and the offer processing timelines, in parallel with indicative timelines for DS3 System Service procurement project believe there is limited benefit to this transitional measure. The timeline analysis concluded that:

- measure 5.3 would only benefit new generation targeting to provide system services from October 2018 and onwards;
- considering the timelines, applications under measure 5.3 should be limited to those received by end of November 2016; and
- applications after November 2016 would be processed in line with the enduring connection policy.

The remaining part of this section sets out the timeline analysis, undertaken by EirGrid which concluded that measure 5.3 would only benefit new generation targeting to provide system services from October 2018 and onwards.

In relation to bullet point one of the criteria set out under section 5.3:

“The unit can provide system services identified by the TSO as being in insufficient supply from the current fleet;”

EirGrid would like to clarify that the TSOs will carry out an annual assessment of system service volume requirements for the following 5 years. The analysis will show, based on the input assumptions, how much of each service is provided by the existing plant and by new providers in each of the assumed portfolio scenarios. EirGrid believes that the Regulatory Authorities will in fact make the decision as to how much of each service should be put up for “new providers” auctions, as this is principally a commercial decision.

In relation to bullet point two of the criteria set out under section 5.3:

“The capability of the unit, in relation to those system services, is in excess of that required by Grid Code;”

EirGrid believe this criterion is not specific enough to distinguish one party seeking connection over another. There are no grid code requirements for these new system services, so any plant providing any of the new services will be in excess of grid code requirements. For example every wind farm could provide FFR, which is in excess of Grid Code requirements. So this proposal could allow all wind farms in the queue to get an offer.

EirGrid also note that the “new providers” auction will be open to both new providers and investments in existing plant to provide enhanced services.

Indicative Timelines

The Consultation Paper under Section 5.3, states that the offer issuance programme will align with the DS3 System Services project. EirGrid has investigated the indicative timelines outlined in this Consultation paper together with offer processing timelines and indicative DS3 System Services procurement project timelines to assess if this is feasible.

EirGrid believes there are four categories of projects to be considered in assessing the timelines:

- Projects that have a live Connection Offer
- Existing Connected Projects
- Existing Connected Projects applying to increase their MEC under measure 5.2 of the Consultation Paper
- New Generation Applicants applying under measure 5.3 of the Consultation Paper

The first two categories already have offers and therefore this timeline analysis will therefore focus on the following two categories:

- Existing Connected Projects applying to increase their MEC under measure 5.2 of the Consultation Paper
- New Generation Applications applying under measure 5.3 of the Consultation Paper

Please note there is an interim system services procurement process for applicants to provide system services for the period October 2016 to October 2017. This process offers a one off tariff for one year from October 2016 to October 2017. Considering the timelines, the proposal as set out in **5.3 Units seeking to provide System Services required by the TSO** will not align with the interim process. The timelines for measure 5.3 will not align with this auction.

It is anticipated that the system services volumes analysis will be completed in October 2016. Please note this is an indicative timeline. Only when this analysis has been completed can the applicants who can provide the required system services be identified.

The following indicative dates for the enduring system services procurement project are relevant to this investigation of timelines:

- October 2016 - Volume Analysis to be completed
- October 2016 – December 2016 – Auction Qualification Phase
- May 2017 – Auction for period October 2017 – October 2018 and subsequent years

- October 2017 – Commences providing system service under the enduring system services arrangements

It is important to note that in May of each year it is currently proposed there will be two auctions. A one year auction and a long term auction for subsequent years.

It is assumed for this investigation of timelines that any generator or non-demand reduction provider providing system services will export to the Grid and will therefore need a Connection Agreement.

In addition, SEM-15-091 is currently consulting on the DS3 System Services Qualification Process and Contract Design and relevant to this discussion is Section 5.1.1 Connection to an Electricity System which seeks to gather views on which of the below options should be used as minimum criteria for assessing grid connection details during the qualification phase:

- 1) Evidence of a secure, firm, grid connection at the plant location of sufficient capacity to allow the full provision of the System Services.
- 2) Evidence of a signed connection agreement with the relevant (transmission or distribution) network operator with a completion/energisation date that will allow the full provision of the System Services proposed by the individual applicant.
- 3) Evidence of a grid connection offer issued by the relevant (transmission or distribution) network operator of sufficient capacity to allow the full provision of the System Services proposed by the individual applicant.

All of the above would require a participant in a system services auction to have a signed Connection Agreement and for this reason the system services procurement timelines and the offer processing timelines need to be considered in parallel.

In addition, it is noted that as it currently stands pre-qualification does not require an operational certificate. The operational date must align with the commencement of service date for that auction year for the one year auction. The long term auction will require operational commencement within a period of time from being awarded a contract.

	Relevant System Services Milestones	Contracted Applicants seeking additional MEC under measure 5.2	New Generation Applicants apply for a Connection Offer under measure 5.3
June 2016		Applications Received	
July 2016		Applications Checked & Deemed Complete	
August 2016			
September 2016		Assessment of Available Capacity Commences	
October 2016	Volume Analysis Completed		
November 2016			Applications Received
December 2016	Deadline for Submission of	Connection Offers Processed	Applications Assessed &

	Tenders to qualify for the May 2017 Auctions		Deemed Complete
January 2017			Applications Grouped for Processing
February 2017			
March 2017			Connection Offers Processed
April 2017			
May 2017	Auction for October 2017 - October 2018		
June 2017		Offers Issued	
July 2017		Offer Executed	
August 2017			
September 2017			Offers Issued
October 2017		Operational Date	Offers Executed
November 2017			
December 2017	Deadline for Submission of Tenders to qualify for the May 2018 Auctions		
January 2018			
February 2018			
March 2018		Operational Date	
April 2018			
May 2018	Auction for October 2018 - October 2019		
June 2018			
July 2018			
August 2018			
September 2018			
October 2018			
November 2018			
December 2018	Deadline for Submission of Tenders to qualify for the May 2019 Auctions		
January 2019			
February 2019			
March 2019			
April 2019			
May 2019	Auction for October 2019 - October 2020		

Table 5.3.1 – Indicative Timelines for Implementation of Measure 5.3

This analysis of timelines results in the following EirGrid conclusions:

- It is not feasible for new generation or those seeking additional MEC under 5.2 to partake in the interim System Services Procurement arrangement which will identify the applicants providing system services from October 2016 to October 2017.
- Based on the assumption that applicants wishing to partake in the auction are required to have a signed connection agreement in time for the deadline of the submission of tenders of December 2016, new generator applicants applying under measure 5.3 and applicants applying for additional capacity under measure 5.2 will not qualify for the auction in May 2017 to supply system services from October 2017 to October 2018.
- If the qualification requirement under the current SEM Consultation (SEM-15-091) was amended to a requirement to have evidence of the SOs intent to issue a Connection offer then potentially this would facilitate applicants applying to increase their MEC under 5.2 for the auction in May 2017, however it would not facilitate new generation applicants applying under measure 5.3.
- From the indicative timelines it looks more likely, new generator applicants applying under measure 5.3 and applicants applying for additional capacity under measure 5.2 will qualify for the auction in May 2018 to supply system services from October 2018 to October 2019. Again submission of tenders to qualify for the 2018 auction will close in December 2017.
- Based on timelines in Table 5.3.1 above, it is suggested by EirGrid that new generation applications under this measure are limited to those received by end of November 2016 and who are targeting the auction to be held in May 2018 to supply system services from October 2018 or subsequent years.
- It is assumed that the CER's enduring policy will be the process for all new generation applicants who wish to apply after November 2016.

Summary of clarifications sought from the CER for Measure 5.3:

- How is it envisaged that this measure will interact with non-GPA applications? Will applicants under this measure be given priority over applicants applying under the non-GPA Direction?
- Is it CER's intention that these applicants are to be processed using the group processing approach?

Section 3: *Summary of Key Points*

In summary EirGrid is supportive of the consultation on enduring connection policy and the transitional measures. A summary is set out below of the key issues identified by EirGrid in developing its response.

Part 1: Initial Thinking on Enduring Connection Policy

Efficient network development

EirGrid fully supports connection policy which makes the most out of the existing or planned network. EirGrid also believes connection policy should incentivise the connection of generation or system service providers in areas where spare capacity exists or the connection of such plant would defer or nullify the need for new reinforcement. Nonetheless, in line with EU regulations, connection policy should not prohibit the connection of new generation on the grounds of such projects driving new development of the grid.

PCI projects

It may be necessary to bring out an interim decision on interconnection connection policy before the enduring connection policy is decided upon in order to facilitate the progression of projects approved under the EU Projects of Common Interest (PCI) Regulations (EU/347/2013) and to achieve the policy objectives set out in the EU policy framework.

Demand connections

Connection policy should not prohibit the connection of new demand facilities and therefore this enduring connection policy should not restrict this type of connection. Ireland is successfully attracting a lot of high value demand customers that are important to the Irish economy and it is important that connection policy facilitates such connections. Some consideration should be given to situations where a demand facility also provides some system support that may require an export capacity and it is a demand facility also provides some system support that may require an export capacity and it is appropriate that the enduring connection policy consultation considers this situation.

Interconnection

EirGrid believes interconnectors are more akin to grid development and enable the international transmission of power between jurisdictions and between markets. They should therefore not be seen as competing with other users and connection policy for interconnectors should be separate from that for generators, system service providers or demand.

Technologies and Connection Policy

Connection policy extends to more than just providing energy (identified by a Maximum Export Capacity). It is important that the connection policy is evolved to allow for non-energy service provision including DS3 system services without necessarily the equivalent MEC. In particular with the onset of new technologies which have lower energy capacity factors than traditional plant but high non-energy

service provision it is not clear that rigid adherence to the MEC concept is in the best interests of the consumer. However there are practical difficulties in moving from the concept.

Gates

Using Gates is a mechanism which allows system operators to assess multiple projects simultaneously and to issue grid connection offers in an efficient manner. Gates control when developers receive connection offers. Gate design can favour a particular technology or a particular use of the grid. It is important that any future gate design allows mechanisms that ensure developments which bring system benefits and use the grid efficiently are processed quickly. It is important the design of Gates and processing approaches do not result in connection offers being so hard to acquire that they are seen as valuable and tradeable commodities. EirGrid supports a rolling Gate process.

Group Processing

Group Processing Approach (GPA) is mechanism whereby connection applications are assessed together and, if appropriate, shallow connection assets are designed to be shared by multiple projects. GPA therefore has a benefit in terms of efficient design of the connection methods however it can have limitations in implementation phase when parties are progressing at different speeds.

Non-GPA process

Under today's non-GPA process an applicant at a node can only receive a connection offer when no other applicants are being processed at that node and there are no live connection offers at that node. Due to this sequential processing approach, non-GPA is not an appropriate mechanism for dealing with a large volume of applications. The non-GPA process today has been over-subscribed because it is the only mechanism since Gate 3 by which applicants can get a connection offer. As such Non-GPA has become synonymous with non-Gate processing as well as non-Group processing. EirGrid believes the existing Non-GPA direction needs to be substantially overhauled or rescinded entirely and Non-GPA in the future would only refer to applications that are not grouped for the purposes of sharing connections.

Firm Access

The current philosophy behind firm access in the market needs to be reviewed in line with the design of I-SEM, EU policy and Network Codes. Treatment of generation in dispatch, including priority dispatch, is also important in this regard. EirGrid recommends that firm access philosophy and any associated allocation process is included for consideration in the forthcoming consultation paper.

Commitment Model

Connection contracts have become valuable and tradeable commodities. Furthermore a large amount of applications have been received that are not currently being process, in excess of 25,000 MW. Enduring access policy should seek to encourage applications from developers with "shovel ready" projects and not speculative projects. To achieve this, the criteria for being eligible to receive an offer and the commitment required to accept the offer and develop the project as contracted for must be strengthened.

Part 2: Transitional Arrangements

EirGrid believes that for the effective implementation of the transitional arrangements it is important that the volume of applications for the transitional measures is manageable. Therefore, it is EirGrid's view that the criteria set out for eligibility needs to be tightened for all three measures. For the effective implementation of the transitional arrangements within a short timeframe it is important the required level of network analysis must be limited to ensure offers can issue in a timely manner. EirGrid is processing an exceptionally high volume of non-GPA applications and forecast this to continue throughout 2016. The CER needs to confirm how to manage these applications together with the transitional arrangement (all three measures) in terms of priority for offer issuance and access to network capacity, both shallow and deep. Should a decision require a large volume of connection offer processing and network analysis work, due consideration must be given to the time required to mobilise the resources required to effect the decision.

A summary of the key clarification being sought from the CER for the Transitional Measures is outlined below.

Summary of clarifications sought from the CER for Measure 5.1:

- The CER should clarify that all contracted generators are eligible to apply, irrespective of under which direction they were awarded capacity?
- The CER need to clarify if any eligibility criteria should apply to limit applications to projects still in stage 1 on the 30th June 2016?
- Do the CER intend that Section 10 of COPP will apply to terminations under this measure?
- EirGrid are seeking clarity as to whether the refund due to the Customer should be 100% of First Stage Payment less all costs incurred to date or 100% of **all** monies received to date less costs incurred to date?
- It is also assumed that EirGrid would not drawdown on bonds (if any) held under the terms of the Connection Agreement for the released capacity and would return the bonds in a timely manner once the termination agreement has been executed in full?
- The CER should clarify if EirGrid can unilaterally terminate a Connection Agreement on receipt of an application under this Measure 5.1
- EirGrid will apply an appropriate Termination Fee in accordance with the CER approved Modification Fee Paper most likely based on Fee levels for MEC reductions.
- Can the CER clarify whether relocation of capacity would continue to be allowed after the 30th June 2016?

Summary of clarifications sought from the CER for Measure 5.2:

- EirGrid requests the CER to direct that a process equivalent to today's non-GPA process is applied for assessment of the capacity available under this measure
- EirGrid would like the CER to clarify if references to "increase capacity" in this Section of the paper should read "increase in contracted MEC."
- EirGrid asks CER to consider if it is more appropriate to limit the proposal to 10% of the contracted MEC rather than the firm MEC
- EirGrid would like CER to clarify is the additional MEC limited to 10% of the contracted MEC connected or the total contracted MEC (including the phases contracted but not yet connected)?
- EirGrid suggests CER considers limiting the number of eligible applicants to projects where the capacity is already installed or will be installed by 30th June 2016.
- EirGrid asks CER to clarify how the timing of Measure 5.2 will interact with Measure 5.3 and how both will interact with the current non-GPA process and with and whether capacity relocation applications/offers should be treated as executed for the purposes of determining available capacity at a node
- Can CER clarify the consenting rules for capacity relocations at nodes where there are existing customers who may wish to increase by 10%?

Summary of clarifications sought from the CER for Measure 5.3:

- How is it envisaged that this measure will interact with non-GPA applications? Will applicants under this measure be given priority over applicants applying under the non-GPA Direction?
- Is it CER's intention that these applicants are to be processed using the group processing approach?