



Environmental Pillar submission

5th February 2016

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

Introduction

First and foremost it is extremely worrying that the Irish Communications and Energy Regulator should state the following:

... given that no new or revised targets for member states for post 2020 have been outlined to date, connecting a large number of renewables to the system to achieve the RES-E 40% target may no longer be as significant a driver of policy. Therefore, the CER proposes that connection policy will have to consider a wider range of economic and policy drivers and there is not likely to be one single driver which dictates the direction that the policy should take.

Climate Change has been accepted as the most serious threat to the global economy and security yet the Irish energy regulator does not seem to grasp the significance of prioritising renewable energy simply because politics is not yet committed to the level of decarbonisation agreed by Ireland in the Paris Agreement. Meanwhile, Ireland continues to feel the increased negative effects of climate change, and the scientific community and the IPCC continue to publish more and more alarming predictions of the impact that our addiction to fossil fuels are having on our world. CER need to recognise the urgency implied by the global commitment to cutting emissions and the binding decarbonisation requirements likely as a result of the forthcoming National Mitigation Plan.

While the legislative agenda has not as of yet detailed the exact percentage of grid renewable electricity by 2030 (as part of our overall 27% Renewable energy target), it is clear from the recent White Paper, the passing of the Climate Action and Low Carbon Development Bill and the recent international climate agreement in Paris, that policy is dictating a move from fossil fuels to renewable energy. Surely it makes sense that our grid is prepared for what will inevitably be a major policy shift when the reality dawns and action is urgent. It would be best advised to be prepared.

Furthermore this consultation mentions developers 9 times and investors twice. Community is mentioned 4 times. This could be taken to mean that there is greater consideration for developers and investors. The Environmental Pillar supports an inclusive approach to our energy transition which sees communities integral to achieving decarbonisation of our energy system.

As citizens become aware of energy consumption and it's consequences they have been empowered to act. Much of that action is taking responsibility for their own energy usage including its generation. This is more achievable as a community effort and these are being supported by the state agency Sustainable Energy

Authority of Ireland, SEAI, and the Department of Communication, Energy and Natural Resources, DCENR. So it follows that the Communications and Energy Regulator CER should also support them.

The Environmental Pillar have proposed several angles whereby communities can be supported. One is financially and it is unclear as to whether the CER has the power to do anything to assist in that area. We propose that there be a higher charge for fossil fuel energy generators to access the system with the income going to support energy citizens in community based projects generating from renewable sources include community scale wind, biomass, geothermal, solar, ocean, hydropower, landfill gas and municipal solid waste.

A holistic approach is required for our national energy system. By empowering citizens to engage with generation and supply they are more secure in their supply and costs at a local level. This will support the local economy.

The Environmental Pillar propose:

Greening the Energy Economy

- Aim for higher targets for Greenhouse Gas reductions
- Develop and implement an effective Pay As You Save scheme.
- Promote closed cycle local Biomass projects nationally
- Establish a ring-fenced tax on all fossil fuel generation to be used to drive the move to community based renewable energy production, efficiencies and grid connection. A moratorium on fossil fuel exploration should be instigated, in line with the recommendations contained within the recent IPCC reports, which explain that to limit climate change globally to within the 2°C limit, over 60% of known reserves fossil fuels need to remain in the ground. New exploration is contradictory to this advice and increasing fossil fuel generated power to the grid is only encouraging exploration.
- Invest in decentralised provision of innovative power supplies from a wide range of sources to ensure greater energy security and thriving local economies.
- Create a beneficial economic regime for the development of anaerobic digesters and increase the feed-in-tariffs in the current power purchase agreements to make it economically viable for electricity produced from anaerobic digesters to be sold onto the national grid.
- Develop particular local energy supply.
- Supporting local energy production which will increase the number of secondary industries and create a revival of local communities.
- Create a beneficial economic regime for the development of anaerobic digesters and increase the feed-in-tariffs in the current power purchase agreements to make it economically viable for electricity produced from anaerobic digesters to be sold onto the national grid.

Community Energy

Access to the National Electricity Grid for communities and micro-generation

- The definition of 'innovative' projects should be widened to include for community energy projects, thereby facilitating easier access for community energy projects onto the grid
- Costs associated with Grid connection should not be prohibitive, and should be in line with the Renewables Directive. Connection fees should be appropriate to the scale of the installation, to ensure small to medium size installations do not bear a disproportionate level of cost.
- Mandate electricity utility companies to enter into Power Purchase Agreements (PPAs) with small generators, with a low cost / admin model, so that small generators can receive payments for the electricity they export to the grid.

Facilitate the development of Community Micro Grids



- The barriers preventing self-sufficiency, local grids, off grid communities and electricity sharing should be removed.
- There should be no pressure to connect every installation to the national grid
- Research and Development funding should be made available to support the development of a number of demonstrations or test areas in Ireland.

Much of the Environmental Pillar climate change and energy policy corresponds with Ireland's Energy White Paper, *Ireland's Transition to a Low Carbon Energy Future* so we will reiterate the points within that national policy which should make it easier for adoption by the CER. Given that the white paper is national policy these steps should be automatically acceptable.

Ireland's Energy White Paper - Ireland's Transition to a Low Carbon Energy Future

Action 100 on page 45 declares that the development of this White Paper revealed a wide citizen and community desire to be consulted on, and participate in, Ireland's energy transition and the development of energy-related projects. We acknowledge the need to develop mechanisms and instruments to make this happen. We will work to widen the opportunity for participation by:

- Supporting community participation in renewable energy and energy efficiency projects, via the SEAI, to share best practice, provide information and ensure that local strategies align with broader Government policy
- Facilitating access to the national grid for designated renewable electricity projects, and developing mechanisms to allow communities to avail of payment for electricity, such as the ability to participate in power purchase agreements
- Providing funding and supports for community-led projects in the initial stages of development, planning and construction. These will be defined using criteria such as scheme size and degree of community ownership
- Providing a new support scheme for renewable electricity which will be available from 2016
- Developing a framework for how communities can share in the benefits of substantial new energy infrastructure which is located in their area
- Establishing a register of community benefit payments
- Examining shared-ownership opportunities for renewable energy projects in local communities
- Supporting, in particular, the emerging energy co-operative movement as one means of facilitating community participation
- Exploring the scope to provide market support for micro generation. This will be informed by an SEAI analysis of the potential of technologies in the field of small-scale wind, solar, micro-CHP and small-scale hydro
- Engage with local government on advising consumers on energy efficiency initiatives and clean energy options, integrating energy options, scoping the opportunities for demand and supply related local energy action through integrating energy issues into local area planning, and bringing stakeholders together to find locally appropriate solutions that bridge the gap between demand and supply (E.g. biomass fuel, district heating solutions).

Electricity Storage

Action 161 on page 62

- Electricity storage is expected to play an important role in facilitating the deployment of intermittent renewable energy technologies like wind, solar PV and ocean energy. The EU's Energy Roadmap 2050 [41] confirms that storage technologies remain critical, and that future integration of RES-E will depend on increased storage capacity. Electricity storage can be deployed in a number of circumstances in Ireland, including at grid-scale and at consumer level.

Action 162 on page 62.

- DCENR and the Northern Ireland Department of Trade and Investment commissioned work to model the impact on the electricity grid of different types of storage. These included very short-term storage

in intelligent storage heaters in domestic premises, intermediate-level storage in battery and ice banks, and very large-scale compressed air storage in salt caverns. The work demonstrated that significant levels of storage, in particular multi-megawatt-scale grid-connected storage, would be needed to maximise the utilisation of RES-E. Small-scale storage would facilitate more efficient use of the networks, maintain high standards of security of supply, and keep network operating costs lower than they would be without storage.

The Environmental Pillar also propose that innovative solutions should be explored. Can electric vehicles be used as storage?

5.6 Renewable Energy Actions

Action 171 on page 65 - To ensure that the 40% renewable electricity target is achieved by 2020, and to prepare for more renewable electricity deployment in the period to 2030, we will:

- Introduce a new support scheme for a range of RES-E technologies from 2016
- Update the existing support schemes so that they are compatible with the wholesale electricity market reform
- Ensure that grid connection policy will have due regard to current and future renewable energy policy, including in relation to community renewable energy projects; this policy, will be defined using criteria such as scheme size and degree of community ownership
- Publish a Renewable Electricity Policy and Development Framework (with a spatial dimension) to underpin the proper planning and development of larger scale renewable electricity generation development on land. This plan will give guidance to those seeking development consent in relation to larger-scale onshore renewable electricity projects, and to planning authorities, statutory authorities and citizens
- Develop a policy framework to encourage the development of CHP, taking account of the findings and recommendations of the comprehensive assessment required by the European Union (Energy Efficiency) Regulations 2014.

Answers to the specific questions laid down in the consultation document

3 Enduring Connection Policy: Objective, Principles and Approach

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

Policy Objective

The CER's policy objective for connection and grid access is to provide a fair opportunity for generation to receive offers of connection to the network taking account of system needs, efficiency, national policy and the consumer interest. Accordingly, the policy will be fair, non-discriminatory and promote efficient use of the existing network. This in turn should reduce the end-user cost of the network and facilitating competition in the wholesale energy market, thereby reducing energy prices.

Ireland's national policy, the Energy White Paper - *Ireland's Transition to a Low Carbon Energy Future* calls for "A radical transformation of Ireland's energy system is required to meet climate policy objectives. Our vision of a low carbon energy system means that greenhouse gas (GHG) emissions from the energy sector will be reduced by between 80% and 95%, compared to 1990 levels, by 2050, and will fall to zero or below by 2100."

In addition to this White Paper, Ireland has signed a commitment to reduce its carbon output "as soon as possible" and to do their best to keep global warming "to well below 2 degrees C".

In line with national policy and in order to demonstrate its significance, CER policy objective should include a commitment to facilitate *Ireland's Transition to a Low Carbon Energy Future* ensuring ensuring a radical transformation of Ireland's energy system to meet climate policy objectives.

Proposed additional Objective

CER will facilitate *Ireland's Transition to a Low Carbon Energy Future* ensuring a radical transformation of Ireland's energy system to meet climate policy objectives.

Q2 3.1 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?

The following point needs to be reworded. The term "developer" is too restrictive. Suggested replacement "producer"

- Transparency: must be transparent and allow all developers seeking a connection to understand the process which must be followed and the reasons why they have been successful or unsuccessful in obtaining an offer;

The next paragraph is taken from the Energy White Paper - *Ireland's Transition to a Low Carbon Energy Future*.

4.3 Energy Infrastructure

91. The installation of new energy infrastructure can give rise to a wide range of local concerns

including the siting of the infrastructure, the decision-making process, the distribution of costs and benefits, and the impact on individuals, local communities and the environment.

92. Formal processes for community consultation and engagement on infrastructure planning and implementation are well established. However, in some instances the approach used by industry and public authorities in the past, has resulted in a lack of trust. Significant practical steps have been taken to address this, particularly by EirGrid. For large projects An Bord Pleanála requires project proposers to demonstrate in-depth community consultation, public engagement, and a thorough understanding of the concerns of affected communities. The actions set out at the end of this chapter will strengthen community and citizen engagement on the development of new energy infrastructure.

93. There is increasing recognition of the value that effective communication and a participative approach between developer, local community and local authority can bring to the development of energy infrastructure. Effective engagement between these parties is a two-way process of sharing information, understanding different views, listening and responding to ideas and suggestions and developing trust and communications to the mutual benefit of all involved.

Proposed additional Principles

- ▬ **Climate aware: proposed applications must support and enable Irelands Transition to a Low Carbon Energy Future ensuring a radical transformation of Irelands energy system to meet climate policy objectives.**
- ▬ **Effective Communication: recognising the value that effective communication and a participative approach can bring to the development of energy infrastructure. All applicants must prepare, practice and review a communications strategy.**
- ▬ **Comprehensive Public Participation: effective engagement is a multi-way process of sharing information, understanding different views, listening and responding to ideas and suggestions and developing trust and communications to the mutual benefit of all involved. All applicants must prepare, practice and review a communications strategy.**
- ▬ **Energy Citizens: support for communities, cooperatives and micro -generation**
- ▬ **Inclusive: all applications must ensure comprehensive public participation and effective communications in planning in addition to planning guidelines.**

3.2 Enduring Connection Policy:High level approach

Again the term “developer” should be replaced with “producer”.

The CER proposes that the time is now right to move to this form of steady-state connection policy for the following reasons:

- Facilitating efficient access to the network will provide for market driven generation investment, which in turn will minimise network costs to the consumer.
- Providing clarity now with an enduring set of connection principles will, in the CER’s view, facilitate an approach for either conventional or renewable generators to gain access to the network in a reasonable timeframe, if that project meets the connection criteria.
- Significant grid development has taken place in recent years and grid development is expected to continue, taking account of future generation and demand. Connection policy should facilitate future connections for a mix of generation capacity driving further efficiencies on the system;
- It is expected that the 2020 RES-E targets can be achieved through completion of Gate 3. Connection policy should enable a more sustainable approach which, while allowing for wide ranging policy considerations, will provide for the optimal connection of generation and large demand customers.
- Increasing focus around planning and consenting and the difficulties some Gate 3 projects have experienced means that the planning process is an important consideration;

- A steady regime will facilitate regulatory certainty amongst developers and investors;
- A process of open, ongoing qualified access to the networks will reduce the need for a secondary market developing for the scarce resource of network capacity.

Q 3.2 What is your view on the high level processing approach outlined above? Are there other processing approaches the CER should consider?

- The proposal of “issuing offers and processing connections should change from infrequent, relatively large batches to more frequent, smaller rounds of offers, where the connection criteria have been met.” is to be welcomed. In addition these smaller rounds should prioritise indigenous renewable community and micro generation.
- Consumers should be encouraged to participate in energy generation. Adequate financial return on generation will reduce costs for the consumer.
- Connection policy should take into consideration micro and community scale generation.
- Large consumers should be encouraged to be large producers and should be powered by local community scale producers.
- Electrification of transport including electric vehicles should be considered in approaches to generation and storage.
- The planning process is vital especially access to information and public participation. These are rights protected by the Aarhus Convention.
- Ensure that grid connection policy will have due regard to current and future renewable energy policy, including in relation to community renewable energy projects; this policy, will be defined using criteria such as scheme size and degree of community ownership
- As per page 62 of Ireland’s Transition to a Low Carbon Energy Future – 2015-2030, Electricity storage is expected to play an important role in facilitating the deployment of intermittent renewable energy technologies like wind, solar PV and ocean energy. The EU’s Energy Roadmap 2050 [41] confirms that storage technologies remain critical, and that future integration of RES-E will depend on increased storage capacity. Electricity storage can be deployed in a number of circumstances in Ireland, including at grid-scale and at consumer level.
- Action 100 in white paper proposes to facilitate access to the national grid for designated renewable electricity projects, and developing mechanisms to allow communities to avail of payment for electricity, such as the ability to participate in power purchase agreements
- Aim to incorporate storage solutions closer to generation. This is especially successful at community and micro level. Action 174 of the white paper states that new low carbon and energy storage technologies are expected to evolve from research to deployment and will play a significant role in the energy transition. To facilitate this, we will:
 - monitor and encourage the development of new transition technologies (see also chapter 9)
 - examine and address any administrative, market or regulatory barriers to the implementation of energy storage projects
 - examine the case for designating large-scale storage projects as strategic energy infrastructure under planning, regulatory and policy criteria.

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

4.1 Renewable Targets

Q 4.1 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?

The connection of renewables should be the number one driver in the development of an enduring connection policy. The connection of fossil fuel generation should not be encouraged and steps should be taken to discourage it including financial charges that can be used to encourage community based renewable generation projects.

CER need to be planning for near immediate removal of peat burning from the system and near-term closing of Moneypoint

4.2 Interconnection, Demand and Generation Forecasts

Q 4.2 Should connection policy make explicit provision for interconnectors? If so, what issues should the CER take into consideration?

Export of renewable electricity should only occur at times when we have met as much domestic demand from renewables as practical. The principal purpose of renewable energy import and export should be to even out variations in supply and demand by pooling electricity with neighbouring countries. Interconnection with our neighbouring countries is therefore essential to maximising the displacement of fossil fuels and increasing the use of intermittent renewable energy sources and should be pursued as a matter of priority.

The new grid infrastructure proposed is currently being met with fierce local opposition from some communities and anti-pylon groups. Whilst visual, health and environmental impacts are often cited as the main reasons for opposition, it is important to note that at present communities have little or no access to the grid to use for their own benefit, even as it passes through their areas. Allowing communities to access this grid infrastructure for their benefit could reduce the opposition to this infrastructure. This could be facilitated through;

- Facilitating access to the grid for communities who want to generate renewable electricity.
- Fair and secure payments to community energy generators, micro generators and auto generators who export all forms of renewable electricity to the grid (including but not limited to wind, biomass, geothermal, solar, ocean, hydropower, landfill gas and municipal solid waste)

4.3 Treatment of Non-GPA Applications

Q1 4.3 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?

This question assumes that GPA is the only implementation pathway to the objectives, principles and approach. The Environmental Pillar proposes that the process needs to be reviewed and possibly redesigned to best facilitate the white paper transition to a low carbon energy future mindful of its commitments to climate and communities.

Q2 4.3 Should some categories of project be processed outside the GPA process when the new connection policy is implemented?

The Environmental Pillar proposes that the group processing scheme needs to be reviewed and possibly redesigned to best facilitate the white paper transition to a low carbon energy future mindful of its commitments to climate and communities.

4.4 Connection and Access Considerations

4.4.1 I-SEM Design

Q 4.4.1 Do respondents agree that the CER should progress the development of the Enduring Connection Policy in advance of I-SEM go-live?

Yes.

4.4.2 DS3

Q 4.4.2 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?

The system services required should be one element of the assessment. However it should not override other key elements.

4.4.3 Network Issues

Q 4.4.3 Should projects which make the most efficient use of the existing network be prioritised over projects driving more deep reinforcements?

Yes.

4.4.4 Demand

Demand should increase in line with an increase in electric vehicles.

Q 4.4.4 Should large demand connection which make the most efficient use of the existing network be encouraged through the Enduring Connection Policy?

4.4.5 Government Commitments and European Policy

4.4.6 Community Based Schemes

Q 4.4.6 Are there any specific issues the CER should take into consideration regarding community based schemes?

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- Mandate electricity utility companies to enter into Power Purchase Agreements (PPAs) with small generators, with a low cost / admin model, so that small generators can receive payments for the electricity they export to the grid .

Facilitate the development of Community Micro Grids

- The barriers preventing self-sufficiency, local grids, off grid communities and electricity sharing should be removed.
- There should be no pressure to connect every installation to the national grid
- Research and Development funding should be made available to support the development of a number of demonstrations or test areas in Ireland.

4.4.7 Planning and Consenting Considerations

Q 4.4.7 Should the CER include planning permission in the criteria for receiving a connection offer?

Yes

4.5 Conclusions

Q1 4.5 Have we identified the correct policy issues? Are there policy issues which we have not accounted for?

This consultation was launched just before the Energy White Paper which does not say much about the joined up thinking across government.

Obviously this consultation has not identified the policy issues the white paper brings. Therefore the Environmental Pillar request that this consultation be revised and reissued taking into consideration the nation energy policy. We then welcome further opportunity to see the revised proposals.

Q2 4.5 Should the GPA process be retained? And should there be more frequent rounds of offer processing?

The Environmental Pillar request a workshop with CER to increase our understanding of GPA in order to make an informed decision on this question. This is in line with comprehensive public participation.

Q3 4.5 Should the non-GPA approach be revised?

The Environmental Pillar request a workshop with CER to increase our understanding of non-GPA in order to make an informed decision on this question. This is in line with comprehensive public participation.

5 Proposed Transitional Arrangements

Comments are requested on the 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.

The Environmental Pillar seeks a more in-depth discussion with CER about the transitional arrangements. Given that the proposed transitional arrangement are neither past nor future policy and are being included at the tail end of a future policy consultation we have concerns about their transparency.

This Policy was developed using the Environmental Pillar processes but is not necessarily the policy of each member group in the Pillar. The Environmental Pillar is an advocacy Coalition of 28 national environmental NGOs, and a national Social Partner.

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