



Submitted electronically to:
Electricityconnectionpolicy@cer.ie

RWE Innogy GmbH

Name: Fruzsina Kemenes
Post: Regulation & Policy Manager
Tel: 075 577 58488
E-mail: Fruzsina.kemenes@rwe.com

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CER Review of Connection and Grid Access Policy

Thank you for the opportunity to respond to this consultation.

RWE Innogy pools the renewable energy expertise and the renewable generation projects of the RWE Group. Our goal is to continue growing renewable energies in Europe through the development, build and operation of projects. At present, we operate a power plant capacity of around 2,800 (Q1, 2015 megawatts based on wind power, biomass, hydroelectric power and new technologies. We are especially strong in our home market in Germany, followed by the United Kingdom, Spain, the Netherlands and Poland. We have drawn on our international experience of network connections in responding.

Please find our response to the specific consultation questions below,

Kind Regards,

Fruzsina Kemenes

RWE Innogy UK
Regulation & Policy Manager

RWE Innogy UK
Electron
Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire SN5 6PB
T +44 (0)8456 720 090
I www.rweinnogy.com/uk
Registered office:
RWE Innogy UK Limited
Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire SN5 6PB
Registered in England and
Wales no. 2550622

1) Enduring Connection Policy Principles

- **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?**

Yes we generally support the principles:

a)– under the assumption that “Compliance: must be compliant with national and European legislation” would ensure that any new national carbon emissions or renewable energy targets that could be legislatively established would be facilitated by the connections policy.

b)We suggest that “Equity of Treatment”: should be changed to “Non-discriminatory treatment” – slight differences in treatment may be justified to enable a level playing field amongst connection customers.

c)The “Equity of Treatment” principle should be extended to storage. It should really also be extended to mean that the policy can be adopted to cater for any new generation, demand or new connection applicant category that may emerge in the future.

2) What is your view on the high level processing approach outlined above? Are there other processing approaches the CER should consider? (p16)

The huge volume of the current grid queue that has built up since 2009 suggests many speculative applications have been made. Clearly the application fee did not act as a barrier to spurious applications. The lack of clarity on how applications were to be treated would have spurred on applications in the hope that the date order of applications would be considered at a later date.

The proposal that the existing queue of applications outside the Gate 3 process is disregarded and that a new queueing system is established from scratch is efficient as it flushes out the schemes that are not viable from the queue.

Where projects have gained planning consent they would under your proposal have priority position in the new queue – which is a fair way of ensuring that those projects that are in a position to connect soonest are processed first. The new system will also enable actors to apply in a targeted fashion more in line with the timeline specific to their projects. The more frequent and predictable schedule of application rounds that is now being proposed will help enable this.

3) 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 and complementary technologies such as storage should be considered as a priority for CER as decarbonisation of the energy system is critical in mitigating climate change and in ensuring security of supply and reduced dependence on costly fossil fuel imports. The electrification of transport could also be a driver for increased electricity demand and for this to achieve its true emissions reduction potential, generation needs to continue to decarbonising.

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

Yes, although clearly it is important that this follows EU legislation. It is a good idea for CER to reflect on these rules so that the connection rules for domestic network users are not misaligned with those of interconnectors.

- 5) 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?**

No comment.

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

Yes, the system for new connections needs to be established urgently.

- 7) 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 connection policy should be technology neutral/ non-discriminatory regarding the nature of the user.

The DS3 policy should be designed to provide the correct market signals – it needs to consider the capabilities of generators – renewable and conventional as well as those of demand and storage.

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

It is logical to plan accelerated connection timelines for projects that do not require deep reinforcement. Such projects can be quicker wins in terms of connecting RES and working towards targets.

System studies to identify where 'efficient connections' can be made need to be completed asap by the network company in order to provide the right signal for developers.

- 9) Should large demand connection which make the most efficient use of the existing network be encouraged through the Enduring Connection Policy?**

Yes, a cost signal could be provided. If a locational signal is provided to generation it follows that providing a locational signal for industrial demand would add to the efficiency of network design.

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

No comment.

- 11) Should the CER include planning permission in the criteria for receiving a connection offer?**

The lack of grid connection policy between 2009 and now has created a huge issue in terms of the backlog of applications that have been made. There will be a number of projects in this backlog that have successfully advanced their consent and gained planning permission. There is a good case for such projects to be considered favourably in the first round of your new application system.

Projects within each gate are interdependent in terms of their joint grid connection design and therefore it makes sense that their consenting timelines are roughly aligned. It is important from a grid development perspective to have a clear point at which the network owner has clarity on what needs to be built and which connection customers are no longer viable. Nonetheless requiring full planning permission as a prerequisite to application is not desirable. Instead, having a land-owner option agreement could be used as a pre-application filter to ensure that projects applying are 'real'.

Making planning consent prerequisite is not a good idea as the lead times for grid consent are too long in themselves. The generation project's consenting conditions may expire before grid consent can be achieved. Unless the grid consenting process is reformed and accelerated, the grid consent process needs to run in parallel with the consent of generation projects in each gate. It can also be more efficient to develop networks in a more anticipatory fashion in areas where a general high connections demand is anticipated in the longer term. In this case requiring planning consent from prospective customers is clearly not possible.

- Recommendation: introduction of connection contract milestones

While having been granted full planning consent should not be made a prerequisite for application, we recommend that there should be some clear milestones regarding consent included in offers. It is reasonable that the applicant should be able to evidence having commenced the relevant consenting application at the time of application and that the grid owner can terminate contracts in the event that a party is not able to demonstrate reasonable endeavours for pursuing consent. A backstop date for offer validity is also a useful measure for ensuring projects do not idly hold capacity. It would be fair to establish technology category specific milestones (e.g. onshore wind, solar, biomass) so that technologies with longer development lead times are not unduly discriminated.

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

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

Should the non-GPA approach be revised?

The GPA process can be retained as it has worked in its earlier rounds – however, the frequency must increase and as a result of this consultation the schedule of calls for the next 5 years ahead should be published. This will provide investors visibility and an adequate level of certainty. It will also avoid a rush for the first available round. We would recommend that the schedule is then extended periodically to ensure there is not another sharp cut-off point created.

We note that if CER decides that planning is prerequisite – at minimum annual calls would be necessary.

PART 2

Transitional arrangements

The CER proposals on addressing stalled projects seem reasonable and necessary for alleviating the grid queue.