Ireland – France Interconnector Assessment

(Briefing Note)

June 2016
Introduction

This briefing note has been prepared by EirGrid, the licenced Transmission System Operator (TSO) for Ireland, in response to a request from the Commission for Energy Regulation (CER) for a note on the Ireland – France Interconnector assessment currently being undertaken by EirGrid.

EirGrid understands that the CER is developing a paper on interconnector access arrangements including potential funding models and may publish this briefing note alongside their Information Note on this matter.

While it is anticipated that the CER’s paper will refer to potential funding models for the physical development and operation of interconnectors, it is worth noting that EirGrid is not presently seeking consent or confirmation of such funding arrangements.

EirGrid, under Condition 9 of its licence and Regulation 8 of SI 445 (2000), has a statutory obligation to “explore and develop opportunities for further interconnection”. In fulfilment of this obligation EirGrid, on an ongoing basis, carries out studies and assessments of potential for interconnection options for Ireland. Where potential projects are identified they are included, alongside known proposed third party interconnector developments in the EirGrid Transmission Development Plan\(^1\). At this time EirGrid is developing further the potential for interconnection to France which is the focus of this briefing note.

Interconnection Assessment: Ireland - France

Interconnection is viewed as critical infrastructure by the European Commission in order to move to a genuinely integrated electricity market. Interconnection development relieves international grid congestion, in much the same manner as national transmission development alleviates congestion of the transmission system within any individual jurisdiction. It also enables most efficient dispatch and associated market trades.

A direct electricity interconnection to France was first studied in detail as a potentially viable and attractive prospect in the “Interconnection Economic Feasibility Report” published by EirGrid in 2009\(^2\). Interconnection between Ireland and France would:

- Facilitate increased electricity trading within Europe by directly linking the electricity market of mainland Europe with the Single Electricity Market on the island of Ireland;
- Result in better security of supply;
- Facilitate increased market competition and further development of renewable energy; and
- Increase diversification of fuel sources and make Ireland less reliant on its electricity interconnection to Great Britain, a market which has identified an impending capacity shortage.

A proposed 700MW electricity link connecting Ireland and France emerged based on the 2009 report findings and a number of subsequent studies. The potential for interconnection with France has been included in the EirGrid Transmission System Development plans since 2012. The proposed

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\(^1\) Transmission Development Plan 2015-2025
\(^2\) Interconnection Economic Feasibility Report
interconnector has also been noted in the European Ten Year Network Development plan (TYNDP) since 2012.

In addition to inclusion in national and European development plans, key infrastructure projects required to integrate European electricity and gas markets may be designated by the EU as Projects of Common Interest (PCI). The potential interconnector between Ireland and France, referred to as the ‘Celtic Interconnector’, was selected as a PCI in 2013 and retained this designation in the current list published in 2015\(^3\). In addition, the Celtic Interconnector was “double labelled” as both a PCI and an “electrical highway” when it was accorded “electrical highway” status as a priority electricity corridor. The e-Highway Initiative\(^4\) developed five energy scenarios setting out contrasting possibilities for the evolution of the European power system, while meeting the 2050 low carbon economy goals. The Celtic Interconnector was identified as one of 25 projects which add value under all five scenarios.

**Interconnector Assessment - Project Roadmap**

In assessing the viability of interconnection between Ireland and France EirGrid is collaborating with Réseau de Transport d’Électricité (RTE), the French TSO.

The interconnector assessment has been following the roadmap below. EirGrid expect to reach the end of ‘Feasibility’ phase in mid-2016. The completion of this phase will provide the information required to determine if there is sufficient justification for EirGrid and RTE to proceed with the next phase of investigative works relating to ‘Initial Design & Pre-Consultation’.

On the assumption of a continued positive outlook for the project at the end of the ‘Initial Design & Pre-Consultation’ phase, the project would then move into the ‘Detailed Design & Consents’ phase. This phase would culminate in the identification of a preferred supplier. For clarity the identification of a preferred supplier in the ‘Detailed Design & Consents’ phase does not place an obligation for contracts to be awarded to advance the works. However it is a key step in the process of budget development. We intend to carry out public consultation at each of the decision-making stages following the ‘Initial Design & Pre-Consultation’ and ‘Detailed Design & Consents’ phases of the development.

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