



South Kerry Development Partnership Limited

West Main Street, Cahersiveen, Co. Kerry. V23 P981
Tel.: 066 9472724 Fax: 066 9472725 e-mail: info@skdp.net website: www.southkerry.ie

Date: 25th July, 2016

A Chara,

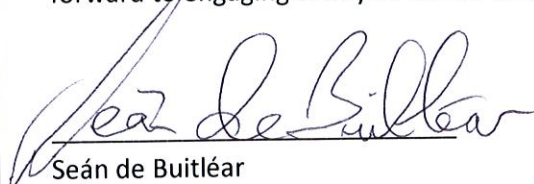
Please find attached a submission on behalf of South Kerry Development Partnership Ltd. (SKDP) on the "Review of Connection and Grid Access Policy: Initial Thinking & Proposed Transitional Arrangements".

We acknowledge that our submission falls outside of the consultation period outlined for this document but we trust none the less that the points we raise in our submission will be considered and included in further discussion on the topic as relevant.

As a Community Led Local Development Company, SKDP is focused on maximising the economic development opportunities that exist for our communities in our region. We recognise that enabling communities in our region to play an active role through whole ownership of viable renewable energy generation assets can provide significant economic potential for these communities and the region overall.

On this basis, SKDP is one of ten partners in total from The Netherlands, Germany, France, Belgium and Wales who have applied for project funding under the INTERREG VB North West Europe funding programme for a project aimed at enabling the development of community owned renewable energy schemes across our regions. This project proposes to look at the overall structures required, financing and accessing available renewable assets in the communities. Furthermore, it aims to work with all partners in the field (CER, Local Authorities etc.) to develop initiatives and guidelines to facilitate this community participation in the sector. We have seen some of the benefits that can be derived for our communities though some initiatives that have been undertaken in our partner countries and we hope through this project to bring this learning, knowledge and solutions to bear in delivering viable, transferrable solutions for communities wishing to engage in the renewable energy sector in Ireland.

Our contact details are outlined at the end of the attached submission and we look forward to engaging with you further on this very important topic.



Seán de Buitléar

On behalf of South Kerry Development Partnership Ltd.

Sheila Casey, Kevin Griffin, Eugene Dennehy, Gloria O'Driscoll, John Quill, Daniel O'Sullivan, Una O'Neill, Donald Lynch, John Joe O'Brien, Pat O'Driscoll, Donie Doody, Breda O'Dwyer, John Donworth, Jerry Moloney, John O'Connor, John J. O'Connor, Seán O'Suilleabhain, Cllr. Michael O'Shea, Cllr. John Francis Flynn, Cllr. Johnny Healy-Rae, Cllr. Damian Quigg, Michael O'Leary

Chairperson: Sheila Casey

Company Secretary: Noel Spillane

Registered in Dublin Ireland No. 191645
Charitable Status No. CHY10567

Community Contact Points:

Library Place,
Killorglin,
Co. Kerry.
Tel. 066 9761615
Fax. 066 9762059

21 Henry Street,
1st Floor, Kenmare,
Co. Kerry.
Tel. 064 6641930
Fax. 064 6641613

Local Employment Service,
West Main Street,
Cahersiveen,
Co. Kerry. V23 P981
Tel. 066 9473068
Fax. 066 9472724

37 High Street, 2nd Floor,
Killarney,
Co. Kerry
Tel: 064 6636572
Fax 064 6637834

Local Employment Service,
37 High Street, 2nd Floor,
Killarney,
Co. Kerry,
Tel. 064 6636966

Killarney Jobs Club,
37 High Street, 2nd Floor,
Killarney,
Co. Kerry.
Tel. 064 6637833
Fax. 064 6637



Submission on the Consultation Paper “Review of Connection and Grid Access Policy”

Submission presented by: South Kerry Development Partnership Ltd.

Introduction

South Kerry Development Partnership Ltd. (SKDP) wishes to avail of the opportunity to make a number of observations with regard to the consultation paper “Review of Connection and Grid Access Policy” as presented by the Commission for Energy Regulation. While we appreciate that these comments are being submitted beyond the closing date, we trust that they will be considered and we would be grateful for an opportunity to make a submission on the further proposed consultation paper “Enduring Connection Policy”.

South Kerry Development Partnership Ltd., as a local community led Development Company, sees significant opportunities for economic development in the more rural and peripheral areas of Ireland through enabling communities benefit directly from sustainably exploiting the renewable energy assets that exist in their areas (wind, solar, biomass etc.). There are a number of potential key benefits from this that we will refer to later but key actions need to be taken to enable community participation in the renewable energy sector become a reality.

Specific Submission Points:

4.4.6 Community Based Schemes

The key factor that will allow communities to fully benefit from the renewable energy assets that exist in their areas is in enabling them secure a grid connection. It needs to be pointed out at this stage that we propose that all involvement by the communities in the renewable energy sector should be based on projects that are commercially viable and do not need subsidies in order to be developed. While this is the case, we do however point out that there is a significant difference between a community organisation seeking a grid connection to develop a renewable energy project and a commercial entity involved in the same activity. Therefore, we believe that a specific, defined mechanism needs to be put in place to enable communities’ access grid connection that recognises the substantial differences that exist between the community and commercial entities in this regard.

The key, and perhaps crucial difference between a community based renewable energy scheme and a commercially supported initiative is that a commercial entity is a professionally run organisation with access to significant funding and staff and, given the scale of the proposed projects, has the resources and ability to invest in the process of applying for a grid connection over an extended period of time that may or may not result in a connection being granted. This is simply not viable for a community led initiative which is dependent on much voluntary input and very limited access to resources who are applying to undertake a small initiative based in their region and who simply cannot afford to take the risk of making such an investment of time and resources without any assurance that they will be able to secure a grid connection at the end of such a process. A commercial operator can afford to suffer a setback in terms of failing on one project out of a multiple number of projects, a community base scheme simply cannot given they have just one project and if that is gone then they will not be in a position to start over again.

Secondly, the scale of proposed commercial developments is, in the vast majority of cases, significantly greater than the scale of community based schemes. We in SKDP for example are currently involved in a project application under the INTERREG programme seeking to set up a community energy organisation with a target of developing a single 2.3MW wind turbine in the South Kerry region. This contrasts significantly with the commercial operations visible across the region involving multiple turbines. This factor is directly linked to the point above given that community based schemes, while needing to be of a size to enable them to be viable proposals, do not have the financial or human resources to undertake large scale projects of the type proposed by the commercial developer.

Simply put, community based schemes cannot and will never be able to compete against commercial interests in securing access to the grid without the creation of a specific, targeted mechanism to enable this to happen.

Therefore, while section 4.4.6 notes there are legal obligations around policy in this area being non-discriminatory, a policy that does not recognise the clear and significant differences between community based schemes and commercially driven initiatives is actually actively discriminating against community initiatives given the playing field is hugely sloped in favour of commercial sector for the reasons outlined above. We feel however, given our experience of working with partners in other European countries who are already involved in community based schemes, this is something that can be overcome and a mechanism that is legally compliant can be developed to allow communities benefit fully from becoming involved in the renewable energy sector. We see such a mechanism would have clearly defined parameters (development size etc.) and would require community based schemes to comply fully with elements such as planning etc. but would effectively assure a grid connection to such a project where it met these criteria. We would be happy to input into the development of such a mechanism as required.

4.4.7 Planning and Consenting Considerations

As this consultation paper points out, the issue of securing planning permission for proposed renewable energy developments is becoming more difficult. We feel that enabling communities to benefit directly from involvement in the sector could greatly assist in overcoming these barriers in many instances for a number of reasons.

Key here is in having the communities benefit directly from the exploitation of the renewable assets in their areas as distinct from the income generated from such assets going into the pockets of commercial interests with nothing coming back to the area. We believe that if communities are able to benefit economically from renewable assets in their areas through having direct ownership of them within the confines of their financial and organisational abilities, they are much less likely to raise objections to commercial initiatives in their regions. From our involvement with communities in the region, and from the knowledge and experience of our other European partners working with their communities, it is clear that communities resent their areas being exploited by commercial entities for profit without any benefits accruing directly to them. Furthermore, initiatives such as commercial operators providing funding for “community projects” appears to have the effect of adding too rather than reducing objections to projects given there is a feeling that only some in the community will benefit rather than all. Therefore if all within the community are enabled to benefit from the realisation of renewable energy projects through community based schemes there is much

less likelihood of objections being raised to other projects given that the community itself can see and is experiencing the direct benefits of exploiting renewable energy assets.

With regard to the specific question asked in this consultation paper, we in SKDP would agree with the proposal that planning permission be included in the criteria for receiving a connection offer.

General Comments

Economic and Other Benefits

As mentioned at the outset, we believe there are a number of key potential benefits that will accrue for communities through enabling them engage fully in the renewable energy sector. We note also that CER proposes that connection policy will have to consider a wider range of economic and policy drivers. In addition, we note that the recently published white paper on energy in Ireland as well as EU policy strongly supports the involvement of communities in the renewable energy sector.

One of the key potential benefits we feel will accrue is in generating significant economic benefits for the more rural and peripheral communities in Ireland. If community based schemes are enabled to sustainably exploit the renewable energy assets in their areas then all of the income generated will remain within the community thus greatly supporting the local economy. The potential effect of this on these areas should not be understated as enabling communities derive their own sources of income from their existing assets can prove to be a game changer for many of them, with a knock on benefit that this reduces their dependency on state funding to provide the essential services in their regions. Furthermore, having the income from renewable energy assets remain in the local communities will help not just Ireland but the EU as a whole address the balance of payments deficit in terms of fuel importation into the country and the EU overall. OECD studies have shown that when investment is made in rural areas the return is significantly higher than if the same investment was made in more urban areas and thus, by enabling communities invest in themselves through developing renewable energy projects, the benefits for these regions are likely to be very large indeed. This fact, coupled in the longer term with having sustainable sources of energy available in more rural areas, can potentially see an increased interest from companies wishing to locate their operations in these areas thus providing an additional economic boost.

Another key factor in supporting the proposal to enable communities participate fully in the renewable energy sector is that it will likely open up new sources of energy for the country and the EU as a whole. We welcome the fact that this potential has been recognised in this consultation paper and note also that EU papers and programme documents have identified the more rural and peripheral regions of Europe as being the areas which have been under exploited to date in terms of renewable energy assets and that significant opportunities exist to develop new energy generation opportunities in these areas. We believe that enabling communities to fully exploit the renewable energy assets in their areas will be crucial in developing an understanding within these communities of the importance of developing renewable energy assets thus opening the way for significant new sustainable energy resources to be developed. We clearly do not believe that communities alone can provide all of the solutions in terms of meeting the renewable energy demands of the country going forward and that commercial entities have a significant role to play. However, in order to enable these commercial entities to develop the renewable energy assets fully though, we believe that it is vital that the communities are enabled to become involved and whole owners in viable, sustainable

community based schemes to the extent of their abilities. This will then promote the closer understanding and working between both the community and commercial entities that will benefit everyone in the long run.

The other benefit that can potentially derive from enabling community based initiatives is that community members are much more likely to develop an understanding of the importance of energy usage and the need to reduce their energy demands. This knowledge, coupled with the potential income they derive from the generating asset, is likely to make it much easier to encourage them to undertake retro fitting of their homes and engage in other such energy reducing methods. This again can deliver significant benefits for the country as a whole.

Conclusion

We in SKDP believe that as outlined above there is a very strong case for enabling community based schemes play a full and active role in the renewable energy market in Ireland. We note that such schemes need to be long term viable and need to meet all relevant planning and associated regulations before they can proceed.

However, we point out that without some new mechanism being developed, that recognises the significant differences that exist between community based schemes and commercial projects, that facilitates community based schemes get access to a grid connection, the involvement of the community in the renewable energy market will remain nothing more than aspirational and limited at best to some very small scale projects with little if any impact.

For further information please contact:

Noel Spillane,
CEO

Seán de Buitléar
EU Project Manager

Mr. John O'Connor
Board Member

Phone: 087 9064883

087 2670689

086 8130800

e-mail: nspillane@skdp.net

sdebutlear@skdp.net

johnjoconnor@eircom.net