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Commission for Regulation for Utilities

By email to electricityconnectionpolicy@cru.ie

Our Ref: EN01-005632

15 December 2017

Dear Sir,

Re: Consultation Response - Enduring Connection Policy Stage 1 (ECP-1) Proposed Decision

RES is the UK & Ireland's largest independent renewable energy developer with interests in energy storage, onshore wind, wave and tidal, offshore wind, solar and demand-side response. RES is at the forefront of innovation and design around the world, and now employs over 1000 people and has developed/built over 10,000MW of wind energy assets.

Since developing our first onshore wind farm in Ireland in the early 1990s, RES has subsequently developed and/or constructed 22 wind farms across the island totalling 318MW. RES currently operates over 118MW of wind capacity and has secured planning permission for a further 59MW under/awaiting construction and has 81MW in the planning system.

RES is one of the world's leading independent energy storage developers, with a global energy storage portfolio totalling more than 240 MW (275 MWh), providing multiple grid services. RES was identified by Navigant Research as one of the leading utility-scale energy storage integrators.

Based in Larne, County Antrim, RES' Ireland team comprises 20 staff covering environmental, planning, engineering, technical, legal, commercial, project management, construction, operations and administration disciplines.

RES is a member of the Irish Wind Energy Association (IWEA) and the Irish Solar Energy Association (ISEA).

This consultation response is not confidential.

We welcome the proposed decision on the enduring connection policy that will facilitate the connection of build-ready projects and DS3 system services providers. Given the large volume of grid connection applications (36 GW), we support the proposal to apply a batch-processing approach and a planning permission filter for non-DS3 projects for Enduring Connection Policy 1 (ECP-1). For DS3 projects, we support the proposed decision not to apply the planning permission requirement and to limit the MEC of individual DS3 projects to 100 MW based on the current TSOs operational practice to run the system with individual units providing no more than 100 MW of Primary

Operating Reserve. As such, although we are members of ISEA, we disagree with the ISEA proposal to exclude projects with a MEC of 100MW from processing under ECP-1.

Our comments on the key proposals for Enduring Connection Policy 1 (ECP-1) are as follows:

Suspend accepting and processing further generation or storage applications under CER/09/099 or otherwise

We are supportive of this proposal as current connection policies are no longer fit for purpose and a clean transition to ECP-1 will facilitate more efficient processing of qualifying connection applications.

Offer existing applicants an option to be processed under ECP-1

We support the proposal for applications currently in process to be offered the option of being progressed under ECP-1.

Process connection offers in recurring batches, the first due to start in 2018

Although it is appreciated that, under current circumstances, it may be more efficient to process a defined volume of applications in a batch, in future it may be more efficient to process applications that meet certain criteria sequentially instead of using recurring batches. Batching leads to build-up of application backlogs, operates on a limited volume of applications and tends to lead to prolonged periods of investor uncertainty pending receipt of an offer of terms for connection. For this reason, we propose that, post ECP-1, a non-batch system be considered.

Cap the 2018 batch at 1000MW (or 50 connection offers)

Whilst we appreciate the need to impose a batch size limit (in terms of generation capacity and number of connection applications) that can be processed in 2 years, if the batch size is too limited it would also leave large numbers of build-ready projects waiting to get into the connection process for a very long time. We are also concerned that the limit on the number of connection offers could also lead to an even lower figure of MWs processed (as would happen if the average project capacity is less than 20MW). It is also noteworthy that some of the projects that will make it into the 2018 batch may not accept connection offers or may dropout of the connection process later on thus the capacity that gets built-out could be significantly less than the initial batch size. We would therefore propose that either no limit be set on the number of connection offers that can be processed or a higher number be set. We also propose that the MW threshold be increased to avoid excluding a large number of build - ready projects.

In the case of over-subscription, we would also propose that the processing of low-carbon generation be prioritised, since the connection of renewables is a priority in accordance with EU law.

Offer the first 400MW of the 2018 batch to DS3 providers

We support the prioritisation of DS3 providers, given that the connection of DS3 providers will provide grid support, facilitate further connection of renewable generation and reduce grid curtailment of renewable generation. We however urge caution on the application of hard limits that could stifle competition in the procurement of DS3 services. We therefore propose that the set DS3 batch size (in terms of MW or connection offers) should not be applied as an exact limit but some discretion be allowed to adjust it later on, to ensure that the DS3 programme is facilitated.

We support the proposal to limit the MEC of DS3 providers to 100 MW based on the current TSOs operational practice to run the system with individual units providing no more than 100 MW of Primary Operating Reserve. We strongly disagree with any proposal to exclude projects with a MEC of 100MW from processing under ECP-1.

Regarding the use of planning permission as a prioritisation criterion in the event of oversubscription for DS3 projects, we would urge that a flexible approach taken. As noted elsewhere, at the rate at which new renewable technologies are being developed it cannot be guaranteed that the design or model upon which connection application was based would still be available or feasible by the time of procurement. Such changes may necessitate a new planning consent to be obtained for a previously consented project. We therefore propose that the DS3 Prioritisation Ruleset makes allowances for such amendments.

Require valid planning permission to enter the 2018 batch, but not from DS3 providers

We support the proposal to apply a planning permission filter for non-DS3 projects. Given the stated backlog of connection applications of 36GW, it is reasonable to apply a filter that (i) identifies applications which are most likely to be built out and (ii) forms an objective basis for allocating scarce grid capacity and network operator resources.

We propose that, for the planning permission to be valid, it should be obtained no later than the date of application for connection under ECP-1.

Regarding the proposals for planning permission eligibility declaration for non-DS3 project, we propose that the Notification Decision for the project be adequate for planning consent to be considered adequate. Excluding projects on basis of an appeal or judicial review lodged may lead to some parties gaming the system taking these actions on others. For offshore developments, we are of the view that a foreshore lease rather than a foreshore licence would be more appropriate.

We do not agree with the proposals to prioritise projects, if ECP-1 is over-subscribed, on the basis of expiry date of planning permission as this may lead to applicants playing the process by obtaining planning consent which expires earlier. Instead we propose that the date of Notification Decision be used to prioritise projects instead.

The ECP-1 Rule Set document proposes that “technology changes, significant material changes in the generation equipment, including size changes” requested by the generator at later date will not be allowed. This rule needs further clarification as to what constitutes technology and equipment change. Changes that can arise during the normal course of procurement should be allowable, for instance it may not be possible to get equipment of exactly the rating specified in the grid connection application but which are otherwise materially the same asset. At the rate at which new renewable technologies are being developed it cannot be guaranteed that the model upon which connection application was based would still be available by the time of procurement. We therefore propose that changes in size that are within a tolerance of +/- 10% be allowable.

Process small scale generation, autoproducers and qualifying trial projects outside the batch process

We are not opposed to the proposal to process small scale generation and qualifying trial projects outside the batch process. However, we do not support a blanket exemption for autoproducers as

their MEC should be subject to the same rules as the MEC of all other generators for deciding if they are processed in or out of ECP-1. Noting that directive CER/02/37 allows autoproducers to have a MEC which is higher than their MIC and we are concerned that the proposed exemption of autoproducers from batch process allows an unfair advantage on autoproducers in securing grid capacity. We would therefore propose that only autoproducers with a MEC no higher than the set limit for small scale generation should be processed outside the batch process. We note that the proposed decision document defines the upper limit for small scale generation as 250kW which could have significant transmission impact and system operator resources if large numbers of such projects come forward. We therefore propose that this limit be kept under review to ensure that it does not unduly impact on transmission and system operator resources.

Remove the option to relocate capacity

We support measures to prevent the emergence of a secondary capacity market. For non-DS3 applicant, as long as grid capacity is tied to the planning permission for the project, secondary capacity market activity would not arise. We would therefore suggest that any movement within planning application site boundary be allowable. In addition, we propose that the ruleset allows developers to combine sites of differing renewable technologies that have the potential to share connection costs. This would allow developers more flexibility to improve the cost-effectiveness of their projects.

Since DS3 applications can enter the connection process without planning consent, it may be necessary to re-site aspects of the generation facility in response to issues that arise during the planning process. In our view, such changes should be permissible.

Offer capacity on a non-firm basis

We support the proposal to offer capacity on a non-firm basis on understanding that in time the necessary reinforcement will be done to make the capacity firm. We suggest that the ECP-1 decision paper re-affirm that connection on a non-firm basis is on the basis that the TSO is obliged to undertake network reinforcement to make the capacity firm as per SEM Committee decision dated September 2006 on Generator Charging Policy AIP-SEM-114-06.

Interaction between ECP-1 and DS3 Procurement

The proposed decision has not discussed any interaction between ECP-1 and DS3 Procurement timelines. ECP-1 should facilitate the participation of DS3 projects in the DS3 2018 procurement round and their connection by August 2020. From the assumed timelines for the 2018 batch, DS3 connection applications may not have connection offers before 2019. A timely decision on the ECP-1 policy and consideration to prioritise DS3 connection offers is therefore likely to be critical to the success of DS3 as a whole.

Revised Connection Application fees

The proposed connection application fees for ECP-1 batch are in some cases substantially higher than the current levels. As the proposed ECP-1 decision documents do not provide any justification for the significant increase reflected in the proposed fees, we would propose that any increase in the fees be subject to a separate written justification and be subject to consultation.

The above comments are offered in a spirit of positive cooperation and we will be happy to clarify any of the points raised in this letter.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Claver Chitambo', written in a cursive style.

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