



NETWORKS

ESB Networks Submission:

Review of Enduring Connection Policy Stage 1 (ECP-1)

Proposed Decision, Ruleset & DS3 Prioritisation Ruleset

15th December 2017

1. Introduction

This submission paper details the response of ESB Networks DAC (“**ESBN**”), as Distribution System Operator (“**DSO**”), to the Enduring Connection Policy Stage 1 Proposal as set out in the following documents CRU17/309, CRU17/310 & CRU17/311 (the Consultation Paper).

ESB Networks welcomes the opportunity to respond to the Commission for Regulation of Utilities (“**CRU**”) and the Consultation Paper which marks an important milestone for the future development of connection offer policy.

ESBN is cognisant that the Irish electricity system is changing and that the decarbonisation agenda, coupled with national renewable energy targets, should be complemented with a connection policy that facilitates the changing and emerging needs of our current and future generation customers.

ESBN views the Consultation Paper as a positive and constructive move towards addressing all of the issues highlighted by ESBN in its response to “Initial Thinking & Proposed Transitional Arrangements” which was published on 5 February 2016. This consultation response paper highlighted many aspects of current connection policy which warranted address and supported an approach which would:

- Allow for the development of an enduring policy supported by a review of both the GPA and non - GPA methods of processing generator applications. The non - GPA process has seen unprecedented volumes of applications in recent years rendering the processing system impractical and no longer fit for purpose.
- Promote and encourage the processing of applications for buildable and ‘shovel ready’ projects.
- Optimise network development.
- Provide for Transitional Arrangements to be introduced and support the concept of releasing valuable network capacity.

ESBN considers ECP-1 as a welcome first step to addressing some of the more immediate issues identified with existing connection policy. ESBN also acknowledges that ECP-2 will address some of the broader issues more completely in the future.

2. Submission

ESBN has considered the Consultation Paper in detail and is encouraged by, and strongly supportive of, the proposals therein.

We would highlight in particular that the Consultation Paper addresses the following key issues in respect of which ESBN would like to note its support and add the following comments.

Commitment Model

ESBN welcomes the introduction of a stronger commitment model for new generator applications. Any measures that offer greater assurance that contracted generator applications will progress to project completion represents substantial progress. The nature of the existing application process has allowed for a surge of speculative applications whose connection offers have fed into a secondary market where connection offers are traded rather than progressed to completion. Measures such as the introduction of a planning filter, requirement for shared bonding at offer acceptance where necessary, reduced duration for longstop dates and interdependent offers are all constructive and will help to ensure that ‘shovel ready’ projects are built and realised. The suspension of relocation modifications under ECP-1 compliments this principle.

Revising the Non – GPA Process

The non - GPA process as considered under CER/09/099 was not developed to cater for the large unprecedented volume of applications that were received from 2015 onwards. The assumptions on which the non - GPA process was based – low volumes of applications, dispersed nodal locations and limited to specific generator technologies – were far exceeded. While processing offers individually and sequentially would be appropriate where there is a low volume of applications, it is ESBN’s considered view that processing large volumes of non - GPA applications does not meet the objective of optimal network development. The risk of inefficient network development can prove unjustifiably costly for distribution system customers, a situation which we do not believe to be appropriate or sustainable. ESBN is of the opinion that batch processing based on a technology neutral basis offers a far more reliable basis for effectively and efficiently accounting for system needs, security of supply and consumer interests.

Introduction of Batches

ESBN fully supports the proposal to introduce batches in line with ECP-1. The concept of batches coupled with the appropriate thresholds is critical for optimal and efficient planning of new generation capacity on to the electricity system. This also includes the development of new electrical infrastructure which efficiently supports the completion and realisation of new generator applications.

ESBN also acknowledges the overarching importance of security of supply, and continually works to preserve this. As such, the flexibility to develop the electricity network and facilitate connections outside of ECP-1 should be accommodated on the system as necessary.

Finally, ESNB notes that the ability to efficiently process offers within the timelines set out in the proposal will largely be determined by the numbers of projects applying within it. Thus we support the introduction of balanced and reasonable limits on the volume of applicants included in each batch. We believe this to be in the interests of all existing & future applicants, and all users of the distribution system.

Prioritisation of DS3

ESBN supports the prioritisation of DS3 projects in line with the consultation paper. This is consistent with ESNB’s continuing efforts to support the delivery of DS3 services by distribution connected customers. ESB Networks will continue to work with its customers and deliver innovative solutions to ensure that distribution connections facilitated under ECP are able to participate in these services to the full extent that their connections allow.

3. Next Steps

ESBN is committed to the implementation of ECP-1 and has engaged with its stakeholders as required under the current CRU direction. Preparations relating to new application documentation have commenced and ESNB looks forward to processing and connecting the 2018 batch.