

Enduring Connection Policy Consultation,
Commission for Regulation of Utilities,
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Email: electricityconnectionpolicy@cru.ie

15th December 2017

Dear Sir/Madam,

Power Capital Renewable Energy (PCRE) welcome the opportunity to provide our views on the Enduring Connection Policy ECP-1.

The following are PCRE comments and proposals for consideration by the CRU.

- 1- PCRE welcomes the proposal to process projects with a valid planning grant, however we believe that the limits being proposed are too restrictive and raising the ECP-1 batch to 1000MW (excluding DS3 services providers which should be processed separately) will help to deliver more projects in a quicker timeframe.
- 2- CRU needs to ensure a greater number of projects delivered under ECP-1.
- 3- Capacity Relocation should be permitted for those projects which have been contracted under CER 09/099 or those projects which are in the process as "live" or "processing". In any case, we propose that site substations containing the Point of Connection or PoC are allowed to relocate up to 1km from the site boundary.
- 4- PCRE calls on the CRU to direct the system operators to continue to process all applications in the non-GPA process until ECP-1 has been issued as a final decision.
- 5- PCRE welcomes the introduction of a planning based criteria for grid offer issuance.
- 6- The prioritisation of projects by expiry date may lead to gaming and is not advised. A date of full grant of planning should be implemented.

- 7- ECP-1 should allow for the connection of a minimum of 1,000 MW of renewable generation projects and a further 400MW of DS3 projects.
- 8- Projects of 100MW or greater should be considered as Strategic National Assets and should not be processed as part of ECP-1
- 9- Renewable Energy Projects should be prioritised in ECP-1 ahead of non-renewable energy projects.
- 10- Limiting the number of projects in ECP-1 to 50 is too restrictive as the system operators have shown over the past two years that processing circa 150 offers a year is feasible.
- 11- ESB and EirGrid need to engage with developers prior to planning application stage to discuss grid connection methods.
- 12- PCRE calls on the CRU to direct the system operators to refund all projects in the queue their application fee which have been “unprocessed” as acknowledged in the consultation document.
- 13- PCRE strongly disagrees with the CRU proposal for the sub-group to underwrite the shared connection assets should one party not complete their project.
- 14- The proposal to amend the future application fees is unwarranted and should remain as per the existing fee structure.
- 15- PCRE calls on the CRU to extend the future non-GPA process to include projects up to 500kW.

PCRE is an active member of ISEA, we are broadly in agreement with the content of the ISEA issued response to this consultation. In this regard, the following pages have been adopted from ISEA’s response.

Yours sincerely,



Peter Duff

Director – Power Capital Renewable Energy

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1. Capacity Relocation

The proposal to restrict capacity relocation for existing projects is unwarranted and PCRE calls on the CRU to revoke its proposed decision. Projects which have accepted connection offers are under contract and those currently in “processing” or “live” under CER/09/099 have a legitimate expectation to rely on the rules under which they applied for their grid connection offer.

It is reasonable that projects issued connection offers under ECP-1 are not permitted to relocate capacity provided these rules are established in advance and applications for ECP-1 offers are aware of this requirement when applying. Future projects under ECP-1 will require planning and therefore capacity relocation is not an issue.

PCRE proposes that the Point of Connection (PoC) can be relocated up to 1km from the site boundary.

CRU to permit the following projects be permitted to relocate based on existing COPP rules

- **Contracted Agreements under CER 09/099**
- **Live Offers under CER 09/099**
- **Processing Offers under CER 09/099**

2. ECP-1 Batch Size

PCRE recommends that the CRU extend the quantum of MW and applications to be processed under ECP-1. The proposal to only process 600MW or 50 applications is overly restrictive. PCRE calls on the CRU to direct the system operators to process a greater number of projects in the short term which will allow all to move to an enduring sustainable model for future applications.

PCRE notes that in the past two years ESB and EirGrid have processed circa 150 projects under the non-GPA process and therefore limiting the number of projects to 50 projects is unnecessary.

DS3 projects should not limit the number of future generation applications as DS3 projects are entirely a separate process and should be considered outside the scope of ECP-1.

PCRE recommends a minimum of 1,000MW of renewable generation projects to be processed in ECP-1 with DS3 services providers being processed separately

3. Planning Permission

The proposal by the CRU for delivering more “buildable” projects is welcomed and PCRE has previously called for such measures to be introduced as a means of prioritising the non-GPA queue system. We make the following comments on the proposed decision:

- PCRE believes that the proposal for prioritising projects whose planning permission is set to run out is not appropriate. The expiry period for planning consent may vary between projects and may be open to gaming. Prioritising projects based on planning expiry will not necessarily result in the ‘oldest’ or longest waiting projects move forward, rather it may encourage projects to vary or decline opportunities to extend their appropriate periods to be selected. PCRE feel this is not appropriate and recommend the date of Final Grant of Planning Consent should be used, as this date is not subject to variance.
- PCRE is concerned about wording in the Rule Set of ECP-1 which suggests the system operator will have a role in ensuring projects remain planning compliant. A review of planning applications is not necessary as the project will receive planning for a certain size facility which will be location specific and have a specific output based on proposed generation installed. These measures should be sufficient with a grant of planning in place for a grid offer.
- Certification by a solicitor is unwarranted and unnecessary as the project will have planning or not. There is no requirement to introduce additional cost and regulation in this area.
- Early engagement is required with the system operators to allow the development of a robust planning application which may require the shallow connection and shared connection works to be understood earlier in the process. PCRE calls on the CRU to consider the following.
 - Application lodged to System Operator – Full Application Fee Submitted.
 - System Operator Reviews Proposed Connection Method – Within 30 Business Days
 - System Operator and Developer hold meeting – Within 10 Business Days of SO Review
 - System Operator Issue proposed shallow connection method single line diagram following meeting.
 - Applicant decides to proceed within 10 business days – No further charge incurred until application is processing.
 - Applicant decides to not proceed within 10 business days of meeting– 75% of application fee refunded. Applicant decides beyond 10 business days – 50% of application fee is refunded.
- PCRE recommends the CRU and SO’s and Industry engage following the ECP-1 decision to discuss how the current connection process may be optimised. PCRE has some constructive suggestions to make the current process fit for purpose for competitive auctions.
- PCRE notes the Connection Method Meetings in Gate 3 worked well and in general sharing more information with generators earlier in the process will lead to better decisions and a more efficient process. Early weeding out of non-viable connection methods saves generators unnecessary fees and SOs unnecessary processing and should be encouraged.

- **PCRE calls on the CRU to issue prioritise ECP-1 access based on date of final grant of planning consent of the generator application.**
- **A grant of planning should be sufficient to allow for the issuance of a grid offer**
- **Criteria for ECP-1 and future rounds of Connection should be based on Date of Grant of Planning and not Planning Expiry.**
- **Early Engagement with ESB/EirGrid is required prior to planning to allow for a robust planning application to be lodged.**

4. Shared Connections

- PCRE strongly resists the proposal for shared connections to be underwritten by the sub-group. This is economically inefficient as Generators will price this risk into all bids and these costs shall be included within the strike price regardless of whether this risk materialises. If this risk is borne by the TUoS Customer it will only become payable if the risk materialises, which given the recent history of shared connections is unlikely.
- In line with the 2014 European State Aid Guidelines the RESS scheme will allocate support to projects based on an auction system. It is imperative that connection policy is adapted to avoid any undermining of auction efficiency.
- The TUoS customer will recoup the benefit if future generators connect to the system. It is not appropriate for the PSO consumer to provide network infrastructure capital via private generators. Gate 3 has shown that the TUOS customer has not borne considerable risk of shared connections. Furthermore, the requirement for planning permission reduces the risk to the TUOS customer as projects that will be issued a shared connection will have already submitted a planning application at considerable cost.
- The current arrangements under COPP have not been demonstrated to be causing the Use of System Customer an intolerable burden, and there is insufficient evidence to justify a change to current regulations, particularly considering the upcoming allocation of capacity via competitive auctions.
- The proposal to re-optimize shared connections should one project not proceed is cautiously welcomed. However, PCRE fear that this may lead to delays in some circumstances and the rights of all Parties need to be balanced in this regard. System Operators need to consider such re-optimisations carefully to avoid unnecessary delays for projects which have accepted connection offers and may be subject to strict planning permission timelines or realisation periods for support schemes.

Current policy around shared connections should continue with these underwritten by the TUoS customer and not inefficiently by the PSO consumer via generators.

5. Project Size

ECP-1 should be designed as a sustainable process for the system operators to manage. Projects of greater than 100MW (whether in a single connection or in aggregate) should not be eligible for participation in ECP-1 for several reasons:

- ECP-1 is likely to be oversubscribed and it is reasonable to allocate capacity to a wider footprint of industry, rather than a small number of large players
- There is a limited amount of capacity to be allocated in ECP-1. A 100MW upper limit would represent over 16% of the total volume (or 10% if the volume is increased as recommended) which is an inappropriate share for any individual project
- Renewable projects will be supported by means of competitive auctions. Auctions require sufficient volumes of projects and participants to work efficiently. Allocating scarce grid capacity to a small number of large players may lead to market power issues and undermine the auction process, delaying realisation of national targets.
- ECP-1 is being designed as an interim step towards full enduring connection policy and as such should serve current system needs. As such ECP-1 should allocate capacity to projects which may be delivered by or close to 2020 to assist with national targets. Projects > 100MW are very unlikely to be delivered within this timeframe given EIA projects require a cumulative assessment of grid connection infrastructure.
- Future rounds of ECP may be designed to cater for very large projects which have a longer realisation period and their impact on the system can be fully understood.

Projects greater than 100MW (whether in a single connection or in aggregate) should not be eligible for participation in ECP-1

6. Application Fees

The proposals for fee increases is unacceptable. PCRE does not believe that proposed ECP-1 is the appropriate place to address application fees. The CRU reviews System Operator charges annually and PCRE believe this is the appropriate place in which to review it.

The following is an extract of the proposed fee structure and the % change in application fee from the current format

MEC	ESBN Fees			
	Old Fees(excl. VAT)	New Fees(excl. VAT)	Net Increase	% Increase
0≤11kW	€0	€0	€0	0%
>11kW≤50kW	€763	€1,526	€763	100%
>50kW≤250kW	€1,557	€3,114	€1,557	100%
>250kW≤500kW	€1,557	€33,842	€32,285	2074%
>500kW≤4MW	€8,841	€33,842	€25,001	283%
>4MW≤10MW	€27,276	€67,557	€40,281	148%
>10MW≤20MW	€52,831	€67,557	€14,726	28%
>20MW≤30MW	€52,831	€87,013	€34,182	65%
>30MW≤50MW	€61,565	€87,013	€25,448	41%
>50MW≤100MW	€73,836	€87,013	€13,177	18%
>100MW	€86,426	€95,829	€9,403	11%

The proposal to change the application fee is unwarranted and should remain as per the application fees in 2017.

7. Future Non-GPA

- Current proposals to roll projects greater than 11kW and less than 250kW to be processed on a sequential basis around the 110kV node should be extended to all projects below 500kW.
- Projects that receive an offer under the Non-GPA should have a reduced timeframe under which to accept an offer. PCRE propose 30 calendar days as an appropriate timeframe. Projects which are disputed should not hold up the processing of future projects and PCRE propose that the SO processes the next in line under the assumption that the first offer is accepted to take a worse case.

Future Non-GPA should be expanded to all renewable projects with an MEC < 500kW

8. Prioritising Renewable Energy Projects

The proposed ECP-1 should prioritise renewable energy projects as is required under Article 16, Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources. Regulations surrounding grid connection access should not run contrary to national policy objectives. Allowance may be made in future rounds should technical advice from the SOs necessitate non-renewable generation for system reasons.

ECP-1 should prioritise Renewable Energy Projects.

9. DS3 Projects

DS3 projects should be processed under a separate grid connection policy as PCRE believes as there is only one route to market via EirGrid that it is not appropriate to process both DS3 with generation projects.

DS3 projects should show the same commitment to receive a grid offer by ensuring they receive planning permission before receiving a grid offer. This will help reduce speculation and show commitment.

DS3 projects should be processed under a separate system and should require grant of planning for grid offer to remove speculation.

10. Timelines for ECP-1 and Beyond

The timelines that are proposed are sensible however PCRE seeks greater assurances from the CRU on timelines for grid offer issuances. The next batch beyond ECP-1 should be open for applications whilst the offers for ECP-1 are live and begin processing as soon as the final ECP-1 offer has accepted/lapsed.

Future applications for grid connection should run in parallel to ECP-1 to reduce timelines for future connection offers.