
CRU/17/309
Enduring Connection Policy
Stage 1 (ECP-1)
Proposed Decision

A Response by EirGrid

15th December 2017



Introduction

EirGrid welcomes the opportunity to respond to the Commission for Regulation of Utilities (the CRU) proposed decision on Enduring Connection Policy Stage 1 (ECP-1). The future evolution of connection and access policy is of fundamental importance. EirGrid has engaged constructively with the CRU, ESB Networks and industry throughout this process and is committed to giving effect to the new arrangements.

EirGrid is supportive of the proposals made by the CRU in its draft decision and proposed ruleset paper. The proposals make a good start to overhauling connection policy for generators which, for the last number of years, saw volumes of applications significantly in excess of what was expected and has, as such, been impractical to process. We accept that any new connection policy cannot be a 'quick fix' and that the wider scope of enduring connection policy should not be overlooked while coming to a solution in the short term.

EirGrid issued a detailed response to the original CER/15/284 consultation¹ and therefore we do not intend to respond in detail on the wider key principles but rather focus our response on some key elements relating to this consultation.

Commitment Model

Connection contracts have become valuable and tradeable commodities. In general, EirGrid is supportive of the type of rules within connection policy that give greater certainty that generators with executed connection offers will progress as originally intended and if that is not possible then the capacity is then made available again through a regulated system and not through unregulated capacity trading. There is a concern that there are many speculative projects amongst those that have applied for connection offers and that even some of those with connection offers may still remain speculative in nature.

EirGrid believes that reinforcing the "commitment model" to obtain, accept and construct a connection is fundamental to ensuring that speculative projects are minimised to greatly enhance the overall efficiency and effectiveness of the connection process. Enduring Access Policy should seek to encourage applications from developers with "shovel ready" projects. To achieve this, the criteria for being eligible to receive an offer and the commitment required to accept the offer and develop the project as contracted for must be strengthened. Therefore EirGrid supports the proposals made by the CRU within the proposed decision for example, and not limited to, the planning permission requirement, moves to address the relatively open rules for capacity relocation, the requirement for shared bonding (where applicable), and shorter long stop dates.

¹ Available at <https://www.cru.ie/wp-content/uploads/2016/07/CER16056-Response-from-EirGrid-to-CER15284.pdf>

Developing the Grid

As per the EirGrid Grid Development Strategy for Ireland, EirGrid will only build new infrastructure when this is the best solution after considering all options. Given the projected demand and generation increases that can be seen within EirGrid's 'Tomorrow's Energy Scenarios', it is likely that additional infrastructure will be required to accommodate future network requirements. In advance of new infrastructure development, efficient use of the existing transmission network is very important and connection policy should seek to align with this objective.

Strengthening the commitment model through the measures mentioned above reduces the risks associated with network planning and development. The Group Processing Approach (GPA) continues to have a critical role to play in this regard and EirGrid supports the CRU's proposals within the draft decision. Group processing is an efficient way to develop the network and minimise overall connection costs to developers.

However, it is important that the volume of applications is manageable whether grouped or otherwise. EirGrid is cognisant of the experience with the volumes of applications that were seen through both the Gate 3 and the non-GPA process. As TSO, EirGrid must balance the increased number of connections with its plans for efficient and justifiable grid development. EirGrid therefore welcomes a batch threshold that will deliver connections efficiently and support the 1000MW batch limit. Some strong initial feedback from industry representatives is that a larger batch size would be welcomed. While acknowledging that this will naturally take longer to process EirGrid is open to a moderate increase in batch size if that is what is generally supported across the industry.

DS3 Projects

EirGrid is committed to enabling increased levels of variable renewable sources to generate on the power system whilst continuing to ensure that the system operates securely and efficiently. The prioritisation of DS3 systems services, as set out in the Transitional Arrangements Decision paper (CER/16/284), will help to facilitate EirGrid's ability to manage these increased levels of variable renewable generation and reduce curtailment levels and we fully support it. EirGrid also supports the CRU's proposed DS3 prioritisation threshold of 400MW.

Batch Timeframe

EirGrid is of the opinion that the proposed timeframes for processing offers are fair and broadly consistent with that experienced in previous Gates. EirGrid is committed to processing applications as efficiently as possible, however, the processing timelines are largely dependent on the number of applications in the 2018 Batch.

One potential impact on the timing of the start of the 2018 Batch is the time given to ‘Non-GPA queued applicants’ and ‘Other applicants’ to respond to the system operators in terms of either participating in the 2018 Batch process or withdrawing their application. It is proposed that upon the final decision the system operators will write to these applicants in order to set out their options. Following a period of twenty (20) Business Days, if no response has been received, it is proposed the system operators would write to these applicants again with a further twenty (20) Business Days to respond before the application is assumed to be withdrawn. EirGrid is of the opinion that the second twenty (20) Business Day period is unnecessarily long and earlier clarity from applicants is desirable to facilitate the timely start of the 2018 Batch.

Wider System Considerations

EirGrid acknowledges that ECP-1 is the first step in an overall enduring connection process that will take some time to develop. We are however mindful of the rapidly changing nature of the industry and the requirements for the transmission system. We are particularly mindful of the ever growing appetite for connection of new large scale energy users in the greater Dublin region and the requirements this will bring for the system. Such requirements may necessitate specific transmission reserve service provision solutions to be brought forward in parallel or even in advance of the 2018 Batch. EirGrid is continuously monitoring wider network requirements and is in continuous engagement with the CRU in this regard. Any final decision on ECP-1 should allow CRU the flexibility to direct EirGrid and / or ESB Networks to facilitate connection outside of ECP-1’s 2018 Batch if so required in the future.

Next Steps

In advance of publication of the final decision, the system operators have commenced preparations for the new system including changes in the application process, new application forms and managing the current non-GPA projects ‘in process’. EirGrid is committed to supporting the completion of the process to establish a new Enduring Connection Policy Ruleset and looks forward to the commencement of the 2018 Batch.