



Enduring Connection Policy Stage 1– Consultation

NOW Ireland Response

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1. Introduction

The National Offshore Wind Energy Association of Ireland (NOW Ireland) was established to promote the development of Ireland's substantial offshore wind resource and to ensure that our island leads the way in building a green energy economy. NOW Ireland was established by companies that have offshore wind farm projects under development in Irish Waters who were joined by national and international companies operating in the offshore wind supply chain sector.

Ireland has a huge untapped offshore wind resource that can be delivered with existing technology with no significant social or environmental impacts. The Strategic Environmental Assessment (SEA) of the potential for the development of 4,500 MW of offshore wind energy in Ireland concluded that it would be possible to develop this capacity without any likely significant adverse effect on the environment. The Irish Government's Offshore Renewable Energy Plan (OREDP) states that the development of our "offshore renewable energy resource is central to overall energy policy in Ireland. It can enable Ireland to develop an export market in green energy and enhance security of supply. Greenhouse gas emissions will be reduced, while growth and jobs are delivered to the economy. The Government strategy for renewable energy 2012-2020 reiterates the view that "the development of Ireland's abundant indigenous renewable energy resources, both onshore and offshore, clearly stands on its own merits in terms of contribution to the economy, to the jobs and growth agenda, to environmental sustainability and to diversity of energy supply."

2. Value of Offshore Wind

We welcome the inclusion of Offshore Wind in the new Enduring Connection Policy proposals. We note that the ECP-1 proposal states that the enduring process will be open to all projects regardless of their technology, and that it aims to facilitate build ready projects in a way that promotes a more optimal use of the existing network. In that context offshore wind development projects such as those under development by the members of NOW Ireland fall within the process parameters. Accordingly, we believe that the proposed decision must make specific provision for offshore wind projects, by having a batch of sufficient size to allow offshore wind projects to be implemented.

The scale available from the development of offshore wind energy provides several advantages that can help ensure Ireland does not fall short in meeting its renewable energy goals. This scale can be provided through the combination of the following factors particular to offshore wind:

- Large capacity turbines of 9.5 MW each are now in commercial operation offshore, while turbines with 12 MW and greater capacities will be available in the coming few years.
- The Average capacity factor for onshore wind in Ireland is 30% and 9% for solar PV (SEAI, 2016) this increases to 45% or more offshore, where wind speeds are higher and more consistent. This means that an offshore wind turbine generates 50% more energy per MW of capacity than an onshore turbine.
- Large scale projects can be deployed offshore where land access and environmental constraints are less of a problem than onshore.
- Offshore wind offers scale that can be delivered quickly through the efficiencies of building a large capacity project at one offshore site.

This creates the following advantages which should be considered when establishing new connection policies.

- Reduced community opposition to renewable energy infrastructure roll out due to reduced environmental and social impacts of projects at remote offshore locations.
- Reduced requirement for multiple grid connections and the associated infrastructure required for multiple smaller scale onshore wind and solar projects.
- Strategic project locations close to demand centres, enables connections to the existing transmission system, avoiding the need for large scale grid upgrades and new high voltage transmission lines.
- Unlocks a new industry that will create a significant boost to the economy and job creation in the Irish Marine sector. A recent report undertaken by the Offshore Wind Catapult group in the UK found that the Gross Value Added (GVA) per GW of offshore wind deployed in the UK is £1.8bn for current projects and is expected to increase to £2.9bn/GW by 2030.

3. Specific Points in Relation to the Enduring Connection Policy Proposals

NOW Ireland has the following suggestions in relation to the specifics of the enduring connection policy proposal.

Batch Processing

- NOW Ireland welcome the proposals to develop a new grid access regime including the proposal to open regular batches on a rolling basis. This will enable new and existing projects to access the grid following the closure of Gate 3 in 2008.
- Policy alignment with the development of an auction process under the proposed Renewable Energy Support Scheme (RESS) is necessary, to ensure that both the ECP and RESS policies work in combination. The release of regular batches of grid capacity is necessary to enable projects to secure grid offers and enter an auction process as they reach development maturity. This will ensure that the most economically efficient projects are constructed and costs to consumers are minimised. Ideally capacity would be released on an annual basis, if this is not possible there should not be more than 2 years between batches.

Batch Size

- The allocation of 400 MW of capacity to DS3 service providers as part of batch 1 will improve the ability of the system operators to maintain a stable grid system. This will enable a higher penetration of non-dispatchable renewable energy generation on the system.
- The ECP policy document links the proposed batch size of 1000 MW to the 967 MW capacity returned from Gate 3. There was a further 300-400 MW of conventional generation capacity returned during 2017. Considering the return of these capacities there is a strong argument that at least 1000 MW of generation plus 400 MW of DS3 capacity should be allocated to batch 1 in 2018.

Priority Access for Renewables

- The Renewable Energy (RES) Directive, 2009/28/EC, states that 'Member States shall provide for either priority access or guaranteed access to the grid-system of electricity produced

from renewable energy sources'. The ECP-1 proposal is ambiguous in the priority given to the allocation of renewable energy generation in the first batch.

- The 600 MW earmarked for new generation connection appears to be open to conventional generation under the same rules as renewable generators. This combined with the planning status of some large conventional generators could unintentionally result in all the generating capacity allocated in batch 1 going to a conventional project. This would be in breach of the RES Directive and we expect is not the intention of the ECP proposal.
- Priority access should be granted to renewable energy projects. Conventional generation can be processed in a separate batch on an as needed basis when market conditions and/or security of supply requirements dictate.

Planning Requirement to Entry a Batch

- Planning as a pre-requisite to entry to a batch is a welcome addition to grid connection policy in Ireland, this is an effective method used in other jurisdictions to avoid speculative applications and capacity hoarding.
- While we understand the proposal to use a planning expiry date to prioritise applications, in an oversubscribed batch, is intended to assist projects that have been waiting in a grid queue for up to 10 years. This has the potential to have significant consequential impacts. The planning expiry dates for some recent projects have been extended from 5 to 10 years, which means that under the planning expiry rule, as proposed, projects that have received planning permission later will in some cases have unfair priority over earlier projects.
- To avoid this type of un-intended consequence the planning requirement should be kept simple. The prioritisation of access in an over-subscribed batch should be to projects based on a planning approval date.
- NOW Ireland welcomes the inclusion of planning criteria for offshore projects, the consents process offshore is however complex, and we would welcome the opportunity to discuss suitable criteria with the CRU.
- Considering the almost 10-year hiatus in the allocation of grid access to wind projects, since the closure of Gate 3, amendments to planning consents must be allowed. This will enable the most modern technologies to be deployed and encourage the most economically efficient projects to proceed.

Connection Offer Policy Process

- NOW Ireland suggest that an additional time limited period for existing projects to release capacity in exchange for a refund of first stage payments be provided, similar to the mechanism used under the Connection Policy Transitional Arrangements, CER/16/284. This would facilitate an increase in the capacity available to new projects under the Enduring Connection Policy from projects that are unable to proceed.

Summary

Overall, the introduction of a long awaited enduring policy to provide capacity on the grid system is welcome. The members of NOW Ireland have identified some specific issues in the proposed policy as outlined in this response. Due to the complexity of the consents process for offshore wind projects we respectfully request the opportunity to meet with the CRU to discuss these points in more detail before a final decision is made.