

---

# Brookfield Renewable

## Response to Enduring Connection Policy Stage 1 (ECP-1) Proposed Decision

*Submission Date: 15 December 2017*

---



Date: 15 December 2017

**RE: Enduring Connection Policy Stage 1 (ECP-1)**

Dear Sirs,

Brookfield Renewable welcomes the opportunity to provide feedback on the Enduring Connection Policy Stage 1 (ECP-1) Proposed Decision published by the Commission for the Regulation of Utilities (CRU).

Brookfield Renewable is part of Brookfield Renewable Partners L.P., one of the largest publicly-traded renewable power platforms, operating across Europe, North America and South America, with over 10,000 MW of hydroelectric and wind capacity across 15 power markets. Brookfield Renewable's Irish portfolio consists of 368 MW of operating wind capacity across 20 wind projects in 9 counties and a 200 MW wind development pipeline. Our power operating platform employs over 2,200 people globally, including full operating, development, construction oversight, and wholesale power marketing capabilities. In addition to operating a wind portfolio in the Single Electricity Market, Brookfield Renewable also actively trade power across the interconnectors between SEM and BETTA.

This is an important publication for Brookfield Renewable as well as the wider energy industry. We welcome the ECP-1 as a mechanism for addressing the existing backlog of grid applications and introducing a clear, consistent and sustainable process for connecting projects to the electrical grid. Brookfield Renewable fully supports the aim of the CRU to implement the ECP-1 in a timely manner and that grid connection offers are awarded to viable projects that are most likely to be built in the near term.

Brookfield Renewable has a number of comments in relation to the ECP-1 Proposed Decision paper as follows and as outlined in greater detail below:

Brookfield Renewable:

1. Recommends an increase to the batch size of ECP-1 only
2. Supports smaller, frequent batch processing following ECP-1 subject to recommendations
3. Proposes that renewable generators have priority in ECP-1
4. Believes that ECP-1 must align with RESS auctions and DS3 procurement processes
5. Supports the planning permission requirement however recommends that the earliest planning grant date should be used for prioritisation of grid applications rather than planning expiry date
6. Notes that the shared bonding proposals are unnecessary and will result in higher costs to consumers

### **Brookfield Renewable recommends an increase to the batch size of ECP-1 only**

Brookfield Renewable believes the batch size for ECP-1 included in the proposed decision paper is too small and could result in significant volumes of renewable generation being excluded from ECP-1 and hence also from the first RESS auction. A small batch, processed using limited selection criteria means there is a strong chance that the most economically viable projects will be withheld from the first RESS auction. This will result in upward pressure on clearing prices and higher costs for the consumer. Furthermore, many renewable energy projects have been held in the grid connection queue for many years and if these projects miss out in ECP-1, there is a risk they will be held in the queue for a further significant period. In the interests of ensuring sufficient competition in the first RESS auction and fairness to projects held in the queue, Brookfield Renewable recommends that the ECP-1 is sized appropriately to encompass all renewable energy projects in the queue that have valid planning permission.

### **Brookfield Renewable supports smaller, frequent batch processing following ECP-1 subject to recommendations**

Brookfield Renewable supports the proposal to process offers in smaller, frequent batches following ECP-1 subject to the following recommendations:

- (i) It is essential that grid connection batches are processed regularly to give developers and investors the required certainty that viable projects will not be subject to indeterminate delays. The CRU should ensure that a clear programme for future ECP batches is scheduled and publicised. To ensure unused grid capacity is released back into circulation, rules for accepting grid connections should be clear, unambiguous and strictly enforced.
- (ii) Large offshore wind projects have significant scale, complex and expensive grid connections and long development timeframes. If processed under a general ECP batch, these projects would reserve a large portion, if not all, of the available capacity to the exclusion of 'shovel-ready' onshore wind and solar projects. Furthermore, if a large, offshore wind project processed under an ECP batch did not accept or progress its grid connection offer, there would be a significant hiatus in delivery of renewable projects. Brookfield Renewable therefore recommends that large projects should be processed either in a separate ECP batch or outside of the ECP.
- (iii) Brookfield Renewable wishes to highlight that DS3 system services exist to support intermittent generation and do not contribute to renewable energy targets themselves. If an ECP batch was to result in a high allocation of grid offers to DS3 services to the exclusion of renewable generators, this would be an undesirable outcome. Brookfield Renewable recommends that the CRU should determine the required level of DS3 services in each ECP batch and only make offers to this level i.e. 400 MW in ECP-1.

## Renewable generators should be given priority access under ECP-1

As outlined in the consultation paper, under EU law, renewable generators must be given priority access to the grid. In this context, we believe that it is inappropriate for conventional projects to be offered grid connections under ECP-1 to the exclusion of renewable projects, unless they are required for system stability reasons. Brookfield Renewable therefore recommends that there is priority access for renewable generators under ECP-1 and that conventional projects should be processed either in a separate ECP batch or outside of the ECP based on clearly identified system or policy needs.

## ECP-1 must align with RESS Auctions and DS3 Procurement Process

Brookfield Renewable recommends that the timing of the ECP batches works in tandem with the RESS auctions and DS3 procurement processes. Specifically, Brookfield Renewable is of the opinion that;

In relation to the RESS Auctions:

- Grid connection offers should be processed immediately prior to the next RESS auction to allow auction participants to factor grid costs into their bids.
- Grid offer long-stop dates should not expire before the RESS auction results are known.
- Brookfield Renewable understands that the DCCAE's intention is that RESS auctions will be oversubscribed to promote competition. As a result, we believe the System Operators should aim to issue more grid connection offers than required to fill the next RESS auction. Any limitation of grid connection offers to renewable generators has the potential to unnecessarily limit competition in the RESS auction thereby leading to higher RESS prices which will have an associated negative impact on consumer costs.

In relation to DS3 procurement processes:

- The ECP-1 and DS3 procurement process must be aligned to work together effectively and efficiently. As currently planned the ECP-1 grid offers will issue after the DS3 contract execution dates which may preclude projects from meeting their DS3 service obligations within the required timeframe.

## Brookfield Renewable Supports Planning Permission Requirement

Brookfield Renewable supports the CRUs view that planning permission is a strong indication of project commitment and that grid connection offers should only be made to projects with planning permission. Brookfield Renewable however recommends that for prioritisation of grid applications, projects with planning permission should be ranked based on their **earliest planning grant date** rather than planning expiry date. This will ensure that projects that have been in the queue for the longest period are prioritised. This approach will also facilitate greater transparency in the grid connection offer process.

We believe a foreshore license is not an appropriate level of commitment from offshore wind projects. Foreshore licenses are generally granted for initial site investigation prior to incurring major expenditure on Environmental Impact Assessments (EIA) etc. This is not equitable with the requirement for onshore wind and solar projects to have completed an EIA and received subsequent planning consent. In the context of the CRU's objective of Equity of Treatment across technologies, Brookfield Renewable recommends that offshore wind farms should be required to have a Foreshore Lease in order to participate in ECP-1 and that the developers are obliged to construct the project in line with this consent.

### **Shared Bonding Proposals Will Result in Higher Costs to Consumers**

Brookfield Renewable strongly disagrees with the proposed changes to group processing charging. The shared bonding proposals outlined in the consultation paper significantly penalise developers in sub-groups because, by accepting their grid connection offer, they become liable for 100% of the shared asset costs whereas a developer with a dedicated grid connection is liable for only 10% of their grid connection costs or €10,000 per MW. This dis-incentivises developers from locating in areas where they may be allocated to a group resulting in sub-optimal development of the grid.

Brookfield Renewable recommends that the CRU retains the current arrangements on shared asset costs as they provide a suitable locational signal to projects to group together. Furthermore, the current rules adequately meet other CRU requirements as the grid acceptance stage payment is sufficient to ensure project commitment.

### **Further comments**

Brookfield Renewable does not agree with the proposed changes to the ESN processing fees and consider them to be unnecessary. Processing fees and standard charges are approved annually by the CRU and hence we are of the opinion that these proposals should be consulted on separately.

Brookfield Renewable considers the proposed rules regarding material changes to generation equipment to be overly restrictive. We recommend that minor amendments to the planning permission should be facilitated, such as micro-siting of turbine locations and changes to hub height or rotor diameter (once they remain within the planning permitted turbine dimensions). Provided a developer has valid planning permission for a site that matches the MEC of the grid connection application, we believe the developer should have the flexibility to optimise their project, which will likely result in lower RESS auction bid prices and hence better value to the consumer.

To conclude, Brookfield Renewable welcomes and supports the development of the first stage of the Enduring Connection Policy. We would however urge that the points raised above are considered by the CRU in their final decision to ensure a suitable, efficient and sustainable Enduring Connection Policy is implemented.

Should you require any further information in relation to the points raised above please don't hesitate to get in touch.

Kind regards,

**Niamh O'Sullivan**  
Regulatory and Power Markets Analyst, Ireland

**Brookfield Renewable**  
5th Floor, City Quarter, Lapps Quay, Cork, Ireland, T12 A2XD  
T +353 21 422 3680 M +353 86 145 3533  
[niamh.osullivan@brookfieldrenewable.com](mailto:niamh.osullivan@brookfieldrenewable.com)

[By Email]