



Gaelectric Holdings Plc.

Response Paper to:

Consultation on

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

Gaelectric

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Public

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1 INTRODUCTION

Gaelectric Holdings plc (“Gaelectric”) welcomes the opportunity to engage with the Commission for Regulation of Utilities (CRU) on the Enduring Connection Policy Stage 1 (ECP-1). While Gaelectric welcomes and recognises the requirement to revise the overall connection process, it believes many key areas within the proposed decision require further consideration and design. The proposed ECP-1 in conjunction with the Department of Communications, Climate Action and Environment’s (“DCCA”) consultation on the Renewable Energy Support Scheme (“RESS”) need to be more ambitious in facilitating and promoting the connection of renewables to the Irish transmission and distribution systems to 2030 and beyond.

2 GAELECTRIC RESPONSE TO PROPOSED DECISION

2.1 Processing of Connection offers in Batches and offer 1000 MW under 2018 batch

The ECP-1 proposed decision sets out the CRU’s intention to maintain group processing but with smaller more frequent batches. Gaelectric welcomes the proposal to increase the frequency of batches but have concerns relating to the batch size and the group processing approach.

The batch size of 1000 MW has been calculated based on the capacity release carried out earlier this year combined with the total capacity available where offers have lapsed under Gate 3. Gaelectric welcomes the CRU proposal that this threshold will be reviewed at a future date but believes a more scientific approach should be carried out to determine the actual availability on the power system in each region. Applying a 1000 MW threshold without identifying the actual available capacity on the power system does not remove the risk of significant reinforcement being required under the ECP-1 batch.

Gaelectric does not agree with capping the number of projects at 50 as this poses a risk that the total 1000 MW will not be utilised. This could potentially severely restrict the access of renewables to the transmission and distribution systems which could unintendedly contravene Government and European policy. The system operators should be capable of processing all applications up to the 1000 MW threshold regardless of the number of projects. This capability has been demonstrated to date both under Gate 3 and non-GPA processes.

Gaelectric believes that the ECP should allow for annual batches to be processed as this promotes access to the power system and allows projects regular opportunities to obtain a grid connection, which is one of the pre-qualification criteria for the RESS auctions.

Gaelectric is concerned that maintaining group processing may result in unnecessary delays to projects and unforeseen costs. A system where group processing is used with connection costs shared on a per MW basis places significant dependency on all projects within a subgroup. In addition, the introduction of shared bonding needs further consideration as the scale and design of the proposed bonds is not clear. These two issues combined could result in inefficient bidding for renewables in the RESS auction and ultimately increase the cost to the end consumer.

Gaelectric also believes that further consideration needs to be given to hybrid sites and the application process for such projects. Currently, there is no process to facilitate the connection of multiple technologies behind a single connection point. The capacity factor of technologies such as wind, solar and storage are generally complimentary of each other. Having a process where these technologies need to apply for separate MECs is not an effective use of the existing grid resources.

2.2 Offering the first 400 MW of the 2018 batch to DS3 providers

Gaelectric understands the engineering challenges associated with operating a power systems with up to 75% system non-synchronous penetration (SNSP) and does not oppose the prioritisation of DS3 providers in principle. However, measures are required to ensure such projects are not speculative projects that are either aspirational or unsuccessful in joining the DS3 framework agreement or any future DS3 auctions. Without such measures, projects with the capability of providing FFR and POR may be prioritised for a grid connection without ever providing the service when connected. Introducing the requirement for planning permission could help prevent a situation whereby the 400 MW for DS3 projects is quickly allocated to such projects.

Gaelectric is also concerned that there is no mechanism to prioritise the connection of renewable projects under ECP-1. This does not appear to align with Government and European policy and poses a risk that in future batches a large portion of (or the entire) threshold may be allocated to single fossil fuelled conventional plant. By prioritising renewable connections, the ECP has an opportunity to demonstrate the ambition required to ensure Ireland can meet its current and future RES-E targets.

2.3 Requirement for planning permission to enter the 2018 batch

Gaelectric welcomes the requirement for planning permission to enter the 2018 batch as this gives shovel ready projects access to the power system. Gaelectric believes the date of receipt of notice of opinion from a local authority should be the date the ECP-1 process begins allowing projects currently in planning, but undergoing appeal, to be considered for the 2018 batch.

Gaelectric is concerned that prioritising projects with the soonest planning expiration may not be the most efficient and economic use of the capacity on the system. Projects with 5-year planning permissions may have an unfair advantage over projects with 10-year planning permissions regardless of the date of planning permission being received. Gaelectric believes this prioritisation of projects with planning requires further consideration and design.

2.4 Processing certain projects outside the batch

Gaelectric agrees that there is merit on maintaining the non-GPA type process for certain categories of projects. Gaelectric believe that this range should be extended to include all projects up to and including 1 MW, which is the threshold likely to benefit from a straightforward FIT under the RESS. Such projects are typically autoproducers but with a need to export on occasion. This form of embedded power generation is to be encouraged.

2.5 Connection Fees

Gaelectric is concerned with the significant increase in connection fees for projects for both generation and storage projects. Gaelectric request that the CRU/SOs provide a breakdown of the applicable costs so that a full detailed analysis can be carried out on such costs and allow respondents to the consultation opportunity to propose efficiencies.

Gaelectric also believes that a mechanism should be developed so that the initial application fee of €7,000 for non-GPA applicants currently on hold be either a) returned to projects that will not be eligible to re-apply under ECP-1 due to lack of planning permission or b) if those projects are to remain on hold an option is given to these projects to be eligible to reapply for the next batch, ECP-2, with no additional initial fee. This may give projects sufficient time to obtain planning permission for ECP-2.