



**Response by Energia to Commission for
Regulation of Utilities, Consultation,
CRU/17/309**

Enduring Connection Policy Stage 1 (ECP-1)

15th December 2017

1. Introduction

Energia welcomes the opportunity to respond to the Commission for Regulation of Utilities consultation Enduring Connection Policy Stage 1 (ECP-1). Energia is one of the largest contributors to the achievement of Ireland's renewable targets, this has been met through our investment, development, contracting and trading activities with policy support from government.

The increase in renewable generation over the past number of years has been achieved by significant investment from both the public and private sector; this has taken place against the backdrop of a relatively stable policy environment that has allowed financial institutions and investors to invest with confidence. As such whilst dealing with the backlog of applications it is important that ECP-1 allows viable projects that are able to progress to connect and complete. A failure to do so may undermine investor confidence as viable projects cannot gain access to the grid. A failure to allow viable projects to gain access is likely to undermine investor confidence and dent progress towards our 2020 targets.

ECP-1 must also focus on the maximisation of site potential and existing infrastructure by allowing changes to planning in certain circumstances and prioritising repowering and co-location of technology (within the MEC). These low hanging fruit could deliver significant gains at a reduced cost. This response outlines our general comments before concluding.

2. General Comments

Batch Size and Prioritisation

Energia are supportive of the prioritisation of DS3 projects. It is imperative that DS3 projects are prioritised in order to help increase the SNSP limit and lower the curtailment levels on the system. Assessing DS3 projects outside of the batch process could further free up capacity.

As the deadline for the 2020 targets approaches it is critical that renewables have priority in ECP-1. IWEA estimate that meeting the target will require approximately 1150MW of wind between now and 2020. As such viable consented projects will be needed to deliver on this. We have significant concerns that under the current batch size that a number of larger projects could effectively use up all of the available capacity. In order to ensure that this isn't the case, the batch size should be increased to ensure that viable projects get access to ECP-1. Ensuring that projects in excess of 100MW are treated outside of this process would further free up capacity and reduce this risk. As it stands it is likely that Ireland will fall short of its' 2020 targets yet there are viable projects with planning that are ready to go. By limiting this batch size here there is a missed opportunity to connect more renewables to the grid and make significant progress to the 2020 targets.

If the focus is shifted from the ability to deal with 36,000MW of largely speculative applications to projects that are viable and have consent, processing the backlog of projects in ECP-1 becomes more achievable. As such, we contend that the batch size should be expanded to process viable projects. Capping the batch size at 1,000MW does not deal with a backlog and may jeopardise legitimate projects. Furthermore, with 400MW of the 1,000MW being set aside for DS3, the pot for renewable technology such as wind is further limited as they do not meet the criteria.

Efficient use of existing grid infrastructure

Efficient use of the existing grid infrastructure will be fundamental to the success of the grid Access Policy and to Ireland meeting its renewable targets. Using the existing grid infrastructure to repower or allow co-location of technology at a site is a lower cost, relatively quick and efficient way of connecting capacity to the grid. There should be a prioritization of projects which can make use of the existing network connections, in particular in light of the 2020 targets and the lead in time for developing and connecting a new project. This should include projects that are repowering and co-locating once they do not exceed their MEC.

Planning

Similar to the other proposals contained within the paper, Energia acknowledges that the attempt here is to address the issue of some generators acquiring grid speculatively with a view to trading it. However, there are unintended consequences of such a restrictive approach to planning, primarily that it may not allow the efficient use of a connection or the maximisation of the sites potential. The first step toward meeting our 2020 targets should be the efficient use of existing assets and projects. This should be achieved by prioritising repowering, co-location and relaxing the planning requirements. The planning process a project goes through whether a new development, repowering or co-location is a significant and thorough process. To a large extent the assessment criteria in terms of planning should be left to the planning authority and if it is accepted by the planning authority it should be for the most part accepted in ECP-1. As part of a review of the planning criteria we contend that in order to ensure the maximisation of sites and the existing network that the over-installation rules should be revisited. We would suggest some of the following amendments in relation to planning for prospective applicants:

- The project must demonstrate at the time of grid application, that there are commercially available turbines that do not exceed the planning permitted physical turbine dimensions and number of turbines, which would provide an installed capacity not less than the MEC being applied for.

The following minor modifications to the planning permit should be permitted:

- Micro siting the turbine locations by level permitted by planning authority
- Changes in turbine rotor diameter, Changes in turbine hub height.
- Changes in turbine tip height not exceeding (10)% of the original permitted tip height.

- Changes in installed capacity (not MEC) within existing over-installation rules.
- Changes to internal cabling, road layout and site access to be permitted.

Projects subject to a Judicial Review should not be refused or restricted in any way from gaining access to ECP-1. There is a risk that if this was the case that JRs would become a circuitous way for projects to be stalled or stopped.

Relocation of Capacity

Energia is supportive of the intention behind the CRU action on relocation of capacity. However, the decision by the CRU to immediately preclude projects from relocating capacity creates issues for existing projects. This policy shift has left some projects with more restricted options. Sudden shifts in policy can expose projects to risk which in turn can jeopardise the project in the short run or impact the sector in longer term by increasing the inherent risk. In order to limit the risks associated with the CRU decision Energia suggest that there is:

- Increased flexibility in COPP rules for a time limited period.
- Capacity must be moved to a site with planning permission.

ESBN Processing Charge

Proposals to change the ESBN processing fees are not appropriate or justified in the context of this paper. Any change to the charges should be consulted upon separately and be evidence based. No credible explanation or evidence has been provided in the consultation that would justify an increase in the fees. Energia are strongly opposed to increasing these fees and believe that the increased cost has not been explained or justified.

All island Grid Access

As outlined in some of the above points it is likely that Ireland will fall short of meeting its 2020 targets. In order to avoid this scenario and the associated fines further progress towards the targets could be made by allowing the inclusion of projects geographically located in Northern Ireland to apply under ECP-1. This will only be applicable to projects within an economically viable distance of the border, but may be significant in helping achieve Ireland's 2020 targets. The same rules with regard to planning and developing the project should remain with the generation substation being located in Ireland to prevent conflict with the DNO or TSO in Northern Ireland. Again, the efficient use of existing infrastructure would seem to be a sensible approach.

3. Conclusion

Energia acknowledge the need for changes to the grid connection policy but ask that this is done with a view to limiting the risk to viable projects. Restricting access for viable projects introduces uncertainty in the market which in turn may add cost to future developments and will hinder progress towards the 2020 targets. There is an opportunity here to allow viable projects to connect and address the backlog of applications. If the focus is shifted from dealing with the 36,000MW of largely speculative applications to projects that are viable and have consent, then a significant amount of realisable projects could be connected to the grid.

Given the looming 2020 targets more cost effective and efficient progress can be made towards the targets by ensuring the efficient use of existing infrastructure and sites. This could be achieved by:

- Prioritising and facilitating Repowering and colocation of technology
- Relaxed planning criteria that allows the maximisation of a sites potential