CRU Consultation on Assessment Criteria for Interconnection Applications

EirGrid Response

10 August 2018
Introduction

1. EirGrid the licensed Transmission System Operator (TSO) for Ireland has obligations to operate and ensure the maintenance of, and if necessary, develop a safe, secure, reliable, economical, and efficient electricity transmission system and under Condition 9 of its License and Regulation 8 of SI 445 (2000) has a statutory obligation to “explore and develop opportunities for further interconnection”.

2. There has been extensive work carried out thus far in the development of a policy for electricity interconnectors in Ireland and EirGrid would like to acknowledge the part CRU has played in this.

3. Noting the above, EirGrid welcomes the opportunity to respond to the CRU’s consultation on its proposals on assessment criteria for electricity interconnection applications.

4. This response is by reference to EirGrid’s obligations set out in point 1 above.

General Points

5. It is important that any criteria for assessing applications must be consistent with the European framework and should be considered in the context of the CRU’s suite of powers, duties and statutory obligations.

6. It is also critical that the criteria recognise the uncertainty inherent with any such project at such an early juncture in its development.

Specific Comments on the Criteria

7. EirGrid is broadly supportive of the criteria as set out in the paper, however does have some comments, set out below.
8. Under Section 4.1. Technical criteria:
   a. In relation to points 3 and 4, which relate to specifications for grid code and supplier selection; these are difficult to provide at the stage of an investment request. EirGrid has interpreted this as the CRU wishing to assess the technical maturity of projects, which EirGrid does believe is important to assess; however, the degree of specificity required to assess these points may not be available at this early stage of the project development cycle so it is therefore unlikely that applicants would be in a position to provide these.

9. Under Section 4.2.3. Economic Criteria:
   a. In relation to point 2, specifically the impact “of generation costs and revenues per technology type”; typical economic modelling looks to assess changes in generation production costs and doesn’t look at the specific impact on existing generation costs and their revenues. EirGrid is of the view that such an assessment would be too specific. EirGrid also has some concerns that this may interfere with CRU’s statutory requirement to promote competition.

   b. In relation to point 7 on the consideration of potential alternatives to interconnection; EirGrid is of the view that it is highly important that such assessments are carried out in general, however similar to point 2 this criterion is very detailed and would be challenging to complete to a high degree of detail and robustness e.g. estimating the cost of an alternative project in a different field to that of the applicant (e.g. transmission interconnector vs gas storage). EirGrid is also concerned that this type of assessment may possibly not be appropriate for an applicant to carry out. Indeed, in the context of its functions, duties and power, this may be an area that CRU should give consideration to carrying out itself.

10. Under Section 4.3. Regulatory Criteria:

   a. As a certified and independent TSO, EirGrid believes that the CRU should give due consideration to the inclusion of a criterion which assesses the compatibility of any interconnection application with EU legislation. In particular, it is important that an interconnection application is capable of displaying independence of generation and supply in the context of Article 9 of EU Directive 2009/72/EC.