



An Coimisiún  
um Rialáil Fóntas  
**Commission for  
Regulation of Utilities**

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# Enduring Connection Policy Stage 2 (ECP-2)

## Proposed Decision

### Proposed Decision

<b>Reference:</b> CRU/19/143	<b>Date Published:</b> 29/11/2019	<b>Closing Date:</b> 24/01/2020
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## **CRU Mission Statement**

The Commission for Regulation of Utilities (CRU) is Ireland's independent energy and water regulator. The CRU was originally established as the Commission for Energy Regulation (CER) in 1999. The CRU's mission is to protect the public interest in Water, Energy and Energy Safety. The work of the CRU impacts every Irish home and business. The sectors we regulate underpin Irish economic competitiveness, investment and growth, while also contribute to our international obligations to address climate change.

The CRU is committed to playing its role to help deliver a secure, low carbon future at the least possible cost, while ensuring energy is supplied safely, empowered and protected customers pay reasonable prices and we deliver a sustainable, reliable and efficient future for energy and water.

The CRU is guided by four strategic priorities that sit alongside the core activities we undertake to deliver on the public interest. These are:

- Deliver sustainable low-carbon solutions with well-regulated markets and networks
- Ensure compliance and accountability through best regulatory practice
- Develop effective communications to support customers and the regulatory process
- Foster and maintain a high-performance culture and organisation to achieve our vision

Further information on the CRU's role and relevant legislation can be found on the CRU's website at [www.cru.ie](http://www.cru.ie).

## Executive Summary

Connection policy can influence which generators and storage projects can access markets and when they can secure that access. Consequently, connection policy can have a wide-ranging impact on the electricity system, from determining the level of competition in wholesale markets, facilitating the delivery of renewable energy targets, to helping ensure that new technologies can connect to provide required system services. All of these directly affect consumers in terms of the prices they pay, the quality of service they receive and the environment they live in.

Under section 34 of the Electricity Regulation Act 1999, as amended (the 1999 Act), the Commission for Regulation of Utilities (CRU) may give directions to EirGrid, the transmission system operator (TSO) and ESB Networks, the distribution system operator (DSO), collectively the “system operators” (SOs), on the terms and conditions of access to the transmission and distribution system (the electricity system). Based on the CRU’s policy directions, the system operators issue connection offers to generators.

In 2018 the CRU published a decision on Enduring Connection Policy – Stage 1 (ECP-1) with the principal objective of allowing projects which were ‘shovel ready’ to have an opportunity to connect to the network. At the same time, the CRU committed to more regular opportunities for connection offer processing (batches) in future. In addition to continuing these objectives, ECP-2 now also proposes to prioritise, in the first instance, large renewable energy projects in line with the CRU strategy of delivering sustainable low-carbon solutions with well-regulated networks.

The CRU also proposes to facilitate Government defined community-led renewable energy projects in ECP-2 by allocating to them up to half of the non-batch process offers. It is also proposed that community-led projects will not need planning permission to apply to the system operators for connection, though planning permission will be required before connection offers will be issued.

Finally, the CRU proposes to allow all projects contracted pre ECP-1 (but not those that folded into ECP-1) a final opportunity to terminate their connection agreement and release their full contracted MEC on the same terms and conditions for capacity release outlined in CER/16/284.

ECP-2 will be open to all generating and storage technologies and will be implemented subject to the CRU’s final decision based on the outcome of this consultation. Table 1 below summarises the proposals for the ECP-2 framework and outlines the differences with respect to the ECP-1 decision.

**Table 1** Summary of Proposed Decision for ECP-2 versus ECP-1 Decision

Key policy proposals for ECP-2	Related key policy decision for ECP-1
<p>ECP-2 framework to encompass one batch application window per year for three years:</p> <ul style="list-style-type: none"> <li>• ECP-2.1 applications in 2020</li> <li>• ECP-2.2 applications in 2021</li> <li>• ECP-2.3 applications in 2022</li> </ul>	<p>ECP-1 decision encompassed ECP-1 batch application window in 2018 (batch concluding 2020).</p>
<p>Target 50 connection offers for each ECP-2 batch (i.e. 150 offers over 3 years). Enhanced early engagement in the batch process to allow applicants to exit the process early.</p>	<p>Aimed to provide at least 1,000MW of new connection offers under the 2018 batch. ECP-1 processed 74 new applications and 52 existing applications.</p>
<p>ECP-2.1 Batch prioritisation on the basis of:</p> <ul style="list-style-type: none"> <li>• largest renewable energy production (GWhr/yr) for the first 25 offers and;</li> <li>• planning permission grant date (earliest first) for the remaining offers.</li> </ul> <p>ECP-2.2, ECP-2.3 batch prioritisation may be adjusted to meet future objectives.</p>	<p>ECP-1 2018 batch prioritised on basis of planning permission expiry date.</p>
<p>Require planning permission to enter the ECP-2 batches or non-batch process, including for DS3 providers. Community-led renewable energy projects will not need planning permission to apply for connection but will require planning permission to receive connection offer.</p>	<p>Required planning permission to enter the 2018 batch or non-batch, but not from DS3 providers.</p>
<p>Non-batch process as per ECP-1 with the addition of qualifying community-led projects. The non-batch process remains at 30 offers per year with up to 15 offers dedicated to community-led projects.</p>	<p>Process small-scale generation, DS3 system services qualifying trial projects and autoproducers outside of the 2018 batch (non-batch process).</p>
<p>The security for shared assets' costs for projects part of a sub-group remains as per ECP-1.</p>	<p>Introduce security for shared assets' costs for projects part of a sub-group.</p>
<p>The schedule of application fees remains as per ECP-1.</p>	<p>Apply a revised schedule of application fees.</p>
<p>Offer capacity on a non-firm basis as per ECP-</p>	<p>Offer capacity on a non-firm basis.</p>

1. Policy work on this issue is being considered in parallel to ECP.	
Allow all projects contracted pre ECP-1 (but not those that folded into ECP-1) a final opportunity to terminate their connection agreement and release their full contracted MEC on the same terms and conditions for capacity release outlined in CER/16/284.	N/A

## **Public/ Customer Impact Statement**

New generators and storage technologies need to connect to the electricity grid in order to participate in energy markets. The processes for connecting these are technically and commercially complex. Whilst these generally do not impact directly on individual electricity consumers, the following points illustrate how new connections can impact on the quality and cost of outcomes for consumers over time:

**Reliability of supply:** New connections contribute to the headroom of generation capacity relative to maximum demand.

**Wholesale electricity prices:** The connection of newer and more efficient generation capacity increases competition and puts downward pressure on wholesale prices, one of the main components of a consumer's bill.

**System services' prices:** New connections add to the number of potential providers of services which maintain the operational stability of the electricity system. This helps to ensure that the necessary services are available, and that their prices are set competitively.

**Network costs:** The network costs of local shallow works are funded by the generators which benefit from them, but the deeper works will be paid for by all consumers through their bills.

**Environmental goals:** Increasing the proportion of electricity generated from renewable sources reduces the carbon-intensity of the energy sector.

In 2018, the CRU decided on the first step in revising the existing connection policy, allowing the first of a set of more regular batches of connection offers with 'shovel ready' projects (i.e. with planning permission) to get a connection offer, ahead of less mature projects.

This proposed decision constitutes the next step in Connection Policy. This proposed decision continues to allow 'shovel ready' projects (i.e. with planning permission) to get a connection offer. It also prioritises connection of large renewable projects in the first instance whilst giving the opportunity for all types of projects that have gained planning permission to receive a connection offer on an equal basis thereafter.

More specifically the benefits of this proposed connection policy include:

- (1) Facilitating connections of 'shovel ready' projects is in consumers' interest as these projects should be the fastest to enter the market and increase competition.
- (2) Prioritising large renewable generation projects to assist the Government's target of having 70% of electricity by 2030 produced by renewable sources.
- (3) Assisting community-led renewable energy projects to get a connection offer on a preferred basis and with a lower barrier to entry.

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## Glossary of terms and abbreviations

Abbreviation or Term	Definition or Meaning
<b>1999 Act</b>	Electricity Regulation Act, 1999
<b>2018 batch</b>	ECP-1 batch process
<b>CER</b>	Commission for Energy Regulation (now, Commission for Regulation of Utilities)
<b>CHP</b>	Combined Heat and Power
<b>COPP</b>	Connection Offer Policy and Process
<b>CRU</b>	Commission for Regulation of Utilities (formerly, Commission for Energy Regulation)
<b>DCCAE</b>	Department of Communications, Climate Action & Environment
<b>DSO</b>	Distribution System Operator (ESB Networks)
<b>DS3</b>	Delivering a secure, sustainable (electricity) system The <b>DS3 programme</b> aims to ensure the secure and safe operation of the electricity system with increasing amounts of variable non-synchronous generation, such as wind and solar. To achieve this aim, the transmission system operator needs to obtain specific <b>DS3 system services</b> from generators and market participants, i.e. <b>DS3 providers</b> .
<b>EAI</b>	Electricity Association of Ireland
<b>ECP</b>	Enduring Connection Policy
<b>ECP-1</b>	First stage of the Enduring Connection Policy; includes the 2018 batch and the non-batch process
<b>ECP-2</b>	Second stage of the Enduring Connection Policy that this Proposed Decision refers to
<b>Electricity system</b>	Transmission and distribution electricity system
<b>GPA</b>	Group Processing Approach
<b>I-SEM</b>	Integrated Single Electricity Market
<b>kW</b>	Kilowatt



<b>MEC</b>	Maximum Export Capacity
<b>MW</b>	Megawatt
<b>Non-GPA</b>	Non-Group Processing Approach
<b>PV</b>	Photovoltaics
<b>RES</b>	Renewable Energy Sources
<b>RES-E</b>	Renewable Energy Sources in Electricity generation
<b>RESS</b>	Renewable Electricity Support Scheme
<b>Qualifying trial process</b>	A mechanism where potential DS3 system services providers have the opportunity to demonstrate the capabilities of new unproven technologies.
<b>Qualifying trial project</b>	Project under the qualification trial process
<b>SO(s)</b>	System Operator(s) (i.e. TSO and DSO)
<b>TSO</b>	Transmission System Operator

# 1. Introduction

This chapter summarises the relevant context and background for the CRU's proposals for the next stage of the Enduring Connection Policy – Stage 2 (ECP-2). The first part explains the CRU's role in setting the regulatory framework for new connections, and the roles of EirGrid, the transmission system operator (TSO), and ESB Networks, the distribution system operator (DSO), collectively the “system operators” (SOs), in the consequent delivery of connection services to network users.

The second part describes the process the CRU has followed leading up to this proposed decision and outlines what will happen next. In the short-term, this relates primarily to how the next batch of onshore generation and storage connection applications will be processed by the system operators.

## 1.1 Legal context

Under section 34 of the Electricity Regulation Act 1999, as amended (the 1999 Act), the CRU may give directions to the transmission system operator (TSO) and distribution system operator (DSO), collectively the “system operators” (SOs) on the terms and conditions of access to the distribution and transmission system. Specifically, section 34 (2) (c) of the 1999 Act provides that the CRU's directions may provide for “the terms and conditions upon which an offer for connection to the transmission or distribution system is made”.

The CRU's functions and duties are set out principally in section 9 of the 1999 Act. In particular, according to section 9 (4) (a) of the 1999 Act, the CRU shall carry out its statutory functions in a manner which does not discriminate unfairly between relevant stakeholders, and also have regard, among other things, to the need to:

- protect the interests of final customers and to secure that all their reasonable demands for electricity are satisfied;
- promote the continuity, security and quality of supplies of electricity;
- promote competition; and
- promote efficiency and the use of renewable, sustainable or alternative forms of energy.

The CRU is very mindful of these responsibilities in relation to decisions it makes on connection policy issues. Furthermore, the CRU is cognisant of the requirements of European legislation related to the internal market in energy, including the Third Energy Package (Directive 72/2009/EC, Regulation 714/2009), the Clean Energy Package for all Europeans (including Directives 2019/944, 2018/2001 and Regulation 2019/943) and the EU Network Codes.

## 1.2 Background to connection policy

The connection policy referred to in this paper covers onshore generation and storage resources, connecting to either the transmission or distribution systems (collectively, the “electricity system”).

The [Government’s Climate Action Plan](#)<sup>1</sup> includes a separate action for the progression of planning and grid for offshore wind projects. The CRU will therefore consider progression of offshore wind grid applications separately from the Enduring Connection Policy (ECP) process and in a manner similar to the direction to EirGrid for interconnection projects<sup>2</sup>. The CRU expects to publish further detail on this before the end of 2019. Thus, from ECP-2 onwards, ECP batch and non-batch processing will be applicable only to onshore projects.

### 1.2.1 Connection pathways

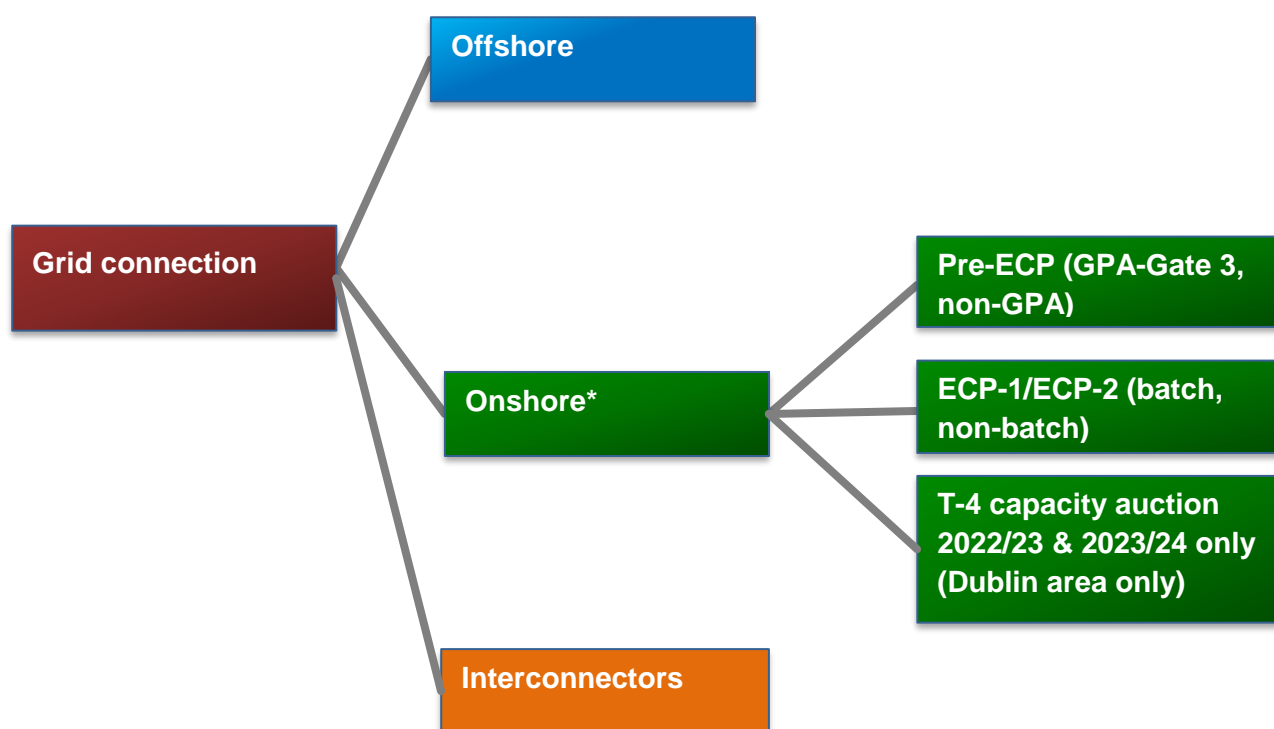
The ECP-1 process for grid connection applications is one of a number of current pathways for generators, storage and interconnectors to connect to the electricity system (Figure 1).

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<sup>1</sup> <https://www.dccae.gov.ie/en-ie/climate-action/topics/climate-action-plan/Pages/climate-action.aspx>

<sup>2</sup> [CRU/17/300](#) - Grid Connections for Electricity Interconnectors with PCI status

**Figure 1** Current generation, storage and interconnection connection pathways



\*Projects less than or equal to **11kW** are classified as micro-generation and subject to the CRU's relevant policy.<sup>3</sup> The CRU is one of the key stakeholders developing a new enabling framework for micro-generation as per Action 30 of the Government's Climate Action Plan and in line with the EU Clean Energy Package. This work will have regard to existing and future connection policy for micro-generation.

### 1.2.2 ECP-1 Decision and Implementation

In March 2018, the CRU reached a final decision on the Enduring Connection Policy – Stage 1 (ECP-1), fundamentally changing the process for generators and storage providers (greater than 11 kW) applying to connect to the Transmission or Distribution system (CRU/18/058). This decision followed an extensive period of engagement with stakeholders including EirGrid, ESB Networks and the generation and storage industry which began in 2015.

The ECP-1 decision introduced, amongst other things, a new system for issuing connection offers

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<sup>3</sup> [CER/09/033](#) - *ESBCS Domestic Micro-generator Export Tariff* – decision; [CER/07/208](#) - *Arrangements for Micro-generation* – decision.

for new generation and storage capacity. ECP replaced the previous Group Processing Approach (GPA) system of “gates” with the intention to introduce more frequent batches. The non-GPA process for smaller renewable and low carbon generators was suspended and a new non-batch process was introduced.

The one-month application window for the first batch (ECP-1) closed in May 2018 and provided for up to 1,000 MW of new offers to be processed including up to 400 MW for DS3 providers. Table 2 shows the current status of the ECP-1 batch including applications folded-in from the previous non-GPA process as well as final relocation projects. ECP-1 batch is on track to deliver connection offers for over 2,100 MW of capacity. The option of relocating projects available under the previous connection policy was removed under ECP-1 in order to stop a speculative secondary connection market that had developed outside of the regulated connection process.

**Table 2** ECP-1 batch offers processed/to be processed (as of September 2019)

<b>ECP-1 batch categories</b>	<b>Capacity (MW)</b>	<b>Connection offers</b>
DS3 Providers*	358	16*
Solar PV	197	32
Onshore Wind	299	20
CCGT, Biomass & CHP	44	4
<b>Total new applications</b>	<b>898</b>	<b>72</b>
Non-GPA fold-in (Solar PV)	867	20
Relocations (Solar PV)	150	22
Relocations (Wind)	248	9
<b>Total other applications</b>	<b>1,265</b>	<b>51</b>
<b>ECP-1 batch total</b>	<b>2,162</b>	<b>123</b>

\* 15 Battery projects and 1 hybrid project

The system operators are currently issuing the ECP-1 connection offers, and this process will continue throughout 2019 and the first half of 2020. Up to 30 applications per year from small-scale generation (11kW-500kW), autoproducers and DS3 system services qualifying trial projects are being processed outside the batch in the new non-batch process.

### 1.3 Purpose of this paper

ECP-1 set out to address the volume of applications, both existing and new, in a way that promoted an optimal use of the existing network taking into account the system needs, national policy and the consumer interest. The purpose of this proposed decision is to present proposals for the next stage of connection policy (ECP-2) that builds on the knowledge developed by the CRU and stakeholders through ECP-1 consultation and implementation. This process will take into account evolving European and national energy policy including the prioritisation and timelines in the Government's Climate Action Plan. The targets and rules that are under development for the new Government Renewable Electricity Support Scheme<sup>4</sup> (RESS) are of particular relevance to ECP proposals. The CRU expects that the outstanding issues raised in the initial ECP consultation (CER/15/284) and not addressed herein will either be incorporated into the next stages of ECP or progressed in parallel under separate workstreams, as appropriate. This includes the issue of firm/non-firm connection offers.

### 1.4 Related policy documents

This ECP-2 Consultation should be read in conjunction with the CRU's earlier documentation on connection policy, in particular:

CRU/18/113	<i>CRU Response to Industry Regarding ECP-1 Impacts on Contracted Projects</i>	information paper
CRU/18/094	<i>Clarification on the Enduring Connection Policy (ECP-1) Decision (Capacity Release)</i>	information paper
CRU/18/058	<i>Enduring Connection Policy (ECP-1) Decision</i>	decision paper
CRU/18/059	<i>Enduring Connection Policy (ECP-1) Decision Annex I: Ruleset</i>	decision paper
CRU/18/060	<i>Enduring Connection Policy (ECP-1) Decision Annex II: DS3 Prioritisation Ruleset</i>	decision paper
CRU/17/309	<i>Enduring Connection Policy (ECP-1) Proposed Decision</i>	consultation paper
CRU/17/310	<i>Enduring Connection Policy (ECP-1) Proposed Ruleset (Annex I to CRU/17/309)</i>	consultation paper

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<sup>4</sup> <https://www.dccae.gov.ie/en-ie/energy/topics/Renewable-Energy/electricity/renewable-electricity-supports/ress/Pages/default.aspx>

CRU/17/311	<i>DS3 Proposed Prioritisation Ruleset (Annex II to CRU/17/309)</i>	consultation paper
CER/17/090	<i>Connection Policy Transitional Arrangements: Partial Capacity Release</i>	decision paper
CER/17/018	<i>Connection Policy Transitional Arrangements Information Note</i>	information paper
CER/16/284	<i>Connection Policy Transitional Arrangements</i>	decision paper
CER/16/247	<i>Connection Offer Policy and Process (COPP) Clarifications</i>	information paper
CER/15/284	<i>Review of Connection and Grid Access Policy: Initial Thinking &amp; Proposed Transitional Arrangements</i>	consultation paper
CER/11/093	<i>Connection Offer Policy and Process (COPP)</i>	decision paper
CER/11/093(y)	<i>Connection Offer Policy and Process Paper (Appendix A to CER/11/093)</i>	appendix
CER/10/211	<i>Decision on Relocation of Generation Capacity</i>	decision paper
CER/09/191	<i>Direction on Conventional Offer Issuance Criteria and Matters Related to Gate 3</i>	decision paper
CER/09/099	<i>Treatment of Small, Renewable and Low Carbon Generators outside the Group Processing Approach</i>	decision paper
CER/09/038	<i>Decision on Electricity Network Connection Policy</i>	decision paper
CER/08/260	<i>Criteria for Gate 3 Renewable Generator Offers &amp; Related Matters</i>	decision paper

## 1.5 Structure of this paper

This paper is structured as follows:

- Section 1            summarises the context and background to ECP-2
- Section 2            outlines the proposed decision for ECP-2 and final capacity release
- Section 3            concludes and provides the next steps

## 1.6 Responding to the CRU

This paper is for the attention of all members of the public and the energy industry. It will be of particular interest to existing and potential generators and storage providers. The CRU welcomes comments on this proposed decision to be submitted via email by Friday, 24 January 2020, close of business, to [electricityconnectionpolicy@cru.ie](mailto:electricityconnectionpolicy@cru.ie). Please provide separate responses to this Proposed Decision and the accompanying ECP Future Options – Call for Evidence paper (CRU/19/144).

Unless marked confidential, all responses from companies or organisations may be fully published on the CRU's website. Respondents may request that their response is kept confidential. The CRU shall respect this request, subject to any obligations to disclose information. Respondents who wish to have their responses remain confidential should clearly mark the document to that effect and include the reasons for confidentiality. Responses from identifiable members of the public will be anonymised prior to publication on the CRU website unless the respondent explicitly requests their personal details to be published.

The CRU privacy notice sets out how we protect the privacy rights of individuals [here](#)<sup>5</sup>.

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<sup>5</sup> [www.cru.ie/privacy-statement](http://www.cru.ie/privacy-statement)



## 2. Proposed decision for ECP-2

The following sections detail the proposed decision for ECP-2 and the reasons behind the proposals. Table 3 summarises the ECP-2 proposals versus the related policy decision in ECP-1.

**Table 3** Summary of Proposed Decision for ECP-2 versus ECP-1 Decision

Key policy proposals for ECP-2	Related key policy decision for ECP-1
<p>ECP-2 framework to encompass one batch application window per year for three years:</p> <ul style="list-style-type: none"> <li>• ECP-2.1 applications in 2020</li> <li>• ECP-2.2 applications in 2021</li> <li>• ECP-2.3 applications in 2022</li> </ul>	<p>ECP-1 decision encompassed ECP-1 batch application window in 2018 (batch concluding 2020).</p>
<p>Target 50 connection offers for each ECP-2 batch (i.e. 150 offers over 3 years). Enhanced early engagement in the batch process to allow applicants to exit the process early.</p>	<p>Aimed to provide at least 1,000MW of new connection offers under the 2018 batch. ECP-1 processed 74 new applications and 52 existing applications.</p>
<p>ECP-2.1 Batch prioritisation on the basis of:</p> <ul style="list-style-type: none"> <li>• largest renewable energy production (GWhr/yr) for the first 25 offers and;</li> <li>• planning permission grant date (earliest first) for the remaining offers.</li> </ul> <p>ECP-2.2, ECP-2.3 batch prioritisation may be adjusted to meet future objectives.</p>	<p>ECP-1 2018 batch prioritised on basis of planning permission expiry date.</p>
<p>Require planning permission to enter the ECP-2 batches or non-batch process, including for DS3 providers. Community-led renewable energy projects will not need planning permission to apply for connection but will require planning permission to receive connection offer.</p>	<p>Required planning permission to enter the 2018 batch or non-batch, but not from DS3 providers.</p>
<p>Non-batch process as per ECP-1 with the addition of qualifying community-led projects. The non-batch process remains at 30 offers per year with up to 15 offers dedicated to community-led projects.</p>	<p>Process small-scale generation, DS3 system services qualifying trial projects and autoproducers outside of the 2018 batch (non-batch process).</p>

The security for shared assets' costs for projects part of a sub-group remains as per ECP-1.	Introduce security for shared assets' costs for projects part of a sub-group.
The schedule of application fees remains as per ECP-1.	Apply a revised schedule of application fees.
Issue offers on a non-firm basis as per ECP-1. Policy work on this issue is being considered in parallel to the ECP-2 decision process.	Issue offers on a non-firm basis.
Allow all projects contracted pre ECP-1 (but not those that folded into ECP-1) a final opportunity to terminate their connection agreement and release their full contracted MEC on the same terms and conditions for capacity release outlined in CER/16/284.	N/A

## 2.1 Developing proposals for ECP-2

The CRU has led the development of proposals for ECP-2 detailed in this paper in conjunction with SOs and industry stakeholders. This process was informed by:

- The consultations on connection policy review since 2015 and numerous related bilateral and group stakeholder meetings
- ECP-1 decision implementation including:
  - Applications process for ECP-1 2018 batch and confirmation of the projects in the batch
  - Processing of 2018 batch offers through 2019 with target to conclude by mid-2020
  - Acceptance and processing of applications for non-batch projects on a rolling basis
- Bi-lateral stakeholder meetings in Q1-2019 reviewing ECP-1 implementation to date and assessing key requirements for connection policy over the next several years and beyond. The requirements discussed were based on mechanisms to achieve government climate action targets (primarily the Renewable Energy Support Scheme {RESS}), electricity system needs, value for the electricity customer and project developers' requirements.
- Stakeholder assessment of future project pipeline with respect to development plans and planning applications.

- A key stakeholder forum in June 2019 for the renewable generation, storage and grid development stakeholders along with the SOs. This forum discussed initial proposals for ECP-2 developed through the above process. These initial proposals were also discussed at this time with the DCCAE and the EAI.
- Ongoing meetings with DCCAE on RESS structure and eligibility.
- Ongoing meetings with the SOs on technical and regulatory input to the proposals.

## **2.2 Policy objectives for ECP-2**

The proposals for ECP-2 developed in this paper are based on the following regulatory policy objectives:

- Provide objective, transparent and non-discriminatory terms and conditions for connecting new producers in line with the Clean Energy Package for all Europeans
- Enable projects that best align with overarching government policy direction on climate action and the CRU's strategic priority of delivering sustainable low-carbon solutions with well-regulated markets and networks
- The timing of the next batch of connection offers and the number of projects in the batch should not hinder the effectiveness of relevant electricity market auctions (i.e. RESS, DS3, T-4 capacity auctions)
- Maintain the batch frequency momentum signaled with ECP-1

## **2.3 ECP-2 timeline**

Under the proposed approach, the ECP-2 batch timeline (Table 4) reflects the frequency goal for batches of one application window per year over 3 years from 2020 to 2022 (i.e. ECP-2.1 batch, ECP-2.2 batch and ECP-2.3 batch).

These ECP-2 batches aim to facilitate developers expecting to bid into RESS-2, RESS-3 and RESS-4 auctions over those three years (i.e. ECP-2.1 projects would align with RESS-2, ECP-2.2 with RESS-3 and ECP-2.3 with RESS 4). The one-month application windows for ECP-2 batches should open each year following a direction from the CRU to the SOs for each annual batch. The batch should be confirmed within 3 months of the application window closing, enabling processing of all connection offers in the batch by the end of the following calendar year.

Note, however, that the ECP-2.1 application window will only open after the following events:

1. RESS-1 auction results are published

2. Initial ECP-1 offers issuance complete and three-month acceptance period for last issued initial offers ends.

**Table 4** ECP-2 batches proposed timeline - for illustrative purposes only

		2020				2021				2022				2023			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ECP-1	Batch processing																
ECP - 2.1	Batch application & confirmation																
	Batch processing																
ECP - 2.2	Batch application & confirmation																
	Batch processing																
ECP - 2.3	Batch application & confirmation																
	Batch processing																

## 2.4 Target 50 connection offers per annual batch

### 2.4.1 Number of connections offers to be processed per batch

The CRU considers that the amount of 50 offers for each batch is appropriate given:

- The system operator’s assessment of the work that needs to be complete in the specified one-year time period (detailed further below)
- The high number of projects folding into the ECP-1 batch resulted in a larger batch of offers (125 projects) than originally anticipated. This batch will take some time to fully work through the system after the offer process is due to conclude in mid-2020
- The much-increased frequency of batches (one per year) causing additional overlapping workstreams.

The proposal to target 50 offers in the ECP-2 annual batches is based, in part, on the system operators’ assessment taking into account:

- The timeframe available to process and issue offers once the initial checks have been completed
- Past experience in delivering new connection offers
- System operators’ other offer work to be progressed in parallel such as existing offer modifications, new demand connections, non-batch and other offers to be processed (including offshore, successful T-4 auction projects in Dublin etc).

The CRU has proposed to base the batch size on a number of offers rather than setting a MW threshold for the following reasons:

- The formation of the batch post application window is much simpler with a specified number of offers leading to reduced time before batch processing can begin
- The processing duration of offers is more certain (a MW threshold would have a variable quantity of projects and thus a more variable processing time)
- The number of projects receiving offers is not limited by a large MW project that would oversubscribe the set threshold. This proposed approach is thus fairer to all projects and also stops large projects from downsizing into phases just to try to fit within the batch threshold.

#### **2.4.2 Review of batch sizes**

The CRU is satisfied that the proposed number of offers for the ECP-2 batches is reasonable based on the information currently available. However, the CRU proposes to review the number of offers that can be processed with the system operators once the nature, size and location of projects applying for each batch is known. The relevant system operator would advise the CRU of any proposed increase to the number of offers where possible. The CRU will continue to engage with the SOs on this issue and, taking on board the feedback through this consultation, the CRU will clarify the criteria for any proposed increase in the final ECP-2 decision and ECP-2.1 ruleset.

## **2.5 Early engagement with projects in the batch**

The CRU considers that more efficient early engagement between system operators and project developers in the batch process is another important step to enhance ECP. It is envisaged that system operators can provide an early indication of connection method to developers rather than producing the full detailed offer after detailed study in the first instance as currently. This information will allow a short window of opportunity early in the batch process for projects to exit, thus making the offer acceptance process more efficient.

## **2.6 Require planning permission to enter the ECP-2 batches**

In the ECP-1 consultation process, the CRU sought stakeholders' views on whether planning permission should be a requirement for receiving a connection offer under the enduring connection policy. Among respondents, there was a broad support for prioritising projects which have planning permission such that connections can be progressed in a timely manner. Planning permission is a

strong indication of project commitment, and hence an effective way of deterring speculative connection applications, and strategic behaviour associated with capacity hoarding by projects if date-of-application for connections is used to prioritise projects.

As a result, the CRU decided in ECP-1 that for an application to be eligible for processing under the ECP-1 batch or non-batch process, the applicant must have been in receipt of a valid planning permission to develop the project to which the connection application pertained (except for DS3 providers), secured by the date of the ECP-1 decision. The permission also needed to have at least one year remaining prior to expiry, or two years if the planning permission had already been extended.

The CRU considers the requirement for planning permission to have been a successful component of ECP-1. Now, in line with the stakeholders' positive post-ECP-1 views on this matter, the CRU proposes that in order to apply for ECP-2 batches or the non-batch process (see Section 2.8), applicants must have obtained planning permission. Note that this requirement is now proposed to include providers of DS3 services, whereas ECP-1 did not have this requirement for those projects. The CRU considers that DS3 service providers do not now need to be exempted from the planning permission requirement. It is worth noting that all DS3 services projects in the ECP-1 2018 batch had planning permission.

The CRU does, however, propose that planning permission is not a requirement for community-led renewable energy projects<sup>6</sup> applying to the ECP-2 non-batch process. Community-led projects will, however, need planning permission to receive a connection offer.

It is proposed that planning permission should be obtained **no later than** the closing date of the ECP batch application window for projects that require it.

## 2.7 Prioritising of ECP-2 batches

The CRU proposes that in the event the ECP-2 batches are oversubscribed, the following prioritisation rules will apply:

- The first 25 offers will be given to renewable energy generation projects<sup>7</sup> prioritised on the basis of project size, with the largest number of GWhrs/yr generated by a project being granted the highest priority

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<sup>6</sup> Community-led projects are discussed further in section 2.9

<sup>7</sup> Types to be finalised for ECP-2.1 but expected to be: wind turbines (wind), solar photovoltaic panels (solar), hydraulic turbines (hydro) excluding pumped storage, boilers fueled exclusively by waste (waste to energy), qualified biomass combined heat and power systems, boilers fueled by biogas (biogas). All projects for ECP-2 are onshore only.

- The remaining offers will be offered to all generation or storage types and will be prioritised according to the planning permission grant date, with the earliest-dated being granted highest priority.

The CRU's policy goals for ECP-2 include providing objective, transparent and non-discriminatory terms and conditions for connecting new producers whilst enabling projects that best align with overarching government policy direction on climate action and the CRU's strategic priority of delivering sustainable low-carbon solutions with well-regulated markets and networks.

The CRU considers that these prioritisation rules achieve the best balance in respect of these goals. ECP-2 rules are explained further in the following sections.

### **2.7.1 Prioritising by size of renewable energy generation project**

The Government's Climate Action Plan 2019 sets out a target to increase electricity generated from renewable sources (RES-E) to 70% of the total electricity consumed by 2030. This will be measured in terms of energy production (GWhrs/yr). The first checkpoint for this target is in 2023. In order to assist Ireland in meeting its RES-E goals the CRU proposes that a portion of the ECP-2 batches should be devoted to renewable energy projects with planning permission that are technically capable of producing the most renewable energy within the timeframe.

Therefore, the CRU is proposing to prioritise the first 25 offers for renewable energy generation projects ranked by largest electricity generation capability first, measured in GWhrs/yr. In order to apply a transparent and non-discriminatory methodology to the calculation of energy production of each applicant the CRU is proposing to use a national standard capacity factor for each general renewable generation type as specified by the TSO.

Storage projects are not included in this prioritisation but can qualify in the remaining offers portion based on planning permission date (section 2.7.2). At this time the CRU understands there is not a requirement for prioritisation of system service providers but may adjust this in future batches if required.

### **2.7.2 Prioritising by planning permission grant date**

The CRU's main objective in deciding upon prioritisation criteria for the remainder of the batch is to ensure that the outcome of this process is fair for the plurality of generators and storage projects.

In order to achieve this fairness, the CRU considers again (as per ECP-1) that the timing of the planning permission of the project is the best indicator of its readiness and commitment and the most objective and transparent method of prioritisation. This method will also facilitate diversity in the batch in terms of project size and generation/storage type. This diversity is important for efficient network development and for the functioning of the system.

However, having progressed a significant number of projects in ECP-1 with prioritisation based on

planning permission expiry date, the CRU considers that now the interests of fairness for all applicants is best served by changing the prioritisation to the earliest grant date of planning permission. This change also avoids potential incentive for projects to apply for a shorter planning permission duration in order to be prioritised in future batches. The proposed prioritisation of the remaining connection offers in the batch on the basis of planning permission grant date applies to all generation and storage types.

The CRU understands from the pre-consultation engagement for ECP-2 that there is broad agreement amongst stakeholders that using the earliest planning permission grant date is now a more appropriate method of prioritisation.

We highlight however that this approach would not determine, in any way, the policy set for the subsequent stages of the enduring connection policy.

The CRU also reserves the right to change the prioritisation criteria for the ECP-2.2 and ECP-2.3 batches depending on the outcomes of ECP-2.1 and RESS-1. Any such changes would be based on optimisation of the connection policy with respect to the CRU's stated objectives and would be communicated in advance of the batch application window.

## **2.8 Non-batch qualifying projects and processing**

In ECP-1, the CRU decided that there should be a route for small-scale generation and autoproducers to be connected outside the more formal, commercial framework of the batch process.

The non-batch process in ECP-1 applied to:

- small projects, i.e. greater than 11kW and less than or equal to 500kW
- DS3 system services trial projects - up to 500kW; and
- autoproducers

The above categories of projects were to be processed according to the non-batch ruleset in Annex I, section 12 of the ECP-1 decision and subject to the eligibility criteria set therein. Projects less than or equal to 11kW are classified as micro-generation and subject to the CRU's relevant policy.<sup>8</sup> (Note: The CRU is one of the key stakeholders developing a new enabling framework for microgeneration as per Action 30 of the Government's Climate Action Plan and in line with EU Clean Energy Package. This work will have regard to both existing and potential future connection

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<sup>8</sup> [CER/09/033](#) - *ESBCS Domestic Micro-generator Export Tariff* – decision; [CER/07/208](#) - *Arrangements for Micro-generation* – decision.



policy for micro-generation.)

Prior to ECP-1, analysis undertaken by the DSO illustrated that it could process up to 30 non-batch connection offers a year without negatively impacting the 2018 batch. The capacity available for non-batch projects was capped at 30 offers in a calendar year.

In the year of the ECP-1 decision (2018) there were 16 new applicants that qualified for the non-batch process. There were an additional 12 projects in this period that qualified for the non-batch process that were queued applicants before ECP-1. As of mid-August 2019, there has only been one non-batch applicant in 2019. Although not all of these non-batch connection offers have been processed to date, the CRU still expects that the DSO can process 30 of these offers per year going forward. Based on this, the CRU proposes to maintain the 30 offer per year target for non-batch but to allocate up to half of this number for community-led renewable energy projects as set out in section 2.9.

## **2.9 Community-led renewable energy projects**

The importance of community-led renewable energy projects has been described in the DCCAE's High Level Design for the RESS and in the Government's Climate Action Plan.

The CRU proposes facilitating the expedient processing of connection offers for community-led renewable energy projects (to be defined by DCCAE for RESS-1) by making up to 15 of the 30 non-batch connection offers per year available for such projects.

The CRU understands from discussion with DCCAE on community-led renewable energy projects that 15 per year should be sufficient initially.

In order to further assist community-led renewable energy projects in the connection process the CRU proposes that such projects do not require planning permission to have their application accepted by the SOs. Once the applications have been accepted, the SOs will endeavor to assist these projects to fully understand their expected connection method, associated connection cost and timelines in advance of further expenditure in the planning process. Community-led renewable energy projects will, however, require planning permission to receive a connection offer.

## **2.10 Offer capacity on a non-firm basis**

As with ECP-1, the CRU proposes that connection offers under ECP-2 would be issued on a non-firm basis for connection to the transmission system.

A non-firm offer allows a project to connect and subsequently export onto the system once its associated shallow works, distribution deep reinforcements, short circuit works and other necessary works, including control systems have been completed in full, but before the load flow

transmission deep reinforcements are completed.

Offering non-firm access is guided by the objective for ECP-2 to be implemented on a practical and timely basis. The nature and range of studies which are necessary to assess deep reinforcement needs do require significant consideration and time to complete. Carrying out these assessments might involve developing new mechanisms requiring further policy decisions. The CRU is actively considering this policy work in parallel to ECP policy development.

EirGrid will however carry out analysis to estimate possible constraints during the non-firm period which will be shared with applicants receiving connection offers. The CRU notes that provision of this information however will not affect the timeframes for issuance or acceptance of those offers.

The CRU notes that units with non-firm access can trade in SEM to levels above their firm access quantities, however at their own risk. If they are dispatched down by the TSO below their ex-ante market position as a result of constraints, they must pay back the “dispatched down volume” that is not firm at the Imbalance Settlement Price. Units which are dispatched down in their firm region pay back their own bid price.<sup>9</sup> If they are dispatched down by the TSO below their ex-ante market position as a result of curtailment, the quantity is settled at the Curtailment Price.

## 2.11 Other requirements on ECP-2 applicants

The CRU proposes the following requirements that ECP-2 applicants must be willing to accept as per the ECP-1 decision for the reasons outlined in that decision. These relate to ensuring that all projects being processed together are credible and committed, and capable of being processed in a timely way. Specifically, these requirements are:

- **Application fees**

New applicants under ECP-2 must be in a position to pay non-refundable application fees as set out by the system operators. These fees will be the same as those applicable for ECP-1. Applicants who have previously paid an application fee deposit to the system operators and did not progress to offer stage under ECP-1 or other offer process will not have to pay an additional application fee deposit for ECP-2.

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<sup>9</sup> For more details on the treatment of non-firm generation in I-SEM, see *Integrated Single Electricity Market (I-SEM), Energy Trading Arrangements, Detailed Design, Building Blocks Decision Paper*, 11 September 2015, [SEM-15-064](#).

- **Security for shared assets' costs and interdependent offers**

Applicants must be in a position, at offer acceptance, to provide financial security in respect of shared works being undertaken on behalf of groups of applicants connecting in the same part of the network.

- **Longstop dates**

Contractual longstop dates for consents and operation for applicants processed under ECP-2 are two years after the scheduled dates (as per the ECP-1 decision). The ECP-1 ruleset (CRU/18/059) also stated that, for the avoidance of doubt, extensions to longstop dates would only be granted by the system operators in exceptional circumstances, including where the applicant's project is in construction and the necessary second stage payment has been paid. The CRU would like to take this opportunity to stress the importance of longstop date enforcement for the efficient working of ECP.

- **Distribution System Security and Planning Standards Review**

The DSO connection offers for new applicants under ECP-2 will be subject to the Distribution System Security and Planning Standards in place when the relevant ECP-2 batch application window opens. There are expected to be revisions from the current version during the ECP-2 period due to the ongoing review of these standards.

## **2.12 Final capacity release**

The CRU has engaged with stakeholders on strategies for grid optimisation at each stage of the ECP transitional and enduring arrangements consultation and decision process since 2015. Building on these engagements and in preparation for the ECP-2 batch in 2020, the CRU proposes to allow all projects contracted pre ECP-1 (but not those that folded into ECP-1) a final opportunity to terminate their connection agreement and release their full contracted MEC on the same terms and conditions for capacity release outlined in CER/16/284.

### **2.12.1 Background to capacity release**

In CER/15/284, the CRU proposed a number of transitional arrangements to be implemented ahead of ECP and issued a decision in that respect in October 2016 (CER/16/284).

The transitional arrangements included a CRU decision to incentivise contracted projects which were not progressing to release their capacity back to the electricity system (capacity release).

Under CER/16/284, contracted projects were provided a time-limited opportunity to release their capacity in exchange for 80% of their first stage payments. However, this measure was only available to projects that were still in the pre-construction phase and agreed to release their full

MEC contracted under a given gate.

In March 2017, at the request of the system operators, the CRU decided to extend the deadline for capacity release and also allow partial releases of capacity free of an MEC reduction charge for a time limited period. As a result, projects could apply for either a full or a partial capacity release by 30 June 2017 (CER/17/090).

In total, 703MW was released from this process, out of which 612MW was at the transmission level (419MW from full release) and 91MW was at the distribution level (all from full release). A list of applicants for capacity release at the transmission and distribution level is available on the TSO's and the DSO's websites respectively.<sup>10</sup>

In CRU/17/309 Proposed Decision for ECP-1, the CRU decided to remove the opportunity for all projects (contracted or not) to relocate capacity (other than small relocations) as per the Connection Offer Policy and Process (COPP) set out in CER/11/093(y). This decision was re-affirmed in the ECP-1 Decision (CRU/18/058), though existing contracted projects were provided with one last opportunity to relocate capacity to a site with planning permission within three months of the publication of CRU/18/058. A note issued in May 2018 (CRU/18/094) clarified the categories of projects in ECP-1 that could avail of this final relocation window.

The ECP-1 Decision also mitigated against the need for further capacity release for ECP-1 projects and future ECP projects through the following measures:

- The planning permission requirement significantly reduces the possibility that projects will not be able to progress at their application site due to planning issues
- Removing relocation signals to applicants that their proposed project in the proposed location should have an enhanced level of development certainty
- The introduction of shared bonding for projects in a sub-group mitigates against the holding up of progression of the sub-group and subsequent drop-out
- Shortening the longstop dates for consents and operation to two years after the scheduled dates and moreover the more stringent criteria for longstop date extension (i.e. exceptional circumstances, including where the applicant's project is in construction and the necessary second stage payment has been paid)

Following the ECP-1 decision, the CRU issued a response to industry concerns about previously contracted projects that could not progress at their existing site and could not relocate within the final relocation window announced under ECP-1 as they had not secured planning permission at

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<sup>10</sup> [TSO capacity release information](#); [DSO capacity release information](#).

new locations (CRU/18/113). Industry requested that the CRU consider a number of alternative solutions for these projects including allowing them to release capacity for a partial refund of their first stage payments. The CRU indicated that, in advance of the next ECP batch in 2020, it would consider the merits of a final opportunity for capacity release for projects that could not progress.

### **2.12.2 Proposed final capacity release opportunity for projects contracted pre ECP-1**

The CRU has considered the merits of a final opportunity for capacity release in relation to the industry concerns raised as discussed above.

Based on the enhanced mitigation against the requirement for capacity release in the ECP-1 decision and in order to (a) assist contracted projects that cannot progress and (b) optimise the current grid capacity available for future projects, the CRU proposes to allow all projects contracted pre ECP-1 (but not those that folded into ECP-1) a final opportunity to terminate their connection agreement and release their full contracted MEC on the same terms and conditions for capacity release outlined in CER/16/284.

The CRU proposes that the system operators open a one-month window for capacity release applications after the last issuance of the initial ECP-1 offers (i.e. from Q2 2020).

### 3. Conclusions and next steps

This proposed decision is for the attention of all members of the public and the energy industry. It will be of particular interest to existing and potential generators and storage providers. The CRU welcomes comments as set out in Table 5. Comments should be submitted via email by Friday, 24 January 2020, close of business, to [electricityconnectionpolicy@cru.ie](mailto:electricityconnectionpolicy@cru.ie). Please respond separately to this Proposed Decision and the accompanying ECP Future Options – Call for Evidence paper (CRU/19/144).

**Table 5** Summary of request for comments on this Proposed Decision

Topic	Query
Section 2.3 – 2.11 – Proposed Decision ECP-2	Do stakeholders agree with the CRU’s proposals for ECP-2 batch and non-batch processes?
Section 2.12 – Final capacity release	Do stakeholders agree with the proposed final opportunity for capacity release and the terms on which it will be available?

Unless marked confidential, all responses from companies or organisations may be fully published on the CRU’s website. Respondents may request that their response is kept confidential.

The CRU shall respect this request, subject to any obligations to disclose information.

Respondents who wish to have their responses remain confidential should clearly mark the document to that effect and include the reasons for confidentiality.

Responses from identifiable members of the public will be anonymised prior to publication on the CRU website unless the respondent explicitly requests their personal details to be published.

The CRU privacy notice sets out how we protect the privacy rights of individuals and can be found [here](#)<sup>11</sup>.

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<sup>11</sup> [www.cru.ie/privacy-statement](http://www.cru.ie/privacy-statement)