

24 January 2020

Re: Response to CRU's Proposed Decision on 'Enduring Connection Policy Stage 2 (ECP-2)'

Dear CRU,

Saorgus Energy welcomes the CRU's proposed decision paper 'Enduring Connection Policy Stage 2 (ECP-2)'. A clearly regulated process for allocation of grid capacity is an essential component in the investment case for renewables and for achievement of 2030 targets and it is important that the ECP-2 process is designed to pave the way towards achievement of these 2030 targets. Saorgus Energy wishes to make the following comments on the proposed decision, per the request for comments outlined by CRU in its proposed decision.

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?

Frequent Processing of Batches

We welcome the proposal to process one batch of applications per year for three successive years. The processing of applications on an annual basis, as proposed, would help to accelerate development timelines for renewable energy projects, thereby providing more investment certainty for renewables. To ensure the benefits of frequent processing of applications are realised, the subsequent processing of connection offers by the system operators would need to follow a similar rolling timeframe.

We would caution that the amount of grid capacity to be allocated in each batch should be kept under annual review and revised upwards, if necessary, to ensure the deployment of renewables exceeds increases in demand such that the trajectory to 2030 targets is maintained.

Prioritising by Size

We welcome the CRU's proposal to prioritise large renewable energy projects as measured on a GWh/yr basis. It is recognised that grid capacity is a scarce and valuable resource. The time available to system operators and regulators to manage and regulate the grid connection process is also a valuable resource and it is important that these resources are deployed appropriately. Allocating the first batch of 25 offers to those projects with the largest renewable energy production would make the best use of system operator and regulator resources and would help maximise the amount of renewable energy capacity to be connected to the system. This would ensure the connection process is consistent with European and national targets for the development of renewable energy sources and the minimisation of emissions from greenhouses gases.

Prioritising by largest renewable energy production would also result in the most efficient development of the national grid infrastructure. This would ultimately result in best value for the end customer.

To ensure fairness to all stakeholders and to ensure transparency in the allocation of grid capacity, the capacity factors used for different renewable energy technologies would need to be made clear and transparent. The installed capacities to be assumed for individual projects would also need to stand up to scrutiny. Such information is readily verifiable, however, and should not discourage the CRU from implementing the proposed ruleset in practice.

Planning Permission Precondition

We agree with the principle that priority should be given to ‘shovel-ready’ projects and so planning permission should be a prerequisite for projects to qualify for consideration under ECP-2. However, we believe that the planning permission prerequisite should be extended in scope to include planning permission for the grid connection of the project. Following a number of well documented legal judgments, it has become standard practice in Ireland for nearly every renewable energy development to have planning permission for its grid connection before it can be financed and constructed. If the ruleset for allocation of grid capacity is not designed to reflect this reality on the ground, it would leave open the possibility of grid capacity being awarded to projects which may ultimately not progress to construction. This would be counter to the stated aim of facilitating the connection of ‘shovel ready’ projects and could lead again to the hoarding of grid capacity. To help avoid such a situation, we would suggest that projects be required to demonstrate evidence of planning permission for their grid connection (or in the few cases where planning permission is not required, such projects such be required to demonstrate evidence that planning consent is not required).

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?

Release of Contracted MEC

We welcome CRU’s proposal to allow all projects contracted before 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 as outlined in CER/16/284. There is a volume of capacity across all technologies which did not avail of the original capacity release; for instance, where there was the potential for development at nearby locations. Allowing such projects a final opportunity to release their capacity under ECP-2 would release scarce grid capacity that could potentially be used by other renewable projects. This would help to optimise use of the existing network, reduce the risk of stranded assets, provide more certainty to the system operators for network planning purposes and ultimately lead to lower costs for the end customer. There is also a fairness to the approach of allowing for infrequent return of capacity to the system operator for projects that are unsuccessful in reaching construction.

We look forward to seeing the final decision on the ‘Enduring Connection Policy Stage 2 (ECP-2)’.

Yours sincerely,



Saorgus Energy