



## Enduring Connection Policy Stage 2 (ECP-2) – Proposed Decision

Ref: CRU/19/143

### Submission from the Department of Agriculture, Food and the Marine

24th January 2020

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The Department of Agriculture, Food and the Marine (DAFM) welcomes the opportunity to make a submission on the public consultation of CRU's Enduring Connection Policy Stage 2 (ECP-2), ref. CRU/19/143.

The period covered by this proposed policy from 2020-2022 will see an increasing role for the prosumer and small energy generators, including within the agriculture sector.

While acknowledging that the main body of this consultation focuses on connection offer processing through batches, DAFM would like to provide some commentary on the proposed policy for the non-batch connection processes, particularly for small-scale generation in the range of 11kW to 50 kW.

The importance of addressing climate change and reducing greenhouse gas (GHGs) emissions from agriculture has been well documented and reflects our three-pillar policy approach to achieving carbon neutrality without comprising sustainable food production by:

- i. Reducing agricultural emissions;
- ii. Increasing carbon sequestration; and
- iii. Displacing and substituting fossil fuel and energy intensive materials.

While agriculture represents the largest share of national GHG emissions, the sector should also be seen as part of the solution in Ireland's transition to a low-carbon economy and society. The agriculture and forestry sectors have a key role to play in the supply of various biomass materials as feedstocks for bioenergy generation. These include wood products such as forest thinning and residues and wood fuel, energy crops and animal by-products or other agri-food by-products such as straw, slurries and processing waste, e.g. whey from cheese making. Aside from the production of biomass, small-scale energy generation, whether on-farm or via community projects, may also provide a way for farmers to diversify their incomes and save money while meeting their own and local energy needs. Farmers want to contribute to climate action and energy generation, reflecting agricultures' three pillar approach to reducing emissions is an appropriate space for them to contribute, albeit subject to economic viability.



The policy environment both nationally and EU levels is evolving with more stringent targets at EU level for renewable energy in electricity, heat and transport for 2030 (overall 32% renewables at EU level) and through the recast Renewable Energy Directive where consumers of energy will be now entitled to generate renewable energy, including for their own consumption, store and sell their excess production of renewable electricity back to the national grid. Transposition of this Directive is expected to happen within the timeframe covered by this proposed Enduring Connection Policy (i.e. 2020-2022). In addition, the All-of-Government Action Plan sets a target of 70% renewable electricity by 2030 and also commits to developing an enabling framework for microgeneration that supports enabling people to sell excess electricity they have produced back to the grid.

The uptake of renewable technology generation and a move towards more energy efficient on-farm systems will play an integral role in helping Ireland meet this target.

While current adoption rates of renewable energy are low on Irish farms, financial support provided under the Targeted Agricultural Modernisation Schemes (TAMS) is likely to see an increase in farmers wishing to invest in renewable technology (particularly solar) not only for self-consumption but also for supply to the national grid.

In addition, it is anticipated that the microgeneration limit of 11 kW will now be increased to 50kW which again has the expectation of increasing installation activity at these particular levels, many of which will wish to sell any excess electricity that they may have back to the grid, and reflecting their access rights under the recast Renewable Energy Directive.

The proposed Enduring Connection Policy Stage 2 is recommending that “up to 30 applications per year from small-scale generation (11kW-500kW), auto-producers and DS3 system services qualifying trail projects” will be processed outside the batch in the new non-batch process.

DAFM believes that in light of the proposed increased microgeneration limits that a policy gap exists for this particular cohort of projects within the proposed new non-batch connection policy and that there should be a separate set of conditions for the 11kW to 50 kW range, aligned with the current NC6 process, notwithstanding the fact the costs may be incurred. It is important that all barriers are removed to facilitate microgeneration consumers and that connection processes for microgenerators is streamlined and that all possible administrative barriers are removed. While DAFM recognises resource limitations as a factor in the number of new connection applications which can be processed annually, we consider that 30 “non-batch” applications per year will severely diminish the uptake of on-farm renewable energy technology by the agricultural sector and consequently hamper Government ambition in this area. It is the Department’s view that all avenues are explored in relation to renewable energy production.

Furthermore, with regards to the target of 50 “batch” connection offers per year over a three-year period starting in 2020, DAFM would consider this number to be too restrictive and could result in a reduction in growth of the renewable energy sector. Previous batch connections aimed to provide at least 1,000MW of new connections and this system ensured the continued growth in the sector not just in terms of the number of providers but also in the energy output of the renewable sector.

It can be expected that the reduction in the annual number of applications for both batch and non-batch connections will limit activity in the renewable energy marketplace and therefore restrict the competitiveness of products offered to potential providers of renewable energy. DAFM overall



welcomes the clarity that this process will bring to the renewable energy sector but there are a number of issues (as outlined below) that we would like to conclude with as follows:

1. As a result of the evolving policy landscape which Irish renewable energy producers currently operate in, the Department of Agriculture, Food & the Marine would deem it prudent to include a mandatory review at 12-18 months of the new connection policy taking affect to ensure that potential roadblocks to achieving Irelands renewable energy targets are identified and removed.
2. Efforts by Government and supported by DAFM and other state agencies to encourage the use of renewable energy by self-consumers must not be hindered by a restriction being placed on these energy producers to supply excess energy to the national grid. It is hoped that the existing policy gap in this area will be addressed by the findings of the Microgen Working Group under the All-of-Government Climate Action Plan.
3. It is anticipated that as renewable energy technology becomes more refined over the next number of years more suppliers will enter the marketplace including within the Agri-sector. The resulting increase in competition amongst technology suppliers will further add to the competitiveness of renewable energy sector and make the area more attractive for investment. Any move to limit the number of new entrants, and consequently the number of new connections to the national grid, should not stunt the growth potential of renewables in the Irish energy supply mix.