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EAI Response to CRU Consultation on Enduring Connections Policy 2.1 Proposed Decision

By email to electricityconnectionpolicy@cru.ie

EAI welcomes the opportunity to respond to this consultation on the connection policy that will apply to the processing of connection applications received in Q4 of this year over the course of 2021 (ECP 2.1). It is our understanding that this policy applies to onshore generation connections above the current threshold for microgeneration (11kw) and that a separate, informal approach will be pursued for offshore and interconnectors. Furthermore, whilst there is provision for small scale generation and auto-producers to be addressed in the ‘non-batch’ segment of ECP 2, .i.e. 30 offers per year, 15 reserved for community, a separate approach to these types of connections may also be required, pending the outcome of a Q3 DCCAE paper on revised microgeneration arrangements which will propose to increase the threshold to at least 50kw in order to comply with revised definitions in the Clean Energy Package.

EAI would like to see the introduction of an objective policy for all generation connections at the earliest opportunity and at the latest in time for the third RESS auction in the summer of 2022 (.i.e. there would be no ECP 2.2 and we would move straight to the enduring connections policy (ECP 3 if you like)). Before then, the focus should be on facilitating new connections and engaging with stakeholders to design and implement an enduring connection policy that is fit for purpose. The SOs will of course be key stakeholders in the transition to a market/developer led grid development model from the current SO-led grid development model.

Notwithstanding the need for significant new grid investment and need for a reformed policy approach, we note that existing connections policy must provide a faster and more flexible path to connecting the large volumes of RES-E needed to meet binding EU targets for '23, '27 on a path to 70% by 2030¹. EAI further notes that policy also must provide a clear route to connect for “non-renewable” dispatchable technologies that will be needed to secure a system where non-synchronous sources regularly exceeds 90% and approaches 100%.

Meeting the ambition in the Climate Action Plan will require delivery of an additional 1 GWs of renewable energy each year over this decade. This will require a significant ramping up of the 6-700MWs connected over the final two years of the previous decades². The proposal to issue 150 offers under ECP 2 may not be enough to deliver the volumes required, on top of the approx. 200 projects awaiting connection offers from previous rounds. There is precedent under a previous

¹ It is estimated that the 70% target will approximate to 30000 GWhs total in 2030 or approx. 12GW of renewable energy capacity, some of which will be delivered from the existing 4GWs.

²We understand that; the SO's had received applications for 36GW of connections before 2018; 5GW of applications were received for ECP-1, which closed in 2018; ECP 1 processed 126 applications(74 new and 52 existing), representing 2.1GW of capacity; but it is unclear what quantum of the 2.1GW accepted offers have proceeded to contract.



approach (GPA) for a level closer to 200 connection offers to be processed annually and it may be necessary to aspire for this rate again if we are to meet our targets.

More generally, EAI requests that the hybrid connections (more than one technology at a connection point) can be brought forward to market as a matter of urgency. The ability to greater utilise existing capacity provides efficiencies for the electricity system and ultimately savings for customers. We would welcome clarity on the timetable for hybrid connections.

Additional grid capacity will be made available by the CRU proposal to facilitate the voluntary release of contracted MEC. Whilst this is to be welcomed, EAI would like to see policy facilitate the release of a portion of the contracted MEC.

The proposal to continue to make connection offers as non-firm poses significant financial risks for developers, considering the Electricity Regulation requirement that non-firm capacity will not receive financial compensation for curtailment³. EAI seeks a consistent approach that seeks to balance the project risks between the respective parties involved so that ultimately the projects can be delivered in a cost-effective manner. EAI asks that CRU put in place a policy where all projects will be made firm once the required system re-enforcements have been completed, with the system operators required to regularly report in the expected timeframe for the relevant re-enforcement to be completed.

To conclude, EAI trusts that the above position will be considered and reflected when a final decision is published on ECP 2.1. EAI will reflect its thoughts on the enduring connection policy in a separate response to the call for evidence.

Yours sincerely,

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³ Article 12 of the regulation aspires that the TSO will adopt a market-based approach to dispatch, and 12.6 says that the TSO must compensate operators for the firm quantity in its connection agreements where non market-based re-dispatching is used