



21 May 2020

NOW Ireland response to CRU consultation on Greenlink Interconnector

NOW Ireland [NOWI] welcomes the CRU determination that the construction and operation of the Greenlink interconnector was in the public interest.

NOWI note that a CRU cost benefit analysis indicated that Greenlink has the potential to provide a net benefit to Irish consumers and Ireland as a whole in particular where significant decarbonisation of electricity generation occurs.

NOWI also note that Greenlink is expected to reduce RES curtailment.

In terms of the present CRU consultation NOWI note that CRU is minded to grant a Cap and Floor regulatory regime to Greenlink.

NOWI believe the CRU minded to approach is justified in particular because

-- A Cap and Floor regime will give certainty to developers such as the NOWI member companies and will guard against problematic fluctuations in the energy market

-- Cap and Floor will encourage investment in interconnection from and to Ireland which is clearly important in decarbonisation and in minimising curtailment of offshore wind generation.

NOWI believe it is becoming increasingly evident that interconnection projects such as Greenlink and Celtic are needed to come on stream in a timely fashion

to contribute significantly to the delivery of the 3.5GW target for offshore wind generation by 2030 in the Climate Action Plan.

NOWI believe the Cap and Floor regime that is approved should align with Ofgem to ensure adequate financing.

NOWI note that CRU will publish later this year a draft determination for consultation on the details of the Cap and Floor levels and NOWI will be happy to respond to that consultation.

Paddy Teahon (Chair)