



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

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Clarification Note:

ECP-2 Community-Led Renewable Energy Project definition

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ECP-2 Community-Led Renewable Project definition

The purpose of this clarification note is to provide for a change to the definition of Community-Led Renewable Projects contained in the Enduring Connection Policy Stage 2 Decision Paper (ECP-2) (CRU/20/060)¹, which was developed to align with the definition contained in the Renewable Electricity Support Scheme 1 (RESS-1) Terms and Conditions.

The basis for change is on foot of the Minister for the Environment, Climate and Communication announcement on 03 February 2021, that the Renewable Energy Support Scheme 2 (RESS-2) Terms and Conditions will require Community-Led Projects to be 100% community owned to be eligible for the RESS community preference category, within forthcoming RESS auctions.

Considering the update by the Minister the CRU is revising² the definition of a Community-Led Renewable Energy Projects (as defined in ECP-2) to align with the RESS-2 Community-Led Project ownership requirements of 100% (as outlined in the RESS-2 Terms & Conditions). This now means that only 100% community owned projects will be eligible to apply to Category C under ECP-2 rules.

This revised definition of a Community-Led Renewable Energy Project for ECP-2 comes into effect from the date of publication of this clarification note.

1 Enduring Connection Policy Stage 2 Decision Paper; <https://www.cru.ie/wp-content/uploads/2020/06/CRU20060-ECP-2-Decision.pdf>

2 The ECP-2 decision provides for adjusting targets and prioritisation of projects as necessary in order to meet policy goals that may change, including through increasing processing efficiency, ability to meet national targets and to meet wider power system objectives.

Revised definition of Community-Led Renewable Energy Projects under ECP-2

For ECP-2 connection applications from publication of this clarification note, Community-Led Renewable Energy Projects³ will be defined as:

- Projects with MEC greater than or equal to 0.5 MW and less than or equal to 5 MW
- Projects utilising one or more of the following renewable energy generation technologies (and not in combination with non-renewable generation technologies); wind turbines (wind), solar photovoltaic panels (solar), hydraulic turbines (hydro) excluding pumped storage, waste to energy projects, biomass projects and biogas projects
- Projects meeting the following community-led definition requirements:

(a) at all relevant times, be **100%** owned by a Renewable Energy Community (the “Relevant REC”) either by way of (i) a direct ownership of the ECP project’s assets, or (ii) a direct ownership of the shares in the generator; and

(b) at all relevant times, **100%** of all expected profits, dividends and surpluses derived from project are returned to the Relevant REC.

What does this definition change mean for projects less than 100% community owned and currently in process in the ECP 2.1 batch?

This change in definition will not be retrospectively applied to projects that were successful under Category C in the ECP-2.1 batch formation, they will continue to be processed in line with the ECP- 2 rules for Category C.

However these applicants are encouraged to consult the RESS-2 Terms and Conditions, published by the Department for Environment, Climate and Communications (DECC) to determine how the changes to Community-Led Projects definition will impact on their projects.

³ The initial definition of a Community-Led Renewable Energy Project in the ECP-2 decision paper published on the 10 May 2020 (CRU/20/060), aligned at that time with the Community-Led Project ownership requirement within the Renewable Energy Support Scheme 1, (RESS-1) Terms and Conditions of a minimum of 51% community owned,

What does this definition change mean for projects less than 100% community owned and unsuccessful in the ECP-2.1 batch formation?

Community projects less than 100% community owned who have already applied to the ECP-2 framework but were not accepted into the ECP 2.1 batch will not be eligible to be processed under Category C.

These applicants have the option to:

- change their ownership model structure to 100% community owned⁴ and remain in line for community project processing as non-batch or Category C in annual batches as per the ECP-2 decision; or
- retain current ownership structure (i.e. less than 100%) and apply to the next ECP-2 application window to be processed under Category A. (The next application window for ECP-2.2 is September 2021).

ECP – 2 application fee deposits⁵ already paid for by community projects of less than 100% ownership will not lose the application fee deposit, instead it can be transferred to the next application window under Category A.

Please note, Category A requires that all projects to have planning permission before making a grid application and payment of full application fees will be required to confirm place in the batch.

What does this definition change mean for new projects applying as Community-Led Renewable Energy projects in the ECP-2 framework?

From the date of publication of this clarification note community-led renewable energy projects that apply to the ECP-2 Category C process must be 100% community owned in order to be considered.

⁴ community schemes that change their ownership to 100% community owned to apply under Category C will need to fill out an ECP-2 Community-Led Renewable Energy Project Declaration Form⁴

⁵ The initial application fee deposit of €2,000 (including VAT) is required from New Applicants greater than 500 kW, as per the ECP-2 Ruleset published by ESNB.