



**WIND ENERGY
IRELAND**

Wind Energy Ireland
Offshore Connection Policy – Phase 1
Projects Consultation Response

29th July 2022

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1. Introduction

Wind Energy Ireland (WEI) would like to thank the Commission for Regulation of Utilities (CRU) for the opportunity to provide a submission on the Offshore Connection Policy - Phase 1 Projects (CRU/2022/51).

WEI is Ireland's largest renewable energy organisation with more than 170 members who have come together to plan, build, operate and support the development of Ireland's onshore and offshore wind generation. We work to promote wind energy as an essential, economical, and environmentally friendly part of the country's low-carbon energy future. As a leader in Ireland's fight against climate change, wind energy creates jobs, invests in communities, and reduces CO2 emissions.

This response from WEI sets out specific and detailed responses to the questions posed by the CRU in the consultation paper, drafted and agreed by WEI's group of Phase 1 project members. This group consists of representatives of the developers of all six of the Phase 1 offshore wind projects: Oriel Windfarm, North Irish Sea Array (NISA), Dublin Array, Codling Wind Park, Arklow Bank Phase 2 and Sceirde Rocks.

WEI acknowledges and welcomes the recent announcement by Government of an increased ambition of 7 GW of offshore wind by the end of 2030 and believes that offshore wind and green hydrogen can be put at the heart of an energy independent Ireland. However, this increased ambition further highlights the need for planning reform and a stronger electricity grid if we are to achieve these new targets.

At the outset, WEI would like to stress, that while confirmation of an upcoming separate consultation on Firm Access is expected shortly and is welcomed, there is a vital need for projects to have further clarity and certainty in relation to project Firm Access and the association of "deep" reinforcements pre-ORESS 1. The firm access information required for ORESS 1 needs to be project specific information and not just the new firm access policy.

WEI previously submitted feedback to EirGrid on the Firm Access Methodology Review in February 2022. Feedback was provided on the areas of:

- Time Bound Firm Access Dates
- Firm Access Allocation
- Existing Non-Firm Projects
- Annual Reviews
- Firm Threshold & Firm Access Methodology
- MEC Floor
- Non-Group Processing Approach
- SOEF

In summary, WEI recognised that there are elements of the proposed methodology for Firm Access that has merits but raised concerns that the policy as a whole would not deliver key objectives such as minimising additional costs to end consumers and supporting investor confidence. Delivering on these two key objectives will mean allowing renewable project developers to have certainty on Firm Access at a much earlier stage than the proposal to only provide this after they connect. It is also important that the policy aligns with SEMC decisions on Articles 12 & 13 in terms of potential compensation for dispatch down to make it effective.

In addition, WEI would like to emphasise the following points that we believe are important to be taken into consideration in the context of developing the offshore connection policy for Phase 1 projects:

- **First Stage Payment:** We believe the First Stage Payment should be refundable to projects under certain circumstances, such as planning failure or quashed planning due to Judicial Review and subsequent loss of MAC
- **Extension to FCO validity period:** The CRU have stated during a workshop on 14th July that the validity period for the Full Connection Offer (FCO) could be extended under certain circumstances. If this is the case, we would welcome further clarification on the likely circumstances under which the FCO would be extended
- **Treatment of SOEF reinforcements:** The CRU must confirm via their Decision following this consultation that SOEF reinforcements will not become chargeable connection assets for Phase 1 projects
- **Protect against grid hoarding:** WEI would advocate that MEC reduction should be encouraged and allowable without incurring the invalidation of the GCA timelines and commitments unless EirGrid can clearly justify why the proposed reduction could require amendments to the GCA be made
- **Technical policies:** There remains ongoing uncertainty of EirGrid's Functional Specifications and the Grid Code requirements which will directly impact the MEC required. WEI recommends that projects should not be penalised or put at risk due to decisions which they have been required to take in advance of the full information and decisions having been made by EirGrid. Phase 1 project need clarity at least 6 months pre-ORESS 1 to enable the industry to engage with the supply chain and develop a solid understanding of project costs to support an efficient bid and ultimately lower costs to consumers
- **Term of connection agreement:** WEI suggests a contract term duration of 30 years to allow for commissioning, wind farm design life and decommissioning period. There should be an option for an up to 10-year extension available at year 25, to align with international best practice
- **MEC Capacity Bond:** Phase 1 projects propose to link placement of the MEC Capacity Bond 3 years post CID, but no sooner than the Commencement Date (as per ORESS)

We hope that in our response we have comprehensively answered the consultation questions to inform the final CRU decision and are available for further discussion should any clarifications be required.

WEI Phase 1 Projects' Response to the CRU Offshore Connection Policy Consultation

2. Connection and charging policy proposals for Offshore Phase 1

2.1. Existing regulatory policies to be applied to Offshore Phase 1 connections

Question 1:

Do you agree with the application of the outlined existing regulatory policies to offshore phase 1 projects? If you disagree, please provide alternative solutions with evidenced reasoning.

Contestability of connection assets:

The current EirGrid document on 'Contestability of Connection Assets'¹ from 2007 is generally in line with what is required for offshore Phase 1 projects. However, some of the terms in this document will need an update as they are not in line with the emerging EirGrid policies as Offshore Transmission Asset Owner. While we do not believe that a new policy is needed, we recommend that a review of this document be undertaken and that an addendum or update be provided for the sake of clarity. The following list includes some examples of inconsistencies that we have identified, but which may not be conclusive.

- o Chapter 3: *"the TSO shall be responsible for ensuring that those Transmission Assets built by an applicant which are due to remain in the applicant's ownership are built to the TSO's Transmission Standards;"* - This is not consistent with EirGrid's oversight principles for the offshore transmission system.
- o Chapter 3: *"TSO shall have a right to recover any reasonably and efficiently incurred inspection or other costs from the applicant associated with ensuring that all Applicant Provided Assets are built to the TSO's Transmission Standards;"* - A distinction should be made between inspections and with TSO presence for internal training and education related to offshore systems.
- o Chapter 4.2.6: *"Detailed design submission to EirGrid for review and acceptance, unrestricted access to tests;"* – This is not in line with the design review and oversight position that EirGrid is drafting for the offshore transmission system.
- o Chapter 4.2.7: *"The first energisation and the commissioning tests are arranged by the TSO."* – This is not consistent with commissioning scope split currently being proposed for the offshore transmission system.

¹ <https://www.eirgridgroup.com/site-files/library/EirGrid/Contestability-paper-Oct-2007.pdf>

- o Chapter 4.2.8: The handover process is not in line with current EirGrid proposals. - *“Handover may be done after completion of commissioning”*- The new EirGrid proposal where handover after 18 months proving period is more suitable for offshore assets.
- o Also, a *“nominal fee (e.g., 1 Euro)”* is mentioned here. These areas will need to be reconsidered following the completion of the CRU consultation on the asset transfer process.
- o Chapter 5: *“Subject to the then current market rules and current TSO pricing policy as approved by CER the applicant may receive constraint payments from the TSO if they have firm financial access to the Transmission System and if the assets on the Transmission System side of the Ownership Boundary are unavailable”*. - This will also need to be considered following the upcoming consultations on Asset Transfer and Firm Access.
- o Chapter 5 *“The applicant is liable for the cost of decommissioning all dedicated shallow assets on the Transmission System side of the Ownership Boundary upon termination of the connection agreement;”* – This is not consistent with the proposal in section 2.2. of this consultation.

Existing EirGrid transmission investment policies for onshore grid connection works

We do not believe that there is time available to consult on and make amendments to the existing EirGrid Transmission Investment Policies for onshore grid connection works in advance of ORESS 1 opening. These policies are well known by and generally accepted by industry. We also note that some of these policies will not apply to offshore wind connections. We recommend that the CRU ensures that EirGrid provides some flexibility to the Phase 1 offshore projects where appropriate, and that the existing derogation process be used where a design element is outside of the existing transmission policy.

Existing technical standards for the onshore assets which are to be owned by ESNB (i.e., any existing/new meshed substations)

Similarly to be above, the existing technical standards and functional specifications for onshore assets to be owned by ESB Networks are well established and understood by Industry. However, we understand EirGrid and ESB Networks are reviewing the ESB Networks interface with the EirGrid Offshore TAO assets as this is a new Onshore TAO-Offshore TAO interface rather than TSO-customer interface. We understand Phase 1 projects are the case studies for this review. We support this approach as long as there is a flexible and pragmatic approach to applying the interface requirements during the phase 1 GCA process. The existing derogation process can also be used if required.

We note, separate to the onshore standards for the ESB Networks substation, there is the need to have separate standards for the EirGrid Onshore Compensation Compound and Offshore substation. Within these specifications there will be the requirement to consider interacting issues like access to CT cores.

We also note the “Options for connections to transmission network²” EirGrid document is not appropriate for offshore windfarm connections. This document assumes onshore connection points whereas the connection point for offshore windfarms will be at the offshore substation.

2.2. Connection charging policy

Question 2:

What is your view on the CRUs proposals on connection charging policy for offshore phase 1 projects? If you disagree with the proposals, please provide alternative solutions with evidenced reasoning. The proposals are as follows:

- **Connection charge methodology as per existing onshore policy with a clarified schedule of payments**
- **Clarification that O&M, Decommissioning and Reinstatements costs would be paid by the asset owner (EirGrid) after full transfer of assets?**
- **Generators liable to GTUoS and DTUoS as per existing policy**

Phase 1 projects generally support the proposal to use existing connection charging rules that apply onshore. The phase 1 projects make these additional comments:

- There is the need for the CRU to review the methodology and level of the non-standard connection costs required for the phase 1 projects. This will mainly be EirGrid supervision costs. The Phase 1 projects propose that all these costs are fixed at the GCA stage for phase 1 projects.
- Connecting large offshore windfarms is new for EirGrid. There are new costs that EirGrid have no experience of implementing. For example, the supervision costs for offshore infrastructure like cables and offshore platforms. If EirGrid underestimate these costs then it will result in unexpected additional costs to the developers. If EirGrid overestimate these costs then it will result in higher ORESS bidding. As EirGrid, with CRU approval, are in the best position to estimate these costs, the phase 1 projects strongly request that all of EirGrid’s costs in the GCA, and leading into the connection agreement, should be fixed. Phase 1 projects concerns on these costs is evidenced by the increases on onshore generator’s pass-through costs in recent years, in many cases the outturn costs being more 100% higher. EirGrid have commented that there has been substantial learning from onshore projects. The phase 1 projects are concerned that there will be similar learning with offshore but to the expense of the phase 1 projects.
- If these costs are not fixed there should be a transparent and regular approach to EirGrid sharing with the phase 1 projects how the supervision costs are being accumulated. It is requested that a template be developed between EirGrid and the phase 1 projects to report on pass through costs. As some pass-through costs also include ESNB costs, it is essential that this cost reporting includes both EirGrid and ESNB costs so that these can

² <https://www.eirgridgroup.com/site-files/library/EirGrid/Policy-Statement-on-Options-for-Connecting-Customers-to-the-Transmission....pdf>

be scrutinised at regular intervals to ensure all costs are reasonably incurred. EirGrid should be required to issue quarterly pass-through statements showing accrued

combined EirGrid and ESNB pass-through costs to date. The pass-through statement should show man-hours broken down by activity (Design, Planning, Construction, Commissioning, Asset Transfer) and scope item (ESNB substation, Onshore Converter Compound, Onshore Export Cable, Landing Point, Offshore Export Cable, Offshore Substation).

- EirGrid's Shaping our Electricity Future Roadmap³ has identified and started progressing the reinforcements of the transmission system required to ensure Ireland can meet the demand growth and RES-E targets by 2030. WEI do not believe that any of the reinforcements identified in SOEF should become chargeable connection assets for project connections. We request that this is confirmed by the CRU in the decision on this consultation.

On the proposed schedule of payments, the phase 1 projects make the following comments:

- The requirement for grid security originated from a time when a project could apply for a grid connection independent of any other consenting or financing process.
- It is noted that in CER09/138⁴ on the requirement for the first stage payment to be non-refundable the regulator stated: *"Making the first stage payment non-refundable will not increase the financial burden on the majority of connecting parties and would act as some deterrent to those that could otherwise accept a connection offer with no intention of advancing the project."*
- A first stage non-refundable payment of €10k/MW is a substantial burden on a phase 1 project. This payment will have to be paid before the projects reaches the final investment decision stage. Depending on the decision on the timing of the payment and the application of longstops/validity periods, there may also be some outstanding consenting risk when the first stage payment has to be provided.
- It is clear that the phase 1 projects are advancing their projects. The links within the connection process (GCA to Full Connection Offer) and between the grid connection, ORESS and consenting processes ensures projects cannot hoard grid capacity and must be advancing their project to maintain the grid connection.
- There are already substantial financial commitments being provided by Phase 1 projects through ORESS and the Consenting process. This includes the significant bid bond and performance security in ORESS 1 and the MAC development levy.
- On the basis of the safeguards already proposed linking the connection agreement to progress in ORESS and the planning process, and the substantial securities already required in the ORESS and MAC processes, we do not believe it is necessary or appropriate for the first stage payment to continue at the proposed level and as being non-refundable.

³ https://www.eirgridgroup.com/site-files/library/EirGrid/Shaping_Our_Electricity_Future_Roadmap.pdf

⁴ <https://www.eirgridgroup.com/site-files/library/EirGrid/EirGridPolicyforMECAAdministrationforCustomersoftheTransmissionSystemOperator.pdf>

- In other jurisdictions like Britain the level of charges/security required when initially executing the connection offer is substantially lower than being proposed for the phase 1 projects in Ireland.
- The phase 1 projects would propose that the first stage payment is sized at a bespoke level required to fund EirGrid through to the FID stage.
- Alternatively, though not the preference of the phase 1 projects, the first stage payment is calculated using the same formula as applied to onshore non-contestable generation connections. This formula is:

to pay the greater of (a) or (b) below:

- a. 10% of the connection cost; or,
- b. The lesser of €10k per MW of MEC or 50% of the connection cost

This would help ensure that the first stage payment does not unnecessarily exceed the actual EirGrid charges.

The Phase 1 project supports the clarification that O&M, decommissioning and reinstatement costs would be paid for by EirGrid. This harmonises the approach of how these costs are funded for onshore generator connections. It is critical that as part of the next CRU consultation it is confirmed how the EirGrid offshore TUoS will be funded. If contributions are required from Phase 1 Offshore windfarms towards the new EirGrid TUoS, the methodology and project specific level of these TUoS charges will need to be known before ORESS1.

Phase 1 projects accept that the offshore windfarms will have to pay the existing GTUoS and DTUoS charges similar to existing onshore generators. GTUoS is a substantial ongoing cost for the phase 1 projects. TUoS charges are a very important input to the financial models that will be used for ORESS bidding. Currently EirGrid only calculate and publish TUoS charges for the upcoming tariff year. To demonstrate the potential volatility in TUoS charges, the total TUoS charges being recovered from generators in 2022/23 compared to 2021/22 is proposed to increase by 16.6% in Ireland. EirGrid are planning to complete substantial investment in the transmission system over the next decade, particularly in the Dublin region and along the east coast. This transmission investment will likely result in substantial changes to TUoS charges for many of the phase 1 projects, as well as onshore generators. The methodology and inputs (technical and commercial) to the model used by EirGrid to calculate TUoS are very complex. To-date there is no independent service provider for modelling future TUoS charges. The phase 1 projects request that the CRU directs EirGrid to complete a future estimate of TUoS charges. For example, EirGrid could complete analysis of the estimated TUoS charges on the assumption that all of the SOEF planned reinforcements are complete or in construction. This future modelling of TUoS would be a critical service being undertaken by EirGrid, similar to the constraints modelling completed by EirGrid for renewable projects in ECP.

2.3. Full connection offer and connection agreement conditionality and validity

Question 3:

What is your view on the CRUs proposals in the following aspects of Full Connection Offer and Connection Agreement validity and conditionality? If you disagree with the proposals, please provide alternative solutions with evidenced reasoning. The proposals are:

- **The overall timeline and approach proposed by EirGrid regarding the conditionality and validity for a full connection offer including:**
 - **EirGrid will issue a Full Connection Offer (Connection Agreement and Offer Letter) within a target of 90 business days from the application for a Full Connection Offer by a successful ORESS 1 project**
 - **The offer validity will be the later of either 6 months after issuance of the full grid connection offer, or 3 months after receipt of the planning consent for the project. A longstop date on this validity period for the offer of 30 June 2025 will apply to prevent capacity hoarding**
- **Projects need to be in receipt of planning consent prior to EirGrid executing the Full Connection Offer. Projects can still accept the Full Connection Offer and pay the First Stage Payment in advance of receipt of planning consent**
- **The termination of a project's MAC will result in the termination of the Full Connection Offer or the executed Connection Agreement**

With regards to the proposed timeline and approach taken by EirGrid regarding the conditionality and validity for a Full Connection Offer (FCO), we support the approach that EirGrid will issue a FCO within 90 business days from the application. We would request confirmation that failure to meet these timescales, and to the necessary quality will be monitored by CRU to minimise the risk of any delay.

With regards to the validity of the FCO, WEI supports the approach whereby the validity of the FCO is the later of 6 months post issuance of grid connection offer or 3 months post planning consent.

With regards to the proposal for a longstop date for the FCO. WEI welcomes the clarification provided by CRU during the workshop on the 14th July 2022 that the longstop date should be considered more of a validity date for the FCO, **and** that the validity could, under certain circumstances be extended. If this is the case, we would welcome further clarification on the likely circumstances under which the FCO's validity would be extended. In addition, WEI notes that the validity of the FCO is directly tied to the payment of the First Stage Payment, and we note the clarification in the consultation that the proposal to allow projects to pay the First Stage Payment in advance of planning consent is to avoid the risk of the longstop date being breached.

WEI notes that the First Stage Payment is non-refundable and likely to be of an order of magnitude greater than any costs EirGrid will face, given the non-contestable build of the Phase 1 Projects. Therefore, WEI strongly urges the First Stage Payment **to be made refundable** in the event that a Phase 1 project has their development consent declined or quashed post Judicial Review. In these

circumstances, the First Stage Payment should be refunded in full (minus any administrative costs). Allowing for extensions of the validity/longstop date due to delays or legal challenges to An Bord

Pleanála's decision would also address the phase 1 projects concerns of having to fully commit the First Stage Payment before full consents for the offshore windfarms are in place.

Whilst we welcome the confirmation from CRU that there will not be a € cost to reduce MEC post ORESS decision; the proposals as set out are unsuitable, given the confirmed risk to the contents of the issued GCA Offer; including its validity and anticipated timescales. WEI understand the policy rationale of the decision (to prevent grid hoarding and also to ensure maximum efficiency re grid utilisation), but as the proposal is currently written there will likely be significant [and unplanned] consequences –which results in an increased risk of grid hoarding, as it would be unlikely that any Phase 1 project would willingly countenance the risk of having the contents GCA become invalid because of a potentially minor reduction in its MEC.

To protect against the grid hoarding risk, WEI would instead advocate that **MEC reduction should be encouraged and allowable** – without incurring the invalidation of the GCA timelines and commitments **unless EirGrid can clearly justify** why the proposed reduction could require amendments to the GCA be made. WEI recognises the concerns flagged by EirGrid within the workshop that this could result in multiple changes, but WEI believes that this could managed through a limited window for additional engagement and a window for change to the MEC requested. To ensure that there is no hoarding of grid capacity by the successful ORESS 1 project WEI propose that the MEC that can be submitted in the Full Connection Offer application is limited to the MEC that the applicant has achieved in ORESS 1. Where a CPPA is in place, this should be demonstrable at FCO application stage. Capacity that is not covered by a CPPA or the ORESS volume should be forfeit at this stage.

WEI also notes the ongoing uncertainty of EirGrid's Functional Specifications and the Grid Code requirements (both of which could impact the export cable ratings) – will directly impact the MEC required. **Phase 1 Projects should not be penalised or put at risk due to decisions which they have been required to take in advance of the full information / decisions having been taken by EirGrid.** Instead, WEI suggests the current CRU proposal be amended to allow any justifiable reduction in the project's MEC (aligned to the successful capacity bid into ORESS), which does not or / would not result in a significant change to the previously confirmed GCA commitments. For example, if the requested MEC reduction would not result in a reduction in the number of circuits (for example) and therefore have little or no impact on EirGrid's costs, then we can see no justification for the proposal that would result in the GCA commitments (connection method, timelines and charge) becoming invalid.

With regards to the proposal that the termination of a project's MAC will result in the termination of the Full Connection Offer or the executed Connection Agreement, we would suggest (as per our previous bullet point) that should the Phase 1 project either have its Planning Consent declined or has its previously granted Planning Consent quashed through a Judicial Review process the project would lose its rights to occupy the seabed area (granted via the MAC). In these circumstances any First or Subsequent Stage Payments should be returned in full (minus any administrative costs).

Phase 1 projects would also reiterate the clear need to ensure that Phase 1 projects, which were unsuccessful in the ORESS1 auction are able to retain their GCA (connection location and MEC), for the purposes of participating in ORESS2. WEI understands that the current decision (confirmed in CRU's decision document in February 2022) will be considered following publication of DECC's approach to Phase 2 projects. That said, in the interest of clarity for Phase 2, explicit expiry dates for GCAs should be confirmed.

2.4. Connection offer policy and process (COPP)

Question 4:

What is your view of the CRUs proposals on COPP rules that need to be changed for offshore phase 1? These proposals include rules for Hybrid Plant, Changes in MEC, Phasing of Connections, Changes in Generation Type and Term of the connection agreement. If you disagree with the proposals, please provide alternative solutions with evidenced reasoning.

Please see WEI response in Table 1 below.

Table 1. Proposed Changes to COPP Rules for Offshore Phase 1 Projects

COPP Section	Summary of current policy for onshore	Proposed change for Offshore P1	WEI Comments
Hybrid Plant	Connection offer rules applying to (1) A Hybrid Project: any project that has multiple generators which utilise multiple primary energy sources or technology types in generating power or (2) A Hybrid Generator: a single generator which utilises multiple primary energy sources or technology types in generating power.	Hybrid projects or hybrid generators are not permitted for Phase 1 projects. “Offshore Wind” generation is the only “Eligible Technology” allowed in ORESS 1. Hybrid will be further considered for Phase 2 in line with DECC’s Phase 2 decision on project selection.	Given the mature status of the Phase 1 projects, the connection method and technology selection are well understood. Phase 1 projects are not currently considering hybrid connections but should not be excluded in future offshore hybrid consultation.
Changes in MEC	Existing policy is set out in EirGrid’s MEC administration paper. Applicants under ECP-2 could also request a one-off reduction in MEC without penalty during the offer processing. This is not applicable to Offshore Phase 1 process.	No charge for MEC decrease up to Full Connection Offer (FCO) application. At any given time after FCO application and prior to the commencement of the construction of the Connection Works, the project has the right to reduce the MEC applicable by issuing a written notice to that effect to EirGrid and subject to paying EirGrid an amount of €10,000 per each MW of MEC reduction. If a MEC modification is requested, any commitments (connection method, timelines, and charge) contained in the GCA will become invalid (also stated in section 2.4). In this instance, EirGrid would provide an updated GCA within the validity period set out. As per existing rules, a MEC reduction charge of €25,000 per MW of reduced MEC applies after the start of construction and up to the Energisation. No increase in MEC is permitted.	<p>Phase 1 projects welcome the flexibility to reduce the MEC up to FCO without penalty. The rates between FCO and construction and post construction commencing align with onshore.</p> <p>For the validity of the GCA, EirGrid need to adopt a pragmatic view to a MEC reduction before the GCA is deemed invalid. If there is no change to node assignment, number of HV circuits, previously identified network reinforcements, then the original GCA should remain valid.</p> <p>If the MEC reduction creates a material change to connection method, then an updated GCA is required. As currently drafted, any reduction will need an updated GCA which could unnecessarily tie up resources in both EirGrid and the Developer.</p>

Phasing of connection	<p>Defers part of the capacity, developing a project over a number of phases as opposed to one. Design, charges, and timing of connection method are as per final MEC, and no phases energised until final connection in place. Phasing is thus for phasing of MEC operationalisation and associated capacity bonds.</p>	<p>Phasing not permitted for Offshore Phase 1. This approach is consistent with delivery intentions of ORESS 1</p>	<p>Phase 1 projects agree with proposed change.</p>
Change of Generation type	<p>Replace or supplement generation type without increasing the original MEC.</p>	<p>Changes of generation type are not permitted in line with ORESS 1.</p>	<p>Similar comment to the Hybrid Plant. Not permitting change of generation type is not an issue for Phase 1 projects.</p>
Firm connections to the transmission system	<p>The Gate 3 rules on Firm Access to the Transmission system do not apply to ECP-2 currently (i.e., they are non-firm offers currently).</p>	<p>See section 4</p>	<p>Future consultation on Firm Access is key here. For offshore projects some guarantee of Firm access will be required during the development phase and not be taken up by Grid scale projects connecting with a shorter development time.</p>
Term of the Connection Agreement	<p>20 years with automatic 1 year rolling extension with notice of termination by either party of no-less than two years.</p>	<p>25 years with automatic 1 year rolling extensions in the absence of termination provisions being exercised by either party to the contract. Notice of termination by either party of no-less than two years. This aligns with the proposed operational design life of the contestable connection assets (see section 2.1.6). The proposed term is also greater than the proposed ORESS 1 support term plus development time and is within the 45- year period allowed for a MAC.</p>	<p>Phase 1 projects would like to see a duration of 30 years to allow for commissioning, wind farm design life and decommissioning period. Refer to Q8 on the Phase 1 view of OSP design life. A provision needs to be included in the connection agreement to allow for an extension to the agreement with sufficient time for both the developer and EirGrid to plan. The connection agreement extension should be adequately long enough to make any surveys/design work financeable so a rolling 1 year extension is not appropriate. Phase 1 projects would like to see an option for an up to 10-year extension at 25 years. The table below (Table 2) presents the connection agreement duration for a number of European markets. The Phase 1 proposal aligns with these. Consideration should be given for an up to 10-year extension as lifetime extension investment at 25 years of operation would need the confidence of this from EirGrid prior to this investment as opposed to a rolling 1 year extension.</p>

Table 2. International Examples of Contract Term Arrangements

Jurisdictions	Contract Term
France	40 years – same length of time as the seabed authorisation
Germany	Up to 35 years – 25 years with opportunity for additional 10-year period
UK & Netherlands	Indefinite length for connection, with the only limitation due to the 40-year seabed rights
Japan	Grid connection is linked to the seabed rights and that period includes construction to decommissioning – maximum 30 years

Question5:

What is your view of the CRUs proposals on the COPP rules that do not need to be changed for offshore phase 1? If you disagree with the proposals, please provide alternative solutions with evidenced reasoning.

Please see WEI response in Table 3 below

Table 3. Proposed Current Onshore COPP rules to be extended for Offshore Phase 1 Projects

COPP Section	Summary of current policy for onshore with offshore P1 context where required	WEI comments
Changes on installed capacity	CER/14/047 applies i.e., installed capacity capped at the higher value of either 120% of MEC, or the next whole turbine number above 100% of MEC.	Agree that the current 120% limit, as per CER/14/047, is sufficient for phase 1 offshore.
Mergers and splitting	Mergers. Two or more separate projects apply to become one project with a combined MEC and a single connection point to the system, with individual site and/or turbines connected via internal developer network (see COPP section 15). Note in terms of location that capacity relocation is not allowed (COPP section 17) so merging Offshore Phase 1 projects would need to be adjacent from the outset. Splitting. Project splitting is no longer allowed for onshore projects and proposed same for Offshore Phase 1	Phase 1 projects support the continuation of the existing ruleset

Temporary connections	Projects connected in advance of permanent shallow works being completed. No change proposed insofar as applicable to Offshore Phase 1 projects. i.e., temporary connections are permitted. SEM decisions (11- 105 / 13-010) apply in this regard along with the COPP ruleset. If a temporary connection is desired, then EirGrid will review the existing ruleset to determine if it could be used and engage with the CRU accordingly	Phase 1 projects support projects being able to request a temporary connection.
Combination of (Gate 3) offers	No longer relevant or facilitated after Gate 3	Agree not relevant
Reprocessing subgroups due to non-acceptance of Offer or Termination of Connection Agreement	Rules and process when an applicant drops out of a pre-defined subgroup due to non-acceptance of offer or termination of a connection agreement. No change proposed insofar as applicable to Offshore Phase 1 projects.	Offshore applications are unlikely to sit within a subgroup, hence this is unlikely to apply.
Extension of offer validity period	Extensions in exceptional circumstances outlined and at the discretion of the TSO. No change proposed insofar as applicable to Offshore Phase 1 projects. Note that validity period will still be subject to longstop date of 30 June 2025 as proposed here in section 2.4	Phase 1 projects supports an extension to the offer period being allowed in exceptional circumstances and with approval from the CRU. The phase 1 projects request that the CRU outline the circumstances under which extensions would typically be permitted, including comments how delays to planning decisions and JRs will be treated. There is a high risk a longstop/expiry date of June 2025 will be an issue if planning consent has not been obtained or the project is under a JR. Please see our response to question 3.
non-LCCM planning related charging issues	System Operator Preferred Connection methods and planning failure options. No change proposed insofar as applicable to Offshore Phase 1 projects.	This is unlikely to apply to phase 1 offshore projects but the phase 1 projects support the continuation of the existing ruleset.
Internal network	Mitigating impacts of extensive internal network or modified change in connection point on general system development. No change is proposed for Offshore Phase 1 although the nature of offshore wind farm development is noted i.e., requirement for extensive internal subsea array cable networks.	Phase 1 projects support the continuation of the existing ruleset. We do note it needs to be agreed how the Array cables will be compensated when the turbines are offline. Some onshore connection agreements specify that the PPM always has to be able to maintain OMVAr at the connection point. When and offshore arrays are energised and turbines are offline, the arrays will need to be compensated by the onshore statcom or onshore shunt reactors. We don't believe it is appropriate to install offshore shunt reactors.

MEC capacity bond	<p>Designed to prevent hoarding of transmission capacity. Capacity bond is €25,000 per MW of MEC for renewable generation due on the earlier of 2 years post CID or prior to energisation. CRU decision CER/16/165 introduced amendments to MEC security policy, breaking the link between the capacity bond and the Operational Certificate, extending the Capacity Testing Period for large wind farms and also amending the term of the MEC Security requirement. The CRU and EirGrid are aware that the 2016 policy on Capacity Testing Period may not be appropriate for large scale offshore projects [i.e., the Capacity Testing Period is twelve months plus an additional one month for every 10MW of MEC (or part thereof) for wind farms > 50MW]. The CRU requests feedback on how the Capacity Testing period could be better aligned with expected ramp up rates of offshore wind farms whilst also protecting the consumer and TSO interests.</p>	<p>Phase 1 projects support the continued requirement for a capacity bond to be required to prevent the hoarding of capacity. See response to Q6</p>
Capacity relocation	<p>No longer allowed for onshore projects and proposed same for Offshore Phase 1.</p>	<p>Understood that this will not change for offshore projects.</p>
Alternative connection method	<p>Customer preferred connection method criteria. No change proposed insofar as applicable to Offshore Phase 1 projects.</p>	<p>Phase 1 projects support the continuation of the existing ruleset. However, WEI would deem it appropriate for discussion on alternative connection methods to take place during the GCA process and not after the GCA has been issued. WEI requests clarity from CRU on these timelines via the CRU Decision.</p>
Change in application details	<p>This details the change in application rules. No change proposed insofar as applicable to Offshore Phase 1 projects. See section 2.4 for clarification in relation to Offshore Phase 1 projects on this subject.</p>	<p>Phase 1 projects support the continuation of the existing ruleset. Should it reference 2.3 rather than 2.4.?</p>
Modifications request	<p>Modifications rules, timing, and conditions. No change proposed insofar as applicable to Offshore Phase 1 projects. See section 2.4 for clarification in relation to Offshore Phase 1 projects on this subject.</p>	<p>Phase 1 projects support the continuation of the existing ruleset. Should it reference 2.3 rather than 2.4.?</p>

Question 6:

With reference to the MEC Capacity Bond, how could the Capacity Testing Period be better aligned with expected ramp up rates of offshore wind farms whilst also protecting the consumer and TSO interests?

Phase 1 projects support the continued requirement for a capacity bond to prevent the hoarding of capacity and would also agree with CRU that the current method for calculating the capacity testing period is not appropriate for large scale offshore wind farms. Under current COPP rules Phase 1 projects would be awarded a capacity testing period of between 4-8 years for MECs of 400MW to 900MW. The COPP rule for allocating a project's Capacity Testing Period needs to reflect the build programme of an offshore wind farm and factor in the additional delay risk profile that these projects have. Phase 1 projects would view 2 years to be appropriate for the capacity testing period of an offshore wind farm up to 400MW with an additional month for every 50MW greater than 400MW.

However, offshore projects are exposed to delay risks that do not exist for onshore projects such as vessel availability, massive lead times for certain components, weather delays, component failure delays etc. Phase 1 projects therefore feel that there should be a mechanism for applying for an extension to the capacity testing period under such circumstances. It would be counter-productive if the bond was drawn down and MEC reduced when a project has demonstrated that they are committed to delivering their full MEC but have been prevented from meeting the deadline by something that is completely out of their control.

It is also important that CRU considers the appropriateness of the trigger for placement of the capacity bond. The current policy is that a capacity bond of €25,000 per MW or MEC is due on the earlier of 2 years post Consents Issue Date or prior to energisation. Phase 1 projects understand that placement of a bond within a fixed time period of CID being called is a necessary deterrent to capacity hoarding but 2 years does not reflect the expected time between CID and energisation of offshore grid infrastructure due to the scale of the works and the offshore environment they are being installed in. Phase 1 projects therefore propose to link placement of the bond to 3 years post CID but no sooner than the Commencement Date (as per ORESS).

2.5. Grid Connection Assessment Information

Question 7:

What is your view of EirGrid's proposed breakdown of information to be provided in the Grid Connection Assessment? Should other information be included?

As discussed and confirmed with the CRU and EirGrid at the consultation workshop the non-contestable works (site related equipment) timeline should be included in the GCA. A breakdown on the timeline of the critical path tasks should be included.

If available project specific firm access information should be provided in the GCA. If the firm access policy and project specific firm access information is not available when the GCA is being issued it should be provided as an addendum letter to the GCA.

We request that version number of the functional specification document is included in the GCA document.

3. Technical Policies

Question 8:

What is your view on the following technical policies proposed by EirGrid? If you disagree with EirGrid's proposals, please provide alternative solutions with evidenced reasoning.

- **EirGrid's detailing of responsibilities for the development of Phase 1 grid connections (based on DECC's policy statement)**
- **EirGrid's proposals for the offshore and onshore transmission asset ownership boundaries**
- **EirGrid proposals on the principles that should apply for the Phase 1 project standards, functional specifications and general requirements (including the proposal not to standardise offshore platform concepts or sizes)**
- **EirGrid proposals on principles for a flexible approach to future proofing and redundancy for Offshore Phase 1**
- **EirGrid's proposal to continue to employ the principles of the existing onshore process for Quality Assurance and Oversight for Offshore Phase 1 projects**
- **EirGrid's proposal that the structural elements of the contestable assets (export cables, primary and secondary structures and buildings) will have a minimum design life of 40 years**

It is vitally important that technical requirements for the offshore grid are understood at least six months pre-ORESS1. This should allow sufficient time for industry to engage with the supply chain and develop a solid understanding of project costs, in support of an efficient bid and ultimately reduced costs to the consumer.

Whilst there has been progress on many specifications over the last few months, there are a number of areas where clarity remains outstanding. Given competition within the supply chain, we must continue to show that Ireland is serious about our 2030 targets. Delivering clarity on technical requirements for our offshore grid is one way we can support this objective. With continued effort over the summer and with efficient collaboration in the form of workshops, many of the remaining technical issues or information gaps can be addressed and documentation published in September 2022. We must however see an increased level of urgency to close out feedback and finalise documentation. This includes publishing of all applicable specifications and close out of comments raised through the review process.

Industry welcomes the collaborative approach being adopted by EirGrid, through the facilitation of workshops, though are concerned about the uncertainties that remain at this point and the information that has yet to be communicated. As per EirGrid's Offshore Master Document Register (OFS-PAP-001) there are a number of key documents that have yet to be shared with industry (see below). Noting that some of these will be informed via future consultation, it is important that industry have early sight of EirGrid's proposed position in line with the September 2022 target date. These contractual requirements form the basis of project design, providing a robust understanding of the underlying processes such as technical derogations, verification and QA, etc. and as such it is strongly recommended that EirGrid host specific workshops on this contractual documentation by the end of August 2022.

Regarding the technical specifications that have been delivered to date, there is still some work to do to conclude discussion on industry feedback received to date. Although as above, with continued

resourcing and effort, our September 2022 target is achievable. Particularly given the principles that should apply for the Phase 1 project standards, functional specifications and general requirements, as highlighted in this consultation.

The experience of our members however is not fully aligned with these principles, as outlined in section 3.3 and 3.5 of this consultation. Following a survey of the Phase 1 developers, WEI present some observations and examples on where the experience to date does not align with the principles outlined in the consultation. It is important to note that this is the experience at the time of writing, and EirGrid have yet to publish updated specifications which respond to the detailed comments raised by our members:

- EirGrid are not proposing to use the principles of the existing onshore process for Quality Assurance and Oversight as they have introduced OFS-GEN-004 which dictates self-certification, 3rd party certification, verification and inspections.
- EirGrid's role as detailed in various specifications remains unclear and appears to be confused between the traditional approach to QA & Oversight (as applicable to onshore projects) and a 'hands-off' approach for offshore, which is stated to include 'self-certification'.
- EirGrid's Design review and oversight process (OFS-GEN-012) includes:
 - o *"EirGrid's role will be 'consultative' only through the project delivery process without any transfer of design liability or approval / hold points within the Customers' projects or their contract delivery"*.
- Yet other contractual documents suggest clear hold points, such as the draft Asset Sale and Purchase Agreement Heads of terms of Agreement.
 - o *"EirGrid is not responsible for the design or delivery of the offshore wind transmission links for Phase 1 Projects"*. How should "recommendations" be understood?
 - o Contradiction relating to the closing out of 'non-conformities', leading to ambiguity in EirGrid's role in the design and development processes:
 - *"For the avoidance of doubt, **there will be no 'hold-points', approvals or acceptances in this design review process for EirGrid that will affect the Customers delivery contracts or their obligations under the Connection Contract. The risk will remain with the Customer to provide information to EirGrid or request derogations in timely manner to reach agreement in order to facilitate their own schedules. Reciprocally, EirGrid shall have no 'arrest or continue' notification rights over the Contestable Works or Customers' Contracts, except in the circumstances of gross negligence or health and safety risk"***
 - *"Customers can progress from these reviews with a plan to close open items, however **EirGrid shall require that non-conformities are either derogated, or rectified and closed out in due time, and at the latest prior to handover of the assets.**"*
 - o There is also a need to develop a transparent, independent, and efficient process to ensure expedient resolution of any non-conformities as appropriate.
- Functional Specifications are littered with vague, unmeasurable and not specific requirements that the Developers will not be able to meet e.g., *"to EirGrid's satisfaction"*. That is an open-ended subjective requirement that is open to personal interpretation.

- Functional Specifications are also overly prescriptive – some examples of this are noted below:
 - o EirGrid dictating Service Experience for all suppliers/contractors.
 - o Specific suppliers are specified for certain pieces of equipment.
 - o OFS-OSP-135 Section 6.1 states “*The preferred manufacturer is Reinhausen*” in the context of the tap changer manufacturer thus prescribing a single manufacturer for the OLTC.
 - o OFS-OSP-135 Section 6.1 states “*Transformers shall have ONAN.*”, thus ruling out all other options i.e., ODAF, KDAF, KNAN.
 - o Connection to the grid transformer will be via cables, excluding busducts. This is a design constraint, and it is not clear why the specifications are so prescriptive.
 - o The onshore/offshore export cable functional specifications are also prescriptive, containing wording which is expected to e.g., limit the DTS system to a single supplier.

- The following is recommended:
 - o All non-technical references (such as QA, service requirements, certification, handover processes, EirGrid’s role, contractual obligations etc.) are extracted from the technical specifications and clearly communicated within either:
 - Design Review & Oversight specification
 - Asset Transfer Paper
 - GCA & Full Connection Offer

As noted previously, it is strongly recommended that EirGrid host specific workshops on this supporting contractual documentation by the end of August 2022.

- o Industry accepts that there is an opportunity in Phase 1 to help grow experience in the development of Offshore assets, supporting the subsequent transitional and enduring phases. In facilitating this through ‘design oversight’, or ‘witnessing’ of certain test or milestones, this is likely to incur a cost to the project, these costs should be referenced as a separate item in the Connection Offer (and GCA), quantified and fixed. This will provide clarity in the role of an ‘owners engineer’ throughout the various project development stages, whilst also allowing developers to take account of this in upcoming ORESS auctions.

Key documents or technical requirements that remain to be concluded include:

- O&M Strategy and Fleet Strategy Direction Papers
(Refer to WEI Position Paper to be submitted separately to the CRU on Asset Transfer, O&M Strategies and Guarantees of Availability)

- Asset Transfer Outline Paper
(Refer to WEI Position Paper to be submitted separately to the CRU on Asset Transfer, O&M Strategies and Guarantees of Availability)

- Offshore wind Grid Code requirements
 - o Particular concerns being raised in relation to the requirement for additional reactive power capabilities at the offshore Connection Point, above that already provided at the Grid Interface Point.
 - o Such requirements will impact on the export capacity of the offshore windfarm and have a significant impact on the cost of energy.
 - o Industry and EirGrid need to maintain efforts to agree a robust position on Offshore Wind Grid Code and secure the support of the Grid Code Review Panel in September 2022.

- Ownership Boundaries
 - o Note that as per EirGrid's Grid Code Position Paper (OFS-PAP-007 R0), the connection point has been defined as the transformer MV cable sealing at the MV switchgear.
 - o There remains ambiguity on the ownership boundaries associated with other systems, i.e., LV systems, HVAC (Heating and Ventilation), SCADA, Telecoms, marine systems, CCTV etc.
 - o WEI are requesting targeted engagement with EirGrid to clarify these interfaces, and to better understand the supporting access/egress arrangements. *E.g., Should the OSP require J-tubes for array cables, who owns these and who then is responsible for the maintenance of these assets?*

- Minimum Design Life of 40 years
 - o The EirGrid requirement for the offshore equipment to be designed and certified for a 40-year design life is a big concern for developers.
 - o Imposing a design life of 40 years will be an onerous requirement that will significantly increase the cost of installation for offshore assets.
 - o In support of this consultation, WEI have surveyed our offshore developers to try and gain some insights into international experience of design life. In general, the design life of offshore assets typically matches the operational life of the windfarm. Typically, 25 years plus allowance for construction/decommissioning (typically +3 years) = 28 years. This should also be the same design life for the WTG foundations.

4. Regulatory areas for offshore requiring further consultation

The CRU have confirmed that the following areas will be addressed in upcoming consultations:

- Asset transfer process, timing, and value
- O&M Strategies
- Guarantees of Availability / unavailability compensation
- Firm Access for offshore (and onshore) generators

As discussed with the CRU, Wind Energy Ireland will be submitting a separate Position Paper on the areas of Asset Transfer, O&M Strategies and Guarantees of Availability, building on previous feedback which has been shared with the CRU and EirGrid. This paper will be submitted directly to the CRU for consideration in advance of the next consultation. WEI are happy to discuss any of our feedback presented in this paper and we believe further engagement with industry as the plans for these upcoming consultations progresses would be beneficial.

WEI also note that the CRU have indicated that further consultation will be needed in relation to:

- Validity and conditionality of Offshore Phase 1 GCAs for projects that are unsuccessful in ORESS 1
- Connection Agreement amendments for Phase 1 projects (based on the regulatory principles decided on in advance of ORESS 1)

WEI would welcome the opportunity to engage with the CRU on the above policy areas as soon as possible.