

**IWEA response to the CER Information Paper Policy for Electricity Interconnectors – Consultation
Process and Call for Initial Comments**

02 September 2016

The Irish Wind Energy Association (IWEA) welcomes the opportunity to provide initial comments on the consultation process for the Policy for Electricity Interconnectors. We welcome the proposal for a distinct consultation process for the determination of interconnector policy. IWEA strongly supports efficient interconnection which helps to alleviate wind curtailment and to facilitate our renewable energy targets. It is essential to ensure that the market structures allow for the efficient use of interconnector capacity, and that the market signals enable export rather than wind curtailment when required. We also support the continued use of SO-SO trading to allow implementation of Priority Dispatch and for System Security.

The consultation paper should take the following into account:

- The paper talks about the strong push for interconnection at European level but it does not mention the many advantages interconnector assets already have over generation and demand connections under existing EU regulations (translated into T&SC etc.) i.e. streamlined planning, subsidised financing, priority access etc. Further discrimination above and beyond needs to be justified.
- It is important to ensure that future/existing interconnection delivers the value for money customers should be getting in exchange for the preferential treatment.
- The investment requirements (if any) to actually meet the 10% and 15% interconnection targets need to be assessed.

- The contribution of increased interconnection towards meeting our 2020 (and 2030) renewable energy targets also needs to be taken into consideration.
- There needs to be fair allocation of system costs (i.e. transmission losses and other imperfections) to avoid distortions in cross-border trade – marginal flows that lead to substantial increases in system losses make no sense.
- The linking of future access rules to any positive discrimination for ICs needs to ensure that the policy objectives for this discrimination are being met, i.e. firm connection to other EU markets, facilitating cross border trade and competition, and implementation of Priority Dispatch.
- The CER needs to ensure that due consideration is given to any conflict of interest that may arise as a result of the Interconnector Applicant potentially being the same entity as the System Operator processing the application and planning the development of the system, both in relation to geographical build out and in relation to system requirements.
- The technical considerations of interconnectors are also different to most applications. At the moment the largest in feed is set at 500MW. This drives/maintains a number of technical requirements (RoCoF limit, required Operating Reserve etc.). A new Interconnector of 700MW would likely drive an increase in these technical requirements, for example an increase the need for reserve, thereby increasing the amount of wind curtailment at times of low demand. Consideration needs to be given to impact on other users of the system arising from new interconnection. Additional system requirements as a result of interconnection should not impose additional requirements/costs on other users of the system.
- The technical considerations also need to take the losses and ramp rates into consideration. It is essential that efficient market trades are not impeded by poor interconnector performance which limits the ability of the interconnector flows to respond to market signals.

IWEA looks forward to continuing to engage on this policy and the consultation when it is published.