

IWEA response to the CER Review of Connection and Grid Access Policy: Initial Thinking and Proposed Transitional Arrangements

[CER/15/284](#)

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IWEA welcomes the opportunity to comment on the CER Review of Connection and Grid Access Policy: Initial Thinking and Proposed Transitional Arrangements.

Introduction

IWEA welcomes the opportunity to respond to this consultation, and, in general, we agree with many of the principles outlined in the consultation paper. We acknowledge that this is a complex area that will require detailed consideration and consultation to ensure that the enduring grid access regime is fit for purpose. In this first section of our response we will outline some areas which we believe require further consideration, and then we will proceed to answer the consultation questions.

We would like to highlight at the outset that there are some changes currently under proposal within the draft Planning & Development (Amendment) Regulations 2016, which could significantly impact upon electricity projects and grid connections. This IWEA response is drafted in the context of appropriate legislation, and the grid access policy being compatible with the planning requirements. However, **we reserve the right to alter our positions outlined within this paper depending on the outcome of the legislative process.**

Timelines

IWEA has concerns in relation to the timelines associated with this process. While we acknowledge that detailed consultation is required at this time and it is important to ensure that the enduring process is fit for purpose, we are still concerned that the first offers under the enduring regime are unlikely to be issued in sufficient time to have been able to make a contribution toward the 2020 targets. The need for this review of Grid Access Policy is particularly acute in light of the following:

- The RES Directive outlines the need for Priority Access to be given to renewable generation.
- The energy policy space can change very quickly and we now believe there is a very real possibility that increased data centre load and predicted shortfall in RES-H and RES-T will drive the need to build more wind by 2020 or as soon as possible thereafter to allow Ireland to meet the overall RES targets.
- Even if RES-E targets were exceeded, this would be a “no regrets” outcome from a cost benefit perspective, as recent work by Pöyry for IWEA shows households’ average electricity bill will

reduce further the more that the 40% RES-E target is exceeded. CER must **not** approach this key policy change with a view that Gate 3 is complete and has achieved our targets.

- Connections are required for plant that is offering DS3 services. We believe DS3 cannot succeed without the immediate delivery of these services and path to connection must be made available quickly. The need for DS3 investment is even greater if more wind is required to meet our targets.
- A long and possibly speculative queue has developed for grid capacity, because there is no visibility of how or when a project could be connected.
- There is a need to consider the basic principles of grid access where, in an open electricity market, it is the market itself, along with Government support policies and priority access rules, that decides who connects, with the least possible involvement of complex decisions by the TSO and regulators.

The consultation paper assumes that Ireland will achieve the Renewable Energy Targets in 2020. IWEA would like to highlight some of the risks associated with reaching these targets:

- The REFIT 2 construction deadline of 2017 presents a risk to projects that are seeking to connect under this support scheme. There is a significant number of projects seeking to connect in this timeframe and it is anticipated that there may not be sufficient resources within the System Operators to ensure that all of these projects can connect in the required timeframe.
- This risk has implications for project financing whereby banks will require a buffer period in the region of 6 months from expected connection date. In order to reach this construction timeline, projects will need to achieve financial close in the first half of 2016. This in itself is a challenging requirement.
- Many projects have been delayed in the planning process and the grid connection offer modification process. These delays have implications in terms of delaying project financing.
- The number of projects outside the Gate process is having an impact on the resources available to process grid connection offer modifications. This in turn is resulting in delays.
- Ireland is currently not on target to meet the renewable energy targets in the areas of heat and transport. There may be a need for increased renewable electricity generation to offset this shortfall. The enduring process should anticipate this issue now, and be in place in sufficient time to allow for any shortfall to be addressed.
- Demand is increasing, and will continue to increase, in particular due to new data centers connecting in Ireland. This has a direct impact on the required installed renewable energy capacity to meet our 2020 targets, and again this should be accounted for in the next phase of connection policy.

In light of the risks associated with meeting the renewable energy targets, IWEA would urge CER to ensure that the consultation process for the enduring process advances in a timely manner so that connection offers can be issued in sufficient time to allow projects to connect in 2019 at the latest.

Smart Grid

IWEA recognises that substantial progress has been made in the area of smart grid on the transmission system and continued plans in this area. This can be clearly seen in the likes of the DS3 programme and the relatively high renewable penetration levels that have already been achieved, and are planned to be connected to achieve the 2020 targets.

However, to achieve renewable penetration levels in excess of 40% RES-E, which will be the case to achieve the 2030 targets and may still be the case to achieve the 2020 targets, further work is required in the area of smart grids. At transmission levels there will be the need for another programme to follow the existing DS3 programme. Considering the studies (All-island Grid Study, Facilitating Renewable Studies) that were required before the DS3 programme could be determined, IWEA requests that these studies are scoped and commissioned by EirGrid in 2016. Although it is appreciated that there is still substantial works to be done in the current DS3 programme, and this has to remain the primary focus, it is important that early stage studies are started shortly to look beyond the existing DS3 programme. Otherwise we believe there could be an unnecessary delay in moving beyond the 40% RES-E targets.

To-date there has only been limited work done on the distribution system in the areas of smart grids to help connect renewable generation. It is recognised that other smart grids works are being done by ESB Networks in the area of SCADA and Smart metering. However the distribution system is still being designed to, and renewable generators charged for, a worst-case scenario, i.e. all generation at full output and minimum demand. This case may only occur for a small number of hours a year, if at all. Non-firm transmission access was introduced in 2005 when it was recognised that it was not necessary for all reinforcements to be complete before a generator could be connected. It now appears the time to consider the introduction of a form of **non-firm distribution access**. As is the case at transmission levels there are alternative solutions to building more grid assets in the area of smart grids. As well as existing solutions this is a fast moving area as we see substantial advances in the areas of controllable demand and storage technologies. IWEA requests that ESB Networks starts an extensive study, in collaboration with industry, to identify both the technologies and policies required to bring smart grids for the connection of renewable generation at distribution level. The need for the review of this policy is also being driven by IWEA members seeing increasing connection costs for the connection of some distribution connected generation. IWEA expects this increase in cost to continue in the future. Furthermore, it is not clear why there is a shallow connection charging policy at transmission level and a deep charging policy at distribution level, where wind projects are more likely to be connecting. This is inequitable to projects connecting at distribution level. It should be borne in mind that all distribution connected projects above 5MW are already paying same TUOS charges as transmission connected projects.

Smarter use of the resources we have will allow more generation to connect to the existing network at a lower cost. The term 'sweat the asset' is often used in relation to this concept. IWEA believes that the network is currently under performing to its design capabilities and very far from being "sweated". For example, the simple area of dynamic line ratings during times of high wind generation makes use of the fact that the wind will cool down or dissipate heat in the network assets and can add huge amounts of capacity to otherwise fully loaded assets.

While IWEA supports the need to maximise the use of the existing network, it should be noted that this does not eliminate the need for further network development. Spare grid capacity is essential to ensure access for new entrants and the promotion of competition.

Constraints

There are a number of examples of current operational network constraints occurring where the assumptions made during constraints analysis were more optimistic than what is now applied in the operational phase. This is as a result of multiple margins for error being applied in real time. IWEA believes that smarter, more efficient use of the network could be made and requests that the CER examines this with the system operators in parallel with finalising this consultation to ensure that accurate constraints reports are issued, that the use of existing system assets is maximised and consequently unnecessary constraints are avoided.

Connection Costs

As well as using smart grids to help connect renewable generation at reasonable costs, there is more generally the requirement for the System Operators and Industry to look at ways that connection costs can be minimised. Without doubt through Gate 2 and 3 there was an increase in the connection cost for renewable generation. These additional costs have a substantial impact on the cost of renewable generation for consumers. This key issue will be exacerbated as we move potentially from a feed in tariff support scheme to a competitively tendered support scheme. We believe that it is timely for the System Operators to relook at the standards being used for the connection of renewables. For example, IWEA members with operations in Germany have been connecting their projects with containerised substations for over a decade whereas in Ireland we still require block built structures. ESB Networks are actually using containerised solutions in some of their own demand substations but there is no real mechanism for these standards to be reviewed for renewable connections. IWEA requests that a group is set-up with the clear mandate to review standards and ensure that over engineered solutions are not the normal accepted practice. Promoting this policy will reduce connection costs and connection works programs.

Addressing the current queue

There is currently 25,400MW in the queue for the Group Processing Approach. Each of these projects has paid an application fee of €7,000 to have their application accepted. The proposals in the paper propose that only applications received after the date the enduring process is established would be processed under the new criteria. There are real projects which have been waiting to have their applications processed since 2007. IWEA believes that planning consent ought to be an important criterion for the issuance of grid connection offers under the enduring process, though that could only work on condition that grid connections were delivered within the planning time horizon (or failing that either granting of deemed access or payment of liquidated damages). While we accept that date order should not be a first order criterion for the assessment of offers, we do believe that date order of application should be given some weight in the assessment, perhaps as a second order criterion. It would be extremely unfair on those projects that have been in the queue for a number of years not to have this taken into consideration. However it is also clear that this still gives a value to the date order in the queue which may not be appropriate on an enduring basis. Therefore IWEA puts forward the following proposal:

- **Planning consent should be a first order criterion** for grid access under the enduring policy (further detail to be developed on the exact requirements/interactions).
- **For the first round of offers only** under the enduring policy, date order of application is used as a **second order criterion**, e.g. for tie break and/or for firm access.
- **For all following rounds of offers** under the enduring policy, date order of planning consent is used as a **second order criterion**, e.g. for tie break and/or for firm access, and no further value is given to the existing queue of applications.

If the existing queue is not to be addressed in any meaningful way, the question arises as to what the application fee has been used for. IWEA suggests that for projects not continuing with an application under the enduring regime, a refund of the application fee be made available. This might be an incentive for some projects to exit the queue which would have positive effects for System Operators and projects in the queue which are still in development.

Date order of application or planning consent would also need to be taken into consideration when allocating firm access to projects.

Consultation Questions

Enduring Connection Policy: Objective, Principles and Approach

Do you agree with the policy objective for the Enduring Connection Policy? Are there other matters the CER should consider?

*The CER's policy objective for the Enduring Connection Policy is to provide a fair opportunity for generation **and demand** to receive offers of connection to the network taking account of system needs, efficiency, national **and EU** policy and the consumer interest.*

IWEA believes that a holistic view of the needs of the system need to be taken into account, including generation and demand side. It is important to ensure that we make the best use of the resources available to us, while at the same time maintaining spare grid capacity to enable innovation and new entrants to foster competition. It is also essential that EU policy be taken into consideration.

Do you agree with the application of the above underlying principles to the development of Enduring Connection Policy? Are there any other principles that the CER should consider?

End User Impact

In relation to End User Impact, IWEA would reinforce that the long term impact on the consumer needs to be taken into account, as well as the short term impact.

“End User Impact: Ensure that the process minimises the impact on the end-user cost of electricity and delivers services needed by consumers.”

Equity of Treatment

The policy objective outlines supporting national policy, however there is nothing in the principles which seek to promote renewable technologies over fossil fuel based technologies in line with Government Policy. IWEA proposes the following change:

“Equity of Treatment: Fair treatment for all those applicants wishing to connect and between different technologies of plant, *taking into account priority access and guaranteed transmission, as well as the National policy objective to decarbonize the energy system significantly by 2050 and completely by 2100*”

Security, reliability of supply and competition

Care must be taken to ensure there is no conflict between the o objectives, for example the policy “*must maintain (and improve) Ireland's security and reliability of electricity supply...*” could result in unnecessarily high and costly security of supply which would be inconsistent with the principle “*Ensure that the process minimises the impact on the end-user cost of electricity...*”

Optimal Grid Development

“Optimal Grid Development: allow the grid to develop in an optimal and cost effective manner and facilitate optimal use of the transmission system. This should minimise the need for new infrastructure.”

Clarification would be required as to what *“allow the grid to develop in an optimal and cost effective manner and facilitate optimal use of the transmission system”* means. Some criteria for “optimal” and “cost effective” should be referenced / defined or it should be stated how they will be defined and by who.

IWEA has concerns that the principle to minimise the need for new infrastructure may be overly restrictive and could result in a static grid. This is not likely to be the optimal solution and it is essential the infrastructure development continues to ensure grid capacity is available for new entrants and to allow competition to develop. This could be contrary to the objective of “Security, reliability of supply and competition” outlined in the paper.

What is your view on the high level processing approach outlined above? Are there other processing approaches the CER should consider?

IWEA welcomes the approach to move to more frequent, smaller rounds of offers, where the connection criteria have been met. There should be clear sight of when the rounds of offers will take place. Further consultation is required on determining the correct frequency of rounds of offers.

These more frequent rounds will enable an element of group processing to be maintained, which will ensure that some of the efficiencies of group processing can be kept, however there are concerns in relation to how this can be best managed from a planning perspective. This is something that will require further development as we progress through the consultation process and have better sight of the planning requirements being applied to electricity projects and their associated grid connections.

More frequent rounds of allocation of capacity will allow the level of connections to adjust based on policy developments, and on changes in demand.

IWEA agrees that the planning process is an important consideration, however this also adds a level of complexity and delay as outlined in the more detailed answers below. The key issue for the high level approach is that there must be certainty that real projects who are investing in development are assured that they will get a connection offer to the grid within a reasonable timeframe, and a connection within their planning horizon.

As noted in the introduction to this response, there are some changes under proposal in the draft Planning & Development (Amendment) Regulations 2016 which could significantly impact upon electricity projects and grid connections. **We reserve the right to alter our positions outlined within this paper depending on the outcome of the legislative process.**

Enduring Connection Policy: Key Policy Drivers to determining Appropriate Connection Criteria

Do respondents agree that the CER should consider the connection of renewables as one of several drivers to be balanced in the development of an enduring connection policy?

The connection of renewables, and other enabling technologies, still remains one of the main drivers of enduring connection policy as we move to a more sustainable energy system. The following policy drivers emphasise the continued importance of connection policy for renewables and enabling technologies, and should be taken into consideration. Policy decisions made now will impact the generation mix for a significant number of years to come.

- The Government White Paper, published in December 2015, outlines the policy pathway to 2050 and 2100:

“Our vision of a low carbon energy system means that greenhouse gas (GHG) emissions from the energy sector will be reduced by between 80% and 95%, compared to 1990 levels, by 2050, and will fall to zero or below by 2100.”

- According to the EU Commission, the Energy Union Paper restates the Union’s message on renewables that *“The European Union is committed to becoming the world leader in renewable energy, the global hub for developing the next generation of technically advanced and competitive renewable energies. The EU has also set an EU target of at least 27% for the share of renewable energy consumed in the EU in 2030.”*

Should connection policy make explicit provision for interconnectors? If so, what issues should the CER take into consideration?

The new policy should take a holistic view of all connections to the system.

Should the technologies and projects currently covered under the non-GPA process be processed under the GPA process when the new connection policy is implemented?

IWEA supports that a non-GPA process should be maintained when the new connection policy is implemented, however, as outlined in our response to the transitional arrangements, we propose that the thresholds for connection outside the GPA process should be reviewed and that the same threshold be applied to onshore wind and solar projects. IWEA also proposes that consistent grid code compliance requirements are applied to all renewable projects of the same size. R&D projects should also be assessed outside the GPA process along with catering for Autoproduction and small scale developments under 1MW.

Should some categories of project be processed outside the GPA process when the new connection policy is implemented?

See response to the previous question.

Do respondents agree that the CER should progress the development of the Enduring Connection Policy in advance of I-SEM go-live?

IWEA strongly believes that the Enduring Connection Policy should be advanced in as short a timeframe as possible and should not wait until after I-SEM go-live. As outlined in the introductory section, IWEA believes the timelines are extremely important for this consultation process. Any risk of delay to I-SEM should not impact this connection policy. IWEA agrees with the CER position and does not consider that there are any direct interactions between connection policy and I-SEM that would require the development of the Enduring Connection Policy to wait until the full implementation of I-SEM was completed.

Should connection policy facilitate a mix of generation and in particular facilitate providers of system services? Should connection policy focus on certain technology types or rely entirely on market signals?

Connection policy should facilitate a mix of generation including those which can provide system services where they are required. Connection policy should align with Government policy to move to a more sustainable energy system and a focus on decarbonisation, including implementing priority access and guaranteed transmission. The market signals are currently not there to achieve this policy and therefore this should be taken into consideration in the connection policy in parallel with developing the procurement process for DS3 system services.

Should projects which make the most efficient use of the existing network be prioritised over projects driving more deep reinforcements?

In the short term consideration should be given to prioritizing projects which can make use of the existing network, and which are in line with the national policy objective of decarbonisation of the energy sector, in particular in light of the difficulties associated with infrastructure development. However, the network should not be considered as a static piece of infrastructure and will continually need to change as our use of the system changes. Therefore the network should not be a limiting factor in terms of new connections in the long term. Spare grid capacity is the key to competition in electricity markets, so a policy which uses every last bit of spare grid is not appropriate as an enduring approach as this minimises competition and could result in over-charging of consumers.

IWEA has a number of additional comments in relation to making the most efficient use of the existing network:

- It will take considerable time to identify where network capacity is available. IWEA suggests that this analysis be carried out in parallel with the consultation process to ensure any delays associated with this are minimized. This study should be commenced upon closure of the deadline for releasing grid capacity on 30th June 2016.
- The assumptions associated with the ITC run should be revisited to ensure the most efficient operation of the network. There are certain aspects that should be revisited such as the n-1 criterion or operating the system more dynamically. Further engagement is required with stakeholders in relation to this and we propose a stakeholder forum be held to determine the appropriate assumptions.
- The Gate 3 process identified many associations with deep reinforcements which have now been deemed as not required. IWEA believes that better use of the resources we have, and a move away from the need to design for 100% firm capacity at all times, will result in much more connection capacity being made available. It will be much more sensible to pay generators for small amounts of potential constraint than planning major 400kV works for example.

Should large demand connection which makes the most efficient use of the existing network be encouraged through the Enduring Connection Policy?

The new policy should take a holistic view of all connections to the system, however further discussion and clarification is required in relation to what is envisaged for demand connection policy. IWEA believes that this does not fall within the scope of this particular consultation as further detail is required.

Are there any specific issues the CER should take into consideration regarding community based schemes?

IWEA sees benefit in communities being involved in the generation of their own wind energy projects. The consultation paper notes the legal obligations of non-discrimination between users seeking to connect to the system and believes this is the appropriate approach for CER to take in determining connection policy. The most appropriate place to promote the connection of community based schemes is through the support schemes and incentives, which is being addressed through a consultation process being run by DCENR. A well designed connection policy will not need to discriminate based on any ownership criteria. Any development with planning permission should be assured of a grid connection within a reasonable timeframe and at a reasonable cost.

Should the CER include planning permission in the criteria for receiving a connection offer?

IWEA believes that any new access regime must aim to ensure that speculative grid application is not promoted. To date with Gate 2 and Gate 3 potential generators have had no view of any future access

regime beyond the next “gate”. This placed a high value on attaining grid and meant that projects which may only be at conceptual stage were forced to apply for a new connection. The date order system has promoted speculative applications.

We believe that planning consent must be a fundamental component to receiving grid access in any new regime. If grid access is allocated to real projects which are at an advanced stage of development this will remove the need to modify and relocate grid offers. Further detailed work will be required in relation to determining the detail around the exact requirement that could be put in place.

It is essential that if planning consent is a component for grid access, the grid reinforcements required to connect that project must be delivered before the planning permission expires. It is unreasonable to expect that a project will build in advance of the grid reinforcements where unacceptable levels of constraint might be expected.

IWEA has ongoing concerns in relation to the impact of the recent O’Grianna case for developers and system operators. This case has implications on the ability of wind farms to achieve planning permission in the absence of a grid connection offer, and more detailed consideration will be required to ensure that the requirements for grid access are appropriate and achievable. There are some changes under proposal in the draft Planning & Development (Amendment) Regulations 2016 and the interaction of planning with grid connection policy is something that will need to be revisited when there is further clarity available to the industry. IWEA’s initial view is that developers will need to be able to request early feasibility studies from the system operators to assess possible grid connections. This would allow developers to take the grid connection into account in their planning application, while acknowledging that this may be subject to change at a later date. **It is imperative that the grid and planning application processes can operate in parallel.**

Have we identified the correct policy issues? Are there policy issues which we have not accounted for? Should the GPA process be retained? And should there be more frequent rounds of offer processing?

IWEA welcomes the approach to move to more frequent, smaller rounds of offers, where the connection criteria have been met. There should be clear sight of when the rounds of offers will take place.

These more frequent rounds will enable an element of group processing to be maintained, which will ensure that some of the efficiencies of group processing can be kept, while also providing certainty that further offers will issue, however there are a number of issues that would need to be addressed to ensure that projects can be delivered under this type of policy using the criteria outlined.

IWEA notes that the size of Gate 3 was very large and made it difficult to progress all of the projects. Reasonably regular rounds of offers should be more manageable. By having additional criteria for the application, developers will have to pass a higher bar before a grid application can be achieved, which will provide a natural cap for applications in a given period. Bearing this in mind, IWEA proposes that all

projects which meet the criteria be offered a grid connection and that there is no MW limit on the capacity available.

There are a number of important questions that need to be answered before the correct policy can be determined.

- That is the appropriate timing and/or size of gates?
- How should network capacity drive connection policy?
- How much should it be grid led?
- How will group processing work?
- How does planning for grid connection work?

IWEA proposes that a workshop be held to identify and resolve these issues. It is important that lessons are learnt from the approach that was used in Northern Ireland and the experiences they have had in relation to the lack of a working group-processing approach to ensure the appropriate grid infrastructure build-out resulting in a bottleneck of connections.

Should the non-GPA approach be revised?

IWEA supports that the non-GPA process should be maintained when the new connection policy is implemented, however, as outlined below, we propose that the thresholds for connection outside the GPA process should be reviewed and that the same threshold be applied to all generation technologies. R&D projects should also be assessed outside the GPA process along with catering for Autoproduction and other small scale developments. The European Network Codes will be introducing new Requirements for Generators in relation to controllability. This needs to be borne in mind in relation to the enduring Grid Access Policy. IWEA also proposes that consistent grid code compliance requirements are applied to all renewable projects of the same size.

Transitional Arrangements

Comments are requested on the above proposed transitional arrangements, specifically:

Whether these transitional measures should be implemented ahead of the development and implementation of the Enduring Connection Policy;

The timing of such arrangements (30th June 2016 for policy measure (1) and (2));

The appropriate level of increase in capacity under policy measure (2) to deliver most final customer benefit.

IWEA welcomes the introduction of transitional arrangements ahead of the development of the Enduring Connection Policy. The date of 30th June 2016 appears to be appropriate. Further comments on the more detailed aspects are provided below.

Addressing Unused Grid

IWEA supports option within the paper in relation to providing an incentive for projects which are unlikely to become operational to release their capacity before the termination of their connection agreement, and to refund 100% of a project's first stage payment, net of monies spent by the SOs, until 30th June 2016.

IWEA also requests that an amnesty be provided for unused grid capacity in cases where a project has not used the full capacity in its connection agreement. The current policy is that a penalty needs to be paid where the full MEC has not been installed which encourages people to hold on to capacity to explore further opportunities. IWEA believes that an incentive is also required in relation to returning excess capacity.

As outlined above, there are significant challenges remaining in relation to meeting our renewable energy targets for 2020. We are concerned that the first offers under the enduring regime are unlikely to be issued in sufficient time to be able to make a contribution toward the 2020 targets. In light of these concerns, IWEA believes there is a role for having additional flexibility in the COPP rules for a time limited period, to ensure that the maximum renewable capacity can be added to the system. For example, there may be cases where capacity could be relocated to another site (not at the same node), or projects which have paid 2nd stage payments which are seeking to split, however this is not currently permitted under the COPP rules. If this were to be permitted it would further the objectives of more efficient use of the network and increasing the levels of renewables on the system. IWEA proposes the following:

- Increased flexibility in COPP rules for a time limited period.
- Capacity must be moved to a site with planning permission.
- Modification to connection agreement must be deemed complete by 30th June 2016. This will allow those unlikely to progress to return capacity if the mod cannot be processed.

- No re-run of the ITC would be expected under this flexibility, and it may be the case that these projects will be connecting on a non-firm basis.

This allows more efficient use of the electricity network and ensures that projects will be able to deliver in a shorter timeframe. Many of these projects in new locations are likely to qualify under the enduring regime as they have already fulfilled the requirement for planning permission.

Non-GPA approach

There is a significant number of solar applications in the system which will use grid capacity ahead of the next batch of wind projects being processed. Concerns have been raised as to how this can be managed and whether the current non-GPA process should continue in its current form.

IWEA calls for an **immediate review of the non GPA process**.

- We propose that solar projects be treated in the same way as wind until the enduring regime is in place.
- IWEA has previously called for the non-GPA to allow for up to 1MW for wind generation. Solar could be aligned with this.
- Autoproduction connections would still be allowed as normal.
- Consideration should be given to controllability of non-GPA connections.

There is a clause in the **CER/09/099 Treatment of Small, Renewable and Low Carbon Generators outside the Group Processing Approach** decision paper which states:

“Review of Arrangements

The Commission will monitor the situation on an ongoing basis following the implementation of these arrangements. Should the number of projects or the quantity of MW being processed outside the GPA become unmanageable, or if constraint costs to other generators become material or other distortions are caused the Commission reserves the right to review these arrangements.”

Therefore IWEA could call for a review under this as the number of applications now appears to be unmanageable.

10% increase in MEC

IWEA supports the increase in MEC by 10% **so long as it is available to all generators**, with particular focus on supporting the decarbonisation objective through increased renewables capacity or projects that support DS3. In order for IWEA to support this the proposed criteria would need to be opened up as follows:

- This would need to be open to all projects, both firm and non-firm.

- This would need to be available for transmission and distribution connected projects.
- The projects should be able to have additional shallow assets constructed.
- Clarification is required that the extra 10% does not have to be installed by 30th June 2016.

An increase in MEC will allow for much more efficient use of the grid infrastructure and will enable an increase in the availability of renewable electricity.

There are also a number of other aspects that would have to be addressed in relation to this to ensure the best use can be made of the extra capacity including modification of existing connection agreements, regulatory and market issues, Grid Code, controllability, new units, etc. A workshop could be held to identify these requirements.

In the absence of these changes to criteria, IWEA would be **strongly opposed** to the measure being introduced as a policy which is only open to small subset of connected generation and may run contrary to the objective of decarbonisation of the electricity system through increasing the capacity of existing plant which do not provide system services or provide additional renewable capacity.

Shared Connection Agreements – Extension Projects

For some projects, amendments are required to connection agreement conditions to permit efficient development of extension projects. Currently grid connection arrangements do not allow the secondary project companies to share connection points as separate legal entities, affecting extension and co-location projects.

Clause 4.3 of the General Conditions of Connection and Transmission Use of System expressly prohibits the sharing of connection points:

“The Customer may not connect or take any action with a view to connecting any premises, other than the Customer premises, whether owned or controlled by the customer or by another Customer and whether generating or consuming electricity or doing both of these, to the Company’s Connection Equipment, and may not permit or act in collusion with any other person or any third party receive supply of electricity recorded on the Metering associated with the Connection Point.”

The impact of this clause prevents any extension or co-location from using a shared grid connection if they are not the same legal entity. As many projects build out in phases they can require separate financing arrangements and hence separate legal entities under the same parent company. However, this is prohibited in the clause above.

IWEA proposes that a review of the policy governing the Connection Agreement General Conditions take place immediately to identify a suitable change to the grid connection agreement that will enable legal entities with the same parent company to share the same grid connection and ensure that extension

projects continue to be progressed. Extension and co-location projects are essential to maximising the use of shallow connection assets.

IWEA understands that the system operator is presenting a proposal to the CER on how to address this issue. IWEA requests that this issue is addressed and closed out in a prompt manner in parallel to this consultation to ensure extension and co-location projects can continue to be developed.

DS3 System Services

IWEA supports the promotion of projects which can help deliver the required DS3 System Services. Clarification is required in relation to the following:

- *“identified by the TSO as being in insufficient supply”* – we would ask that details of the identification process be made available (or that the Grid Access Policy reference the relevant part of the DS3 System Services process documentation when this is available)
- *“unit can demonstrate that it can deliver the DS3 System Services...”* – similarly the requirements on the unit for this demonstration should be stated or referenced clearly.
- *In what order are projects assessed in relation to this.* IWEA proposed that the grid application date could be used.

Conclusion

In conclusion, IWEA welcomes the opportunity to respond to this important consultation. We have outlined concerns in relation to the timelines for the enduring grid connection policy and welcome the introduction of transitional arrangements. We have outlined a number of aspects which require further deliberation and would welcome increased stakeholder and engagement to address some of these aspects. In particular, we note that stakeholder workshops will play an important role in the development of this policy.

Some of the main aspects for consideration in our response are outlined as follows:

Enduring Arrangements

- IWEA welcomes the approach to move to more frequent, smaller rounds of offers, where the connection criteria have been met.
- Connection policy should facilitate a mix of generation including those which can provide system services where they are required.
- In the short term consideration should be given to prioritizing projects which can make use of the existing network, in particular in light of the difficulties associated with infrastructure

development. However, the network should not be considered as a static piece of infrastructure and will continually need to change as our use of the system changes.

- The assumptions associated with the ITC run should be revisited to ensure the most efficient operation of the network.
- We believe that planning consent must be a fundamental component to receiving grid access in any new regime, however further work will be required to assess the interaction between planning legislation and the grid connection policy to ensure it is fit for purpose.

Transitional Arrangements

- IWEA supports option within the paper in relation to providing an incentive for projects which are unlikely to become operational to release their capacity before the termination of their connection agreement.
- IWEA is calling for a review of the non GPA process as the number of applications, in particular solar, now appears to be unmanageable. We are calling for solar applications to be treated in the same way as wind.
- IWEA supports the increase in MEC by 10% **so long as it is available to all generators**, in particular those that contribute to the decarbonisation objective through further addition of renewables or provision of DS3 system services.
- IWEA supports the promotion of projects which can help deliver the required DS3 System Services.

IWEA requests the opportunity to meet with the CER to discuss this response in more detail. It is of fundamental importance to the electricity industry that the new connection policy is fit for purpose and we look forward to engaging further on this.