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Commission for Energy Regulation
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5th February 2016

Re: Review of Connection and Grid Access Policy CER/15/284

Dear Sir/Madam,

An Taisce welcomes the consultation on the Review of Connection and Grid Access Policy, and would like to make the following comments which we request the Commission take into consideration.

We would appreciate notification of further developments regarding the proposal and to discuss the conclusions of this consultation.

Is mise le meas,

Alannah Ní Cheallaigh-Mhuirí
An Taisce Climate Committee

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Submission to the Commission for Energy Regulation

Review of Connection and Grid Access Policy:
Initial Thinking & Proposed Transitional Arrangements

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Executive Summary

While a number of important points have been raised in the CER review document there are two issues which have not been sufficiently addressed throughout.

- The overarching drive towards decarbonisation
- Inclusive community engagement in this transition

An Taisce believes these two issues are of paramount importance in line with international and national policies and targets, climate science and importantly with the extensive consultation carried out by DCENR and reflected in the Energy White Paper: Ireland's Transition to a Low Carbon Energy Future[1]. This lack will be addressed through An Taisce's response to a number of questions posed in the review document.

3.1 Do you agree with the policy objective for the Enduring Connection Policy? Do you agree with the application of the underlying principles to the development of Enduring Connection Policy?

"The CER's policy objective for the Enduring Connection Policy is to provide a fair opportunity for generation to receive offers of connection to the network taking account of system needs, efficiency, national policy and the consumer interest."[2]

An Taisce wish to comment on the following three aspects of the policy objective (quoted above) for the Enduring Connection Policy and where applicable, the related underlying principles:

- 'providing a fair opportunity for generation to receive offers of connection to the network'
- 'national policy'
- 'the consumer interest'

'Providing a fair opportunity for generation to receive offers of connection to the network'

This aspect of the policy objective is supported by one of the underlying principles of development: *"Equity of Treatment: Fair treatment for all those applicants wishing to connect and between different technologies of plant."*

While equal treatment for all applicants wishing to apply for access to the grid seems appropriate on first reading, An Taisce contends that not all electricity generation has equitable consequences. The negative impact of fossil fuel use and extraction on the planet and people far removed from the decisions to keep burning them is not fair or equitable. Thus, giving equal opportunity for access to fossil-fuel and renewable generators, regardless of the difference in impacts, is not necessarily prudent. Neither is it in line with the direction of decarbonisation and expansion of renewable energy indicated by National and European Policy (this point will be expanded below).

We recognise the need to maintain security of supply and adequate dispatchable energy however, so we suggest that priority should be given to renewable generators to access the grid and to development of energy storage solutions for the grid, except in the case that security of supply is threatened. Furthermore, measures should be taken to prevent the unjust practice of developers selling speculative grid connection applications for profit.

'National Policy'

Upon consideration of this document it appears that the CER seem to have taken little stock of recent and evolving developments in policy which have utmost relevance to this review.

- The Energy White Paper
- The Climate Act[3], including the National Policy Position[4]
- The Paris Agreement[5]

The Energy White Paper

This review document was drawn up before the release of the Energy White Paper: Ireland's Transition to a Low Carbon Energy Future 2015-2030. This is a considerable oversight and indicates of a lack of coordination between the CER and the DCENR, given the implications of that document for the whole energy sector.

'Our Energy Vision' (Section 2.6, paragraph 36. of the Energy White Paper), states that by 2050 "A radical transformation of Ireland's energy system is required to meet our climate

policy objectives. This transformation will result in a low carbon energy system by 2050. By this we mean that GHG emissions from the energy sector will be reduced by between 80% and 95% compared to 1990 levels".

By 2030, "we will be a leader in renewable energy deployment with a broad portfolio of large and small scale renewable energy technologies" and "there will be a marked reduction in our reliance on fossil fuels" (Section 2.6, paragraph 37).

The Climate Action and Low Carbon Development Act 2015

The recent Climate Act promises to secure "the transition to a low carbon, climate resilient and environmentally sustainable economy by the end of the year 2050" and that this goal will have regard to the policy of the Government on climate change (outlined in the National Policy Position) in addition to international commitments.

The National Policy Position (page 2) indicates that electricity generation should now be on a steep low carbon trajectory to 2050 - "an aggregate reduction in carbon dioxide (CO_2) emissions of at least 80% (compared to 1990 levels) by 2050 across the electricity generation, built environment and transport sectors". Clearly meeting this target should be a dominant feature of any revision of grid connection policy yet reference to the National Policy Position (NPP) is entirely absent from this review document.

Moreover, climate science shows that limiting climate change requires limiting future cumulative CO_2 emissions; the IPCC state: "Limiting climate change will require substantial and sustained reductions of greenhouse gas emissions". The only way for the NPP 'end-date' target to be effective in limiting the combined sector's climate impact is to begin an emission path toward the target immediately. Only substantial and sustained reductions can satisfy this requirement; therefore rapidly decarbonising the electricity system cannot wait. The target already implies a reduction rate of over 4% per year across the aggregate sector (transport, built environment and electricity generation).

A significant implication of this policy imperative is that rapidly decarbonising electricity generation can greatly reduce transport emissions if roll-out of electric vehicles are also prioritised by government. This would doubly reduce emissions in the combined sector as well as providing energy storage in electric car batteries.

An Taisce wish to draw the attention of the CER to these obligations which now apply to them and all other relevant bodies under section 15 of the Climate Action and Low Carbon Development Act 2015. The adoption of a policy or strategy which does not aim to keep the sector in line with transition to a low carbon climate resilient and environmentally sustainable economy would not be lawful due to failure to comply with the obligations in Section 15 of the Act.

The Paris Agreement

The Paris Agreement, adopted by the Government of Ireland in December and due to be ratified this April, is ambitious in aiming to keep global temperature increase below 2 °C above pre-industrial levels. Its most powerful means of achieving this goal is the inclusion of the 'ratchet effect' which aims to avoid backsliding by member countries on emissions reductions and creates higher targets as time goes on; towards the ultimate goal of system decarbonisation. In this regard it would be prudent to expect that the targets for 2030 will be even more ambitious than currently envisaged.

Conclusion

Despite the implications of the Energy White Paper, the Climate Act, the National Policy Position and the Paris Agreement for decarbonisation of the electricity system, incongruously, the CER appear to see the 40% RES-E target as the renewables mission successfully accomplished.

Ireland is currently on track to have sufficient renewable generation connected to meet its RES-E target of 40% of electricity consumption from renewable sources. An Taisce applaud this achievement but advise that the CER not become complacent after approaching only the first hurdle.

On page 13 of this review, the CER states that "given that no new or revised targets for member states for post 2020 have been outlined to date, connecting a large number of renewables to the system … may no longer be as significant a driver of policy". An Taisce strongly advise the CER to be prepared for ever higher renewables targets. To plan otherwise is short-sighted in the extreme, given the multiple national and international policy drivers aiming towards eventual total decarbonisation and intent on releasing new targets imminently. These policy drivers imply that urgent and immediate planning for substantial and sustained decarbonisation of electricity generation is essential to all Connection and Grid Access Policy.

The review document says "connection policy will have to adapt to facilitate any obligations in relation to renewables or low-carbon generation for Ireland that emerge from the 2030 targets currently being considered by Government."

Rather than having to 'adapt' an ill-fitting policy to new targets as though they are unexpected, An Taisce advise an ambitious and inclusive policy of preparing to ramp up the introduction of renewables to the grid. We have suggested additional principles to support the CER carrying out this policy.

'The consumer interest'

This aspect of the policy objective is supported by another of the underlying principles of development; End User Impact: *"Ensure that the process minimises the impact on the end-user cost of electricity and delivers services needed by consumers."*

The interests of end-users and impacts on them extend beyond short-term monetary gain or loss. The Energy White Paper states that "policy will seek to achieve optimum benefits at least cost, while recognising that decarbonisation will both incur costs and deliver benefits" (Section 2.8, action 43). The cost of not rapidly decarbonising the electricity system could have greater impacts on end-users in terms of the worsening effects of climate change as well as financial penalties passed on to citizens for not meeting future international targets.

Are there any other principles that the CER should consider?

The revised objective of the Enduring Connection Policy should be supported by these additional underlying principles of development:

Climate Awareness

Proposed applications must support and enable Ireland's transition to a Low Carbon Energy Future ensuring a radical transformation of Ireland's energy system to meet climate policy objectives as outlined above. An Taisce regards decarbonisation as an objective of primary importance in the development of electricity generation. Failure to move away from fossil fuels now will result in stranded assets when we meet our own policy objectives in the coming decades.

Electricity storage is expected to play an important role in facilitating the deployment of intermittent renewable energy technologies (section 5.4, action 161 of Ireland's Transition to a Low Carbon Energy Future – 2015-2030). "The EU's Energy Roadmap 2050[6] confirms that storage technologies remain critical, and that future integration of RES-E will depend on increased storage capacity. Electricity storage can be deployed in a number of circumstances in Ireland, including at grid-scale and at consumer level. It is imperative that the CER give particular consideration to the deployment of electricity storage now, in order to facilitate the required increase in uptake of intermittent renewable energy in the future.

The review document states that "*there is a significant capacity surplus, both in terms of dispatchable generation (7,487MW11) and total plant (9,598MW) on the system*". An Taisce is of the view that the CER should take advantage of the current capacity surplus to get ahead in facilitating the decarbonisation transition. Allowing grid access to a diverse

range of storage facilities and renewable energy generators now, will make the inevitable process of phasing out fossil fuels smoother. If we wait for demand to exceed capacity to encourage growth and development in this area fossil fuels will be much more difficult to phase out; potentially leaving us open to stranded assets and penalties for missing future targets.

Comprehensive Public Participation

Effective engagement is essential in order to allow transition to a low-carbon economy. Public acceptance of large scale renewables projects has been damaged in Ireland as a result of insufficient community engagement to the extent that it has been detrimental to the reputation of wind energy production in general.

A central aspect of the vision of our Energy Future outlined in the Energy White Paper, is that "citizens and communities will be active participants in the energy transition, with robust public and stakeholder engagement in energy policy and effective community consultation on energy infrastructure developments". All applicants must prepare, practice and review a comprehensive communications strategy with genuine consideration for the participation of the public.

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

An Taisce consider that the energy system of the state must benefit the citizens of the state. Taking into account the two additional principles we have suggested – climate awareness and comprehensive public participation, An Taisce urge the CER to adopt a policy of ranking 'public good' as a priority when considering applications for grid access.

Renewable projects that reduce CO_2 emissions or facilitate same (such as energy storage), projects that are community-owned, projects which further research and development in these areas or projects where profits and other benefits go to public good should be ranked higher than those which do not. An Taisce believes that the minimum acceptable effort by the CER in this regard would be to ensure that a proportion of not less than 50% of new energy generators granted access to the grid satisfy at least one of the 'public good criteria" mentioned.

An Taisce welcome the proposal that "issuing offers and processing connections should change from infrequent, relatively large batches to more frequent, smaller rounds of offers, where the connection criteria have been met."

4.1 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?

An Taisce are cognizant of the importance of other economic drivers which need to be balanced in the development of an enduring connection policy, however, we believe that the connection of renewables underlined by the drive for decarbonisation to be of primary importance in addition to security of supply, in the coming decades (which are all that remain for a feasible attempt to avoid dangerous climate change.)

We therefore reiterate our answer for Question 3.2, that renewable projects that reduce CO_2 emissions or facilitate same (such as energy storage), projects that are community-owned, projects which further research and development in these areas or projects where profits and other benefits go to public good should be ranked higher than those which do not and this should be should be reflected in a proportion of at least 50% of new applications granted access. The Tipperary Energy Agency suggest that based on the 2020 targets, the targets for 2030 would equate to a 67% RES-E target, therefore this should be a minimum objective. An Taisce support this argument showing the importance of connecting renewables to the grid.

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

Yes. An Taisce suggests that if the new connection policy and process has taken into account the two suggested additional principles (in section 3.1 of this submission) and the amendment to the high level processing approach (in section 3.2 of this submission) regarding additional criteria for acceptance, that there will be no need for a separate non-GPA approach. All proposals will be measured against the same criteria in line with the relevant public policy objectives and a transparent procedure.

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

Yes. Reform of the grid processing approach is required in the short-term.

4.4.2 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?

The system services required should be one element of the assessment. The above points on rapid decarbonisation and a comprehensive inclusive role for energy citizens should be borne in mind at all stages and in all aspects of connection policy. Therefore the drive to decarbonise should supersede a drive for a mix of generation with fossil fuels. As previously mentioned, facilitation of access for energy storage solutions and R&D projects on same should be particularly emphasised in order to manage a smooth transition to greater proportions of intermittent renewable energy in future.

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

To a certain extent projects that facilitate generation and system services utilising existing networks should be prioritised, however this needs to be balanced with our international targets, the overall energy policy in Ireland and the criteria of public good emphasised above. It may be prudent to facilitate development of the network in specific areas identified by the CER as suffering a "cumulative impact of ...clustering of projects at certain points on the network" (section 2.2, page 9) rather than reigning in access for small-scale renewable and community projects under the driver of efficient use of the existing network.

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

In section 4.5, paragraph 100, the Energy White Paper recognises the need for "facilitating access to the national grid for designated renewable energy projects and developing mechanisms to allow communities to avail of payment for electricity, such as the ability to participate in power purchase agreements".

An Taisce refers the CER again to the suggestion put forward in section 3.2, that projects that are community-owned should receive the highest high ranking regarding a public good criterion. An Taisce is aware that many private developers will feel that this is discriminatory; however, it is suggested that these developers retain the ability to contribute to the public good by means of providing financial or other concrete benefits to the public. This will drive the transition to an inclusive Energy Future led by energy-citizens who are supportive of projects and assist in their development. Projects that do not contribute to the public good should receive low rankings in the process of application for grid access and this should be reflected in the lower proportion of that type of projects gaining access to the grid.

The National Economic and Social Council have published a detailed study on this topic[7] and should be involved in deeper consultation on the subject. The CER and the state have previously noted the benefits of widespread local distribution of the economic returns of an energy generation project.

An Taisce recommend facilitating access for community based schemes through mandated support structures by the SO's. These should ensure that the costs associated with grid connection should not be prohibitive and should be varied depending on the size of the installation. This will ensure small to medium size installations do not bear a disproportionate level of cost.

Electricity utility companies should be mandated to create Power Purchase Agreements (PPAs) with small generators, with a low cost / admin model, so that small generators can receive payments for the electricity they export to the grid. Every installation need not be connected to the grid however; the barriers preventing self-sufficiency, local grids, off-grid communities and electricity sharing should be removed.

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

Yes, planning permission should be required as a means to prevent speculative applications being sold on for profit. The CER should be aware that applicants will now require planning permission for both project and grid connection as one project.

4.5 Have we identified the correct policy issues? Are there policy issues which we have not accounted for?

An Taisce appreciates that a number of the correct policy issues have been raised in this review. The policy issues which were missing or inadequately addressed, namely the overarching policy of decarbonisation of the Irish electricity system and the inclusive

energy citizen focus, have been addressed by An Taisce and recommendations given throughout this submission.

Should the GPA process be retained? And should there be more frequent rounds of offer processing? Should the non-GPA approach be revised?

See our response to section 4.3

5. 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.

An Taisce require a detailed discussion with CER around these transitional arrangements. The proposed transitional arrangements appear misplaced in that they are tacked on to the end of this policy review. It also appears that the CER intend rushing quickly into a policy transition that we are only in the process of being consulted on. There is a lack of transparency and clarity in this regard; thus An Taisce cannot support the proposal for these arrangements to go ahead early in 2016 without more detailed consultation, such as a workshop on the subject.

Conclusions

An Taisce welcome the opportunity to be involved in this review process. The scale of the decarbonisation challenge is a steep one, but one that we can and must engage with fully. We congratulate the energy sector including the CER on being a leading Irish sector for meeting our emissions targets so far. We fully support the citizen-centred decarbonisation vision outlined in the Energy White Paper and look forward to its implementation by the CER amongst others. We hope that our suggestions for how this can be achieved will be realised as a necessary part of this transition. We would appreciate notification of further developments regarding the proposal and to discuss the conclusions of this consultation.

References

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