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## RE: Investment Planning and Delivery Report 2018

Dear All,

The Irish Wind Energy Association (IWEA) is the representative body for the Irish wind industry, working to promote wind energy as an essential, economical and environmentally friendly part of the country's low-carbon energy future.

IWEA would like to thank EirGrid and ESB Networks (ESBN) for the opportunity to provide feedback on the Investment Planning and Delivery Report 2018. Grid development is an essential part of meeting our long-term decarbonisation goals and as such, IWEA welcomes these new reporting requirements and would recommend that this reporting framework continues into the upcoming PR5 reporting period.

We would like to take this opportunity to provide feedback on the report and highlight where potential improvements can be made.

Our high-level view of this report is that it is a useful starting point in understanding the TSO/TAO grid development process and the list of completed and ongoing projects, as well as statistics such as the 570 MW of firm access that was released from the completion of ATRs, are welcome achievements and beneficial pieces of information. However, as it is intended that these reports will inform an incentive mechanism, we suggest that further detail is needed on project timelines and progress against which TSO/TAO performance can be judged.

Lack of transmission capacity is likely to be the biggest challenge in terms of meeting our 2030 targets for onshore, offshore and solar development. There is currently a lack of transmission capacity in areas of the country where large numbers of renewable projects are planning to connect. Many connected renewable generators are already seeing constraint levels over 5%, particularly in the West, North-West and South-West due to network limitations. There is a

high risk these constraint levels will reach into double figures, for both existing and future projects, if the grid isn't reinforced in time for the future pipeline of renewable projects.

If the system operators wait until renewable projects have been consented, or have received a connection offer, before starting to design and consent grid reinforcement projects, then there will be insufficient network capacity to accommodate the volume of renewables needed for 2030.

Timelines to reinforce the grid can vary considerably depending on the extent of works required. While network sweating strategies have the potential to free some additional capacity relatively quickly, in a 2030 context, their overall impact is limited due to the sheer volume of new renewable energy required to connect to the grid. Therefore, new network infrastructure will be required in order to deliver the renewable volumes needed for 2030. As the complete development timeline for a new overhead line or substation can be as much as 10-15 years, this presents a major challenge to delivering on 2030 climate objectives.

This is likely to result in high constraints being incurred by the new generator, which will affect the commercial viability of projects entering the development pipeline. It will also lead to lower renewable energy levels for Ireland and higher costs to the consumer as developers will price anticipated constraint levels into their RESS bids.

Therefore, a reporting and incentive mechanism that facilitates timely and effective grid development is very important. As such we believe that this report would benefit from more detail on project timelines and progression including anticipated milestone dates. While the report lists the number and type of projects completed or in development, it is unclear how performance overall can be measured without a baseline or appropriate benchmark. For example, projects that span multiple years of development should have project milestones so that readers can tell whether a project, or stage of a project, was delivered on time or what the subsequent stages of development are so that performance can be monitored and judged in future reports. Furthermore, while the report notes that transmission needs are constantly evolving and that new projects will likely arise within each year, there should still be a set of targets for the start of the year in terms of project progression against which performance can be measured. This would be an easier and more transparent mechanism to incentivise process improvements and should be included in the report.

We would suggest that a live register with project updates as they progress through the grid development process should be developed for the EirGrid website to aid in this area. This would be in addition to the annual Transmission Development Plan and could incorporate the current quarterly ATR updates.

It would be useful for industry stakeholders, particularly as we move to RESS auctions and developers are taking future constraint levels into consideration, if EirGrid could report more

frequently on the status of projects that are moving through the grid development process, including other transmission projects which aren't reported on as part of quarterly ATR updates. These updates could include the 'Step' each project is in and the timeframe for which it will be in that step.

For example, the Renewables Integration Development Project (RIDP) is an ATR associated with some Gate 3 generators for a number of years now (originally due to be energised in 2020, now due no earlier than 2027) but it is in Step 1 in the latest Q3 2019 ATR update<sup>1</sup>, even though it was in Step 2 in the latest TDP<sup>2</sup> so it appears to be regressing. It is not clear what the project programme is or how it is to be progressed from where it is currently at. It would be most welcome if this could be clarified further in future consultations/publications.

It would also be useful to have budget figures published for individual capital projects which would allow for outturn comparisons on project completion. We note that SONI do include these budget figures in their Transmission Development Plan and would request that EirGrid do the same.

One additional point on network development expenditure is that the report notes that *"At the end of 2018 the forecast outturn programme cost was €186 million lower than the PR4 allowance"* but it is not clear what the reasons for this decrease were. Could further detail be provided on this change and the rationale for any further changes in subsequent reports?

Furthermore, more clarity would be useful as to how projects are identified from the Tomorrow's Energy Scenarios System Needs Assessment are transitioned through EirGrid's six step Grid Development Framework, particularly the early stages of development. This is an area which requires greater industry understanding and engagement. For example, the Grid West project was listed as cancelled in the Transmission Development Plan for 2018-2027 even though grid development in that region of the Grid is identified as being needed in the scenarios in the Tomorrow's Energy Scenarios 2017 and 2019 system needs assessment.

It would be very beneficial for the renewables industry to better understand the existing grid development process. We also believe it would be beneficial for the System Operators and Regulatory Authorities to increase their awareness of the pipeline of new renewable projects under development, and the steps which these projects go through during this process. IWEA would like to propose that a new Grid Development Forum be established which could be comprised of the System Operators, Regulatory Authorities and industry representatives. This forum would provide a suitable discussion place for tackling the important challenge of grid capacity to meet 2030 targets.

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<sup>1</sup> <http://www.eirgridgroup.com/site-files/library/EirGrid/2019-Q3-ATR-Status-Update.pdf>

<sup>2</sup> <http://www.eirgridgroup.com/site-files/library/EirGrid/Transmission-Development-Plan-2018-2027.pdf>

Finally, we would like to thank EirGrid and ESBN for the opportunity to engage with you on this report and we are available to discuss any of the points raised above in more detail.

As the largest association in the Irish renewable energy sector, IWEA would consider ourselves a proactive partner, willing to step out in explaining the benefits of an effective, modern and climate friendly Irish electricity system, and we look forward to continuing our work alongside EirGrid and ESBN in this regard.

Please feel free to contact us should you have any questions.

Best Regards,



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