



## GATE 3 FREQUENTLY ASKED QUESTIONS

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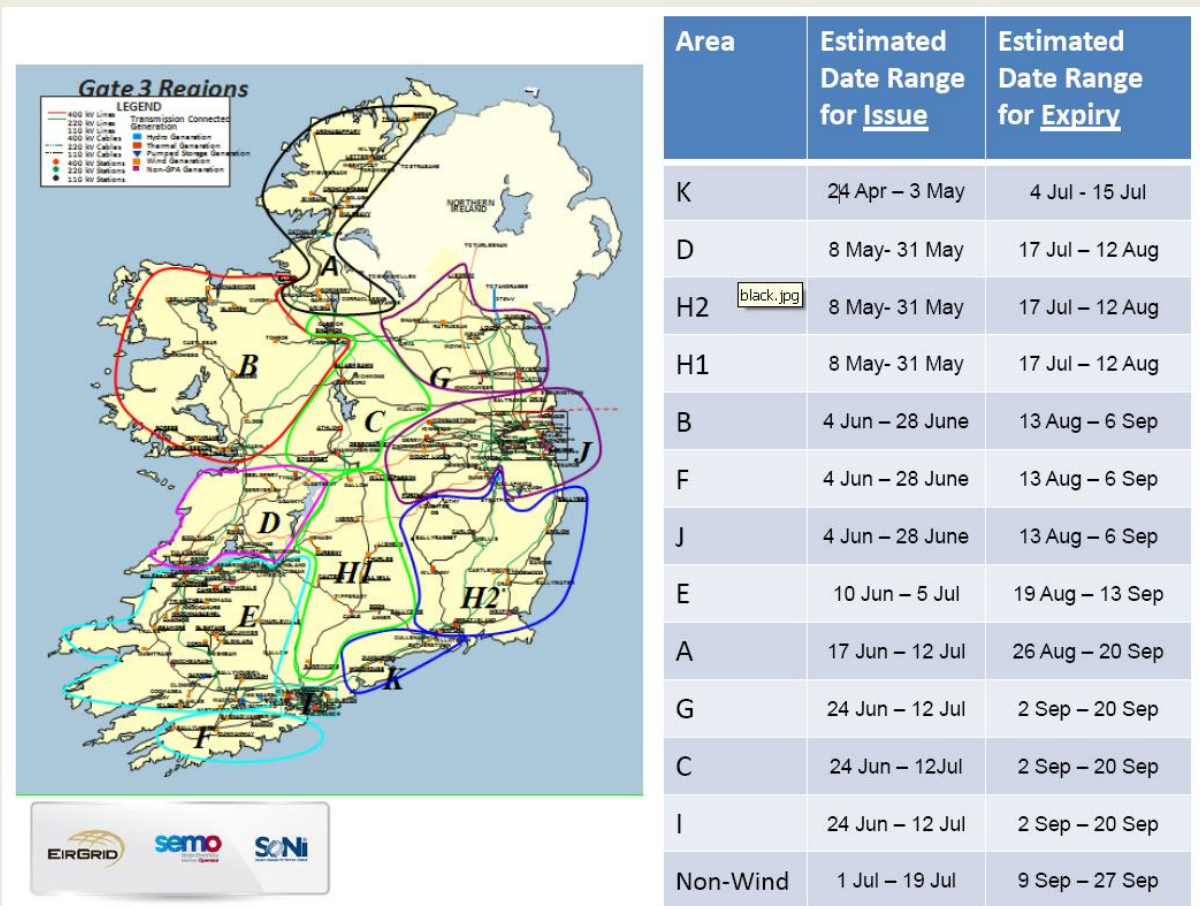
### SECTION 1 – CONTRACT RELATED QUERIES

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**1. When does the validity period for the Gate 3 Connection Offers commence?**

As per the CER directions [CER/08/260](#) CER Direction on Criteria for Gate 3 Renewable Generator Offers and [CER/09/191](#) Direction on Conventional Offer Issuance Criteria and Matters Related to Gate 3, the duration of the validity period for Gate 3 Connection Offers is 50 business days. This period commences on receipt of your Constraints Report. If Gate 3 applicants do not sign their Gate 3 Connection Offer before this 50 business day period is up, the offer will expire. It is important to note that although applicants will receive information on Associated Transmission Reinforcements with their Constraints Report, the ATRs are not connected to the validity period of Gate 3 Connection Offers. See below for the schedule of Constraint Reports issuance dates and corresponding validity period. For more information on Constraints Report generally, refer to Section 2 of the Gate 3 Frequently Asked Questions.



**2. Will I have an opportunity to meet with EirGrid before I have to sign my offer?**

Yes, EirGrid will dedicate a number of days to Gate 3 Customer Meetings in order to host individual meetings with Gate 3 applicants. The purpose of these meetings is to give customers an opportunity to meet with appropriate personnel in EirGrid after they have received all of the information from EirGrid that is relevant to Gate 3 Connection Offers – i.e. Constraint Reports, Associated Transmission Reinforcement information and the

Connection Offer itself. Customers must submit specific queries to EirGrid one week in advance of the meeting. The meetings will take place on the following dates:

- Tuesday the 18th of June
- Thursday the 18th of July
- Thursday the 1st of August

Meetings are open to both TSO and DSO customers. If you wish to schedule a meeting with EirGrid following the receipt of your constraint report and ATRs, you can do by contacting the relevant System Operator at the details below. Please note that the agenda for the meeting must be submitted with the meeting request in order to allow us to assign appropriate attendees and specific queries must be submitted at least one week in advance of the meeting.

### **3. Can I extend the validity period for my Gate 3 Connection Offer?**

Requests to extend the validity period for Gate 3 Connection Offers will not be considered. Please note that a modification application does not extend the validity period. If the validity period expires ahead of the issuance of a modified connection agreement, the Connection Offer will expire if the customer does not sign the original offer and the modification work will be cancelled.

### **4. What do I need to do in order to execute my offer?**

In order to execute your Connection Offer the applicant must meet the conditions precedent which includes:

- Make First Stage Payment (refer to next question)
- Put in place MEC Bond (if applicable – refer to next question)
- Sign the relevant sections of two copies of the Connection Offer
- Any other specific requirements as set out in individual Connection Offers

### **5. Can you advise me on the Gate 3 Payment Schedule for connection charges for transmission customers?**

The overall payment schedule for the connection charges for Gate 3 Connection Offers is project specific and is set out in your Gate 3 Connection Offer.

The quantum of the first stage payment which is payable on signing your connection offer has been defined by the CER in the direction [CER/09/138 Decision on Electricity Network Connection Policy](#) and is as follows:

When accepting the offer the generator will be required 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

Please see below for an example of this calculation.

In the event that the project does not proceed this payment will be non refundable. For those projects which do proceed the monies paid upon offer acceptance will be netted off any further payments required.

The payment mechanism of the First Stage Payment quantum will be decided on an individual basis as per the sliding mechanism outlined in the CER's [Decision on First Stage Payments on Acceptance of a Connection Offer to the Electricity Network](#).

Please see below for the First Stage Payment Sliding Scale Payment Mechanism as defined in order to link with offer acceptance.

### **First Stage Payment Sliding Scale Payment Mechanism**

<b>Scheduled Consents Issue Date (SCID)</b>	<b>Proportion of FSP due on Offer Acceptance</b>	<b>Level of 2nd FSP instalment due 12 months prior to SCID</b>
<i>≤ 18 months post offer acceptance<sup>[1]</sup></i>	100%	0%
<i>&gt;18 and ≤24 months post offer acceptance</i>	90%	10%
<i>&gt;24 and ≤36 months post offer acceptance</i>	80%	20%
<i>&gt;36 and ≤48 months post offer acceptance</i>	70%	30%
<i>&gt;48 and ≤60 months post offer acceptance</i>	60%	40%
<i>&gt;60 months post offer acceptance</i>	50%	50%

### **Example of Calculation of First Stage Payment (FSP) Quantum**

Take a 37MW wind farm with connection charges of €1,000,000. The generator will be required 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

$$\begin{aligned}
 (A) &= 10\% \text{ of } \text{€}1,000,000 = \text{€}100,000 \\
 (B) &= \text{Lesser of } (\text{€}370,000; \text{€}500,000) = \text{€}370,000 \\
 \text{FSP} &= \text{Greater of } [\text{€}370,000, \text{€}100,000] = \text{€}370,000
 \end{aligned}$$

<sup>[1]</sup> Please note that it has since been agreed with CER that where the timeframe between payment of the first and second instalments of the FSP is less than 6 months (i.e. if a customer's SCID is ≤ 18 months post offer acceptance), the sliding scale mechanism will not apply and the FSP payment should be made in full at offer acceptance.

## **6. What other charges will I be liable to pay?**

### **Ongoing Service charge (OGSC)**

Parties who connect to the Transmission System are responsible for the cost of maintenance of their connection assets. The charge levied for this is commonly known as the Ongoing Service Charge (OGSC). On 3 May 2013 EirGrid published a [Consultation Paper](#) on the OGSC which outlines the principles underpinning the application of OGSC and sets out a suite of proposed OGSC charges. Following this consultation the Commission for Energy Regulation will make a decision on the OGSC Policy and charges to apply from 2013 onwards. Customers will be obliged to pay OGSC charges in accordance with this CER decision.

### **Pass Through Charges**

All applicants should bear in mind that there may be additional costs, referred to as “Pass Through Charges”. The Connection Charge includes an estimate for certain Pass Through Charges and these Pass Through Charges are to the account of the Customer. Any change in (1) the cost of consents, (2) the timing of the connection and/or (3) the method of connection could give rise to a change in the Pass Through Charges, which in turn could give rise to a change in the Connection Charge.

### **Contestable Vs Non Contestable**

Regardless of whether an applicant chooses to build their connection on a contestable or non-contestable basis the above payment schedule applies. There will always be works that are not contestable, such as those in a live station and the associated material costs, tying into an existing line(s), commissioning, supervision of works etc and there will be connection charges related to these that are payable in line with the schedule set out above.

## **7. What bonds are required to be put in place?**

### **Connection Charges Bond**

The connection charges bond is put in place once the Consents Issue Date (CID) has been reached. The Connection Charges Bond is equal to the outstanding connection charge payable at this time. Note the Connection Charge shall be adjusted annually throughout the Term in accordance with the Harmonised Index of Consumer Prices (HICP)..

### **Capacity Bond**

As per section 5.8.3.4 of [CER/09/138 Decision on Electricity Network Connection Policy](#), the generator must put in place the capacity bond. This will be equal to €25,000/MW of their MEC and will be put in place one Month Prior to Energisation or CID + 2 years whichever is the earlier. Note that connection offers with an MEC of less than or equal to 5MW do not require a capacity bond. Please see the direction at the link above for further information.

## **Decommissioning Bond**

As per [CER/09/137](#), for **renewable generators only**, the obligation to provide a decommissioning and reinstatement bond has been removed. However, the Customer is still liable for any decommissioning and reinstatement charges that arise. In the Connection Agreement Review EirGrid is proposing that this Direction be extended to all generators. This proposal has been submitted to the CER and is awaiting a final decision.

### **8. Will EirGrid set out the First Stage Payments (FSP) due in the letters which accompany the Constraint Reports?**

No. After CER/11/083 was published EirGrid wrote to all customers advising them of the impact of this decision on their FSP. As individual customers have already been made aware of this and the considerable work already undertaken in doing so EirGrid does not intend to re-issue these letters or put a breakdown of FSP in the letters which go out with the Constraint Reports. We will however direct customers to the FSP decision paper in the letters that accompany the Constraint Reports.

### **9. How can I submit a modification and what is the processing procedure?**

If you wish to submit a modification application for your Gate 3 project you can do so by submitting a formal request to the relevant System Operator (SO) in line with the defined modification process available [here](#). In order to submit a modification application, please use the form at the link below:

[Modification Request Form for Changes to Connection Offers and Agreement](#)

There is also additional information on the EirGrid website [here](#).

The CER has published a final decision paper on the 21st of March 2013 in relation to the fees chargeable and the process to be undertaken by the system operators when dealing with modification requests to offers for connection to the electricity network.

The paper can be found on the CER website through the following link:

[Modification Requests to Connection Offers Fees and Process - Final Decision](#)

Please note that the [Connection Offer Policy and Process Paper](#) (COPP) which was published by the CER in May 2012 has relevant information in terms of a number of typical modifications including:

- Changes in Installed Capacity
- Mergers and Splitting
- Temporary Connections
- Combination of Offers
- Hybrid Plant
- Changes in MEC
- Phasing of Connections
- Change in Generation Type

#### **10. How long does it take for my modification application to be processed?**

At present, the standard timeline for completed processing modification applications is up to 90 business days. This timeline may require to be reviewed in light of the volume of modifications that we receive from Gate 3 applicants as it is possible that there will be a large number of modification requests in a short time frame. EirGrid will monitor this on an on-going basis and advise customers accordingly. In the meantime, Gate 3 customers are advised to submit modification applications as soon as possible.

#### **11. If a customer modification is processed which results in a lower First Stage Payment (FSP) than was paid will EirGrid rebate the difference between what was paid on execution of offer and what would be due as an FSP in the modified connection offer?**

Yes, if the customer wants that we can do it but traditionally we have offset the overpayment against any remaining charges for the non-contested portion of the project due at future stages. The customer should inform us what they want us to do and we will act accordingly.

#### **12. I want to apply for a temporary connection now. Is that possible?**

The CER outlined the decision on temporary connection for Gate 3 applicants in the [Connection Offer Policy and Process Paper](#) (COPP) which was published in May 2012. In Section 4 of the COPP paper outlined:

- The availability of temporary connections for Gate 3 and non-GPA applicants
- The eligibility criteria which will apply
- A high level process for selecting those applicants who will receive temporary connections

Assuming there is temporary capacity available the process as referred to above involves a three month time period where sub groups can submit temporary connection applications. Temporary capacity will then be allocated in the order that the applicants meet the relevant criteria.

#### **13. Can I reduce my MEC after I have accepted my offer?**

For all Renewable Generation connected to the Transmission or Distribution Systems and for all Non-Renewable generation connected to the Distribution system the following applies (in accordance with CER/09/138):

- At any stage up until the start of construction, the developer may request a reduction in its MEC. This reduction can be for any amount and for any reason. The developer would be required at that stage to pay €10,000 for each MW by which it reduced its MEC.
- One month prior to energisation (or two years after the Consents Issue Date, whichever is earliest), the developer would be required to put in place a bond (or similar equivalent) of €25,000 per MW for the MEC that they are requesting at that time. Any reduction in MEC would result in a drawdown of this bond.



- In the period between start of construction and placement of the capacity bond the developer may request a reduction in its MEC. The developer would be required at that stage to pay €25,000 for each MW by which it reduced its MEC

For Non-Renewable transmission connected generation the following applies (in accordance with CER/11/083):

- The developer has to put an MEC capacity bond in place when accepting their connection offer valued at €10k per MW of MEC. The bond is released to the developer if/when 95% of the agreed capacity is delivered. If 95% of MEC is not achieved by the 1st anniversary of energisation the contracted MEC is revised to max MEC achieved over course of 1st year and the capacity bond is drawn down by an equivalent amount. In the event that the developer requests an MEC reduction at any stage prior to the release of the bond the bond will be drawn down to the value of €10,000 per MW.

*Note any request to change MEC after the release of capacity bonds has occurred is managed in accordance with EirGrid's MEC administration policy.*

**14. If a project is splitting their grid capacity and have paid their first stage payment as part of the split will the first stage payment monies be divided between the two new connections?**

Each project would be separately assessed against the First Stage Payment Formula set out in CER 09/138.

**15. What is the cost of transferring a project from one applicant name to another?**

An applicant name change or change of legal entity requires an modification to your connection agreement. The CER published a decision paper on [Modification Requests to Connection Offers Fees and Processes](#) in March 2013 and the details on modification fees for Connection Offers are outlined in the [System Operators Paper Modification Fees for Connection Offers](#). An applicant name change or change of legal entity is classified as a Level 1 fee and the total fee excluding VAT is €853. The timeline for a level 1 modification is 20 business days. Details on the process for modifying a connection agreement can be found on the EirGrid website here. If an applicant is requesting to transfer capacity from one applicant to another this would be assessed under the splitting and merging rulesets in the [CER approved Connection Offer Policy and Process \(COPP\)](#) ruleset and the relevant modification fees would be as per [System Operators Paper Modification Fees for Connection Offers](#).

**16. If I want to merge two existing applications into one do I have to pay to modify both applications?**

For a merger of a number of projects into one a single modification fee will be charged. In this case the applicants shall nominate which applicants should be invoiced for the applicable modification fee. The SO paper setting out the rules, process and categories etc is at this link: [System Operators Paper Modification Fees for Connection Offers](#).

**17. If I want to split a project, how will the modification fee be allocated?**

If an existing project is split into two or more separate projects, the modification will be charged for as per the resulting number of contracts.

**18. Can the grid connection location be moved to a different node point?**

In some cases this is possible but a request like this will only be allowed subject to a number of rules and eligibility criteria. Relocation of generation capacity is outlined in Section 17 of the [CER approved Connection Offer Policy and Process \(COPP\)](#) ruleset. The ruleset document outlines the eligibility rules to be considered by the System Operators when a project seeks to move to a new location, and, if the project is eligible, the details on the processing of the application.

**19. Do all applicants in my sub-group have to sign the connection agreement in order for the project to commence on the basis of the connection method outlined for that sub-group?**

The project commences when enough MW have signed to warrant the works for the connection method outlined to proceed. The offer validity period expiry date for members of the same subgroup is aligned. If there is not enough contracted MW after to warrant the original connection method after all applicants in a subgroup have either signed or allowed offers to lapse, EirGrid will then determine a new connection method based on the revised amount of MW that are contracted to connect unless the applicants request and pay for the original connection method to still be advanced. Further information is as set out in Section 10 of the [CER approved Connection Offer Policy and Process \(COPP\)](#) ruleset

**20. What happens if one member of a sub group wants to change the connection works?**

One party cannot unilaterally hold up progress on connection works by requesting a modification. If one or more parties wants to change the connection works e.g. AIS to GIS, or overhead line to underground cable, etc, all parties must agree and seek to modify their agreements accordingly. Note that splits, mergers and relocations can all impact on connection works

**21. Will EirGrid provide 'side letters' for parties who have a modification in process which is not due to be issued before the expiry date of the validity periods?**

EirGrid will consider this on a case by case basis. Where the mod requires studies to assess the cost/lead time/acceptability of the requested mod we may not be able to provide any side letter as to what the costs/lead times may be or in some cases we may not be able to

guarantee that a modified offer will issue due to the nature of the modification being requested.

**22. Can you give me information on Longstop Dates and explain how the dates are determined?**

After signing the applicant will receive an offer acceptance letter which will contain information on Long Stop Dates. The long stop dates are calculated as follows:

- 36 Months post Scheduled Consents Issue Date
- 30 Months post Scheduled Operational Date

The document at the following link which was published in Feb 2012 may provide additional clarity and be of use to customers when trying to understand the consequences of Long Stop Dates.

[Information Memorandum Longstop Dates for Generation Connection Agreements](#)