



TRANSMISSION DEVELOPMENT  
PLAN 2012

RESPONSES TO PUBLIC  
CONSULTATION



## RESPONSES TO THE DRAFT TRANSMISSION DEVELOPMENT PLAN 2012

Five submissions were received in response to the consultation on the draft plan, and are attached below. These were from:

- Members of the Regional Planning Guidelines for the Greater Dublin Area
- Irish Wind Energy Association
- Shannon LNG
- Meitheal Na Gaoithe
- Art Generation

# Regional Planning Guidelines for the Greater Dublin Area 2010-2022

*Treoirlínte Réigiúnacha Pleanála do Mhórcheantar Bhaile Átha Cliath*



## Submission by the Dublin and Mid-East Regional Authority Members for the Regional Planning Guidelines for the Greater Dublin Area 2010-2022 on the EirGrid Draft Transmission Development Plan 2012-22

### Introduction

The members of the Regional Planning Guidelines for the Greater Dublin Area 2010-2022 welcome the publication of the EirGrid Draft Transmission Development Plan 2012-22. The Regional Planning Guidelines (RPGs) 2010-2022 aim to direct the future growth of the Greater Dublin Area up to 2022 by implementing the strategic planning framework set out in the National Spatial Strategy (NSS) and by supporting the forthcoming National Transport Authority Strategy. The RPGs provide a framework for, and policy guidance to, local authorities in the areas of settlement patterns, population and housing targets, economic development, infrastructure, rural development, flood risk, heritage and the environment, and social infrastructure.

### Observations and comments of the Regional Authorities

The electricity supply is an essential component of today's society. The high density of the residential and employment population in the GDA makes the region the most significant electricity demand centre in the country. Future population and economic growth of the GDA is also dependent on the delivery of investments and upgrades in the transmission network.

The importance of a secure electricity supply is acknowledged in Section 6.6 of the RPGs. Strategic Recommendation PIR25 supports the investment and reinforcement of the electricity network by stating:

*That reinforcements and new infrastructure are put in place by the key agencies, and their provision is supported in Local Authority policies, to ensure the energy needs of future population and economic expansion within designated growth areas and across the GDA can be delivered in a sustainable and timely manner and that capacity is available at local and regional scale to meet future needs*

The Draft Transmission Development Plan details the transmission projects that are progressing for the period 2012-22 across the country. This Plan stems from Grid 25 'A Strategy for the Development of Ireland's Electricity Grid for a Sustainable Future' which was published in 2008.



The Draft Plan identifies a number of reinforcement needs that have to be addressed in the long-term strategic development of the electricity transmission system in the GDA. Such reinforcements are proposed to facilitate the increased power flows due to additional generation and interconnection in order to ensure the efficient transfer of power to the load centres in the GDA.<sup>1</sup> The implementation of projects and reinforcements in a sustainable and environmentally responsible manner<sup>2</sup>, would be conducive with Strategic Recommendation PIR25 of the RPGs.

07<sup>th</sup> December 2012

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<sup>1</sup> Details of the projects proposed within the GDA are outlined in Section 6.4 of the Draft Plan

<sup>2</sup> Subject to planning permission being granted. Individual elements of grid development as they are planned may be subject to environmental measures such as environmental impact assessment and habitats directive assessment and significant issues arising should be addressed within these processes.



## **IWEA response to the EirGrid Transmission Development Plan 2012-2020**

**13<sup>th</sup> December 2012**

The Irish Wind Energy Association (IWEA) welcomes the opportunity to comment on the Transmission Development Plan 2012-2020.

IWEA notes that all project data for this report is frozen as of March 2012 which makes the value of this report questionable especially now given that EirGrid produce an updated ATR spreadsheet on their website. The information on the EirGrid website is of much greater value than the information contained within the draft transmission plan. The report is prepared in accordance with Regulation 8(b) of Statutory Instrument No. 445 of 2000, European Communities (internal Market in Electricity) Regulations & Conditions of the TSO licence. Significant resources are required to produce this report which is currently of little use to stakeholders in the energy industry and while enabling EirGrid meet their regulatory obligations, provides little additional value.

IWEA understands the need to produce a plan of proposed development over a period of time and this should be consulted upon to ensure the information included (no matter how out of date) is in some way accurate. In order to ensure the document is more useful and makes better use of resources IWEA suggests the following possible improvements to the TDP:

1. The Data Freeze should be in Q3 in the year of production (The majority of information in the report is static, and therefore the bulk of the report can be completed before this date).
2. The risk associated with projects should be identified (i.e. N-S interconnector indicates 2016 initially and having changed to 2017 post data-freeze. The risk of this date not being met given the projects current status is extremely high. IWEA would contend this will be delivered in fact much later and would request that reasonable timeframes are set for all projects). It should be noted that the generator bears the risk of delays to transmission infrastructure and information regarding the risks should be made available.
3. Details on the success of project roll-out to date based on dates provided in previous TDP's should be provided. This will enable stakeholders to have a reasonable estimate of future success.
4. IWEA questions the need to have a transmission forecast statement and a transmission development plan as separate documents. There may be an opportunity to utilise resources more effectively by producing a single "Transmission 10 year outlook" report.

To summarise, all of the information contained within this report has already been superseded by information available in the public domain. While we think a regulated report is necessary it should be of a format that is useful to all stakeholders. IWEA would welcome the inclusion of additional information as outlined above in an effort to make the document more useful to stakeholders in the energy industry.



Mr. Louis Fisher,  
EirGrid,  
The Oval,  
160 Shelbourne Road,  
Ballsbridge,  
Dublin 4.

15 Windsor Terrace,  
Sandycove,  
Co. Dublin.

Tel: +353 1 230 3666

14 December 2012

### **Consultation on Draft Transmission Development Plan 2012 - 2022**

Dear Mr. Fisher,

Shannon LNG is writing in response to the above consultation published by EirGrid on the 12<sup>th</sup> of November 2012.

We are providing these comments as the developer of a 500 MW high efficiency Combined Heat & Power (CHP) project which will be located on the site of our proposed LNG terminal in Co. Kerry. We applied for a grid connection to EirGrid for the CHP project in December 2010.

Section 3.2 of the Draft Transmission Development Plan discusses the integration of renewable energy sources with the grid, explains the policy context of EU Directive (2009/28/EC) on the promotion of the use of energy from renewable sources and the Government's target of 40% electricity from renewable targets by 2020. However there is no reference in the Plan to the equally important TSO obligations contained within the new Energy Efficiency Directive 2012/27/EU. Some of the key TSO obligations to encourage the development of high efficiency CHP projects are set out in Article 15.5 of Directive 2012/27/EU include:

"Without prejudice to Article 16(2) of Directive 2009/28/EC and taking into account Article 15 of Directive 2009/72/EC and the need to ensure continuity in heat supply, Member States shall ensure that, subject to requirements relating to the maintenance of the reliability and safety of the grid, based on transparent and non-discriminatory criteria set by the competent national authorities, transmission system operators and distribution system operators when they are in charge of dispatching the generating installations in their territory:

- (a) guarantee the transmission and distribution of electricity from high-efficiency cogeneration;
- (b) provide priority or guaranteed access to the grid of electricity from high-efficiency cogeneration;
- (c) when dispatching electricity generating installations, provide priority dispatch of electricity from high-efficiency cogeneration in so far as the secure operation of the national electricity system permits."

Annex XII of the Directive goes on to state that for high efficiency CHP projects:

"The overall process to become connected to the grid should be no longer than 24 months, bearing in mind what is reasonably practicable and non-discriminatory;"

The Energy White Paper referenced by EirGrid in Section 3.2 of the Draft Transmission Development Plan also includes a Government target of 800 MW of CHP by 2020.

We respectfully suggest that EirGrid include in its Final Transmission Development Plan a section on the TSO obligations as outlined in the new Energy Efficiency Directive and describe how EirGrid plans to assist in providing the opportunity to meet the 800 MW Government CHP targets.

While the Transmission Development Plan does not set energy policy for Ireland, we believe it is important to make the following observations on the following paragraph in Section 3.1 of the Draft Transmission Development Plan which states:

"Ireland is heavily reliant on imported fossil fuels for the generation of electricity. The long-term sustainability of the Irish economy is impacted by the sustainability of the fossil fuels upon which it relies. Furthermore, the production of greenhouse gasses as a result of the burning of fossil fuels has a long-term environmental impact and is not seen to be environmentally sustainable. These two factors therefore drive the integration of energy produced from renewable sources."

The above statement completely overlooks the transformational developments in the world's natural gas industry over the last five years.

Due to the amount of unconventional gas resources available in the world, the International Energy Agency believes that there are at least 250 years of natural gas reserves available at current production rates<sup>1</sup>. Natural gas is no longer seen as a bridge to a sustainable energy future – it is now seen worldwide as a sustainable destination fuel. Due to the abundant low priced shale gas available in the US, the International Energy Agency stated that annual US CO<sub>2</sub> emissions reduced by 92 million tons in 2011 primarily due to switching from coal to natural gas in power generation and US CO<sub>2</sub> emissions have reduced by 430 million tons since 2006.<sup>2</sup>

We believe the approach being advocated by EirGrid above has the potential to lock Ireland into high electricity costs involving renewable subsidies and grid development which will have a long term impact on Ireland's competitiveness compared to its main trading partners. We enclose a recent article in the Financial Times written by Dieter Helm, Professor of Energy Policy at the University of Oxford on the dangers of the UK's proposed high renewable energy targets. We believe this article is relevant to Ireland as well.

We would urge EirGrid to review the game changing developments in the world's natural gas industry and include these developments in its forward planning. Ireland should not be involved in picking technology winners (i.e. wind energy) in meeting the sustainability challenges of the future.

We would like to thank EirGrid for providing us with an opportunity to provide feedback on the Draft Transmission Development Plan 2012-2022.

Yours sincerely,

pp Christina O'Keefe  
Martin Regan

Enclosure: Financial Times: UK energy plan is dangerous and dated. Dieter Helm, Nov 29, 2012.

<sup>1</sup> International Energy Agency Publication: *World Energy Outlook 2011: Are we entering a Golden Age of Gas*

<sup>2</sup> International Energy Agency Press release 24 May 2012: Global carbon-dioxide emissions increase by 1.0 Gt in 2011 to record high: <http://www.ica.org/newsroomandevents/news/2012/may/name.27216.en.html>

**FINANCIAL TIMES**

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November 29, 2012 6:24 pm

**UK energy plan is dangerous and dated**

Dieter Helm

**Generation of enough power and mechanisms that drive carbon reduction are priorities, says Dieter Helm**

**A**fter 12 years of reviews, white papers and some legislation, the UK government has finally come forward with what it regards as a definitive set of energy policy reforms. Sadly the Energy bill is anything but definitive. Over the long period of the bill's gestation, the world's energy markets have changed radically.

At the heart of the bill is the idea that the government should contract directly for new power stations, agreeing in advance a fixed price for the electricity they will generate. Contracting is not in itself a bad idea. Britain needs investment, much more than the market will deliver left to its own devices. The upfront capital required to develop nuclear power stations, in particular, requires political commitment. But there is a world of difference between auctioning contracts and politicians fixing them.

Once the government is picking the winners, it matters which sectors it chooses. Ed Davey, the energy secretary, comes armed with explanations. He predicts the future will be one of "volatile" gas prices, which will head ever upwards. And Mr Davey believes that his chosen technologies will insulate Britain against them.

For the past decade, gas prices have indeed been rising. But it is one thing to know the past and another to know the future. While officials and ministers have been working away at one energy plan after another, the world around them has changed. The idea of "peak oil" (the point at which the world's oil supplies go into irreversible decline) has turned out to be nonsense. There has been a revolution in fossil fuel technologies. With shale oil and gas, North America is rapidly reaching energy independence and the price gap between the US and Europe on gas is now so enormous as to undermine Europe's competitiveness and begin a process of re-industrialisation in the US. America's shale bounty will feed through to world prices – and therefore Britain's prices.

If this part of the rationale behind the energy bill has collapsed, it might be argued that the government is at least doing something about climate change. But a moment's reflection yields the unfortunate conclusion that not only are current renewables making little difference to global warming but that they never could. Wind in particular is a low-density, intermittent energy source. Future renewables might well close the gap, but not the current forms of renewable energy.

Before deciding which technologies to award government contracts to, it would be wise to think through what might happen if the secretary of state turns out to be wrong. Power stations tend to be long-lived, which means that mistakes hang around the economy's neck for a long time. Suppose the future is not going to be the one conjured up by the peak oil brigade, the supporters of current renewables, and by the secretary of state. Suppose world fossil fuel prices fall but Britain is committed to high-cost current renewables.

The UK's carbon production might indeed fall: the deindustrialisation that might result from high energy prices is a sure route to lower emissions. But that would be a false blessing, offset by carbon-intensive imports, as is already happening. Energy demand would probably fall, too – not because of the Green Deal, Mr Davey's programme to increase British homes' energy efficiency, but because of higher prices. Reducing emissions by contracting energy-intensive industries and reducing household incomes is hardly an attractive route to decarbonisation.

It is not too late to head off the worst aspects of this approach. The secretary of state has himself promised to move towards auctioning the contracts when the low-carbon technologies "mature". To that end, he promised to "blaze a trail towards competition". There is plenty of time for amendments to the bill and there will inevitably be more reviews and legislation in the next few years.

All the government really needs to do is to ensure there are sufficient contracts auctioned to generate enough electricity and that market mechanisms exist to ensure the decarbonisation path is pursued. It does not need to be in the business of picking winners or negotiating prices. Once those habits are acquired, they will be hard to break and probably won't be. It is worth remembering that while government might like to pick winners, losers tend to pick governments. Their lobbyists are already doing overtime.

The secretary of state may turn out to be right. The future may be just as he predicts, leaving us all grateful to have been saved from high oil and gas prices. But if he turns out to be wrong, he will have presided over a serious dent in Britain's competitiveness, while doing virtually nothing to address global climate change and at the same time reducing Britain's security of supply and increasing energy bills. That would be quite a legacy.

*The writer is Professor of Energy Policy at the University of Oxford and author of 'The Carbon Crunch'*





Meitheal na Gaoithe,  
8 Patricks Court,  
Patrick Street,  
Kilkenny,  
Ireland  
Tel: 056 7752111  
Email: [info@mnag.ie](mailto:info@mnag.ie)  
Web: [www.mnag.ie](http://www.mnag.ie)

8<sup>th</sup> January 2013/final

**Submission to Eirgrid in response to the:**

**“Transmission Development Plan 2012 – 2022”**

**– Draft for Public Consultation**

Published 11<sup>th</sup> November 2012

The preparation by Eirgrid of this draft plan is very important, and its publication for public consultation is to be very much welcomed. Our submission is unavoidably late, due to the holiday season. But we hope it can nevertheless be considered prior to submission of the plan to CER for approval. Indeed, we would strongly urge that be done, since there is a very significant issue with the Draft Plan as presented.

The plan does recognise the important and growing role of renewable energy, as this country moves towards producing some 40% of its electricity from those sources by 2020, primarily from wind energy projects. This is mentioned in the Introduction, and elaborated on in section 3.2.2 on Pages 34-35.

However, the approach is one focused purely on the binding national targets. The Plan sets out the measures to develop the Transmission system believed to be necessary to achieve wider national objectives, including meeting those renewable energy targets. Experience to date suggests that the measures foreseen will be completely inadequate, even if they were delivered on time. That is because the circumstances in which wind energy projects are obliged to connect and operate compromise their viability, meaning that they cannot be built.

This arises from three main issues:

- severe delays in connecting projects via their shallow assets, which can amount to 15 years from the date of the original connection application;
- further long periods of delay in achieving firm access, which can add another 5 years or even more;
- even after nominal firm access, the ongoing imposition of constraint and curtailment of wind projects of unknown extent, which undermine the payment of supports.

All of these issues arise as result of inadequate grid development in the widest sense of that phrase (ie: including operational measures).

When adopting the Directive on renewable energy in 2009, the EU realized that even binding national targets were insufficient to ensure the success of those targets by 2020. As with the RES-E Directive in 2001, the Renewables Directive as adopted therefore further strengthens the measures required to facilitate the incorporation of renewable energy projects into the network and the market, as set out in Article 16. The three key obligations enshrined in that Article are priority of dispatch, priority or guaranteed access and guaranteed transmission. As regards the decision on access, Government elected for priority access in Section 4.2.7(a) of the NREAP in mid 2010.

Article 16 imposes obligations on Member States to ensure that their TSOs and DSOs take measures to give effect to these obligations. The qualifications in the Article on the reliability and safety do not obviate the need to take those measures, otherwise the Article would be meaningless. Rather, they require that the measures be adopted while maintaining or improving reliability and safety, which all market participants, including the wind sector, can only agree with.

Clearly, these obligations require TSOs to take the requisite measures, and presumably they would therefore incorporate these measures into their operational procedures, and in particular the Transmission Development Plans. It is therefore most odd that a search reveals neither the word 'priority' nor the word 'guaranteed' anywhere in the current draft Plan.

Indeed, examination of Section 1.1 of the draft document, which purports to set out the relevant Statutory Obligations, reveals why this is so. The Directive on Renewable Energy and its transposition instrument (SI 2011/147) are completely overlooked, as setting part the legal framework in which the Plan needs to be drawn up. This appears to be a major oversight by Eirgrid, in particular by its legal team.

This appears to either lead to, or simply reflect, an almost complete absence of consideration of these legal obligations on the TSO when planning the future transmission system. If these obligations were seriously considered by Eirgrid, then they would have considerable implications. Taken in the logical sequence of a generation project from planning to operation, then these implications would be as follows:

1. In selecting both the type, scale and timing of transmission system reinforcements, a significant and obligatory criterion would be the shallow connection of and the allocation of firm access to renewable energy projects at the same time as, or more correctly before, non-renewable generators. The current practice of connecting and giving firm access to fossil plant ahead of renewables would have been ended as of the date of this obligation arising, namely 5<sup>th</sup> December 2010.

2. A system design would be have been made since the original RES-E Directive in 2001, which would now enable the full (priority) dispatch of all

renewable projects when they were available, whether for local consumption or export. (While this obligation has been formally accepted in principle by the SEMC, after a similar previous engagement with the RAs, its implementation by the TSO, as regulated by the RAs, falls far short of what is required by the Directive.)

3. A system design, including the proper use of interconnection and storage, as well as operational measures (such as the DS3 Programme, system services and DSM), would have been made since the original RES-E Directive in 2001, which would guarantee the transmission of all output from renewable energy projects at all times.

It is worth noting that the draft Plan as presented is pretty light on operational measures, even if dynamic stability is one of the Transmission planning criteria (TPCs). It therefore also seems odd that the DS3 Programme, for example, seems not to be even mentioned. Some of the measures in that programme are designed at least in part to meet the above obligations. This seems to imply that the Transmission Planning process needs to be updated to incorporate operational measures to a much greater extent.

Admittedly, to have planned the physical and operational aspects of the Transmission system in a manner that fully met the three obligations discussed above would have been an expensive undertaking. The TSO would have had to engage in a cost-benefit analysis on each aspect of the plan, to decide if it were more economical to provide the physical infrastructure and operational measures, or to keep projects whole (ideally in their support payments).

However, while economic analysis may assist in reaching the correct choice as between physical and financial measures, as previously accepted by the SEMC in relation to priority of dispatch, economic criteria cannot actually qualify the other two obligations – priority access and guaranteed transmission.

We are aware that the SEMC now wishes to avoid financial measures, even if current guidance to the TSO requires exactly this type of measure, where the CBA so indicates. It is of course much more efficient to pay for delivery of energy than non-delivery, and everyone including generators are generally happier with that outcome. But it may prove to be more economically efficient to provide financial measures in many cases, rather than being obliged by those with rights within the system (as discussed above) to implement physical measures instead to give effect to the legal obligations.

A handwritten signature in blue ink that reads "Thomas W. Cooke". The signature is written in a cursive style with a clear, legible font.

Thomas Cooke, Chairman



Mr. Louis Fisher,  
Eirgrid,  
The Oval,  
160 Shelbourne Road,  
Ballsbridge,  
Dublin 4

8<sup>th</sup> January 2013

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*(Published 11th November 2012)*

The preparation by Eirgrid of this draft plan is very important, and its publication for public consultation is to be very much welcomed. Our submission is unavoidably late, due in part to the holiday season. But we hope it can nevertheless be considered prior to submission of the plan to CER for approval.

Indeed, we would strongly urge that be done, since there is a very significant issue with the Draft Plan as presented. That issue has a direct bearing on a dispute we raised with Eirgrid in early December last, as regards firm access for our projects in the Blanchfield Group.

The plan does recognise the important and growing role of renewable energy, as this country moves towards producing some 40% of its electricity from those sources by 2020, primarily from wind energy projects. This is mentioned in the Introduction, and elaborated on in section 3.2.2 on Pages 34-35.

However, the approach is one focused purely on the binding national targets. The Plan sets out the measures to develop the Transmission system believed to be necessary to achieve wider national objectives, including meeting those renewable energy targets. Experience to date suggests that the measures foreseen will be completely inadequate, even if they were delivered on time. That is because the circumstances in which wind energy projects are obliged to connect and operate compromise their viability, meaning that they cannot be built.

This arises from three main issues:

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All of these issues arise as result of inadequate grid development in the widest sense of that phrase (ie: including operational measures).

When adopting the Directive on renewable energy in 2009, the EU realized that even binding national targets were insufficient to ensure the success of those targets by 2020. As with the RES-E Directive



in 2001, the Renewables Directive as adopted therefore further strengthens the measures required to facilitate the incorporation of renewable energy projects into the network and the market, as set out in Article 16. The three key obligations enshrined in that Article are priority of dispatch, priority or guaranteed access and guaranteed transmission. As regards the decision on access, Government elected for priority access in Section 4.2.7(a) of the NREAP in mid-2010.

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Clearly, these obligations require TSOs to take the requisite measures, and presumably they would therefore incorporate these measures into their operational procedures, and in particular the Transmission Development Plans. It is therefore most odd that a search reveals neither the word 'priority' nor the word 'guaranteed' anywhere in the current draft Plan.

Indeed, examination of Section 1.1 of the draft document, which purports to set out the relevant Statutory Obligations, reveals why this is so. The Directive on Renewable Energy and its transposition instrument (SI 2011/147) are completely overlooked, as setting part the legal framework in which the Plan needs to be drawn up. This appears to be a major oversight by Eirgrid, in particular by its legal team.

This appears to either lead to, or simply reflect, an almost complete absence of consideration of these legal obligations on the TSO when planning the future transmission system. If these obligations were seriously considered by Eirgrid, then they would have considerable implications. Taken in the logical sequence of a generation project from planning to operation, then these implications would be as follows:

1. In selecting both the type, scale and timing of transmission system reinforcements, a significant and obligatory criterion would be the shallow connection of and the allocation of firm access to renewable energy projects at the same time as, or more correctly before, non-renewable generators. The current practice of connecting and giving firm access to fossil plant ahead of renewables would have been ended as of the date of this obligation arising, namely 5<sup>th</sup> December 2010.
2. A system design would be have been made since the original RES-E Directive in 2001, which would now enable the full (priority) dispatch of all renewable projects when they were available, whether for local consumption or export. (While this obligation has been formally accepted in principle by the SEMC, after a similar previous engagement with the RAs, its implementation by the TSO, as regulated by the RAs, falls far short of what is required by the Directive.)
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the DS3 Programme, for example, seems not to be even mentioned. Some of the measures in that programme are designed at least in part to meet the above obligations. This seems to imply that the Transmission Planning process needs to be updated to incorporate operational measures to a much greater extent.

Admittedly, to have planned the physical and operational aspects of the Transmission system in a manner that fully met the three obligations discussed above would have been an expensive undertaking. The TSO would have had to engage in a cost-benefit analysis on each aspect of the plan, to decide if it were more economical to provide the physical infrastructure and operational measures, or to keep projects whole (ideally in their support payments).

However, while economic analysis may assist in reaching the correct choice as between physical and financial measures, as previously accepted by the SEMC in relation to priority of dispatch, economic criteria cannot actually qualify the other two obligations – priority access and guaranteed transmission.

We are aware that the SEMC now wishes to avoid financial measures, even if current guidance to the TSO requires exactly this type of measure, where the CBA so indicates. It is of course much more efficient to pay for delivery of energy than non-delivery, and everyone including generators are generally happier with that outcome. But it may prove to be more economically efficient to provide financial measures in many cases, rather than being obliged by those with rights within the system (as discussed above) to implement physical measures instead to give effect to the legal obligations.

On the specifics of the projects which we are engaged in, we would like Eirgrid to carefully consider what other measures it could adopt within the Transmission Plan that could give effect to our right to priority access within the Blanchfield Sub-Group, and do so at reasonable cost to the consumer. Eirgrid will be well aware that we do not accept that the current set of ATRs associated with our projects at Blanchfield are either adequate, appropriate or economically optimal. We would advise Eirgrid to consider the dispute on this matter before concluding its draft plan for approval by the CER.

Richard Walshe for Art Generation  
8<sup>th</sup> January 2013