Contestability on the Distribution System– ESB Networks Key Principles and Processes Paper

Revision Date:	**01/09/2010**
Revision No.:	**0**
Document No:	**DOC-090211-BGY**
Issued by:	**ESB Networks Ltd.**
Approved by:	**CER**
Effective Date:	**Jan 2011**

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1.0 Introduction

The Dept of Communications, Energy and Natural Resources indicated in early 2008 that it was their intention to make provision for a contestable option for generators connecting to the Distribution System on the same basis and subject to similar conditions as are already in place for connections to the Transmission System. This provision was made into law by SI226 2009, which amends Section 34 of the Electricity Regulation Act of 1999, which SI was signed in June 2009.

SI226 2009 confers on generators the right to construct all or part of their connection to the Distribution System

The purpose of this paper is for ESB Networks Ltd. to set out the principles under which contestability will operate at the Distribution level and as directed under CER/10/056.

In setting out these principles ESB Networks Ltd. seeks to facilitate developers in constructing all or part of their connection to the Distribution System subject to the requirement that the Distribution System continues to be developed in a safe, secure, reliable and efficient manner.

2.0 Key Principles

Recognising the need to balance the rights of developers to construct their own connection assets with the responsibility of ESB Networks Ltd. to the users of the Distribution System as a whole, the following key principles are proposed which are in line with those relating to contestability at Transmission level:

1. ESB Networks Ltd. as the Distribution System Operator (DSO) will determine the connection method for any generation project. While a developer can request a modification to their connection method, the modification will only be allowable where it is technically acceptable and adheres to certain guidelines as set out in the Joint TSO/DSO Group Processing Approach Pricing principles Guidelines, as updated from time to time.
2. Before a connection offer is issued the developer must decide whether to request a contestable or a non-contestable connection offer or – in the case of shared assets – whether to defer the decision to contest.[1] The process which will operate to facilitate this decision in relation to GPA offers is as set out in Section 8.0 of this paper.
3. Where an offer has been issued on a non-contestable basis a developer will not be allowed to opt for a modification to a contestable offer except as set out in Sections 9.0 and 10.0
4. Where contestable assets have been built to an acceptable standard, it is likely that ESB will seek to take ownership of these assets. In line with approved charging policy and the CER direction on contestability (CER/10/056) the asset transfer will be for a nominal amount. This will be the case even where the assets are not initially transferred.
5. The contesting party does not have the right to insist that assets be transferred to ESB
6. Where the party undertaking the contestable build consents to the transfer, CER has given blanket approval to the transfer.
7. Where the party undertaking the contestable build is not consenting to the transfer, the ownership of the assets will be determined by CER.

[1] More detail on this option is as set out in Section 9.0

8. Where assets are taken over by ESB responsibility for fault and planned maintenance will rest with ESB Networks Ltd. ESB Networks Ltd. will charge developers an annual Operations & Maintenance charge for this service. The current schedule for Distribution Operations & Maintenance charges is published on ESB Networks Ltd. website at www.esb.ie\esbnetworks. Transmission Operations & Maintenance charges will also apply when Transmission assets are taken over.
9. All Distribution Assets will be built to ESB Networks Ltd. Distribution Standards as provided to the party who is undertaking the contestable build.
10. Only direct connections to a generator or group of generators will be contestable. Any associated reinforcements required elsewhere on the system will not be contestable.
11. ESB Networks Ltd. will recover costs incurred in ensuring that all Distribution Assets are built to ESB Networks Ltd. Distribution Standards as pass through cost. These will include costs associated with design review, provision of functional/material specifications, inspection, supervision, and commissioning. In the case of shared assets, the lead developer will be responsible for the payment of these charges. Please refer to Section 6.4 for further information on the role and responsibilities of the lead developer.
12. If ESB Networks Ltd. is not satisfied that Distribution Assets constructed contestably meet the Distribution Standards as previously provided to the developer, it reserves the right to refuse connection to the Distribution System. In these circumstances, the reasons will be discussed with the developer.
13. Where parties are to be connected via shared assets, all parties sharing the assets must agree to contest the building of the assets, and all parties must agree to the nomination of a lead developer. All parties will be required to return a standard form setting out their agreement and nominating the lead developer. A copy of said form is included in Appendix 2.
14. The lead developer, nominated in writing by those sharing the assets to be built contestably, will be the sole point of contact with ESB Networks for the shared assets. The role of the lead developer in relation to these assets is as set out in Section 6.4.
15. While ESB Networks Ltd. aim to minimise the number of construction boundaries between contestable and non-contestable builds and the number of boundaries between different developers contesting assets, where a connection involves both shared and dedicated assets, ESB Networks Ltd will allow that subsets of these assets are built by different developers. Where this arises, the boundary has to be agreed with ESB Networks Ltd. and the choice of boundary must be consistent with the topology involved. A sample of possible combinations [not meant to be exhaustive] is depicted in Appendix 1, for illustrative purposes.[2]
16. Where the contestable build requires selection of station sites, such sites must be agreed with ESB Networks Ltd in advance. Likewise cable and line routes must be agreed with ESB Networks Ltd.
17. ESB Networks Ltd. will not undertake wayleaving for a connection to be constructed contestably,
18. Where a connection is being built contestably, the developer building the assets is responsible for obtaining Planning Permission and/or obtaining any other agreements required for the construction.
19. Any assets being built contestably must be on the basis of the Connection Agreement signed and accepted by both ESB Networks Ltd. and the developer
20. As a general rule, it is important to protect the DUoS customer in order to ensure that they are not underwriting risks associated with decisions by generators to reject offers, or to not proceed with their projects following offer acceptance.

[2] Please note that where a dedicated connection involves discrete work elements, this provision may also apply – subject to agreement with ESB Networks Ltd

Therefore, should ESB Networks Ltd. believe or suspect that offer rejection(s) and/or decisions by generators to not proceed with their projects following offer acceptance, is being used to gain advantage over, or to the detriment of other generators and/or the DUoS customer, they may refer the issue to the Commission for further investigation.

3.0 Contestable Activities:

The following activities will be contestable but subject to oversight by ESB Networks Ltd:

- Detailed design
- Route and site selection
- Site acquisition
- Planning permission
- Deed of Grant/Wayleaves
- Equipment purchasing
- Construction
- Pre-commissioning

4.0 Non Contestable Activities:

The following activities will not be contestable:

- The determination of the connection method[3]
- Any associated system reinforcements.
- Works and assets that are required for system protection, communication and metering[4].
- Works and assets that cannot be safely and efficiently separated from existing live system
- Work and assets within live stations
- Operational control
- Outline specification for requirements relating to sites, routes and wayleaves
- Functional specification of equipment to be used
- Commissioning
- Maintenance of assets transferred to ESB Networks

If ESB Networks Ltd. considers it necessary for system security and stability reasons to make the shallow Distribution Connection Asset non-contestable it shall notify the developer(s) as soon as practicable, pre-offer, advising a full explanation of their decision. In the event that the developer disagrees with the decision they are entitled to dispute the issue to CER under Section 34(6) of the 1999 Act.

4.1 Non-contestable protection model for contestable build

As set out above, works required for system protection are non-contestable. However to facilitate the contestable build the following model will apply

[3] Connection methods suggested by the developers would be evaluated per the current process in arriving at the determination.. In addition developers always have the right to request a modification to their connection method which will be studied and assessed in the usual manner.

[4] While these works are non-contestable, a model to apply for contestable connections has been developed. This model will allow the developer undertake a certain amount of the work and/or order equipment

- ESB Networks Ltd.specifies the relay manufacturer, type, model, firmware version and software version that must be used
- ESB Networks Ltd. provides elementary design drawing showing how the relay must be wired to other station equipment.
- IPP acquires the nominated relay from the manufacturer or intermediary (not ESB Networks Ltd) and installs it as per the elementary
- ESB Networks Ltd. provides the relay configuration and setting file when requested by the ESB Networks Ltd. appointed Project Manager

For the avoidance of doubt, the IPP has no role in the installation of related protection in any remote stations

4.2 Non-contestable communications model for contestable build

As with system protection, communications works are non-contestable. However to facilitate the contestable build the non-contestable model for communications, will be as follows:

- ESB Networks Ltd. will specify the equipment manufacturer, type, and model that must be used.
- ESB Networks Ltd. will also specify cables (copper or optical fibre) to be used for interconnection of the communications equipment.
- ESB Networks Ltd. will provide designs to the IPP. These designs will specify wiring between the RTU and an interface, interconnections between communications equipment and connections to 48V DC power system.
- The IPP will procure and install the equipment on the IPP site only and not any remote location. The IPP will acquire the nominated equipment from the manufacturer or chosen intermediary (not ESB Networks Ltd.) and install it as per the design provided.
- ESB Networks Ltd. Telecoms clerk of works will check the progress of equipment installation at key milestones. Any deficiencies to be remedied by the IPP and approved by the ESB Networks Ltd. Telecoms clerk of works before progressing to the next milestone.
- The IPP will be responsible for pre commissioning and commissioning of 48V DC power system.
- ESB Networks Ltd. will verify the IPP installed equipment, before becoming responsible for pre-commissioning and commissioning of all works. The IPP will provide a equipment specific technically competent person to assist with pre commissioning and commissioning.
- The IPP will keep ESB Networks Ltd. informed on project progress at all times.

Should an IPP so request, ESB Networks Ltd. will provide the IPP an opportunity to visit an existing site with similar communications equipment.

4.3 Metering and a contestable build

As with system protection and communications, metering works are non-contestable. However to facilitate the contestable build the non-contestable model for metering works allows that the IPP will undertake some works.

On this basis, the IPP will be responsible for the following works;

Specific to 38kV IPP Connection

- IPP Feeder Cubicle – Plinth and HV Metering Equipment
- Revenue Metering CT/VT units
    1. Inclusion of space on the associated IPP feeder cubicle plinth in the ESB Networks Ltd. substation.
    2. Supply and installation of appropriate mounting steelwork.
    3. Supply and Installation of the specific, dedicated Revenue Metering CT/VT Units as advised by ESB Networks Ltd..
    4. Making off the Primary connections for the Revenue Metering CT/VT units.
- Revenue Metering Marshalling Box
    1. Supply and Installation of steel work for mounting of the Revenue Metering Marshalling Box adjacent to the CT/VT units.
    2. Mounting of the Revenue Metering Marshalling Box provided by ESB Networks Ltd.
    3. Supply and installation of a suitably protected 230V single phase supply cable from the IPP 400/230VAC Distribution Board to the Revenue Metering Marshalling Box.
    4. Supply and installation of galvanised cable tray (outdoor use) for cables running from the Revenue CT/VT units Secondary Terminal Boxes to the Marshalling Box.
- Labelling of all associated Revenue Metering Equipment at the HV Cubicle location.
- Main Earthing / bonding of all associated HV cubicle Revenue Metering Equipment to the substation Earth Grid.
- Supply and installation of dedicated ducting for Revenue Metering Cables only, to go from the Marshalling Box location to the Meter Cabinets location.

All other equipment associated with Revenue Metering will be supplied and installed by ESB Networks Ltd. as part of the standard costs.

Specific to MV IPP Connection.

The Revenue CT/VT chamber used to meter MV customers / IPPs is purpose built for ESB Networks and as such will be supplied by ESB Networks Ltd. as part of the standard costs.

The IPP will be responsible for the following works;

- Mounting of Revenue Metering CT/VT chamber in ESB side of MV sub-station
- Making off the Primary connections for the Revenue Metering CT/VT units.
- Main Earthing / bonding of all associated HV cubicle Revenue Metering Equipment to the substation Earth Grid.

For both 38kV and MV connections the IPP will be responsible for certain pre-commissioning works.

5.0 Ownership of contestably built assets

As set out in CER/10/056, Clause 2.6, and Section 2 above, in all cases ESB Networks Ltd shall seek the transfer of all contestably built Distribution System connection assets to ESB Networks Ltd where,

- ESB Networks Ltd. consider it necessary for reasons of public safety; or
- The assets are required to connect other customers or

- The connection assets are shared by a number of connecting parties; or
- The assets are needed for some wider system reason.
- For other reasons which ESB or ESB Networks Ltd. deem necessary in the circumstances

Where agreement is reached between the ESB Networks Ltd. and the connecting party or parties for the transfer of the connection assets then no issue arises. The Commission has given a blanket approval to the transfer.

Where the ESB Networks Ltd. requests the transfer of the connection assets and the connecting party or parties dispute the transfer the Commission will decide whether the assets are to be transferred. As a general guideline the Commission would direct the transfer where it believed it was in the interests of public safety or where the connection is needed to connect other parties or needed for wider system reasons. As per CER/10/056, The Commission may use further criteria in individual circumstances.

Ownership of all assets purchased and/or installed by a developer for non-contestable works – protection, metering and communications – will transfer to ESB as Distribution System Owner.

5.1 Future connections to contestably built assets where ownership is not transferred

As set out in CER/10/056, ownership of a shallow connection does not confer rights on the owner to offer or deny access to the system. The legislation gives the SOs the exclusive function of offering access to the Transmission and Distribution System. However prior to issuing an offer for connection to the contestably built assets, ownership of the assets must be transferred. Regardless of the timing of the transfer, the transfer will always be for a nominal amount.

5.2 Public Safety and Network Management

Some of the criteria (although non-exhaustive) which will be considered by the Commission when assessing whether public safety is impacted negatively by a decision not to transfer the ownership of the connection assets are set out below :

- Is the owner(s) able to provide an emergency response service equivalent to the service provided by ESB Networks Ltd.?
- Is the owner(s) able to demonstrate the competency to maintain and operate the connection assets? and
- Is the owner(s) able to demonstrate that all reasonable steps will be taken to ensure public safety? For example
    - 24 X 7 point of contact,
    - Public campaigns on overhead line/underground cable safety,
    - Participate in a national electrical line mapping database

5.3 Operation of assets to be transferred

In some instances, prior to the final legal transfer of assets taking effect, ESB Networks Ltd. will require to take over operation of the assets in question. In these instances both ESB Networks Ltd. – as Distribution System Operator – and the Customer, will be required to sign a handover document in the form set out in Appendix 4. This will be signed at the time of the handover of Operations.

6.0 Shared Assets and Unanimity

CER have directed that where shared assets are built contestably the sub-group must all agree to the contestable build. Further to this, the following clarifications apply.

6.1 Agreement to defer the decision to contest

Where a connection includes shared assets, the group have the option of deferring the decision to contest the build. In order to avail of this option (also termed the Hybrid option) all group members must agree and advise in writing that they wish to defer the option to contest. In the absence of agreement, a non-contestable offer will issue in respect of the shared assets. If the group ultimately decide to contest the assets, then, prior to issue of the contestable offer, all parties must nominate in writing the lead developer who will be responsible for delivering the shared assets

6.2 Decision to change from non-contestable build or 'hybrid' to contestable build

As set out in Section 8 (in respect of offers issued prior to a final direction) and Section 9 (in respect of parties opting to defer the decision to contest), in certain limited circumstances parties will be allowed modify their offer from non-contestable to contestable. Where such a modification has been processed and modified offers issued, no works will commence on the contestable build (e.g. functional specifications will not be issued) until such time as all parties have accepted the modified offer. In the case of shared assets, In the event that one group member does not accept the modified offer, the build will revert to a non-contestable build.

6.3 Offer issued for connection to assets being built contestably

In some cases, the LCTA connection for a new applicant (in a subsequent Gate or a non-GPA) will utilise assets being built contestably under a previously issued connection offer. In such a scenario the following applies:

a. *Where the contestable offer has been issued in advance of the offer issue to the party in a subsequent Gate, as non-GPA*
The new applicant has no right of veto. The new applicant will pay for the connection asset on the basis of standard prices, and the parties contesting the build will be refunded in the usual manner, as though the build was non-contestable (see Joint TSO/DSO Group Processing Approach Charging and Rebating Principles)

b. *Where the contestable offer is requested after an offer has issued and/or been accepted by the 'new' applicant in a subsequent Gate (or non-GPA),*
The new applicant must agree to the contestable arrangement in the same manner as the parties in the original subgroup. The arrangements for payment of connection costs for the shared Distribution Connection Asset shall be a matter for the parties within the subgroup including the new Applicant. Please note that, as ESB Networks Ltd propose to limit modifications from non-contestable to contestable build, this issue should arise in exceptional circumstances only.

6.4 The Role and Responsibilities of the Lead Developer

In the case of shared Distribution System connection assets, ESB Networks Ltd. propose to deal with a lead developer with regard to the contestable build of said assets. With this in mind it is appropriate to set out ESB Networks Ltd proposal with regard to the roles and responsibilities of the lead developer in relation to the shared assets.

However prior to outlining this, it is also appropriate to outline some general principles relating to shared assets. Please note that the proposal set out below applies where all parties sharing the assets are to be connected to the Distribution System. Where there are also parties sharing assets, who are connecting directly to the Transmission System, a different process may apply.

6.4.1 General Principles

- For the purposes of a contestable build, shared assets are defined as those assets where work element is discrete. For example all works within a given station site are considered shared. On this basis while a bay in a station is dedicated from the perspective of charging for a non-contestable build, for the purposes of a contestable build it is deemed to be shared as all station works should be the responsibility of one party (the lead developer).

- Shared assets can only be built contestably where there is agreement between parties and one lead developer is appointed to do the works.

- No part of the shared asset site will be commissioned or energised until all works are complete

6.4.2 Responsibilities of the lead developer

In relation to shared Distribution System connection assets, ESB Networks Ltd shall require the lead developer, as a minimum, to be responsible for

Legal/Commercial

- Payment of the shared contestable charges - this contestable charge covers such items as the issue of functional specifications/work package, review of design submitted by the lead developer, on site visits and general project supervision. Please also refer to section 7.3 below.
- Provide and maintain a Performance bond if required up to Declaration of Fitness of the Contestable Components
- Where there is a change of ownership of any of the connection agreements in the group whose assets are shared the new legal entity, who has acquired the connection agreement, is deemed to have chosen the previously nominated Lead Developer following the reassignment of the connection agreement
- Delivery of shared assets to the required System Operator standard
- Delivery of safety files including as-built records
- Provision of Site familiarisation, training etc to SO staff as required[5]
- Obtaining Planning Permission and Deed of Grant/wayleaves as required
- Arranging the Legal transfer of all assets on transfer of ownership

Design/Construction/Commissioning

- Provision of programme information in advance of any activities taking place
- Recipient of functional specifications
- Provision of detailed design
- Safety legislation compliance (client PSDP, PSCS etc.)
- General Site safety

[5] Assumes assets to be transferred to ESB and/or operation to be taken over be the relevant SO

- Primary responsibility for any interface issues where dedicated assets are also to be built contestably
- Acts as a single point of contact in relation to common issues

7.0 Financial Issues

7.1 Performance Bond

A developer may be required to post a performance bond with ESB Networks Ltd. in respect of the connection works for shared Distribution System connection assets being undertaken. This bond will not be required where all parties who are sharing the assets to be built contestably are agreeable to the works being done contestably even in the absence of a performance bond.

Purpose of the Bond

As part of the agreement to contest the shared assets, parties will be asked whether they are happy for the shared assets to be built contestably – even where a performance bond has not been provided by the lead developer.

The purpose of the bond is to cover off the situation where for some reason the lead developer is unable to complete the build, and the group wish the build to be completed on a non-contestable basis. Where a bond is put in place, this will cover some or all of the cost of the remaining works. As set out in the CER direction CER/10/056, the level of the bond to be put in place is a matter for the subgroup. In determining the level of the bond the subgroup should balance the perceived risk against the cost of servicing the bond. Where a subgroup indicates their agreement to contest the connection, then unless otherwise indicated ESB Networks Ltd. will assume no bond is required. See Appendix two for the templates which parties are required to return to ESB Networks Ltd.

Where a bond is required

1. Where the members of the subgroup have agreed to put in place a performance bond, the lead developer will be required to put the bond in place on offer acceptance. The subgroup will also agree what % of the relevant costs they wish to have covered by the bond. The value of this % will be set out in the Connection Agreement and will be based on the % of the cost of a non-contestable build based on standard prices[6].

2. It is a matter for the subgroup to decide how they wish to finance the bond.

3. The bond requested shall be an On Demand bond, with the following credit rating:

   Banks licensed by the Central Bank of Ireland or authorised in other Member States of the European Economic Area (EEA) to carry on business in the State under EU Directive, 2006/48/EC with a long-term credit rating of at least A (Standard and Poors) or A2 (Moodys) or equivalent. A-/A3 will not suffice. Where a company has a split rating, the lower rating will be considered for the purposes of this definition. The Customer shall be required to procure a new bond within 30 business days if the rating of the financial institution providing the bond falls below this rating.

[6] The bond will not include an estimate of pass through costs. In the event that the build ultimately reverts to a non-contestable build, pass through costs will be charged to the sub-group in the usual manner and attributed on a per MW basis

4. The bond is to remain in place up to the Declaration of fitness of the Contestable Components. If the bond is due to expire before this date, a renewed bond is to be furnished least 30 business days prior to expiry.

5. In the event that ESB Networks Ltd. is subsequently requested to complete a build on a non-contestable basis and all parties agree to this change, the bond will be drawn down to finance this non-contestable build. Where a 100% bond was put in place modified connection agreements can be accepted without any further financial commitment[7] from the group.

6. The cost of the remaining works will be calculated based on standard pricing principles and the bond will be drawn down to finance this non-contestable build

7. Where a 100% bond was put in place, then in the event that the bond is not sufficient to cover the cost of the connection (calculated based on standard pricing principles), and in line with Group Processing principles, the balance will be funded by the DUoS customer.

8. In the event that the connection is ultimately delivered on a non-contestable basis, pass through costs will be charged in the normal manner and attributed to the sub-group on a per MW basis.

9. The bond may also be drawn down to complete the build (on a non-contestable basis) should the contestable build be incomplete at the contractual longstop date. However this step will only be taken following discussions with the parties affected (parties affected may include the System Operator).

Where a bond is not in place or the value of the bond is less than 100%, and ESB Networks Ltd is requested to complete the build on a non-contestable basis[8]

a. In relation to shared assets where all parties had agreed to these assets being built on a contestable basis, and had agreed to this being done without the requirement for a Performance Bond, all parties must now agree to revert to a non-contestable build

1. Prior to taking over the build ESB Networks Ltd. will assess the work carried out to date and cost the works required for completion based on standard pricing

2. ESB Networks Ltd. will issue new non-contestable connection offers to all parties sharing the assets. The timelines and costs included as part of these revised offers will be based on ESB Networks Ltd.'s assessment of the works required for completion, rather than on any timelines or costs established and agreed as part of the contestable arrangements. This will be processed as a modification with associated costs and timescales. Costs will be adjusted to take account of drawdown of any bond put in place, with the drawdown of the bond being attributed on a per MW basis to all parties sharing the build

3. Charges will be attributed to the parties on a per MW basis

4 Once all offers are accepted and any required payments made, the work will then be scheduled.

[7] With the exception of pass through costs which will be charged in the usual manner
[8] Please note that ESB Networks Ltd, will only take over the build where all parties request they do so, and/or the contractual longstop date has been reached

Connection Offers in this instance would include a connection charge for the outstanding works – as assessed by ESB Networks Ltd. - and based on standard prices. Staged payments would be on the same basis as other non-contestable builds e.g. 10% to be paid pre-completion of detailed design and planning permission. Total of 65% to be paid pre-construction.

b. In relation to shared assets where at least one of the parties involved was not party to the original agreement to contest the assets[9], and the works are requested to be completed on a non-contestable basis[10],

1. Prior to taking over the build ESB Networks Ltd. will assess the work carried out to date and cost the works required for completion based on standard pricing. Any outstanding costs, which would otherwise be to the account of the developer who was not party to the original agreement to build the assets contestably, and which will not be covered by the capital contribution for which that party is liable under their Connection Agreement, will be borne by the End-User

2. Where any parties have dropped out and no longer require a connection, ESB Networks Ltd. will review the connection method and consider whether completing the contestable build and connecting the remaining developers based on the original connection method is optimum from the perspective of minimising cost to the DUoS customer[11].

3. The ESB Networks Ltd. will issue new non-contestable connection offers to all parties sharing the assets. The timelines and costs[12] included as part of these revised offers will be based on the assessment of the works required for completion, rather than on any timelines and costs established and agreed as part of the contestable arrangements

4. Once all offers are accepted and any required payments made, the work will then be scheduled.

7.2 Underwriting by the DUoS customer

7.2.1 As set out in the CER direction CER/10/056, where a generator does not accept their connection offer, or withdraws at a later stage, the ESB Networks Ltd. will pay the remaining generators in the subgroup the portion of the shared connections costs that would have been borne by a withdrawing party, as would have been payable in the case of a non-contested connection. The cost that would have been borne is calculated using the standard pricing principles i.e., the portion of shared assets would generally be based on the MW share of the connection of the withdrawing party.

The remaining parties will be paid in the following sequence

1. The withdrawing party's connection agreement is terminated;

2. A bond is provided by the remaining parties and will be returned upon successful completion of all the relevant connection works and energisation. The level of the bond will be equal to the amount to be paid by the ESB Networks Ltd. to cover the costs of the withdrawing party; and

[9] For example where a connection offer was issued in a subsequent Gate
[10] Only parties who originally agreed to the contestable build are now required to revert to agree a non-contestable build
[11] This may result in a delay to the connection parties
[12] Please note, any parties connecting to the assets in question, but who were not party to the agreement and instead were charged based on ESB Networks Ltd. standard prices, will not be subject to an increased quote for their connection.

3. ESB Networks Ltd. will make payments to the remaining parties as costs are incurred.

7.2.2 Alternatively, if a bond is not provided then ESB Networks Ltd. would make the relevant payments upon successful completion of all the relevant connection works and energisation. At the customer's request, and once a withdrawing parties connection agreement has been terminated, ESB Networks Ltd. may also provide the connection parties a letter detailing the payments due to them upon successful energisation.

It should also be noted that in their direction on this matter, the CER also set out the following:

As before the Commission would like to make clear that the policy with respect to contestability of connection asset costs is not intended to expose the DUoS/TUoS customer to excessive costs. Should the sum of such costs become significant the Commission reserves the right to reconsider overall policy in this area.

7.3 Shared contestable charges

The shared contestable charges will be invoiced to the lead developer for payment on behalf of the subgroup in x instalments. The shared contestable charge is pass through. The subgroup should note that these shared contestable charges will increase if multiple iterations of design, review, site visits, etc. are required. The subgroup will be jointly and severally liable for these payments and failure to make prompt payment on foot of the invoiced charges may result in delayed energisation or lead to de-energisation. It is therefore the responsibility of the subgroup to make sure there are controls in place with the lead developer to ensure that the need for additional designs, reviews, site visits, etc., are kept to a minimum.

8.0 Connections eligible to be built contestably

8.1 Offers issued pre-final direction CER/10/056:

Prior to the final direction issued in April 2010 (CER/10/056) all connections offers for connection to the Distribution System were issued on a non-contestable basis However ESB Networks Ltd proposes the following transitional arrangements to facilitate parties with existing offers to avail of the contestable option where feasible.

In order to facilitate developers who were issued with non-contestable offers pre the final direction but, wish to build their connection assets contestably, ESB Networks Ltd. proposes the following arrangements with regard to generators which have not yet been connected/energised:

1. Where a developer has accepted a connection offer, but where work[13] has not commenced, the developer may request a modification to a contestable offer from ESB Networks Ltd.

2. Where an offer has been made but not accepted, the Developer may seek a contestable offer from ESB Networks Ltd. However where a new contestable

[13] Where design work has been undertaken, the developer may still opt for a contestable connection. However the developer will be liable for any costs incurred to date.

offer is issued in this instance this will supersede the existing non-contestable offer.

3. Where ESB Networks Ltd has already started the construction phase of the project, has ordered material or has entered into an agreement with a contractor, the connection will be completed by ESB Networks Ltd.

8.2 Rules going forward

Process to facilitate decision – specific to Gate 3

As set out in Section 2.0, prior to an offer issuing to an IPP, the IPP must opt for a contestable or a non-contestable offer. In the case of shared Distribution connection assets, a group of developers may also opt to defer the decision to contest. (This option is subject to the conditions set out in Section 9.0.). In order to inform this decision the following process has been put in place:

a. ESB Networks Ltd will write out to all customers asking whether they wish to receive further information on the contestable option. Where the customer elects not to receive additional information, they will receive a non-contestable offer as per the original Gate 3 Offer Schedule (included as Appendix 3. Where the customer elects to receive additional information their offer – whether ultimately contestable or non-contestable – will be issued as per a revised schedule yet to be finalised.

b. ESB Networks Ltd will write out to customers requesting whether they wish to contest the Transmission Assets which form part of their shallow connection[14]. The communication will provide the following information:

   i. Which assets can be contested
   ii. Where assets are shared, which generators must agree in order for the assets to be contested
   iii. An up-to-date estimate of the non-contestable cost of building these assets. Please note that the non-contestable build will be based on the principle of standard pricing, albeit with certain items being charged on a pass through basis.
   iv. An up-to-date estimate of the contestable charges for project supervision and monitoring which would apply should the assets be contested. Please note contestable charges will be fully on a pass through basis
   v. Based on this advice the customers will advise within 20 business days
      a. which assets they wish to contest;
      b. the expected lead-time for delivery of these assets
      c. In the case of shared assets, who will be the lead developer for the shared assets

c. ESB Networks Ltd will write out to customers requesting whether they wish to contest the Distribution Assets which form part of their connection. The communication will provide the following information :
   i. Which assets can be contested
   ii. Where assets are shared, which generators must agree in order for the assets to be contested
   iii. An up-to-date estimate of the non-contestable cost of building these assets. Please note that the non-contestable build will be based on the principle of standard pricing, albeit with certain items being charged on a pass through basis.

[14] As TSO must advise Transmission implications to ESB Networks Ltd. in advance of ESB Networks Ltd's offers issuing, an earlier decision is required in relation to the contesting of Transmission Assets. A more streamlined approach is likely to be adopted for future Gates

iv. An up-to-date estimate of the contestable charges which would apply should the assets be contested. Please note contestable charges will be fully on a pass through basis

v. Based on this advice the customers will advise within 20 business days

a. which assets they wish to contest;
b. the expected lead-time for delivery of these assets
c. In the case of shared assets, who will be the lead developer for the shared assets
d. In the case of shared assets, if the group wish to defer the decision to contest, this can be done under the terms and conditions set out in the accompanying document

d. Please note that in respect of both Transmission and Distribution Assets standard templates will be provided for the developers to sign indicating their preference for a contestable build and nominating a lead developer as appropriate. Samples of these are provided in Appendix 2
e. Non-contestable offers will be issued in the following scenarios;
    a. In the case of dedicated assets, if the customer indicates a preference for the a non-contestable offer, or if no response is provided within 20 business days
    b. In the case of shared assets
        i. If no response is received from any one of the parties sharing the assets within 20 business days
        ii. If any one of the parties sharing the assets indicates a preference for a non-contestable build
        iii. If all parties do not nominate the same lead developer
        iv. If any one of the parties sharing the assets indicates that they are only willing to proceed on the basis of a performance bond being put in place, and the lead developer indicates that he/she is not prepared to put a bond in place
f. In the case of the option to defer the decision, this can only be availed of if all parties opt to defer.

8.3 Modification from contestable to non-contestable build

Where a developer or group of developers has opted to build their Distribution System connection asset contestably and subsequently wish to revert to a non-contestable build, this request can be facilitated under the following conditions:

1 In relation to dedicated assets, where the developer(s) has accepted a connection offer, the developer(s) may request a modification to a non-contestable offer from ESB Networks Ltd. which will be processed in a usual manner and a non-contestable offer will be issued to the customer(s) in due course. A connection offer modification fee will apply.

2 Where the contestable offer was originally made in respect of shared assets and subsequently accepted by all parties, any request to revert to a non-contestable offer can only be facilitated if there is a written modification request from all parties. In the absence of such a request from all parties, the shared assets will continue to be built on a contestable basis. Alternatively the customer can request ESB Networks Ltd to terminate their agreement with ESB Networks Ltd. The customer will then be excluded from the Gate and the generator applications queue.

The exception to this rule is when the Lead Developer has failed to meet contractual longstop dates as set out in the connection agreement with the Lead Developer and ESB Networks Ltd.. In this event ESB Networks Ltd may consider termination of contestable connection agreements in line with General Conditions and if terminated will issue non-contestable offers to the affected customers. However before such an action is taken ESB Networks Ltd will meet with all affected parties to discuss the options available

3 In addition, in the case where construction work has commenced on a project and the developer(s) requests a modification to a non-contestable offer[15], ESB Networks Ltd will step in to complete the build on the following basis

- Each project will be assessed on a case by case basis to ensure that the project can be taken over in a safe manner. In some cases this will mean abandoning works already done. Any costs will be to the account of the customer
- Any works built contestably, but being included in the non-contestable connection, must be completed to the Distribution Standards provided
- ESB Networks Ltd. will issue a modified offer to the customer outlining the breakdown of costs for completion of the project, based on standard non-contestable costs. (See section 7 relating to the Performance Bond)
- ESB Networks Ltd. will not be liable for any delays resulting from the request to take over a contestable build
- ESB Networks Ltd. will draw down on the performance bond (where available) and this drawdown will be used to fund the build as set out in Section 7.

9.0 Option to defer the decision to contest

Where a connection method includes shared assets and parties are finding it difficult to agree on how to contest the assets in question, consequently and in relation to the shared assets only, subgroups are allowed defer the decision to contest. This option is as set out in the ESB Networks Ltd. document entitled 'When to select a Contestable Offer – Decision Timeline' published with CER's final direction on contestability in April 2010, and is also termed the Hybrid Option. The primary conditions under which the Hybrid Option can be selected and will operate are as set out below.

Eligibility

Parties whose connection method involves shared assets have the option of deferring the decision to contest in respect of these shared assets.
Should the group wish to avail of this option they must advise ESB Networks Ltd. following receipt of the customer pre-offer communication issuance in the same timeframe as a decision to contest

[15] Such request may sometimes be due to the party undertaking the contestable build being unable to complete the works

or not to contest i.e. the exact date will be supplied in the ESB Networks Ltd pre-offer communication letter.

- This option will only be available for connections with shared assets and in relation to contesting of those shared assets.
- This option will only be available with full agreement of all parties sharing the assets. If at any point prior to the group formally requesting a modification to a contestable connection, one or more subgroup members advises ESB Networks Ltd in writing that they no longer wish to pursue this option and have no interest in pursuing the contestable option, connection will progress based on a non-contestable option.

Basis for Hybrid

- The connection offers issued to all parties will be for a non-contestable build and will require a first stage payment on the basis of standard costs for a non-contestable build. In the event that the parties ultimately decide to contest the offer, such that the first stage payment exceeds the total costs[16] incurred by ESB Networks Ltd,,any additional excess payments will be refunded once the connection is energised
- ESB Networks Ltd. will not undertake the following until a final decision is advised by the group, or second stage payment has been received for a non-contestable build
    - Any advance engagement with contractors
    - Any pre-ordering of equipment
    - Scheduling of internal staff for construction or ongoing project management
- ESB Networks Ltd. will not undertake any wayleaving until such time as the developer or sub-group determine that a non-contestable connection is the preferred option, or second stage payment has been received for a non-contestable build.
- In the event that the sub-group[17] – having initially opted for a hybrid option – advise ESB Networks Ltd. that they wish to have their connection built on a non-contestable basis, ESB Networks Ltd. will endeavour to program this work soonest[18]
- A subsequent request to opt for a contestable option will be dealt with as a modification request, with the sub-group fully liable for the cost of processing that request. As with any modification request involving shared assets, all parties must request the modification or agree to same. While ESB Networks Ltd. will endeavour to issue modified offers speedily, any modification request can take up to 90 business days to process.
- ESB Networks Ltd. will not be in a position to engage on a contestable construction and/or issue functional specifications until such time as the modified offer is accepted by all parties

Timing of Decision

As a general rule the sub-group – having deferred their decision to contest - can opt to contest (or proceed as a definite non-contestable connection) up to two weeks prior to the 2nd stage invoice. However

[16] Total costs will include any costs incurred prior to the decision to contest the build and contestable charges.
[17] Or a minimum of one member therein
[18] As commitments will have already been given to existing projects which opted for the non-contestable offer, these projects will obviously have priority.

- In the event that, having opted for a hybrid offer, a decision by the entire subgroup has not been reached as to whether the subgroup wish to contest their connection prior to the ESB Networks Ltd being in a position to commence design for the connection, then ESB Networks Ltd will commence the design per the existing connection agreements. The design and Planning Permissions will be completed by the ESB Networks Ltd with the generators fully liable for the costs of the works incurred even in the event that they subsequently opt for a contestable build. If these costs were not included in the connection offers then these will be passed to the customers as pass through costs.
- A final decision on whether to contest or not contest to be confirmed a minimum of 2 weeks in advance when the invoice for 2nd stage payment is scheduled to issue[19]. In the event of a request to modify to a contestable connection, the timeline for issuing of the 2nd stage payment request will be delayed until after the modified offers have been accepted by all members of the subgroup. In the event that all parties do not request a contestable offer in writing at this time, the project will progress on a non-contestable basis.

10.0 Other Options to modify

As a general rule, with the exception of connection offers covered under 8.1 (i.e. offers issued prior to the final direction on contestability), requests to modify from a non-contestable offer to a contestable offer is not permitted. However under certain circumstances, at the discretion of the ESB Networks Ltd., modification requests may be facilitated[20]

In particular, and as set out in CER direction CER/10/056 the following circumstances will most likely mean a modification can be facilitated

Circumstance	DSO position
Sub-group member has not accepted offer and redesign required	Customers to be advised of delay in progressing their connection and offered the option of agreeing to contest; Members will be polled again based on new Connection method
Connection method change requested as part of offer modification	May be possible. Case-by case assessment. As with any modification, customer liable for any costs incurred on original connection[21]

As both these circumstances are potentially outside the group's control, it is reasonable to again poll group members on whether to contest the connection or not. As before, where assets are shared the group must agree unanimously to contest these assets

[19] Exact timeframe to be on a project specific basis
[20] Assumption here is that hybrid option was not opted for in the first instance
[21] The connection method change should be substantial i.e. a request to underground a small section of the circuit would not allow a modification to a contestable connection

11.0 Process for Connecting a generator to the Distribution System:

A contestable offer from ESB Networks Ltd will include details of the connection method i.e. the type of connection from the existing Distribution System to the high voltage bushings of the developer's transformer and will include voltage level, type of connection (Radial or looped) and the connection point.

As part of the contestable offer ESB Networks Ltd will provide

- an estimate of the project supervision, monitoring, inspection and commissioning charges which will be incurred to ensure that all Distribution Assets are built to ESB Networks Ltd. Distribution Standard. Please note contestable charges for these works are on a pass through basis. The final payment will – consequently – be based on actual costs incurred.
- a cost breakdown of any non-contestable works

Post Offer acceptance, ESB Networks Ltd will provide

- A work package comprising
  - A scope of works for the build, capturing the connection method
  - A set of generic Functional and Material Specifications for individual items or sets of items of build, referenced in the Scope
  - Details of site specific requirements

- a list of relevant equipment currently in use on the Distribution System.

11.2 Equipment not currently in use on the Distribution System

If developers choose to use equipment not currently in use on the Distribution System, a more onerous approval process will be required. In the first instance this will involve a more rigorous evaluation of the equipment. In addition factory visits may be acquired to assess the quality control procedures in place. Such processes will obviously cause delays at the design approval stage of the process. In addition the contestable costs incurred will be greater.

Having completed this process it may be that ESB Networks Ltd. will refuse the use of this equipment. Should the developer still wish to use the equipment, ESB Networks Ltd. decision can be appealed to a materials standards committee (yet to be finalised), similar to the system which operates in other European countries. The committee will operate along the lines of the Distribution and Grid Code Review panels and would comprise suitable experienced experts from ESB Networks Ltd., the National Standards Committee, CER, the wind industry and Universities.

Terms of reference for this committee will need to be drafted to include the steps required to approve equipment for use on the Distribution System and the timelines.

In addition developers should be aware that where such equipment is ultimately installed on the system and used to connect their development the reliability of the connection may vary depending on the availability of spares (to be provided by the developer.) ESB Networks Ltd is happy to discuss these issues with any developer considering the use of such equipment.

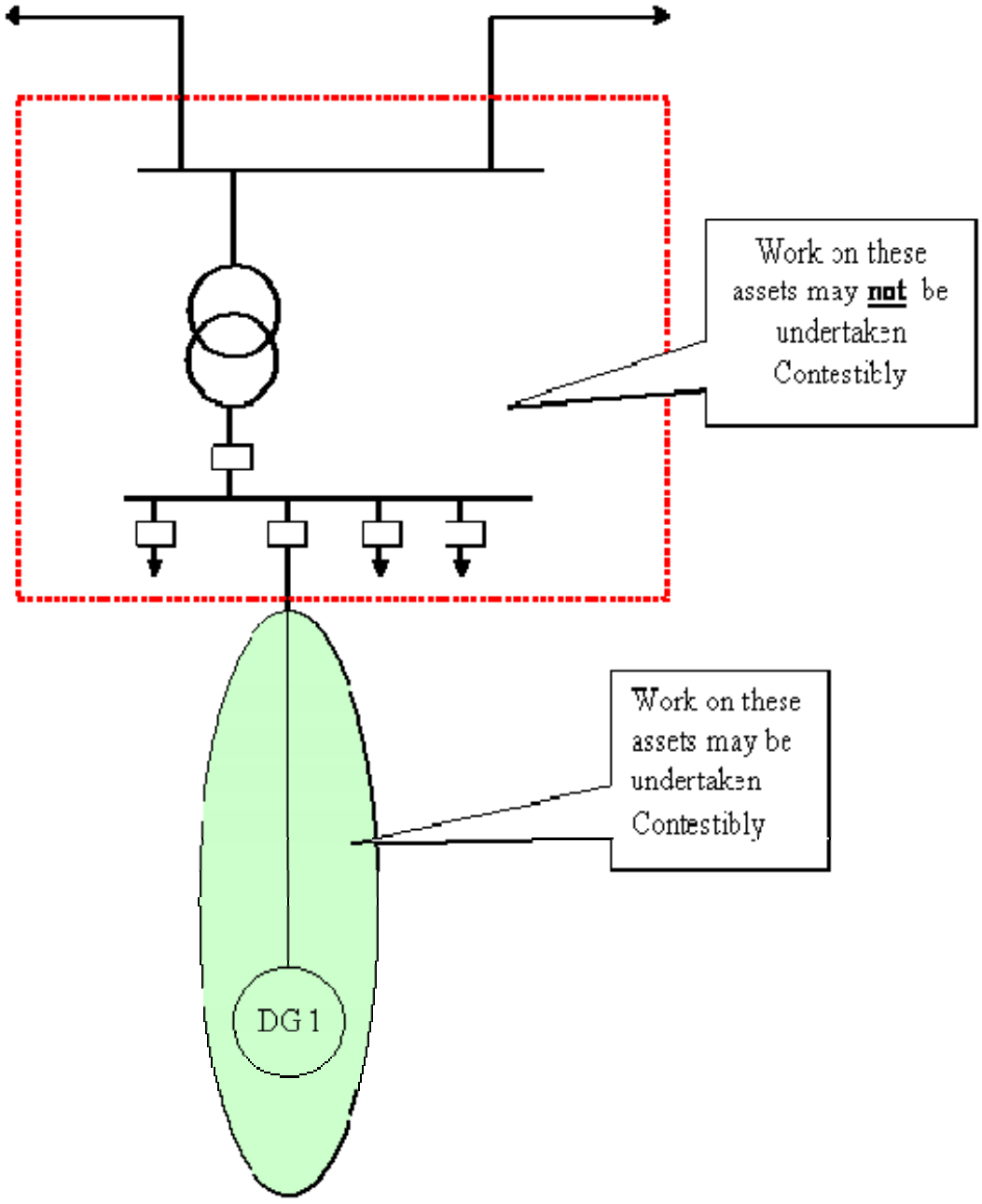
Where equipment is provided which ESB Networks Ltd does not already use, the Developer will be required to supply and store spares and training.

Appendix 1 Examples of Connection Scenarios:

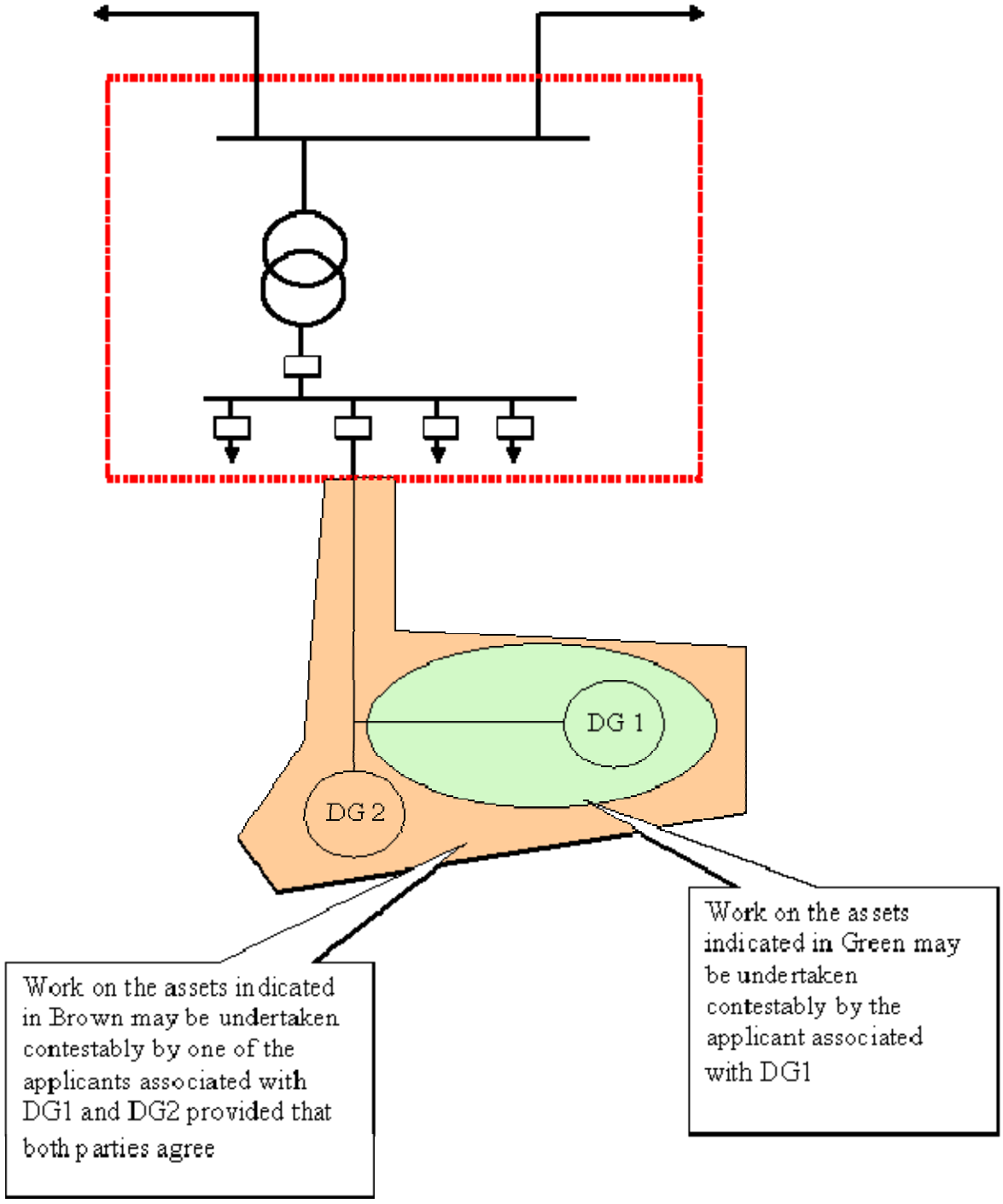
In this section some typical examples of connection scenarios to the Distribution System are presented to illustrate which parts of the connection are contestable. These scenarios also distinguish between parts of the connection which could be built contestably by a single developer and those that would be built by a lead developer following unanimous agreement among the generators in respect of an asset to be shared.

These scenarios also serve to indicate that part of a contestable connection which ESB Networks Ltd would take ownership of and what parts may remain in the ownership of the developer.

Secenario1: New dedicated MV feeder into existing 38kV/MV station

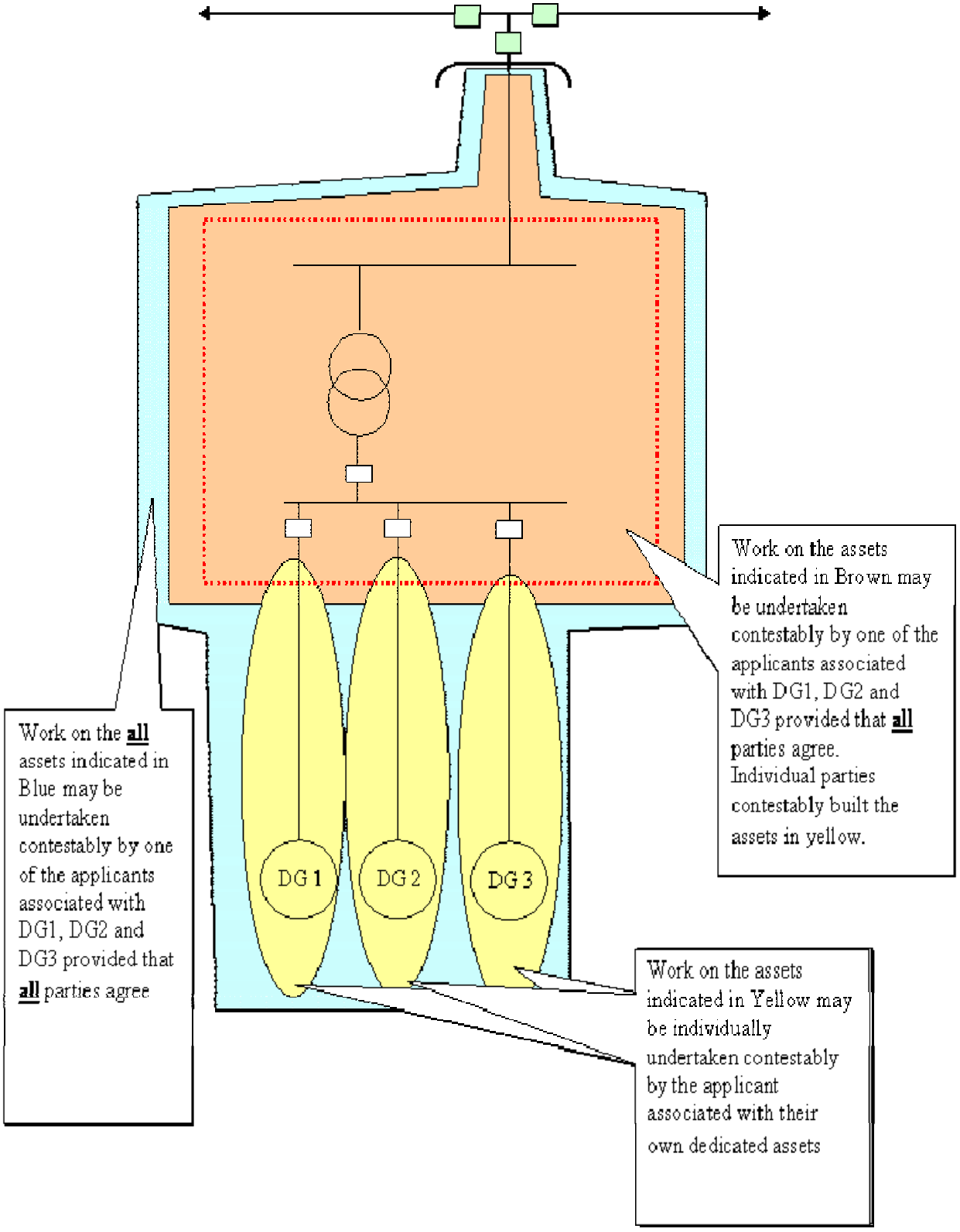


Scenario 2: New MV feeder into existing 38kV/MV station, shared between two applicants



Please note that the shared assets built contestably will be taken over by ESB Networks Ltd.. In addition parties should agree in writing, indicating which developer is responsible for undertaking contestable works

Scenario 3: New dedicated DG 38kV station feed into existing line with three DGs fed from it at MV



Appendix 2 – Standard templates to be signed and returned where a contestable offer is to be provided, or where a group opt to defer the decision to Contest

Contestability Template for contesting dedicated assets

*(**Note** - This template should be provided on your Company Headed paper and signed by someone who has authority to bind your Company.You should replace 'My Wind Farm Limited' with the Company Name per your Connection Agreement.[22] The name of the project relevant to your Connection Agreement should replace 'My Wind Farm'.)*

To Whom it may concern,

'My Wind Farm Limited' requests that the connection offer issued to ***'My Wind Farm'*** would be on the basis of the dedicated assets indicated as block x in the Single Line Diagram attached and dated [][23] being built contestably by ***'My Wind Farm Ltd***.

The contestable build will be undertaken in accordance CER directions and policy, more particularly CER direction CER\10\056 on Transmission and Distribution Contestability, which directions and policy may be amended, updated or replaced from time to time.

'My Wind Farm Limited' also understands and accepts that the non-contestable costs associated with the Transmission System Operator's or the Distribution System Operator's construction of the remaining non-contested connection works and any appropriate allocated costs, and any costs associated with the project monitoring and supervision of the contestable build, shall be included in the Connection Agreement for '***My Wind Farm Limited'*** and are payable to the relevant System Operator in accordance with the Connection Agreement.

'My Wind Farm Limited' expects the contestable works to be completed subject to the following timescales

1. Completion of design and granting of Planning Permission – [TIME PERIOD TO BE PROVIDED BY ***'My Wind Farm Limited']***
2. Works construction time period (post completion of design and granting of Planning Permission) – [TIME PERIOD TO BE PROVIDED BY ***'My Wind Farm Limited']***

'My Wind Farm Limited' understands and accepts that the date and times given above may be used in the connection agreement, and may be the basis for long-stop dates in said agreement

'My Wind Farm Limited' understands and accepts that any assets contestably built will remain in their ownership and be their responsibility unless, and until such time as, the relevant System Operator seeks to transfer said ownership.

My Windfarm will consent to the transfer of ownership of the contestably built assets to ESB if the relevant System Operator seeks such transfer. [24] (Tick if appropriate) ☐

For and on behalf of [My Wind Farm Limited]:

[22] or most recent version of your application form (as appropriate).
[23] please include SLD and reference relevant block numbers
[24] In the event that this box is not ticked and the relevant SO seeks to take over ownership, the CER will adjudicate.

Signed:_____ Witness: _____
Name: [block capital] Name: [block capitals]

Title: _____ Title: _____

Date:_____ Date: _____

Contestability Template for contesting shared assets

*(**Note** - You should replace 'My Wind Farm Limited' with the Company Name per your Connection Agreement.[25] The name of the project relevant to your Connection Agreement should replace 'My Wind Farm'. You should replace 'ABC Energy Limited' with the name of the company that you have agreed will be undertaking the role of Lead Developer for the purposes of building the shared assets. This template should be provided on your Company Headed paper and signed by someone who has authority to bind your Company)*

To ESB Networks Ltd,

For the purpose of this letter, the members of the Subgroup are [*insert each member of relevant Subgroup].*

'My Wind Farm Limited' advises ***ABC Energy Limited*** has been appointed Lead Developer for the Subgroup and that the contestable shared assets identified as block x in the Single Line Diagram attached and dated[26] and required as part of the connection works for '***My Wind Farm'*** will be co-ordinated by the Lead Developer.

The contestable build will be undertaken in accordance CER directions and policy, more particularly CER direction CER\10\056 on Transmission and Distribution Contestability, which directions and policy may be amended, updated or replaced from time to time.

It is understood that the shared contestable charges associated with the project monitoring and supervision of the contestable build shall be invoiced to the Lead Developer for payment on behalf of the Subgroup to the relevant System Operator in accordance with the Connection Agreement.

'My Wind Farm Limited' also understands and accepts that the non-contestable costs associated with the Transmission System Operator's or the Distribution System Operator's construction of the remaining non-contested connection works and any appropriate allocated costs shall be included in the Connection Agreement for '***My Wind Farm Limited'*** and are payable to the relevant System Operator in accordance with the Connection Agreement.

Where a performance bond is to be put in place, ***'My Wind Farm Ltd'*** agrees that the level of the bond will be [X%] cost of the shared assets being contested.

My Wind Farm Ltd **does not agree to the contestable build unless a performance bond is put in place in relation to the shared assets (***tick if appropriate*) ☐

'My Wind Farm Limited' expects the contestable works to be completed subject to the following timescales:[27]

1. Completion of design and granting of Planning Permission – [TIME PERIOD TO BE PROVIDED BY ***ABC Energy Limited*** '***.]***
2. Works construction time period (post completion of design and granting of Planning Permission) – [TIME PERIOD TO BE PROVIDED BY '***ABC Energy Limited]***

[25] or most recent version of your application form (as appropriate).
[26] Please include SLD and reference relevant block numbers
[27] The subgroup should get confirmation of these timescales from the Lead Developer. The timescales confirmed here must be the same as those confirmed by each of the other members of the subgroup in their respective Letters for Contesting Shared Assets.

'My Wind Farm Limited' understands and accepts that the date and times given above may be used in the connection agreement, and in the connection agreements for other parties in the subgroup sharing the assets and may be the basis for long-stop dates in said agreement

'My Wind Farm Limited' understands and accepts that any assets contestably built will remain in the ownership of the Subgroup and be their responsibility unless, and until such time as, the relevant System Operator seeks to transfer said ownership to ESB.

My Windfarm will consent to the transfer of ownership of the contestably built assets to ESB if the relevant System Operator seeks such transfer[28]. (Tick if appropriate) ☐

For and on behalf of [My Wind Farm Limited]:

Signed:_____ Witness: _____
Name: [block capital] Name: [block capitals]

Title: _____ Title: _____

Date:_____ Date: _____

[28] In the event that this box is not ticked and the relevant SO seeks to take over ownership, the CER will adjudicate.

Request to defer the decision to contest

To ESB Networks Ltd,

In relation to the shared assets identified in the Single Line Diagram attached (please include SLD and reference relevant block numbers), ***'My Wind Farm Limited'*** wishes to defer the decision as to whether these assets are to be contested. '***My Wind Farm Limited'*** accepts that by deferring the option to contest, the offer issued and associated payment schedule will initially be on a non-contestable basis.

For and on behalf of [My Wind Farm Limited]:

Signed:_____	Witness: _____
Name: [block capital]	Name: [block capitals]
Title: _____	Title: _____
Date:_____	Date: _____

Appendix Three –Gate 3 Offer Schedule incorporating processes to accommodate contestability

Area	DSO Shallow Connection Reports to TSO	Transmission Offers to DSO	Offers Issue
K (2)	31/07/2009	26/11/2009	17/12/2009
D (9)	01/10/2009	05/03/2010	02/04/2010
H2 (10)	04/12/2009	25/06/2010	29/07/2010
H1 (16)	24/11/2009	09/08/2010	17/09/2010
B (18)	13/11/2009	01/09/2010	13/10/2010
F (5)	07/04/2010	28/10/2010	23/11/2010
E (30+)	12/03/2010	03/01/2011	07/03/2011
J (1)	23/04/2010	28/02/2011	13/04/2011
A (16)	19/07/2010	27/04/2011	10/06/2011
C (3)	03/08/2010	24/05/2011	15/06/2011
G (9)	12/08/2010	12/05/2011	17/06/2011
I (1)	10/09/2010	31/05/2011	21/06/2011

Appendix Four – Form of Handover Agreement of the Scheduled Contestable Components

THIS HANDOVER AGREEMENT is made the [ ] day of [ ] 20
BETWEEN:

(1) ESB Networks Ltd whose registered office is at Clanwilliam House, Clanwilliam Place, Dublin 2 (hereinafter called the "Company"); and
(2) [☺] (the "Customer"), whose registered address is [☺] and Company Registration Number is [☺] (hereinafter called the "**Customer**")
(hereinafter collectively referred to as the "Parties")

WHEREAS:

A. This Handover Agreement is made to facilitate the Company's operational control of the Contestable Components that are more particularly shown on the single line diagram attached at Schedule 1 hereto (the "Scheduled Contestable Components") pending the formalisation of the property transfer from the Customer to ESB in accordance with the provisions of the Connection Agreement entered into on the [ ] day of [ ] 20 [ ] relating to [insert name of Windfarm] (hereinafter referred to as "the Agreement") and in accordance with the terms and conditions contained therein between the Company and the Customer and the terms and conditions of this Handover Agreement.

B. The references and definitions used in this Handover Agreement shall have the meaning assigned to them in the Agreement unless otherwise stated herein or where the context otherwise requires.

THE PARTIES HEREBY NOW AGREE in consideration of the Company and ESB paying the Customer the sum of €1 the Parties hereby agree that the following terms and conditions shall apply to this Handover Agreement:-

1. The Company agrees that the Scheduled Contestable Components are substantially complete in accordance with Appendix 3 of the Agreement with the exception of the Snag List attached at Schedule 2 hereto.

2. The Customer hereby certifies that he has taken-over the Scheduled Contestable Components from his contractor/supplier (which means in practical terms that risk and title in the Scheduled Contestable Components have passed to the Customer).

3. The Parties agree that the Company shall assume operational control of the Scheduled Contestable Components on the time and date recorded on the executed Handover Certificate subject to the principle that any faults arising from Commissioning and/or Energisation shall be rectified by the Customer in accordance with the provisions of the Agreement. It is agreed and accepted that it is intended that the target handover of the Scheduled Contestable Components shall occur on the [ ] day of [ ] 20[ ] and confirmation of the precise timing of actual handover shall be certified by the Parties in the same format as the Handover Certificate set out in Schedule 3 attached hereto.

4. Subject to the terms of Clause 1 above occurring, the Parties agree that access to the Scheduled Contestable Components for the Customer shall be subject to agreement from ESB and/or at the request of the Company to complete outstanding items on the Snag List and to resolve any faults arising from Commissioning and/or Energisation. The access route to the Scheduled Contestable Components shall be maintained by the Customer until the formalisation of the property transfer from the Customer to ESB in accordance with the Agreement, as appropriate.

5. The Parties agree that ESB Safety Rules shall apply to the Scheduled Contestable Components.

6. This Handover Agreement shall be read as supplemental to the terms of the Agreement and in the event of any inconsistency between the terms of this Handover Agreement and the Agreement, insofar as any inconsistency exists, the Agreement shall prevail.

7. For the avoidance of doubt, this Handover Agreement shall terminate on the formalisation of the property transfer from the Customer to ESB in accordance with the Agreement.

Signed for and on behalf of [☺] (the "Customer")
In the presence of:-

Signed for and on behalf of
ESB Networks Ltd
In the presence of:-

Schedule 1

Single Line Diagram showing the Scheduled Contestable Components

Schedule 2

Snag List

Schedule 3

Form of Handover Certificate

To: [the Customer]
[Address]

It is hereby certified that the Handover of the Scheduled Contestable Components as defined in the Handover Agreement for [insert name of Windfarm] took place at am/pm on the [ ] day of 20 .

Signed for and on behalf of
ESB Networks Ltd
In the presence of:-