ESB NETWORKS

Response to the CRU's consultation on Sharing of MEC

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NETWORKS

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Re: ESB Networks response to "CRU Consultation on Sharing of Maximum Export Capacity (MEC) behind a Single Connection Point"

To whom it concerns,

ESB Networks appreciates the opportunity to review the Commission for the Regulation of Utilities (CRU) consultation on Sharing of Maximum Export Capacity (MEC) behind a Single Connection Point (CRU22528). The introduction of hybrid technology to Ireland's power system presents opportunities for both market participants and ESB Networks and EirGrid as the System Operators (SOs) to increase the capacity factor and technical capabilities behind a single connection point. To unlock the full potential for these developments and optimise generation output and use of transmission and distribution infrastructure, the SOs are working with relevant stakeholders to consider mechanisms that would enable an increase in the capacity factor of hybrid connections.

As the SOs in Ireland, ESB Networks and EirGrid previously provided the CRU with a joint technical assessment of options for sharing of MEC behind a single connection point, which highlighted some of the key impacts on the SOs noted in this consultation. We look forward to the outcomes of this consultation and working together to develop the future requirements for implementation. The SOs will then develop a suitable roadmap to implement Hybrid Co-Located Projects in Ireland. Concerning the future roadmap, we would like to stress consideration to the following 4 key points:

1. We agree that implementation for Hybrid Co-located projects should be pursued ahead of Integrated Hybrid Projects. This is due to the additional complexity, and hence time required, to modify current market and operational rules and systems for Integrated Hybrid Projects.

   As outlined in the SO's technical assessment, given Ireland's current generation portfolio, two main examples of hybrid co-located projects are likely to emerge:

   1. Co-location of solar to existing windfarms at suitable site locations; and
   2. Co-located generator units and storage.
      a. Conventional/storage.
      b. Renewable/storage.

   It should be noted that co-locating solar with existing wind farms, considering seasonal dispatch profiles, may reduce the variability associated with renewable generation. This approach should result in a higher capacity factor at the point of connection and therefore lower connection costs compared to providing individual connections for each technology. However, the benefit may be diminished due to connection limitations when wind resources are at their peak and solar resources are also available. In this situation the generation may need to be dispatched down in order to stay within their connection agreement.

It should also be noted that further consideration will be required to determine the most appropriate policy for energy storage. The introduction of sharing of MEC at a single connection point may lead to energy storage technology wishing to optimise the generation and charging in a way that is not possible under current market rules i.e. for a market participant to manage an instruction to dispatch down generation output of a renewable unit by charging the energy storage such that the generator itself does not reduce its output.

ESB Networks recognises that while there is an interim solution for battery storage that was introduced by MCR1214 - Interim Metering Responsibilities for DSO Connected Battery Storage[1], there is an absence of an enduring solution for battery storage sites within the current retail market design and this may need to be considered and addressed as a fundamental component of any future implementation roadmap.

3. In addition to the above, there is a lack of clarity with regards to how sub-metering may impact the retail market systems. Considerations should be given when developing the implementation roadmap of what may be required of ESB Networks in terms of initialising and set up, registration, metering process and monitoring of metered data. It is also important to reiterate that as the Meter Data Provider (MDP) ESB Networks has an existing roadmap to implement a broad range of changes required to accommodate updates in EU and Irish Government policy. Given this, we look forward to the outcome of the consultation and working collaboratively with both the CRU, EirGrid and key stakeholders to develop a suitable roadmap to implement the changes required for hybrid co located projects.
4. As referenced in Section D.5 DSO Local Flexibility Market, the DSO is currently developing the local flexibility market and as such new arrangements for hybrid units will consider related rules and definitions as well as any new future TSO-DSO Operating Model processes or design requirements.

Conclusion

To support the targets outlined in the Climate Action Plan, we share the CRU's vision to implement co-located hybrid projects as soon as practically possible. We look forward to continued collaboration and engagement on this important topic.

Best Regards,

Teresa Fallon,

DMSO Design Senior Manager.

ESB Networks.

1 MCR1214 - Interim Metering Responsibilities for DSO Connected Battery Storage