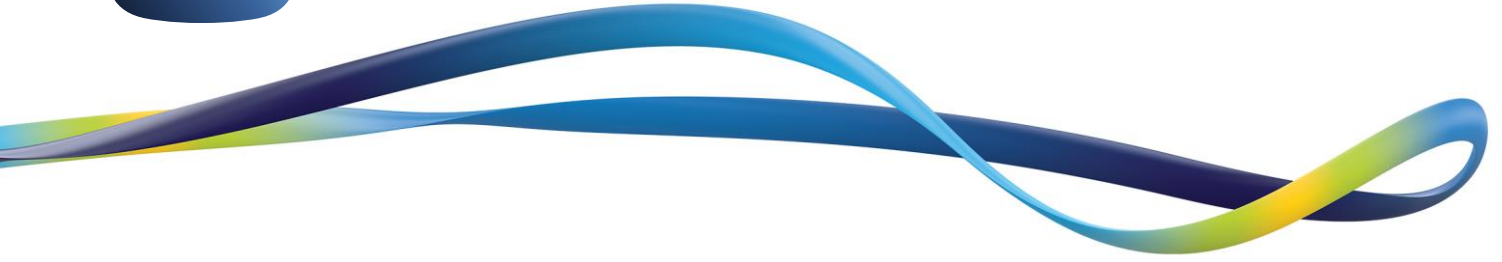




NETWORKS



# **ELECTRICITY GENERATION AND SYSTEM SERVICES CONNECTION POLICY**

ESB Networks' Response to CRU Call for Evidence  
(CRU/202341)

30<sup>th</sup> June 2023

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## 1. Introduction

ESB Networks is playing a central role in leading the transition to a net-zero future powered by clean reliable electricity, and we are fully committed to the delivery of the national decarbonisation targets as set out in the Government's Climate Action Plan 2023 (CAP23). In January 2023 we launched our *Networks for Net Zero Strategy*<sup>1</sup>. This set out ESB Networks' commitment to supporting delivering on the CAP23 targets for 2025 and 2030. The strategy also commits ESB Networks to delivering a net zero-ready distribution network by 2040, which will enable the achieving of Ireland's net zero ambition no later than 2050.

ESB Networks welcomes the opportunity to respond to this very important Call for Evidence on CRU's new Electricity Generation and System Services Connection Policy. We provide detailed answers to the call for evidence questions in section 3 of this submission. In addition, we have set out in Section 2 the following areas that we believe CRU should consider and incorporate into the new connection policy:

- Importance of Advance Build to achieve ambitious CAP 2030 targets
- Promoting efficient and optimal use of existing grid infrastructure
- Generator charging methodology
- Ensuring security of supply
- Enhancement to existing connection offer process
- Smaller-scale generation and community-led energy projects

The new Connection Policy will be fundamental to Ireland meeting our decarbonisation targets to 2030 and beyond. Following on from this call for evidence we expect that there will be further extensive consultation and engagement as the policy is developed and finalised. ESB Networks are fully committed to supporting this work in every way possible, and we look forward to continuing to work closely with CRU and other stakeholders in developing this key policy for Ireland.

## 2. Summary of key points

Significant progress has been made in connecting renewables to the system over the past 20 years. Today there is c. 5.5GW of renewable generation capacity connected to the network. About 4.6GW of that renewable generation is produced by wind and a further c. 700MW of solar generation is connected to the system. In 2023 ESB Networks expect to connect a further 700 MW of new wind, utility scale solar and small-scale generation, bringing the total renewable energy connections to approximately 6.2 GW.

We have experienced a dramatic increase in the take-up of network capacity by customers installing grid scale projects, micro-generation, mini-generation and small-scale generation. This is limiting the amount of available capacity to connect new generation. It is evident from our studies that a significant amount of network reinforcement is critical to enable Ireland to reach the renewables targets set out in

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<sup>1</sup> <https://www.esbnetworks.ie/who-we-are/our-strategy>

CAP23. We will also need to maximise the use of existing infrastructure by prioritising areas where there is available capacity and making better use of existing connections. This optimal use of existing and new infrastructure will require adopting new technologies such as storage solutions to relieve constraints, hybrid connections for renewable generation and flexible connections designed to provide maximum capacity during specific times of the day and constrained capacity at peak times.

We set out in this section key areas for CRU's consideration in developing the new connection policy. We expect that CRU may want considerable further engagement to explore these fully, with the objective of addressing them appropriately in the final policy. ESB Networks are available to provide all information and any engagement that the CRU may wish in progressing this.

- **Importance of Advance Build to achieve ambitious CAP 2030 targets**

ESB Networks is firmly of the view that there is an urgent need to introduce advance build for network infrastructure in Ireland. Whilst Ireland is already a world leader in connecting and integrating renewable electricity onto our system, the scale of the ambition in CAP23, and as set out in European policy and legislation, means that the pace of connections must increase. The advance build of electricity infrastructure will be critical to Ireland meeting 2030 targets and beyond to achieve a Net Zero Network by 2040.

A key element of the ESB Networks for Net Zero Strategy is our 'Build Once for 2040' concept, which includes advance build network reinforcements so that increased wind, solar, battery storage (including community projects and smaller scale generation customers) can connect safely to the electricity network while enabling the electrification of heat, transport and industry. This will minimise the need for repeated, costly and resource intensive interventions such as re-design, procurement, outage and construction works on the network. Essentially, where possible, we will deploy solutions today which are scalable to meet the needs of customers and stakeholders in 2040.

ESB Networks have identified 'Renewable Hubs' as an initiative with strong potential to be a key enabler for connecting renewable projects at the pace and scale required for Ireland to meet its decarbonisation targets to 2030 and beyond. Renewable Hubs will be advance electricity infrastructure, located in areas where there is a known pipeline of renewable projects. Renewable Hubs will support increased levels of wind, solar, battery storage including community projects and smaller scale generation customers connecting safely to the electricity network as quickly as possible. It is proposed in the hubs pilot that customers connecting to a Renewable Hub would be charged a per MVA share of the newly created capacity. The concept of Renewable Hubs under new connection policy will need to be explored further to include the advance build of the wider network, key aspects such as customer charging will need to be considered further and changes are required to connection charging policy. Developing Renewable Hubs and advance infrastructure build in recognition of longer-term requirements of the distribution systems (aligning with the 'build once' concept) will further support the connection of renewables and decarbonisation of heat and transport as it will minimise future design, procurement, outages and construction works for both customers connecting and ESB Networks.

- **Promoting efficient and optimal use of existing grid infrastructure**

To deliver a net-zero network by 2040 will require a whole-of-system approach, including the optimal use of existing grid infrastructure and flexible connections to the distribution network. The new connection policy should support Ireland's CAP 2023 Demand Side Flexibility target of 20-30% of electricity demand to be flexible by 2030, with 15-20% by 2025.

Through our National Networks, Local Connections (NN,LC) programme, ESB Networks is progressing a pilot which is aimed at delivering a flexible access product for renewable generator connections to the distribution system. The pilot allows for projects to be connected to the system in advance of certain identified works being completed. As this product evolves to business as usual, it will enable faster and cheaper connection methods for customers who can operate flexibly, for example agree to limit their export at the request of the DSO, and under certain conditions (e.g. planned outage of a 110kV/38kV transformer). Consideration should be given, therefore, to ensuring flexible connections are a key feature in customer offerings under future electricity connection policy.

A key measure of CAP23 calls on ESB Networks to "introduce local flexibility market arrangements, designed to incentivise investment in commercial storage facilities at scale". To stimulate the required investment, ESB Networks is now considering longer-term contract options to incentivise the cost-effective provision of flexibility from storage systems. Long-duration contracts for large volumes of commercial-scale, location-specific, multi-hour duration flexibility could be designed to seed investment in capital-intensive flexibility resources (like storage), where it would deliver long-term value on the distribution system.

Other ways of making efficient use of existing grid infrastructure include the prioritisation of projects requesting MEC increases or projects which are repowering. Once the existing dedicated connection meets the Distribution Code standards, this is a faster way of connecting additional MWs once the re-powering application has been technically assessed and the capacity is available to accommodate the additional MEC.

ESB Networks supports the integration of hybrid technology to optimise existing infrastructure which has the potential to facilitate increased volume of renewables faster. Development of hybrid policy, in particular facilitation of Multiple Legal Entities (MLEs), review of over-installation policy and policy on the sharing of MECs, will support the acceleration of connecting of renewables and contributing towards the CAP23 targets.

- **Generator Charging Methodology**

The current generator charging policy, where customers pay 100% for uprate works or % share in the case of sharing works, has served industry well. However, given the urgent need to advance build electricity infrastructure set out above, a review of generator charging policy into the future is required. ESB Networks is proposing a per-MVA charging policy based on utilised network capacity as part of the Renewable Hubs pilot proposal, and consideration should be given to transitioning this per-MVA charging into the new connection policy.

- **Ensuring Security of Supply**

Security of supply is critical to Ireland hence any projects prioritised by the CRU to support this should be offered a pathway to a grid connection offer and subsequently prioritised through the grid delivery process.

ESB Networks will continue to facilitate security of supply projects seeking to connect to the distribution system by prioritising those projects successful in the T-4 and T-1 Capacity Auctions.

- **Enhancement to existing connection offer process**

Enduring Connection Policy 2 has been successful in tackling the backlog of renewable projects, where the waiting list of projects with planning permission seeking a grid connection offer has been cleared as part of ECP2.3. As a key part of this, ESB Networks processed c. 90 grid applications each year, which included c. 55 community-led energy project connection assessments across the three ECP2 batches.

Given the challenging CAP23 targets and the need to accelerate the connection of renewables, ESB Networks welcomes moving to more frequent batches, which will support the EU Renewable Energy Directives Article 16 on the faster processing of renewable projects through the planning permission, generator licencing and grid connection offer process.

More frequent offer processing timelines will align with the annual Renewable Energy Support Scheme (RESS) auctions resulting in a steady drumbeat of projects progressing through grid delivery, utilising fully every year between now and 2030 and contributing towards national decarbonisation targets.

Longer duration storage should be prioritised in the batch process as it will play a key role in the provision of flexibility services to the distribution system operator by providing congestion relief for both demand and generation.

The prioritisation of hybrid projects and re-powering projects (where increasing MEC) will support the optimisation of existing grid infrastructure which has the potential to facilitate the faster connection of renewables.

- **Smaller Scale Generation and Community Led Energy Projects**

ESB Networks continues to support the connection of community led energy projects through the offering of connection assessment for an application fee deposit. This connection assessment allows communities to proceed with the planning permission application. Given the limited capacity in some areas of the network, ESB Network suggests that the connection assessment remains valid for a period of one year (rather than 2 years which is current policy), however if the community project has submitted a planning permission application in the first year, the connection assessment could remain valid for the second year.

ESB Networks has carried out extensive work to ensure simple robust processes are in place to facilitate customers seeking to connect mini-generation and small-scale generation (SSG) to the network. For example:

- The initial mini-generation pilot successfully launched at the end of 2021 and there was a huge level of interest and overall positive reaction to the new streamlined process. This pilot was subsequently extended and there has been over 1,000 applications, enabling customers to safely and easily connect renewable generators of up to 50kW to the electricity network.
- The SSG pilot launched in September 2022 for customers installing generation of up to 200kW. This includes a simplified application form and a significantly streamlined application process.

As the mini-generation and small scale generation pilots transition to an enduring solution, the new policy should consider the size of projects eligible under ECP2<sup>2</sup> category B (of the current policy).

An updated non-exporting generator applications policy and process (currently known as MEC-0) is needed. There has been a very significant rise in the number of applications, also the type of applications from this category, customers installing rooftop and ground mounted solar where historically it was for emergency standby generators. The current process is no longer fit for purpose and policy changes are needed to consider the technical assessment, charging policy and application fees applicable to non-exporting generation or auto-producers.

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<sup>2</sup> [https://www.esbnetworks.ie/new-connections/generator-connections-group/enduring-connection-policy-\(ecp\)](https://www.esbnetworks.ie/new-connections/generator-connections-group/enduring-connection-policy-(ecp))

### 3. ESB Networks Responses to Call for Evidence Questions

Q1. What are stakeholders' views on the stated aims? Should the new policy support any additional aims?

ESB Networks supports the stated aims set out in this Call for Evidence.

ESB Networks believes that the “Development of future infrastructure to deliver value to the customer” is critical if Ireland is to achieve the CAP 2030 targets. As part of ESB Networks' ‘Build Once for 2040’ concept in our ‘Networks for Net Zero Strategy’, we are already proposing to develop Renewable Hubs which involves the advance-build of 110/38 kV and 110/MV substation developments, located in areas where there is a known pipeline of renewable projects. Renewable Hubs will support increased levels of wind, solar, battery storage including community projects and smaller scale generation customers connect safely to the electricity network as quickly as possible. A detailed proposal was submitted to CRU by the System Operators on the 29<sup>th</sup> June 2023.

The new electricity generation connection policy should support faster connection of customers to the network by prioritising projects in areas where there is network capacity available. The CAP 23 targets are ambitious and so facilitating those projects which can contribute towards Ireland's renewable energy targets should be an important factor in the future connection policy model. Processing offers that are more likely to progress to energisation enables the System Operators to spend more time on customer engagement at the pre-offer stage and achieve the optimum grid connection for the customer.

ESB Networks welcomes a review of the charging policy with the aim of moving to a standardised methodology whereby customers pay a per MVA charge for their network capacity utilisation. A move to a standard methodology would give applicants more certainty on their grid connection costs prior to making a planning application and would result in quicker connection offer processing timelines. While the current charging policy proved successful, with the urgent need for advance build, a review of the charging policy is required to achieve 80% renewables connected by 2030.

In addition, ESB Networks considers that the policy should support Ireland's CAP 2023 Demand Side Flexibility targets of 15-20% electricity demand to be flexible by 2025 but more specifically 20-30% by 2030. Storage solutions will need to be prioritised to alleviate congestion on the distribution system whether caused by excess demand or excess supply (where the excess supply is due to renewable generation).

ESB Networks has introduced a non-firm pilot for flexible access to the distribution system. This pilot allows for projects to be connected to the system in advance of certain identified works being completed. Consideration should be given to making non-firm flexible access to the distribution system an enduring solution for projects in some parts of the network to avoid system upgrade works.

In terms of Carbon Budget and Sectoral Emissions targets, ESB Networks has previously emphasised to the CRU the importance of allowing for a direction which permits different treatment of diesel generation in the Flexibility tenders, where the objective is carbon abatement.



## Q2. What are stakeholders' views on the current connection process? How might the new connection process achieve the stated aims, as outlined in Section 2.1?

The ECP batch process has been successful in connecting renewable generators to the electricity system. The back log of renewable projects with planning permission has been cleared by ECP2.3 with the DSO processing c. 90 applications each year. With a view to further improving timelines and transparency, ESB Networks introduced a new lean process for ECP-2.2 which involved fully scoping and costing projects as part of the connection offer. This new lean process improvement was welcomed by industry and had several benefits:

- The potential to reduce the overall timeframe to connect customers by up to 12 months by enabling customers make their second stage payment immediately after contract execution thereby allowing ordering of long lead time materials and commencement of detailed design.
- The accuracy of costs within the customer offer was enhanced giving customer more certainty at offer acceptance and avoiding potential modifications and re-work post offer acceptance.

Due to the ambitious 2030 targets, ESB Networks recognises that grid connection policy needs to evolve further. ESB Networks is committed to ensuring that there is a steady drumbeat of connection offers being issued to projects who can participate in Renewable Energy Support Scheme (RESS) auctions or enter into a Commercial Power Purchase Agreements (CPPA).

### Charging Methodology

ESB Networks and EirGrid are jointly developing a pilot for the launch of Renewable Hubs in parallel with the ECP2.4 application window opening in Oct 2023. Renewable Hubs will be advance-build electricity infrastructure, located in areas where there is a known pipeline of renewable projects. Under the current regulatory approved generator charging mechanism, customers pay 100% of any network uprate costs that their project drives and receive a refund if a future customer connects at that node. As part of the Renewable Hubs proposal, the System Operators are proposing to introduce per MVA charging where the customer(s) pays for the portion of their shared works or utilised network capacity. ESB Networks strongly recommends that per MVA charging should be a key feature of new connection policy and that the learnings from the renewable hub pilot be used in carrying out a more detailed review of generator charging policy. There may be further opportunity to consider how generators are charged on a per MVA basis across different voltage levels where there is limited capacity and network uprates are required. Generator charging is complex especially where advance infrastructure build is required so careful consideration is required so that the costs are allocated in a fair and transparent manner to the customer driving the works. Consideration will need to be given where network capacity is ringfenced for micro-generation, mini-generation and community projects and how the uprate costs are allocated or socialised either through DUoS, exchequer funding e.g. through grants, or socialised across other generator developers.

### Renewable Technologies Prioritisation

To support the intermittent nature of high penetrations of non-synchronous renewable generation, high volumes of storage need to be connected to the electricity system. Storage solutions could be used to relieve constraints and increase renewable energy production in areas where network capacity is

limited. Prioritisation of longer duration<sup>3</sup> distribution storage applications, which can support Flexibility CAP 23 targets, is required.

To support future renewable energy targets hybrid projects will be an integral part of the future power system. The sharing of MECs for hybrid connections has the potential to optimise the use of existing grid infrastructure, reduce costs, and increase speed in deploying additional renewable generation to the electricity system. Hybrid projects should be prioritised in the batch formation as they are likely to increase the overall capacity factor of sites and produce additional MWhs thereby contributing more to reaching the CAP 2030 targets. Facilitating hybrids should be combined with removing the current over-install limit of 120% of MEC (subject to study), which has been proposed to the CRU by the System Operators. At time of writing the SO's understand that CRU intend to consult on this issue in the coming weeks

Although hybrid projects do provide an opportunity to maximise available resources, the nature of the co-located technology also introduces operational complexities that ESB Networks will need to examine to ensure the power system is operated in a safe and secure manner.

### Location Prioritisation

ESB Networks also support further investigation of the concept of using locational criteria when processing grid offers. ESB Networks believes measures such as locational prioritisation will enable project developers who meet the criteria proceed more quickly with their grid connection i.e. there is available network capacity therefore minimising construction timelines. Facilitating projects which can contribute faster towards Ireland's renewable energy targets is important in the development of future connection policy. Locational signals will reduce the timeframe for issuing connection offers (because where there is available network capacity, there is less scoping and costing required) and as a result support the implementation of Article 16 of the Renewable Energy Directive II (RED II)<sup>4</sup>.

### The Batch Process

In the past, applicants have been impacted by the interaction of batches whereby completion of processing of previous ECP batches has delayed the technical studies starting for projects in the current batch. As projects interact with each other, a decision on one project may be dependent on whether another generator has accepted their offer. In addition, final detailed studies for projects cannot commence until the available capacity for applicants at the various nodes are known. Increasing the frequency of the batches will have an impact on the number of projects interacting with each other. This can be mitigated in several ways:

- Focussing on areas of the network where there is a pipeline of renewable projects with planning permission and in the planning permission process and advance building electricity infrastructure in these areas.

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<sup>3</sup> Noting that the expected duration should be defined but is likely to be >4 hours

<sup>4</sup> Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast)

- Stricter rules on quality of applications from customers need to be applied in future to minimise the time taken in batch formation and commercial and technical application checks – which time can be significant. Incomplete applications within a certain time period should be excluded from the batch with opportunity to reapply in the subsequent batch if they so wish.
- Review the connection offer validity period timelines. The current connection offer validity period is 90 days and due to over lapping batches, there is more potential for the applications from one batch to interact with the previous batch. This can result in a delay in the technical study commencement as the available network capacity is not known until the previous batch is finalised.
- Consideration could be given to not allowing customers apply in consecutive batches if they decide not to contract. This would give projects with more recent planning permission an opportunity to make an application.
- The requirement to re-optimize connections (which can drive significant delays to projects who have executed their connection agreements) where there are shared works and not all parties accept their offers should be removed. Per MVA charging, as discussed later, will help with this as projects will not be required to be re-examined.

### Batch Categories

Category B currently consists of Auto-producers, applicants with an MEC greater than 11 kW and less than or equal to 500 kW, and DS3 system services trial projects (up to 500 kW). ESB Networks is currently moving to an enduring solution for both the mini-generation pilot process and the small-scale generation pilot process. It is suggested a review of category B (current policy) is carried out. There is also an opportunity to review how auto-producers are processed under the batch process including a review of the process for customers installing non-exporting generation (MECO) for self-consumption purposes.

### Q3. What are stakeholders' views on providing a pathway for connection for projects that are participants in the capacity auctions? Are there other interactions that should be taken into account?

ESB Networks will continue to facilitate additional capacity seeking to connect in Ireland, by prioritising grid connection offers to participants that are successful in the capacity auctions. Given that it is anticipated that security of supply concerns will persist in the medium term, it is important that applicants participating in these auctions have certainty of the grid connection process.

In terms of other interactions, ESB Networks has always been mindful of RESS auction qualification dates when processing connection offers. A key eligibility criterion for RESS auctions to date has been that projects have accepted a grid connection offer (or have a live connection within the 90 day validity period). Consideration could be given for the alignment between the timing of RESS auctions and rounds of connection offers. This alignment, assisted by increasing the frequency of the batches will ensure a steady flow of contracted projects bidding into the RESS auction process

#### Q4. What are stakeholders' views in relation to the efficient use of infrastructure in the context of achieving the stated aims, as outlined in Section 2.1?

##### Renewable Hubs

ESB Networks and EirGrid are currently developing a pilot for the implementation of Renewable Hubs. The System Operators have been carrying out detailed analysis on the available station capacity across the transmission and distribution network. Renewable Hubs will be located at either new greenfield or existing brownfield substations where network capacity will be created based on a known pipeline of projects with planning permission or in the planning process. The pipeline of generation projects will inform locations of Renewable Hubs. The aim is to build once with a view to minimising any need for future uprates. It is proposed generators will be charged on a per MVA basis of their share of new capacity created at hub/feeder stations. A detailed proposal was submitted to CRU by the System Operators on the 29<sup>th</sup> June 2023.

The delivery of Renewable Hubs has the potential to contribute to the stated aims by:

- Creating additional anticipatory capacity at Renewable Hubs to facilitate future connections and support the delivery of Ireland's renewable energy targets.
- Giving renewable project developers more certainty in relation to good locations for available capacity on the network.
- Providing renewable projects with more certainty of their grid connection charges prior to making a grid connection application and bidding into RESS auctions.
- Maximising both existing & new grid infrastructure by connecting renewables in an optimal way.
- Facilitating more community-led, mini-generation and small-scale projects connecting to the grid by charging on a per MVA basis for any shared uprate works.
- Supporting the RED II Article 16 permitting timelines by streamlining the connection offer process.

##### Batch Formation

To make efficient use of grid infrastructure, location signals should be considered when processing grid applications, where priority is given to applications in areas where there is available capacity. The Node Assignment Rules for ECP-2 were devised by the System Operators with the main purpose of ensuring that the system is planned in an optimal manner and to ensure maximum utilisation of system assets. For the next connection policy, a review of prioritisation rules in nodal assignment could help this. For example, the following prioritisation rules could be applied:

- Renewable technology- To support future renewable energy targets ESB Networks would be supportive of the introduction of prioritisation of renewable technologies within the batch over conventional generation technologies. ESB Networks does not believe this will have a negative impact on security of supply as there are separate mechanisms for security of supply projects to obtain a grid connection.
- Planning permission date – ESB Networks would support the continued use of the planning permission date as one of the prioritisation criteria.

### Hybrid Projects

ESB Networks supports the development of sharing of MECs for hybrid solutions for renewable energy projects and is committed to working with all key stakeholders to deliver this. The System Operators have been engaging with the CRU on a suggested contractual framework approach to facilitate Multiple Legal Entities (MLEs) as a single connection point. Also, as discussed previously the over-installation limit of 120% of MEC that is currently in place should be relaxed to maximise the use of grid infrastructure.

### Private Wires

With regard to private wires, ESB Networks believes that they could have a role in helping to deliver Climate Action Plan Deliverables in some areas. However, there are some key issues that must be considered and addressed if implementing changes to allow private wires, some of these include:

- Efficient system development
- Operating the system in a safe and secure manner
- Fair tariffs and cost recovery
- Responsibility for recording and maintenance of private wires
- Legislative and Regulatory changes required

ESB Networks understands that the Department of Environment, Climate and Communications intend to publish a consultation on private wires and some of the issues highlighted may be dealt with as part of that consultation.

### Repowering Projects

ESB Networks is aware of the potentially key role the repowering of existing projects has in achieving the CAP 23 targets. The RED II Article 16 and subsequent Council Regulation (EU) 2022/2577<sup>5</sup> includes requirements for faster connection offer processing for repowering projects. To accelerate these connection offers, and where there is no increase of MEC, repowering projects should be required to go through a modification process rather than the full batch process. Where the repowering results in an MEC increase, there will be a requirement for the project to be restudied and to enter the batch process, however, they should be given priority when processing applications.

### Flexible Connections

As part of the National Networks, Local Connections Programme, ESB Networks has introduced a pilot for flexible access for renewable generation connecting to the distribution system. The pilot allows for projects to be connected to the system in advance of certain identified works being completed. While projects will initially be offered a temporary connection agreement for flexible access as part of a pilot, the intention would be that the offer would ultimately become enduring. The pilot affords faster and

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<sup>5</sup> Council Regulation (EU) 2022/2577 of 22 December 2022 laying down a framework to accelerate the deployment of renewable energy

cheaper connections to the system for renewable developers whilst also improving the ability to meet CAP 23 renewable targets using existing network infrastructure.

While there remains work to be undertaken before realising the full benefits of flexible connections, the expectation is that allowing the connection of generation on a flexible basis will have the following benefits:

- Access to existing untapped capacity on the system. This will be realised in the future by upgrading our Operations Technology to allow active monitoring of the system load and generation. In the long-term, the more obvious benefits would be:
  - Opportunity to remove the allocation of 30% of station capacity for microgeneration
  - Potential to consider solar and wind generation separately
  - Opportunity to take a view as to whether modelling at minimum load is appropriate when considering flexible capacity (albeit firm capacity may still be based on this.)
- More optimum build to support capacity such that MWh of renewable generation can be delivered cheaper and faster.

#### Q5. What are stakeholders' views on the current ECP processes in relation to community-led projects and smaller-scale generation? How might new connection policy achieve the stated aims, as outlined in Section 2.1?

ESB Networks is fully committed to supporting communities and proactively provides information, advice, and guidance in relation to connecting community-led renewable energy projects to the electricity distribution network. As per the ECP-2 Decision Paper, and subsequent ECP-2.4 Decision Paper, community-led projects are supported by having a lower application fee deposit, not requiring planning permission to receive a connection assessment, and having up to 2 years to obtain planning permission before a connection offer can be issued. Also, there was an extensive amount of customer engagement carried out by ESB Networks during the ECP-2 process. The customer engagement was well received by industry, and it allowed customers reduce MEC or amend their proposed connection method. However, despite this there is a high attrition rate of community-led renewable projects withdrawing their applications due to limited network capacity and their projects triggering significant uprate costs. Renewable Hubs and a revised per MVA charging methodology, where projects would only be charged for their per-MVA share of any of the shared uprate works costs, could help facilitate the connection of community-led projects by reducing upfront costs and providing developers with more certainty.

As per the current ECP2 connection policy, community-led energy projects have two years to obtain planning permission once a connection assessment is issued. Retaining the two year validity period means reserving network capacity for the community project which could be utilised by projects with planning permission. ESB Networks suggests that the connection assessment remains valid for a period of one year (rather than 2 years which is current policy), however if the community project has

submitted a planning permission application in the first year, the connection assessment could remain valid for the second year.

ESB Networks has successfully run pilot schemes for mini-generation and small-scale generation. The process was well received by participants and demand continues to be extremely high. The pilots have enabled higher levels of connections within a shorter timeline that was possible via previous application routes. However, it is also important to note that the current electricity network cannot facilitate an unlimited level of generation capacity and that long term development work is required. ESB Networks will continue working to develop innovative solutions to increase capacity where possible and develop longer term reinforcement plans which will enable the accommodation of increasing renewable penetration into the future. ESB Networks are currently engaging with CRU with a view to transitioning these successful pilots to enduring processes as soon as possible.

#### Q6. Do stakeholders' have any further comments or thoughts on this topic and in achieving the stated aims, as outlined in Section 2.1?

To encourage projects which are most likely to proceed to construction, a review of application fees is required. Category A and B applicants can receive a connection offer for a €7,000 deposit, and Category C (community-led energy projects) can receive a connection assessment for a €2,000 deposit. This encourages less advanced projects to apply and block (or slows down) the processing of applications which may be more likely to progress to connection. ESB Networks currently carries out detailed scoping and costing as part of the connection offer which gives customers more accurate costs, this also shortens the time to connect as customers can request second stage invoice soon after contract execution. Consideration should be given to increasing application fee deposits and application fees to reflect the scoping and costing pre connection offer issuance.

The new Connection Policy will be fundamental to Ireland meeting our decarbonisation targets to 2030, and beyond. Following on from this call for evidence we expect that there will be further extensive consultation and engagement as the policy is developed and finalised. ESB Networks are fully committed to supporting this work in every way possible, and we look forward to continuing to work closely with CRU and other stakeholders in developing New Generation and System Services Connection Policy for Ireland.