COILLTE
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Public Consultation on Draft Interconnection Policy
Electricity Policy Division
Department of Communications, Climate Action and Environment
29-31 Adelaide Road
Dublin
D02 X285

By e-mail to: interconnectionpolicy@dccae.gov.ie
Our Ref.: CLS_DCCAE_LTR_366
Date: 02 March 2018

Re: Coillte Land Solutions Submission to the Public Consultation on Draft Interconnection Policy

Dear Sir/Madam,

Coillte welcomes the opportunity to make a submission to the Department of Communications, Climate Action and Environment (DCCAE) on the Public Consultation on Draft Interconnection Policy Access in Ireland.

Over the past decade Coillte have amassed a significant track-record in the renewable energy arena[1]. Furthermore we believe that Coillte Land Solutions can make a very significant contribution to enabling Ireland attain its national low carbon transition objective. Assuming that Ireland continues to reshape its energy generation fleet and electrifies its economy (including the heating and transport sectors) in line with enunciated energy and environmental policy objectives, there is an expected demand for c. 2GW of new onshore wind facilities in Ireland in the decade to 2030. Coillte's ambition is to contribute up to 50% of new onshore wind capacity in Ireland in the period up to 2030. Using our strong track record to date, and fully leveraging a unique land bank which presents an unmatched portfolio of large high wind sites, this target can and will be met.

Coillte Land Solutions is supportive of the proposals outlined in the consultation as an evidence based evaluation is required in this area of energy policy. We would also highlight some key issues for further consideration, as detailed below:

1. **Policy:** The consultation references the relevant EU Policy documents and in particular takes note of the proposed 15% Interconnection target and the European Commission proposal to refine this through a set of more specific thresholds[2]. While not outlined in the consultation, these specific thresholds include a target of interconnection capacity of at least 30% of installed renewable generation capacity by 2030. This to help ensure adequate export capacity for the continued development of renewable generation and is of particular importance for Ireland. The "2009 All Island Grid Study" is referenced in the consultation as it highlighted the need for further interconnection in order to increase the level of renewable

[1] Specifically wind, through the development and construction of four wind farms totalling 230MW under the REFIT 2 regime representing a total investment of over €400m between 2010-2017.
[2] https://ec.europa.eu/energy/sites/ener/files/documents/communication_on_infrastructure_17.pdf

electricity production to above 42%. Looking forward beyond 2020, EU SysFlex[3] is a pan European project being led by Eirgrid which will look at accommodating levels of renewables beyond those currently planned by the DS3 Programme. The work which will be carried out as part of this project will inform the technical needs of the Irish Power System including those relating to interconnection.

2. **Efficient Use of Interconnectors:** Maximising the efficient use of Interconnectors was identified as a key objective of I-SEM by the SEM Committee in their High Level Design decision[4]. While it is widely anticipated that the introduction of I-SEM will increase the efficiency of interconnectors it is important that the impact of any future interconnectors is carefully assessed in this regard.
3. **Transparency:** Given the scale of the investment, and hence the scale of the underwriting by the customer, it is important that all of the evaluation and analysis are put through a public consultation process.
4. **Additional Aspects for Consideration:**

   Regulatory Model - The consultation briefly outlines some of the different regulatory treatments of interconnectors – including full underwriting, 'cap and floor' and merchant. Rather than being demonstrated by the applicant, the impact of different regulatory models should be something which the CRU undertake as part of an upfront consultation process and/or as part of their assessment of each proposal. In particular any impact on the PSO needs to be fully understood during the evaluation process.

   Brexit - On the basis that 100% of Ireland's current interconnection and 50% of its proposed interconnection is to the U.K., the possible impacts of Brexit must be considered. This aligns with the position adopted by the European Commission[2].

   Grid Capacity – Export capacity for generators is a scarce and valuable commodity on the Irish Electricity System. Very careful consideration needs to be given as to how to allocate capacity in the areas of the network with interconnectors present. In particular, assumptions regarding interconnector imports / exports during high levels of renewable generation need to be examined.

We would be happy to engage in dialogue with the DCCAE at any stage in relation to any specific matters arising.

Yours sincerely,

[*no signature as e-version only*]

[redacted]

[3] http://www.eirgridgroup.com/newsroom/horizon-2020-funding/
[4] https://www.semcommittee.com/sites/semcommittee.com/files/media-files/SEM-14-085a%20I SEM%20SEMC%20Decision%20on%20HLD.pdf