



## **Attachment**

### **Draft National Policy on Electricity Interconnection in Ireland: public consultation**

#### **RTE's (French Transmission System Operator) response to the consultation questions**

##### **Introduction**

As a general statement, RTE supports the initiative of formalizing such an Interconnection Policy and opening it up to public consultation. It can significantly contribute to foster the development of electricity interconnectors which are essential to the implementation of Ireland and EU energy policies. Indeed:

- The development and realization of such projects is left to various categories of promoters, TSOs as well as private investment companies, under regulatory regimes and business models which can be different. Specifying the evidence under which all of those projects will be evaluated will help to clarify the regulatory issues. This is critical for projects which require long and expensive development studies.
- Citizens can have difficulties in understanding the purpose of interconnection projects especially as they appear increasingly costly. Explaining the drivers and clarifying the decision making process for those large infrastructure can improve their public acceptance.

##### **1. What, if any, additional weighting should the CRU apply to security of supply considerations in its decision-making process?**

The contribution of interconnectors in ensuring the security of supply is already largely substantiated in the draft policy. Nevertheless, such a contribution is driven by many factors including the national objectives regarding security of supply, diversity of supply which is magnified by the difference of energy mixes between the systems connected together. This key factors must be taken into account when evaluating different projects.

In this context RTE supports the principle of i) accounting for the contribution to security of supply in the Cost Benefit Analysis (CBA) of interconnection projects and ii) applying a methodology that accounts for the difference between the projects in terms of drivers for the contribution to security of supply. This methodology shall of course be validated by the NRAs in order to ensure the robustness of the CBA. Guidelines for CBA from entso-e and approved by the European Commission can be used as a basis for such assessment.

##### **2. What, if any, additional weighting should the CRU apply to diversity of supply considerations in its decision-making process?**

Diversity of supply, among other things, between different geographical zones with complementary system behaviours contributes itself to security of supply.

**3. Should the CRU take EU interconnection targets into account in its evaluation? If so, how?**

Interconnectors are increasingly costly projects, for either technical reasons (long submarine crossings), or public acceptance reasons and requirements to use technologies with less environmental impacts.

As such the extensive development of interconnectors must also meet the concern of exemplary and demands from TSOs and NRAs to achieve the national and European objectives in terms of insertion of renewable energy into the European electricity mix, solidarity and security of supply, construction of the internal electricity market in the interests of European consumers. This means that the development of interconnection projects towards the EU interconnection targets shall be subject to collective benefits being higher than costs.

These are the recommendations of the "Interconnections" expert group mandated by the European Commission and which submitted its report in November 2017 to clarify and refine the European objectives.

**4. What impact does EU Policy and the EU's Clean Energy Package for all Europeans have on electricity interconnection to Ireland? Are there any other EU/national legislation or policy objectives that should be considered?**

No comment

**5. Are there any gaps in the policy backdrop outlined in this paper?**

No comment

**6. Are there any gaps in the evidence base outlined in this paper?**

No comment

**7. Is there anything else we need to consider as we set about finalising a national policy statement on electricity interconnection?**

As for any investment project, assessing the benefits, impacts and risks of an interconnection project requires making assumptions, building scenarios and running sensitivities on future outlook. In that context we believe that the policy could make reference to the TYNDP process as it constitutes the basis for PCI assessment and selection under the EU Regulation No 347/2013 on guidelines for trans-European energy infrastructure.

This being said we recognize that the scenarios built through the TYNDP process may not be sufficient to provide a comprehensive assessment of specific projects and as such running complementary scenarios or sensitivities can be necessary.

Among these, those required to assess the potential impact of Brexit on projects constitute a specific case. Indeed, we believe the underlying assumptions shall not be defined by the project promoters to avoid the risk of leaving them speculating on the likely or unlikely impact of Brexit. This underlying assumptions or sensitivities would more efficiently be defined by the NRAs.