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2nd March 2018

Dear Sirs

Draft National Policy on Electricity Interconnection in Ireland: Public Consultation

Transmission Investment is leading, in partnership with the French national grid company RTE, the development of a proposed 1400MW HVDC interconnector between France and Britain via Alderney ("the FAB interconnector project"). This project was granted cap & floor regulatory treatment in 2015 and is very well advanced through its development.

As part of the Transmission Capital Partners consortium, Transmission Investment also manages one of the largest UK offshore electricity transmission portfolios in terms of the capacity of offshore wind connected. Our managed portfolio of Offshore Transmission Owner (OFTO) assets includes the connections to the Robin Rigg, Gunfleet Sands, Barrow, Ormonde, Lincs and Westermost Rough offshore wind farms in the UK - a portfolio of over 1000MW (circa £800m in capital deployed).

Transmission Investment is considering development of further interconnectors from GB to the rest of Europe.

We very much welcome the opportunity to inform the development of Ireland's electricity interconnection policy and as requested we are providing answers to the direct questions in Annex 1.

We support the positive approach Ireland takes to interconnection and are generally supportive of the national policy and evaluation metrics set out in the draft policy. We would like to highlight a potential issue in the timeliness of the requested evidence as set out in section 3 of the draft policy. For an interconnector developer the information requested may only become available at an advanced stage in the development process. The policy also states that the regulatory framework to be applied will be considered by DCCAE as an additional aspect during project evaluation and at the same advanced stage in the project's development. The regulatory framework is key to understanding the future revenues of the interconnector and therefore a clear vision of the target regulatory framework at the outset of the development phase is very important to parties looking to invest in interconnector development.

As Ireland's closest neighbour, Great Britain will always present an attractive connecting market for developers of further Interconnection. However, the current political uncertainty resulting from the UK's withdrawal from the EU does present a risk to a project's development. National policy could be used to help clarify how this uncertainty may be considered by Ireland especially during the potential Transitional Period, as termed by the UK government. This would help enable projects to come forward in a timely manner and deliver the potential social and diversification benefits which further GB - Ireland interconnection should bring even after the withdrawal.

This uncertainty issue is considered within the draft policy for interconnectors currently in development as an "additional aspect of the evaluation"[1]. However, there would be significant benefit to potential developers if this were able to be broached at an early stage within the project development cycle in much the same way as the issue described above regarding confirmation of the regulatory model.

As a developer of cross border EU based projects, we would welcome a discussion regarding any of the comments above. Please feel free to contact me directly if you would like to arrange this.

Yours sincerely,

[redacted]

[1] Section 4, Bullet 5 of the Draft National Policy on Electricity Interconnection in Ireland: Public Consultation

Annex 1 – Detailed questions

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

[No response]

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

[No response]

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

Not directly – EU interconnector targets are based on benefits provided by additional interconnection. These benefits should be captured within the proposed benefits evaluation of individual project proposals.

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 response]

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

As mentioned in the general comments of the letter, consideration of how DCCAE may view the impact of the UK's withdrawal from the EU would aid potential developers. Clearly this withdrawal limits Ireland's options to interconnect directly to the EU. This policy may need to be updated in the relative near-term as the terms of the UK's withdrawal become clear. Details of DCCAE's approach to this would aid the context of any policy position in the future.

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

It is stated within the evidence requirements that project proposals should clearly outline the baseline scenario, such as with Eirgrid's most recent "Generation Capacity Statement" and "Tomorrow's Energy Future". These very much add value to the development of Irish based projects, however they may not add value in the context of cross border assets where benefits are being evaluated by multiple member states. In order to ensure consistency with the connecting market the TYNDP scenarios provide a baseline set of scenarios that can be assessed by any member state. To aid developers, the Eirgrid studies could add justification of the difference between the Irish scenario's and those of the TYNDP or their scenarios could be amended to align with the CBA requirements of Regulation 347/2013 Annex V.

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

Nothing further than what we have covered in the cover letter.