

Enduring Connection Policy Stage 2 (ECP-2)

Decision dated 10 June 2020

ECP-2 at a glance

- CRU's ECP-2 Decision will be relevant to all developers of onshore renewable and conventional generation seeking connection offers in the next three years.
- ECP-2 only covers onshore technologies – offshore wind and interconnectors will be treated under separate CRU policy.
- ECP-2 batch application windows scheduled each September in 2020, 2021 and 2022.
- 115 connections per year (irrespective of size). 85 will be reserved for generation, storage and other system services technologies with MEC > 500kW (limited to 10 for primarily storage and other system services technology).
- Where batches are over-subscribed, priority will be given to 25 largest renewable energy projects. After that prioritisation is based on planning permission grant date.
- Applicant projects (including DS3 projects) will require planning permission in order to apply. Community led projects do not require planning permission to apply but will need planning permission to receive an offer.
- ECP-2 offers will continue to be issued on a non-firm basis, but EirGrid has been mandated to develop a new methodology for scheduling and allocating firm access for connected projects.
- One month window for capacity release and partial refund for pre-ECP1 connection offers.

Background

The Commission for Regulation of Utilities (CRU) published the Enduring Connection Policy (ECP-1) in March 2018 which was the first step in a fundamental redesign of Irish grid connection policy.

The ECP-2 Decision published by the CRU on 10 June 2020 represents the next stage in the CRU's enduring connection policy. The ECP-2 Decision will be relevant to all developers of onshore renewable and conventional generation projects who are seeking connection offers for their projects in the next three years.

The aims of ECP-2 have been influenced by the publication of the Climate Action Plan 2019 (CAP) by the Department of Communications, Climate Action & Environment (DCCA) and the EU Clean Energy Package (CEP)¹.

The fundamental aims underlying the ECP-2 Decision are:

- 01** Objectivity, transparency and equal treatment of applicants
- 02** Prioritise sustainable and low carbon power sources
- 03** ECP-2 batch timings should not hinder effectiveness of electricity market auctions
- 04** Continue providing offers at the same pace

¹ The CEP consists of eight pieces of legislation which were adopted by the Council of the EU and the European Parliament throughout 2018 and 2019. See Information Paper entitled "Roadmap for the Clean Energy Package's Electricity and Renewables Directives (ref. CRU/20043)", published on 25 March 2020- https://www.cru.ie/document_group/roadmap-to-clean-energy-package-implementation/.

Batch scheduling

The ECP-2 framework timeline will consist of one batch application window per year for three years, as set out in the table below:

Step	Time period
ECP-2.1 batch application	September 2020
ECP-2.1 batch formation	October – December 2020
ECP-2.1 batch processing	January – December 2021
ECP-2.2 batch application	September 2021
ECP-2.2 batch formation	October – December 2021
ECP-2.2 batch processing	January – December 2022
ECP-2.3 batch application	September 2022
ECP-2.3 batch formation	October – December 2022
ECP-2.3 batch processing	January – December 2023

Volume of offers and early engagement

The target number of connection offers under ECP-2 is 345 (115 per year). This target is a significant increase compared to ECP-1, which consisted of 120 connection offers (equating to 412MW) which were processed over 18 months. Of the annual connection offers, 85 will be reserved for generation, storage and other system services technologies with MEC > 500kW (with a maximum of 10 for primarily storage and other system services technology projects) with the remaining for non-batch projects and community led projects (15 each).

The CRU has reserved the right to change both the batch target numbers and prioritisation for the ECP-2.2 and ECP-2.3 batches.

The ECP-2 Decision introduces enhanced early engagement with ESB Networks and EirGrid (**System Operators**). This will provide an early indication of connection method at both the pre-batch and post batch processing stages, enabling developers the opportunity to exit the process and recoup a proportion of application fees where, for example, a connection would require significant (and expensive) network upgrades.

Prioritisation

Prioritisation of projects (i.e. where an application batch is oversubscribed) under ECP-1 was based principally on the planning permission expiry date. However, the ECP-2 Decision has confirmed that, in the case of oversubscription for ECP-2.1, first priority will be given to the largest renewable energy projects and that these projects will receive the first 25 offers.

Eligible renewable energy generation projects include onshore wind, solar, hydro (excluding pumped storage), waste to energy, biomass and biogas projects. The project size will be measured in GWhrs/yr and, in the interest of fairness, the CRU propose to use a national standard capacity factor for each type of renewable generation which will be outlined in the ECP-2 ruleset.

After that, projects of all generation or storage types will be prioritised in order of earliest planning permission grant date (notably, not the date of expiry of the planning permission as was the case in ECP-1). This approach to prioritisation is subject to review for subsequent batches.

Rank	Project type	Criteria
1.	Renewable energy projects	Ranked by size (first 25 offers)
2.	All other projects	Ranked by earliest planning permission grant date

Planning permission requirements

	ECP-1	ECP-2
Batch	Required	Required
Non-batch	Required	Required
DS3 providers	Not required	Required
Community-led renewable energy projects	N/A	Not required to apply Required to receive an offer

For ECP-1, receipt of planning permission was required for all eligible projects to apply for a grid connection agreement, except DS3 providers. This permission needed to be in place by 27 March 2018 (the date of publication of the ECP-1 Decision) and have at least one year outstanding or at least two years in cases where the obtained permission had already been extended.

For ECP-2, planning permission will be required for all batch and non-batch projects, inclusive of DS3 providers. Furthermore, with the addition of community-led renewable energy projects into the scheme, these will not require planning permission in order to apply for a connection offer but will need planning permission in order to receive a connection offer.

Non-batch process

The non-batch process introduced in ECP-1 will continue. It relates to small-scale generation (between 11kW and 500kW), autoproducers, and DS3 system services qualifying trial projects.

ECP-2 will reserve 15 connections per year for community-led renewable energy projects and 15 connections for small scale generation under the non-batch process.

Further application requirements

A number of other requirements for eligibility for ECP-2 will apply:

- » There is a non-refundable application fee based on project size which will be updated each year only to account for inflation.
- » The application fee is set by the System Operators and it is the same for both transmission and distribution connections. The application fee for projects with MEC >500kW has been reduced to €2,000.
- » The longstop dates (i.e. dates for securing consents and bringing the project into operation) are two years after the relevant scheduled date and can only be extended in exceptional circumstances.
- » Those applying as part of a group for a grid connection that is to be shared are no longer required to put in place security for shared assets. The CRU decision (CER15/098A) entitled "Implementation of Group Processing – Move to Construction Phase" will apply to such applicants under ECP-2.

- » Offers are issued on a non-firm basis (projects can connect and export to the system prior to completion of the load flow transmission deep reinforcements) to encourage efficiency. This process may be amended following the development by the Transmission System Operator of a new mechanism for scheduling Firm Access Quantities based on network development plans which will enter stakeholder engagement phase in the next few months.

Pre ECP-1 projects – capacity release

All projects that were contracted pre-ECP-1 (i.e. this does not apply to ECP-1 connection offers) will be given a final opportunity to terminate their connection agreement and release their capacity under the same conditions as outlined in CER/16/284. This will give developers the opportunity to receive a refund of 80% on first stage payments made under those connection agreements where the relevant project is not proceeding.

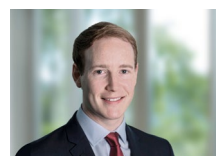
Following a direction from the CRU, the System Operators are scheduled to open a one-month window for capacity release applications from eligible projects on 10 July 2020. The associated application procedure is expected to be published by the System Operators in advance of this date.

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