

SEM-22-068

[electricityconnectionpolicy@cru.ie](mailto:electricityconnectionpolicy@cru.ie)[Brian.Mulhern@uregni.gov.uk](mailto:Brian.Mulhern@uregni.gov.uk)*Submitted by email only***Date:** 8<sup>th</sup> November 2022**RE: Firm Access Methodology in Ireland “EirGrid – proposed methodology”**

Dear Sir / Madam,

By way of introduction, FuturEnergy Ireland (FEI) is a new joint venture company owned on a 50:50 basis by Coillte and ESB. This collaboration combines the State’s strongest assets and expertise in onshore renewable energy development. We are one of the largest dedicated developers of onshore wind in Ireland and our mission is to maximise the potential of our national resources and accelerate Ireland’s transformation to a low carbon energy economy.

Given the ambitious national targets to be achieved over the coming years, the need for energy security and the devastating reality of climate change impacts, we are making every effort to make key stakeholders aware of our strategy. This includes communicating in a considered and transparent manner our perspectives regarding enablers which will assist in the timely delivery of renewable energy infrastructure.

FEI would like to commend SEM Committee for undertaking this important consultation process. The rapid transition away to a renewable zero carbon power system is a critical means of tackling the triple crises of energy security, energy costs and climate change. This consultation process and the outcomes that emerge from it will be a determining whether Ireland succeeds in these efforts.

FEI is an active member of both Wind Energy Ireland (WEI) and Energy Storage Ireland (ESI) and our professional team actively participate in expert committees across both organisations. FEI supports and endorses the recommendations proposed by WEI & ESI in their separate submissions.

In particular there are a number of proposals in the consultation which we believe are important to implement to give certainty to generators before they go into auctions or secure funding by others means such as CPPAs:

**Key Point # 1:**

**It is critical that the new methodology will provide time bound Firm Access dates to projects before they enter a RESS auction or CPPA in order to reduce costs to the consumer.**

We welcome the proposed approach of a binding date for Firm Access being provided to projects and the removal of the link between Firm Access and delivery of specific ATRs. We are also in favour of partial Firm Access being granted in blocks.

The key objective of firm access is to provide investor confidence while minimising the costs to consumers. Providing certainty on a firm access date will allow developers to factor this into their bids and deliver the lower RESS/CPPA prices which will reduce costs for the consumer.

If a time bound date for firm access cannot be guaranteed developers will have to bid in the risk of firm access being delayed as developers have no control over the timelines involved in resolving bottlenecks or delivering ATRs. This will lead to higher renewable support prices for consumers that will be locked in for many years.

A simple and well understood principle of commercial contracts is that efficient contracts allocate risk to the party best placed to manage it. The level of future network constraints experienced by an individual generator is determined by the level of investment in the network by the system operators, supported or not by the Regulatory Authorities, and by the level and location of future build out of new renewables which in turn is influenced by Government policy, RESS auction volumes, RESS T's and C's and potentially grid connection policy. These are all factors that individual generators have no influence over and therefore have no ability to manage.

The current DECC consultation on RESS 3 recognizes this and proposes measures to remove curtailment/oversupply risk from the bidding process as these are factors outside of the control of developers. Constraints risk should be viewed in the same way.

We agree with WEI's proposal that firm access should be granted once ATRs are delivered or if bottlenecks are resolved, and that Firm Access dates should be brought forward if these happen earlier than forecast.

**Key Point # 2:**

**Storage projects should be included in the scope of the consultation. Consideration should be given not only as to how storage projects can be given firm capacity but also how LDES can create firm access and grid capacity for other generators**

Long Duration Energy Storage technologies (LDES) can be used to create firm grid capacity and help manage network constraints at a local level, and curtailment and oversupply at a system level, while at the same time supporting security of supply with

clean dispatchable capacity. We support Energy Storage Ireland's submission on Firm Access for storage and the work they are doing on the Procurement Framework for Long-Duration Energy Storage.

Operational energy storage assets could be active in the wholesale and balancing markets but current limitations in TSO market systems, that are acknowledged by the TSOs, impact their ability to participate fairly and equally with other market participants. These limitations mean that energy storage assets cannot be effectively dispatched whether they have firm access or not.

The impact of this is that all energy storage projects with an ex-ante generating position, regardless of firmness, are dispatched by the TSOs to 0MW but those without firm access are settled at the market imbalance price only and therefore exposed to imbalance price risks. This effectively precludes these assets from participating in the energy market as they will be exposed to financial losses even though the issue is the limitation in TSO dispatch systems and not the assets' ability to provide energy. It is not in keeping with the principles of the market that units are disadvantaged in this way by TSO actions. Granting batteries firm access would allow them to participate in the energy market with analysis from ESI and Baringa showing this could reduce wholesale electricity prices by up to €35 million this winter alone if their participation was enabled.

To not include storage in the Firm Access Methodology now means a key policy will not be in place to give developers confidence to invest in these technologies over the coming years when they will be needed.

**Key Point # 3:**

**The Connection Offer Acceptance stage is an appropriate stage of development to determine which are 'committed projects' and which are not so that projects can get certainty on their FAQs and factor them into a RESS auction or a CPPA, to the benefit of the consumer.**

The difference between firm and non-firm access post the SEMC decision on Articles 12 & 13 implementation is extremely material. An assumption of firm or non-firm grid access in a RESS bid will result in a step change in bid prices so it is critical that we have information on a project's FAQ and date before an auction or a CPPA is put in place.

We are in favour of an approach that would see only 'committed projects' being included in studies for time bound Firm Access. We note the proposal to only include projects that have gone beyond CID as committed projects, but we believe this is too late a stage as it won't provide developers with the certainty on Firm Access required to price it into an auction bid or into a CPPA.

We would be in favour of bringing the committed project stage forward to connection offer acceptance. At this stage developers will have made a large financial commitment in carrying out surveys/securing planning, applying for a grid connection and execution of

the connection agreement (which includes payment of the first stage payment of the connection charge). Given the level of work and investment that is carried out before a project accepts its connection offer, any projects which reach this stage are likely to be built. This should be sufficient for it to be included in Firm Access studies as a committed project. We realise that some projects may not be successful in a RESS auction and may fall away (or be delayed) but the alternative would see pricing be more conservative for the duration of the support scheme or CPPA and of little benefit to the consumer.

We also believe that the Firm Access awarded under the new policy should be subject to longstop dates so that it cannot be hoarded. This could be done by linking it to the existing TSO connection agreement Longstop Dates or their DSO equivalents. Newly contracted generators who wish to extend the Scheduled Consents Issue Date Longstop Date and retain the 'committed project' status along with their associated FAQs should only be allowed do so if they pay the second instalment of their connection charge. They should not be allowed to keep their Firm Access if they aren't energised by the Scheduled Operational Date Longstop Date.

**Key Point # 4:**

**Further information is required on the Firm Threshold proposal and how often it will be reviewed to give confidence to investors around the locational signals it will provide as part of the Look Forward annual review. There is a risk that many of the areas of the grid will be in breach of whatever Firm Threshold value is chosen leaving generators without Firm Access.**

The paper refers to a minimum level of acceptable constraint for projects to be made firm (Firm Access Threshold) but does not go into detail on what this level is or how it will be determined. The paper notes that it will be open to ongoing review, but this does not provide any future certainty for projects if the level can change year to year, it erodes the value of a look forward study and would reduce investor confidence due to lack of certainty on locational signals. It is also unclear if the threshold will apply pro-rata or if it will be 'grandfathering' treatment of constraints for new generators post the SEMC decision on Articles 12 & 13 implementation.

It will be extremely important for industry to know what this level will be, the detail of the methodology for how firm access is allocated and for all the input assumptions to the model published. It will also be critical that industry can carry out their own Firm Access studies based on the methodology.

We provided responses to the consultation questions in the appendix attached.

We would like to thank the SEM Committee again for the opportunity to respond to this critical consultation and look forward to working together as it evolves and is implemented.

Yours Sincerely,

Sent digitally – no signature necessary

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Ciarán McNamara,

Grid Manager

FuturEnergy Ireland

## Appendix – Responses to Consultation Questions

***Question 1 - Comments are invited from interested parties on EirGrid's proposed approach of having a time bound Firm Access date. Comment are also invited on alternative options (i.e. ATRs etc). Should scheduled FAQ date be linked with ATRs, with more targeted delivery incentives? Please provide reasons and rationale for any views provided.***

We welcome the proposed approach of a binding firm date for Firm Access being provided to projects and the removal of the link between Firm Access and delivery of specific ATRs. The key objective of firm access is to provide investor confidence while minimising the costs to consumers. Providing certainty on a firm access date will allow developers to factor this into their bids and deliver the lower RESS/CPPA prices which will reduce costs for the consumer.

If a time bound date for firm access cannot be guaranteed developers will have to bid in the risk of firm access being delayed as developers have no control over the timelines involved in resolving bottlenecks or delivering ATRs. This will lead to higher renewable support prices for consumers that will be locked in for many years.

A simple and well understood principle of commercial contracts is that efficient contracts allocate risk to the party best placed to manage it. The level of future network constraints experienced by an individual generator is determined by the level of investment in the network by the system operators, supported or not by the Regulatory Authorities, and by the level and location of future build out of new renewables which in turn is influenced by Government policy, RESS auction volumes, RESS T's and C's and potentially grid connection policy. These are all factors that individual generators have no influence over and therefore have no ability to manage.

The current DECC consultation on RESS 3 recognizes this and proposes measures to remove curtailment/oversupply risk from the bidding process as these are factors outside of the control of developers. Constraint risk should be viewed in the same way.

We agree with WEI's proposal that firm access should be granted once ATRs are delivered or if bottlenecks are resolved and Firm Access dates should be brought forward if these happen earlier than forecast.

The SOs should be incentivised to ensure that reasonable development timelines are considered for ATRs when determining time bound Firm Access dates. The timelines should be ambitious and EirGrid should be incentivised to deliver on these in a timely manner from once a need is identified and through each of the six steps of EirGrid's Grid Development Framework with appropriate regulatory control and oversight. Even if grid delivery or resolutions of bottlenecks is delayed after Firm Access has been granted, it is likely more cost effective for the System and Market Operators to manage constraints costs instead of the risk being priced into RESS or CPPA prices for the duration of the support scheme contract. The System Operator can then be incentivised to manage constraints costs as well as grid delivery.

***Question 2 - Comments are invited from respondents regarding EirGrid's historical performance on delivering ATRs. How can EirGrid's performance be improved? Please provide reasons and rationale for any views provided.***

Overall performance on ATR delivery has been poor. Many of the Gate 3 ATRs were delayed or have regressed particularly in the North West. For example, Renewable Integration Development Project (RIDP) was in Step 2 in the TDP 2018-2027 but regressed to Step 1 in the 2019 – 2028 TDP. It has now been replaced with the Donegal - Srananagh Corridor from the SOEF Roadmap and has not been given a delivery date in EirGrid's recent Network Portfolio Delivery publication ([link](#)). Many of the projects listed in the publication are highlighted as having completion dates that are at least 12 months outside of the PR5 baseline dates. EirGrid and ESBN don't appear to be adequately incentivised in PR5 to complete new circuit or line uprate projects or address the network needs that have been identified in the EirGrid Tomorrow Energy Scenarios System Needs Assessment work from 2019 that will require them to identify new ATRs beyond what has been outlined in the Shaping Our Electricity Roadmap as at this point it would be beyond 2030 when grid upgrades such as new circuits will be delivered. Delays have been experienced in getting projects into planning as well as in the post planning and delivery phases. EirGrid and ESBN should be incentivised to expedite projects which create grid capacity such as new circuits projects through these phases in line with EirGrid's six step Grid Development Framework.

Having a time bound FAQ with the risk of constraints payment having to be made in the event of a delay would provide a significant incentive for EirGrid (and ESBN) to plan and construct grid. EirGrid as Market Operator could be incentivised to keep constraint payments to a minimum.

#### **Partial Firm Access quantities**

***Question 3 - Comments are invited on whether stakeholders agree with the proposed approach of allocating partial Firm Access Quantities. Please provide reasons and rationale for any views provided.***

We support the concept of allocating partial firm access quantities. This is much more beneficial than the 'all or nothing' approach initially proposed.

We would like to query why 20MW blocks were chosen and how the Firm Threshold values will be chosen. It is also unclear if the threshold will apply pro-rata or if it will be 'grandfathering' treatment of constraints for new generators post the SEMC decision on Articles 12 & 13 implementation.

#### **Stage of development**

***Question 4 - Comments are invited from respondents on the proposed approach of allocating Firm Access to generators once they reach committed project phase***

*(progress beyond Consents Issue Date). Please provide reasons and rationale for any views provided.*

The difference between firm and non-firm access post the SEMC decision on Articles 12 and 13 implementation is extremely material. An assumption of firm or non-firm grid access in a RESS bid will result in a step change in bid prices so it is critical that we have information on a project's FAQ before an auction or a CPPA is put in place.

We are in favour of an approach that would see only 'committed projects' being included in studies for time bound Firm Access. We note the proposal to include projects that have gone beyond CID as committed projects, but we believe this is too late a stage as it won't provide developers with the certainty on Firm Access required to price it into an auction bid or into a CPPA. Pricing would then be more conservative so this would be of little benefit to the consumer.

We would be in favour of bringing the committed project stage forward to connection offer acceptance. At this stage developers will have made a large financial commitment in carrying out surveys/securing planning, applying for a grid connection and execution of the connection agreement (which includes payment of the first stage payment of the connection charge). Given the level of work and investment that is carried out before a project accepts its connection offer, any projects which reach this stage are likely to be built. This should be sufficient for it to be included in Firm Access studies as a committed project. We realise that some project may not be successful in a RESS auction and may fall away (or be delayed). However, the consumer benefits for any firm access that can be included in RESS auction bids or in CPPAs.

We also believe that the Firm Access awarded under the new policy should be subject to longstop dates so that it cannot be hoarded. This could be done by linking it to the existing TSO connection agreement Longstop Dates or their DSO equivalents. Newly contracted generators who wish to extend the Scheduled Consents Issue Date Longstop Date and retain their 'committed project' status along with their associated FAQs should only be allowed do so if they pay the second instalment of their connection charge. They should not be allowed to keep their Firm Access if they aren't energised by the Scheduled Operational Date Longstop Date.

Further consideration is needed on how Firm Access is awarded in a tiebreak situation. We believe it should depend on connection offer acceptance date criteria we proposed for the 'committed project' requirement. If they are on the same date or at the same node Firm Access could then be awarded on a prorata basis. If they are in the same ECP batch, firm access should be allocated on a pro-rata basis otherwise whoever is processed first by the system operators would have an unfair advantage.

***Question 5 - Comments are invited from respondents on the inclusion of a longstop date with awarded FAQs. Please provide reasons and rationale for any views provided.***

As per our response to question 4, we believe that the Firm Access awarded under the new policy should be subject to longstop dates so that it cannot be hoarded. This could be done



by linking it to the existing TSO connection agreement Longstop Dates or their DSO equivalents. Newly contracted generators who wish to extend the Scheduled Consents Issue Date Longstop Date should only be allowed do so if they pay the second instalment of their connection charge. They should not be allowed to keep their Firm Access if they aren't energised by the Scheduled Operational Date Longstop Date.

## **Batteries and other service providers**

*Question 6 - Comments are invited from respondents on the proposed approach of treating batteries and other service providers as outside the scope of the Firm Access methodology. Please provide reasons and rationale for any views provided.*

We believe that batteries, and other service providers should be within the scope of the Firm Access Methodology. The rationale for not doing so is flawed. Storage isn't only a system service device. We need it for peaking capacity, mitigation of constraint, curtailment and oversupply. It is also useful for carbon abatement as energy storage is a source of clean dispatchable capacity that displaces fossil fuels.

It is critical that all storage is given deemed firm access for the purpose of energy market settlement. Firmness for the purposes of system service provision should be treated separately as there may be times when storage is called on to provide frequency response and reserve services at times of high renewables where network constraints could be an issue. Granting batteries firm access would allow them to participate in the energy market with analysis from ESI and Baringa showing this could reduce wholesale electricity prices by up to €35 million this winter alone.

Long Duration Energy Storage technologies (LDES) can help manage network constraints at a local level and curtailment and oversupply at a system level, while at the same time supporting security of supply with clean dispatchable capacity. They can either connect in a 'permanent non-firm' manner, meaning they drive no grid reinforcements and the TSOs retain the right to constrain the units as needed. Or they can connect as 'contra-flow' units where they effectively create new firm capacity and the TSOs retain the right to operate the unit proactively in order to maximise its impact in a constraint scenario. For the TSOs, this can provide a real incentive for the deployment of multi-hour storage while maintaining operational security and avoiding difficult network build-out. We support Energy Storage Ireland's submission on Firm Access for storage and the work they are doing on the Procurement Framework for Long-Duration Energy Storage.

Consideration should be given not only as to how they can be given firm capacity but also how LDES can create firm access and grid capacity for other generators. Storage projects that create new firm space should be able to allocate the space created to renewable projects – this would help incentivise investment in storage. Connection charging policy should consider the firm space being created by storage and move from a TUoS charge to a TUoS payment commensurate with the "space" that it creates for new renewable capacity. The "space" that storage creates will depend on the MW: MWh ratio of the storage technology. Longer duration technologies create more space for new renewables

per MW relative to shorter duration. In this context space should be defined as the amount of additional renewables that are enabled without any increase in modelled network constraints – e.g. If storage technology with X MW, and YMWh capacity is deployed at Node A, then Z MW's of new wind can be connected at this node with no increase in modelled constraints. The storage technology should be able to nominate the wind farm to be awarded this space, and receive the TUoS payment from ZMW's of wind.

To not include storage in the Firm Access Methodology now means a key policy will not be in place to give developers confidence to invest in these technologies over the coming years when they will be needed. In addition, energy storage requires a 'Licence to Generate' in order to build out, hence it could be considered discriminatory under EU legislation, to not include storage in the scope of the methodology alongside other forms of licenced generation.

We support Energy Storage Ireland's submission on Firm Access for storage and the work they are doing on the Procurement Framework for Long-Duration Energy Storage.

#### **Maximum Export Capacity floor**

*Question 7 - Comments are invited from respondents on the proposed approach of having a MEC "floor" of 1 MW. Please provide reasons and rationale for any views provided.*

Instead of tying the floor to a fixed MW threshold, we propose that the floor should be linked to the controllability limit instead as this limit may change over time depending on policy.

#### **Allocation Frequency**

*Question 8 - Comments are invited from respondents on the Annual Review process. Please provide reasons and rationale for any views provided.*

We are supportive of the concept of an annual review but would welcome further clarity on the proposed timing for the annual review process. For example, is this tied to connection offer issuance, ECP constraint reports, RESS Auction timelines? The timing of the review and provision of FAQ schedules is important as information will be needed in time to be factored into RESS auction bids and CPPA prices. We also require further clarity on how the Firm Threshold will be calculated.

## Firm Threshold

***Question 9 - Comments are invited from respondents on the Firm Threshold. Please provide reasons and rationale for any views provided.***

The paper refers to a minimum level of acceptable constraint for projects to be made firm (Firm Access Threshold) but does not go into detail on what this level is or how it will be determined. The paper notes that this level will be open to ongoing review, but this does not provide any future certainty for projects if the level can change year to year and erodes the value of a look forward study and reduce investor confidence due to lack of certainty on locational signals.

It will be extremely important for industry to know what this level will be, the detail of the methodology for how firm access is allocated and all the input assumptions to the model published. For instance, a potential Firm Threshold of 5% was raised by EirGrid in a meeting with industry prior to the publication of this review. Recently published ECP 2.1 constraint reports show that the SOEF planned reinforcements will not deliver constraint levels below this threshold in many areas. We also require clarity on whether EirGrid considered using different Firm Access Thresholds for different areas or nodes.

While a single threshold value across all areas may seem more straightforward, we would query whether different values should be used in different regions particularly where consideration could be given to higher values being acceptable in regions where EirGrid do not intend to invest in delivering grid and have not yet studied what ATRs are required beyond 2030. Delayed capital expenditure from EirGrid not investing in the more highly constrained regions could be put towards constraints payments in those regions so that a higher Firm Threshold value could be applied.

EirGrid state in section 3.2.2 on the Look Forward Approach of the Firm Access Methodology Proposal document: *“Conversely, this approach also signals to projects in heavily constrained areas, which are currently not considered feasible for reinforcement, that connections in these areas will likely be non-firm for an extended period of time.”*. We are not clear why a highly constrained area is not considered feasible for reinforcement and would like further information on this. We are generally supportive of location signals, that will be reflected through varying time bound firm access dates across regions and years, but we do not support indefinite non-firm access for some generators which EirGrid appears to indicate in their paper.

The flow chart EirGrid provided to explain the methodology referenced a Regional-Network Constraints and System Wide Constraints. This implies more than one threshold values is required. Could this be clarified? If System Wide Constraints is not “low” does this mean that no project will get firm access?

## Order of Allocation

***Question 10 - Comments are invited from interested parties on the approach of First to be committed – first to be Firm. Please provide reasons and rationale for any views provided.***

As outlined in response to question 4, we are in favour of an approach that would see only 'committed projects' i.e. projects who accept their connection offers and are 'contracted' being included in studies for time bound Firm Access.

Further consideration is needed on how Firm Access is awarded in a tiebreak situation. We believe it should depend on connection offer acceptance date criteria we proposed for the 'committed project' requirement. If they are on the same date or at the same node Firm Access could then be awarded on a prorata basis. If they are in the same ECP batch firm access should be allocated on a pro-rata basis, otherwise whoever is processed in the batch first by the system operators would have an unfair advantage.

## Transmission Development Plan basis

***Question 11- Comments are invited from respondents on the use of the Transmission Development Plan as part of the Firm Access methodology. Please provide reasons and rationale for any views provided.***

The annual reviews will provide locational signals for existing and future Firm Access capacity based on the EirGrid Transmission Development Plan (TDP). However, we believe Firm Access should be based off appropriate timeline for addressing known system needs, such as those identified in the TES System Needs Assessment and Shaping our Electricity Future (SOEF). This should include an estimate for likely project solutions to come through steps 1-3 of the Grid Development Framework. This is important as information in the TDPs can be years out of date by the time they are published and the majority of early-stage projects do not even make it into the TDP until they are at a later stage of progression. The SOEF roadmap needs to look at how the system can deliver 80% RES-E by 2030 and a net-zero power system beyond. This is so projects that will be completed beyond 2030 also need to be considered at this stage. This is important to provide the necessary investment signals to the onshore and offshore wind pipeline that the grid will be there to ensure we can meet the renewable capacity targets outlined in the Climate Action Plan.

## Look back and look forward approach

***Question 12 - Comments are invited from respondents on the proposed look-back and look forward approach, and the interaction between these steps. Please provide reasons and rationale for any views provided***

We agree with the principle of allocating firm access where available or issuing binding firm dates to existing non-firm generators. We also support the principle of providing transparent and clear information on future firm capacity to developing projects.

As noted above the timing of these reviews will be important to ensure developers can take account of the information use the firm access certainty in RESS/CPPAs.

We agree with WEI's proposal that firm access should be granted earlier if ATRs are delivered or if bottlenecks are resolved earlier than forecast.

As outlined above, we would like clarity on how the Firm Threshold will be calculated and applied, including how constraints will be applied following the SEMC decision on implementation of Articles 12 and 13.

We would also like clarity on how these annual reports and results will align with the EirGrid ECP constraints reports and on what future generation will be included in them. We have seen a lack of consistency in EirGrid reports recently with the system constraints being much higher in ECP 2.1 Constraints Reports than the constraint levels indicated in the Shaping Our Electricity Futures Roadmap. This lack of consistency undermines investor confidence.

## **Delivery incentives**

***Question 13 - Comments are invited from interested parties on the interaction of delivery incentives with the proposed Firm Access methodology. Please provide rationale for to support these views***

As noted above we believe delivery incentives should exist in parallel with the allocation of binding firm access dates. The delivery incentives will help ensure the SOs are incentivised to deliver the related ATRs and resolve bottlenecks as close as possible to the binding firm access dates and EirGrid should also be incentivised to minimise system constraints costs in the market.

***Question 14 - Views are invited from interested parties on how the TSO should be incentivised to alleviate constraints. Please provide supporting rationale for these views.***

As noted above we believe delivery incentives should exist in parallel with the allocation of binding firm access dates. The delivery incentives will help ensure the SOs are incentivised to deliver the related ATRs as close as possible to the binding firm access dates. EirGrid should also be incentivised to minimise system constraints costs in the market.

## Independent Assurance

***Question 15 - Comments are invited from respondents on the need for independent assurance around the Firm Access process. Please provide rationale to support these views***

The process should be designed to incorporate any independent assurance requirements, such as audits, that are carried out and should be done in a way that doesn't delay provision of information to committed projects that are going into a RESS auction or that would cause a revision to any results that were factored into RESS auction bids or CPPA agreements. We would welcome further engagement on how this can be integrated into the overall process.

## Other

***Question 16 - General comments are invited from interested parties on whether they agree with EirGrid's proposed Firm Access methodology. Should a party disagree with EirGrid's approach, please provide reasons and rationale for this.***

We agree with a number of elements of the proposed methodology however there is need for clarity on a number of items as outlined in our responses above as well as those outlined by WEI. It is also important to get confirmation of the timelines for its implementation. We do not support indefinite non-firm access for some generators which EirGrid appear to indicate in their paper.

An important point that needs to be clarified is the interaction of Firm Access policy with Articles 12 and 13 of the Clean Energy Package Electricity Regulation. It is essential that Firm Access is aligned with SEMC decisions on compensation for dispatch down otherwise the policy will not be effective in delivering investor confidence or lowering the costs of renewable deployment.

We request that a further round of consultation be carried out once these items are clarified further.

***Question 17 - Suggestions and/or alternative approaches are invited from interested parties on EirGrid's proposal. Please provide rationale to support this.***

### Nodal constraints caps

We would note that the Firm access threshold creates a relatively binary, arbitrary and crude locational signal for new renewable generation. Under the current proposal, up to the threshold a unit might expect to be fully compensated for constraints and just 0.1% above the threshold, the project is exposed to very material risk of high / volatile levels of future constraints. A better approach would be to apply nodal caps or a forward nodal CfD on constraints whereby compensation would be made in circumstances where outturn constraints exceed the cap. The level of the cap could be varied by node based

on existing and future network and generation capacity. This would give certainty in relation to the constraint levels that should be priced into auctions and would have a less distorting effect on renewable auction competition, whereby a very small differential in anticipated constraints above or below the threshold, has a disproportionate impact on submitted auction bids. We would be happy to discuss this proposal in more detail if SEMC are interested in exploring this approach.

***Question 18 - Comments are invited from interested parties on the benefit of providing firm access to connected legacy generation in Ireland which currently have non-firm access. Should legacy non firm generators be considered in any new firm access methodology? Please provide rationale to support this.***

It is reasonable to expect that connected and legacy non-firm generators will be made firm, particularly generators that were given FAQs and associated ATRs that were never delivered in Gate 3.

***Question 19 - Comments are invited from respondents on the need to consider this proposed methodology in relation to the equivalent approach taken in Northern Ireland. Do respondents have any views on the interactions and differences between these different approaches.***

In terms of interaction with the process, timely updates on SONI ATRs, system reinforcements and other initiatives to reduce dispatch down will need to be included in the Annual Reviews and the assessment of Firm Access. SONI are currently consulting on their TDP being issued every two years. It is unclear what SONI Publication will have the up-to-date information necessary to carry out the Annual Reviews.