

8 November 2022

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**RE: Firm Access Methodology in Ireland “EirGrid – proposed methodology”**

WEI is the nation's largest renewable energy organisation with more than 150 members who have come together to plan, build, operate, and support the development of the country’s chief renewable energy resource. We work to promote wind energy as an essential, economical, and environmentally friendly part of the country’s low-carbon energy future.

There are many elements of EirGrid’s proposed firm access methodology that we do support in principle, and others where we would propose amendments. Given the urgency in providing firm access certainty for upcoming RESS auctions we would welcome further engagement on the design and implementation of these concepts as soon as possible.

Our positions in relation to EirGrid’s proposed methodology are summarised below.

Element	Description	RA’s Assessment	WEI Position
<b>Time bound Firm Access date</b>	Generators are guaranteed to receive Firm Access on the date associated with a Scheduled FAQ offer.	Proposed approach provides more certainty for investors in generators but may increase the constraints costs risks for end consumers.	WEI supports this proposal as it is the best way of meeting the twin objectives of ensuring investor confidence while minimising cost to consumers and is in line with EU regulations.
<b>Partial Firm Access quantities</b>	EirGrid proposed an updated approach whereby a generator cannot be firm for the total MEC, partial Firm	Partial FAQ approach may add more complexity to the allocation programme versus the original proposal. However larger	WEI supports the concept of allocating partial firm access quantities. We would welcome more discussion how the MW blocks are determined and

	Access in blocks of 20 MW will be considered.	discrete blocks (e.g. 20MW blocks) than previous ITC granularity of 0.5MW. The RAs note that this is also positive for locational signals and therefore competition.	how these will be allocated to existing/new generators
<b>Stage of development</b>	EirGrid proposed an updated approach to allocate Firm Access to committed projects (beyond Consents Issue Date).	The stage of development at which a project becomes eligible for Firm Access represents a trade-off between investor confidence pre-connection and efficient allocation. Proposed approach by EirGrid has the effect of reducing uncertainty for generators and investors before connection.	We do not believe the proposed measure goes far enough to ensure investor confidence or minimising costs to consumers. We propose instead that firm access certainty is brought back to an earlier stage e.g. connection offer or offshore GCA with measures to prevent hoarding of capacity.
<b>Batteries and other service providers</b>	EirGrid proposed that for the purposes of the Firm Access methodology, Firm Access for service providers is outside scope.	The RAs note the level of uncertainty in this area but also the trend of increased storage in recent years. RAs recognise the increasing importance of battery storage and need to facilitate the increased inclusion of this technology.	WEI does not support EirGrid's proposal and believes that all energy market participants, such as energy storage units, should be included in firm access considerations. Storage presents the opportunity to create firm access capacity on the network by alleviating constraints and this should be considered in firm access policy.

<b>Maximum Export Capacity (MEC) floor of 1MW</b>	EirGrid describes a MEC “floor” of 1 MW will be applied, with Firm Access not considered relevant below this level.	MEC floor of 1 MW currently aligns with the controllable limit.	WEI agrees with the concept of an MEC floor but instead of tying the floor to a fixed MW threshold, we propose that the floor should be linked to the controllable limit instead as this limit may change over time depending on policy.
<b>Allocation frequency</b>	EirGrid proposes that Firm Access will be allocated in the form of an Annual Review process.	The result of this approach is that generators that are non-firm in one year may end up receiving Firm Access in a subsequent year. Generators connecting in later years have a transparent route to Firm Access.	We are not opposed to the concept of an annual review but would welcome further clarity on the proposed timing for the annual review process. Given our comments on bringing the timing of firm access allocation back to connection offer stage/GCA it will be important that developers can take this information into account for RESS/CPPAs.
<b>Firm Threshold</b>	The Firm Threshold is the threshold at which the maximum level of acceptable constraints for a network area is met in a year of analysis.	Precise method for calculating the Firm Threshold for a given year or how different Firm Thresholds for different locations might work in practice, will require more detail from EirGrid.	We are open to the concept of a firm threshold but agree with the RAs assessment that the process for how this will be determined and implemented requires more detail and engagement.
<b>Transmission Development Plan basis</b>	EirGrid's proposed forward-looking assessment used to determine Firm Access dates for Scheduled FAQs is based on the	The information in these reports can strengthen the locational signals from the Methodology to potential connections. The information may also	We do not believe the TDP should be the sole basis for scheduling FAQs. Information in the TDPs can be years out of date by the time they are published and the majority of

	latest Transmission Development Plan	increase investor confidence more generally as uncertainty about the future likelihood of Firm Access is reduced.	early-stage projects do not even make it into the TDP. 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). 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, so grid projects that will be completed after 2030 also need to be considered at this stage.
<b>Order of allocation</b>	EirGrid proposed an updated approach ‘First to commit – first to be Firm allocation order’.	Transparent and practical approach. The transparency of this approach in turn promotes fairness.	This is contingent on the timing of firm access allocation as per our comments on stage of development. We believe firm access should be granted earlier in the process with measures to prevent hoarding.
<b>Look back and look forward approach</b>	EirGrid proposed that at a high level the new methodology would be composed of two steps, a look back and look forward step.	In the look back step an annual review is carried out, generators in areas with capacity will be granted Firm Access. The look forward step provides a locational signal for future new capacity.	As per our comments on allocation frequency, we welcome further clarity on the proposed timing for the annual look back review process and how certainty can be provided to developers earlier in the process. We also support the concept of a look forward step as a locational signal for future capacity.

We would like to make the following comments in relation to the questions posed in the SEM Committee's Consultation on a Firm Access Methodology in Ireland

### Time Bound Firm Access Dates

*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.*

- WEI welcomes 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 specific ATR delivery.
- The key objectives of firm access, as stated by the RAs, are to provide investor confidence while minimising the costs to consumers. This is best achieved if developers have certainty on firm access that they can use to inform their bids and deliver the lowest RESS/CPPA prices.
- Firm access becomes much less meaningful in terms of RESS/CPPAs if a time bound date cannot be guaranteed. Essentially developers will have to bid in the risk of grid delivery they have no control over which will inevitably lead to higher renewable support prices, i.e. costs for consumers, that will be locked in for many years.
- The current DECC consultation on RESS 3 terms and conditions recognizes this risk, and the resulting fact that the renewable auction prices in RESS 1 and 2 were the highest in Europe, 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 and providing time bound firm access dates is one mechanism to help manage this.
- We fully support EirGrid's approach of offering time bound FAQ offer dates and consider this is essential for the investor certainty needed to meet RES targets and to remove uncertainty around FAQ dates being reflected in RESS. Investor certainty, such as to enable projects to be delivered in an economically efficient and timely way to get to net zero, is at the heart of the Clean Energy Package (and indeed legislation being finalised under Fit for 55 and REPowerEU, which seeks to speed up the permit granting process, defined

widely to include assets necessary for connection to the grid). We note in particular the following:

- The IME Regulation ([EU 2019/943](#)) aims, among other things, to set the basis for an efficient achievement of the objectives of the Energy Union and in particular the climate and energy framework for 2030 by enabling market signals to be delivered for increased efficiency, higher share of renewable energy sources, security of supply, flexibility, sustainability, decarbonisation and innovation; to set fundamental principles for well-functioning integrated markets which allow all resource providers non-discriminatory market access; and to facilitate the emergence of a well-functioning and transparent wholesale market contributing to a high level of security of electricity supply.
- The obligations on Member States, regulatory authorities, TSOs, DSOs and MOs include ensuring that markets are operated such that market rules enable the decarbonisation of the electricity system including by enabling the integration of renewables; and that market rules deliver appropriate investment incentives for generation, in particular for long-term investments in a decarbonised and sustainable electricity system and energy storage to meet market needs.
- These stakeholders must also ensure that electricity markets are operated such that market participants have a right to obtain access to the transmission networks and distribution networks on objective, transparent and non-discriminatory terms. In particular, the IME Directive ([EU 2019/944](#)) requires regulatory authorities to ensure that any limitations in guaranteed connection capacity or connection offers made subject to operational limitations are introduced on the basis of transparent and non-discriminatory procedures and do not create undue barriers to market entry (Article 42).
- The risk of grid delivery should sit with the parties best placed to manage it, which are EirGrid and ESBN, and not the developer. Currently the financial impact and risks of ATR delays are passed on to generators and EirGrid/ESBN do not have an incentive to mitigate this. We note that the IME Directive includes a mechanism at Article 51(7) that contemplates, in the event of failure of the TSO to execute an investment under the TYNDP, measures that regulatory authorities can take to ensure that the investments are executed. Notably it does not allocate risk back to producers, again reflective of the fact that risk of grid delivery does not sit within producers' control.

- Incentives on the SOs will still play a part as it will be important that reasonable development timelines are considered for associated reinforcements when determining time bound Firm Access dates. EirGrid will build in planning/consent timelines into their estimated delivery dates that the time bound firm access will be based on but the timelines should still be ambitious and EirGrid should be incentivised to deliver on these in a timely manner with appropriate regulatory control and oversight.
- As the incentives should help ensure grid reinforcements are delivered as early as possible, we propose that firm access can be granted if ATRs are delivered earlier than forecast. For example, firm access will be allocated based on the earlier date of the time bound firm access date or actual ATR 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.*

- EirGrid's performance record shows that many ATRs have not been delivered as per original project schedules, with substantial delays to ATR completion in many cases. We acknowledge that challenges arise on major ATR projects in terms of resourcing and delivery, but we feel that delivery of these projects needs to be both ambitious and more reliably delivered within standard development timeframes (i.e. within baseline schedules for each project).
- We propose that a maximum duration allowable for ATR completion, or constraint bottleneck resolution, should be implemented based on current standard timelines and best practice internationally, rather than based on any measure of actual timelines for recent/current ATRs (which are likely to be significantly longer).
- We believe it is the responsibility of the Regulatory Authorities to control, manage and oversee the SOs' commitment and delivery of ATR projects and to work with EirGrid and ESBN to resolve issues impeding on time project delivery (resourcing, approval processes, funding), where arising. We therefore request that the SEM Committee consider these points in their decision following this consultation.

## 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.*

- WEI support the concept of allocating partial firm access quantities. This is much more beneficial than the 'all or nothing' approach initially proposed.
- We would welcome more discussion on the blocks to be used, how the MW threshold is determined and how these will be allocated to existing/new generators as well as generators less than 20MW.

## 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.*

- As we have noted, the objectives of firm access policy should be to ensure investor confidence while minimising cost to consumers.
- We recognise that the timing of firm access allocation has been brought forward to consents issue date, compared to EirGrid's initial proposal, but we still note that this will fall short of the key objectives noted above. In order to ensure investor certainty and the lowest renewable support prices possible for consumers, firm access certainty should be brought even further forward so projects can take account of this when submitting RESS bids or agreeing CPPAs.
- If firm access is only allocated at CID, then developers will have to manage considerable uncertainty on the allocation of firm access at the time of RESS/CPPA pricing. This would remove the key benefits that firm access certainty is supposed to provide.
- We propose instead that firm access certainty is provided at connection offer stage, or GCA in the case of offshore. There may need to be a mechanism for proportional allocation of available firm access in areas with multiple generators which we would welcome discussion on.



- We recognise the intention to provide firm access certainty to advanced stage projects in order to ensure firm access is allocated efficiently and not hoarded. We support this principle and believe measures can be introduced to mitigate the risk of hoarding and ensure firm access is allocated to projects that are more likely to construct. We would welcome further engagement on these potential measures.

*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.*

- We believe measures to mitigate the risk of hoarding is much more appropriate if firm access allocation is brought forward as per our comments above. We would welcome further discussion on the measures that could be used.

## **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 do not agree with EirGrid's position. The firm access policy should apply to all relevant energy market participants, including energy storage. It is not equitable to exclude a specific technology which can participate in the energy market and for whom firm access is an important consideration. Storage is not just a system service provider as EirGrid seem to indicate.
- It is also important to consider the beneficial impacts of energy storage in terms of alleviating constraints and the potential for energy storage to create firm capacity in regions of the grid to support renewable development. This should be factored into the constraints analysis when determining firm access quantities.
- We think that consideration of obligations under the Clean Energy Package would assist in this area. Certain aims and obligations under the IME Regulation ([EU 2019/943](#)), which include references to storage, have already been mentioned above under question 1. It is also worth noting that Member States, regulatory authorities, TSOs, DSOs and MOs are

required to ensure that markets are operated such that safe and sustainable generation, energy storage and demand response participate on equal footing in the market.

- We also note that both the Regulation and the Directive define ‘market participant’ to include energy storage services, so non-discrimination obligations applicable to market participants include energy storage services. For example, under the IME Regulation market participants shall have a right to obtain access to the transmission networks and distribution networks on objective, transparent and non-discriminatory terms, and balancing markets shall be organised in such a way as to ensure effective non-discrimination between market participants. Further, network congestion problems shall be addressed with non-discriminatory market-based solutions which give efficient economic signals to the market participants and transmission system operators involved. Further, Article 13 of the Regulation, the implementation of which interacts with firm access policy, does not discriminate as between generation, storage and demand response.
- The IME Directive also includes duties on the TSO and DSO to ensure non-discrimination as between system users or classes of system users. Further, Article 42, which we mentioned above, is drafted to apply to generating installations and energy storage facilities.

## 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 controllable 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 not opposed to the concept of an annual review but would welcome further clarity on the proposed timing for the annual review process.
- As noted above, to provide for investor certainty the reviews and allocation of firm access should ideally be at a point when developers can take this into account when developing RESS/CPPA prices, e.g. at connection offer or offshore GCA stage.
- We are also assuming that once firm access is granted via annual review it cannot be taken away but we would welcome clarity on this point.

## 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.
- The methodology should ensure fairness and prevent discrimination across regions/technologies. 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 constraints threshold of 5% was raised by EirGrid in a meeting with industry prior to the publication of this review. A constraints figure of 5% was also assumed in EirGrid and SONI's SOEF analysis and grid reinforcements planned in relation to this.
- Another 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 i.e. that the firm access allocated under the new policy is eligible for compensation.

## 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.*

- This is dependent on the timing of firm access allocation and our points above. If allocated at connection offer stage/GCA there will need to be some provision for proportional/tie-break allocation and measures to prevent hoarding.

## 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 proposal is that 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 timelines 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 updated roadmap SOEF is expected to be published soon and this needs to look at how the system can accommodate the volumes of offshore and onshore wind as well as solar PV outlined in the Government's targets which are key to delivering 80% RES-E by 2030 and a net-zero power system beyond this. The analysis should consider all SOEF projects that will be delivered for 2030 and also projects that will be completed beyond 2030 as these are necessary to manage constraints within the threshold assumed across all regions and to deliver a net-zero power system. Alternative solutions to grid reinforcement such as DLR, power flow control, virtual battery networks and long-duration storage, (some of these may include third party solutions), should be considered. 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 lookforward 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.

## 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*

- We have provided comments in response to Questions 1, 2 and 14.

*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 and incentives to minimise constraints, such as those under PR5, should exist in parallel with the allocation of binding firm access dates. There is a PR5 incentive to manage renewable dispatch down below 5% on an annual basis and there are also delivery incentives to help ensure the SOs are incentivised to deliver on transmission projects. We believe these incentives should be maintained to ensure the SOs

are incentivised to deliver ATRs in advance of or as close as possible to the binding firm access dates.

- Imperfections costs also provide a signal to invest in grid reinforcements and other system solutions to remove operational/network constraints and reduce these costs to consumers.
- We recognise that firm access allocation 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 appear to indicate in their paper. As noted in our response to question 11, long-term network reinforcement plans and alternative network solutions, for 2030 and beyond, will be important to manage constraints within the firm access threshold.

## 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*

- WEI supports this concept and would welcome further engagement on how it could be implemented.

## 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.*

- There are many elements of EirGrid's methodology that we do support in principle, and others where we would propose amendments, and we would welcome further engagement on the design and implementation of these concepts. We have provided comments in our summary table and in our answers to the consultation questions to reflect this.

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

- We have provided comments on alternative approaches in our answers to the previous questions.

*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 not entirely clear what is meant by legacy generation so we have taken this to mean all connected non-firm generation. In response we believe all existing non-firm generators should be included in the firm access methodology.
- It would not be reasonable, fair or transparent, or in line with EU regulations, to have a firm access policy that excludes certain generators or technologies such as storage. Such a discriminatory policy would run the risk of legal challenge which is not prudent and would not facilitate the objectives of meeting RES goals and ensuring investor confidence while minimising costs to consumers.
- There are existing projects with Gate 3 connection offers that have ATRs and Firm Access dates assigned in their connection agreements but these have been missed as certain ATRs have not been delivered on schedule. It is critical that the new firm access policy considers these projects' existing contractual firm access status. We propose that in the look back analysis these projects should have the current ATR dates applied, or earlier from the new methodology, when determining a connected generators Firm Access year.
- The firm access policy should also apply to generators already connected or progressing under ECP. The development of a firm access policy for all contracted projects was flagged by the CRU in the ECP-2 decision in June 2020 and this position should be maintained.
- Connecting on a non-firm basis in the initial term under ECP was accepted by the industry as an interim measure to gain a connection. Developers and investors fully expected that a new firm access policy would include their projects, as outlined in the CRU's ECP-2 decision and proceeded into RESS auctions and CPPAs or project purchases on this basis. Not including these projects now would significantly erode investor confidence and impact the credibility of the new firm access proposal for future generators.

*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.*

- We support RenewableNI's response to this consultation.

## Conclusion

There are many elements of EirGrid's proposed firm access methodology that we do support in principle, and others where we would propose amendments. Given the urgency in providing firm access certainty for upcoming RESS auctions we would welcome further engagement on the design and implementation of these concepts as soon as possible.

Yours sincerely



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