

Windsource Ltd response to the SEM Committee's Consultation on Treatment of Curtailment in Tie-Break situations, SEM/12/028

Windsource Ltd welcomes the opportunity to respond to this consultation.

Windsource Ltd is involved in a portfolio of wind farms including projects in Gate 3 and in the queue for Gate 4.

Providing appropriate rules for the allocation of curtailment is an important part of the grid policy framework required for the financing of windfarms. However the core issue that has to be addressed is not how to allocate curtailment but how to reduce these inefficiencies. To minimise curtailment, EirGrid and SONI's DS3 program of works should advance without any further delays. There is a need for substantial work to be done in the areas of reducing minimum conventional generation levels and the effective operation of the Moyle and East-West interconnectors. To manage the multiple work streams required to reduce curtailment we would propose that an industry group is established to produce an overarching strategy to minimise curtailment and to oversee the implementation of the mitigation measures.

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We support the detailed response by IWEA on issues raised in the SEMC consultation paper. We also support IWEA proposed solution 3b for the allocation of curtailment – pro-rata up to the government target. Outlined below are some additional comments on some of the issues in the consultation paper.

Grandfathering of Curtailment based on Firm Access

Windsource has consistently opposed the early introduction of grandfathering of curtailment. There is no reasonable case to grandfather existing windfarms from curtailment. Existing windfarms should have been aware of the risk of curtailment and there was no reasonable expectation that a form of grandfathering would be introduced to protect existing windfarms. In 2003 the Regulators published a report by Garrad Hassan that concluded that curtailment would become a material issue for the wind industry in Ireland and Northern Ireland at the levels of wind generation now being proposed to meet the 2020 Renewable target. A review of the relatively small number of references to curtailment levels by the System Operators, Regulators and industry participants over the past 10 years has consistently suggested that curtailment would be pro-rated. In-fact the SEMC had stated in three of the consultation documents over the four years of the "Wind in the SEM" consultation (SEM/09/073, SEM/10/060, SEM/11/063) that curtailment could only be treated on a pro-rata basis. For the reasons outlined above it is clear that there was a reasonable expectation by windfarm developers that curtailment would be allocated on a pro-rata basis.

We are particularly opposed to the introduction of grandfathering based on firm access. From analysis completed by industry and already shared with SEMC it is clear that it will not be possible for non-firm windfarms to connect under the proposed grandfathering option. The SEMC has accepted that firmness and curtailment are independent issues. To then link the allocation of curtailment to what is a relatively arbitrary figure is unfair discrimination of non-firm generators.

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Windsource is developing a Gate 3 windfarm in West Co. Clare. The windfarm has full planning permission and is located only 800m from an existing 110kV substation. Constraints for the windfarm are very low. We would be very confident that, taking aside the proposal to grandfather curtailment, the windfarm will be connected by 2015. However due to the perplexing methodology for the allocation of deep reinforcements the windfarm is associated with the North-South Interconnector. Although our original FAQ was scheduled as 2014 we expect that it will be extended to 2017 in the updated FAQ to be published by EirGrid later in 2012. Until the North-South interconnector is constructed this windfarm will not be able to be constructed. With the high risk of further delays in the North-South interconnector project there is a strong possibility that this project will not be connected pre-2020 and therefore be able to contribute towards the 2020 renewable targets. For the reasons outlined above we are strongly opposed to any option that grandfathers curtailment based on firm access.

Compensation for Curtailment

We support IWEA's proposal that all windfarms receive compensation for curtailment, regardless of their firm access status. As stated earlier, the SMEC has accepted that firmness and curtailment are independent issues. If only firm generators are provided with compensation for curtailment this appears to be discrimination against non-firm generators.

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