



8th of November 2022

EAI Response to SEM-22-068

By email to: electricityconnectionpolicy@cru.ie and Brian.Mulhern@uregni.gov.uk

EAI welcomes the opportunity to respond to the SEMC Firm Access Methodology in Ireland “EirGrid – proposed methodology” (SEM-22-068). A firm access policy should deliver key objectives such as minimising additional costs to end customers and supporting investor confidence.

The current firm access policy is undermining investor confidence and increasing the risk premia on the investments necessary to deliver Ireland’s 2030 targets. Consumers are ultimately paying for this risk and uncertainty by virtue of higher bid prices in competitive auctions (RESS, CRM and DS3), notably particularly with non-firm System Service providers not being eligible to compete in Future arrangements for System Services. When and whether a unit is classified as Firm or not Firm fundamentally impacts the investment decision for much needed capacity. The next 3 years of auctions will effectively lock in the cost of meeting Ireland’s Climate Action Plan targets. A Firm Access policy that allocates risk proportionally and improves certainty, will deliver lower technology bid prices to the benefit of current and future customers.

It is understandable for a focus to be on firm access for renewables in the context of the ongoing implementation of the Clean Energy Package. However, firm access is expected for all units regardless of technology, and for both existing units with a reasonable expectation of being made firm, as well as new and existing renewables. In a technology-neutral market, it is unconscionable to consider firm access rights as selective per technology.

Some of the key points EAI would like to raise with the proposed Firm Access Methodology are:

1. Timing of Firm Access Quantity

- While the Firm Access methodology in this paper may (1) allocate available firm capacity to newly connected generators and (2) provide location signals for where future firm access is expected to be available, the risk imposed by an unknown firm access date will act as a blocker to the delivery of renewables and other assets required for security of supply (CRM), system stability (DS3) and meeting our renewable and decarbonisation targets (RESS).
- It is essential that Firm Access certainty is provided earlier in the project timeframe, ideally before any RESS or CRM auction bidding.
- EAI supports EirGrid’s proposed approach of having a time bound Firm Access date. This approach provides more certainty for investors in generators which should result in greater value to the customer.
- The proposed annual review is a positive change to the methodology and will assist in providing up to date locational signals for future firm access capacity as well as increasing the speed of firm access allocation. It would be important that the



implementation of the annual review aligns with the ECP gate type approach and runs well in advance of auctions for support mechanisms.

2. Technology neutral

- The paper alludes to the firm access methodology ensuring renewables target can be met. Firm access is a concern for all market participants not purely renewable assets. It is right that firm access is of more concern for renewables at present, given the Clean Energy Package requirements of Art 12 and 13. However, whilst we would encourage certainty and clarity for these participants, this should not be at the expense of other technologies or services (including existing generation or services).
- *“Batteries and other service providers are newer technologies primarily coming into the services market. For the purposes of this methodology, firm access for service providers is considered to be outside scope and therefore not applicable at this time”.* EAI does not agree with discrimination based on a belief that revenue streams are healthy enough in their own right to encourage entry, firm access goes hand in hand with all service offerings.
- Firm access should not discriminate between technology type or service offering, be it inertia/sync comp, system services or energy.

3. Infrastructure development

- This is the key to unlocking realised firm access. In the meantime, we expect that where reinforcements fail to arrive, units with a reasonable expectation of firmness are provided with a proxy eligibility of firmness.

Kind Regards,

A handwritten signature in black ink, appearing to read 'Stephen Douglas', written in a cursive style.

Stephen Douglas
Senior Policy Advisor
Electricity Association of Ireland (EAI)