



DP Energy and Iberdrola Renewables Ireland Consultation Response:

Firm Access Methodology in Ireland “EirGrid – Proposed Methodology” SEM-22-068

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Re: Firm Access Methodology in Ireland “EirGrid – Proposed Methodology” SEM-22-068

Via: electricityconnectionpolicy@cru.ie

Dear Regulatory Authority and Relevant Stakeholders,

DP Energy welcomes the opportunity to respond to the Firm Access Methodology in Ireland “EirGrid – Proposed Methodology”.

Cork-based renewable energy developer, DP Energy, and Iberdrola Renewables Ireland have a joint venture to develop three Irish offshore wind projects. Iberdrola Renewables Ireland are part of Iberdrola, one of the world’s largest utilities and leading wind energy producers, and have acquired a 3 GW pipeline of offshore wind and a majority stake in DP Energy’s Irish offshore business. The projects involved in the DP Energy-Iberdrola deal have been in development since 2016 and include the Inis Ealga Project Marine Energy Park off the coast of Co. Cork, and the Clarus Offshore Wind Farm² off the coast of Co. Clare – both based on floating wind technology. Further development on the East coast, the Shelmalere Offshore Wind Farm, will be based on fixed foundation technology.

The potential projects are expected to be operational for 2030 and aim to significantly contribute to Ireland’s Climate Action Plan targets. We have already commenced relevant environmental surveys and engineering studies in order to support our project programmes towards this 2030 energisation date. Additionally, DP Energy and Iberdrola have announced the recent publication of Environmental Impact Assessment Scoping Reports (EIAR) for both the Inis Ealga Marine Energy Park and Shelmalere Offshore Wind Farm. These reports, set out the proposed scope of, and methodology for use in the preparation of, the future EIAR for the offshore wind farm projects.

The Shelmalere Offshore Wind Farm EIAR Scoping Report¹ was published on the 23rd June 2022. The Inis Ealga Marine Energy Park Scoping Report² was published on the 13th July 2022. DP Energy

¹ <https://shelmalereoffshorewindfarm.com/EIAR/>

² <https://inisealgamarineenergypark.com/EIAR/>

understands that these are the first two EIAR Scoping Reports to be published for any Phase 2 offshore wind projects in Ireland.

DP Energy and Iberdrola Renewables Ireland³ are members of Wind Energy Ireland (WEI) and Energy Storage Ireland (ESI) and we are supportive of both their responses to this consultation.

This response, and our support regarding the WEI and ESI responses, is caveated that this is our initial thinking given the limited level of information provided in the consultation documentation. It is noted that further clarity is being provided by EirGrid regarding some of the proposed methodology during the consultation period. Further engagement with industry is necessary once more detailed information and clarity has been provided on this.

Further detail is required with urgency on the following in order to effectively respond to the questions within this consultation:

- How the firm threshold(s) will be determined, and how this value may vary from year to year following the annual reviews;
- The proposed timing for the annual review process;
- How EirGrid's Network Delivery Portfolio (NDP) publications will tie into the Transmission Development Plan (TDP), and the firm access review process;
- How the firm access allocation blocks (e.g. 20 MW) will be determined and how these will be allocated to existing/new generators;
- Whether the 400 MW of non-connected projects with allocated firm access will be re-visited.

Our key recommendations can be broadly summarised as follows.

- Overall, we welcome the efforts being made within the proposed methodology to improve investor confidence and provide better certainty on the future delivery of firm access. It is key that firm access is allocated efficiently and is not hoarded. Measures could be considered such as long-stop dates 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 the best mechanisms to implement to reach this objective.
- We are open to the concept of a firm threshold but agree with the Regulatory Authorities' assessment that the process for how this will be determined and implemented requires more detail and engagement. Once there is sufficient visibility as to how the process will be applied in practice, further consideration can be given to threshold value(s) which in due course promote fairness and prevent discrimination across regions and technologies.
- Overall, we are not supportive of locational signals. Many renewable projects under developments are already well advanced in terms of landowner engagements, ecology studies and planning preparations. These sites have been carefully selected to consider all environmental, engineering, and stakeholder constraints amongst others, with great consideration given to the renewable resource to select an economically viable project, hence resulting in lower RESS prices. We do not believe it is the place of the system operators to influence the location of investment in a competitive market. It is the role of the system operator to build reinforcements to meet the needs of the grid users, both customers and generators, and to progress reinforcements to minimise dispatch down of renewables release firm access. A step-change is needed, both in the increased pace of

³ Scottish Power Renewables (SPR) is a member of WEI and ESI. SPR is a subsidiary of Iberdrola Renewables.

connection of renewable projects and in the identification and development of grid reinforcement projects throughout the country if we are to meet our climate action and net-zero targets.

- We believe further incentives are needed to accelerate the delivery of system reinforcement works, with specific targets necessary for the firm access allocations. The publication of EirGrid's Network Development Portfolio is welcome, but further effort is needed to ensure the NDP information and TDP are aligned, and more transparency is provided on the projects' progression through EirGrid's grid infrastructure development process. A firm access specific incentive should be introduced – the exact mechanisms of which may be considered once full visibility of the proposed firm access methodology, allocation blocks and firm threshold has been achieved.

The lack of transparency and engagement with the system operator is also a key concern for developers. A system operator incentive could be introduced for generation customer engagement, measured via annual customer surveys with KPIs for the system operators to achieve. This would provide further certainty and reduce risk for developers that are developing grid connection strategies in the absence of EirGrid insight and engagement.

Thank you for the opportunity to provide feedback on this consultation, and we would be happy to meet with you at any point to discuss this feedback.

Yours sincerely,

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On behalf of DP Energy

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On behalf of Iberdrola Ireland