

Review of ECP-2 Decision June 2020

The CRU has published its decision paper on ECP-2.

<https://www.cru.ie/wp-content/uploads/2020/06/CRU20060-ECP-2-Decision.pdf>

The highlights are as follows:

- Target 115 connection offers in total for each ECP-2 batch period:
 - 85 for generation, storage and other system services technology projects (MEC>500kW).
 - 15 for non-batch projects and 15 for community-led projects, that cannot be processed on a non-batch basis
- Prioritised by largest renewable energy generation (first 25 offers), then by planning permission grant date.
- No more than 10 primarily storage and other system service technology projects
- ECP-2 framework to encompass one batch application window per year for three years:
 - ECP-2.1 applications in September 2020
 - ECP-2.2 applications in September 2021
 - ECP-2.3 applications in September 2022
- Batch formation October – December, batch processing January - December of the following year
- Further opportunities for projects which are not going ahead to hand back their connection offer
- Whilst ECP-2 offers will initially be issued on a non-firm basis as per ECP-1, contracted projects will receive scheduled Firm Access Quantities.

The executive summary table is appended overleaf.

Commentary

IESA is disappointed that a specific provision has not been made for storage. IESA had lobbied on behalf of energy storage, arguing that there should be a certain allocation set aside for energy storage projects. Other considerations took precedence in the view of CRU and there is no such allocation as there had been in ECP-1. We had also lobbied for more than 50 offers per batch are glad to see that this number has been increased significantly.

It will be difficult for stand-alone energy storage projects to get new connections as the prioritisation is not favourable to such projects. They will not qualify for any of the first 25 offers because they have no renewable energy production. As new projects, it may be difficult for them to have earlier planning permission dates than the earliest 60 wind or solar projects. However, under the original proposal, energy storage projects would have been competing for only 25 projects, so the increase in the number of projects helps.

We believe that there should have been an allocation for energy storage projects to ensure that sufficient energy storage is in place to keep up with the requirement for system services and energy balancing as the percentage of renewable generation increases. Otherwise there is a real risk of significant curtailment which would be detrimental to renewable generation and, more importantly, to a reduction in emission

Executive Summary Table

ECP-2 Decision	Change from Proposed Decision
<p>ECP-2 framework to encompass one batch application window per year for three years:</p> <ul style="list-style-type: none"> • ECP-2.1 applications in September 2020 • ECP-2.2 applications in September 2021 • ECP-2.3 applications in September 2022 	<p>There are now fixed months for the batch application window (September), batch formation and batch processing each year¹</p>
<p>Target 115 connection offers in total for each ECP-2 batch period:</p> <ul style="list-style-type: none"> • 85 for generation, storage and other system services technology projects (MEC>500kW). Prioritised by largest renewable energy generation (first 25), then by planning permission grant date. No more than 10 primarily storage and other system service technology projects². • 15 for non-batch projects and 15 for community-led projects, that cannot be processed on a non-batch basis 	<p>Additional 35 offers for generation, storage and other system services technology projects (MEC>500kW). No more than 10 primarily storage and other system service technology projects per batch.</p>
<p>Non-batch project offer processing:</p> <ul style="list-style-type: none"> • Application at any time. SOs will only process on a non-batch basis (i.e. in parallel to ongoing batch or folded into ongoing batch) if feasible. • Otherwise non-batch projects are folded into next batch as above³ 	<p>More clarity on non-batch project processing with respect to batches and timing.</p>
<p>Community-led project offer processing:</p> <ul style="list-style-type: none"> • Application at any time pre-planning. "Connection assessment" (method and cost) only processed on a non-batch basis if feasible or otherwise folded into next batch as above³ • Connection assessment issued after detailed study and held for two years (with payment of application fee deposit only) • Once planning permission is received and application fee balance paid, DSO will issue full offer. ⁴ 	<p>More clarity on community processing with respect to application fee stages, studies and costs.</p> <p>Connection method and cost certainty for two years pre-planning.</p>
<p>Enhanced early engagement process:</p> <ul style="list-style-type: none"> • DSO Phase 1: pre-batch opportunity to exit for those clearly causing significant uprate, with only application deposit paid. TSO Phase 1: as per current process. • DSO/TSO Phase 2: mid-batch opportunity to reduce MEC/exit with 75% fee refund. 	<p>More detail specified on early engagement process.</p> <p>Incentive to exit if not viable with 75% application fee refund now included.</p>
<p>Planning permission required to apply to ECP-2, except for community-led projects, though they will need planning permission to receive connection offer.</p>	<p>No change.</p>

ECP-2 Decision	Change from Proposed Decision
<p>Firm/Non-firm capacity offer basis;</p> <ul style="list-style-type: none"> • TSO to develop new methodology to schedule Firm Access Quantities (FAQs) for contracted projects based on network development plans • Offers continue to be issued on a non-firm basis until new mechanism for scheduling FAQs is in place 	<p>Whilst ECP-2 offers will initially be issued on a non-firm basis as per ECP-1, there is now clarity that contracted projects will receive scheduled FAQs.</p>
<p>Application fees;</p> <ul style="list-style-type: none"> • Schedule of application fees remains as per ECP-1 (adjusted for inflation). • Application fee deposit for projects with MEC>500kW reduced to €2,000. • Previous application fee deposits carry forward for valid unprocessed applicants that re-apply. 	<p>Application fee deposits for each batch reduced from €7,000 to €2,000 for projects >500kW.</p>
<p>The security for shared assets' costs for projects part of a sub-group is no longer required for ECP-2.⁵</p>	<p>Requirement for security for shared assets' costs has been removed</p>
<p>All projects contracted pre ECP-1 (but not those that chose to fold into ECP-1) will have a final opportunity for capacity release⁶ as per CER/16/284 (e.g. with 80% refund of first stage payment).</p>	<p>No change.</p>