



Energy for
generations

Generation & Wholesale Markets

ESB Generation and Trading Response:

SONI Draft Transmission Development Plan
Northern Ireland

31st January 2019

ESB Generation and Trading (ESB GT) welcomes the opportunity to respond to SONI Draft Transmission Development Plan Northern Ireland. We recognise the effort which SONI has made in relation to this Draft Transmission Development Plan for a Secure Sustainable Transmission System which is very beneficial for Generation Asset Owners, Industry Participants and supporting Northern Ireland Socio and Economic Development and encouraging future Domestic and International Investment. The electricity system in Northern Ireland, as is the case across Europe, is not operating under steady state but instead is undergoing a radical transformation. This transformation in ESB GT's view, is central to the achievement of long term goal of decarbonisation of the whole economy. SONI as transmission system operator holds a pivotal role in ensuring that this transformation is successfully implemented in a manner that provides a stable investment environment for the developers of the renewable generation project and so minimise the cost to consumers of decarbonisation. It is important therefore that SONI be sufficiently resourced and appropriately incentivised to meet this long term challenge.

ESB GT is concerned that while there is currently not a clear route to market for new renewable generation projects in Northern Ireland the context of the draft Transmission Development Plan must be one of increasing ambition of the role renewable generation in Northern Ireland. As such ESB GT is concerned that there is not evidence in the draft Transmission Development Plan of an urgency to implement a strategic vision for the development of the system to overcoming the challenges it faces in incorporating increasing levels of renewable generation, but rather the focus is instead on worthwhile but piecemeal projects that seem target to maintain the system in its status quo.

ESB GT's concerns are presently focused on our operational wind farms in Northern Ireland as we have seen a significant rise in Dispatch Down to the magnitude of 8% for Constraints & Curtailment. This presently represents a significant commercial loss to the revenue streams for these projects. While it is expected the delivery of the projects listed in the Transmission Development Plan would significantly alleviate the presently observed level of Dispatch Down, the Transmission Development Plan should also be viewed in the context of the evolving European regulatory framework. The proposed redraft of the Electricity Regulation (on the internal market for electricity) as published by the General Secretariat of the Council on the 11th of January '19 shows a clear determination that where there is a requirement for the TSO to redispatch generators from their planned generation schedule there should be market based mechanisms in place to select which generators are redispatched. But where non-market based redispatch is required then financial compensation including any forgone out of market support should be paid to the affected generator to the level of their firm connection access by the TSO.

It is ESB GT's view that this proposal should add increased emphasis to the TSO's work through the DS3 programme to apply innovative technology and process to minimise the redispatch down of renewable generation but also frame the ambition of the Transmission Development Plan. One aspect of this work that ESB GT believes should be brought into focus is the adoption of more flexible connections incorporating the use of Hybrid Sites (or Colocation).

ESB GT understands the considerable challenges in bringing forward the second North-South interconnector, the completion dates for which have been pushed back from 2017 to 2023. Given these challenges, we believe that SONI should be continuously planning for alternatives should the N-S I/C not be developed as this is impacting a significant amount of MW of existing generation. We would like to understand the contingency plans.

Whilst we are concerned about the timelines to developing and delivering the Transmission System in Northern Ireland we recognise and appreciate the efforts which SONI are now making.

Yours sincerely,

William Carr

Regulation, ESB Generation and Trading