

Mr Cahir O'Neill, Offshore Grid Connection Team
Commission for Regulation of Utilities
The Grain House, Belgard Square North
Tallaght, Dublin 24

Emailed to: electricityconnectionpolicy@cru.ie

29th July 2022

Submission in respect of the CRU's Consultation on Offshore Grid Connection for Phase 1 Projects

Dear Mr. O'Neill,

EDF Renewables (EDFR) welcomes the opportunity to engage with the Commission for Regulation of Utilities (CRU) and respond to this Consultation on Offshore Grid Connection for Phase 1 Projects. This EDFR response fully supports the views as set out in the Codling Wind Park (CWP) response (CWP is the joint venture company that is developing the Codling Offshore Wind Park).

Introduction

EDFR is part of one of the world's largest electricity companies and our investment and innovation is bringing down costs for consumers and delivering significant benefits for communities. We operate in more than 20 countries around the world. We develop, construct and operate wind farms (onshore and offshore), solar and battery storage projects, and have more than 25 years' experience in delivering renewable energy generation.

We have recently opened an office in Dublin and are already in advanced discussions in relation to an onshore wind development pipeline of almost 1 GW with aspirations for far greater growth in Ireland across all technologies. This ambition is illustrated by our investment in 50% of the Codling Offshore Wind Park Development, off the East Coast of Ireland and the development of a solar portfolio which now has projects under construction.

Codling Wind Park Ltd is a joint venture between EDFR and Fred Olsen Renewables (FOR), developing the proposed offshore wind farm in the Irish Sea. Both companies are leading developers, owners and operators of renewable energy assets, with many years of global experience in the renewable energy and offshore wind sector. CWP, located in an area called Codling Bank, approximately 13 kilometres off the County Wicklow coast, between Greystones and Wicklow Town, has been designated Phase 1 project status under the transitional arrangements of the Maritime Area Planning (MAP) Bill. Once operational, in 2026, CWP will contribute significantly to Ireland's target of generating 80% of electricity from renewables by 2030, including 7 GW from offshore wind. In addition to supporting delivery of the country's climate action targets, CWP will also help reduce Ireland's reliance on imported fossil fuel-based

energy and contribute towards improving energy security, alongside technologies such as battery storage and interconnection.

Policy Context

We welcome the Government's recently published revised Climate Action Plan (CAP)¹ which has increased our 2030 renewable electricity targets to 80% and which aims to complete the phase-out of coal and peat-fired electricity generation. The CAP highlights that Ireland needs to more than double its installed capacity of onshore wind generation. Offshore wind will also play an increasingly significant role as we move towards 2030 and beyond. Realising the potential of the Irish renewable energy sector is one of the central elements of the CAP and it includes a suite of actions to decarbonise the electricity sector and increase the quantity of renewable generation, to meet our 2030 targets.

While it is recognised that wind energy, both on- and offshore, will not be the only source contributing to decarbonisation targets, it is already clear that it will play a key role in delivering a net zero electricity system. It should be noted that an SEAI Energy in Ireland 2020 Report² found that in 2019, electricity generated from renewable sources amounted to 11,780 GWh, already accounting for 37.6% of gross electricity consumption (compared with 33% in 2018). Wind was the largest renewable energy generator, furthermore, wind energy was the second largest source of electricity generated in 2019 after natural gas.

Given the above, we believe that there is an urgent need for the optimal establishment of the Offshore Grid Connections for Phase 1 Projects and beyond, to ensure that we make good progress towards our 2030 targets.

EDF Renewables Positions

In this EDFR response to the consultation on Offshore Grid Connection for Phase 1 Projects, we would like to highlight the following points:

1. Commitment to the Codling Project

EDFR is a joint shareholder in the CWP and, as such, we would like to underline our interest in and commitment to this project. We would also like to take the opportunity to reiterate our support for the response to this consultation submitted by CWP.

We support and endorse CWP's key recommendations in response to this consultation which are summarised as follows:

- The CRU must in its decision-making process make consideration of the ORESS 1 overall process whereby projects are entering that process prior to receiving planning consent. Therefore, any

¹ <https://www.gov.ie/en/press-release/b0e43-the-climate-action-plan-2021-securing-our-future/>

² <https://www.seai.ie/publications/Energy-in-Ireland-2020.pdf>

processes must take account of this and be developed to reduce risks on the developer that would otherwise not exist. Risks can include, but are not limited to:

- The loss of non-refundable first stage payments made ahead of a project's receipt of final consent (or close-out of a judicial review (JR) against a consent), as a result of the project failing in the consenting process.
- The loss of security payments made by successful projects (paid as part of ORESS and MAC processes) as a result of having to leave the ORESS 1 system due to planning issues.
- Increases to EirGrid's pass through costs between ORESS 1 bidding to energisation and handover of the connection assets. There is a need for a transparent and audited process for the calculation of pass-through costs for offshore connections.
- We strongly recommend that an onshore interface agreement TSO to TSO is established at the earliest opportunity.
- The CRU must review its proposals for connection costs in light of the grid offer and ORESS 1 processes being ahead of both confirmed consent and final confirmation of EirGrid's development and management costs.
 - It must be possible to refund connection charges if a project does not gain planning.
 - There needs to be a means to refund EirGrid costs to EirGrid that does not impact projects revenues fixed at the auction.
- EirGrid must prepare clear and credible guidance to the Phase 1 developers in order that this can be accounted for in the ORESS 1 bids. There is a lack of transparency about the calculation of TUoS, and the lack of access by developers to models that they can use to estimate future charges which will represent a significant portion of project OPEX.
- There should be means available to the CRU to limit the extent of potential hoarding of grid connection capacity, through alignment of GCA, ORESS offers and planning applications.
- We strongly recommend that in line with international practice, the connection agreement should be for at least 30 years and that the design life of the connection matches this.
- We further recommend that the FCO validity period should be extended to June 2028 in line with the ORESS 1 consents long stop date.
- We would request that the commission and testing period for Phase 1 project connections should be at least 2 years, plus 1 month for every 50 MW above 400 MW capacity.
- Finally, we recommend that in order to mitigate against the loss of generation due to connection and onshore substation delays, temporary connections must be permitted.

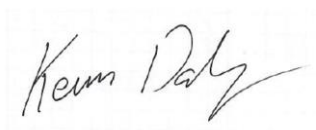
We support the coordinated efforts of the CRU, EirGrid and DECC in progressing the many interlinked processes for consent, auctions and grid connection, for the deployment of offshore generation.

Conclusion

In conclusion, we would like to thank CRU for the opportunity to engage on this matter and look forward to continuing our work with you in future.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Stella Burke on stella.burke@edf-re.ie, or me. I confirm that this letter may be published on the CRU website.

Yours sincerely

A handwritten signature in black ink that reads "Kevin Daly".

Kevin Daly
Head of Development Ireland