



Energy for
generations

Generation & Wholesale Markets

Response to:

Ofgem consultation “Regulation of transmission connecting non-GB generation to the GB electricity transmission system”

January 17th 2014

Part One: Introduction

ESB Generation and Wholesale Markets (ESB) welcome the opportunity to respond to this consultation. ESB is the largest electricity generator in the all-island Single Electricity Market (SEM), with a diverse portfolio of over 4300MW, including wind, hydro, CCGT, coal and pumped storage generation. ESB is also one of the leading independent generators in Great Britain (GB). We are currently constructing the 880MW Carrington CCGT near Manchester and our 1500MW CCGT development project in Knottingley, West Yorkshire was recently been accepted for consideration by the Planning Inspectorate. In addition to this ESB also own 125MW of operational wind plant in GB.

ESB's interest in this question is multi-faceted. The scale of the potential Irish onshore wind projects which may connect into the GB transmission system and contribute toward the GB 2020 renewable targets, are significant. The possibility of further interconnection between the SEM and GB electricity markets will also have a substantial impact on the operations in the SEM. ESB is therefore interested to ensure that any such developments are undertaken with careful management and regulation. In addition, we are a significant investor in renewable generation, having a target renewable portfolio of 1800MW in Ireland and the UK by 2025.

Part Two: ESB Response

ESB have the following comments in relation to the consultation:

- In terms of the planning framework for the development of interconnection projects ESB would favour centrally identified planning requirements. We believe that this approach will lead to the most efficient design of interconnectors. Interconnector projects should be subject to regulated returns.
- However, we recognise that the timeframes associated with the development of projects to contribute to 2020 targets are such that there might be insufficient time for this approach.
- In order for the Irish onshore wind projects to be developed in time to contribute to the GB 2020 renewable targets, ESB consider that the direct and exclusive connection is the most pragmatic intermediate option. Nevertheless, we are of the strong view that any development should be future proofed so as to allow the connection assets be adapted in the future for interconnection between the SEM and GB markets. This will help maximise the benefits to consumers by allowing further trade between the SEM and GB electricity markets.

- As a direct and exclusive connection, we consider that the transmission connection infrastructure will fall outside the EU definition of an interconnector since the infrastructure will not actually be connecting the national transmission systems of two Member States. As such, this piece of infrastructure would not initially be subject to same rules, in terms of for example compliance with Network Codes, as interconnectors are, and so could be more readily developed.