



22 January 2016

Mr Mantas Vencius
The Commission for Energy Regulation
The Exchange
Belgard Square North
Tallaght
Dublin 24

Western Development Commission (WDC) Response to the CER Consultation on the Draft Transmission Development Plan 2015- 2025 CER/15/283

Dear Mr Vencius,

The Western Development Commission¹ (WDC) welcomes this opportunity to make a short response to the above consultation.

The WDC is a statutory body established by government to promote, foster and encourage economic and social development in the Western Region². The WDC seeks to ensure that government policy and its implementation reflects the needs of the Region across such areas as infrastructure, natural resources, industrial and rural development.

The WDC regards the provision of a quality electricity transmission and distribution networks as important elements of the infrastructure required to underpin the economic development of the region. Hence the WDC monitors and comments on developments and policies for the electricity sector. The WDC welcomes the publication of the Draft Transmission Development Plan and is pleased to have the opportunity of making a submission on it.

In this submission we make comments about the importance of electricity provision for regional development and some general points on the Transmission Development Plan 2015-2025.

The importance of electricity for regional development

The WDC believes that an efficient, resilient energy infrastructure is crucial for regional development and welcomes the recognition given to this in the Transmission Development Plan. Given the importance of energy infrastructure in underpinning development we have

¹ For more information about the organisation see www.wdc.ie

² Counties Donegal, Sligo, Leitrim, Roscommon, Mayo, Galway and Clare.

been concerned that regions such as the west, with low population densities and spatially dispersed industrial development, are given due consideration in the development of electricity transmission infrastructure.

Existing industry in the Region needs robust, reliable electricity supply, and infrastructure which is capable of meeting any increase in electricity demand. In addition, the Western Region needs to be able to attract new industries. With its significant renewable energy potential, the Western Region is in a position to attract industries with high electricity demand which are seeking clean 'green' power sources, if the quality transmission system is in place to allow this. Without good capacity and reliability such businesses are less likely to consider regional locations.

Development of the transmission system in the Western Region can therefore make a significant contribution to the economic potential of the Western Region and bring substantial benefits beyond those directly related to the transmission system.

Additionally, it should be recognised that throughout much of the Western Region there is little choice of energy supply (e.g. natural gas) and hence the Western Region is particularly reliant on electricity. It is thus important that electricity users in the region can plan for future developments confident that supplies will improve and that their remoter locations will not militate against them in terms of electricity provision and cost, and that other users can be attracted to the region.

The requirement for electricity transmission investment is not, however, just to meet the actual and potential electricity demand. The Western Region has abundant ocean energy potential and high wind speeds, and is therefore at the forefront of renewable energy generation and supply. In addition to renewable generation opportunities there are opportunities for research and development in renewable technologies (particularly in relation to ocean energy) and for training in, and manufacturing of, newer technologies, as well as for marketing the region as an 'energy region' which can provide clean renewable power to users with high demand. All of these rely on a quality transmission grid.

Furthermore, as the economy seeks to decarbonise over the coming decades it is likely that electricity (from renewable generation) will become more important for heating, and also for transport. These potential demands also need to be taken into consideration when planning grid development.

While the full exploitation of such opportunities is not within EirGrid's remit, it is important to recognize that EirGrid's investment in the transmission system is a very significant infrastructural investment in the Region which has the potential to bring many economic benefits. The WDC believes that a coordinated effort should be made to ensure that the full benefits of future investments are realised and that EirGrid should work with agencies involved in enterprise development (the IDA in particular), with local authorities, and with other interested groups to make this happen. The WDC is happy to work with EirGrid on this in the future and recognises that the investment in transmission infrastructure in our Region will bring economic benefits to the country as a whole.

The Transmission Development Plan

The WDC welcomes the major investment which has taken place in the electricity transmission grid in recent years, and we recognise the benefits which it has brought to our Region. We also welcome the publication of this draft Transmission Development Plan which describes the process of planning and development of electricity transmission in Ireland for the next ten years, and are pleased to have the opportunity to comment on the Plan.

Although the Transmission Development Plan covers the next ten years, many of the larger transmission developments will take longer than a decade to progress from initial planning to completion and commissioning. Investment in electricity transmission infrastructure is a long term endeavour with the assets having a useful life of about 40 years (and longer with refurbishment). It is therefore welcome that the Transmission Development Plan includes mention of potential developments which are likely to be required in the future but are not at a detailed stage of development.

It is important that any investment should not only meet the needs of a particular project, but also that long term electrical provision issues, changing patterns of generation and demand (including smart grid and distributed generation) and other future energy needs are accommodated as far as possible in the investment ensuring that it can continue to meet projected needs and other needs, in line with ensuring the investment made is reasonable in economic terms.

The WDC welcomes EirGrid's commitment to exploring all practical technology options and to monitoring and to ensuring that they are aware of the development of new technologies and new uses for technologies which are happening around the world. The commitment to engaging with the public before a technology is selected is also welcome.

The WDC agrees that it is very important to optimise use of the current network in both conventional and innovative ways where possible. However, while it is important that there should be emphasis on efficient use of existing assets, it is essential that the necessary appropriate long term investments in new infrastructure are also made. This will ensure that infrastructure does not become a constraint on optimal electricity generation and supply or on demand for electricity or in turn on the potential for new demand to be accommodated in different regions.

Grid 25, the grid development strategy, outlined the requirement for development to meet transmission needs in 2025, in particular in relation to the targeted increase in renewable generation. As the strategy (and the Grid West element in particular) acknowledged there is likely to be a substantial increase in renewable generation in the Western Region (from wind, ocean based technologies and biomass) as well as from more conventional forms of generation.

The WDC would like to emphasise the importance of ensuring that EirGrid remains focused on the development of these transmission projects. The potential for renewable energy in the region has been outlined earlier and it is important that the transmission infrastructure necessary for this potential to be realised is in place as soon as possible.

Practices in relation to future investments

The WDC recognises that there can be significant difficulties and delays in bringing transmission projects to completion. Delays can occur in the planning process and also post planning. It is important that the long time period required to bring bigger transmission projects to fruition is acknowledged and that the planning commences early enough to ensure completion by the appropriate time, for either demand or supply users.

Conclusion

The WDC welcomes the publication of the draft Transmission Development Plan 2015-25 and are pleased to have the opportunity of making a submission on it. We are happy to provide further information or examples in relation to this submission, should they be required.

If there are any queries in relation to this submission, please contact me.

Yours sincerely

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