

4th May 2018

Mr Paul Byrne
The Commission for Energy Regulation
The Exchange
Belgard Square North
Tallaght
Dublin 24

Western Development Commission (WDC) Response to the CRU Consultation on the Draft EirGrid Transmission Development Plan 2017-2027 CRU/18/063

Dear Mr Byrne,

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. Because quality infrastructure is important to regional development the WDC monitors infrastructure planning and investment across a range of infrastructures.

In the case of electricity, the Transmission Development Plan is an important publication which should provide clear rationale for individual project investments and clear updates on progress on projects and changes to project plans so that monitoring of infrastructure development is enabled. Unfortunately the TDP is not a user friendly document and there are a number of points we would like to make in relation to the TDP 2017-2027. These are considered under the following headings:

- Time period covered;
- Policy References;
- Detail of Planned Network Developments and Regional Perspectives.

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

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

Comments on the Transmission Development Plan (TDP)

While the TDP notes that “TDP 2017 presents our view of future transmission needs and our plan to develop the network through specific projects meet these needs over the next ten years” and while it is accepted that the TDP is largely project focused, we would have concerns that it is not really a development plan and does not provide enough specific information on the context for decisions (both in terms of policy and in terms of generation and demand changes) and the basis for project decisions (this is discussed in more detail below).

1. Time period covered

This CRU consultation is on the Transmission Development Plan for 2017-2027. In the Plan it is never explained why this is the period covered. Given that this is 2018, and the final document will not be published until summer 2018 at the earliest, there should be some explanation of the time horizon chosen (i.e. why is it not a 2018-2028 plan?). The CRU also seems to be unclear about this with references to 2016, 2017 and 2018 in documentation associated with the consultation. We are aware that the data freeze was 31 March 2017. While the time period under consideration might not be considered important it does make the updates and progress with documents somewhat out of date or unclear; it is not always evident whether it is taking full account of decisions made, for example, in 2017.

2. Policy references

In line with the discussion of time horizons above, as it is a ten year development plan rather than a progress report, it would be expected that there should be some acknowledgement of EirGrid’s long term planning work and how this might impact on developments to 2027. However, ‘Tomorrow’s Energy Scenarios’ is not even referred to in the TDP 2017-2027. There needs to be some clarity as to how these areas of EirGrid’s work (long term scenario planning and project development planning) relate to and inform each other.

National Policies

The TDP refers to the national energy policy outlined in the White Paper “Ireland's Transition to a Low Carbon Energy Future 2015 – 2030”. It notes that “Investment in the transmission system is necessary to enable Ireland’s transition to a low carbon energy future. In this regard, the TDP is developed to support government objectives and enable this energy transition” but it does not make any reference to other key policies such as the Draft Renewable Electricity Policy and Development Framework.

Nor does it specifically refer to other key government policies driving change over the next 30 years, including the most significant of these: *Project Ireland 2040*. This incorporates both the *National Development Plan* (NDP) which is the capital investment programme and the *National Planning Framework* (NPF), which will also incorporate the *Regional Spatial and Economic Strategies* (RSES).

Project Ireland 2040: National Planning Framework

The NPF is the government’s high level strategic plan for shaping the future growth and development of our country to the year 2040. It is a framework to guide public and private investment. The framework estimates that there will be an additional million people living in Ireland in 2040 and it contains regional targets for population increase, and guidelines on where people should live and where employment should be focused. These long term targets should be

an important part of the EirGrid planning process, and there should be some indication of how the framework and its targets for population and employment will impact on grid development in future.

In addition the NPF has stated objectives in relation to energy and grid development including a clear national policy objective:

National Policy Objective 47 In co-operation with relevant Departments in Northern Ireland, strengthen all-island energy infrastructure and interconnection capacity, including distribution and transmission networks to enhance security of electricity supply.

There is other discussion of energy and electricity network development in the NPF including the following:

In the energy sector, transition to a low carbon economy from renewable sources of energy is an integral part of Ireland's climate change strategy and renewable energies are a means of reducing our reliance on fossil fuels. The forthcoming Renewable Electricity Policy and Development Framework will aim to identify strategic areas for the sustainable development of renewable electricity projects of scale, in a sustainable manner, compatible with environmental and cultural heritage, landscape and amenity considerations. The development of the Wind Energy Guidelines and the Renewable Electricity Development Plan will also facilitate informed decision making in relation to onshore renewable energy infrastructure.

While EirGrid's planning may already be taking this into account, it is important the TDP refers to this policy context and acknowledges the objectives of the NPF in relation to population and employment as well as to future energy electricity.

Following the publication of the NPF, work is ongoing to prepare the Regional Spatial and Economic Strategies (RSES) for each of the three regions. These will give a clearer regional indication of areas of population and employment growth. In future, these should also be taken into account in network planning.

Project Ireland 2040: National Development Plan 2018-2027

The National Development Plan acknowledges the role of the State Owned enterprises (SOEs) like EirGrid in making investments. It notes that

The ultimate objective of the investment [in regulated network infrastructure] is to assist in ensuring a long-term, sustainable and competitive energy future for Ireland. This investment in the networks will deliver positive benefits for the overall economy, as it is a fundamental component in providing the energy/power capacity to support new investment and jobs whilst seeking to deliver that capacity in an affordable manner to ensure that Ireland remains competitive from an energy cost perspective. Investment in these assets is acknowledged as an important enabler of economic growth and, as such, the sector has a critical role to play in meeting priority infrastructural needs.

While this does not give specific direction in relation to capital investment, the TDP should acknowledge the capital investment policy context with in which it is operating.

Other policies

In addition to the NPF and the NDP, both the Action Plan for Jobs and the IDA 2015-2019 strategy place important emphasis on the development of enterprises throughout the regions. Some of these can be expected to have significant power loads, but again this is not referred to in the context of how and where future development might take place.

3. TDP 2017 Planned Network Developments and Regional Perspectives

The TDP considers projects at a regional level, and as the BMW region is most closely aligned with the WDC region, this is largely the focus of the comments in this section.

A chart is provided on regional generation and demand balance for the region. The demand and generation estimates are given for 2026 (as they were for TDP 2016). However, a lower demand estimate is used in TDP 2017 (1247MW compared to 1290MW in 2016). There is no discussion of this change at regional level, particularly given that higher projections for demand in the next ten years are given in TDP 2017 compared to TDP 2016 (Table 3.1). Meanwhile, the same generation forecast for 2026 is given in both TDP 2016 and TDP 2017, and yet it is noted later in the TDP that a significant number of generation connection offers which were not taken up, impacting on the need for some investment (Grid West). However, this reduction in estimated generation is not referred to or apparent in these figures.

As the TDP is a ten year rolling plan, if the TDP is to be of use to readers changes in the plan from year to year should be clearly highlighted.

In each of the regional sections, background to the projects is provided but in most cases the reader is then required to turn to the appendix to find any update or changes in progress. A summary of project progress should be included alongside each project. There should be clarity about changes made to projects, new projects since last year and delays or difficulties which have arisen. For example the reinforcement of the transmission network in Donegal (p74) seems to be a new project since TDP 2016 and should be stated as such.

In relation to Grid West, which is now shown along with the North Connacht 100kV reinforcement project, reference is made to generation offers which were not taken up. The amount of the reduction in generation connection should be stated, with further information on expected generation capacity in the region in future.

As noted above, for information on projects the reader is required to then turn to the appendices to find progress information the projects. This does not make for a user friendly document.

In Appendix B, CP 0816, the North Connacht Reinforcement Project, is noted as being on hold and the footnote notes that it will be used to replace the Grid West Project. However, as there is no table for projects which have been cancelled, this is the only reference to Grid West here.

However, on page 115, in Table C-2 on projects in the BMW planning area, the Grid West Project continues to be included with an ECD of 2020 and then with a footnote that it is to be replaced. If it has been cancelled this should be stated in the table rather than in the footnote. The North Connacht Reinforcement project which was already in progress as a project, and which is now to replace Grid West, is not mentioned in Table C-2 at all.

Similarly in Appendix D Table D-2 which lists projects in European RegIP NS 2015 the Grid West project is listed in the table with only a footnote to say it has been replaced by another project.

As noted, the TDP is an important means of monitoring progress for infrastructure investment, and yet key information is hard to find, may only be in footnotes, and is not made easily available. The model being used for the TDP publication needs to be addressed by the CRU in future years, so that a more meaningful document which provides both context for developments and details of project changes and progress is available.

Clarity about developments, with contextual information and sufficient data underlying decisions are essential for people and organisations to gain an understanding of key investment decisions, ongoing projects and to monitor progress. Otherwise the purpose of the TDP consultation process and publication is unclear.

Yours sincerely

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