BORD NA MÓNA RESPONSE TO

‘Consultation on Installed Capacity Cap’
(CER/13/210)

October 2013
Introduction

Bord na Móna (BnM) very much welcomes the opportunity to respond to the CER ‘Consultation on Installed Capacity Cap’ (CER/13/210). In addition, BnM appreciates the work done and clarity provided by the SO in their paper accompanying the consultation ‘Connection Offer Policy and Process Paper (COPP) – Update on Installed Plant -13/08/2013’.

Key Message

Bord na Móna agrees with the CER’s proposal to set the COPP rules for the Installed Capacity Cap at the higher of either

- The nearest whole generator unit above the MEC of the site, or
- 120% of the MEC of the site

Bord na Móna cannot see any valid reason to discriminate the application of the proposed new rules based on the 'Categories of Connection'.

General Comments

In the first instance, and taking cognisance of the lack of material impact on the 'two primary considerations' contained in the SO’s supporting paper, namely the design and reinforcement of the transmission system and the impact on electricity end user costs, Bord na Móna believe that the CER’s proposal to redefine the Installed Capacity Cap at the higher of either

- The nearest whole generator unit above the MEC of the site, or
- 120% of the MEC of the site

is fundamentally sound and should be implemented.

Bord na Móna agrees with the SO that the most likely category of developers to utilise the proposed change are those with contracted offers. Implementation of the proposed decision would allow a degree of flexibility which would be beneficial in offsetting the vagrancies of the planning process as well as allowing for developments in turbine technologies that can arise in the period between project conception, grid offer, achievement of all regulatory consents and financial close.

BnM believes that in practice there is no material need to discriminate between the various ‘Categories of Connections’. The SO’s analysis suggest that in theory there could be 250 – 280 MW of additional capacity which could be installed, if existing connected generators were also allowed to connect up to the a maximum of 20%
above their existing MEC. While this may be the case, and notwithstanding the requirement of the connection agreement modification process, such generator would also require a novel planning consent to build out the additional capacity. With this particular hurdle it is unlikely, that the uptake rate from this category will be excessive.

The consultation paper also seeks comments on a range of issues set out in section 3.4, some of which are outside the scope of Bord na Móna's experience and expertise. However, as regards (a) planning, the proposed modification to the Installed Capacity Cap would afford developers a degree of flexibility given the vagrancies of the planning consent process. In particular when planners impose conditions which modify farm layouts which can require the developer to change the turbine model to optimise the consented project but which could in the absence of flexibility around the Installed Capacity Cap lead to inefficient outcomes.

In terms of the issues contained in points (b) – (f) Bord na Móna notes and broadly supports the comments of the SO in the paper accompanying this consultation.

As regards (g) REFIT payments, DCENR have previously adapted their compliance rules to align with the COPP, and in the most recent REFIT2 Change Document (9/8/12), the concept of the current Installed Capacity Cap, is accepted and incorporated in to the terms and conditions governing the support scheme. Note the REFIT terms and conditions are clear in that projects supported under the scheme cannot export in excess of their MEC, again this is aligned with the position adapted by the SO and proposed in this Consultation and therefore should not materially impact current or future REFIT supported projects.

I trust that the above comments will be helpful in progressing the rationale to modify the ruleset, as proposed by the CER, for the Installed Capacity Cap. If you have any queries or require further clarification please do not hesitate to contact me.

For and on behalf of
Bord na Móna PowerGen

Dr John MacNamara
Projects Manager
Bord na Móna PowerGen

11th October 2013
ASIDE:

While not material to this Consultation Paper *per se*, there appears to be some ambiguity as to the description of the current rule-set regarding the installed capacity cap. In the Executive Summary of the Consultation paper it states that “Currently, generators, mainly wind farms are entitled under the Distribution and Transmission Grid Codes to install generation capacity up to the Maximum Export Capacity (MEC) set in the connection agreement with the System Operators (SOs) with an additional 5% over the MEC and a ‘nearest value turbine’ addition”. This construction is echoed and illustrated in the REFIT 2 Change Document published by DCENR on the 9/8/12 where it is stated that “In the COPP decision, the CER has set a 5% cap based on a percentage of a generating facility’s MEC. Wind generators are permitted to install MEC x 105% then rounded up to the nearest turbine... The CER has explained how the COPP decision applies in the following example: A wind generator has an MEC of 10MW and uses turbines rated at 2.3MW each. Maximum permitted installed capacity under the COPP decision would be calculated thus:

\[10\text{MW} \times 105\% = 10.5\text{MW}\]

\[10.5\text{MW} \div 2.3\text{MW} = 4.6, \text{rounded up to install 5 turbines.}\]

However, in Section 3.1 of the current consultation paper, the rule set as it presently stands is summarised as

“105% of the Maximum Export Capacity (MEC) in its export connection agreement; or [emphasis added] The nearest whole number of turbines which would just meet or exceed the generator’s MEC”

The use of the word ‘or’ appears inconsistent with the the formal wording and practical application of the current ruleset to date. It is most probably that this is simply a typo and furthermore this matter becomes moot, should the CERs proposal (i.e. installed capacity cap set to 120% of the MEC) be adapted. However, if the proposal detailed in the Consultation paper is not adapted and the status quo remains, it is important that the CER clarify the ruleset for the installed capacity cap, i.e. confirm that the cap is calculated by first applying a 5% increase to the MEC and thereafter rounding up to the nearest turbine.