



CER Presentation to
Meitheal na Gaoithe
Gate 3 Update

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Kilkenny, 20th November 2009



Agenda



- Background to GPA & Gate 3
- Update on Gate 3
- Contestability
- Connection Contracts Work



Gate 1



- Gate 1 of GPA launched end '04
- Offers Issued: 33 wind farms, 365 MW
- selected on application date order
- All accepted and now being built

Gate 2

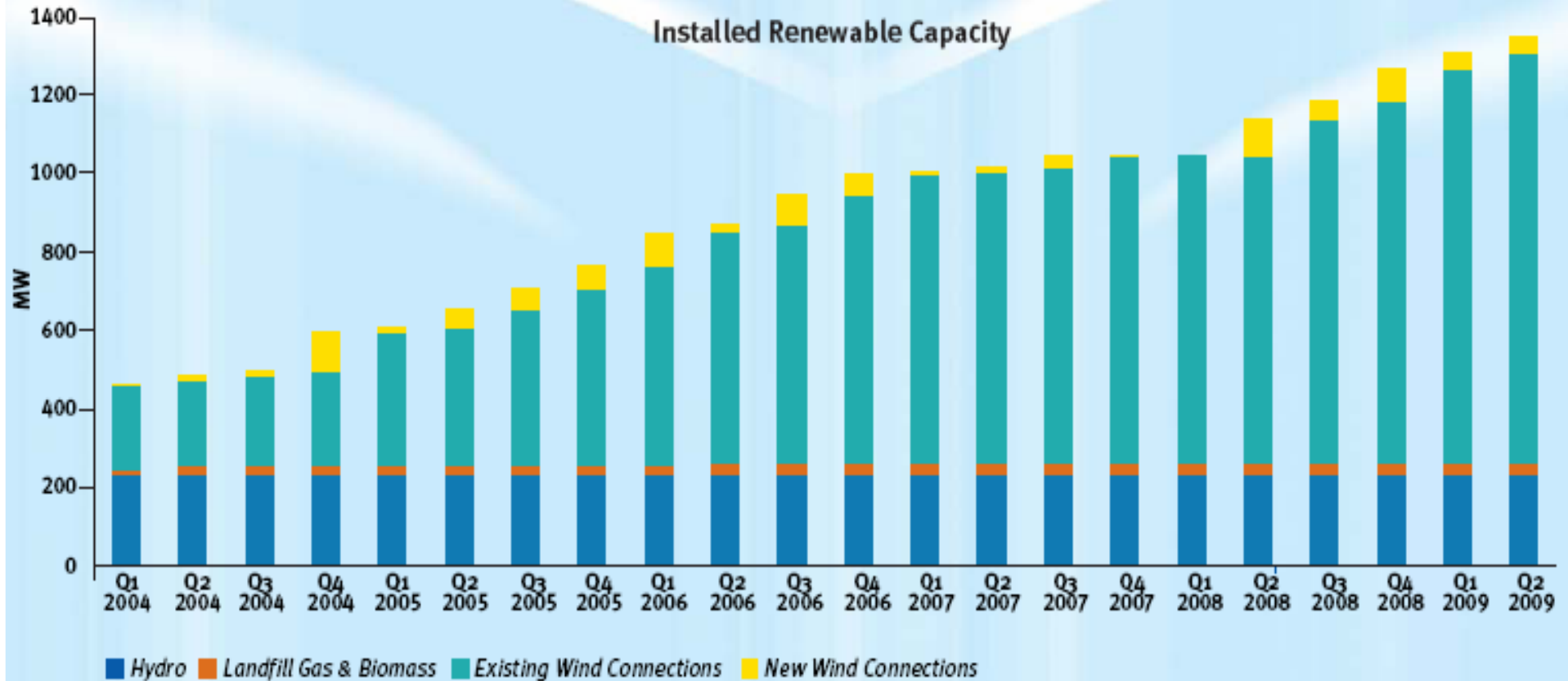


- Gate 2 of GPA decided on in 2006 - more ambitious
 - Queue and system optimisation are criteria for inclusion
- => 120 projects, 1,300 MW in Gate 2
- => Large rise in renewables contracted and/or connected

Renewable Connections



Renewables



Source: EirGrid

Renewable Statistics



| Renewable Generation | Capacity MW |
|-----------------------------|-----------------------------|
| Already Connected | 1,415 - incl. 1,144 wind |
| Contracted to Connect | 1,441 - incl. 1,415 wind |
| Total | 2,856 |



Gate 3



- CER's Gate 3 direction - December '08
- Provides for 40% renewable target & Gate of 3,900 MW
- Applicants selected by date order
- Connected through EirGrid's *Grid25* plan: "build and they will come"
- Offers roll out from this December

Gate 3 & *Grid25*



- Old 5-year type horizon too short for transmission network with so much development (esp. wind) over next 15 years
- Allows/Plans for circa 6,500 MW of renewables, 1,500 MW of IC, 9000 MW of conventional for 2025
- To meet peak demand of 8,000 MW (!)

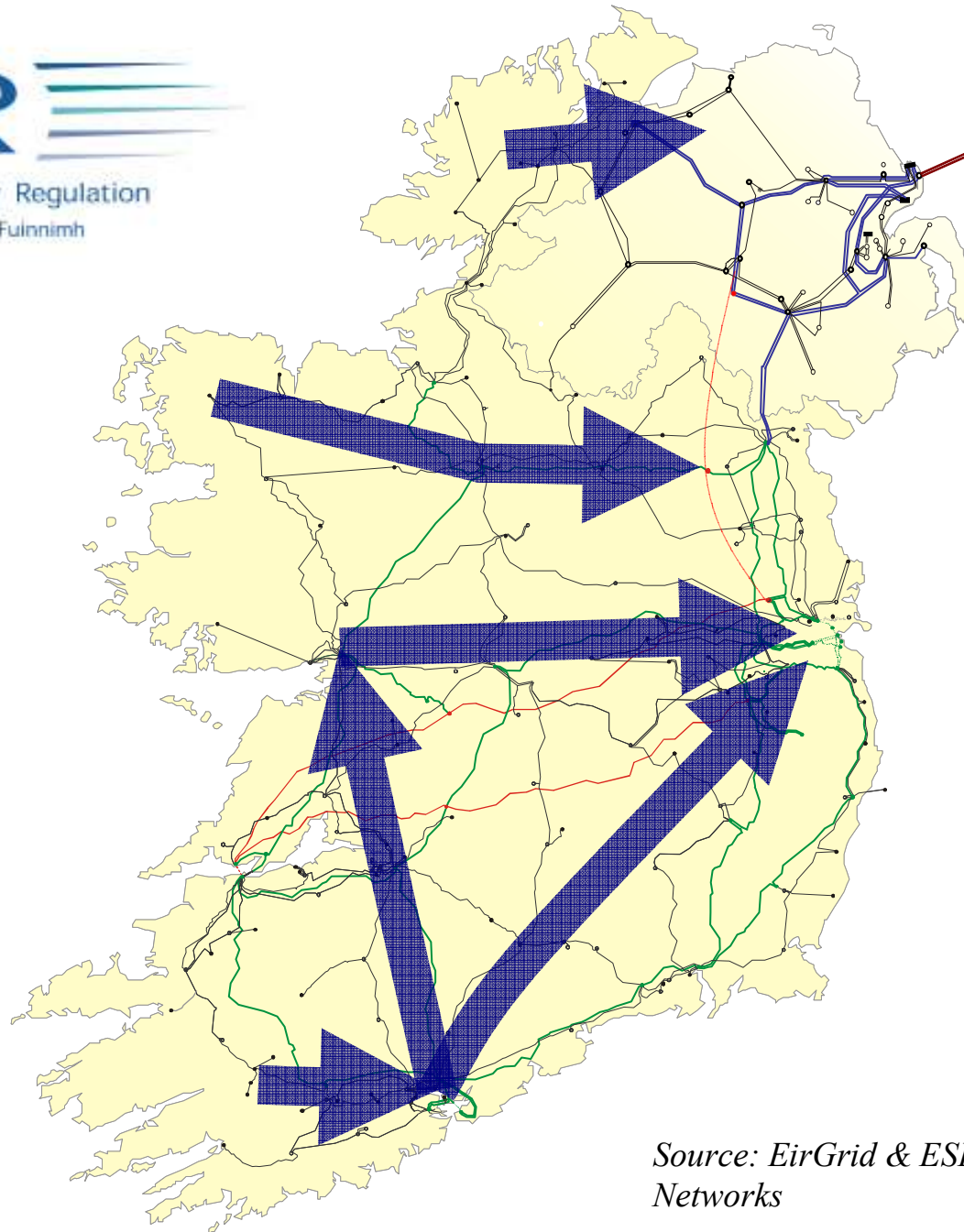


- Eur4 billion quoted for Grid25
- CER will review/approve costs for 2011-'15 network
- Planning permission and finance are a potential barrier to build grid and renewable target

CER

Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh



*Source: EirGrid & ESB
Networks*



Gate 3



- Offer to issue from Dec. '09 to June '11
- All projects must accept their offer within 50 business days
- Disputes must be lodged to CER within 25 business days - party must have made attempt to engage with SO



- CER/industry monthly Liaison Group going well - includes MnaG!
- Helps keep offer programme on track
- Discusses inter-related issues such as constraint reports
- Minutes and documents on CER Website at www.cer.ie

Gate 3 Progress



- Gate 3 node assignments published
- CER approved standard T charges/timelines
- ITC started running in Jan, then re-run announced in July...but Programme generally on track for offer roll-out
- Likely that first eight years of scheduled firm quantities & final conventional direction to be published soon

Offer Schedule
















| Area | DSO Shallow Connection Reports to TSO | Transmission Offers to DSO | Offers Issue |
|-------------|--|-----------------------------------|---------------------|
| K | 31/07/2009 | 26/11/2009 | 17/12/2009 |
| D | 01/10/2009 | 05/03/2010 | 02/04/2010 |
| H2 | 04/12/2009 | 25/06/2010 | 29/07/2010 |
| H1 | 24/11/2009 | 09/08/2010 | 17/09/2010 |
| B | 13/11/2009 | 01/09/2010 | 13/10/2010 |
| F | 07/04/2010 | 28/10/2010 | 23/11/2010 |
| E | 12/03/2010 | 03/01/2011 | 07/03/2011 |
| J | 23/04/2010 | 28/02/2011 | 13/04/2011 |
| A | 19/07/2010 | 27/04/2011 | 10/06/2011 |
| C | 03/08/2010 | 24/05/2011 | 15/06/2011 |
| G | 12/08/2010 | 12/05/2011 | 17/06/2011 |
| I | 10/09/2010 | 31/05/2011 | 21/06/2011 |

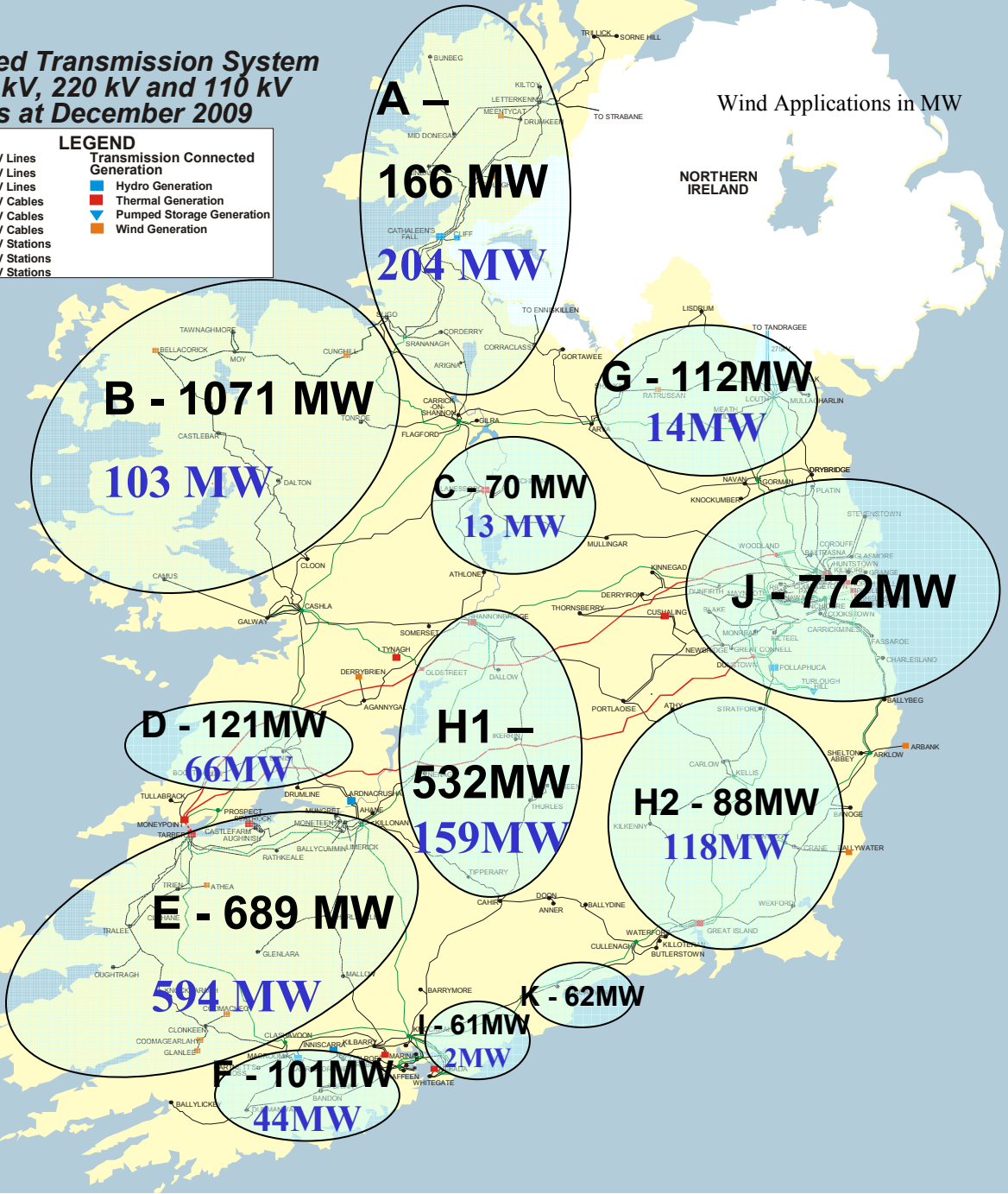
Source: EirGrid, ESB Networks

Gate 3 ≈ 3900 MW
Gate 2 ≈ 1300 MW

**Planned Transmission System
 400 kV, 220 kV and 110 kV
 As at December 2009**

| LEGEND | |
|---|---------------------------|
| Transmission Connected Generation | |
|  | Hydro Generation |
|  | Thermal Generation |
|  | Pumped Storage Generation |
|  | Wind Generation |
|  | 400 kV Lines |
|  | 220 kV Lines |
|  | 110 kV Lines |
|  | 400 kV Cables |
|  | 220 kV Cables |
|  | 110 kV Cables |
|  | 400 kV Stations |
|  | 220 kV Stations |
|  | 110 kV Stations |

Wind Applications in MW



Source:
 EirGrid,
 ESB Networks



- SI 226 of 2009 introduces distribution contestability
- Consultation issued 6th August
- CER proposal to extend Final Customer underwriting well received
- DSO/TSO provided response to comments to CER



- Issues
 - Bonds
 - Unanimity
 - Ownership
 - Hybrid approach suggested
- Proposed decision in next few weeks





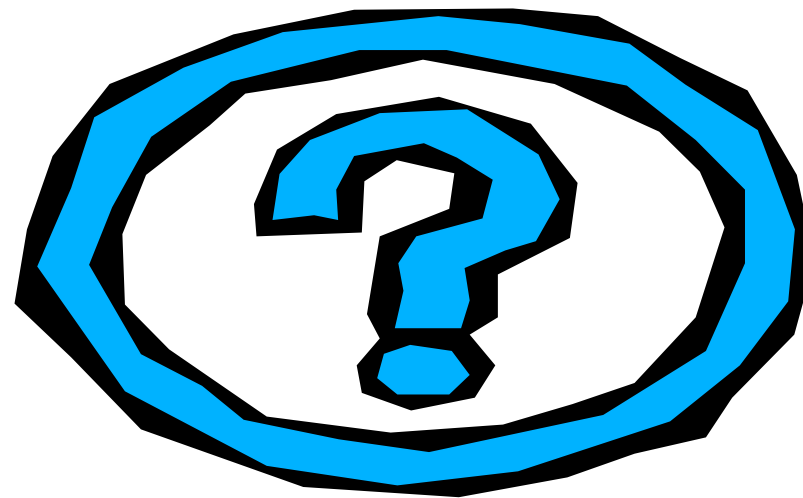
- Synergy and IWEA raised 31 issues
- Number of meetings with Synergy/IWEA/TSO/DSO/CER
- 4 consultations on the issues raised





- Outcome
 - Revised Capacity Bond
 - Enhanced communication
 - Revised distribution contract
 - Fixed date with penalties





Questions and Answers

