

“The Clean Energy Package and the Irish National Energy and Climate Plan – Special Outlook on the Offshore Wind Sector”

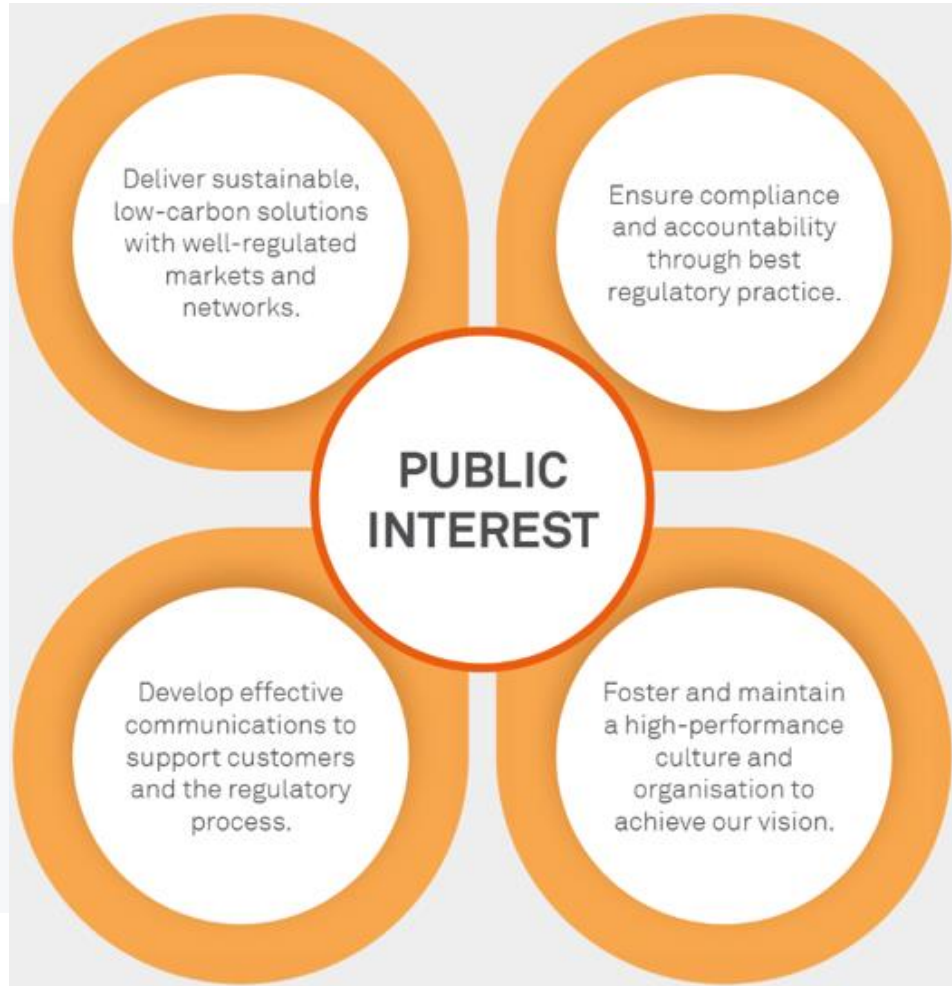
Eufores National Workshop

24 September 2019 Oireachtas Na hÉireann

[John Melvin Director of Energy Markets jmelvin@cru.ie](mailto:jmelvin@cru.ie)

STRATEGIC PLAN 2019-2021

STRATEGIC PRIORITIES



An overview of the role of the National Regulatory Authority (NRA)

- Key Concepts
 - Addressing Market Failures
 - Balancing the Energy Trilemma: Sustainability, Security, Affordability
 - Technology Neutrality (inadvertent barriers)
 - Removing Barriers to Entry & Exit
 - Stable and Predictable regulatory regime
 - But need to adapt to changing circumstances

How does an NRA interact with the Offshore Wind Sector?

- Networks
 - System Operator funding to build out the grid
 - Connections Policy
 - Grid code and other technical rules
 - Interconnection
 - Offshore Grids, NRA role?

How does an NRA interact with the Offshore Wind Sector?

- Markets
 - Energy Market rules e.g. Priority Dispatch, Balance Responsibility
 - Capacity Market rules (wind de-rated down to c 10%)
 - Ancillary Services
- Interactions between networks and markets
 - Local Constraints
 - System wide Curtailment
 - Largest single infeed

How does an NRA interact with the Offshore Wind Sector?

- Energy system Stakeholder
 - CRU role in the Renewable Electricity Support Scheme
 - CRU Administers the Public Service Obligation
 - CRU Advisory role to the Minister
 - CRU Vision : A secure low carbon future
 - CRU Strategic Priority: Deliver sustainable low carbon solutions..
 - Climate Action Plan: CRU actions in delivering 70% renewable electricity by 2030

The Energy Markets

- Expected behaviour of wind
 - ▶ Contract PPA (Corporate/RESS), Contract for Difference reference to market price
 - ▶ Wind expected to be active in the Day Ahead
 - ▶ Forecasting error in the Intra Day
 - ▶ Minimising exposure to the Balancing Market



Ancillary Services

Delivering a Secure Sustainable Electricity System (DS3)

- ▶ An industry wide programme to enhance the capability & flexibility of the electricity system to allow increasing level of renewables onto the grid.
- ▶ Increasing the operational limit on non-synchronous renewables from 50% in 2015 to 65% currently and 75% target from 2021 onwards.
- ▶ New System Services, System Tools and System Policies required.
- ▶ Services procured through regulated arrangements and through fixed, long-term contracts which provide investment certainty for new projects.
- ▶ New technologies continue to be explored as potential providers of DS3 System Services.

Importance of interconnection for offshore wind

- Additional interconnection capacity facilitates the integration of renewable energy by reducing curtailment of renewable generators
- The 700MW Celtic Interconnector could allow an extra 347 and 424 GWhrs/yr (on average) of renewable energy to be integrated on the Irish and European electricity systems respectively*
- The 500MW Greenlink Interconnector could allow an extra 352 GWhrs/yr (on average) of renewable energy to be integrated on to the Irish electricity system*

* CRU estimation under the TYNDP 2018 Sustainable Transition scenario (standalone basis)

Thank You

