

The Grain House The Exchange Belgard Square North Tallaght, Dublin 24 D24 PXW0 T +353 1 4000 800 F +353 1 4000 850 E info@cru.ie www.cru.ie

Sent by email: <u>Stacy.Feldmann@sse.com</u>

SSE Generation Ireland Limited Red Oak South County Business Park, Red Oak South, Leopardstown, Dublin 18

25th January 2023

Our Ref: D/23/1831

Re: Application under the Development (Emergency Electricity Generation) Act 2022

Dear Madam/Sir,

Under Section 9 of the Electricity Regulation Act, the CRU has a statutory duty to have regard to ensuring security of supply and ensuring that all reasonable demands for electricity are met. Regulation 28 of SI 60 of 2005 puts additional obligations on the CRU and the Transmission System Operator, EirGrid, to ensure security of supply. EirGrid's role includes monitoring and reporting on security of supply, including through the Generation Capacity Statement, and making recommendations to the CRU on measures necessary to cover peak demand and address any shortfalls in capacity.

The Commission for Regulation of Utilities (CRU) published an Information Paper¹ in September 2021. This paper indicated that a projected shortfall in generation capacity to meet future demand had been identified by EirGrid affecting winter periods from 2021/22 to 2025/26, and set out details of a programme of work to address said shortfall. The work is being undertaken in cooperation with EirGrid, the Department of Environment, Climate and Communications (DECC), the energy industry and other stakeholders.

Given the identification of a likely and substantial risk of a security of supply emergency, under the programme and following consent from the Minister for the Environment, Climate and Communications, a direction was issued by the CRU in June 2022 for EirGrid to procure 450 MW of temporary emergency generation capacity using the most expeditious means available. The procurement process was provided for by the EirGrid, Electricity and Turf (Amendment) Act 2022.

One of the two temporary emergency generation projects selected by EirGrid with the approval of the CRU involves SSE and its lands at Tarbert, Co. Kerry. An application is due to be made by SSE Generation Ireland Limited to the Minister for the Environment, Climate and Communications under the provisions of the Development (Emergency Electricity Generation) Act 2022. As set out in the EirGrid, Electricity and Turf (Amendment) Act 2022, the electricity generation plant shall be dispatched only in the circumstances and the manner set out in the risk preparedness plan and in accordance with Article 16(2) of the Risk Preparedness Regulation². The EirGrid, Electricity and Turf (Amendment) Act 2022 also indicates that the generation is expected to cease operation no later than 31st March 2027.



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In the event that the proposed emergency generation project does not proceed, the risk of power outages affecting domestic, commercial and industrial customers would be significantly increased during the coming years.

Yours sincerely,

Jim Gannon Commissioner