

**Clarification Note**  
**DS3 Volume Capped consultation**  
**proposed contract size limit**

DS3 System Services Implementation Project

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13 April 2018

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# Clarification of limits

Ahead of the stakeholder event planned in support of the DS3 System Services Volume Capped consultation and as a result of initial customer feedback, we would like to provide clarification with respect to the Enduring Connections Policy process (ECP-1) in Ireland and the consultation on the Volume Capped procurement exercise. Specifically, the upper limit for DS3 connection offers under ECP-1 and the proposed maximum contract size outlined in the Volume Capped consultation.

As outlined in the [CRU's decision CRU/18/058](#), the ECP-1 includes a ruleset which aims to facilitate and prioritise connection offers to potential DS3 System Service providers, in support of the DS3 programme. In order to promote greater competitive pressures in DS3 procurement, the CRU has set specific thresholds for providers looking to utilise this ECP-1 DS3 prioritisation, namely, that individual DS3 connection offers will be capped at 100MW.

As part of the [consultation](#) on the proposed 6 year fixed services contract requirements under the DS3 System Services Volume Capped process, EirGrid and SONI have set out a number of options with respect to the maximum services contract which will be awarded per separate grid connection offer, with no decision yet taken. These options include a limits of <10MW, 100MW, with a TSO proposal of 30MW (Section 4.2.8). The options and proposal are based on consideration of a number of factors relevant to the awarding of these fixed term services contracts, including mitigation of non-delivery, economies of scale, as well as similar limits utilised in other jurisdictions. Stakeholders are invited to provide responses to the options presented in the consultation in order to inform future decisions with respect to the DS3 Volume Capped process. For the sake of clarity, it is proposed that a unit with a higher MW capacity (MEC) in its connection offer than the services contract limit will be eligible for these services contracts (up to the services contract limit only).

These two limits are set and proposed based on different considerations. The connection offer limit in ECP-1 has the overall aim of promoting competition in DS3 System Services procurement, whilst the proposed maximum service contract limit in the DS3 System Services Volume Capped process is in consideration of the specific benefits and risks associated with procuring the outlined fixed 6 year services contracts. We understand that some confusion may have resulted from the existence of two differing limits and we hope that this has provided clarity in this regard.

We welcome feedback and should there be any other areas where clarification could be beneficial, please do not hesitate to contact us ahead of the stakeholder event, where we will endeavour to provide further information on any such areas.

Should you have any questions please email [DS3@EirGrid.com](mailto:DS3@EirGrid.com) or [DS3@SONI.ltd.uk](mailto:DS3@SONI.ltd.uk).