



# EirGrid Customer Forum

A Perspective on the Challenges and  
Opportunities in Delivering for 2020

4 November 2010

# Structure

- Quick recap on the relevant drivers and targets Ireland faces towards 2020
- What challenges and opportunities are implied in these targets w.r.t development of strategic electricity infrastructure?
- What should we do in addressing these challenges and in seizing these opportunities?
- Conclusion

# Policy Drivers



Competitiveness



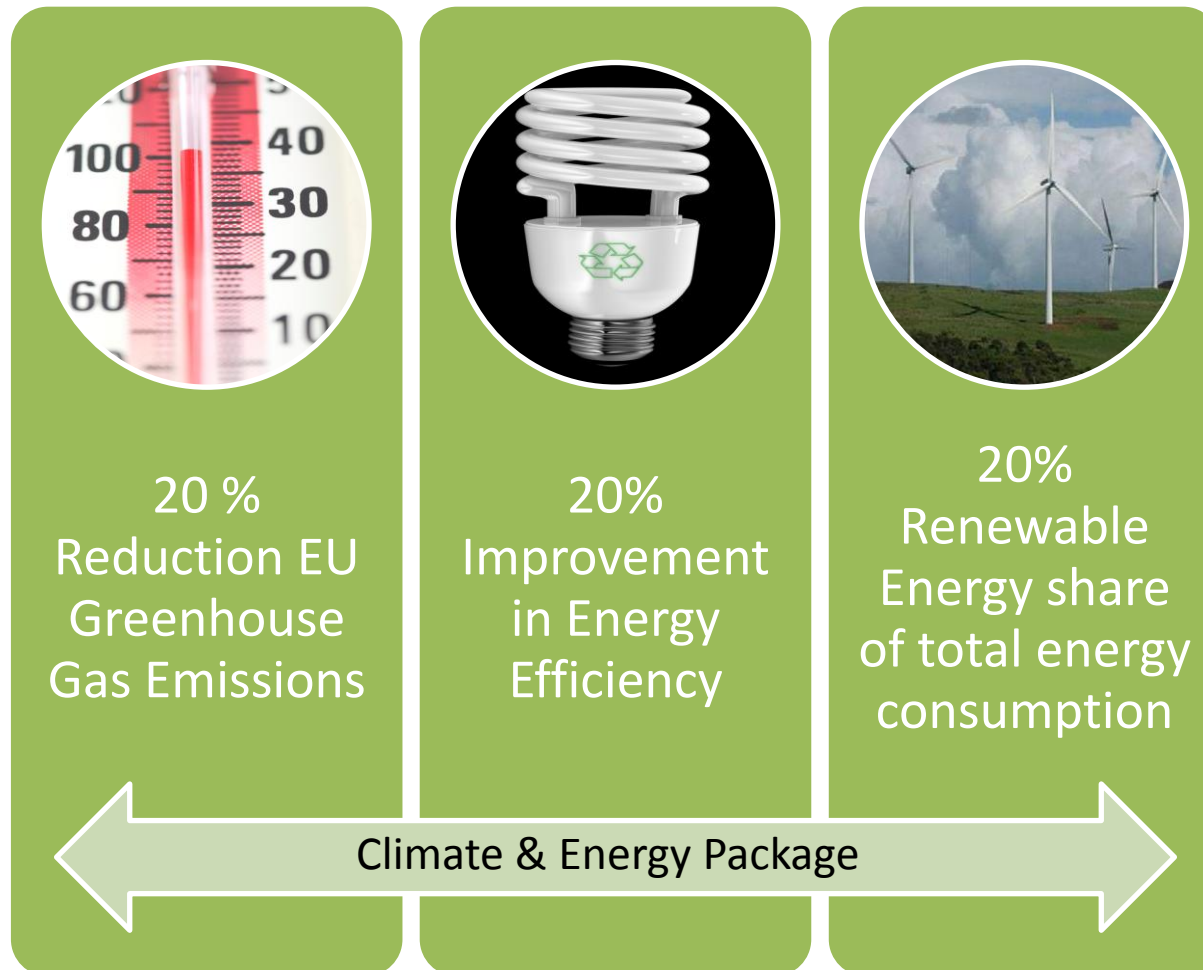
Energy Security



Sustainability






# 2020 in an EU Context



**+ Third Energy Package (market liberalisation and cross border market integration)**

# EU-Regional Context

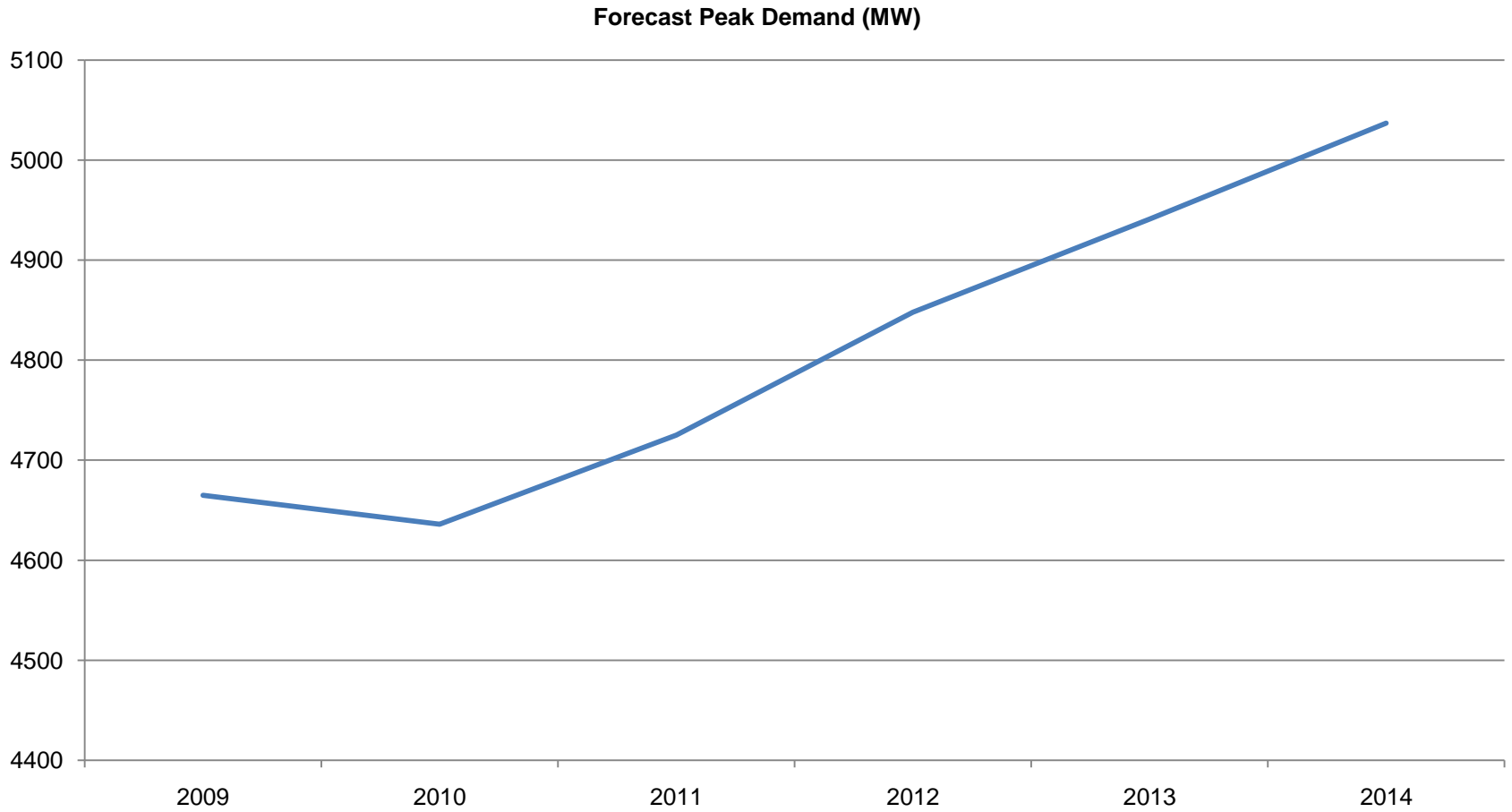
2020 Targets		Republic of Ireland	Northern Ireland
Electricity		40% (ROI)	40% (NI)
Heat		12% (ROI)	10% (NI)
Transport		10% (ROI)	10% (NI)
<b>Overall EU targets</b>		<b>16% (ROI)</b>	<b>15% (UK)</b>

# Strategic Infrastructure

- Grid Strategy, Oct. 2008
  - Cost of €4 Billion
  - Regional approach
    - 2,200 km upgrades
    - 1,150 km new build
- Development of Distribution System
- Development of N-S and E-W interconnectors

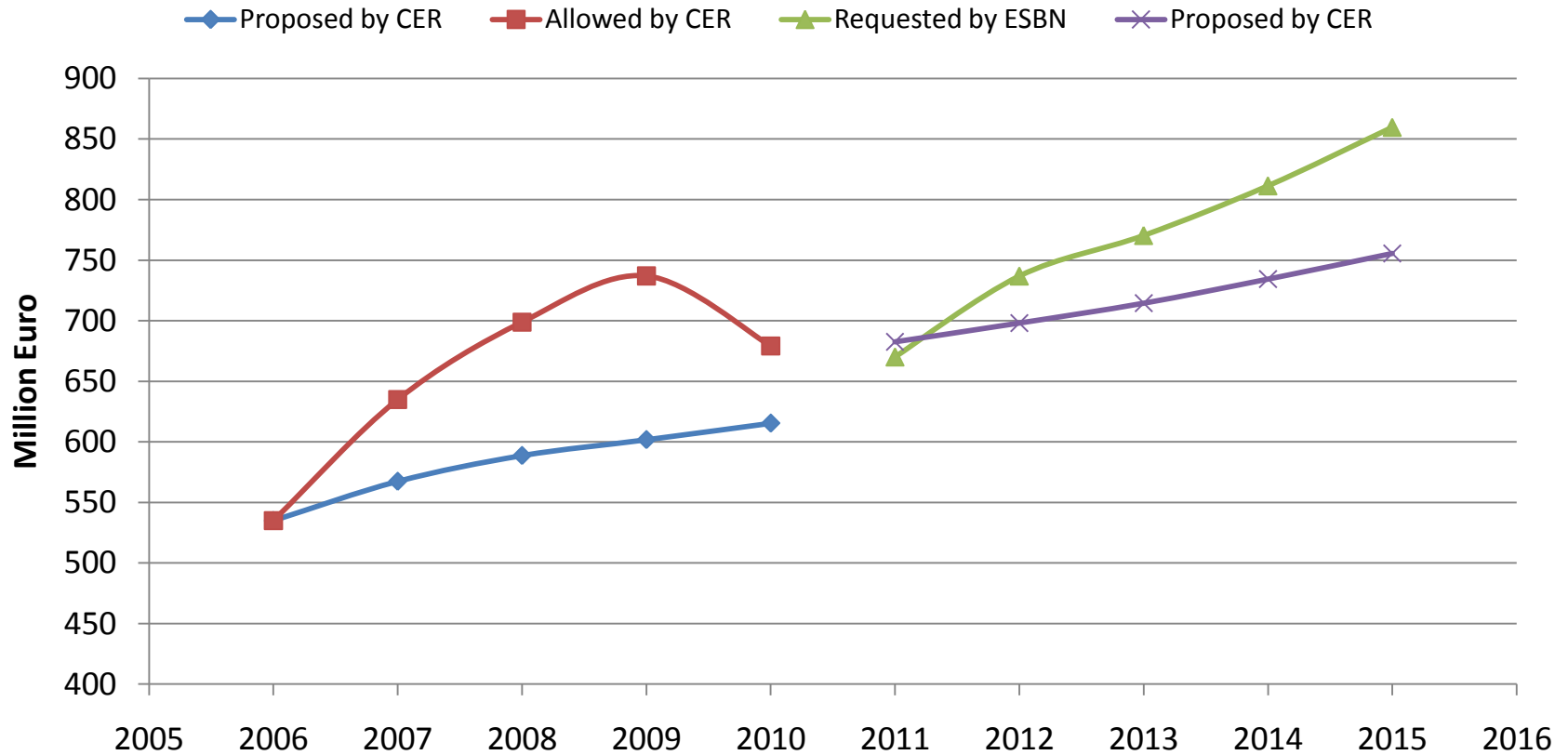
Challenges	Opportunities
<ul style="list-style-type: none"><li>•Capital Commitment</li><li>•Delivery<ul style="list-style-type: none"><li>a) Technical</li><li>b) Planning</li></ul></li><li><input type="checkbox"/> Public understanding &amp; acceptance</li><li><input type="checkbox"/> Co-ordination of agencies and objectives</li><li>•Will the evolution of demand meet the expected asset utilisation?</li><li>•Balance the financial certainty for developers with financial risks for consumers?</li></ul>	<ul style="list-style-type: none"><li>• Avoid costs of non-development</li><li>•Enabler of EU 2020 renewables target</li><li>•Opportunity to lead on technical aspects?</li><li>•Facilitator of regional development and potential export scenario</li><li>•Facilitate decarbonisation in Non-ETS sectors via electrification in transport/heat sectors that use fossil fuels</li></ul>

# Eirgrid Forecast Demand



# DSO Revenues

**DSO revenues approved for 2006-10 and proposed for 2011-15**



# Way Forward?



- Challenges exist
- Strategic Infrastructure necessary
- However it must be fit for purpose and justified
- Need to build consensus & support around strategic infrastructure's necessity, its planning and its delivery



# Thank You

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