



**An expert report concludes that the case for Grid25, based on a need to upgrade the transmission system to accommodate additional wind generation and to allow exports via interconnectors, is without sound foundation.**

The report, by consultants Malcolm Brown and Dr Anthony White of BW Energy has been shared with ReThink Pylons, a volunteer organisation working to stimulate a rethink of Irish energy policy, including Grid25. Grid25, the planned upgrade to the Irish electrical grid, would crisscross the country with hundreds of pylons carrying over a thousand kilometres of high-voltage overhead line.

### **Key Findings**

- Doubling Ireland's wind power capacity to 3,500 MW threatens to **destabilise** the entire network, risking power 'blackouts'.
- Major **otherwise unnecessary** costs of €3.8bn (€3.2bn for Grid25 and €0.6bn for another interconnector) required to stabilise the system due to increased wind power
- Wind exports will become a technical necessity to avoid **overloading** Ireland's transmission network.
- Current financial case for Irish wind power exports to UK is **weak to non-existent**.
- The €3.8bn costs (€3.2bn for Grid25 and €0.6bn for another interconnector) will invariably be passed on to consumers – **harming industrial competitiveness and squeezing hard-pressed households**.
- Alternative approaches that meet EU targets more cost effectively, **creating Irish jobs** need to be considered.

Under a 2009 EU Directive, Ireland is obliged to increase its share of gross final energy consumption produced from renewable sources to meet a 16% target by 2020. Current Irish Government policy envisions achieving that target by **doubling amounts** of onshore wind power production.

The BW report, describes the **hidden rationale** behind the €3.8bn windpower related costs (€3.2bn for Grid25 and €0.6bn for another interconnector) associated with pursuing such a policy. The plan, which entails connecting a large proportion of variable wind power to a relatively small, islanded network, would increase the **risk of uncontrollable changes** in the frequency of the power network. Stabilising the system would be costly but unless the further reinforcements are made, the increased wind power threatens to destabilize the entire network, and could cause significant power 'blackouts'.

Rather than offering an opportunity for the development of a "significant renewable energy export industry", as suggested by EirGrid, exporting power through another interconnector would be essential to prevent overloading the transmission network. The commercial viability of such exports, however, is far from certain.

The BW report reinforces an earlier conclusion by the Irish Academy of Engineering, that Irish exports will not be sufficiently competitive for the UK or Continental European markets. They will, for example, be in direct competition with UK offshore wind for which the British Government has already indicated it will not agree to pay more than €120/MWh (£100/MWh) in 2020. Irish wind power exports – with a price close to €140/MWh – are unlikely to meet this target.

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*“The case for Grid25 is not as advertised,”* said Malcolm Brown, co-author of the BW Energy report. *“Doubling Irish onshore wind capacity to meet 2020 EU targets will be very costly-Irish bill payers deserve a fundamental policy rethink.”*

The BW report also points out that the €3.8bn cost (€3.2bn for Grid25 and €0.6bn for another interconnector) of the Government’s policy will invariably be passed on to consumers – harming industrial competitiveness and squeezing hard-pressed households, who already pay pre-tax electricity prices nearly 25% above EU average.

The BW report is the latest in a series of reports to question whether current government policy is best-suited to meet Ireland’s EU commitments and energy needs. It follows two earlier, recent reports by the Irish Academy of Engineering.

The report has been welcomed today by anti-windfarm and anti-pylon activists from around the country, including: Cllr. Seamus Weir, Co. Mayo on the Grid-West project, Owen McMullan, Co. Tyrone on the North South Inter-connector project, Kieran Hartley, Co. Waterford on the Gridlink project, and Ray Conroy, Co. Laois of Laois Wind Energy Awareness Group.

In light of these findings, ReThink Pylons is calling on the Government to re-examine its energy policy and is asking for a **fundamental rethink of Grid25**, Grid Link and associated projects.

#### **About ReThink Pylons**

ReThink Pylons is a national organisation made up of volunteers who hope to stimulate a rethink of energy issues. [www.rethinkpylons.org](http://www.rethinkpylons.org)

#### **About BW Energy**

BW Energy is an international specialist energy consultancy providing strategic, financial, regulatory and policy advice in decarbonising energy markets. [www.b-wenergy.com](http://www.b-wenergy.com)

#### **Biographies**

**Malcolm Brown** has over 27 years’ experience of the energy sector and low carbon economy as a financial analyst and strategy consultant. He was Head of UBS’s European Energy Research team and Head of European Investment Research at ABN Amro. Malcolm specializes in the impact of the low carbon economy on the energy sector and was a Director at Climate Change Capital. In 2010 he co-founded BW-Energy.

**Dr Anthony White** has over 35 years’ experience in international power markets and the low carbon economy as a financial analyst and industry strategist. He was National Grid’s Group Head of Strategy and Head of Citigroup’s European power team. More recently he was a founder of Climate Change Capital. In 2010 he co-founded BW-Energy.

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