



Energy for
generations

ESB Generation and Trading's Response to EirGrid PR5 Strategic Objectives Multi-Year Plan 2023-2027 Consultation Paper

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1. INTRODUCTION

ESB Generation and Trading (ESB GT) welcomes the opportunity to respond to this consultation on the TSO's Strategic Objectives Multi-Year Plan 2023-2027. ESB GT believes that such multi-year plans are an important part of securing and decarbonising the power system as part of Ireland's transition to net zero. When providing clear sight of how the TSO intends to manage the grid transition, grid users can gain the commercial certainty necessary to make the right investments which will be needed to facilitate a secure and affordable transition.

2. CONSULTATION QUESTION

IN YOUR VIEW DOES THE PROPOSED APPROACH ALIGN WITH THE OBJECTIVES OF THE TSO STRATEGIC OBJECTIVE INCENTIVE PER THE PR5 REGULATORY FRAMEWORK SET OUT IN CRU/20/154?

2.1 Overall comments

In CRU/20/154, Section 7.10, the CRU instructs in relation to the TSO's multi-year plan that "*[the] detailed plan will cover the three following years (and the following two years at high level).*" ESB GT is supportive of this direction, as the sharing of projects, milestones and deliverables in the annual multi-year plan is an important avenue via which market participants can make investments which will support the TSOs objectives.

ESB GT does not believe that this key objective has been met in this year's plan, with too much detail having been postponed to the publication of Shaping Our Electricity Future (SoEF) 1.1. Whilst recognising the importance of the coming SoEF document, it cannot preclude the current multi-year plan from giving industry and other stakeholders the necessary details on the TSO's plans for the coming years, as instructed by the CRU in PR5.

ESB GT also considers that in the projects where information is not postponed for SoEF 1.1, there remains a dearth of detail such that those projects cannot be effectively judged against the objectives set by the CRU in PR5. Annex 11 of CRU/20/154 states that "*[PR5] outcomes for market participants will primarily relate to access to market opportunities and commercial certainty. Where indicators are proposed that are intermediate to these outcomes, then the link between the input and the outcome should be clearly articulated. In all cases the relationship between the metric and the behaviours of the TSO should be clear, or clearly explained*". Similarly, the CRU states that "*benchmark or target measures should be proposed for each indicator consistent with strong performance relevant to either the timing, cost or quality of the energy transition*".

Below ESB GT highlights several examples of inputs (projects/actions) which are lacking the level of detail in terms of milestones and deliverables which would be required to assess this Multi-Year Plan's alignment with the CRU's objectives in PR5.

2.2 Project-specific comments

2.2.1 Scheduling and Dispatch

The Scheduling and Dispatch Project will have a fundamental impact on the markets as it impacts on the dispatching of Renewables, Batteries and Synchronous Condensers. EirGrid should provide clarity on what a successful design and programme plan is and what it would achieve, and how that relates to the CRU's objectives set for the TSO in PR5.

2.2.2 Future Arrangements for System Services (FASS)

FASS is a pivotal project in ensuring a stable and secure operation of the power system with a high renewables penetration across the island of Ireland. While ESB GT recognises that the SEMC High Level Design Decision left a number of design features to a further design consultation, EirGrid should provide more detailed comments on the deliverables of this programme which they aim to complete in the coming years, rather than a plan to submit a plan. Commercial certainty is key to getting the necessary investment pipeline in low-carbon system services.

In relation to the phasing of the FASS, it is unclear if the deliverables are the final design of each Phase or actual delivery of daily auctions, fixed term contract and new services. To date, ESB GT is concerned with what appears to be a piecemeal design approach being implemented for FASS e.g. DASSA design references CfD interaction yet the LCIS reference availability contracts. A holistic approach to the FASS design is necessary and the current plan in the TSO multi-year plan should reflect such approach.

2.2.3 Network tariff review

ESB GT acknowledges that this project has been marked as RA dependent. However, could clarity be provided on what "market deliverables for 2023" means. It is unclear what this objective is and what the key deliverables are.

2.2.4 Capacity Market alignment with high-RES world

The CRM is an integral part of the market at present, and changes to the scheme could have a large impact on market functioning. EirGrid should provide more detail on what this deliverable is, and how performance on this project might be assessed against the CRU's outcomes in PR5.

2.2.5 Alignment of onshore and offshore RESS

Similar to the above, EirGrid should provide comment on what terms and conditions they are planning to change/align, and how those changes will further the objectives laid out by the CRU in PR5.

2.2.6 Full integration EU design

EirGrid should provide detail on what EU market design integrations they are planning on making, and when. At present this item does not contain any benchmarks or target measures to assess against the CRU's direction in PR5.

2.2.7 Flexible Networks Strategy

This programme will have implications for the grid and how supply and demand meet. EirGrid should outline what it considers to be the key deliverables and milestones of this project. Without this, a fulsome assessment of the plan against the CRU's objectives is not possible.