
2019 Transmission APR and IPD Summary of Responses to Consultation

1st Oct 2020

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1. Introduction

This paper summarises the feedback received, by EirGrid and ESB Networks, in their respective capacity as Transmission System Operator (TSO) and Transmission Asset Owner (TAO), to the public consultation on the Draft 2019 Annual Electricity Transmission Performance Report (APR)¹ and Draft 2019 Investment Planning and Delivery Report (IPD)² which ran from 26th of August 2019 to 23rd September 2020. The consultation sought the views of customers and stakeholders on the draft reports in advance of their finalisation.

The TSO and TAO believe that consultation and engagement are core and essential business activities. They provide stakeholders with the opportunity to participate in a meaningful way and help the TSO and TAO understand and where possible incorporate or address stakeholders' comments.

The reports provide a non-technical, accessible overview of transmission activities and performance. EirGrid and ESB Networks welcome the response received, the content of which was broadly complimentary of the content and format of the reports.

2. Background

In May 2018, following consultation with industry, the Commission for Regulation of Utilities (CRU) published a decision paper, CER/18/087, [Reporting and Incentives under Price Review 4](#). The document set out a range of decisions for improving reporting and incentives arrangements, covering the totality of the activities undertaken by TSO and TAO on behalf of current and future customers and market participants that applies for the period 2018 to 2020.

Under Decision 1 of CER/18/087, the TSO and TAO are required to jointly prepare and publish a summary report, the Annual Electricity Transmission Performance Report, documenting how their activities and behaviours over the previous calendar year have delivered outputs relevant to the needs of customers, market participants and other stakeholders.

Under Decision 2 of CER/18/087, the TSO and TAO are required to jointly prepare an annual capex report, the Investment Planning and Delivery Report, a high-level summary report designed for stakeholders to provide an overview of the transmission development programme in the previous calendar year and how the six-step process for grid development worked by reference to projects in that period. This report is intended to be a companion document to the Annual Electricity Transmission Performance Report.

The reports are intended to provide customers, industry participants and other interested parties with a clear, accessible, comprehensive, quantified but non-technical report on performance in

¹[http://www.eirgridgroup.com/site-files/library/EirGrid/Draft-2019-EirGrid-and-ESB-Networks-Electricity-Performance-Report-\(APR\).pdf](http://www.eirgridgroup.com/site-files/library/EirGrid/Draft-2019-EirGrid-and-ESB-Networks-Electricity-Performance-Report-(APR).pdf)

²[http://www.eirgridgroup.com/site-files/library/EirGrid/Draft-2019-EirGrid-and-ESB-Investment-Planning-and-Delivery-Report-\(IPD\).pdf](http://www.eirgridgroup.com/site-files/library/EirGrid/Draft-2019-EirGrid-and-ESB-Investment-Planning-and-Delivery-Report-(IPD).pdf)

the previous calendar year. In developing the 2019 reports, the TSO and TAO were cognisant of this requirement and the criteria set out in Annex B and Annex D of CER/18/087.

3. Related Documents

Documents published as part of this consultation -

- [Draft 2019 Annual Electricity Transmission Performance Report](#)
- [Draft 2019 Investment Planning and Delivery Report](#)

Final reports for 2018 -

- [2018 Annual Electricity Transmission Performance Report](#)
- [2018 Investment Planning and Delivery Report](#)

Relevant CRU papers -

- [CER/18/087 - Reporting and Incentives under Price Review 4](#)

4. Consultation Response

In terms of responses, one response was received that covers both the APR and IPD, with a main focus on the APR. The response was from a single stakeholder, Bord Gáis Energy (BGE).

In general, the response from BGE acknowledges and welcomes this reporting that brings together all TSO/TAO activities for 2019 while helping to provide transparency to stakeholders. BGE was complimentary of the supporting information contained in each report and also welcomed the increased transparency and readability of the reports. BGE stated that there are notable improvements in the reports including the provision of balanced views around performance against incentives. Overall, EirGrid and ESB Networks welcome this positive response to the reports.

In the consultation notification email, we sought feedback on the following:

- Are there areas that you feel require more detail?
- Are there areas on which you feel there is too much focus?
- Are there areas that are not currently covered that should be considered for inclusion etc.?

A number of the items raised by BGE are outside of the scope of this consultation and as a result are not responded to in this document. We set out below our responses to those comments which are in scope. The below responses are referred to in the sequence in which they arise in the BGE response.

Comment:

With regard to the APR and IPD, BGE stated: *“We believe that the reports could be improved however by more clearly identifying these benefits and value-adds and by attributing a monetary*

value where possible to them, such as where actions by the TSO and/ or TAO have resulted in a saving to customers and/ or end-users. We ask the TSO and TAO to consider this for the next version of the reports.”

Response:

The APR and IPD reports seek to capture instances that attribute monetary value to benefits and value-adds where possible. For example, the section ‘How TSO manages constraint costs’ of the APR includes a summary which identifies the annual savings for market participants. Also, the section ‘How we plan, deliver and use the network’ of the APR identifies savings of €17.5m on a single asset refurbishment project. We will look to capture further such instances in future iterations of the APR and IPD.

In the EirGrid PR5 submission to the CRU, EirGrid proposed an Enhanced Benefit Sharing framework. The focus of this framework was the delivery of outputs and outcomes that delivered benefit to customers. Each output was linked to an incentive payment or penalty if EirGrid did not deliver on the associated targets each year of PR5. This framework was underpinned by annual reporting around the targets and delivery against same. The CRU are currently reviewing responses to their Draft Determination and EirGrid has broadly supported the approach taken by the CRU in this regard, however EirGrid has requested a number of changes to this, which EirGrid believes will create an overall package that delivers better outputs and outcomes for customers. Also, future APR and IPD reports will incorporate, where appropriate, any such new metrics or measures as approved by the CRU in the Final PR5 Decision.

Comment:

In relation to the section ‘How we manage new connections’ of the APR, BGE stated: *“Regarding the reference to the interconnector offer made during the period [...] we would welcome an update as to the status (e.g. acceptance and timelines) of that connection offer.”*

Response:

We note that in this section of the APR, EirGrid advises that an interconnection offer was issued and the final APR has been updated to state that this offer was also accepted in 2019.

Comment:

Referring to the section ‘How we minimise the Financial Impact of Transmission Losses on Consumers’ of the APR, BGE stated: *“We acknowledge the inclusion of the reference to TLAFs in the report but believe that the report, and stakeholders, would benefit from EirGrid’s view on the effectiveness of TLAFs in signalling efficient investment and why.”*

Response:

The APR and IPD reports provide non-technical narrative on historic performance and actions in the specified period within the context of the extant regulatory framework and arrangements. The documents are not intended to be a forum for review/consideration of those frameworks (with the exception of the form of reports themselves as provided for by the CRU). The normal consultative processes held by the CRU/EirGrid/ESB

Networks on specific topics is the more appropriate mechanism for such engagement/expression of views by interested parties.

Comment:

With regard to the section ‘How we manage Network Constraints’ of the APR, the respondent raised the matter of further information pertaining to constraints and associated costs being included in the reports, including noting that *“We appreciate the variety of factors identified in the draft 2019 APR that relate to dispatch down and curtailment, but we ask that clarity is given to any root causes to this trend for increased dispatch down and curtailment to occur when increased renewables connect, in light of the fact that increased SNSP is expected.”*

Response:

As noted above, in line with CER/18/087, the reports are historic and intended to be non-technical in nature and thus there is a limit to how much information can be included in the reports without making any one section overly detailed and lengthy. However, EirGrid acknowledges that constraints are a key area of focus of both the TSO and stakeholders.

EirGrid would highlight that since the draft APR for 2019 was published; EirGrid has separately published the Annual Renewable Energy Constraint and Curtailment Report 2019³. This document provides further detailed information on the level of dispatch down, constraints and curtailment, key contributory factors drivers and mitigation measures. The final version of the APR now includes reference to this document and a direct link to same to provide stakeholders with a path to additional information if required.

Comment:

With regard to the section ‘How TSO manages constraint costs’ of the APR, BGE states: *‘We would welcome additional detail around how the Imperfection Charge savings were calculated and what exactly they represent’*.

Response:

In regard to the above the values referred to in this section relate to previous periods. Further details on these figures are set out in the Imperfection Incentive Reports for the respective periods as published on the SEMC website.⁴

Comment:

With regard to the section ‘How we performed against transmission delivery incentives’ of the APR, BGE states: *“We acknowledge improvements in TAO performance in this incentive but note that the target has again been missed for this period. We ask the TAO to outline the actions they*

³ [Annual Renewable Energy Constraint and Curtailment Report 2019](#)

⁴ <https://www.semcommittee.com/publications/sem-19-031-imperfections-charge-201920-and-incentive-outturn-201718-consultation-paper>

will take to improve their performance against this target given the increased demands being put on the grid in the coming decades.”

Response:

In the section ‘How we manage network resilience’, there is summary information on the maintenance programme and how it is managed. There is information on the associated outage constraints with links to additional information for generators. TSO and TAO work actively to continuously improve and meet the challenges in this area. With regard to the request for details re future actions to improve performance, please note that as stated above, these reports are historic in nature and not intended to provide narrative re future actions.

Comment:

With regard to the section ‘How we performed against transmission delivery incentive’ of the APR, BGE states – *“The ability of the TAO/TSO to manage resilience in the network is commendable between the use of protection equipment on the network and swiftly addressing adverse events as they occur. The incentive identifies a falling performance level against the target set and we ask for clarity on the efforts being made by the TAO and TSO to improve this performance and move towards meeting the target set.”*

Response:

Outage Planning and management is a core activity of TSO and TAO and we work together through detailed schedules and processes to minimise disruption while continuing to facilitate essential works on the Transmission system. The 2019 Annual Electricity Transmission Performance Report is intended to illustrate performance in summary terms. We welcome this suggestion and feel this is an area of the APR that can be improved on. We will work to incorporate such details in future reports.

5. Next Steps

EirGrid and ESB Networks have incorporated into the final APR the change as outlined in the section above, no changes have been made to the draft 2019 IPD. The final version of the 2019 APR and IPD alongside this paper have been provided to CRU for approval.