



**Mechanism to Enable Short-Notice
Adjustments to Planned Outages
Joint TSO/TAO Consultation**

Decision Paper

Introduction

In May 2018, the Commission for Regulation of Utilities (CRU) published its decision paper on “Reporting and Incentives under Price Review 4” (CER/18/087). CER/18/087 incorporates twenty decisions for improving reporting and incentives arrangements, covering the totality of the activities undertaken by the Transmission System Operator (TSO), the Transmission Asset Owner (TAO), and the Distribution Systems Operator/Distribution Asset Owner (DSO/DAO) on behalf of current and future customers and market participants. EirGrid, as TSO, is required to report to the CRU as outlined in CER/18/087.

The CRU’s intention is to improve outcomes for electricity customers and market participants during the PR4 period and to create a robust platform for the continuing development of reporting and incentives for PR5 and beyond. The CRU’s overall objective is to ensure that network companies are focused on:

- Delivering better outcomes for customers;
- Using innovation to deliver services more efficiently; and,
- Meeting key national strategic objectives.

Decision 8 of CER/18/087 sets out the arrangements for the TAO and TSO (collectively the companies) in terms of outage management. It states that the TAO may access a “use-it-or-lose it” allowance to fund, by agreement with the TSO – and following appropriate consultation with potentially affected parties – through actions to reduce the duration or timing of planned outages at short-notice. The allowance for the TAO shall equal the reasonable costs incurred by the TAO in meeting each request, plus an uplift of 20%.

There is a requirement for the companies to consult on the mechanism to enable short notice changes to outage plans – including the processes for engaging/informing market participants.

On the 10th October 2019, the TAO and TSO published a consultation paper¹ on the proposed mechanism to enable short-notice adjustments to planned outages. The paper sought views on the proposed mechanism.

The paper set out a proposed mechanism and asked stakeholders a number of key questions to assist in structuring responses. The key questions were set out as follows:

- Do you agree with the scenarios under which this mechanism can be applied?
- Do you have any comments on the proposed mechanism?
- Are there alternative mechanisms that would be preferable to the proposed mechanism?
- Do you agree with the use of existing outage management process and communication channels?

The TAO and TSO have reviewed the consultation responses and considered the points raised by respondents as outlined in this paper. This decision paper sets out the joint TAO/TSO decision on the mechanism processes. The decision was reviewed by the Commission for Regulation of Utilities in advance of publication.

¹ https://www.esbnetworks.ie/docs/default-source/default-document-library/mechanism-to-enable-short-notice-adjustments-to-planned-outages---final.pdf?sfvrsn=c05606f0_0

Summary of Responses Received

This section documents the responses submitted to the joint TAO/TSO consultation paper on the “Mechanism to Enable Short-Notice Adjustments to Planned Outages”. The consultation paper was published on 10th October 2019 and the consultation closed on 21st November 2019.

There were four responses received during the consultation. The TAO and TSO wish to thank all respondents for taking the time to submit their feedback to the consultation paper. Respondents provided important input to the consultation which informed the joint TAO/TSO decision including the adjustments made to the process.

In general, respondents were supportive of the new mechanism.

A number of comments received were out of scope for this consultation. These comments relate to the development of the Transmission Outage Programme. The comments have been summarised here and are being shared internally within both the TAO and TSO for further consideration. Where appropriate, the TAO or TSO will engage respondents who provided these general comments individually. The respondents reasoned that flexibilities should be considered at all stages of the planning of outages, not just for short notice changes. The Transmission Outage Programme should consider how to minimise the loss of renewable energy and not just the least cost plan. The development of the outage plan should seek to minimise the impact on CO₂ and be mindful of renewable targets and meeting the obligations of EU RES-E directives (both during the construction and operation phase of renewable projects). The respondents also sought greater communication with stakeholders (including the distribution system) during the process with one respondent seeking longer notice of voluntary outages. One respondent stated a need for a serious review of the monitoring, reporting and incentives for outages. Furthermore the respondent sought a mechanism to monitor, report and incentivise the TSO and TAO to reduce the period of outages. The current incentives appear to be centred on achieving programmes set by the TAO/TSO and not incentives for incremental efficiency improvements. As these comments were out of scope of this consultation they are not considered further in this paper.

Of the comments that were in scope for this consultation, these have been grouped into the sections outlined below.

Application of the Mechanism

The respondents agreed that short notice adjustments will be made by exception in scenarios that were not considered or anticipated during the outage scheduling stage. The respondents agreed with the scenarios under which the mechanism should be applied. To be considered for a possible adjustment any outage must have the potential of at least one of the following material benefits when applied.

- a. Accelerate completion of work ahead of a forecasted weather event (excludes return to service of equipment prior to all works being completed);
- b. Facilitate generator outages;

- c. Facilitate the granting of other interdependent outages. For example, where the window of opportunity is short, by accelerating the work and thus shortening the duration of one outage, a second outage of a parallel circuit could be granted within the window;
- d. Improve transmission system security;
- e. Lessen impact on directly-connected transmission demand customers;
- f. Reduce constraints costs (which are formally known as Dispatch Balancing Costs).

One respondent sought to add a scenario to those listed in the consultation – Reduce the impact on renewable generation output. The respondent also proposed that the mechanism should also be applied on an ongoing basis for outages impacting renewable generation. The challenge is that for intermittent sources of renewable generation it is difficult to predict a suitable time to apply the mechanism. In practice the TSO uses a five-day wind and PV forecast. Given the time lag between identifying suitable conditions; the TSO and TAO co-ordinating the adjustment; and getting benefit from the adjustment, it would not be effective to apply a version of the mechanism to such a scenario in advance of the start of an outage or on an ongoing basis. It is more effective to consider the impact on renewable generation during the development of the Transmission Outage Programme. It should be noted that currently short notice outage requests that were not identified in the Transmission Outage Programmes are assessed against their impact at a regional basis (e.g. South-West). Where an outage has a material impact on renewable generation at a regional basis and the outage relates to work that can be deferred the TSO and TAO do reschedule such outages.

The respondents agreed with the means by which outages could be adjusted to produce the desired flexibility.

Communication and Partnership

The respondents sought greater communication throughout the entire outage planning process. The respondents suggested that this should include stakeholders at the distribution level. One respondent sought a more collaborative approach akin to a partnership approach.

TAO/TSO Response: The need for close communication is understood. The desire to reduce the exposure and risk associated with transmission outages is also understood. The short-notice aspect of this mechanism imposes time constraints on the level of communication and collaboration that is possible. In practical terms the TSO has a week to process outages following the issue of the weekly update to the Transmission Outage Programme. This is a challenging timeline wherein the TSO must study each outage with all other concurrent outages based on the latest state of the power system; must ensure all technical and safety aspects of the outage have been considered; and must formally review and approve each outage. When the scenarios for which the mechanism will be applied present themselves, there is little time (a day or two) to apply the mechanism and to make the desired adjustment to the outage. When the mechanism is used, the TSO will work with relevant stakeholders to monitor the effectiveness of the mechanism over time, including the communication aspects. The procedures can be adjusted as appropriate.

Funding

During the consultation the TAO and TSO clarified that the “use-it-or-lose-it” allowance is detailed within the CRU’s ‘Reporting and Incentives under Price Review 4 Decision’ CER/18/087. This would be collected through the Annual TUoS Tariffs Submission.

Mechanism to Enable Short-Notice Adjustments to Planned Outages (reflecting consultation responses)

This section sets out the mechanism to enable short notice changes to outage plans – including the processes for engaging/informing market participants. The mechanism is separate and independent from the TAO incentive regarding meeting the 3-weekly outage plans as published on the TSO website and thus does not cover the timescale of the full outage programme. A key feature of the mechanism must be that it supports the continued efficient decision making throughout the iterations of the TOP rather than push decisions closer to real-time.

The following are the key steps of the proposed mechanism to enable short-notice adjustments to planned outages. The changes to the original proposed mechanism are highlighted. The request to increase engagement with stakeholders was considered. The short timescale associated with the process does not allow a significant change to the mechanism but the mechanism now provides more clarity on the timelines and process for communication.

1. TSO issues the weekly update to the Transmission Outage Programme (TOP).
2. TSO reviews the TOP to identify candidate outages which could benefit from a short-notice adjustment to the planned outage. A candidate outage is an outage that fits the listed scenarios. An adjustment could be an earlier start, a later start, a shorter duration, weekend work or a combination of these. The TSO identifies the proposed benefit of the change to show efficient choice. Short notice adjustments will be by exception where scenarios arise that were not anticipated during the outage scheduling stage.
3. The TSO brings candidate outages to the TAO for consideration. If the outage modification is not feasible the TAO provides a brief explanation as to why it is not possible or practical to facilitate the adjustment. Reasons for the schedule inflexibility would include but not be limited to safety, resource availability, material availability, specialist third party availability.
4. If the TAO indicates that modifying the outage is feasible and the outage affects a third-party, the TSO will discuss the proposal with the third-party affected by the outage (verbally in the first instance) in advance of bringing the outage to the next step. The process of consultation with stakeholders potentially impacted by changes to outage plans is important in ensuring that all costs, benefits and risks are considered, and not just those of the TSO and TAO. (e.g. Consideration of the “Process for the Calculation of Outturn Availability” (SEM-15-071).) This interaction would take place approximately a week in advance of the start of the outage and would conclude within two days in order to maintain the overall outage management timelines.
5. If the TSO wishes to proceed, the TAO costs the proposed adjustment. If the adjustment will incur significant cost increases on the TAO, then the TAO will access the “use-it-or-lose it” allowance to fund the adjustment. The impact of the adjustment would typically be weekend work, overtime, reprioritising crews, additional crews, short notice premium payments to contractors etc.

6. The TSO reviews the proposal and confirms the variation with the TAO. The TSO reflects the variation through the existing outage management process which includes informing affected parties.
7. The TAO records the significant details of each proposed and agreed short-notice adjustment to outages. The significant details would include any work that could not be completed due to the short-notice adjustment, e.g. If the TAO needs to compromise on the scope of work in order to meet the changed timings.
8. The TAO and TSO submit a report to the CRU for the initial period of use of the mechanism. This enables the implementation to be reviewed and refined, as appropriate.

The effectiveness of this arrangement will be monitored over time and will inform whether this type of scheme continues on an enduring basis.

Decision & Next Steps

The TAO and TSO are committed to continually improving processes to the benefit of current and future customers and market participants. The mechanism has been adjusted to incorporate comments received during the consultation. The TAO and TSO will apply the mechanism as set out in this document from now. The effectiveness of this arrangement will be monitored over time by the CRU and will inform whether this type of scheme continues on an enduring basis.