

Via email to: [info@eirgrid.com](mailto:info@eirgrid.com)

10<sup>th</sup> December 2021

**Re: TSO PR5 Strategic Objectives Multi-Year Plan 2022-2026**

To Whom it May Concern,

I am writing on behalf of the Demand Response Association of Ireland (DRAI), the trade association representing Demand Side Unit (DSU) providers in the all-island Single Electricity Market (SEM). By aggregating the otherwise passive electrical loads of individual consumers into substantial load portfolios, our members create predictable, reliable, and controllable assets, which provide a valuable source of Demand Side Flexibility (DSF) that can be actively used by system operators to meet the near-time needs of the power system.

Today, the DRAI represents approximately 600 MW of demand and embedded generation response across hundreds of industrial and commercial customer sites throughout the island of Ireland. These sites are managed by our members each of whom actively participate in the capacity, DS3, and energy markets.

DRAI members are committed to shaping the future of power system flexibility through advancing DSF on the island of Ireland. As Ireland strives to achieve its renewable generation targets for 2030 and beyond, our promise as an industry-led organisation is to champion the development of innovative DSF solutions that are designed to address the system-wide requirement for flexibility.

The DRAI expresses a single voice on policy and regulatory matters of common interest to its members, and we welcome the opportunity to provide feedback on the TSO PR5 Strategic Objectives Multi-Year Plan 2022-2026

Your sincerely,



Siobhán McHugh  
DRAI CEO

## TSO PR5 Strategic Objective Multi-Year Plan

The DRAI recognises the importance of providing clear and transparent information on work that the TSO is carrying out under the PR5 regulatory framework to deliver better outcomes for customers and support Ireland’s energy policy objectives.

In our responses to the suite of PR5 consultations the DRAI recognised the pivotal role of the TSO in delivering outcomes in the electricity sector and we emphasised the need for the TSO to have sufficient resources to deliver the required transmission system transformation.

We recognised the need to facilitate, incentivise, and monitor the delivery of the PR5 objectives by the network companies, and therefore supported the principles underlying the proposed ‘Agile Investment Framework’. We also supported the requirement for additional reporting to facilitate the introduction, and expansion, of the output-based approach.

Our view was that concise information in relation to the performance of the TSO against its output-based incentives should be published regularly to inform market participants and electricity industry stakeholders.

During the PR5 consultation process, the DRAI agreed with the strong emphasis placed on uncertainty and flexibility within PR5. We recognise that significant levels of change will occur on the power system over the time period, in terms of national and international policy, technical advancements and the challenges of delivering world leading RES-E targets.

We note that there is a significant amount of overlap between the items listed in this multi-year plan and those outlined in other consultation documentation on incentives related to imperfections and constraints and RES-E. While the PR5 incentive framework is intended to be outcome-based, there is merit in clearly linking the planned activities to the outcomes referenced under each distinct incentive.

We note also that the CRU decision invited the TSO to propose KPIs relevant to the objectives and criteria of the incentive. This is an important element in ensuring accountability in the incentive process and providing transparency for market participants and energy consumers who are intended to see the benefits of the incentivised outcomes.

A number of activities and outcomes described in the document are of particular importance for demand side participants in being able to exploit the full benefit and technical capability of demand response to provide services to the power system and participate fully in the energy, capacity and system services markets.

We recognise that significant progress has been made by stakeholders to facilitate the inclusion of DSF in the energy, capacity and system services markets. We would however like to emphasise that there are still significant barriers to increasing and fully utilising DSF within these markets. As we tackle the current challenges facing our energy system, and look to deliver for the future needs of energy users, and our economy, we need to use the spectrum of tools and sources of electricity services at our disposal.

In relation to this incentive, CRU decision paper noted that “outcomes for market participants will primarily relate to access to market opportunities and commercial certainty” – as the power system fundamentally transforms over the coming decade, this is more important than ever. The activities proposed in the Multi-Year Plan are welcome and we, along with all market participants, are invested in the success of these initiatives which are needed achieve our challenging targets for decarbonisation in the coming decade.