

TSO Imperfections & Constraints Multi-Year Plan

Consultation Response Paper

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Contents

Contents	2
1 Introduction	3
2 Consultation Responses	4

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1 Introduction

This paper responds to the feedback received, by EirGrid, as Transmission System Operator (TSO), to the public consultation on the Multi-Year Plan for the Imperfections and Constraints Incentive under Price Review 5 (PR5) for the period 2023-2027.

The PR5 Regulatory Framework, Incentives and Reporting Decision Paper (CRU/20/154)¹ contains direction and guidance to EirGrid as the TSO on incentives and reporting arrangements for the PR5 period, 2021-2025. As per Section 7.12 of CRU/20/154, the TSO is required to publish a detailed Multi-Year Plan for 2023-2025 as well as a high-level plan for 2026-2027 for consultation.

The Imperfection and Constraints Multi-Year Plan for 2023-27² was published on 24 February 2023 for a 4-week public consultation. The consultation sought the views of stakeholders on the proposed structure of and approach to the proposals in the Imperfections & Constraints Multi-Year Plan.

This paper outlines EirGrid's response to the feedback received. We would like to thank those who took the time to respond to this consultation.

Responses were received from the following organisations:

- ESB Generation and Trading (ESB GT)
- Bord Gáis Energy (BGE)

All responses received have been reviewed and considered. EirGrid acknowledges and thanks BGE for their detailed consultation response. EirGrid's consultation note³ stated - *"...in the TSO consultation response document which will be made publicly available, we will respond to consultation respondents' comments and feedback within the scope of this consultation only. Comments and feedback outside the scope of this consultation will not be included in the consultation response document."*

As the majority of BGE's comments and feedback are outside of the scope of this consultation, they have not been addressed in this consultation response document. Whilst EirGrid refutes a number of BGE's comments, it is not considered appropriate to address these in this document. EirGrid scheduled a meeting with BGE in relation to the detail in their consultation response. EirGrid would like to thank BGE for their positive engagement regarding their detailed consultation response. EirGrid understands that there will be continued engagement (with BGE and other stakeholders) on the issues raised.

Please note that where comments are out of scope, they have been relayed back to the relevant part of the EirGrid business for consideration.

¹ [CRU/20/154, PR5 Regulatory Framework, Incentive and Reporting](#)

² [TSO Imperfections & Constraints Multi-Year Plan 2023-2027 Consultation Paper](#)

³ [EirGrid PR5 Imperfections & Constraints Multi-Year Plan 2023-2027 | EirGrid Consultation Portal](#)

2 Consultation Responses

This section summarises the comments received.

ESB GT Comment

ESB GT noted in their response that it's not clear if a Reserve Policy document is publicly available/to be made publicly available. They also noted the Operational Policy Roadmap for 2023-2030⁴ references the policy document but provides little detail on it. ESB GT requested for greater clarity on this in order for industry to fully understand the impact of this policy document and the role it has in addressing the imperfection charges.

EirGrid Response

In the Imperfections and Constraints Multi-Year Plan 2023, EirGrid references reserve policy and how it will be updated and reviewed. An updated Reserve Policy, including upward and downward reserve, is scheduled for 2023. A further Reserve Policy update is also envisaged in the first half of 2025.

At time of writing, it is expected that aspects of the updated reserve policy will be published via the weekly constraints report⁵ and an update of the Synchronous Area Operational Agreement for Synchronous Area IE/NI⁶ as appropriate.

ESB GT Comment

ESB GT noted in their response that the plan being consulted on identifies the start dates of the actions but unfortunately doesn't include the end dates. ESB GT noted it would be helpful if the actions also included their expected completion dates.

EirGrid Response

The Imperfections and Constraints Multi-Year Plan 2023-2027 outlines a series of actions, on how we intend to address constraints as part of the TSO's delivery of this incentive. *Table 1: Deliverables 2023-2025* within the Multi-Year Plan provides the timelines for deliverables completion, not their start dates.

The actions noted are aligned with the timelines set out in the Operational Policy Roadmap for 2023-2030. The Roadmap outlines the key actions in the operational policy space that will be required to deliver on the climate action targets while continuing to securely operate the electricity system. Included in the roadmap are the Transmission Constraint Groups (TCGs) that the TSOs plan to remove or relieve in 2023-2030, which will further reduce the impact of operational constraints on imperfections costs.

BGE Comment

BGE noted in their response that changes proposed in the Operational Policy Roadmap 2023-30 (and the TSO Imperfections & Constraints Multi-Year Plan 2023-2027) do highlight opportunities for some potential reductions to Imperfections Costs via operational policy changes. However, the actions needed to alleviate the infrastructure-based constraints imposed on the system by the physical network (current and new) or whether any consideration has been given to whether market-based or technical grid solutions exist to mitigate the challenges are not addressed by the TSO's Imperfections & Constraints Multi-Year Plan 2023-2027.

⁴ [Operational Policy Roadmap 2023-2030](#)

⁵ [General Publications \(sem-o.com\)](#)

⁶ [Synchronous-Area-Operational-Area-for-the-Ireland-and-Northern-Ireland-S....pdf \(eirgridgroup.com\)](#)

EirGrid Response

We have taken account for the detail in CRU/20/154, the options to be considered to remove a constraint, when developing the multi-year plan. We have included operational based measures for the 2023 plan as we believe these measures are most appropriate. In addition, we would note the extent to which infrastructure and market based elements are featured in the plans for the other PR5 incentives applicable to the TSO and the CRU's preference for the minimisation of double counting in the PR5 framework.

BGE Comments

With regard to achieving the overall intention of the Imperfections and Constraints, RES-E, Local Security of Supply and Renewable Dispatch Down incentives, BGE suggests that a single joined-up, strategic plan developed across the TSO projects to resolve existing and forecast grid issues including constraints be provided which should prioritise projects and be extremely clear on the problem(s) it will solve and the benefits of resolving the problem(s) from a consumer/ competition/ other perspective. BGE suggests that an expanded and forward-looking Transmission Development Plan (TDP) that is inclusive of all planned and projected network developmental changes up to 2030 could fill this role.

EirGrid Response

CRU/20/154 sets out the reporting requirements applicable to EirGrid as TSO for the duration of Price Review 5 (2021-2025), including a PR5 Quarterly Capex Report⁷, annual incentive specific and other reporting requirement to the CRU. Condition 8 of EirGrid's TSO licence⁸ sets out EirGrid TSO's obligations in relation to the drafting, consultation and regulatory approval of the Transmission Development Plan (TDP). The provisions of Regulation 8(6) of SI 445 of 2000 apply to any revisions of the TDP.

Consultations on the TDP are CRU-led⁹. Any modifications to the form or expansion of the scope of the TDP would have to be considered via that CRU-led consultation process. Opportunities for the streamlining of EirGrid TSO Price Review incentive reporting requirements will be considered via the process applicable to Price Review 6.

⁷ Please refer to [Network Delivery Portfolio \(NDP\) \(eirgridgroup.com\)](https://www.eirgridgroup.com) for more details

⁸ [TRANSMISSION SYSTEM OPERATOR LICENCE \(cru.ie\)](https://www.cru.ie)

⁹ The most recent of which is available at [CRU202320_CRU Consultation Paper on TDP 2023-2032.pdf \(divio-media.com\)](https://www.cru.ie)