

TSO Strategic Objectives

Multi-Year Plan 2023-2027

Consultation Response Paper

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1 Introduction

EirGrid as Transmission System Operator (TSO) published a consultation paper on 16 January 2023 seeking interested parties' views on the proposed structure of and approach to the TSO's Strategic Objectives multi-year incentives plan 2023-2027¹. The consultation remained open until 14 February 2023 and included the following consultation statement and question for consideration by stakeholders:

Stakeholders are invited to respond outlining their views on whether the proposed approach is aligned with the objectives of the TSO Strategic Objective Incentive per the PR5 Regulatory Framework set out in CRU/20/154.

EirGrid believes that consultation and engagement are core and essential business activities. They provide stakeholders with the opportunity to participate in a meaningful way and help us understand and address stakeholders' comments.

In the consultation document EirGrid outlined key deliverables for the 2023, 2024 and 2025 calendar years. The future years of this plan will be refined as part of the rolling annual submission of the multi-year incentive proposal.

This paper provides a detailed overview to the feedback received during the public consultation and EirGrid's response to the feedback received.

2 Background

The CRU PR5 Regulatory Framework, Incentives and Reporting (CRU/20/154)² Decision Paper contains direction and guidance to EirGrid as the TSO on incentives and reporting arrangements for the PR5 period, 2021-2025. The objective of the CRU's PR5 reporting and incentives, as per the Executive Summary of CRU/20/154, 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.

Further to this, as per Section 7.10 and Annex 11 of CRU/20/154, the CRU identified three key areas for consideration when proposing the TSO Strategic Incentives - facilitating a secure low carbon future; increasing efficiency and protecting customers; and anticipation of future investments. These objectives are strongly aligned to the EirGrid Group Strategy and to the initiatives and actions that we are now implementing to deliver it.

3 Consultation Feedback

We received two responses to the public consultation; we would like to thank both organisations for taking the time to respond to this consultation.

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

Some comments submitted related to matters outside the scope of the consultation. As a result, these comments have not been addressed in this consultation response document. Any feedback that is not within scope of this consultation will be channelled to the relevant areas of the business for consideration.

¹ [Strategic Objectives Multi-Year Plan 202-2027 Consultation Paper](#)

² [CRU/20/154, PR5 Regulatory Framework, Incentives and Reporting](#)

3.1 Bord Gáis Energy Feedback

BGE Feedback

BGE requested greater clarity through the year-on-year delivery milestones and measures of the Strategic Objectives for the Networks section on the projected progress of a centralised critical “priority projects” plan (‘grid plan’) for which EirGrid should be accountable. BGE further noted they need to see a path of delivery of grid development plans through 2026 to 2030, as well as the grid development plans beyond 2030 out to 2045, in a central grid plan with the priority projects earmarked in each year.

EirGrid Response

There are two key documents that EirGrid publishes which outline our plans for the development of the transmission grid and the progress of the implementation of those plans. The Transmission Development Plan (TDP) is published annually and reports on EirGrid’s development plan for the transmission system and the associated committed projects and projects under development for the enhancement of the Irish transmission network over the coming ten years.

The progress of these projects and work programmes that the TSO and TAO are implementing annually to deliver upon the 2030 targets are included in the TSO’s published Network Delivery Portfolio (NDP)³. The NDP is the most ambitious programme of works ever undertaken on the transmission system in Ireland. The NDP is published quarterly and the latest NDP includes 362 projects for completion from now until 2030, which will connect significant volumes of offshore and onshore wind, solar and conventional generation. This work will also reinforce the power system and implements the delivery of the projects contained in Shaping our Electricity Future (SoEF) to support the future economic and social development of our country. We note that we are continuously working to deliver improvements on our reporting and publications associated with the delivery of this ambitious programme of work.

Publication of the NDP forms part of our enhanced reporting obligation under CRU/20/154. In the context of including this in the Strategic Objectives multi-year plan we note that the delivery of infrastructure is more appropriately incentivised under the Investment Planning and Delivery (IPD) and Joint TSO/TAO incentives. The TSO also notes the comprehensive reporting framework which is in place for the PR5 period under CRU/20/154. This includes two annual publications, the Joint Annual Electricity Performance Report and the Investment Planning and Delivery Report. These reports include summary outturn performance relating to transmission programme and project delivery.

EirGrid agrees that the planning horizon should extend beyond 2030. To that end the next iteration of Tomorrows Energy Scenarios is under development and will form an integral part of how the power system evolves out to 2050. This will consider emissions projections, system adequacy, evolution of generation portfolio, demand forecasts etc.

BGE Feedback

BGE noted in their response that the Plan should outline the annual measures to deliver the expectations for PR5 up to 2025 as well as the measures preparing for beyond 2025 (such as increasing SNSP limits and growth in interconnection). BGE believe the current Plan is lacking the detail for 2024-25, with little identifiable transitional actions for PR6. BGE included in their response a number of suggested deliverables they believe should be included in the Plan.

EirGrid Response

The PR5 Strategic Objectives Multi-Year Plan is not intended to provide an overall reflection of our pathway to ensure the delivery of the 2030 (and beyond) climate action targets. This reporting incentive was put in place by the CRU in 2020 in the context of twelve other incentives that EirGrid is required to report on, all

³ [Network Delivery Portfolio](#)

of which contribute to meeting the climate ambitions of Ireland whilst also fulfilling other aspects of our role as the transmission system operator.

This multi-year plan should be considered in the context of all of the incentives, but it should also be noted that these incentives are specific and are in addition to a whole range of other activities and publications that are undertaken by EirGrid.

In particular, since the PR5 incentives were put in place EirGrid has developed Shaping Our Electricity Future (SoEF) which is referenced in this multi-year plan.

SoEF provides a more holistic view of EirGrid's markets, networks, operations and engagement workstreams that are being progressed to meet our 2030 targets and beyond. As outlined in the PR5 Strategic Objectives Multi-Year Plan 2023-2027 consultation document, SoEF is being updated to reflect the increased ambitions outlined in CAP 2023 in particular with respect to the significant increase in onshore wind and solar targets that are outlined therein. The updated SoEF version 1.1 will be published during 2023 and the Strategic Objectives 2024-2028 multi-year plan will reflect the updated detail. It was not possible to include these measures in the 2023-2027 multi-year plan as the SoEF version 1.1 analysis was not complete at time of finalisation of the plan.

BGE included a number of proposed market deliverables in their response, EirGrid have considered these and are of the view the deliverables included already in the plan align with the objective of this incentive, as set out in CRU/20/154.

Other key publications, all which have their own specific function and some with a specific target audience are as follows:

- [Ten Year Network Development Plan 2021-2030](#) (published annually)
- [Network Delivery Portfolio](#) (published quarterly)
- [Transmission Forecast Statement](#) (published annually)
- [Generation Capacity Statement](#) (published annually)

BGE Feedback

BGE outlined in their response that they believed the plan is not reflecting detail of the actions needed from the TSO to demonstrate the cooperation with the DSO to develop demand side response at a transmission level and determine how a) the two transmission and distribution system volumes around demand side response will interact and b) distribution level participants will participant in joint transmission/ distribution demand side management.

EirGrid Response

EirGrid and ESB Networks have developed and are working to a joint TSO-DSO multi-year work plan, the latest version of which has been recently consulted on (see [here](#)). In particular, the TSO and DSO are working together with the aim of developing a future operating model which would include aspects of how demand side response would work and interact between distribution and transmission systems; this also involves co-ordinating on Pilots. In addition to this, EirGrid and ESB Networks are currently developing a joint Residential Demand Side (ResDem) Roadmap, which intends to look at how residential demand response could be developed in the future.

BGE Feedback

BGE included in their response for the TSO to provide indicative milestones in the Plan as to the earliest availability of annual and long-term forecasts of system services needs for the Future Arrangements for System Services (FASS). BGE believe that the Plan should include the multi-year milestones for delivery of the FASS to the market based on the last known requirements set out for the market.

EirGrid Response

The SEM Committee has published a consultation paper seeking views on the Phased Implementation Roadmap for the Implementation of the System Services High Level Design⁴. The consultation is open until August 2023. As noted in the multi-year plan, we will submit a full implementation plan for Future Arrangements for System Services (FASS) to the RAs one quarter after both receipt of detailed decisions regarding programme from the RAs and RAs confirmation of funding provision.

BGE Feedback

BGE asked the TSO to include within the Plan investment signals to the market for the development and deployment of Long Duration Storage (4 hours+) batteries (LDS).

EirGrid Response

There is significant work on-going in relation to long duration storage and including analysis that was part of SoEF version 1.1 and as such was not appropriate to include in the 2023-2027 multi-year plan. We will take this feedback into consideration in the development of our 2024-2028 multi-year plan.

BGE Feedback

NGE noted in their response that Plans can change year to year but they ask the TSO for increased stakeholder engagement on market design attributes that are needed to deliver on strategic aims and bottom out on necessary design changes in 2023.

BGE also asked for more detail, measures, and targets for the interim steps before 2025 for integration of SEM into the European system later in the decade including scoping the changes related to integrating the intraday and balancing markets.

EirGrid Response

The SoEF Advisory Council Meetings are the key engagement forum for our strategic market aims in SoEF including the design changes in the market. We will continue to review our approach to our engagement in this regard and may adopt additional measures where appropriate as our work in this area evolves.

The Reintegration with the EU and GB markets is progressing, and industry will be briefed on the detailed scope of work over the course of 2023. This matter has already been discussed at the SoEF Advisory Council on a number of occasions.

BGE Feedback

BGE requested clarification re the intention of the deliverable “Alignment of onshore and offshore RESS Terms and Conditions to achieve CAP targets”.

EirGrid Response

The RESS Terms and Conditions are led and published by the Department for the Environment, Climate and Communications (DECC). This milestone is included in the Strategic Objectives Multi-Year Plan as EirGrid play a significant role in supporting and implementing this policy.

⁴ [SEM-23-043, Phased Implementation Roadmap for the System Services High Level Design](#)

BGE Feedback

In relation to capacity market alignment with a high-RES world and system requirements, BGE strongly support this aim but believe it should be a deliverable in 2023. BGE noted, capacity mechanisms need to signal the need for net-zero-carbon flexible capacity, while also signalling continued investments in existing efficient low carbon units instrumental for the decarbonisation transition given their criticality to ensuring security of supply.

EirGrid Response

The long-term changes to the capacity market is not work that can be concluded in 2023 and therefore we consider this deliverable is accurately reflected in the multi-year plan as a multi-year deliverable.

BGE Feedback

BGE noted in their response that given the strategic role of demand side management in facilitating renewables and enabling consumers manage consumption and costs, BGE ask for a clear KPI in 2023 on the TSO to clarify what the plan / roadmap is for them and the DSO in terms of the interaction of the transmission and distribution systems for demand side response.

EirGrid Response

Work between the TSO and DSO on the future operating model is ongoing with the aim of developing the most appropriate model for how the combined TSO and DSO requirements will be managed and how the System Operators will co-ordinate on them, including for demand side response services provided to the TSO. There are current processes in place for applying the DSO requirements to units providing TSO services, including instruction sets for DSUs. There is a trial planned on an enhanced process for instruction sets, and work on the future operating model will also be relevant. These are outlined in the latest TSO-DSO Multi-Year Plan which was consulted on earlier this year⁵.

3.2 ESB Generation Trading Feedback

ESB GT Feedback

ESB GT 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.

EirGrid Response

Recent changes in policy related to sectoral emission ceilings in 2022 and the significant changes to government's 2030 targets published in CAP23 have pushed out detailed planning for the new targets. These plans could not be completed until our analysis of the impact of the new targets has been completed and as such the timing of the publication of the Strategic Objectives Multi-Year Plan was such that there was a lack of clarity across many of our workstreams. We note that each of the milestones that is outlined in our multi-year plan has been mapped back to one or more of the CRU's PR5 Strategic Objectives - facilitating a secure, low-carbon future, increasing efficiency and protecting customers and anticipation of future investments and an explanation of this mapping has been provided in the text. EirGrid note the observation made and will take the feedback on board for the development of the Strategic Objectives Multi-Year Plan 2024-2028.

⁵ [DSO/TSO Multi-Year Plan 2023-2027](#)

ESB GT Feedback

ESB GT noted 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. ESB GT further noted, 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.

EirGrid Response

The design and programme plan referred to in the milestone are the "Functional Explanation of the Proposed Treatment of Variable Non-Priority Dispatch Renewable Units" submitted to the regulatory authorities in March 2023 and "SDP Phase 2 Funding Application" submitted to the regulatory authorities in April 2023. The milestone will be considered complete when these documents are approved by the regulatory authorities. The approval of the design and programme plan will enable the SDP programme to progress into the next phase of delivery. During the next phase we will be engaging with our system vendors to further refine the design and implementation plan. Engagement will continue with industry through this process and stakeholders will be kept fully briefed.

The scheduling and dispatch programme contributes to the objectives set by the CRU for the TSO in PR5 of:

- a) Increasing efficiency and protecting customers through initiatives such as "Synchronous condenser scheduling and dispatch" which will provide for increased levels of instantaneous renewable generation. "Fast frequency response" and "Scheduling and dispatch of reserve services" will allow the TSOs to realise the full value of reserves provided by generators which may lead to more efficient market outcomes.
- b) Anticipation of future investments through initiatives such as "Energy Storage Power Station (ESPS) integration" which will allow market participants to realise greater value from battery resources. "Wind dispatchability improvements" will allow for more equitable outcomes across wind and solar outcomes and "Operation of non-priority dispatch renewables" will give participants greater autonomy over their market outcomes thereby supporting credible investment paths for industry.

ESB GT Feedback

ESB GT noted in their response in relation to the phasing of the FASS, that it's unclear if the deliverables are the final design of each Phase or actual delivery of daily auctions, fixed term contract and new services. 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. ESB GT noted a holistic approach to the FASS design is necessary and the current plan in the multi-year plan should reflect such approach.

EirGrid Response

The SEM Committee has published a consultation paper seeking views on the Phased Implementation Roadmap for the implementation of the System Services High Level Design⁶. The consultation is open until August 2023. As noted in the multi-year plan, we will submit full an implementation plan for Future Arrangements for System Services (FASS) to the RAs one quarter after both receipt of detailed decisions regarding programme from the RAs and RAs confirmation of funding provision.

ESB GT Feedback

ESB GT noted in their response they acknowledge that the Network tariff review has been marked as RA dependent, however they have requested for clarity be provided on what "market deliverables for 2023" means. ESB GT noted it's unclear what this objective is and what the key deliverables are.

⁶ [SEM-23-043, Phased Implementation Roadmap for the System Services High Level Design](#)

EirGrid Response

EirGrid and ESB Networks are currently engaging with the CRU re the elements of this review which could be worked on and/or completed during the remainder of 2023 and the applicable timelines. The market deliverables referred to include the scenarios and modelling for use in the CRU's network tariff review.

ESB GT Feedback

With regards to the alignment of onshore and offshore RESS, ESB GT noted that 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.

EirGrid Response

The RESS Terms and Conditions are lead and published by the Department for the Environment, Climate and Communications (DECC). This milestone is included in the Strategic Objectives Multi-Year Plan as EirGrid play a significant role in supporting and implementing this policy.

ESB GT Feedback

In relation to 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."

EirGrid Response

The Reintegration with the EU and GB markets is progressing, and industry will be briefed on the detailed scope of work over the course of 2023. This matter has already been discussed at the SoEF Advisory Council on a number of occasions.

ESB GT Feedback

In relation to Flexible Networks Strategy, ESB GT noted that this programme will have implications for the grid and how supply and demand meet and EirGrid should outline what it considers to be the key deliverables and milestones of this project.

EirGrid Response

Through SoEF published in November 2021 EirGrid and SONI identified the need for multiple flexible network devices in Ireland and Northern Ireland. These are now being progressed through the relevant grid development frameworks of EirGrid and SONI. Separately, a horizon scan of other non-network approaches is planned for 2023 - this will ensure EirGrid and SONI are abreast of best practice internationally and can incorporate these as appropriate into how we plan the power system. Key deliverables include the delivery of appropriate technical specifications, markets, operations and IT policies and platforms.