



2022 APR and IPD

Summary of Responses to Consultation

11th October 2023

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 2022 Annual Electricity Transmission Performance Report (APR) and Draft 2022 Investment Planning and Delivery Report (IPD) which ran from 18 August 2023 to 15 September 2023. Each year, these reports provide customers, industry participants and other interested parties with a clear, accessible, comprehensive, quantified but non-technical account of performance in the preceding year.

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.

2. Background

The Commission for Regulation of Utilities (CRU) decision paper [PR5 Regulatory Framework, Incentives and Reporting](#) (CRU20/154) sets out the requirement for the TSO and TAO to publish the APR and IPD on an annual basis for the PR5 period, 2021 to 2025.

The TSO and TAO are required to jointly prepare and publish a summary report, the APR, 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.

The TSO and TAO are required to jointly prepare an annual capex report, the IPD, a high-level summary report designed 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 APR. In developing the 2021 reports, the TSO and TAO were cognisant of this requirement and the criteria set out in Annex 2 of CRU/20/154.

3. Related Documents

Documents published as part of this consultation -

- [Draft 2022 Annual Electricity Transmission Performance Report](#)
- [Draft 2022 Investment Planning and Delivery Report](#)

Final reports for 2021 -

- [2021 Annual Electricity Transmission Performance Report](#)
- [2021 Investment Planning and Delivery Report](#)

Relevant CRU decision paper -

- [CRU20/154 - PR5 Regulatory Framework, Incentives and Reporting](#)

4. Responses to the consultation

The TSO and TAO received one submission from Energia in response to the consultation. We would like to thank Energia for their response.

Having reviewed the consultation response received in detail, the TSO and TAO do not propose to make additional changes to the current draft of the APR and IPD for 2022. However, the feedback has been shared with the relevant business units in EirGrid and ESB Networks and will be considered for future reporting.

The following consultation question was asked:

- *With respect to the draft reports, are there areas within the report that you feel require more detailed information?*

A number of the items raised are outside of the scope of this consultation and as a result are not responded to in this document, as noted at the time of the consultation. The APR and IPD provide a lookback of the TSO and TAO's performance in the prior calendar year within the context of the extant regulatory framework and arrangements. The intention of the reports is not to provide a detailed plan of how the various objectives of the TSO and TAO will be met in the future. 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 and we would encourage interested parties to continue to engage in those consultations.

We set out below our responses to those comments which are in scope.

Comments received

4.1 ECP

Energia would welcome additional clarity in relation to why the outturn performance result for delivering new ECP connections in 2022 remains 'TBC'. Energia's assumption would have been that ECP offers for 2022 have been both issued and accepted at this stage of the year. Additionally, Table 13 states that 11 offers to new generators were issued in 2022. Does this amount align with ECP, or were these offers given separate to the ECP process?

Response

As part of PR5 Reporting and Incentives, the TSO is required to "Issue connection offers to all applicants in the 2022 ECP Batch" and report the outcome of this incentive to the CRU within 3 months of when the last connection offer is issued. Due to the timing of the issuance of one remaining connection offer, it is not yet known what the outturn performance for the ECP incentive is for 2022. A footnote is included in the APR to inform stakeholders that details of the outturn performance for 2022 will be confirmed in the 2023 APR.

4.2 TAO performance

The 'TAO Project Delivery Incentive' and 'TAO Management of planned outages' metric performance suggests that all planned works in 2022 were completed. Yet, as discussed further below, the delivery of two Associated Transmission Reinforcements is significantly below the target. This suggests that the outages for these reinforcements are not being included in outage plans, or the TAO Project Delivery balanced scorecard. Table 3 of the Draft Annual Electricity Report shows that the TAO are delivering on the IA milestones, indicating that the issue is during the delivery phase.

Energia would thus suggest that further work is undertaken to uncover ways by which outage durations can be reduced, possibly by benchmarking off previous years for standard work activities, rather than via the current 3-week lookahead procedure. Innovations that allow work to be completed in a more efficient and safe manner should likewise be incentivised.

Response

The TAO Project Delivery Incentive is targeted to incentivise TAO to complete the full value of the investment budgeted for completion within the annual work plan. Where factors outside the control of TAO arise during the work plan period, TAO diverts resources where possible to other projects to maintain the level of output and investment. This incentive does not target specific projects. However, if a project listed for completion in the annual workplan does not progress, then specific explanations are provided to CRU and confirmed via external audit where these reasons occurred beyond the control of TAO.

A key aspect for including a project in the annual work plan is the availability of an outage to complete the work. TSO manages outages in line with system operation and system security requirements. TAO and TSO work closely together to maximise the number and priority of projects that can be accommodated within the annual work plan. Substantial efforts and processes are in place to optimise outage availability while also managing project interdependencies in line with TSO prioritisation and system operation guidelines. Part of this work involves examining all outage requests, work methods and timelines to complete work in the most efficient and safe manner.

The TAO Management of Planned Outages incentive measures how effectively TAO completes the outage work by measuring the scheduled days versus the actual outcome days. There are also further incentive measures for TAO and TSO promoting both joint innovation and process improvement initiatives to optimise the Transmission Outage Programme (TOP). These are reported separately within the Annual Performance Report and the Investment Planning and Delivery Report.

4.2 Project Delivery

The Investment Planning Report (2.5) states that two ATRs were delivered in 2022 (€78m underspent). This is a major concern for the delivery of the CAP 23 objectives, noting the large number of grid upgrades that have been identified in SOEF. Substantial grid upgrades will be needed to tackle the expected worsening of constraints and oversupply as we approach 2030 and the present rate of delivery will clearly need to be accelerated.

While there is an assumption that this will 'ramp up significantly in the period 2023-2025', section 11.3 states that the 'ability to provide outages is not expected to improve in future years, which is concerning.

Given the significance of the SOEF roadmap, improved and timely reporting on the status of grid upgrades will ensure that slippages are known early, so that key project delays can be explored and potentially avoided.

It is noted that EirGrid are carrying out an international benchmark on the delivery of complex transmission outages. This is welcomed and industry will be very keen to support as this develops. A reporting tool that benchmarks and clearly presents the current target date of delivery (at each of the 6 steps) against that assumed at the concept or Capital Approval stage is recommended. The knock-on impact of reinforcement delivery delays through later outage plans is significant, and as a result improved reporting and governance will ensure that this risk is reduced.

Response

The TSO publishes its Network Delivery Portfolio (NDP) on its website on a quarterly basis as part system in Ireland. The NDP includes the projects for completion from now until 2030, which will connect significant volumes of offshore and onshore wind, solar and conventional generation. Detailed progress on the delivery of the specific projects required for PR5 and towards 2030 (PR6) is reported on a quarterly basis in the in NDP. The NDP outlines how all required approved projects of the enhanced PR5 reporting obligations under CRU/20/154 are progressing towards their energisation dates. The NDP is the most ambitious programme of works ever undertaken on the transmission system in Ireland. All candidate reinforcements identified as part of Shaping Our Electricity Future v1.1 will enter EirGrid's Framework for Grid Development process and will be reported in future NDP publications.

The availability of sufficient outages and the utilisation of these outages is a fundamental part of the programme of works for delivering network reinforcements. This is a key constraint that must be managed both before and during project delivery. As noted by the respondent, there is currently a significant challenge in facilitating the outages required out to 2030. In order to mitigate this, a fundamental review of outage processes and methodologies is underway including an international review of best practises for outage management.

The Outage Transformation programme will enable the improvement of availability and utilisation of transmission outages as well as improving the management and prioritisation of the portfolio of projects required to deliver the required networks enhancements over the coming years. Improved forecasting will be a result of the programme allowing for the appropriate application of required resources to accommodate the volume of work over the coming years. It is anticipated that projects/programmes in the outage season of 2025 will yield the significant benefits of this programme. In the meantime, EirGrid and ESB Networks will continue to work closely to deliver the outage programme and in turn the grid delivery programme as effectively and efficiently as possible.

5. Next Steps

EirGrid and ESB Networks have considered the consultation response received and no additional changes have been made to the draft 2022 APR or IPD since published for consultation. The final versions of the 2022 APR and IPD have been provided to CRU for approval together with this consultation response document.