EirGrid Stakeholder Engagement Plan 2023

Consultation Response Paper

May 2023



The Oval, 160 Shelbourne Road, Ballsbridge, Dublin D04 FW28 Telephone: +353 1 677 1700 | www.eirgrid.ie

Contents		2
1	Introduction	3
2	Feedback and EirGrid Responses	4
2.1	Overall Commentary from Contributors	4
2.2	Themes and Areas of Feedback	5
2.2.1	Clean Energy Package and Scheduling and Dispatch Project	5
2.2.2	Capacity Market	6
2.2.3	System Services	6
2.2.4	Grid Application and Offer Process	7
3	Conclusion	8
4	References	9

COPYRIGHT © EirGrid

All rights reserved. No part of this work may be modified or reproduced or copied in any form or by means - graphic, electronic or mechanical, including photocopying, recording, taping or information and retrieval system, or used for any purpose other than its designated purpose, without the written permission of EirGrid.

1 Introduction

EirGrid's Draft Stakeholder Engagement Plan 2023¹ outlines our commitment to continued and enhanced engagement with a wide range of stakeholders, from customers and industry to statutory and state bodies. We also talk to stakeholders more broadly in academia, business, community and environmental organisations, alongside engaging with the wider public. EirGrid, as electricity transmission system operator for Ireland, is committed to working with stakeholders in order to continuously improve communication and engagement.

On the 20th of February 2023, EirGrid published its Draft Stakeholder Engagement Plan 2023 and it became available for viewing and consultation on the EirGrid website. Stakeholders were then invited to submit their consultation responses via the EirGrid Consultation Portal. The portal was open until the 20th of March 2023, when the consultation period ended. This document, the Consultation Response Paper, details EirGrid's response to consultation responses received via the consultation process.

Thank you to those who responded to this consultation. Relevant feedback that was not incorporated in our Stakeholder Engagement Plan 2023 has been noted and will be considered for our future plans, where appropriate, as we continue to enhance our engagement.

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

Formal feedback via the EirGrid consultation portal was received from the following three organisations:

- ESB Generation and Trading
- Lumcloon Energy Limited
- Energy Storage Ireland

EirGrid thanks the contributors for their comments and respected feedback.

¹ EirGrid's Draft Stakeholder Engagement Plan 2023

2 Feedback and EirGrid Responses

As part of the consultation process in relation to the Draft Stakeholder Engagement Plan 2023, EirGrid posed the following questions for stakeholders to consider:

1) Do you have any feedback on our Stakeholder Engagement Plan 2023?

2) Would you like to see any further information covered in future EirGrid Stakeholder Engagement Plans?

3) Do you have any view on the direction EirGrid's Stakeholder Engagement should be going in the coming years?

All of the submissions received welcomed the opportunity to give feedback on the Draft Stakeholder Engagement Plan 2023 and the overall collaborative nature of the process.

2.1 Overall Commentary from Contributors

EirGrid welcomes the support from stakeholders in our continued engagement with a wide range of groups and organisations. Consultation on stakeholder engagement forms a vital part of the process. Extracts from consultation responses received which are positive in nature are set out below.

ESB Generation and Trading (ESB GT) welcomed the opportunity for consultation on the Draft Stakeholder Engagement Plan 2023 and noted the following:

"ESB GT believes this consultation is a positive step towards providing EirGrid with an opportunity to actively encourage collaboration with their stakeholders to develop solutions and new approaches together".

"ESB GT believes this engagement plan consultation paper allows stakeholders the opportunities to feedback and 'influence EirGrid's decisions in different ways'".

"At a high level, ESB GT are supportive of greater and earlier engagement as this coupled with clarity on decisions and direction of travel on EirGrid policy will reduce risk to developers and reduce cost to consumers".

ESB GT notes that it's through a plan like this one that stakeholders can provide feedback, influence EirGrid's decisions and "have confidence that EirGrid decisions are based on sound justification and are backed by evidence".

Energy Storage Ireland (ESI) also welcomed the opportunity to provide commentary on the Draft Stakeholder Engagement Plan 2023:

"We would like to thank EirGrid for the opportunity to provide feedback on the draft Stakeholder Engagement Plan for 2023."

"We appreciate the opportunities we have had to engage with EirGrid in 2022 and we look forward to continued engagement in 2023."

Lumcloon Energy Limited (LEL) provided the following positive response regarding both the Draft Stakeholder Engagement Plan 2023 and their continued collaboration with EirGrid:

"Lumcloon Energy Limited (LEL) would like to thank EirGrid for providing stakeholders the opportunity to comment on their recently issued *Stakeholder Engagement Plan*. The Engagement Plan provides a valuable window into the organisation's priorities and timeline for forthcoming events and publications. We soundly

support the issues EirGrid has emphasized in its plan such as offshore wind and the security of supply, including long term capacity needs and capacity market monitoring.

As a specialist in project delivery for grid system services, LEL appreciates the helpful and cooperative role EirGrid has played in Ireland's deployment of projects to ensure the security of supply to customers. Only by working together can we address the challenges of ensuring a stable, low carbon power supply and meet Ireland's goals for renewable energy, guaranteeing needed capacity, and creating a market that works for all stakeholders.

We look forward to continuing our strong collaborative efforts and remain open to discussion and engagement with EirGrid in the future."

2.2 Themes and Areas of Feedback

Consultation responses received relating to the Draft Stakeholder Engagement Plan 2023, commented on a range of areas including:

- Clean Energy Package and Scheduling and Dispatch Project
- Capacity Market
- System Services
- Grid Application and Offer Process

Consultee comments are provided below, followed by EirGrid's response to each comment.

2.2.1 Clean Energy Package and Scheduling and Dispatch Project

Consultee Comment

ESB GT:

"Implementation of Clean Energy Package and Scheduling & Dispatch Project

- The impact of the SEMC decision on the Clean Energy Package Art 12² will be crucial to many stakeholders. From the previous workshop on the Scheduling and Dispatch Project the complications for the TSOs to implement the SEMC decision was identified. Greater and regular engagement is needed to ensure all stakeholders are able to quantify this risk when building business cases and participating in upcoming auctions or construction of awarded assets.
- Additional to the implementation of the Clean Energy Package Art 12, greater engagement on the IT issues preventing new technologies is required. For example, control centre operational restrictions for Batteries and negative Physical Notifications, scheduling and dispatching of synchronous condensers, and improving wind dispatching".

EirGrid Response

The scope of the Scheduling and Dispatch Programme covers elements of the Clean Energy Package and related SEMC decisions on variable non-priority dispatch renewables, along with other issues such as the treatment of battery storage, the integration of synchronous condensers and an enduring solution for the integration of reserve services in power system operations.

The Scheduling and Dispatch Programme was initiated in 2022 and Phase 1 (Analysis and Planning) of the Programme concluded in Q1 2023. Phase 2 (Detailed Requirements and Design) commenced in Q2 2023 and

² <u>https://sem.committee.com/publications/sem-22-009-decision-paper-dispatch-redispatch-and-compensation-persuant-regulation-eu</u>

is currently underway. Phase 2 will focus on detailed solution design and timelines for the delivery of each of the Scheduling and Dispatch initiatives will be defined as part of this process. Stakeholders will be kept updated on progress throughout Phase 2, with stakeholders updated as the detailed design progresses.

2.2.2 Capacity Market

Consultee Comment

ESB GT:

"Over the last number of capacity auctions a recurring trend is being experienced where the sum of the Locational Capacity Constraint Areas (LCCA) are the sole variable for determining the total amount of capacity to be bought. It is now the LCCA that is the true signal to the market of how much capacity is needed and where it is required. However, the LCCA values are only provided two weeks before the auction. This has the effect of (1) it is too late for stakeholders to respond to and (2) it could result in wasted allocation of resources by stakeholders as maximum and minimum LCCAs would render their qualified projects unable to clear. ESB GT believes greater engagement with stakeholders on (1) how the LCCA values are determined, (2) what metric will determine when to remove a LCCAs (as incentivised in the PR5 Local Dublin Security of Supply), and (3) the timing of when LCCA valued are announced".

EirGrid Response:

Regarding the request that there be greater engagement on the process for determining the Locational Capacity Constraint quantities so that interested parties are better able to tailor their proposals to the needs of the Capacity Auction, please note that the process for calculating and publishing these values is prescribed under the Capacity Market Code and in the various methodologies approved by the Regulatory Authorities (RAs).

Participants are encouraged to bring forward any proposals in respect of these requirements through the Capacity Market Code Modifications Process and the System Operators would be happy to engage further via this process. Alternatively, Participants may wish to raise the matter directly with the RAs, who are ultimately responsible for deciding on any changes in this regard.

2.2.3 System Services

Consultee Comments

ESB GT:

"Future Arrangements for System Services

• The plan for 2023 is to hold a T-4 CY26/27 (March) and T-4 CY27/28 (October). In this CRM process it is vital for participants to have some confidence in what the system service arrangements may be for the relevant capacity year in order for them to reasonably reflect potential system service revenues. A hiatus on engagement on the enduring Future Arrangements for System Services may cause unintended consequences in these capacity years. Therefore, ESB GT believes the 2023 engagement plan should entail greater detail on the enduring arrangements for System Services".

Energy Storage Ireland:

"We would also encourage EirGrid to focus further on system services future arrangements as part of their engagement plans going forward. It has been signalled that the best case implementation date for the future arrangements is October 2025. The current arrangements that were implemented in 2017 initially had an April 2023 end date, and the expenditure cap was designed for 2020 system needs. Investment assumptions

were based on the new arrangements being in place by 2023, with access to new products and services, as well as energy markets in the case of storage, supported by increased expenditure on system services needed to deliver 2030 goals. In order to encourage investment and help Ireland reach our 2030 targets, continued engagement around future arrangements is crucial, as uncertainty regarding future arrangements is a big risk for investment".

EirGrid Response:

EirGrid and SONI have been working with our partners to develop a proposal for enduring future arrangements for system services. Following a presentation at the RAs' November 2022 industry workshop, bilateral TSO/industry engagement took place in January 2023, to gather industry feedback. The enduring arrangements proposals were updated following this, in order to draft a TSO recommendations paper. In early February 2023, the RAs proposed that interim arrangements for system services would be put in place in advance of enduring arrangements and the RAs asked the TSOs to evaluate their proposals.

An intensive period of TSO/RA engagement followed during February and March 2023, exclusively focused on the RAs' interim arrangements proposals. As presented by CRU at the Shaping our Electricity Future (SoEF) Advisory Council meeting on March 28th, the RAs intend to issue a consultation paper on future arrangements, which is expected to be published in June 2023. It is our understanding that the SEM Committee (SEMC) will hold an 8-week consultation following the paper's publication. We welcome further engagement with industry to develop the future arrangements for system services proposals, while being cognisant of aligning with the SEMC's consultation plans.

2.2.4 Grid Application and Offer Process

Consultee Comment

Energy Storage Ireland:

"While the stakeholder engagement plan covers a high-level overview of how EirGrid engages with industry, it would be beneficial for it to also contain further detail on engagement that is necessary throughout different stages of the grid application and offer process. Further insight on the decision-making process for grid offers would also be helpful in allowing developers to plan as efficiently as possible. It should be ensured that energy storage can access the grid as a flexible asset."

EirGrid Response:

EirGrid's <u>Guide for New Customers</u> provides further information to prospective customers which may be useful or relevant. This document is due to be updated later in 2023.

- As stated in the Stakeholder Engagement Plan 2023, potential applicants can attend one of our monthly Customer Clinics held by EirGrid to discuss their proposed projects with a team of EirGrid SMEs.
- Thereafter, they may elect to submit an application and, if successful, are assigned a single dedicated point of contact (known as an Offer Owner).
- The Offer Owner is available to the applicant to assist with any queries they may have on any aspects of their application or the offer process in general (within reason), until such a time as their offer has been issued and executed.
- After this stage, a new point of contact, the Project Manager responsible for delivery of the project, will be appointed.
- With regard to specific engagement during the offer process, the main formal engagement will be a connection method meeting (if required) between the EirGrid and the applicant, at which specifics

of the proposed project can be discussed and after which EirGrid will proceed to prepare/issue the offer.

• The Enhanced Customer Journey Section of the Stakeholder Engagement Plan 2023 references the monthly Customer Clinics referred to above. EirGrid has updated the Stakeholder Engagement Plan 2023 to include reference to EirGrid's <u>Guide for New Customers</u> which provides further information to prospective customers which may be useful or relevant. It is considered optimal to cross refer to this separate document rather than expand the Plan itself to include this additional detail.

3 Conclusion

EirGrid thanks all those who responded to this consultation, which was specifically to receive feedback on our stakeholder engagement plans for 2023 as set out in the Draft Stakeholder Engagement Plan 2023.

Following consideration of consultation responses received in relation to both the Stakeholder Engagement Report 2022 and the Stakeholder Engagement Plan 2023, please note that EirGrid has updated its Stakeholder Engagement Plan 2023 as follows -

- Text added to Enhanced Customer Journey section referencing EirGrid's Guide for New Customers.
- Text added referencing EirGrid's commitment to review the operation of its consultation portal in 2023 with a view to enhancing the portal's efficiency and ensuring appropriate visibility of consultation responses received.³

³ Following consideration of BGE's consultation response regarding the Stakeholder Engagement Report 2022.

4 References

EirGrid Guide for New Customers (Ireland)

2018_19-Customer-Guide.pdf (eirgridgroup.com)

EirGrid Draft Stakeholder Engagement Plan 2023

https://www.eirgridgroup.com/site-files/library/EirGrid/18273-EIRG-Stakeholder-Engagement-Plan-2023-WIP-Online_V5.pdf