
2021 Transmission APR and IPD Summary of Responses to Consultation

23 December 2021

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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 2021 Annual Electricity Transmission Performance Report (APR)¹ and Draft 2021 Investment Planning and Delivery Report (IPD)² which ran from 08 November 2022 to 07 December 2022. 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

In December 2020, following consultation with industry, the Commission for Regulation of Utilities (CRU) published a decision paper, [PR5 Regulatory Framework, Incentives and Reporting](#) (CRU/20/154). Via this decision, the CRU decided to retain the PR4 requirement for the TSO and TAO to publish the APR and IPD on an annual basis for PR5.

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.

¹ <https://www.eirgridgroup.com/site-files/library/EirGrid/Draft-Annual-Electricity-Transmission-Performance-Report-2021.pdf>

² <https://www.eirgridgroup.com/site-files/library/EirGrid/Draft-Investment-Planning-and-Delivery-Report-2021.pdf>

3. Related Documents

Documents published as part of this consultation -

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

Final reports for 2020 -

- [2020 Annual Electricity Transmission Performance Report](#)
- [2020 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 two submissions in response to the consultation. These were from:

- Bord Gáis Energy (BGE)
- EDF Renewables Ireland (EDF)

We would like to thank the parties for their responses. Having reviewed the consultation responses received in detail, the TSO and TAO do not propose to make any changes to the current draft of the APR and IPD for 2021.

In the consultation notification email and on the EirGrid Consultation Portal, we asked the following questions:

- *[Are there areas within the Draft Annual Electricity Transmission Performance Report 2021 that you feel require more detailed information?](#)*
- *[Are there areas within the Draft Investment Planning and Delivery Report 2021 that you feel require more detailed information?](#)*

A number of the items raised by the respondents are outside of the scope of this consultation and as a result are not responded to in this document, consistent with the detail included in the consultation notification email and on the EirGrid Consultation Portal to that effect. The APR and IPD reports provide clear, accessible and non-technical information, looking back at 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.

Requests for more detailed information on certain incentives and the framework underpinning them were included in the consultation responses received. The Network Companies' proposals for 2021 for each PR5 non-numeric incentive (i.e. where there was a requirement to develop a plan) were devised in January and February 2021, as per the CRU's timelines set out in [CRU/20/154 PR5 Regulatory Framework, Incentives and Reporting Decision Paper](#), published in December 2020, with

the CRU's decision [CRU202226](#) on the PR5 2021 Balance Scorecards published in March 2022. The 2021 plans were 12 months in duration and due to the applicable time constraints, were relatively concise. As per CRU/20/154, the Network Companies' proposals for 2021 were not consulted on. The TSO and TAO's proposals for 2021 were set out in detail in the draft APR and IPD for 2021. With respect to 2022 onwards, the TAO and TSO publicly consult on the PR5 Multi Year Plans where required annually and we consider this to be the more appropriate mechanism for such engagement/expression of views by interested parties. We would encourage interested parties to continue to engage in those consultations.

One respondent also noted that the CRU had planned on delivering an updated enduring PR5 Implementation User Guide in early in 2022 and requested this be provided urgently. While this request is not within the scope of the APR and IPD consultation, we will inform the CRU about the feedback received. It is our understanding that the CRU's work on the PR5 Implementation User Guide is ongoing.

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

Comments received

4.1 Imperfections

One respondent called for the APR to include focused reporting on the main constraints that impact the imperfections charge and what actions are being taken to address these constraints. They feel that constraint costs should be shown by constraint area on an annual basis with prior year figures included to demonstrate progress.

Response

For PR5, the CRU introduced an incentive to promote TSO actions to mitigate and reduce imperfection costs. This incentive requires the TSO to establish a set of planned measures to reduce imperfection costs over the PR5 period. The TSO acknowledges that removing constraints is essential to facilitate the achievement of future targets. The Operational Policy Roadmap¹ has been developed which sets out the plan to remove constraints.

With regard to the request that constraint costs be shown by constraint area on an annual basis with prior year figures included to demonstrate progress, please note that as stated in the "How we manage constraint costs" section of the 2021 APR, conclusion of the applicable quantitative methodology for estimating imperfection cost forecasts and subsequent cost reductions remains outstanding. A draft methodology was shared with the CRU in early 2022. It was agreed that further CRU/EirGrid engagement was required prior to finalisation. Conclusion of the requisite CRU/EirGrid engagement remains outstanding². On conclusion of this engagement and CRU/EirGrid agreement

¹ [Operational Policy Roadmap 2022-2023](#)

² As per Footnotes 9 and 10 in Section 8 re Imperfections and Constraints of the CRU's [CRU2022989-Balanced-Scorecard-2022-Information-Paper.pdf](#) published in December 2022, for 2022 "The TSO will be required to set out the methodology used when estimating annual costs of the constraint. This should form part of the TSO outturn submission and will subsequently reviewed by the CRU."

regarding the applicable quantitative methodology, EirGrid will consider if it will be appropriate to expand the content of future iterations of the APR to include this detail.

4.2 RES-E

One respondent noted that the RES-E target for 2021 had not been reached and as a result, no incentive was awarded. The respondent requested that the TSO/TAO flag to industry either as an addendum to the report or within the report itself, if and how they believe the RES-E targets will be achieved by 2030 as set out in the Climate Action Plan.

Response

As noted in the APR, 2021 was an exceptionally low wind year. In spite of progress being made by the TSO re the deliverables initially proposed in the TSO's RES-E plan¹ for 2021, the 43% RES-E target was not achieved and therefore no award was received for this incentive.

As part of PR5 regulatory framework for incentives and reporting, the TSO publicly consulted on the TSO RES-E 2022 – 2026 multi-year plan², which set out how the TSO plans to achieve the ambitious RES-E target for each year out to 2026. Reporting on performance against the RES-E target will be detailed in the APR annually for the duration of PR5.

4.3 Transmission Delivery

One respondent requested EirGrid to include in the APR a high-level plan showing the network deliverables in each year across the PR5 period (and onwards to 2030 where possible) and include the status of the deliverables in the year of the APR, in the next version of the reports.

The other respondent requested increased transparency regarding risks to projects, such as delays, and the mitigation plans around them, given the risk delays to transmission infrastructure have on generators.

Response

The TSO has developed its Network Delivery Portfolio (NDP)³ as part of PR5 reporting obligations under CRU/20/154. The NDP publication provides a quarterly status update on 3 key milestones, EirGrid Capital Approval, Project Agreement with ESB Networks and Energisation for 348 projects. The accompanying guidance document⁴ advises on the key challenges and dependencies across the portfolio of projects.

The NDP is the most ambitious programme of works undertaken to date on the transmission system in Ireland. The NDP includes 348 projects for completion from now until 2030, which will connect significant volumes of offshore and onshore wind, solar and conventional generation. This work will

¹ Section 9.1 of [CRU202226](#)

² <https://www.eirgridgroup.com/site-files/library/EirGrid/PR5-RES-E-Incentive-Multi-Year-Plan-Consultation-Paper.pdf>

³ <https://www.eirgridgroup.com/customer-and-industry/general-customer-information/network-delivery-portfolio/index.xml>

⁴ <https://www.eirgridgroup.com/site-files/library/EirGrid/EirGrid-NDP-Guidance-Document-Final.pdf>

also reinforce the power system and implement Shaping Our Electricity Future¹ to support future economic and social development.

From September 2022 onwards, ATR system reinforcement updates will be contained in the TSO's NDP. Generation customers will continue to receive direct ATR related communications from their System Operator, should the need arise. The NDP will be updated and published quarterly for the remainder of PR5.

Information is provided regarding project delays and their mitigation in section 4 of the Investment Planning and Delivery Report². Key causes of delays are outlined in section 4.2. Those within EirGrid's control are addressed in the mitigation measures which are discussed in section 4.3. The TSO have defined five key grid development enablers which are aimed at transforming how the TSO and TAO delivers projects and benefits for our customers. The TSO have developed, and are currently implementing, a programme of process improvements to facilitate this transformation.

4.4 TAO Management of Planned Outages

One respondent welcomed the efforts made by the TAO in 2021 to meet its objectives despite ongoing disruption due to Covid restrictions and commented more generally re the TAO's future obligations in this context, whilst acknowledging the importance of meeting our 2030 targets.

Response

Such positive feedback is welcome. The TSO and TAO work intensively together; reviewing, prioritising and optimising the emerging programme and addressing the evolving challenges in a balanced way in the overall best interests of the electricity customer in order to meet the Government's Climate Action targets to 2030.

4.5 Stakeholder Engagement

One respondent commented on a lower performance score awarded to the TSO by the Network Stakeholders Engagement Evaluation (NSEE) Panel for 2021 and requested the TSO implement at a minimum any recommendations of the Panel especially in the areas of stakeholder feedback, quantified value delivery, and website improvements.

Response

The CRU has not yet published or shared with the TSO the Close Out Report from the NSEE Panel for 2021, and as a result the TSO has not received the recommendations of the Panel. When the recommendations are received, the TSO will incorporate the Panel's recommendations in future stakeholder engagement strategies. The TSO Stakeholder Engagement Plan and TSO Stakeholder Engagement Report are published for public consultation on an annual basis, as part of our stakeholder engagement process we welcome stakeholder inputs and feedback.

¹ <https://www.eirgridgroup.com/the-grid/shaping-our-electricity-f/>

² <https://www.eirgridgroup.com/site-files/library/EirGrid/Draft-Investment-Planning-and-Delivery-Report-2021.pdf>

5. Next Steps

EirGrid and ESB Networks have considered the consultation responses received. No changes have been made to the draft 2021 APR or IPD since published for consultation with the exception of minor error corrections. The CRU has confirmed that it does not have any comments on the draft 2021 APR or IPD. Consequently, the final version of the 2021 APR and IPD alongside this paper have been provided to CRU for approval.