

TSO PR5 Local/Dublin Security of Supply

PR5 Balanced Scorecard and Incentive Multi-Year Plan 2024-2028

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1 Introduction and Context

The Local Security of Supply (LSoS) multi-year plan 2024-2028 identifies the infrastructure, markets, and operations aspects, identifying actions and activities that EirGrid will undertake during the period to contribute to the resolution of security of supply issues in the greater Dublin region. The development of the plan has taken place within the context of policy decisions and processes as outlined in the following sections.

Following feedback from the CRU in relation to the previous iteration of this plan for 2023-2027, EirGrid's LSoS multi-year plan 2024 - 2028 has been set out based on the following three aspects:

1. Infrastructure aspect:
 - a. Major Project Delivery including the Dublin Programme
 - b. Stakeholder and Public Engagement
 - c. Planning and Environment
2. Market aspect;
 - a. T-3/T-4 TSO Non-Contestable Project Delivery
 - b. An Investigation of short circuit levels in Dublin
3. Operations (including Demand) aspect

In Section 7.11 of CRU/20/154, the CRU highlighted the importance of resolving local security of supply issues within its PR5 Strategic Objectives. CRU/20/154 states that given the significant forecasted growth in demand in the greater Dublin region, constraints in the Dublin Region represent a security of supply risk.

This incentive plan is aligned with CRU's strategic aim to remove the Dublin constraints and to ensure that the electricity supply to Dublin would not be materially impacted by the loss of generation in the Dublin area. Delivery of the metrics relating to the LSoS aspects in this MYP will be a major step forward in achieving the overall security of supply objective in the region.

1.1 Stakeholder Feedback

The TSO published a Call for Input Consultation Paper in relation to the TSO's PR5 multi-year plans 2024-2028 between 10 July and 14 August 2023. Input was requested from stakeholders in relation to the plans prior to their finalisation and submission of same to the CRU. This consultation process provided stakeholders the opportunity to submit their key feedback as part of the plan development process.

EDF Renewables' (EDFR) consultation response included comments regarding the LSoS incentive. EDFR noted the vital role which EirGrid has in designing and contributing to the delivery of the infrastructure required to meet 2030 targets, urging EirGrid to work closely with the Department of the Environment, Climate and Communications (DECC) in this context. EirGrid welcomes EDFR's comments and advises that it regularly engages with its key stakeholders including DECC and the CRU to deliver upon our strategic objectives and resulting work programmes.

As noted, EirGrid has updated this plan following consideration of the CRU’s feedback on the previous iteration. For example, EirGrid has expanded the plan to include further detail regarding project specific milestones, the impact of proposed actions and included commentary regarding the methodology employed by EirGrid in determining those proposed actions following consideration of CRU’s feedback.

1.2 Price Review 6

The Price Review 6 period commences in 2026 and concludes at the end of 2030. The TSO will prepare and make a detailed Network Capex submission to the CRU during 2024, therefore the development of this multi-year incentive plan takes place within the context of the development of the broader PR6 programme and submission process.

It is therefore not considered prudent to make specific programmatic commitments for PR6 without firstly considering the alignment with the strategic elements of the future PR6 submission. For the avoidance of doubt, the TSO will continue to progress existing plans (including existing project milestones) to promote the wider aims of this incentive and to deliver the efficiencies expected by consumers and industry.

2 Quantification/Identification

Methodology

In [CRU2022989](#), the CRU's PR5 2022 Balanced Scorecard Information Paper, published in December 2022, the CRU set out the detailed LSoS Balanced Scorecard Requirements and Incentive Allocations for 2022. This included 2 new aspects, Quantification, and Identification. The required evidence for each of these aspects was noted as - *“Development and description of a methodology for quantifying the security of supply issues and the quantitative impact of remedies/actions.”*

EirGrid met with the CRU in February 2023 to discuss the CRU's 2022 Balanced Scorecard Information Paper, including both above aspects of the LSoS Balanced Scorecard for 2022. EirGrid requested further clarity from the CRU regarding the ask. The CRU noted that this requirement cross refers to the detail in Section 10.3 of [CRU20226](#), the CRU's PR5 2021 Balanced Scorecard Information Paper, published in March 2022, which states that - *“In order to score well in this incentive, the TSO must include the following in its multi-year security of supply plan... development and description of a methodology for quantifying the security of supply issues and the quantitative impact of remedies/actions...”*

[CRU2023104d](#), the CRU's TSO Incentive Outturn Performance 2022 Letter, published alongside [CRU2023104](#), the CRU's Electricity Transmission Network Allowed Revenues for 2024 and DTUoS Tariffs 2023/24 Information Paper in August 2023, states that *“The CRU notes EirGrid's comment that it is not possible to credibly develop a specific methodology for the quantification and identification of this issue.”* This is an inaccurate account by CRU, of that documented by EirGrid in its outturn performance report in respect of this incentive for 2022, due to an absence of detail regarding the basis for EirGrid's stated position.

EirGrid's outturn performance report in respect of this incentive for 2022, as submitted to the CRU in April 2023, included detail on the comprehensive processes already in place and methodology employed to ensure that EirGrid, as TSO, fulfils its statutory and licence obligations in the context of security of supply across the transmission system, of which the transmission system in the Dublin Region is a sub-set.

EirGrid's outturn performance report for 2022 noted that -

- Section 10 of [CRU2022989](#) regarding the LSoS incentive states that the definition of success in the context of the LSoS incentive by the end of PR5, i.e. by 2025, should include the removal of the Capacity Remuneration Mechanism (CRM) constraint in Dublin and/or the ability to manage the (orderly) exit of one unit.
- EirGrid's understanding of this is that the CRU are ultimately aiming to remove the Greater Dublin CRM constraint i.e., bringing the Locational Capacity Constraint (LCC) for Greater Dublin to 0 MW, by the end of PR5.
- The Dublin LCC in the CRM defines the minimum generation that is required to meet the demand in Dublin and ensure the security of supply for the Dublin region.

- To remove the CRM constraint, the demand in Dublin would be required to be met by generation located outside of Dublin.
- EirGrid is progressing several grid reinforcements in and outside the Greater Dublin region which will support security of supply across the transmission network, facilitating west to east power flows into Dublin.
- Regarding the ability to manage the orderly exit of one unit, via the Capacity Market Final Auction Information Pack of 13 March 2023¹, the Regulatory Authorities have set the final LCC Required Quantities to be employed in the Capacity Auction for the Capacity Year 2026/2027 (i.e. post PR5).
- The LCC Required Quantity for the Greater Dublin Region for 2026/27 has been set at 2,468 MW of awarded (new and existing) generation capacity which provides for the orderly exit (or equally the non-delivery) of one unit of up to 368 MW of de-rated generation. This exceeds the size of the largest unit in Dublin.²
- The methodology applicable to the setting of LCCs in the CRM as referred to above is a SEM Committee (SEMC) matter that requires both CRU and Utility Regulator input on any changes/revisions to the methodology.
- Please refer to [SEMC-17-040](#), the SEMC's LCC Methodology Decision Paper of 3 July 2017 and more recent SEMC publicly available documentation re capacity auction parameters in the CRM on the SEMC website³.
- There is an apparent misalignment between the CRU stated objective of/definition of success for the LSoS incentive as per [CRU/20/154](#) and [CRU2022989](#) and the considerations set out above.
- As a result of this apparent misalignment, it is not possible for EirGrid to credibly develop an incentive-specific methodology for performance evaluation purposes in this context currently.

In summary, the LCC Required Quantity for the Greater Dublin Region for 2026/27 (i.e. post PR5) has been set at 2,468 MW of awarded (new and existing) generation capacity. Meanwhile, it is EirGrid's understanding that the CRU is ultimately aiming to remove the Greater Dublin CRM constraint i.e., bringing the Locational Capacity Constraint (LCC) for Greater Dublin to 0 MW, by the end of PR5. As a result of this apparent misalignment, EirGrid stated in its Outturn Performance Report for 2022 for the LSoS incentive that it was not possible for EirGrid to credibly develop a specific methodology as required for the quantification and identification aspects of the LSoS Balanced Scorecard 2022 as per the CRU's expectations.

As mentioned above, comprehensive processes are in place to ensure that EirGrid, as TSO, is compliant with its statutory and licence obligations in the context of security of supply across the transmission system, of which the transmission system in the Dublin Region is a sub-set. These processes have been employed in EirGrid's determination of the infrastructure delivery proposals set out in this plan for the Dublin Region. The technical scarcity driving the need for each of these infrastructure delivery proposals is also documented in this plan, with those technical scarcities identified via the application of the comprehensive methodology/processes currently in place.

¹ [Capacity Market Final Auction Information Pack](#)

² A minimum in Dublin which is approx. 2100 MW with 2468 MW of Awarded Capacity (new and existing). This provides for the orderly exit (or equally the non-delivery) of one unit of up to 368 MW de-rated, which exceeds the size of the largest unit in Dublin.

³ [Capacity Remuneration Mechanism | SEM Committee](#)

In [CRU202354](#), the CRU's PR5 2023 Balanced Scorecard Information Paper, published in June 2023, the CRU has restated the need for EirGrid to *“develop a methodology to quantify the security of supply issues and utilise the methodology to report on the impact each infrastructure project is likely to have on resolving security of supply constraints.”* EirGrid has requested further engagement with the CRU in relation to this, involving CRU personnel directly involved in relevant Security of Supply workstreams and policy areas. EirGrid will take cognisance of the outcome of those discussions and provide further detail in relation to the quantification aspect of the 2023 Balanced Scorecard for this incentive in its Outturn Performance Report for 2023, as may be required.

Finally, EirGrid notes the following text in [CRU2023104d](#), the CRU's TSO Incentive Outturn Performance 2022 Letter to EirGrid, in relation to this incentive - *“For clarity, and avoidance of doubt, the procurement of temporary emergency generation is not considered an adequate medium to long-term solution to the Dublin security of supply problem.”* EirGrid wishes to advise the CRU that there has never been any doubt or absence of clarity on EirGrid's part regarding the temporary nature of the procurement of temporary emergency generation.

3 Local/Dublin Security of Supply Aspects

This incentive has a specific focus on the initiatives and solutions that refer to security of supply challenges in the greater Dublin region, but by its nature, the topic of security of supply relates to the entire power system. This definition of the ‘local’ security of supply challenges inevitably interacts with the mechanisms and initiatives that were designed to apply to the entire power system. In this plan we have therefore highlighted the activities, mechanisms and initiatives that serve the entire power system but that also demonstrate EirGrid’s efforts to resolve the Local Dublin security of supply issue as per the aim of this incentive.

Security of supply is the ability of the transmission network to reliably transport electrical energy from the generators where it is generated to the demand centres where it is consumed. Security of supply is also concerned with the reliability of the transmission network and EirGrid plans for the timely development of the transmission network to maintain an acceptable level of performance and reliability, thereby ensuring that transmission network performance is not a barrier to economic development. The following sections outline the LSoS initiatives and solutions for each of the aspects that EirGrid is progressing during the period of this multi-year plan 2024 - 2028.

3.1 Infrastructure Aspect

3.1.1 Major Project Delivery including the Dublin Programme

A key enabler to the security of supply and the renewable energy capacity in the Dublin area is an integrated programme of works to transform the Dublin Area transmission network. This group of projects is called the Dublin Programme and will involve the installation of up to 120 km of cables across the city, through five cable (CP1100, 1146, 1150, 1157, 1216), and six station projects (CP1190, 1213 and 1251) including the 3 Bulk Supply Point⁴ (BSP) projects (CP1214, 1226 and 1273).

The number of projects within the Dublin programme may continue to increase and change as it matures during PR5 and PR6.

EirGrid has included 13 transmission infrastructure projects in this Local/Dublin Security of Supply multi-year plan, 11 projects from the Dublin Programme as stated above and two additional major projects in the greater Dublin region (CP0966 and CP1021). The relevant milestones for this LSoS incentive plan of Capital Approval, Project Agreement and Energisation are the major project milestones which are contained in the TSO’s Q2-23 Network Delivery Portfolio (NDP). The NDP is published on the TSO’s website⁵ and is required as per Section 3.2 Capex Monitoring of CRU/20/154. See also Appendices II & III of this document for further relevant milestones and activities which are applicable for 2024.

⁴ A Bulk Supply Point (BSP) station is a point of connection between the transmission and distribution system. A primary function of these BSP stations is to facilitate power flows between the transmission and distribution systems to enable power to be distributed to where it is needed.

⁵ <https://www.eirgridgroup.com/customer-and-industry/general-customer-information/network-delivery-portfolio/index.xml>

The Security of Supply needs are best described in the context of these LSoS MYP projects, the benefits these projects bring and considering the projects' drivers and needs. EirGrid launched its "Powering Up Dublin" programme in May 2022⁶ and continues to progress a major programme of engagement with stakeholders throughout the period of this MYP.

The Dublin programme will:

- replace and upgrade older infrastructure that is reaching the end of its life.
- help ensure the security of supply in the Dublin region.
- meet the growing demand for electricity from growing social and economic activity.
- facilitate renewable electricity, specifically offshore capability (being 'offshore ready'); and improve the overall resilience of the power system.

The multi-year plan refers to the major NDP project delivery milestones and activities for each of the projects as they are known. These milestones will continue to be developed as the programmes and the individual projects progress and will be reported on in the TSO's quarterly NDP publications and in our outturn reporting as part of the incentive.

3.1.2 Stakeholder and Public Engagement

The TSO has a commitment to meaningful stakeholder and public engagement, which is embedded across the company and forms part of the TSO's core strategy. This applies to all its grid infrastructure development, both urban and rural, including the Dublin Programme and major projects in the Greater Dublin region. The Powering Up Dublin Community and Business Forum brings together people and organisations from across the project area so that stakeholder, community views and local businesses can be discussed, understood, and properly considered throughout the lifecycle of the project.

For this metric, the TSO will assess annually the Stakeholder and Public Engagement activities undertaken against those which were planned. These activities will consist of regular forum meetings with a range of stakeholders, project specific consultations and regular documented updates on the progress of the Dublin Programme and projects in the Greater Dublin Region.

This will include an update on the activities such as;

- Dublin Programme Infrastructure Forum update from quarterly meetings,
- Community Forum updates from quarterly meetings,
- Business Forum updates from quarterly meeting and
- Project specific engagements in line with the individual project timelines set out.

3.1.3 Planning and Environment

Infrastructure Delivery occurs within a strategic and statutory planning and environmental context, where the focus is on matters of proper planning and sustainable development. As such,

⁶ <https://www.eirgridgroup.com/uuid/9fe9d891-469f-493b-8e60-eab2089c6f80/EirGrid-Powering-Up-Dublin-Web-Final.pdf>

timely achievement of planning and environmental milestones forms a vital part of ensuring the progression of these projects.

For this metric, the TSO will assess its timely achievement of the following key planning and environment processes as they relate to relevant LSoS projects listed in the Q2-23 NDP.

This will include a combination of the activities such as;

- Pre-application consultations,
- Declarations of exempted development and/or,
- Planning applications in line with the specific projects.

3.2 Market Aspect

This aspect concerns the adequacy of generation and how to identify, quantify and procure the right amount of generation for the entire power system on the island of Ireland. The following subsections describe the delivery milestones related to the aspect of Generation and Market initiatives and solutions under the main umbrella topic of local security of supply for greater Dublin. It should be noted that some of the tasks under the Generation and Market initiatives and solutions aspect are directly linked or overlap with some of the other aspects of security of supply dealt with in this incentive.

3.2.1 Deliver T-3 / T-4 Non-Contestable Projects

The T-4 and T-3 Capacity Auctions conducted by SEMO (Single Electricity Market Operator) in respect of Capacity Years T-4 23/24, T-4 24/25, T-3 24/25, T-4 25/26, and T-4 26/27 contracted a total of circa 4 GWs for delivery, of which c. 200 MWs is expected to connect by the end of 2023. These projects are at various stages of their development and, once completed, will contribute to meeting demand in Ireland as well as helping to alleviate local issues in Dublin.

These successful projects have participated in a number of capacity auctions, with each auction covering a specific capacity year for when the generation is required to be available. In the recent capacity auctions, we have procured ca. 1.0 GW of this generation in the Dublin area (as per table 1 below). Gas based conventional generation makes up this 1.0 GW of capacity and this is spread over 8 projects in Dublin. Most of these successful connections will have non-contestable elements of their projects which will have to be delivered through the normal TSO/TAO delivery mechanism.

Error! Reference source not found. summarises the projects located in Dublin that have been successful in the recent T-3/T-4 processes. These projects have connection agreements for connections into the TSO operated 110 kV and 220 kV network in Dublin.

Capacity Auction	CP No.	Proposed Connection Point	Quantity [in MW]	Technology
T-4 23/24	DSO	Grange Castle 110 kV	115	Conventional
T-3 24/25	CP1256	Baldonnell 110 kV	100	Conventional
T-3 24/25	CP1117	Irishtown 220 kV	70	Conventional
T-3 24/25	CP1105	Poolbeg 220 kV	70	Conventional
T-3 24/25	CP1103	Corduff 110 kV	70	Conventional
T-3 24/25	CP1257	Kilshane 220 kV	293	Conventional
T-4 26/27	CP1425	Poolbeg 220 kV	295	Conventional
			Total: 1013	

Table 1: Summary of T-3/T-4 projects that have been successful in Dublin in the recent capacity auctions and are seeking to connect over the coming years.

As noted above, some of the projects from earlier auctions are nearing completion with circa 200 MW expected to connect by the end of 2023, 100 MW in 2024, 100 MW in 2025, 300 MW in 2026 and an additional 300 MW currently at connection offer stage expected in 2026/27, in total 1.0 GW in Dublin. These projects will contribute to meeting demand in Ireland as well as helping to alleviate any local issues in Dublin.

The third-party non-contestable elements of the projects have delivery risks that are heavily influenced by the customers, such as the ability to achieve planning consents for the generation facility and grid infrastructure and procurement of the generation materials within a constrained market. Another project risk is the ability of the TSO to provide the required outages for the connections. These risks may influence the ability of EirGrid to deliver for this part of the incentive. EirGrid is closely monitoring the progress of these projects to track their delivery and identify the risks of meeting energisation dates.

3.2.2 Investigate short circuit levels in Dublin

In recent capacity auctions, a high short circuit level issue was identified. This is a safety issue and is related to the amount of generation connected in the Dublin area and the topology of the transmission network. Dublin has a high concentration of synchronous generators. The network in Dublin is highly meshed i.e. there are a lot of alternative pathways for the power to flow and as such pathways for fault current to travel into a fault. The current fleet of generation in Dublin is connected to the 220 kV network, contributing to the difficulty in connecting additional generation in Dublin.

Short circuit current/fault levels in the Dublin region are a concern. This results in the minimum required LCC and maximum allowed generation capacities in Dublin being practically the same. This essentially sets a ceiling on the maximum allowed generation in Dublin. This has been discussed with both the CRU and SEM Committee in the context of the 2026/2027 T-4 Capacity Auction.

Given these concerns, in 2024 we will investigate the technical scarcity or need related to short circuit current/fault levels in Dublin. This investigation will consider the planned new generation portfolio and new technologies in Greater Dublin, including new conventional thermal generation, offshore wind generation and storage solutions such as batteries. The analysis will also need to consider a range of operational situations whereby demand is met from a variety of generation dispatches made up of conventional generation (e.g. gas turbine/power plant) and inverter-based sources (e.g. offshore wind generation, solar generation and batteries). Due to the new inverter-based technologies being implemented into the electricity system there are uncertainties regarding their short circuit contribution during faults, which is a fundamental assumption in any analysis.

Given the level of challenge and complexity, the investigation and analysis process will likely involve a multi-year timeframe. In 2024, we will engage with, and gather information from, relevant developers and equipment manufacturers to ensure our assumptions and models for the new connections and technologies accurately reflect their short circuit contribution during faults. In addition, and based on the information gathered, we will be able to provide an indication of the scale of the technical scarcity arising. For 2024, we will provide an update to the CRU similar to the presentation provided to the CRU and SEM Committee on the same matter early in 2023 and submit a report thereon as part of EirGrid's outturn performance report for 2024 due for submission to the CRU in April 2025.

As mentioned above, the output from or results of the initial phase of our short circuit investigation will determine the required next steps. The output may result in various outcomes, for example

potential mitigations to the identified problems or the requirement for further system analysis to further investigate the technical scarcities. If the analysis identifies infrastructure-based solutions or mitigations, these may then be transferred into the infrastructure aspect of this plan to follow our six-step process for developing the grid. As mentioned previously in the discussion with CRU and the SEM Committee in regard to this matter, any solutions to the high short circuit issues in Greater Dublin are likely to require solutions that have a very long lead time. It could involve either delivery of 220 kV or 400 kV circuits to provide more network to allow for sectionalising for power to be transferred around Dublin or connection of new generation to these new 400 kV circuit or moving existing generation to 400 kV voltage level rather than 220 kV voltage level.

It should be noted that from an Operational point of view in 'real time', existing short circuit current/fault levels can be high and EirGrid uses operational measures to manage these situations. However, this is not a long term solution and may also lead to power flow restrictions and reduced reliability in certain circumstances.

3.3 Operations and Demand Aspect

3.3.1 CRU's Security of Electricity Supply - Programme of Actions

[CRU/21/115](#), the CRU's Security of Electricity Supply - Programme of Actions Information Paper was published in September 2021. In this Information Paper, the CRU provided an update on security of supply and set out a programme of actions that the CRU is undertaking to ensure security of supply in the context of the generation adequacy/system security requirements in Ireland in the coming years, in co-operation with EirGrid, DECC, the energy industry, and other stakeholders.

[CRU/21/115](#) includes actions to enhance the responsiveness of existing Demand Side Units in the SEM and develop additional demand side capacity, including accelerated deployment and optimised usage of batteries, and greater demand side response more generally. EirGrid is committed to delivering the actions as set out in [CRU/21/115](#) and mitigating Ireland's security of supply issues continues to be EirGrid's top priority. Electricity Security of Supply Programme of Work Updates were published by CRU in June 2022 and February 2023 [here](#).

This aspect of EirGrid's LSoS plan is significantly informed by the initiatives involving EirGrid as set out in the CRU's Programme of Actions.

3.3.2 Delivery milestones in 2024 plan

For 2024, as evidence of progress made in relation to this aspect, the TSO will produce a report for issuance to the CRU as a subset of the LSoS incentive outturn performance report for 2024 that documents:

- Progress made on the back of updates to the Risk Preparedness Plan (RPP) for Ireland as published in [CRU202346](#), the CRU's Revised Decision Paper, to advance the role of data centres in preventing and mitigate electricity crises pursuant to Regulation 2019/941 on Risk Preparedness in the electricity sector.
- The status of engagements with stakeholders related to risk preparedness and emergency planning (CRU, DECC, local authorities, and data centres).
- Progress made in the application by data centres for Industrial Emissions Directive (IED) licenses from the EPA, as well as the status of EPA licences granted.
- An estimate of the volume of demand reduction available for Mandatory Demand Reduction when the system enters Emergency State.
- An estimate of the volume of demand reduction under Voluntary Demand Reduction that may be provided by data centres when the system is in Alert State.
- An estimate of the volume of flexible demand reduction available to the TSO when the system is in Normal State.
- TEG unit status, margin calls and dispatch, as well as learning from incidents when these units were called on.
- Progress on other services which can be provided by data centres to address local security of supply issues in Dublin (e.g. short circuit management).

- Feedback on additional opportunities for flexibility that arise through engagements with stakeholders during the year (e.g. through interaction in relation to the Beat the Peak Initiative).
- Simulation Exercises undertaken to test coordination of the operational, strategic, and crisis communications response between stakeholders.

4 LSoS Balanced Scorecard 2024-2028

The Local / Dublin Security of Supply (LSoS) Balanced Scorecard 2024-2028 contains three complementary aspects with metrics to demonstrate the TSO's performance in addressing and managing the transmission network security of supply challenges.

4.1.1 LSoS Plan 2024-2028 Objectives

The incentive plan for the period 2024-2028 includes the following objectives to deliver upon the strategic aims of the plan:

1. A focus on confirming investment decisions for the Dublin Programme and engaging with communities and stakeholders to progress the appropriate option(s),
2. Bringing the Dublin Programme and the two Greater Dublin Region major projects through the required consenting processes,
3. Advancing the cable and major projects to Project Agreement with ESB Networks. It is at this point that a project moves into the detailed design and construction stages before energisation,
4. Delivery of 800 MW of T-3/T-4 projects (100 MW in 2024, 100 MW in 2025, 300 MW in 2026 and 300 MW in 2027),
5. An investigation of Short Circuit levels in the Dublin region following which next steps will be identified,
6. Continued commitment to delivering the actions as set out in [CRU/21/115 - Security of Electricity Supply - Programme of Actions](#),

Appendices I and II detail the milestones which EirGrid will track to allow a weighting and assessment of performance to be calculated.

5 Performance Assessment and Incentive Award Scales

5.1 Outturn Reporting

EirGrid will provide an annual Local/Dublin security of supply incentive outturn report to CRU containing its outturn performance. The report will detail the activities which have taken place during the calendar year including the implementation of the incentive plan, the quality of the plan and the benefits and impacts derived from the achievement of specific milestones and activities towards the strategic aims of this incentive.

5.2 Performance Assessment

The total potential upside/incentive award in each calendar year is €1.5 million, whilst the potential downside/incentive penalty is €1 million per annum. Per CRU/20/154⁷, 75% of the annual reward/penalty will be applied annually while the remaining 25% of each years' reward/penalty will be deferred to the end of the Price Review Period (to be assessed after the PR6 Final Determination has been published).

Incentive Award	Upside (Infrastructure)	Downside (Infrastructure)
PR5 Allowance	+ €1.5 million	- €1 million
Annual Allowance (75%)	+ €1.125 million	- €0.75 million
End PR5 Allocation (25%)	+ €0.375 million	- €0.25 million

Table 2: LSoS MYP 2024-2028 Incentive Award

The TSO proposes that the allowed upside be calculated on a linear basis with the quantum of deliverables achieved/milestones reached per calendar year directly related in percentage terms to the allowed upside. The TSO also proposes that the incentive should be weighted as defined in the table below, however it is acknowledged that the applicable weighting will ultimately be a decision for the CRU to be confirmed in a future decision paper and further based on TSO's performance against this incentive plan.

⁷ CRU/20/154, section 7.11, page 66.

Metric No.	Aspect	Overall Proposed Weighting	Breakdown of Weighting	Annual Allowance Upside (75%)	Annual Allowance Downside (75%)
1	Infrastructure	50%		€562,500	(€375,000)
a	Stakeholder and Engagement Feedback		5%		
b	Planning and Environment Consents		5%		
c	Projects and their contribution to LSoS		40%		
2	Market	30%		€337,500	(€225,000)
a	Delivery of T-3/T-4 Non-Contestable Projects		15%		
b	Short Circuit Levels Investigation Report		15%		
3	Operations and Demand	20%		€225,000	(€150,000)

Table 3: LSoS MYP 2024 Metric Weightings

5.3 Ex Post Adjustment Process

As part of the annual review of the outturn performance for this incentive the TSO will evaluate how third-party actions, or events outside of its control, may have resulted in, or created, a measurable and justifiable deviation from planned or forecast performance. Where third party actions have facilitated accelerated delivery, this too will be noted in the outturn reporting. This *ex-post* adjustment process may lead to the exclusion of specific targets, the inclusion of similar substituted milestones or form the basis of performance adjustments arising from such actions or events.

This process will be documented and form part of the annual outturn reporting process. The achievement of the strategic aims of this incentive plan is the ultimate goal, therefore additional milestones may be included where these advance the achievement of the overall objectives of the plan.

6 Conclusion

The PR5 Local / Dublin Security of Supply MYP is a detailed plan against which the TSO's performance will be measured on an annual basis. This incentive plan contains metrics across the Infrastructure, Markets and Operations and Demand aspects of LSoS, is aligned with the TSO's ambitious Dublin programme, and the objectives contained within the TDP 2023-2032, to develop the transmission network so that it will continue to operate reliably in the future and ensure that the city and greater Dublin region is ready to facilitate renewable energy.

Appendix I - LSoS Multi-year Plan Targets

Aspect	Metric	2024	2025	2026	2027	2028
Infrastructure	Stakeholder and Public Engagement	<ul style="list-style-type: none"> Dublin Programme Infrastructure Forum quarterly meetings Community Forums meeting quarterly. Business Forums meeting quarterly. Project specific engagements in line with individual project timelines Quarterly website/FAQ updates 	<ul style="list-style-type: none"> All Forums operating consistently. Engagement to evolve in response to need and progress. Milestones to be developed annually. 	Based on PR6 Programme Submission & assessment	Based on PR6 Programme Submission & assessment	Based on PR6 Programme Submission & assessment
	Planning and Environment	<ul style="list-style-type: none"> Complete the process for Declaration of Exempted Development on Best Performing Cable route options. Submission of planning application(s) for those cables (or portions thereof) that are not Exempted Development 	<ul style="list-style-type: none"> Progress remaining consenting requirements. 	Based on PR6 Programme Submission & assessment	Based on PR6 Programme Submission & assessment	Based on PR6 Programme Submission & assessment
	Major Project Delivery Inc Dublin Programme	<ul style="list-style-type: none"> Specific milestones for project in the Greater Dublin area are displayed in Appendix II of this document. All projects including Dublin related projects are displayed in Q2-23 NDP as published on EirGrid's website. 	<ul style="list-style-type: none"> As per NDP as published on EirGrid's website. 	Based on PR6 Programme Submission & assessment	Based on PR6 Programme Submission & assessment	Based on PR6 Programme Submission & assessment
Market	T-3/T-4 Project Delivery ⁸	<ul style="list-style-type: none"> ca. 100 MW 	<ul style="list-style-type: none"> ca. 100 MW 	ca. 300 MW	ca. 300 MW	Based on auction outcomes
	Short Circuit Levels in Dublin	<ul style="list-style-type: none"> Progress investigation of Short Circuit Levels in Dublin 	<ul style="list-style-type: none"> Next steps tbc following short circuit level investigation 	Based on PR6 Programme Submission & assessment	Based on PR6 Programme Submission & assessment	Based on PR6 Programme Submission & assessment
Operations	Operations/ Demand	<ul style="list-style-type: none"> Progress Operations and Demand actions and initiatives outlined in this plan for 2024 	<ul style="list-style-type: none"> Annual Operations / Demand report summarising activities and progress 	Based on PR6 Programme Submission & assessment	Based on PR6 Programme Submission & assessment	Based on PR6 Programme Submission & assessment

⁸ The 2024-2028 MYP figures include MWs procured in Dublin. Previous 2023-2027 MYP figures were for MWs procured nationwide.

Appendix II - 2024 Project Milestones & Activities

CP No.	Project Name	2024
CP0966	Kildare Meath Upgrade	GW6: Approval to Enter Project Agreement
CP1021	East Meath North Dublin	Step 5: Application in the planning process with ABP*
CP1100	Finglas - North Wall 220kV Cable Replacement	GW6: Approval to Enter Project Agreement
CP1146	Carrickmines - Poolbeg 220kV Cable New Replacement	GW5: Application in the planning process (dependent on marine site investigation programme)
CP1150	Inchicore - Poolbeg #2 220kV Cable Replacement	GW4: Best Performing Option Agreed
CP1157	Inchicore - Poolbeg #1 220kV Cable Replacement	GW4: Best Performing Option Agreed
CP1190	Poolbeg 220kV Station	GW6: Approval to Enter Project Agreement
CP1213	Belcamp 220kV Busbar Extension	ESBN to commence procurement
CP1214	North County Dublin New Bulk Supply Point (BSP)	GW3: Capital Approval
CP1216	Poolbeg - North Wall 220kV Cable Replacement	GW4: Best Performing Option Agreed
CP1226	South Dublin Reinforcement combined with West County Dublin Bulk Supply Point (BSP)	GW3: Capital Approval
CP1251	North Wall Station Life Extension	Step 4: Analysing and determining the best performing solution*
CP1273	Dublin Central Bulk Supply Point (BSP)	GW3: Capital Approval

*The noted activities for these projects are working towards a Gateway milestone in a future year. The progress on these activities will be included in the 2024 LSoS outturn report.

Acronyms

AIP - Auction Information Packs

BSP - Bulk Supply Point

CPP - Committed Project Parameter Document

CRU - Commission for Regulation of Utilities

CRM - Capacity Remuneration Mechanism

DTUoS - Demand TUoS

EoHT - Electrification of Heat and Transport

IPD - Investment Planning and Delivery

GW - Gateway

LCC - Locational Capacity Constraint

MYP - Multi-year plan

NDP - Network Delivery Portfolio

PR4/PR5/PR6 - Price Review 4/5/6

TAO - Transmission Asset Owner

TOP - Transmission Outage Programme

TSO - Transmission System Operator