

26 November 2021

Emailed to: info@eirgrid.com

RE: TSO PR5 Investment Planning & Delivery Multi-Year Balanced Scorecard 2022-2026

Wind Energy Ireland (WEI) welcomes the opportunity to engage with EirGrid and provide feedback on the TSO PR5 Investment Planning & Delivery Multi-Year Balanced Scorecard 2022-2026.

WEI is the nation's largest renewable energy organisation with more than 150 members who have come together to plan, build, operate, and support the development of the country's chief renewable energy resource. We work to promote wind energy as an essential, economical, and environmentally friendly part of the country's low-carbon energy future.

We would like to make the following comments in relation to the consultation:

We recognise that the incentive should be a blend of qualitative and quantitative assessments but there does not appear to be any link between the metrics and targets proposed and specific projects that are listed in documents such as the Transmission Development Plans (TDP) or the Shaping our Electricity Future (SOEF) Roadmap and how these will deliver on our 2030, and ultimate net-zero, targets.

The plan would benefit from calling out specific projects that are included in the TDP and SOEF Roadmap and having specific targets for these in the relevant years that the TSOs could then be assessed against achieving. We note from EirGrid's recent SOEF Roadmap that all candidate reinforcements identified as part of the initiative will need to enter EirGrid's Framework for Grid Development process. Based on this we would have expected that a far higher number of projects would be in Steps 1 and 2 quantitative "Metric/Outcomes" for the Multi-Year Targets 2022-2026 period. There are 44 candidate reinforcements listed for Republic of Ireland in SOEF for delivery by 2030 yet the 2022-2026 scorecard only states there will be incentives against 5 unnamed projects going through Step 1 and 6 unnamed projects going through Step 2 in the 2022-2026 period, and this appears only to be based on projects in the current TDP which had a data freeze date before the SOEF Roadmap was published. Along with the inclusion of SOEF projects in the

scorecard we would also have expected a higher weighting assigned to Steps 1-3 to ensure there is sufficient focus and incentives on confirming project requirements to meet needs and to ensure they are progressed into the planning and delivery phases in Steps 4-6 in time for 2030 targets to be achieved. SOEF falls far short of enabling the onshore wind project pipeline we have today and the capacity targets in our national Climate Action Plan, and with the recent upward revision in the RES-E target to 80%, additional grid reinforcement projects will be required. These should be factored into the scorecard in due course over the 2022-2026 period.

We would also note that the question of overall system adequacy doesn't appear to be covered within the assessment criteria i.e. have enough of the right projects been brought forward on a timeline that is capable of meeting the needs identified in Ireland's Climate Action Plan. It does not appear the assessment captures the adequacy of development work (design and consenting) that needs to be completed during the PR5 period in order to be capable of being delivered on the system during the PR6 period (i.e. in time to meet the needs of our 2030 targets). We would strongly recommend the inclusion of one additional assessment criteria – namely "Overall Adequacy of Development Activity" i.e. the System Operators should be required to demonstrate that they have sufficient projects on a scheduled glide-path to delivery, to be capable of meeting the needs of the system for 2030, including a total of 8.2GW of onshore wind and the 5 GW of offshore wind with sufficient future proofing to allow for new shallow connections (e.g., new transmission stations should have space for future bays) and additional grid capacity (e.g. new cable installations should be capable of being 'voltage uprated' in future) in areas of the network where the renewable energy project pipeline is being progressed. In addition to the requirements of national renewable electricity targets this would need to consider increased demand due to electrification of heat, transport and new data centre capacity.

When considering system adequacy, it is necessary to consider time. Being adequate but 5-10 years late is effectively the same as being inadequate and this can have a significant impact on consumer costs. Under the current incentive design, it is possible that the TSO could do an excellent needs assessment, an excellent job selecting the best technologies to meet those needs and deciding on where these should be deployed.

However, it is also possible that by the time the projects move through EirGrid's current six-step process and reach the point where they are actually on a transmission outage program to be delivered, that it is already 5-10 years later than the system needs would require. Under the existing incentive approach, provided the delivery takes place in line with this outage schedule (for



75% of projects), then this would be considered as a strong performance with a full incentive payment.

The TSO should be incentivised to incorporate the timelines for deploying various technical solutions and factor that into decision making around the “best technology” to meet the system need. It is fully plausible that in some circumstances, a cheaper network capex solution with slower deployment timelines, might have greater consumer cost impacts than a higher capex solution that could be deployed more quickly onto the system, i.e. the consumer cost impacts could be through higher dispatch balancing costs or higher constraint assumptions being factored into RESS auction bids. A balanced scorecard assessment should consider all of these points under an assessment heading of “Overall Adequacy of Development Activity”.

Conclusion

We thank EirGrid for offering us the opportunity to provide feedback on the TSO PR5 Investment Planning & Delivery Multi-Year Balanced Scorecard 2022-2026. We are available to discuss any of these points at your convenience and we look forward to further engagement.

Yours sincerely

A handwritten signature in black ink, appearing to read "Bobby Smith", is written over a thin horizontal line.

Bobby Smith
Senior Policy Advisor
Wind Energy Ireland