
2020 Transmission APR and IPD Summary of Responses to Consultation

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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 2020 Annual Electricity Transmission Performance Report (APR)¹ and Draft 2020 Investment Planning and Delivery Report (IPD)² which ran from 6th August 2021 to 6th September 2021. Each year, the reports provide customers, industry participants and other interested parties with a clear, accessible, comprehensive, quantified but non-technical report on 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 May 2018, following consultation with industry, the Commission for Regulation of Utilities (CRU) published a decision paper, CER/18/087, [Reporting and Incentives under Price Review 4](#). The document set out a range of decisions for improving reporting and incentives arrangements, covering the totality of the activities undertaken by TSO and TAO on behalf of current and future customers and market participants that applies for the period 2018 to 2020.

Under Decision 1 of CER/18/087, the TSO and TAO are required to jointly prepare and publish a summary report, the Annual Electricity Transmission Performance Report, 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.

Under Decision 2 of CER/18/087, the TSO and TAO are required to jointly prepare an annual capex report, the Investment Planning and Delivery Report, a high-level summary report designed for stakeholders 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 Annual Electricity Transmission Performance Report. In developing the 2020 reports, the TSO and TAO were cognisant of this requirement and the criteria set out in Annex B and Annex D of CER/18/087.

¹ http://www.eirgridgroup.com/site-files/library/EirGrid/EirGrid_ESBN-Annual-Electricity-Transmission-Performance-Report-2020_Consultation.pdf

² http://www.eirgridgroup.com/site-files/library/EirGrid/EirGrid_ESBN-Investment-Planning-and-Delivery-Report-2020_Consultation.pdf

3. Related Documents

Documents published as part of this consultation -

- [Draft 2020 Annual Electricity Transmission Performance Report](#)
- [Draft 2020 Investment Planning and Delivery Report](#)

Final reports for 2019 -

- [2019 Annual Electricity Transmission Performance Report](#)
- [2019 Investment Planning and Delivery Report](#)

Relevant CRU papers -

- [CER/18/087 - Reporting and Incentives under Price Review 4](#)

4. Responses to the consultation

The TSO/TAO received four submissions in response to the consultation. These were from:

- Bord Gáis Energy (BGE)
- EDF Renewables Ireland (EDF)
- Energia
- Wind Energy Ireland (WEI)

We would like to thank all parties for their responses. All responses were reviewed and considered and where appropriate and possible, we have incorporated feedback into the final 2020 APR & IPD reports. In addition, relevant feedback that was not incorporated in the finalisation of the 2020 reports has been noted and will be considered for future iterations of these reports.

In the consultation notification email, we asked the following question:

- ***[Do you have any comments on the Annual Electricity Transmission Performance Report 2020, and/or the Investment Planning and Delivery Report 2020?](#)***

A number of the items raised by the respondents were outside of the scope of this consultation and as a result are not responded to in this document. The APR and IPD reports provide non-technical narrative on historic performance and actions in the specified period within the context of the extant regulatory framework and arrangements. The reports are not intended to be a forum for review/consideration of those frameworks (with the exception of the form of reports themselves as provided for by the CRU). 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.

We note a number of comments received are common to the responses received from the respondents on the [Transmission Development Plan \(TDP\) 2020-2029](#) and the [Shaping Our Electricity Future \(SOEF\)](#) consultations. Please refer to the TDP consultation report, which is

currently with CRU for approval and the SOEF Roadmap which is due to be published in Q4 2021 for EirGrid's response to matters raised in those forums.

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

APR Comments received

Imperfections

Referring to the chapter on *How we Reduce Constraint Costs*, one respondent wished to see more focused reporting on the constraints that impact the imperfections charge, and what actions are being taken to address these constraints. It was also noted by this respondent that again no Imperfections incentive for this area was applied in the period due to the determination of the Regulatory Authorities.

Response

As detailed in the APR, 2020 was different to previous years in that a number of additional operational constraints had to be introduced, to mitigate the impact of the Covid-19 Pandemic and maintain System Security; these additional operational constraints would have increased imperfections costs. However the TSO also implemented an initiative to relax the 400 kV network constraint, which reduced imperfections costs. The increased imperfections costs caused by the additional operational constraints (required as a result of the Covid-19 Pandemic), were mitigated by the imperfections cost savings (resulting from the relaxing of the 400 kV network constraint), resulting in no net material imperfections savings.

Further, although no incentive was in place for Imperfections in 2020, for PR5, the CRU has introduced an incentive to promote TSO actions to mitigate and reduce imperfection costs, the benefit of which will ultimately be passed onto electricity customers. This incentive requires the TSO to establish a set of planned measures to reduce imperfection costs over the PR5 period. Performance will be reported on annually during PR5. Therefore, based on the introduction of this incentive and reporting framework, future versions of the APR will contain more reporting information on imperfections. More information can be found in Section 7.12 of [CRU/20/154](#).

Strategic Incentives

One respondent requested more information on the TSO performance against the 2020 Strategic Incentives.

Response

When we consulted on the draft APR and IPD, we had not yet received the full CRU outturn decision on the 2020 TSO Strategic Incentives. Since then, the CRU has published their information paper on the Electricity Transmission Network Allowed Revenues for 2022 and Demand Transmission Use of System (D-TUoS) Tariffs 2021/22 (CRU/21/078)³. This information paper contains a summary of the TSO's performance against incentive targets, as set by the CRU,

³ <https://www.cru.ie/wp-content/uploads/2021/08/CRU21078-Information-Paper-Electricity-Transmission-Network-Allowed-Revenues-for-2022-and-D-TUoS-Tariffs-2021.22.pdf>

and also the incentives earned. The APR now includes further information on how EirGrid performed against the Strategic, IPD Balanced Scorecard and Stakeholder Engagement Incentives, including feedback provided by the CRU in CRU/21/078.

New Connections

One respondent felt the report would benefit from more detail showing how efficiency improvements were targeted in the processing of connection offers/modifications e.g. how performance in 2020 compared to previous years in terms of the connection offer process and turnaround times for connection offers and modifications.

Response

As with PR4, the TSO will be subject to a financial incentive on its performance in issuing connection offers to all applicants being processed pursuant to the ECP batches carried out over the PR5 period. As stated in Section 7.13 of CRU/20/154, the level of enhanced reporting in this area will now include (i) the breakdown by quarter of the number of offers issued, including the project name, technology type, MEC, connection offer cost and the connection offer issuance date for Category A, B and C as per the ECP 2 decision paper; (ii) the processing and delivery time of grid connection offers (average or per different categories) and grid connection offer modifications; and (iii) how long, on average, it takes to connect generators to the grid. Future iterations of the APR report will therefore contain information on how the TSO performs against this incentive.

TSO/TAO Management of Planned Outages

One respondent welcomed the efforts made by the TAO/TSO to meet the system outages planned in 2020 despite the disruption to the work programme from Covid-19 restrictions. They also requested more information on any future actions or new approaches for stakeholder engagement, to continue to minimise the grid disruption and so meet this target.

Response

In terms of actions in this area, as set out in [CER/18/087](#), the CRU introduced a new Short Notice Outage Adjustment Mechanism (SNOAM) to reduce the duration or timing of planned outages at short-notice. In March 2020, the CRU published an information paper ([CRU/20/038](#)) containing further details of this mechanism. TAO and TSO are now applying this new mechanism as part of the outage management process and will provide information on the operation of the SNOAM mechanism in future APR reports. We have also updated the 2020 APR to note this incentive.

Whilst the request for further information on future actions and new approaches to stakeholder engagement on outages is out of the scope of the 2020 APR, please note that we are committed to continuous improvement in our engagement with customers and stakeholders. We continue to engage with industry via the established channels while also engaging directly with customers regarding upcoming outages.

Infrastructure Delivery Charter

One respondent called for increased availability of project programmes associated with new connections and whether the Infrastructure Delivery Charter between EirGrid and ESB Networks could be made available to industry.

Response

The Infrastructure Delivery Charter is an internal document that supports the working relationship between EirGrid and ESB Networks; therefore it will not be possible to make it available to industry. Developers should discuss their specific requests for Project/Programmes with their EirGrid customer Project/Programme manager(s) where this information can be made available.

IPD Comments

The Six-Step Grid Development Process

Several respondents requested further detailed information on the projects highlighted under each stage of the Six-Step Grid Development Process. One respondent requested more detail on the individual projects, or types of projects that have been completed, delayed, or fallen away and how this compares against the System Operator's initial plans at the outset of PR4. One respondent sought further information on the lower than forecast spend in 2020.

Response

Due to customer confidentiality, there are limits to the amount of project specific data we can include in public reports such as the IPD. However, it is worth noting that we are engaging with CRU on the new enhanced reporting requirements as stated in Section 3 of the PR5 Regulatory Framework, Incentives and Reporting decision paper (CRU/20/154). Any enhanced reporting provisions agreed with the CRU for PR5 will be appropriately taken into account in future iterations of the IPD.

As stated in the IPD, the lower than forecast spend in 2020 is mainly explained by Covid-19 impacts on construction activities and an inability to accommodate the resulting wide ranging outage changes into the remainder of the outage season. Whilst we cannot get into specifics on a project by project basis, some other examples of typical reasons for project delays are as follows:

- *Relationship between projects:* Occasionally some projects must be completed before other projects can progress. This can result in unexpected delays.
- *Outage planning constraints:* In some regions, one planned outage can impact on the local and wider network, often constraining generation in the area. This type of planned outage can delay projects.
- *Selection of the Affected Area:* During Step 3, there are a number of reasons (i.e. technical, socio-economic), which could impact timelines.

IPD Audit Reports

One respondent queried whether the audit reports on which the performance incentive for transmission delivery for both the TAO and TSO can be made public.

Response

The Investment Planning and Delivery Balanced Scorecard Audit reports are made available to the CRU in accordance with our reporting obligations. Internal audit reports are not public documents, and are intended to be shared with the CRU only for incentive assessment purposes. However, the CRU has recently published the Electricity Transmission Network Allowed Revenues for 2022 And Demand Transmission Use of System (D-TUoS) Tariffs 2021/22 information paper (CRU/21/078). This report contains further information on the CRU's assessment of EirGrid's performance against this incentive in 2018 & 2019, details of which have now been included in the 2020 APR.

Alignment of data

One respondent requested some level of alignment between the data presented in the 2020-2029 Transmission Development Plan (TDP) and the 2020 IPD report.

Response

The TDP presents EirGrid's plan to develop the network through specific projects to meet transmission system needs over the next ten years in line with EirGrid's statutory and licence obligations. The APR/IPD reports are a historic account of performance in a given year. Therefore the data presented in both does not lend itself to alignment.

5. Next Steps

EirGrid and ESB Networks have incorporated into the final APR the changes as outlined in the sections above. No changes have been made to the draft 2020 IPD since published for consultation. The final version of the 2020 APR and IPD alongside this paper have been provided to CRU for approval.