

PR5 DSO/TSO Joint Incentive Multi- Year Plan 2024-2028

Call for Input Consultation Paper

August 2023



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1 Introduction

Background

The CRU “PR5 Regulatory Framework, Incentives and Reporting” Decision Paper (CRU/20/154), published in December 2020, introduced a regulatory incentive on joint TSO/DSO co-ordination. This incentive should ensure that EirGrid as the Transmission System Operator (TSO) and ESB Networks as the Distribution System Operator (DSO) can help each other in achieving their targets or delivering their plans. The incentive encourages and rewards TSO/DSO co-ordination and collaboration.

Since 2021, there has been a requirement for EirGrid and ESB Networks to submit a joint Multi-Year Plan for the TSO/DSO Joint Incentive. In the Multi-Year Plan, we set out our planned activities for the following workstreams:

- Whole of system approach;
- Facilitating new technologies;
- Reducing Dispatch Down; *and*
- Secure Future Power Systems (previously referred to as Security of Supply).

The Multi-Year Plan is submitted to CRU in September of each year to cover the next three calendar years in detail and years four and five thereafter at a high level. Based on this submission and the subsequent consultation responses, the CRU makes a decision by year-end, on the milestones, deliverable targets and weightings for the following year.

Previous Submissions and Balanced Scorecard Information Papers

In 2021, the TSO and DSO made submissions to the CRU with respect to this incentive related plan for 2021. This was the first year of Price Review 5. The CRU’s decision on the 2021 Balanced Scorecards was published in March 2022 via the CRU’s PR5 2021 Balanced Scorecards Information Paper, [CRU202226](#).

In December 2022, the CRU published the “PR5 2022 Balanced Scorecards Information Paper 2022”, [CRU2022989](#). This document set out the CRU’s Balanced Scorecards for 2022, following on from DSO/ TSO-led consultation on the PR5 Joint Incentive Multi-Year Plan 2022-2026. In June 2023, the CRU published the “PR5 2023 Balanced Scorecards Information Paper 2023”, [CRU202354](#), which set out the CRU’s Balanced Scorecards for 2023. This followed on from the DSO/TSO-led consultation on the PR5 Joint Incentive Multi-Year Plan 2023-2027.

DSO/TSO MYP 2024-2028 Call for Input

This Call for Input Consultation Paper relates to the DSO/TSO Multi-Year Plan 2024-2028 for the Joint DSO/TSO incentive. Together ESB Networks and EirGrid, with input from stakeholders, will develop the planned activities for this incentive in detail for 2024, 2025 and 2026 and the planned activities at a high level for 2027 and 2028.

In contrast with previous years, to develop the DSO/TSO Multi-Year Plan 2024-2028, we are publishing a Call for Input Consultation Paper rather than a consultation on a draft Multi-Year Plan. The Call for Input will allow us to include feedback from stakeholders in advance of the finalisation of the proposed plan and submission of same to the CRU by September 2023.

For the avoidance of doubt, please note that the DSO and TSO will not be consulting again in relation to the PR5 Multi-Year Plan 2024-2028.

2 Call for Input Consultation

EirGrid and ESB Networks have commenced the process of developing the PR5 Joint Incentive Multi-Year Plan for 2024-2028 as required per CRU/20/154 in relation to the DSO/TSO Joint Incentive. This plan will be informed by energy policy, regulation and customer and stakeholder input, and will set out our proposed approach for the next five years. We will also take account of updates to programmes such as EirGrid’s Shaping Our Electricity Future¹ and ESB Networks National Network, Local Connections Programme², where relevant.

The DSO/TSO previously published the PR5 Joint Incentive Multi-Year Plan for the period 2023-2027. We now propose to use the final four years of that plan, 2024 – 2027, as a starting point for PR5 Joint Incentive Multi-Year Plan for 2024 – 2028.

The DSO/TSO Multi-Year Plan 2023 – 2027 is available to view [here](#).

Via this Call for Input Consultation, we are inviting stakeholder inputs into the development of the PR5 Joint DSO/TSO Incentive Multi-Year Plan for 2024-2028, in advance of the submission of same to the CRU.

3 Relevant Documentation

As aforementioned, we invite stakeholders to express their views on and input into the proposed approach outlined above. In doing so, stakeholders may find it helpful to refer to the following documentation –

Incentive	Previous Multi-Year Plan (2023-2027)	Relevant Sections of CRU Decisions
DSO/TSO Joint Incentive	DSO/TSO Multi-Year Plan 2023-2027	Sections 7.9 & 8.12 of CRU/20/154 Section 14 of CRU202226 Section 13.2 of CRU2022989 Section 13 of CRU202354

¹ Version 1.1 of which is available [here](#)

² NNLC which is available [here](#)

4 Overview

DSO/TSO Joint System Operator Programme Summary

The Joint System Operator Programme (JSOP) was established by the TSO and DSO in 2021 to ensure that the system operators are working in a collaborative and effective manner to jointly address electricity system needs and deliver whole of system solutions.

The programme objectives are:

1. Support societal and economic growth in a sustainable and secure manner, consistent with our license obligations, through further development of the transmission and distribution systems.
2. Support the delivery of Ireland's 2030 and longer-term climate and energy policy objectives through collaboration between the TSO and DSO.
3. Address the Commission for Regulation of Utilities' (CRU) objectives for DSO/TSO coordination:
 - The management of dispatch down and curtailment.
 - Addressing security of supply and constraint management especially in the Dublin region.
 - A whole of system approach to the optimisation and meeting of system and customer needs.
 - Jointly developing effective processes for the deployment of new technology on the grid and in operations.

Joint DSO / TSO workstreams and actions

- **Whole-of-System Approach:** As part of the Joint System Operators' work plan, one of the key objectives is the development of a whole of system approach to system operation between the TSO and DSO. This workstream focuses on optimising the system as a whole rather than focusing on the transmission and distribution systems in isolation. Improved coordination between the DSO and TSO is important to deliver more efficient markets and a more resilient system.

Current tasks for this workstreams are:

- Agree Future Operating Model
 - Market/ Operations Framework development, co-ordination of constraints & review alignment of aggregation structures for transmission & distribution services
 - Data Exchange & Systems Configuration
 - Future Arrangements – Distribution connected customers
 - Operational Policy Quarterly Review Process
 - Grid / Distribution code Evolution to support the 80% RES target by 2030
- **Facilitating New Technologies and Systems Services:** Both system operators are looking to pilot new technologies and processes, and to facilitate the integration of new technologies. The system operators will work together to enable hybrid connections and supporting arrangements to optimise the use of existing infrastructure.

Current tasks for this workstreams are:

- QTP Process
- Pilot 1 – I&C DSR Local Market
- Pilot 2 – Dynamic instruction sets
- Pilot 3b – Pilot of Scale
- Pilot 5 – Future Arrangements

- Pilot 3a & 6 – Beat the Peak Commercial & Domestic
- Hybrid Technology
- **Reducing Dispatch Down of renewable Generation:** Renewable generation may be dispatched down at times to manage local transmission or distribution system constraints and/or curtailed at times to manage system wide limits. Over the coming years, there will be a growing risk of localised or system-wide over supply of renewable generation, which will lead to a growing need to dispatch down. Minimising this dispatch down of renewable generation will be increasingly important to ensuring the efficient use of renewable generation and achieving renewable energy targets in an economic manner.

Current tasks for this workstreams are:

- Developing DER visibility, forecasting and modelling
- Improved forecasting for wind and solar
- Development of reactive power management HLD in line with Operating Model
- Pilot 4 – RESS 1 Early Access
- **Secure Future Power System:** This workstream’s objective is to address the long-term challenges and leverage the opportunities created by high renewables penetrations; high volumes of distributed energy resources (DER) and; widespread demand side flexibility.

Current tasks for this workstreams are:

- Data Centre Flexible Demand Implementation
- Implement Outcome of CRU consultation on solutions for Data Centre Connections
- Protection Settings for our Largest Customers
- Selective co-ordinated demand management using new DSO control room technology
- Assessment of DER on Future System Performance to ensure secure energy transition
- Review of Automated Demand Management Scheme (UFLS)
- Review of Power System Restoration Process in preparation for 2030 power system

For further information, please see *DSO/TSO Multi-Year Plan 2023-2027* [here](#).

5 Next Steps

Interested stakeholders’ views on and input into the DSO/TSO’s PR5 Multi-Year Plan 2024 -2028 for the Joint DSO/TSO incentive are invited until 5pm on 5th September 2023. Responses can be submitted through the [EirGrid Consultation Portal](#) and via ESB Networks engagement mailbox: engagement@esbnetworks.ie.

Please note that, in the consultation response document, the DSO and TSO will jointly respond to consultation respondents’ comments and feedback within the scope of this consultation only. Comments and feedback outside the scope of this consultation will not be included in the consultation response document/(s).

Please mark your response as confidential if you do not wish for elements of your response to be shared in the consultation response document/(s) which will be published post consultation. Please note that all responses received will be shared with the CRU.