

Shaping Our Electricity Future (SOEF) Advisory Council Meeting 04 Minutes



Date: March 28th 2023

Time: 10:30 - 15:30

Venue: Hilton Hotel, Belfast, N. Ireland

Chair: Liam Ryan

Council Member Attendees:

Name	Representing
Alexander, Mark	TSO
Basi, Jag	Conventional Production
Bell, Paul (online)	Regulators
Blount, Paul	Renewables
Burke, Frank	Storage
Conlon, Michael (online)	Academia
Diskin, Brian (online)	Government
Diskin, Ellen	DSO
Duddy, Joe	New Technology
Finn, Paddy	Demand Response
Fitzgerald, John (online)	New Technology
Garth, Kate (online)	Renewables
Harron, Trevor	DSO
Harte, Peter (online)	New Technology
Hearne, Tony	DSO
Hill, David	DSO
Howard, Seamus (online)	Manufacturer
McArdle, Jane (online)	Renewables
McCormick, Robin	Consultancy
McHugh, Alan	Consultancy
Mohr, Patrick (online)	Consultancy
Mongan, Brian	Demand Response
Morris, Neil	Large Energy Users
Mullan, Rory	Renewables
Nee, Margaret (online)	Renewables
O'Rourke, Robert	Regulators
O'Sullivan, Thomas (online)	Large Energy Users
Rueda, Federico Londono (online)	Manufacturer
Smith, Donal	Renewables
Russell, Peter	N. Ireland, Department for the Economy
Crowe, Zoe	N. Ireland, Department for the Economy
Lauren Skillen-Baine	Utility Regulator

Apologies:

Name	Representing
Cunniffe, Noel	Renewables
Harvey, Nicholas	TSO
Junge, Carsten	Manufacturer
Mitchell, Fred	Large Energy Users

Introduction - Alan Campbell

- Alan Campbell welcomed members.

Housekeeping - Liam Ryan, EirGrid

1. **Actions Review:** Previous meeting's actions shown in slide deck and updates were noted. Discussions on the following topics:
 - **Tomorrow's Energy Scenarios:** 2035-2050 is fairly advanced and will be published for consultation post launch of next iteration of Shaping Our Electricity Future. Anticipate having consultation and final publication by end of 2023.
2. **Problem Statement Update:** Liam Ryan presented final Problem Statement and Mission Statement for SOEF.
 - Multiple Members expressed need for publication of more detailed objectives (one degree more detailed than the SOEF Milestones) for tracking progress.
3. **SOEF Sub-Committee Proposal:** Liam Ryan presented the TSOs' intention to establishing a SOEF sub-committee to facilitate deep-dive discussion on important SEF topics.
 - Member requested the sub-committee be open delegated personnel, as time commitment might be too much for a single person. General agreement, including that person attending will represent the sector

Northern Ireland Energy Policy Update - Alan Campbell, SONI

- **Peter Russell and Zoe Crowe** provided an update on the Northern Ireland, Department for the Economy, updated on the Energy Strategy to Net Zero.
- Major Themes:
 - Offshore wind
 - is key
 - Sustainability and coexistence with fisheries, navigation is critical
 - Members were in broad agreement
 - RESS
 - **Key principles:** 80% RES-E by 2030, fair price for electricity, diversification of renewables portfolio
 - No similar scheme to that of GB and ROI in place currently
 - Members expressed strong support for this
 - Ongoing consideration of design principles for bespoke NI solution
 - Discussion with Members
 - Member raised curtailment risk, noted that DECC is underwriting curtailment and oversupply in RESS3 and ORESS for developers in ROI and asked if DFE will do this in NI?
DFE: Under consideration
 - Member raised importance of using same set of assumptions when modelling.
 - **Question:** Can market see analysis being used by DFE? **DFE:** working closely with Crown Estate on this.

Breakout Sessions

- Networks, onsite discussion with Liam Ryan, Robbie Aherne
 - Initial Presentation
 - Workshop guidelines:
 - EirGrid / SONI presented on some guiding network principles to help steer the workshop - need for transformational grid delivery across the decade, the challenge for entire ecosystem.
 - EirGrid / SONI working to develop vision of power system for 2030 and corresponding list of candidate reinforcements at the moment. In parallel, will develop appropriate networks enabler multi-year plan.
 - Clustering of Renewable Projects
 - Defined as "gathering together of renewable projects in a geographic area into a new substation and injecting power onto grid where there is realisable capacity."
 - General agreement that clustering has a role to play in future evolution of transmission grid - in Ireland a contestable presents challenges but is a way to accelerate renewable delivery. Anticipatory development of cluster sub-stations really helps drive renewable project investment in an area.

- Previous experience in Ireland and Northern Ireland an important source for how this is shaped across the decade - learn from the lessons of the past etc.
- For clustering, management of residual risks very important (bonds; extent to which the consumer underwrites capital expenditure; allocation of risk etc.)
- Non-Network Devices
 - Positive to see non-network candidate reinforcements being identified in the last iteration of Shaping Our Electricity Future (November 2021).
 - However, this needs to be married with a transparent implementation plan which shows (a) progress of individual projects, (b) progress of portfolio operational approach for such devices across grid and (c) horizon scan for new devices.
- Speed of delivery of Northern Ireland grid projects (already identified and prospective) is crucial - they need to move forward end-end more quickly. Similar feedback for Ireland, albeit acknowledgement of larger quantum of projects.
- Energy storage is part of solution and needs to be called out as part of Shaping Our Electricity Future. Can help manage oversupply, system operation challenges and local congestion issues etc.. Need to consider appropriate electricity market approach to drive investment.
- Grandfathering of constraints will make renewables very expensive - this needs to be carefully considered by the Regulatory Authorities.
- Markets and Operations virtual discussion (in morning) and in-person (in afternoon) with David Carroll, Eoin Kennedy
 - Markets
 - A key message was to not let the perfect be the enemy of the good. We need to focus on aspects of the markets which delivers most benefit. For example Members noted that FASS is demanding much effort and attention, when dispatch balancing costs are much more value/cost
 - Multiple Members noted the volume of work planned for 2021-2026 and asked if it's truly possible to deliver. A further level of granularity is needed below the timeframes being provided
 - Members noted that influencing at a European level is important to ensure that we don't get left with having to implement changes that do not add value to the SEM.
 - Operations
 - Member highlighted the important contribution that Low Carbon Inertia Services (LCIS) can make to relaxing operational constraints and emphasised the importance of prioritising the project to ensure that procurement can be completed this year per the CAP 23 action.
 - Member raised question on learnings from the Global Power System Transformation (GPST) consortium, what lessons can we take from the experiences of other GPST TSO members?
 - Eoin Kennedy: Provided an update on how the TSOs are currently working with other GPST member TSOs; noted the upcoming release of a demand side strategy; noted the submission of three separate papers on hybrids to CRU and engagement with CRU on same.

Systems Services, Future Arrangements Update - Robert O'Rourke, Commission for Regulation of Utilities, SEMC

- Robert O'Rourke provided an update to the Advisory Council Members on the progress of the Future Arrangement Systems Services (FASS) delivery plan.
 - Four phases: Fixed Contracts, Layered Procurement, Daily Auction, IDM interday/BM
 - Broad objectives include:
 - Introduce competition, distinguish winners/losers
 - Arrangements must be simple to explain, build, and operate. Reduce complexity
 - Even with these principles there will still be a significant implementation project
 - Hoping to publish consultation paper in April, 6-week review timeline
- Feedback provided to presenter included:
 - Need clarity, e.g. what is the definition of layered procurement
 - Need more than six weeks review of consultation paper and more engagement with Industry
 - Procurement seems at odds with market direction (EU longer term procurement messaging)
 - Members noted the current signals are for Members to exit the market. Mr. O'Rourke noted that is not the intention.

AOB - Liam Ryan, EirGrid

- TSOs intention is to create an initial "pilot" of a sub-committee for SOEF, with the topic TBD
- Next meeting to be conducted in Dublin, in early June. Date forthcoming with a meeting invitation

Meeting Actions

#	Topic	Action	Owner	Due	Meeting Xref
1	SOEF Sub-Committee Establishment (Pilot)	<p>Send out invitation to SOEF Advisory Council Members for the pilot Sub-Committee.</p> <p>Include:</p> <ul style="list-style-type: none"> - Topic - Terms of Reference - Goal + Deliverables - Targeted Number of Members (Alternate is acceptable, per Member request) - Timeline for existence 	EirGrid/SONI	Before 15 April	Introduction > Housekeeping > Sub-Committee
2	SOEF Objectives, Portfolio Progress Tracking	<p>Request came from multiple Members about the need to track progress against objectives / milestones.</p> <p>EirGrid/SONI SOEF Programme to consider Member request on how best to incorporate the appropriate level of programme reporting so a transparent view of progress against objectives/milestones is available.</p>	EirGrid/SONI	Report at next ACM	Breakout Sessions Meeting Wrap-up
3	Discussion on Hybrids	<p>Multiple Members requested additional insights from and discussions with the TSOs on the progress of Hybrids.</p> <p>EirGrid/SONI SOEF Programme to consider Member request and revert to the ACM.</p>	EirGrid/SONI	Report at the next ACM	Operations breakout session
5	Note to Govt Task Force	<p>TSO agreed to draft note for government task force in support of striking balance between “build and they will come.”</p>	TSO	End of April	Networks breakout session