








Gate 3 Liaison Group




Title	Liaison Group Status Report – Gate 3 Offer Programme
Date	24 August 2010
From	EirGrid, ESB Networks, CER
To	Liaison Group

Summary Status

Overall Status	Schedule	Issues	Risks
			

Work-streams

EirGrid	DSO	CER
		

Status Summary	
	Project is continuing within agreed schedule and deliverable requirements with no major schedule or deliverable impact expected.
	Project schedule or a work stream deliverable is at risk of not meeting requirements. Monitor and apply corrective action as required.
	Project schedule or a work stream deliverable is not meeting requirements. Corrective action is required immediately.

Gate 3 Offer Programme Update

The TSO work programme for offer issuance is completing on schedule with the issuance of offers for H2 (South East) completed and the issuance of offers for H1 (Lower Midlands) and area B (West) now underway. Preparation for the issuance of offers for a number of other regions is also on-going. The transmission offer schedule will be revised shortly to reflect changes that arise as a result of the revised DSO offer timeframe which accommodates distribution contestability. This change will only impact offer dates for a number of transmission customers who are directly impacted by the option of distribution contestability and communication of the revised offer issue dates for these customers is underway at present; A revised project plan will be also be circulated to all customers shortly.

EirGrid has recently proposed an approach for interim constraint reporting to the CER and following recent approval of this approach, letters are now being sent to applicants requesting confirmation of interest in receiving these interim reports,

DSO has issued the shallow connection report to TSO for the following Areas on time per the published schedule. Area A [19th July], Area C. [3d August] and Area G [12th August]. This leaves only the Area I shallow report to be submitted to TSO, which contains only one application. This is due to be submitted on 10-9-2010.

In addition DSO have continued to work on the introduction of Distribution contestability. As part of this process and following discussions with industry DSO has issued 3 offers in H2 to parties who cannot contest their works (primarily extensions). In relation to 2 other developers in Area H2 who have opted to receive no further information on contestability there is information outstanding from the customers which will delay their offers..

The remaining H2 applicants for whom some of their works can be contested, have been sent letters containing both contestable and non-contestable costs together with diagrammatic representations of the works that can be contested.. Offers will issue based upon the responses to these letters.

The following is a list of the progress on key tasks relating to the CER's ongoing Gate 3 inter-related work-streams since the last scheduled Gate 3 Liaison Group meeting which was held on 20th July 2010:

1. All-Island dispatch and Scheduling:

The Regulatory Authorities (CER and NIAUR) consulted on this work stream in 2009 ([SEM-09-073](#)). . The Regulatory Authorities plan to issue a proposed decision in Quarter 3 of 2010 followed by a decision.

2. Contracts Process

Following the initial consultation on the high level process for implementation of the "fixed date with payments" approach it was decided that further detailed consultation was necessary. This consultation ([CER/10/048](#)) was published in March, 2010 and closed on 14th May. The consultation covered the levels of payments, margins, etc. & other rules. A decision is due in Q3 2010.

3. Locational Signals Options, (all-island TLAFs).

The RAs published a proposed decision ([SEM-10-039](#)) in June on the all-island harmonised TLAF arrangements. The RAs propose that losses in dispatch and the market be treated on a uniform basis from 1st October 2010. The RAs also propose, in principle, in the long-term the adoption of the concept of ‘*splitting*’, which would involve the separate treatment of transmission losses in the market schedule from those in dispatch. A [workshop](#) on this issue was held on 26th July. The implementation of the ‘splitting’ proposal is to be contingent on a satisfactory outcome from an Impact Analysis carried out by the RAs. 31 responses to the consultation were received. A decision from the SEM committee is due at the next meeting (31st August).

4. Capacity Payments Mechanism (CPM)

An initial consultation on the scope of the medium term review of CPM was held in 2009 with an [Information Note](#) published in November 2009. A consultation ([SEM-10-046](#)) on work packages 1-5 was published on 23rd July 2010. Responses are due by 10th September. The Regulatory Authorities plan to publish another consultation paper on the remaining Capacity Payment Mechanism work packages in Q4 2010 followed by a decision paper in Q1 2011.

5. Capacity Relocation

The Commission published on 28 July the SOs’ proposed rule set ([CER/10/123](#)) for the relocation of generator capacity and the conditions which may apply. The decision paper is scheduled for Autumn 2010.

6. Distribution Connection Contracts

On 17th August 2010 CER published for consultation ([CER/10/136](#)) a suite of ESB Networks documents which collectively make up the contracts that it issues to parties that apply for connection to the electricity distribution system. Consultation closes 24th September.

System Operators Deliverables/Milestones

DELIVERABLE/MILESTONE	DUE DATE	REQUESTED NEW DATE	STATUS	EXPLANATION OF VARIANCE
ITC Run				
ITC Program Execution	06/07/2009 to 26/01/2010		Complete	
Firm Access Date Review				
Third Party Technical Review	06/07/2009 to 18/01/2010	06/07/2009 to 26/01/2010	Complete	
FAQ Publication				

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DELIVERABLE/MILESTONE	DUE DATE	REQUESTED NEW DATE	STATUS	EXPLANATION OF VARIANCE
2010-2017	18 th Dec 2009		Complete	
2018-2021	20 th Jan 2010		Published on 29 th	
2022-2025	29 th Jan 2010		Complete	
CER Review and Sign off	06/07/2009 to 29/01/2010		Complete	
Offer Process				
TSO/DSO Connection Method Meetings	01/05/2009 – 02/07/2010		Complete	
TSO Connection Method Introductory Meetings	01/05/2009 – 21/09/2009		Complete	
Application Fees (balance)	07/01/2011		Not Started	
DSO Shallow Connection Reports	31/07/2009- 10/09/2010		In Progress	
TSO Connection Offers to DSO	26/11/2009 – 31/05/2011		In Progress –	
Issue Transmission and Distribution Connection Offers	17/12/2009 - 30/06/2011		In Progress –	
Publish Constraints Info	19/03/2010- 29/06/2011		On Hold –	Revised publication dates are currently under review with the commission – interim proposal from EirGrid also under review

Key Issues

The following issues are flagged for attention

No.	Issue and Action Needed	Date Raised	Priority (H-M-L)	Responsibility	Status (New, Open, Closed)	Date Closed
1	Rules for processing of temporary connections - awaiting All-Island dispatch and Scheduling direction to be finalised	July 2009	H	CER	Open	
2	Capacity relocation requests – interim ruleset being considered for processing existing requests	February 2010	H	CER	Open	
3	Rebates may need to be processed for reduction in application fees	March	M	SO's	Open	
4	Publication of final constraints information on hold	March	H	CER	Open	
5	Some changes to the standard form of DSO connection agreement	March	H	DSO/CER	Open	
6.	Completion of Impact assessment on the introduction of Distribution Contestability	April	H	DSO/TSO	Closed	August 2010

Key Risks

The following risks are flagged for attention

No.	Risk Description	Risk Probability	Level of Impact	Trend	Mitigation Approach	Contingency Approach
1	Risk of over-run on 20 day period for customer / sub group responses on contestability resulting in	Medium	High	↔	Communicate importance of 20 day period time period to customers / sub group and the Liaison Group	Default outcome in absence of timely response is a non-contestable offer. Also the so called hybrid approach still available as an option after 20 day period cut off
2	Policy decisions delayed / content of decisions impacts on project schedule	Medium-High	High	↑	On-going communication of impact with CER and Industry	Reschedule Project Plan
3	Resources become unavailable	Low-Medium	High	↓	On-going resource planning, detailed resource assessments and project governance structures	Address resource shortfall Reschedule Project Plan
4	Scope Creep: Project scope extends beyond processing offers resulting in delays to the issuing of connection offers	Low	High	↔	Ensure scope of project is documented and communicated effectively	Reschedule Project Plan
5	Current assumptions for constraint reports may change pending the publication of the final direction on dispatch and scheduling resulting in a delay to the constraints schedule	Medium	High	↑	On-going industry consultation and co-ordination with CER	Reschedule Project Plan
6.	Final decision on Distribution contestability may impact on offer schedule	Medium	High	↔		Revision of Gate 3 Schedule almost complete following introduction of revised process

CER Inter-related Projects

Ref.	ONGOING CER WORKSTREAMS							
	CER Workstream	Workstream Description	Consultation Paper			Decision from CER		
			Due Date	Revised Due Date	Status	Due Date	Revised Due-Date	Status
1.	All-Island dispatch and scheduling	Confirmation by CER of dispatch and scheduling rules	April '09	July '09	Completed Consultation (SEM-09-073) published July '09 Workshop held August '09	Late July '09	Proposed decision Q3 2010	-
2.	Locational Signals Options, (includes TUoS & TLAFs)	Consult on Multiple Options	May '09	-	Completed Consultation (SEM-09-049) published May '09 Workshop on Options held June '09	Q1 2010	Q3 2010	Workshop held on 26 July A decision from the SEM committee is due 31 st August
		Consult on Proposed Option(s) & Tariffs/Factors	Nov. 2009	-	Completed SOs' preferred options consultation Nov'09 SEM-09-107a			
		Proposed decision on all-island generator TUoS charges and TLAFs.	-	-	Completed Proposed Decision (SEM-10-039) published June 2010 Consultation closes 30.07.2010			

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Ref.	ONGOING CER WORKSTREAMS							
	CER Workstream	Workstream Description	Consultation Paper			Decision from CER		
			Due Date	Revised Due Date	Status	Due Date	Revised Due-Date	Status
3.	Contracts Process	7.a) DSO Standard Connection Agreement	June '09	August '09	Completed Consultation (CER/09/145) published on 1 st Sept '09	August '09	December '09	Completed Direction (CER-09-198) published December 2009
		7.b) Consultation on charter for "fixed date with payments" approach to connection	March, 2010		Completed Consultation closed May 2010 (CER/10/048)	Q2, 2010	Q3, 2010	On-track for Q3
4.	Capacity Payment Mechanism (CPM)	Medium Term Review of CPM	September 2010	On track	Consultation (SEM-10-046) on work packages 1-5 published 23 rd July 2010	Q1 2011		On-track for Q1, 2011
5.	Relocation of Capacity	Decision on possible relocation of capacity and the conditions which may apply	June 2010	July 2010	Completed Consultation (CER/10/123) published 28 July '10	Autumn 2010		On-track for Autumn 2010

COMPLETED CER Workstreams (which inter-relate to Gate 3)

COMPLETED CER Workstreams						
Ref.	CER Workstream	Workstream Description	Consultation Paper Status	Decision from CER		
				Due Date	Revised Due-Date	Status
a.	Treatment of Renewable, Small and Low Carbon Generators outside the GPA	Decision by CER on which non-GPA plants receive connection offers	Completed Consultation published March '09	End May '09	July '09	Completed Decision (CER/09/099) published 24 th July '09
b.	Standard Costs and Timelines	i) Confirmation by CER of standard costs and leadtimes.	Completed published October '08	April '09		Completed Decision published 1st May '09
		ii) Open Book				
c.	Treatment of Conventional Applications	Decision by CER on the conventional plants to receive connection offers in tandem with Gate 3.	Completed Consultation (CER/09/114) published Feb 2009	Not applicable	Not applicable	Not applicable
			Completed Proposed Direction published July '09	End October '09	December '09	Completed Direction (CER/09/191) published December 2009

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COMPLETED CER Workstreams						
Ref.	CER Workstream	Workstream Description	Consultation Paper Status	Decision from CER		
				Due Date	Revised Due-Date	Status
d.	Joint Pricing Principles and Losses Policy	i) Approval by CER of the revisions to the Joint Pricing Principles (Charging) paper	Completed Consultation (CER/09/137) published 18.08.09	End October '09	mid-June 2010	Completed Direction (CER/09/191) published December 2009
		ii) Losses policy for distribution connected generators			January 2010	Completed Direction CER/10/010 published January 2010

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COMPLETED CER Workstreams						
Ref.	CER Workstream	Workstream Description	Consultation Paper Status	Decision from CER		
				Due Date	Revised Due-Date	Status
e.	Networks Connection Policy	General Connection Policy including capacity bonds	Completed Proposed Direction (CER/09/138) published April '09	June '09	August '09	Completed Decision CER/09/138 published 25.08.09
f.	Contracts Process	i) DSO Standard Connecton Agreement	Completed Consultation (CER/09/145) published on 1 st Sept '09	August '09	December '09	Completed Direction (CER/09/198) published December 2009
g.	Contestability for Distribution & Transmission Level Connections to the Electricity System	Decision regarding Distribution and Transmission Contestability.	Completed Consultation (CER/09/127) published August '09 Proposed decision paper (CER/09/193) published in December 2009	Nov '09	End-March 2010	Completed Direction (CER/10/056) published 15 April 2010
h.	Allocating Scheduled Firm Access in Gate 3 ITC Programme	Detail for Allocating Scheduled Firm Access in Gate 3 ITC Programme	Completed Consultation published 21 October 2009 (CER/09/169)	December 2009	-	Completed Direction (CER/09/192) published December 2009

Open Change Requests*

ICR043	Change of Project Scope to accommodate introduction of Distribution contestability	08/02/2010	DSO	Open
ICR053	MEC Change of Killthumper	29.04/2010	DSO	Open
ICR055	Removal of IMERA and Ballywater	18.05.2010	CER	Open
ICR058	Acres Energy Limited Transfer to Distribution Level	29.06.2010	Customer	Open
ICR060	Treatment of non-firm non-GPAs for firm access & connection offers	07.07.2010	TSO & DSO	Open

* All of the above Industry Change Requests have been approved by both SO's and formally sent to the CER. They will be assigned a status of closed on publication of the next revised node publication list.