

Meeting Minutes

Gate 3 Liaison Group Meeting #17

CER Office, 24th August, 2010

Attendance by Liaison Group Members or Approved Substitute

Name	Present	Company / Organisation	Member (M) or Substitute (S)
Cathy Mannion	N	CER	M
Paul Brandon	Y	CER	M
John Lynch	Y	CER	M
Derek Lawler	Y	EirGrid	M
Shane Maher	Y	EirGrid	M
Tony Hearne	N	ESB Networks	M
Paul Hickey	Y	ESB Networks	M
Caitriona Diviney	Y	IWEA	M
Pat Blount	Y	Meitheal na Gaoithe	M
Vacant	N	NOW Ireland	-
Erik O'Donovan	N	IBEC	M
Peter Coyle	Y	Marine Renewables Industry Assoc.	M
Grainne O'Shea	Y	ESB Power Generation	M
Brian Linton	Y	Viridian Power and Energy	M
Peter Hynes	N	Local Authority Representative	M
Carole Devlin	Y	Endesa Ireland	S
Fergal McParland	Y	EirGrid	M
Fiona O'Donnell	Y	ESB Networks	M
Rory Mullan	N	Irish Grid Solutions	M

Additional Attendees

Name	Company / Organisation
Philip O' Donnell	EirGrid
Eoin Kennedy	EirGrid
Niall Bishop	EirGrid
Enda Feeley	EirGrid
Eoin Waldron	ESB Networks
Dave Byrne	ESB Networks

Introduction and Approval of Minutes

Paul Brandon, in lieu of chairperson Cathy Mannion who sent her apologies, opened the meeting and welcomed the attendees. The progress on open action items from the previous Group meeting (#16) was reviewed. Action items from meeting #16 which are completed / closed are listed in Appendix 2.

These minutes, for meeting #17, now record new action items raised during meeting #17 and any decisions made, as well as ongoing action items from previous meetings.

New Format of Meeting

CER presented details of the new meeting format which will apply for Gate 3 Liaison Group meetings henceforth. This will be in accordance with the recently updated Terms of Reference [[CER/10/073\(f\)](#)] for the Gate 3 Liaison Group. The format of the meeting will comprise separate phases as follows:

- Gate 3 offer programme – issuance of offers
- Phase 2a: Offer Execution and Connection Status
- Phase 2b: Gate 3 Related Policy items

The agenda for the meetings, the minutes of the meetings and the monthly status reporting will transition to the new format over the coming months. An overview of the new arrangements are published on the [Gate 3 webpages](#) with these meeting minutes.

A. Standing Action Items

The following are standing action items which apply to each meeting:

No.	Actions:	Owner
1.	Agenda: CER to circulate the agenda, together with the SOs' Monthly Project Status Report prior to each meeting.	CER
2.	Draft Meeting Minutes (for meeting on 24th August 2010): Distribute, within 5 business days of the meeting, the draft unapproved minutes of the meeting to the Liaison Group members for comment.	CER
3.	Final Meeting Minutes: Distribute, within 12 business days of the meeting, the final approved minutes of the previous meeting.	CER
4.	Action Items: Review the action items as detailed in the minutes of the previous meeting.	All
5.	Gate 3 Project Status: Monthly project status report to be provided by the SOs to CER in advance of the distribution of the agenda.	SOs
6.	CER Workstreams: CER will arrange for regular information updates to be provided at the Group meetings on CER workstreams which inter-relate to the Gate 3 offer programme.	CER

MEETING PHASE 1 – OFFER ISSUANCE

B. Update on Gate 3 Offer Project

An update on the project status and progress, up to 24th August 2010, was outlined by the System Operators (SOs) and the CER. The details of this update are recorded in the Monthly Gate 3 Project Status Update. This is published on the [CER's website](#) with these minutes.

The offer schedule will be revised shortly to reflect changes that arise as a result of the introduction of distribution contestability. The attached presentation material shows, at a high level, the impact on the schedule. A revised project plan will be also be circulated to all customers shortly.

Key project updates are:

- TSO offers for H2 (South East) completed
- DSO has issued 3 offers in H2 to parties who cannot contest their works (primarily extensions). 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.
- Issuance of TSO offers for H1 (Lower Midlands) and area B (West) are underway.
- Letters are now being sent to Gate 3 applicants requesting confirmation of interest in receiving interim PGOR reports (i.e. interim indicative constraint estimates) – refer to presentation material published with these minutes.
- The Regulatory Authorities plan to issue a proposed decision on All-Island Dispatch and Scheduling by Friday 27th August for 8 weeks consultation. An industry forum will be held during the consultation.
- A [workshop](#) on TLA methodology was held on 26th July. A decision from the SEM committee is due at the next SEM Committee meeting (31st August).
- 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”.
- The CER 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.
- On 17th August 2010 CER published for consultation ([CER/10/136](#)) the contracts that it issues to parties that apply for connection to the electricity distribution system. The revisions are primarily related to the introduction of contestability at distribution level and the inclusion of additional text related to TSO liability. Consultation closes on 24th September.

C. Contestability

The impact on the Gate 3 offer schedule of the introduction of distribution contestability was presented-on by DSO on behalf of both SOs. (refer to presentation published with these minutes entitled: “*Distribution Contestability – Revised offer Schedule for Gate 3 Offer Project*”).

DSO also presented on the revised contracts and the key changes compared with existing approved DSO contracts. The details to be contained in revised contracts - including the terms and conditions to cater for distribution contestability – have been published ([CER/10/136](#)) for consultation until 24th September by CER. The revisions are primarily related to the introduction of contestability at distribution level and the inclusion of additional text related to TSO liability.

No.	Actions:	Owner	Status
7.	Contestability: A revised project plan will be circulated to all customers shortly by SOs.	SOs	New

D. Presentation on Cost Basis for uprating 38kV

ESB Networks presented on the design standards for 38kV lines – with particular focus on the ground clearances required for safety purposes – and the process for uprating such lines in order to increase their current rating. This presentation¹ was a result of queries from industry as to the cost basis for uprating such lines.

¹ as published with these minutes, entitled “*38kV Overhead Lines*”.

MEETING PHASE 2a: OFFER EXECUTION AND CONNECTION STATUS
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E. Constraints Reporting Update

At meeting #17 EirGrid presented² further detail on the process for the issuance by EirGrid of indicative interim constraint estimates [to be called Possible Generator Output Reductions (PGOR), as distinct from constraint estimates] to developers who wish to receive them. The revisions to the modelling assumptions and some illustrations of average system constraints and curtailment were also presented. The PGORs are being issued in advance of possibly more appropriate estimates which will follow from policy decisions by the SEM Committee on SEM Scheduling & Dispatch. This may require the recalculation of constraint estimates based on different dispatch criteria and the possibility of (re)issue of estimates in 2011, subject to the final outcome of the workstream. It is also worth noting that the values in the PGOR may be consistent with the final outcome of the workstream.

No.	Actions:	Owner	Status
8.	Next Update on Constraints Subject to the publication of the S&D proposed decision paper, EirGrid to consider the possibility of an update on constraints at the next meeting or via a workshop if the initial impact of the proposed direction on Scheduling & Dispatch can be assessed at that time.	CER & EirGrid	Open
9.	Issues Members to consider and communicate to CER & EirGrid headline issues for the aforementioned update.	Industry	Open
10.	Modelling assumptions for shallow connections dates It was agreed to include the modelling assumptions used for the pre-Gate 3 generator shallow connection dates in the PGOR reports unless members have issues with this. Members to communicate if they have issues with this and any other comments they may have on the PGOR template report to EirGrid by 3 rd September. If no responses are received the default position is that the pre Gate 3 generator shallow connection dates will be included in the PGORs.	Industry	Open

² as published with these minutes, entitled “*Issuing of Possible Generator Output Reductions (PGOR) Reports*”

F. Impact of Deferred Offer Acceptance on Post-Offer Work

No.	Actions:	Owner	Status
11.	<p>Impact of deferred offer acceptance: Developers have the option of deferral of the acceptance of issued Gate 3 offers until official constraint estimates are received (post decision on Scheduling and Dispatch workstream). This is likely to have a significant impact on connection delivery as a result of the build up of pending offers.</p> <p>The SOs separately presented³ on some of the issues relating to the deferral and grouping of offer acceptances in Gate 3 including some options for deciding on the order of execution (i.e. staggering) of the post-offer work by the SOs and what advance works can proactively be carried out.</p> <p>Views of industry sought by SOs.</p>	Industry	Open

G. Application Fees and Staged Payments

The System Operators and CER were previously requested to consider a reduction in application fees in light of the economic downturn. Invoices (for 2010) were issued by SOs in January 2010 based on 2009 fees.

No.	Actions:	Owner	Status
12.	<p>Application Fees: SOs to publish schedule of revised fees in the coming days.</p> <p>SOs informed the group that they expect all rebates of application fee income in excess of the approved level to be processed before the next scheduled meeting (21 September).</p> <p>Note: Subsequent to the meeting the new fee schedule has been published and is now available online:</p>	SOs	New

³ Refer to the 2 presentations published with these minutes entitled “Deferred Offer Acceptance” from EirGrid and from ESB Networks.

H. Gate 1, 2 & 3 Reinforcements

Further studies have commenced on a comprehensive review of the deep reinforcements associated with Gate 1 and Gate 2 projects. EirGrid are scheduled to provide an update for Gate 1 and Gate 2 projects on deep reinforcements associated with each project by September. These updates will be communicated to customers affected: a) by EirGrid – for Transmission connected customers – and, b) by ESB Networks – for Distribution connection customers

No.	Actions:	Owner	Status
13.	<p>Gate 3 Reinforcements EirGrid stated that they are planning to hold an industry workshop on deep reinforcements in late-September / early-October timeframe. Date to be confirmed by EirGrid. EirGrid to consider whether this could be combined with presentations to discuss constraints and scheduled firm access quantities.</p>	EirGrid	Open

I. First Stage Payments on Offer Acceptance - Offshore

CER has received representation from industry requesting that CER reconsider the application and/or terms of the First Stage Payments (deposits) which will be due for payment by both offshore and onshore developers on offer acceptance [refer to [CER/10/090\(f\)](#)].

Written representations re offshore *First Stage Payments* have been received by CER from industry. CER are scheduled to meet offshore representatives on 26th August.

No.	Actions:	Owner	Status
14.	<p>Onshore: First Stage Payments Written representations re <i>First Stage Payments</i> have been received by CER from IWEA. IWEA to arrange separate meeting with CER to discuss this.</p>	IWEA	New
15.	<p>First Stage Payments CER to consider the above representations whilst taking cognisance of recent policy decisions on this matter (CER/09/138).</p>	CER	Open

J. Feedback from Industry on Gate 3 Offers

IWEA provided some feedback at meeting #15 on difficulties and lessons learned to-date from the Gate 3 offers issued to date. This includes some issues and actions as follows:

No.	Actions:	Owner	Status
16.	<p>Power Output Control Requirements There are new clauses in the distribution connection offer, section 16.4, on a TSO power output control mechanism for</p>	EirGrid	open

No.	Actions:	Owner	Status
	generators <5MW. IWEA suggested (meeting #15) that these need to be consulted-on with industry. These requirements/clauses have temporarily been removed from offers. EirGrid have written to the CER outlining the issues involved and will confirm at the next meeting (scheduled 21 September) if a solution has been reached which negates the need for the clause.		
17.	RTU Cost The cost of the TSO RTU has been revised from €91,000 to €110,000. CER to consider costs breakdown from EirGrid and explanation for change as provided to CER on 23 August.	CER	New

K. Other Topics

No.	Actions:	Owner	Status
18.	Ongoing Quarterly Offer Modification Metrics⁴ Modification processing (timeline) statistics to be published by System Operators every quarter. <ul style="list-style-type: none"> EirGrid have published metrics up to 12th August. Q2 2010 DSO metrics have not been published due to website difficulties. <p>The next update/publication is due at end October 2010.</p>	SOs	Open
19.	Grid25 Update EirGrid confirmed (previously) that it was appropriate to update on a quarterly basis. EirGrid proposed to provide an update at the next meeting, scheduled to take place on 21 September). EirGrid to propose the scope of the forthcoming update on Grid25.	EirGrid	new

⁴ This item/topic will be discussed at forthcoming Gate 3 Liaison Group meeting only if a problem is indicated by the metrics.

MEETING PHASE 2b: GATE 3 RELATED POLICY ITEMS

L. Connection Offer Policy Principles

IWEA expressed concern at the lengthy turnaround time for the generation and determination of policy documents - such as that on Capacity Relocation - and were of the view that forthcoming workstreams such as those relating to mergers and COPP should be adequately resourced.

No.	Actions:	Owner	Status
20.	<p>Connection Offer Policy Principles</p> <p>EirGrid on behalf of both SO's presented⁵ a high level overview of the scope of the 14 headline items which are to be covered by the COPP workstream.</p> <p>EirGrid and ESB Networks invited industry to comment on the scope of the items included in the COPP workstream.</p>	Industry	New

M. Documents Distributed with these Minutes

The following documents are distributed with the minutes of meeting number 17:

- Agenda for Gate 3 Liaison Group No. 16 on 20-07-2010
- Monthly Gate 3 Offer Project Status Report including Gate 3 inter-related CER workstreams;
- New reporting structure of Gate 3 Liaison Group
- Impact on Offer Schedule of Distribution Contestability
- Issuing of Possible Generator Output Reductions (PGOR) Reports
- Overview of revisions to Distribution Connection Agreements (contracts) on foot of Contestability
- Cost basis for upgrading 38kV lines
- Connection Offer Policy Principles (COPP) – High Level Overview
- Gate 3 Deferred Offer Acceptance – from EirGrid
- Gate 3 Deferred Offer Acceptance – from ESB Networks

All of the aforementioned documents will also be published on the CER's [Gate 3 Liaison Group webpages](#).

N. Next Meeting

The next meeting (#18) is scheduled to take place on 21st September at the CER office (date to be confirmed). The following is an initial proposal for the agenda:

- Review of open action items;

⁵ Refer to the presentation entitled “*Connection Offer Policy Principles Paper – An Overview*” as published with these minutes of meeting #17.

- Gate 3 monthly project status update to be provided by the SOs;
- CER to provide updates on CER workstreams which relate to the Gate 3 offer programme;
- Update on Grid 25;
- other agenda items to be proposed to CER and decided prior to the next meeting;

The CER will send the formal proposed meeting agenda to the Group members at least ten days before the next meeting (as per the Liaison Group Terms of Reference) at which time additional agenda items can be proposed for consideration.

Appendix 1: Remote Action Items

The following action items are open but are not due for consideration for some time. Hence they are recorded here as a placeholder and aide memoire.

No.	Actions:	Owner	Status	Revisit Date
21.	<p>Additional Constraint Reports Scenarios In addition and following completion of the generation of constraint estimates based on “regular” scenarios (i.e. following RAs’ decision on Scheduling & Dispatch) EirGrid to consider the possibility of producing additional constraint estimates which may be relevant to particular groups.</p>	EirGrid	Open	Q1 2011
22.	<p>Temporary Connections A rule-set is needed for temporary connections for Gate 3 generators. Issues relating to this topic were presented⁶ and initial discussions were held at the 19th January 2010 meeting.</p> <p>Develop rules/principles to cater for Gate 3 temporary connections. Refer to minutes of meeting #11 and to slides from meeting #11. Further discussion and progress is contingent on the outcome of the Scheduling & Dispatch workstream.</p> <p>Note that this applies to Gate 3 only and temporary connections for existing offers will be considered as per existing practices.</p>	CER + SOs	Open	Q1 2011
23.	<p>Gate 1, 2 & 3 Reinforcements A system for central electronic updating of the Gate 1,2&3 reinforcements being considered by EirGrid for post-offer updates.</p>	SOs	Open	Q1 2011

⁶ Refer to the presentation slide “[Temporary Connections- Gate 3](#)” as distributed and published in association with the minutes of meeting # 11 on 19th January 2010. Also refer to the minutes of the same meeting.

Appendix 2: Closed Action Items

The following is the list of action items which have been resolved (**closed**) since they were identified and actioned in the previous Liaison Group meeting (number 16), held on 20th July 2010.

No.	Actions:	Owner	Status
a.	<p>Contestability impact: SOs to arrange a meeting with CER to discuss the impact on the schedule. Outcome: Meeting held as planned.</p>	SOs	Closed
b.	<p>Contestability impact: Change request submitted to CER on 20 July. CER to review impact and the Change Request on foot of the introduction of distribution contestability. Outcome: Change request approved by CER.</p>	CER	Closed
c.	<p>Contestability impact: SOs to make presentation on the impact on the offer schedule at the next meeting subject to speedy approval by CER of the change request. Outcome: Presentation delivered (as published with these minutes).</p>	SOs	Closed
d.	<p>Publication of PGORs CER to confirm that it is happy with the letter and disclaimer proposed by EirGrid. CER also to provide to industry representatives for information prior to SOs issuing to customers. Outcome: Completed as stated.</p>	CER	Closed
e.	<p>Assumptions CER to consider the assumptions which input to the model for the calculation of the PGORs and revert to EirGrid. It was broadly agreed by the Group that the assumed shallow connection dates should be included in the reports with a clear indication that they are only a best estimate at an early stage of the Gate 3 process. CER to confirm. Outcome: Completed</p>	CER	Closed
f.	<p>Capacity Relocation Consultation & Enduring Solution CER to look to publish a consultation paper as soon as possible and before the end of July. Outcome: Consultation paper (CER/10/123) published by CER on 28 July 2010.</p>	CER	Closed
g.	<p>Connection Offer Policy Paper (COPP) CER and SOs to agree a timeline for COPP in advance of the next meeting. Outcome: Timeline in attached presentation on COPP as published with these minutes.</p>	CER/S Os	Closed
h.	<p>Offshore: First Stage Payment CER invited other workable suggestions from industry to be considered in association with NOW and IWEA representations. Outcome: CER are scheduled to meet offshore</p>	Industry	Closed

No.	Actions:	Owner	Status
	representatives on 26 th August. Written representations re offshore received by CER from industry.		
i.	<p>Power Output Control Requirements (refer to Action Item #16 in main section of minutes). SOs to provide clarification to any offers/projects already made with this clause. Outcome: SOs confirmed that a letter is going out to existing projects.</p>	SOs	Closed
j.	<p>38kV Wires - Uprate or Build DSO to present cost basis for uprating 38kV lines at meeting #17 (24 August). Outcome: Presented as planned. Refer to material published with these minutes.</p>	DSO	Closed
k.	<p>DSO Quotation Letter and TSO Interface Undertaking ESB Networks and IWEA to continue to engage further on this issue. IWEA indicated that most likely next step is for both parties to refer to CER for decision Outcome: This issue is included in the consultation on DSO contracts. Refer to issue covered in section C of these minutes.</p>	ESB Networks/IWEA	Closed