



NETWORKS

ESB Networks Submission:

CER Strategic Plan 2014-2018

30th May 2014

Introduction

ESB Networks welcomes the opportunity to respond to the CER's Strategic Plan 2014-2018.

As DSO, ESB Networks is interested in the future Regulatory Authority strategy in the Republic of Ireland as it indicates the likely trends for regulation over the coming years to 2018.

ESB Networks is committed to the continued development of the electricity network in Ireland in an innovative and cost effective way. We believe that the CER have a pivotal role in creating the correct conditions to facilitate the integration of innovative technologies that will deliver benefits to all network users and become cornerstones of the future electricity systems in Ireland.

We believe that this will contribute to our shared objectives of:

- Further energy decarbonisation
- Facilitation of the connection of renewables
- Increased security of supply

Strategy 2014 - 2018

ESB Networks are committed to working with the CER to develop the electricity network in an innovative way while ensuring value for all consumers.

ESB Networks would like to make the following comments regarding sections of the Strategic Plan paper.

Goal 2 – To ensure that “the lights stay on”

Electricity infrastructure:

ESB Networks as DSO will work with the CER to ensure that the electricity network continues to develop sustainably. It is vital that the regulatory framework set out by CER promotes continued investment in the electricity network. Key to this is a stable regulatory outlook.

The upcoming PR4 price control period is a vital time for the future development of the transmission and distribution networks in Ireland. ESB Networks will work with CER to put a plan in place that will ensure efficient delivery of a National Smart Metering Programme, ongoing transmission network development, and continued distribution network development that facilitates changing market demands, and allows sufficient capacity and flexibility of connection to ensure competitiveness.

Generator Adequacy/Power System resilience:

As an increasing amount of renewable generation connects to the distribution System, ESB Networks will have an increasing role in managing a variable generation system. ESB Networks will work with CER and TSO to safely and efficiently manage a more dynamic electricity system

Emergency Planning:

ESB Networks is a key member of the TFEP group and will work with all other members to identify, implement and monitor plans and protocols to minimise the effect of emergency events on customers. ESB Networks is keen to work with CER to understand the impact that changing weather patterns are likely to have on distribution and transmission networks over the coming years. The need for an increased focus on weather events is evident in light of the recent extreme storm events and the impact on reliability of supply for consumers.

Goal 5 - Fair and Reasonable Prices:

ESB Networks will continue to manage network development in PR3 and will work with the CER to set out a plan for PR4 that will continue to deliver the “lowest possible efficient cost to consumers” while ensuring prudent network investment takes place to meet current and future needs of the electricity system and its consumers.

An important aspect in the provision of an effective regulatory contract for PR4 will be the agreement of a set of incentive measures that promote innovation and efficiency in delivering the key areas of the PR4 plan as set out by CER. ESB Networks believes that these incentive measures must be balanced, and must follow good regulatory principles to give clarity to the industry on the deliverables required and take into account the level of control of delivery.

ESB Networks will work with the CER to review and develop the arrangements for contestable development of the electricity network where appropriate.

Security of supply and energy decarbonisation are shared objectives of ESB Networks and CER. The network companies must be key players in delivering these objectives and must be incentivised appropriately to continue to innovate and develop new strategies.

Goal 6 - Regulation is Best International Practice:

ESB Networks believes that the CER's commitment to the development and training of its staff relevant to their role is very important. ESB Networks encourages stability, expertise and continual development to allow us to work together to deliver objectives as set out.

Summary

ESB Networks looks forward to continued constructive engagement with the CER during the period of this strategic plan. Continued regulatory certainty and best practice is important for ESB Networks. This will support innovative and efficient development of a changing network infrastructure that is required to deliver the shared objectives of ESB Networks and the CER and to meet changing consumer needs.