

Esther Fructuoso Marquez  
The Commission for Regulation of Utilities  
The Grain House  
The Exchange  
Belgard Square North  
Tallaght  
Dublin 24  
D24 PXW0  
[efructuoso@cru.ie](mailto:efructuoso@cru.ie)

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**RE: Terms of Reference (ToR) of the Networks Stakeholder Engagement Evaluation (NSEE) Panel (Consultation) (CRU/19/015)**

Dear Esther,

**1. Introduction**

Bord Gáis Energy (**BGE**) welcomes the opportunity to respond to this consultation on the Commission for Regulation of Utilities' (**CRU's**) proposed ToR and membership for the Network Stakeholder Engagement Evaluation Panel, in accordance with [CER/18/087](#).

BGE was actively engaged in the consultation process around the Reporting and Incentives under Price Review 4 (**PR4**), consultation CER/17/335 and welcomes progression of the decisions made in CER/18/087. BGE believes that System Operator (**SO**) incentives are crucial for a well-operating electricity market and system. We are supportive of greater stakeholder engagement and the establishment of a Panel to assess and score the Transmission System Operator (**TSO**) and Distribution System Operator (**DSO**) on the quality, good implementation and the effectiveness of their Stakeholder Engagement Strategies. We further agree with the CRU that this should provide a clear and transparent framework for the annual assessment of the measures. We outline our views below on the (1) proposed ToR for the Panel and (2) our expression of interest for a supplier seat on the Panel, respectively.

The main areas BGE comment on the ToR are concerned with:

- Purpose of the Panel
- Timelines and Measures of Performance
- Panel Membership
- Governance Structure

**2. Terms of Reference**

**2.1. Timelines and Measures on Performance**

BGE agrees that the SO's performance should be measured through an annual assessment of their strategy for stakeholder engagement and that the evidence to inform this assessment should take the form of an annual submission by the SO, consistent with guidance set by the CRU. Furthermore, BGE agrees the Panel shall adopt a single score (separately for the TSO and DSO), on a scale from 1 to 10, based on three key areas outlined in the consultation and that agreement is reached as discussed above in section 2.3.

Finally, with regard to the timing of the publication of the SOs' stakeholder engagements strategy we note that the consultation states the SOs must publish their strategies for a 4-week public consultation by the 31 March each year, ahead of the first Panel meeting on the second week of April each year. If the Stakeholder Engagement Strategy is published at the end of the reporting year, BGE is concerned that the SOs can tailor their strategy to align with how they performed. In this regard, we suggest that further consideration could be given to requiring the SOs to publish their strategy at the start of each reporting year, and then publish a report on how they met certain Key Performance Indicators (KPIs) in line with

their respective strategies at the end of the reporting year? This would in our view provide stakeholders with a better sense of what approach to engagement can be expected of the SOs for the forthcoming year and potentially ensure a fairer measure of performance. By setting out these KPI's, the Panel and those responding to the consultation would have clarity to what inputs and opinions need to be given, Clarity will remove any issues as to what should and shouldn't be discussed in point (2.2) below.

## **2.2. Purpose of Panel**

BGE agrees with the overall purpose of the Panel and its separate evaluation of the performance of the TSO and DSO on their stakeholder engagement activities throughout the assessment year.

However, with regard to the Panel's role in evaluating and scoring the SOs, the consultation paper states that the Panel will not consider complaints or other such matters and will not discuss individual projects outside of the Stakeholder Engagement Strategies. We request clarity as to whether this means that the Panel cannot make any linkage/ reference to matters or projects that are not specifically mentioned in the Stakeholder Engagement Strategies? Once the SO's strategy is clearly outlined and consultation respondent know what the SOs are being judged on, there should be no need to dwell on other matters.

We do not want to open too much for discussion in the Panel, as the purpose of the Panel is to assess the SOs against a set of agreed and understood KPIs – to the extent they are set in advance and the SOs report against those KPI. In so, then the role of the Panel is to assess performance reasonably.

Therefore, matters which do not form part of the strategy should not form part of the review, and so it is unclear why the CRU is suggesting that matters outside of the strategy should not be considered and why we are still commenting on it other than to say our suggestion in 2.1 would negate the need for anything relating to issues outside of the strategy.

## **2.3. Panel Membership**

In general we agree with the breadth of membership representatives suggested.

It is noted that the CRU intends to invite a relevant expert to present to the Panel at the first meeting to provide advice and guidance, but we are unclear as to what type of party this is directed at. We request further clarity as to who this expert might be what their expected input might be and why we need a third party's opinion? For example, will this be an expert from the CRU or a consultant or an unaffiliated third person with a view to providing objective insights? Will the proposed expert be detailing the scope for the Panel, and we are presuming the expert will be informed of the KPIs the SOs are being assessed against?

Further to this, will this expert present at the Panel's first ever meeting scheduled for 2019 or the first meeting of each calendar year?

We would also welcome clarity around the numbers of Generator representatives. For the two Generator representatives (conventional and renewable), must there be one from each, two from each or could membership result in there being two from conventional and none from renewable or vice-versa? We believe that at least one from each generator type should be provided for.

Similarly, we would welcome clarity or examples of who the one or two Community representative(s) may be and if you could please confirm that when you mention Small Generator representative(s) it is "de minimus" (<10MW) participants that you have in mind?

Finally, has any thought been given as to how parties will be officially elected to the Panel and what the terms for an elected representative are, in comparison to others wanting to be a Panel representative. For example, will the elected party represent its company, or will they represent their category of representative (i.e. supplier, generator, community)?

## **2.4. Governance Structure**

With regards to a Panel decision being made, it is stated that the score of the SOs will be decided by consensus where possible. We would welcome clarity as to whether general consensus means that all Panel members are in agreement or will it require a majority for consensus to be deemed agreed.

Further to that, should a Panel member abstain to vote, would that mean they are voting against the decision?

If the Panel members do not reach agreement it is stated that the CRU will record views and make a final decision. BGE would welcome clarity as to whether such final decision would be expected to be made at the Panel meeting or will the CRU take away views and decide on a later date much like the balancing market Trading & Settlement Code modifications committee for example. If a decision is made on a later date, we believe that a particular timeline for such a decision would be beneficial for certainty reasons.

### **3. BGE view on applying for Membership**

BGE would like to submit an expression of interest for a position on the Panel as a Supplier representative.

BGE therefore proposes:

- Julie-Anne Hannon as a standing member; and
- Cal Lynn as the alternate.

Both Julie-Anne and Cal work in the regulatory affairs team in BGE. Should you require further information on either to assist your decision on the Panel membership, please do not hesitate to contact us to discuss same.

I hope you find the above comments and suggestions helpful but please do not hesitate to contact me should you wish to discuss further.

Yours sincerely,

**Cal Lynn**  
**Regulatory Affairs – Commercial**  
**Bord Gáis Energy**

*(By email)*