



An Coimisiún  
um Rialáil Fónas  
**Commission for  
Regulation of Utilities**

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# Networks Stakeholder Engagement (NSEE) Panel Report

(In accordance with PR4 Decision on Reporting  
and Incentives CER/18/087)

## Report

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## 1. Introduction

This document is structured in four sections. **Section one** provides an overview of the process and purpose of the Panel. **Section two** outlines the Panel's conclusions on ESBN's performance, the scores given for each category and the overall recommendations. **Section three** outlines the Panel's conclusions on EirGrid's performance, the scores for each category and the overall recommendations. **Section four** summarises the Panel members recommendations in relation to the Panel Process itself. The minutes of both Panel meetings are in the annex of the Report.

### 1.1. Overview of the Process

The CRU PR4 Incentive Framework (CER/18/087), requires the System Operators (SOs) to publish a report on the effectiveness of their stakeholder engagement strategies for consultation, by the 31 March each year. The CRU decides on the annual allowed network revenues by the end of June each year. As the incentive payments are an input to this decision, the Panel's assessment and its meetings will take place between April and June each year. It is envisaged that the Panel would meet at least two times during this period.

In 2019, for the assessment and scoring exercises of the SOs performance during 2018, the Panel met twice. The first meeting took place the 28 May 2019; the Panel discussed their initial views on the stakeholder engagement performance of ESBN and EirGrid. Both companies then gave a presentation to the Panel, providing an overview of their stakeholder engagement submission and addressing comments received from the consultation process. The second meeting took place the 7 June 2019; the Panel agreed on the final scores for both SOs, conclusions and recommendations.

This NSEE Report details the Panel's discussions, the scores given to the SOs, the conclusions and recommendations. Also, the Panel members recommendations on the process itself are included<sup>1</sup>.

### 1.2. Relevant Papers

CRU Decision on Reporting and Incentives under PR4, [CER/18/087](#).

CRU Decision on the Terms of Reference of the Networks Stakeholder Engagement Evaluation Panel, [CRU/19/058](#).

[ESBN's Stakeholder Engagement Strategy](#)

[EirGrid' Stakeholder Engagement Strategy](#)

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<sup>1</sup> The CRU's views are not included in this Report.

### **1.3. Members of the Panel**

The CRU attendees:

- Aoife MacEivilly; Karen Trant; Robert O'Rourke; Esther Fructuoso Márquez

The Panel members attendees:

- Andrew Keane (UCD)
- Brendan Tuohy (Dingle Hub Sustainable Energy Community)
- Donal Flavin (IDA)
- Jagtar Basi (ESB G&T, representing the EAI)<sup>2</sup>
- Jill Murray (BGE)
- Nichola Westlake (BGE, alternate for Jill Murray)
- Noel Cunniffe (IWEA)
- Teresa Fallon (Electric Ireland)

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<sup>2</sup> The EAI did not take a position in relation to the scoring for ESNB's performance.

## **2. Evaluation of ESNB by the Panel**

The Panel members views on the three categories: quality of stakeholder engagement strategy, implementation and effectiveness, are summarised below. The conclusions, key messages and overall recommendations follows.

### **2.1. Category A: Quality of Stakeholder Engagement Strategy**

It was noted by the Panel that, due to the nature of the DSO's functions, it has a large range of stakeholders. There was a general view from the Panel that, in relation to some activities, the strategy, was clearly presented, for example the areas of safety and storm response. However, this was not the case for all areas covered by the strategy. Some members of the Panel considered that the strategy lacked an overall cohesive approach to stakeholder engagement in the DSO's various activities and the overall policy was not stated on the website.

Several members of the Panel also noted that the strategy did not have clear objectives and metrics, either overall or for specific projects, making it difficult to measure the success of the strategy. There was a view from the Panel that clear tangible metrics should be established in future strategies and specific targets and project management structures for each initiative should be articulated on the website of ESNB (under a section dealing with Stakeholder Engagement). Notwithstanding this, some members of the Panel felt that the DSO had put effort into the development of the report. Overall, the Panel was of the view that it would be important for the DSO to publish its strategy in advance, ideally at the start of the year and following active engagement with its stakeholders. This would provide a clearer indication of what the DSO had set out to achieve relative to its actual performance and how it would achieve the objectives. In addition, several members of the Panel suggested that stakeholders be given an adequate opportunity to input into the DSO's strategy.

The Panel members welcomed the DSO's presentation and considered that it added positively to their understanding of the DSO's stakeholder activities. Some members mentioned that the presentation provided a good demonstration of the range of engagement processes that ESNB has in place. In particular, the involvement of senior management in the process was welcomed and encouraged.

Members of the Panel also wished to see greater emphasis on the business-as-usual aspects of the DSO's activities, including the connection process for renewables. In particular, renewable generators wished to see improvement in this area. The Panel was in general agreement that the DSO's strategy should continue to evolve, based on stakeholder feedback and using the learnings and insights from stakeholder engagement. Additionally, in subsequent years, the DSO should clearly demonstrate how the strategy has evolved in response to stakeholder feedback.

Agreed score for the quality of the strategy: **6.5**.

The absence of a clear and comprehensive strategy, with measurable objectives and clear organisational structures, was mitigated by an acknowledgement that this is the first year of the process and that the areas of safety and storm response were covered well.

## **2.2. Category B: Implementation of Stakeholder Engagement Strategy**

The Panel agreed that there were areas of stakeholder engagement that the DSO performed well and safety was noted in this regard, as were the improvements in communications on the smart metering project to industry players. Some members stated that it was clear from the report and the consultation responses that the DSO, when engaged on various projects, is very good at providing high quality engagement with stakeholders. However, some members of the Panel noted that there is a need to engage with local communities if the transition to a low carbon future is to be delivered. Many examples of implementation of stakeholder engagement initiatives were outlined and backed up through the responses to the stakeholder strategy consultation. In addition to this, some members cited the new Security and Planning Standards and the Distribution Code Review Panel as examples of positive engagement. Some members particularly raised the importance of ESN in the delivery of improvements of digital services and efficient storm response.

The Panel agreed that, due to the lack of clear strategic objectives and metrics, it was difficult to assess the implementation of the DSO's strategy for 2018. This meant that, although activities may have been undertaken in 2018, there was a lack of evidence in terms of linking these activities to achieving the objectives of the DSO's strategy. In addition, some members considered that the report focused on the positive aspects of implementation without highlighting areas where implementation was not as successful. The Panel recommended that, for future reports, the DSO should clearly link back to the objectives and metrics of the strategy, including lessons learned and where the DSO has adjusted its approach in response to stakeholder feedback.

Areas of concern for the implementation of the strategy were the Dingle project (although subsequent improvement was noted from September 2018) and engagement around delays in the Enduring Connection Policy process during 2018. (Improvement in 2019, while noted, was not relevant to the Panel's considerations). Additionally, concerns were raised in relation to general engagement with renewable generators connecting to the network, and in relation to local communities. In this regard, more transparency, openness, and pro-active communication and engagement (including listening to the views of stakeholders) were recommended.

Agreed score for implementation of the strategy: **7.0**.

In general, the absence of clear strategic objectives and metrics made assessing the quality of the implementation of that strategy difficult for the Panel. However, it was noted that this was the first year of this process and that the DSO's performance in implementation was better than its performance in relation to the quality of the strategy.

## **2.3. Category C: Effectiveness of Stakeholder Engagement Strategy**

The Panel considered that the lack of clear objectives and metrics in the strategy made it difficult for the Panel to assess whether the objectives of the strategy had been met. Notwithstanding this, it was an additional cause of concern for several members of the Panel that the DSO did not include sufficient evidence to demonstrate the effectiveness of the DSO's stakeholder engagement.

Several members of the Panel cited the DSO’s storm responses, the supplier of last resort issue, safety and smart metering, as examples of where the DSO’s stakeholder engagement was effective. Some members of the Panel stated that with regard to the smart metering project, engagement with local communicates should be as effective as it is with industry.

Other examples cited where the DSO’s stakeholder engagement was not effective were providing clear overviews of plans along with timely and comprehensive answers to questions from local communities and engagement with connecting generators.

The Panel considered that, although many of initiatives undertaken may have been successful, it was not clear how they related to the overall strategy and how their effectiveness and impact could have been measured. Furthermore, the DSO report outlined positive engagement, the Panel recommended that future reports should note where improvements could be made and how these have been incorporated into ESBN’s approach.

Some members were of the view that the Consultation Paper should have addressed responses better. The Panel considered that it is important that the stakeholder engagement report integrates the stakeholders’ concerns and that the DSO seeks opportunities for continuous improvement. In relation to such improvement, some members stated that there would be real benefits, in terms of learnings and opportunities, if researchers could be engaged as part of the Stakeholder Engagement process.

The Panel considered that business-as-usual engagement should be included in reports in future years.

Agreed score for the effectiveness of the strategy: **6.75**.

In general, the absence of clear strategic objectives and metrics made assessing whether that strategy had been effective difficult for the Panel. However, it was noted that this was the first year of this process and that the DSO’s performance in effectiveness was better than its performance in relation to the quality of the strategy, but not as good as its performance in relation to implementation.

#### **2.4. Final Score given by the Panel: ESBN**

<b>Category</b>	<b>Panel’s Score</b>
Quality	6.5
Implementation	7.0
Effectiveness	6.75
<b>Final Score</b>	<b>6.8</b>

## **2.5. Recommendations of the Panel**

- 1) The DSO should engage with stakeholders in order to shape its stakeholder engagement strategy. Furthermore, the strategy should set out the impact that stakeholders had.
- 2) The DSO's stakeholder engagement strategy should be published at the beginning of the year, following active stakeholder engagement on the development of the strategy.
- 3) The Strategy should set out clear strategic objectives, linked to the activities and initiatives the DSO plans to undertake, and set out clear measures of success. The organisational structure for delivering the strategic objectives should also be specified with details of contact people provided on the website for each initiative.
- 4) The DSO's report on the strategy should ensure that a balanced view is presented, including the areas where things did not go as well as expected. Lessons learned should be specified and how these experiences have led to improvements in approach (or will be incorporated into an improved approach).
- 5) The DSO should consider the approaches to evaluating the impact of its stakeholder engagement, including independent research/evaluation which is subsequently disseminated publicly.
- 6) The emphasis on safety was well communicated and should be maintained in future reports; additionally, the report should be accessible in terms of plain English.
- 7) The DSO should benchmark its performance with best practice in other countries and demonstrate this in its report.
- 8) The DSO report should identify how its relationship with stakeholders is managed based on their different needs.
- 9) The participation of senior management in the process was welcomed by the Panel and recommended for future engagements with the Panel.
- 10) Some of the members were of the view that Stakeholder Engagement should be presented to the Board of the company, at least annually.

### **3. Evaluation of EirGrid by the Panel**

#### **3.1. Category A: Quality of Stakeholder Engagement Strategy**

The Panel considered that the engagement strategy was good in areas, such as the various processes in place (“have your say”, the “six step process”, and the Engagement Toolkit). However, the multi-annual approach should be complemented by an annual element that links that year’s projects to the strategy for that year. The inclusion on the EirGrid website of contact names and responsibilities for stakeholder engagement was welcomed.

However, the strategy did not have clear strategic objectives, linking to projects and initiatives with metrics for the successful outcome of that strategy. The Panel recommended that such strategic objectives for the year should be set out in a published strategy at the beginning of the year, following active stakeholder engagement.

The Panel considered interactions with certain stakeholders was positive, such as large demand customers, but less so with other stakeholders, such as industry and renewable generators. The TSO’s focus on landowners and communities in the last number of years was noted and welcomed by the Panel. However, there is scope for improvement as regards industry engagement and, more generally, with local communities that will be required to engage with EirGrid in the future.

Several members of the Panel noted the focus of the initial stakeholder engagement regarding infrastructure development and considered that the report would have benefited from the inclusion of other types of engagement, such as business-as-usual activities.

Some members of the Panel recommended that the TSO’s report should include how it is planned to engage with stakeholders, given the differences in interests.

Agreed score for quality of strategy: **7.0**.

The absence of a clear and comprehensive strategy, with measurable objectives and clear project management structures for each initiative, was mitigated by an acknowledgement that this is the first year of the process and that the quality of certain areas of the strategy.

#### **3.2. Category B: Implementation of Stakeholder Engagement Strategy**

The Panel considered that the implementation of the strategy was difficult to assess as the strategic objectives and metrics had not been clearly set out. Some members also considered that it was not clear how much of the implementation set out in the report took place in 2018. However, some members of the Panel considered that the report included a good range of examples of the implementation of successful stakeholder engagement initiatives.

In general, the Panel considered that EirGrid’s presentation showed good implementation in terms of engagement with stakeholders. Based on the evidence supplied, through the five case studies, the Panel members consider that the engagement process appears to have been well implemented. However, several members of the Panel considered that more evidence could have been provided, linked to achievement of specified targets. Additionally, some members were of the view that the report focused on the positive aspects of

implementation and that areas where implementation did not go as expected should have been highlighted, along with identifying areas for improvement to be implemented in future years.

Some members indicated that it was clear from the report and the consultation responses that the TSO, when engaged on various projects, is very good at providing quality deliverables. However, some members also stated that the TSO's responses to the consultation responses appeared to be defensive, rather acknowledging potential shortcomings and addressing the issues raised.

Other areas of concern raised by some members of the Panel were in relation to the transparency in relation to decisions regarding Trading and Settlement Code, Grid Code, and Capacity Market Code issues; engagement in the connection offer process; and in relation to new technologies. Some members also recommended that the TSO improve coordination between teams in EirGrid, so that feedback provided to one consultation is considered by teams working in related areas.

Agreed score for implementation of strategy: **7.6**.

In general, the absence of clear strategic objectives, with metrics, made assessing the quality of the implementation of that strategy difficult for the Panel. However, it was noted that this was the first year of this process and that the TSO's performance in implementation was better than its performance in relation to the quality of the strategy.

### **3.3. Category C: Effectiveness of Stakeholder Engagement Strategy**

The Panel considered that the effectiveness of the strategy was difficult to assess, as the strategy had not set out clear measurable objectives against which performance could be assessed. However, some members cited areas where engagement had been effective, such as DS3 where engagement processes and channels were in place. The Panel also noted the TSO's expressed objective to improve the effectiveness of its stakeholder engagement.

The Panel noted that, while benefits of engagements were outlined, the stakeholder engagement report did not demonstrate quantifiable measures of success. Furthermore, some members of the Panel considered the evidence of impact provided to the Panel was insufficient.

Similar to comments above, in relation to implementation, some members suggested that the report would benefit from including areas where the strategy was less effective than expected and what the lessons learned were for improvement in subsequent years.

Agreed score for effectiveness of strategy: **6.75**.

In general, the absence of clear strategic objectives and measurable targets, made assessing whether that strategy had been effective difficult for the Panel. In addition, more evidence of the effectiveness of strategy should have been provided. However, it was noted that this was the first year of this process and that several examples of the benefits of stakeholder engagement were outlined.

### 3.4. Final Score given by the Panel: EirGrid

Category	Panel's Score
Quality	7
Implementation	7.6
Effectiveness	6.75
<b>Final Score</b>	<b>7.14</b>

### 3.5. Recommendations of the Panel

- 1) The TSO should engage with stakeholders in order to shape its stakeholder engagement strategy. Furthermore, the strategy should set out the impact that stakeholders had.
- 2) The TSO's stakeholder engagement strategy should be published at the beginning of the year, following active stakeholder engagement on the development of the strategy.
- 3) The strategy should set out clear strategic objectives, linked to the activities and initiatives the TSO plans to undertake, and set out clear measures of success. The organisational structure for delivering the strategic objectives should also be specified, with details of contact people provided on the website for each initiative.
- 4) The TSO's report on the strategy should ensure that a balanced view is presented, including the areas where things did not go as well as expected. Lessons learned should be specified and how these experiences have led to improvements in approach (or will be incorporated into an improved approach).
- 5) The TSO should consider the approaches to evaluating the impact of its stakeholder engagement, including independent research/evaluation, which is subsequently disseminated publicly
- 6) The engagement on DS3 was good; and the process on grid development and community engagement was well presented; additionally, the report is accessible in terms of plain English being used.
- 7) The TSO should benchmark its performance with best practice in other countries and demonstrate this in its report.
- 8) The participation of senior management in the process was welcomed by the Panel and recommended for future engagements with the Panel.
- 9) The Panel welcomed the TSO's commitment to publish its Engagement Toolkit.
- 10) The TSO should improve coordination between teams in EirGrid, so that feedback provided to consultations in one area is considered by teams working in related areas.
- 11) Some of the members were of the view that Stakeholder Engagement should be presented to the Board of the company, at least annually.

## **4. Recommendations on the Process by the Panel members and Next Steps**

The Panel welcomed the establishment of the Panel process and generally agreed that the process went well. However, the process could be improved with the publication of the SO's strategies at the beginning of the relevant year, following active engagement with stakeholders in advance. This would facilitate the assessment of the report by the Panel in the subsequent year. The Panel was generally of the view that this process would be most effective if it facilitated improvements in the stakeholder engagement processes of EirGrid and ESBN.

The Panel particularly found the presentations by the DSO and TSO useful for gaining a better understanding of approaches and the context of the SOs' stakeholder engagement. The participation of the EirGrid leadership team and senior management from ESBN, and the commitment to the process that it demonstrated, was welcomed by the Panel.

### **4.1. Next Steps**

The publication of this Report concludes the process for 2019. The CRU invites the DSO and TSO to consider the conclusions and recommendations from the Panel, in order to improve their stakeholder engagement processes.

The DSO and TSO may wish to engage publicly on their strategies in 2019, as recommended by the Panel. The Panel highlighted the importance of proactive engagement with stakeholders in advance of the finalisation of their strategies. However, the next formal milestone in the process is the publication of the DSO and TSO reports by the 31 March 2020 for consultation. The Panel will then meet at least twice between April and June 2020. The CRU will engage with the Panel members in March 2020 to confirm the arrangements for the 2020 process and invites comments and suggestions for improving the process.

The CRU would like to thank each of the Panel members for participating constructively in the process this year and looks forward to working with the Panel members again next year.

## **APPENDIX: Minutes of First and Second meeting**

### **MINUTES**

#### **First NSEE Panel meeting CRU Offices 28/05/2019 (14:00 – 17:00pm)**

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**CRU:** Aoife MacEvilly (chair) , Karen Trant, Robert O'Rourke, Esther Fructuoso Márquez.

**Panel members:** Noel Cunniffe (IWEA), Jag Basi (EAI), Teresa Fallon (Electric Ireland), Jill Murray (JM) Nichola Westlake (BGE), Andrew Keane (UCD), Brendan Tuohy (Energy Community), Donal Flavin (IDA)

**(For 2a): TSO:** Rosemary Steen, Liam Ryan, Robin McCormick, Bill Thompson, Dylan Ashe.

**(For 2b): DSO:** Donal Crean, Liam Walsh, Ellen Diskin, Stephen O'Sullivan.

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### **1. Introductions**

The CRU welcomed the Panel members and thanked them for taking time in helping the CRU with this initiative and assisting the SOs to continue evolving their approaches to stakeholder engagement. Also, the CRU outlined its role as facilitator of the Panel's views.

The CRU and Panel members introduced themselves; and the Agenda and time allocations were agreed.

The members of the Panel outlined their perspectives on the SOs performance, and there was an open discussion. The members explained further the strengths and areas for improvement within the SOs' strategies. Also, some comments and feedback on the SOs' stakeholder engagement reports were discussed.

### **2. System Operators' presentations on Stakeholder Engagement**

#### **2a ESBN Presentation**

ESBN DSO gave a presentation to the Panel and took questions from the Panel.

#### **2b EirGrid Presentation**

EirGrid gave a presentation to the Panel and took questions from the Panel.

### **3. Brief discussion and preparation for second meeting**

The Panel discussed the SOs' presentations and the process for the next meeting of the Panel. The next meeting will be held on Friday 7<sup>th</sup> June 2019.

**Draft MINUTES**  
**Second NSEE Panel meeting**  
**CRU Offices 07/06/2019 (14:00 – 16:00pm)**

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**CRU:** Aoife MacEivilly, Karen Trant, Robert O'Rourke (chair) , Esther Fructuoso Márquez.

**Panel members:** Noel Cunniffe (IWEA) – on the phone, Jagtar Basi (EAI), Teresa Fallon (Electric Ireland), Nichola Westlake (BGE), Andrew Keane (UCD), Brendan Tuohy (Energy Community), Donal Flavin (IDA).

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### **1. Introduction**

The Agenda and time allocations were discussed and agreed.

The minutes of the previous meeting were approved.

### **2. Final views and considerations of Panel members**

The members of the Panel considered that the SOs' presentations, as held at the previous meeting, added positively to their understanding of the SOs' stakeholder engagement activities.

The members outlined their final views on the overall SOs' performance regarding stakeholder engagement.

There was an open discussion where scores for each category: quality of strategy, implementation and effectiveness, were separately agreed for the TSO and DSO. Also, the members agreed on the key messages and overall recommendations to be given to the SOs.

### **3. Content of the NSEE Report**

The content and format of the NSEE Report was discussed and agreed. The Report will be published at the end of the process.

### **4. Feedback on the overall process by Panel members**

The Panel welcomed the establishment of the Panel process and generally agreed that the process went well. Recommendations to improve the process were discussed by the members and will be set out in the NSEE Report.

The CRU closes the meeting and thanked the Panel members for their constructive engagement in the process.