



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

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COVID-19: Technical Questions and Answers for the Energy Markets

Queries List Number 2

Information Paper

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1. COVID-19 Queries List Number 2

Since March 2020, arising from the ongoing COVID-19 health emergency, the CRU has received a number of technical queries from industry stakeholders in relation to aspects of Ireland's electricity and gas markets.

To help deliver transparency, on 7 April the CRU published a list, Queries List Number 1 (CRU20046), showing the various technical queries received, identifying which of these were currently open / closed, and the CRU's responses. This updated paper represents Queries List Number 2. It builds on Queries List Number 1 and includes new queries received and the CRU's response. As with List 1, this paper is focused on those queries which are not specific to any one market participant, i.e. which can be applied more generally across energy market participants. We hope that by publishing this information, we are providing industry and interested parties with useful and timely responses in a coordinated and equitable manner.

The CRU will publish a further updated list as needed, incorporating new queries and requests received and the CRU's answers, in order to help keep industry stakeholders informed.

2. Further Technical Queries

For the period of the COVID-19 health emergency, any further electricity generator and energy supplier / shipper queries which are of a technical and general nature, and are related to COVID-19, should be sent to: *industryqueries@cru.ie*

Queries or requests received to this email address (*industryqueries@cru.ie*) will be acknowledged and passed to relevant staff members in the CRU. They will be recorded and responded to where applicable in a published update(s) to this Queries List, as referred to above. This will be indicated in the acknowledgement of the query / request. We will not identify the name of the party that submitted the query in the List, but will rather provide a high-level indication of whether the query is from a generator, supplier, etc (as we have done in section 3, next).

3. COVID-19: Technical Questions and Answers, List Number 2

As noted above, the following list, Queries List Number 2, shows recent queries / requests of a general nature received from the energy industry by the CRU with respect to COV1D-19, along with the CRU's responses. It builds on Queries List Number 1 (published on 7 April) and includes more recent queries received. The queries are shown in the order of the date when the queries were received. Minor changes to the query wording have been made where needed for context etc. Where queries are considered answered, at least for the moment, they are indicated as closed and shaded in green.

Ref.	Date of Query / Request to CRU	From	Query / Request	CRU Response	Open or Closed
1	10 March 2020	Industry Representative Group	Request for a notice of the following Government protocols should they be developed: (1) Recognise the priority of utilities' services; and (2) Help utility service providers to continue operate essential utilities services and maintain minimum essential service delivery.	The Government's list of essential service providers was published on 28 March 2020 and it includes utility services. Please see the following link for more information: https://www.gov.ie/en/publication/dfeb8f-list-of-essential-service-providers-under-new-public-health-guidelin/ Should further Government protocols be developed, the CRU will disseminate this information to the relevant parties. Currently, Business Continuity Plans for the core utility service providers are in place during this COVID-19 situation. Critical staff and systems have been identified as part of this process, with a view to maintaining continuity of services. These are being continually assessed and updated as the situation develops and in line with Government guidance and direction.	Closed

2	13 March 2020	Generator	Are operational staff at power generation facilities considered to be critical staff?	A Government list of essential service providers was published on 28 March 2020 and it includes electricity generators. Each generation company is expected to adhere to this list with respect to its own staff. Please see the following link for more information: https://www.gov.ie/en/publication/dfeb8f-list-of-essential-service-providers-under-new-public-health-guidelin/	Closed
3	13 March 2020	Generator	Request for CRU to engage with EPA to assess if environmental limits would remain when responding to an electricity security of supply issue, i.e. could emission limits be exceeded.	The CRU considers that market participants should, individually or as a group, bring their COVID-19 concerns to the EPA in the first instance on this matter. The CRU would be available to engage with the EPA if and as required, taking account of its various duties and functions.	Closed
4	16 March 2020	Generator	To support planning for normal system operations, generators have requested that EirGrid provide early notification of their planned dispatch schedule.	EirGrid issued the following response to generators, which is aligned to the CRU's position: <i>"There are no changes to operational constraints at present associated with the Covid-19 pandemic. It is of critical importance that the security of the power system is maintained during the Covid-19 pandemic period...Should market participants identify operational risks related to Covid-19 they should inform the TSO as soon as possible via their normal point of contact. Should this instigate a significant change to scheduling and dispatch the TSOs will update this weekly constraints document to reflect this in a revised publication as soon as possible."</i>	Closed

5	16 March 2020	Generator	Can CRU and EirGrid confirm availability of critical staff for the duration of the public health guidance?	The CRU and EirGrid have Business Continuity Plans in place during this COVID-19 situation. Critical staff have been identified as part of this process, including alternates as appropriate, with a view to maintaining continuity of services.	Closed
6	16 March 2020	Generator	Is all non-critical testing (e.g. secondary fuel testing) to be postponed for the duration of the public health guidance?	EirGrid recently decided that secondary fuel testing has been suspended for 4 weeks from 24 March. Another review of this matter will take place in April.	Closed
7	16 March 2020	Generator	Will due consideration and planning be given to generation facilities who may become unavailable through the inability of international “Original Equipment Manufacturers” to undertake necessary maintenance or outage work, and that penalties would not be applied?	Due consideration would be given, taking account of the CRU’s duties and functions, market rules and the system’s security of supply status. This would include the issue of penalties, if relevant.	Closed
8	16 March 2020	Generator	Will incidences of non-compliance with Grid Code and other industry rules be assessed individually and on the merits of the specific circumstances, and that companies that have employed a ‘best endeavours’ approach in the prevailing circumstances, while continuing to respect all necessary safety requirements, will not be penalised, for the duration of the public health guidance ?	Same answer as to query 7, above.	Closed

9	16 March 2020	Generator	Has CRU been in contact with the EPA or other regulators for flexibility in the enforcement of their rules to safely operate the power system?	Same answer as to query 3, above.	Closed
10	16 March 2020	Generator	What contingency has been put in place for the continued operation of the system and the market, assuming this is not possible in all circumstances? a. EirGrid are no longer able to adequately staff their control room (NCC) and/or the necessary systems are unavailable.	EirGrid has a Business Continuity Plan in place to maintain continuity of services during this COVID-19 event. Critical staff and systems have been identified as part of this process, including appropriate contingency planning, with a view to maintaining continuity of services.	Closed
11	16 March 2020	Generator	What contingency has been put in place for the continued operation of the system and the market, assuming this is not possible in all circumstances? b. SEM-O are not in a position to continue to perform central market operations, specifically DAM/IDM/BM and settlement.	Same answer as to query 10, above.	Closed
12	18 March 2020	Generator	Planned Generator Maintenance support is requested from the CRU in enabling essential staff travel to Ireland.	Travel is permitted under the existing Government guidance (correct to the date of publication of this paper) where it is associated with the maintenance of essential services.	Closed

13	18 March 2020	Supplier	<p>What is the CRU doing with regard to charges passed on to suppliers which in turn are passed to the end consumer, for example, ESB Networks and EirGrid Charges? What contingency plans have been put in place for the suppliers when the end customer who is being passed charges cannot afford to pay?</p>	<p>This matter will be kept under active review by the CRU, as the situation evolves.</p> <p>It should be noted that customers’ energy bills will typically fall in any event if their energy consumption reduces.</p> <p>Furthermore, the CRU has already instigated special customer protection measures arising from COVID-19, as announced recently. Please see the CRU website for more information: https://www.cru.ie/cru-extends-covid-19-customer-protection-measures-to-assist-consumers/</p> <p>Updated Response in List 2 (1 May)</p> <p>The CRU has decided to implement a temporary supply suspension scheme for certain non-domestic customer categories impacted by COVID-19 restrictions. In its decision paper, published on 1 May, the CRU sets out the process for the implementation and application of a temporary suspension of supply to electricity customers categorised as DG5 and DG6 and to gas NDM I&C (Non-Daily Metered) customers, in relation to customers who have been classified as non-essential and have become non-operational as a result of the Government’s COVID-19 public health measures. Any customers who avail of this scheme will have no energy or network charges billed for their business premises supply point for the duration that the measure is in place. In effect, the consumption for the relevant customer’s supply point would be estimated at zero and the fixed network charges for the customers and for the relevant supplier will be</p>	Closed in List 2
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				<p>suspended. For clarity, the PSO levy will continue to apply.</p> <p>The CRU Decision Paper of 1 May setting out the supplier suspension scheme can be found on the CRU website, here.</p>	
14	18 March 2020	Supplier	Is the CRU's plan to suspend Standing Charges and Use of System charges to businesses who have or will be closing their doors and have next to zero consumption for the foreseeable future?	See answer to query 13, above, and particularly the update for 1 May.	Closed in List 2
15	18 March 2020	Supplier	Has ESB Networks informed the CRU if they are going to continue to take reads for commercial customers or will this be suspended and what will be the contingency plan should this take place?	ESB Networks has informed the CRU that meter readings have been suspended for the current phase of the COVID-19 health emergency.	Closed
16	18 March 2020	Supplier	For those businesses (essential and non-essential) who are continuing to operate, what is the CRU doing to ensure security of supply for the networks?	The CRU and EirGrid have Business Continuity Plans in place during this COVID-19 situation. Critical staff and systems have been identified as part of this process, with a view to maintaining continuity of services. The CRU is also continuing to actively liaise with Government on these issues.	Closed
17	20 March 2020	Supplier	A supplier called on CRU to suspend network charges and queried the logic for continued application of the PSO levy to bills.	See answer to query 13 above and particularly the update for 1 May.	Closed in List 2

18	20 March 2020	Generator	Request for feedback from the CRU on the potential for relaxation of the self-isolation duration for power station staff (with the additional temperature monitoring, etc. in place).	All persons should adhere to the HSE guidance on managing COVID-19, including the self-isolation guidance. The need for deviation from this guidance for non-healthcare related essential service providers is being considered on a case-by-case basis.	Closed
19	23 March 2020	Supplier	Commercial energy demand has and will continue to decrease throughout this crisis, but as customer usage is profiled, we are still required to purchase electricity in the Day-Ahead Market markets although customers may not consume any energy, this will not be resettled until Month+4. We have asked MRSO if it is technically possible to allow more actual real time usage to be shared with suppliers in order to be able to more accurately predict demand. If this were to be facilitated, it would reduce the need for excess energy being purchased in the DAM, which would be a great help to cash flow.	The CRU understands that this issue relates to suppliers continuing to see demand in relation to customers who have temporarily closed, as a result of standard profiles being applied by the MRSO on a daily basis to demand aggregation. See answer to query 13 above and particularly the update for 1 May.	Closed in List 2
20	23 March 2020	Supplier	In relation to regulated charges from the SEM, PSO, Distribution and Transportation costs across the gas and electricity industry, there must be leniency with these charges in order to supply non-paying customers. Commercial customers who are not consuming will still incur standing charges and PSO charges.	See answer to query 13 above and particularly the update for 1 May.	Closed in List 2

21	23 March 2020	Supplier	The timeline on payments of the weekly SEM charges must be increased along with a reduction in participants' credit cover requirements during the crisis, in order to support cash flow.	The CRU will keep various charges to suppliers under active review as per the answer to query 13, above. However, the CRU is not proposing amendments to the SEM payment timelines at this point.	Closed
22	23 March 2020	Supplier	Some measures that may be appropriate at this time include: <ol style="list-style-type: none"> 1. Guarantee the amounts due from businesses to suppliers from say 1 March to a particular date in the future, perhaps the deemed emergency period; or 2. Provide more favourable terms to suppliers for their onward payments to generators, MO's, SO's, (many of whom are State owned) by temporarily relaxing the Credit Collateral obligations; or 3. Extending the credit terms currently offered by these operators as enshrined in legislation. Currently the credit terms vary from weekly to monthly. Could these all be extended to say 90 days?; or 4. Provide a low interest funding scheme to suppliers to fund increased credit requirements for a period of say 12 months. 	Many of the measures here would be outside of the remit of the CRU and/or would be unduly burdensome for the electricity system or consumers, particularly items 1, 3 and 4. In relation to item 2, see answer in query 13 above and particularly the update for 1 May.	Closed in List 2
23 New Query	9 April 2020	Supplier	1. Support for Working Capital Higher proportion of customers will be delaying payment or electing to forego	1. Support for Working Capital Same answer as to query 13, above.	Closed in List 2

<p>added in List 2</p>			<p>payment altogether given the moratorium on disconnection. During this time, suppliers are still expected to pay for invoices TUoS, DUoS, commodity, PSO and capacity related charges.</p> <p>Network operators should play a greater role to share the burden of the growing debt. Under the Revenue Control Formulae, they are expected to be cash neutral across years, therefore the short-term shortfall could be addressed through a mixture of smeared correction factors over a number of years, government guarantees and dividend reductions from the relevant network companies.</p> <p>The industry as a whole could consider approaching the Irish government for specific measures and supports to prevent liquidity and capital in the energy industry eroding. Debt mutualisation would be a practical and optimal outcome, not just for the energy industry but for the economy at large in terms of minimising the spread of issues across industries and stimulating private investment post-pandemic.</p> <p>Another alternative, more specific to the energy industry, could be to ask the Irish government to fund a proportion of the</p>	<p>2.National Smart Metering Programme While noting that the installation of smart meters has been suspended, the CRU is not considering any changes to the Smart Metering Programme at this time. The CRU will continue to engage with suppliers through the programme fora to monitor programme progress and ensure that any emerging challenges are considered in the context of the programme as a whole.</p> <p>3.Energy Efficiency Obligation Scheme The CRU does not have a role in the Energy Efficiency Obligation Scheme. Suppliers should engage with DCCA on this matter.</p> <p>4.Compliance The CRU has written to all suppliers to state that the CRU expects that suppliers will seek to protect their customers from the adverse consequences of the COVID-19 pandemic as best they can, by making every effort to comply with their obligations under the Supplier Handbook (CRU/19138), particularly as they apply to vulnerable customers. However, the letter to suppliers also noted that in circumstances where, for operational reasons, suppliers consider that they cannot fully comply with their regulatory obligations, their decisions should be outcomes-focussed and in line with the overarching principles set out in the section A(2) of the Supplier Handbook (CRU19138). The CRU will look more favourably on such decisions where they are made in the best interests of consumers and businesses.</p>	
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			<p>bad debt that arises for energy companies as a result of the pandemic. In this way, suppliers will take some of the burden of the bad debt but not the full extent of the financial cost.</p> <p>2. National Smart Metering Programme Considering the impact of Covid-19, and the uncertainty at this time around the scale of that impact, the smart metering project should not proceed as planned. The supplier is asking the CRU to consider a 6-month delay to the go-live date for Phase 1 of the programme. It would be prudent to plan and announce a delay now to reduce the overall risk and cost of the programme for its participants, as it would best allow businesses to reprioritise capital and human resources to focus firstly on managing issues relating to the pandemic and then on the products needed by customers as they readjust after the crisis.</p> <p>3. Energy Efficiency Obligation Scheme Given restrictions in accessing homes/business and in carrying out only essential works for any business, it is not going to be possible for suppliers to meet their targeted programmed of works and therefore obligations for 2020. Suppliers are therefore asking the DCCAE to provide leniency to obligated parties in</p>		
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			<p>the enforcement of the 2020 targets and to consider the ability to deliver on targeted investments in 2021 as homes and business recover after the pandemic.</p> <p>4. Compliance To best meet the needs of customers, suppliers prioritise their resources to focus on vulnerable customers and issues from customers relating to Covid-19. To help meet these demands, the supplier asks that the CRU facilitate the relaxation of certain regulatory obligations which drive traffic to call centres and add to the workload of already depleting resources.</p>		
<p>24 <i>New Query added in List 2</i></p>	<p>10 April 2020</p>	<p>Supplier</p>	<p>A number of customers will take advantage of the current crisis by refusing to pay outstanding invoices stretching over many months. In this situation and despite numerous attempts to get customers pay overdue amounts or enter into any kind of payment plan and given the suspension of all but essential activities by both Gas Networks Ireland and ESB Networks any disconnection requests for Industrial and Commercial sites are being rejected. Networks charges will therefore continue to mount up for suppliers with little hope of recovering these costs in some cases. In the absence of any steps taken to suspend any network or similar pass-</p>	<p>See answer in query 13 above and particularly the update for 1 May.</p>	<p>Closed in List 2</p>

			through charges, suppliers and shippers should receive a credit for any such charges that arise from the date the disconnection request is rejected to the point of actual disconnection.		
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