ESB Stakeholder Engagement Strategy & Plan 2022

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ESB Networks
Irish Solar Energy Association (ISEA) Response

Irish Solar Energy Association (ISEA)
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Stakeholder Engagement Strategy & Plan 2022

ESB Networks

Irish Solar Energy Association (ISEA) Response

1.0 Executive Summary:

The Irish Solar Energy Association (ISEA) was established in 2013 to advance a policy and regulatory landscape promoting solar as a leading renewable energy technology that will decarbonise Ireland's electricity system and contribute to a successful and strong clean economy. We appreciate the opportunity to provide feedback on ESB Networks Stakeholder Engagement Strategy and Plan 2022.

Issues for Feedback

1. Stakeholder Engagement Strategy Framework:

- ISEA welcomes ESB Networks' view that the nature of the energy sector is changing in response to the climate transition.
- The acknowledgement of a wide variety of stakeholders emphasises the importance of resourcing engagement appropriately while not compromising the delivery function.
- We ask ESB Networks to provide adequate time to respond to consultations.
- ISEA welcomes ESB Networks' identification of the need to improve *''transparency to our stakeholders of how their feedback is addressed internally within our business.''*
- We encourage ESB Networks to backfill to the extent possible within ECP.
- TSO-DSO interaction and evidencing the impact of that collaboration will be key moving forward.

2. ESB Networks Strategy to 2030:

- ISEA agrees with ESB Networks' assessment of the impact of climate change in Ireland.
- We welcome ESB Networks' recognition of the need to act on climate change and their role in delivering upon the targets enshrined within the Climate Action Plan.

3. Stakeholder Engagement Strategy & Plan for 2022:

- As RESS 1 utility-scale solar projects are soon to energise, ISEA is keen to engage with ESB Networks to ensure that improvements are made to the connection process.
- For the solar industry to progress at utility & customer scale, current ESB Networks initiatives in this space will need to result in concrete savings of time and cost, as well as increase certainty.
- In our view, a crucial step is to ensure that Customer Managers are sufficiently empowered to effect change when there are issues that cannot be solved by information sharing.
- ISEA welcomes ESB's recognition of the environmental impact their business practices have and efforts to reduce their carbon footprint.
- We would also encourage the ESB to consider the inclusion of supply chain transparency as part of their Environmental Reporting & procurement of equipment.

Next Steps

ISEA submits our response to ESB Networks. We would welcome the opportunity to discuss the analysis underpinning our response and contents of same.

2.0   Introduction:

The Irish Solar Energy Association (ISEA) was established in 2013 to advance a policy and regulatory landscape promoting solar as a leading renewable energy technology that will decarbonise Ireland's electricity system and contribute to a successful and strong clean economy. As the leading voice for the Irish solar industry, ISEA works closely with stakeholders to advance the solar agenda on behalf of our members. ISEA is committed to delivering 5 gigawatts (GW) of utility-scale solar and 1GW of customer-scale solar in the next eight years to make a significant contribution towards 2030 energy targets and achieve a diverse and clean electricity network.

As the trade association for the solar industry in Ireland, ISEA is responding on behalf of our membership of 182 parties currently active in the Irish solar market. We appreciate the opportunity to respond to provide feedback on ESB Networks Stakeholder Engagement Strategy and Plan 2022. The stated commitment towards the integration of stakeholder views into decision-making and network management is very welcome.

ISEA's members have engaged with ESB Networks around the delivery of grid connections for both utility-scale and behind-the-meter assets; that experience has informed our response. We are favourable towards the overall approach, though we are suggesting several changes to engagement practice that are intended to give effect to the objectives of the stakeholder strategy.

Our experience of the RESS-1 rollout to date is that connections & projects at both transmission and distribution levels are not being delivered at a rate consistent with meeting the RESS-1 delivery dates. This slow rate of solar deployment risks compromising the wider renewables rollout, therefore, impacting on our ability to meet our carbon emissions targets. Throughput on both the developer and TSO sides must be accelerated to meet our climate and renewable targets.

The RESS-1 support framework incentivises projects to deliver as early as possible to start earning support payments. Successful RESS-1 bidders placed competitive bids based on this fact, with some projects hoping to begin operations this year. Every day of delay is a day that the clock is ticking on the RESS-1 contracts, meaning more carbon emissions and lost revenue for RESS-1 projects, undermining their financial models and underpinnings.

In the meantime, elements of connection costs have shifted from what was quoted by the System Operators to inform many RESS-1 bids and this is a major issue for project financing. While we have seen improvements in terms of engagement with customers and positive public statements, the actual delivery of projects on the ground is frustrated by inflexible rigid processes.

We respectfully request that ESB Networks engage with EirGrid and industry to encourage a rapid acceleration in their delivery of connections, more flexibility in the process, and, as an early priority, the production of work programmes consistent with the RESS-1 timelines.

ISEA continues to have concerns around the following engagement & practice areas:

- Transparency and timeliness of information related to generator connections from the DSO – impact of this on project costs & timelines.

- Internal communications within the DSO and alignment between different parts of the organisations – impact of this on project costs & timelines.

- Level of upfront engagement with customers.

- Availability of information commonly available in other markets.

With that being said, we have seen some positive green shoots in the last year. While ISEA and its members retain substantial concerns about the above issues, there is evidence that ESB Networks is taking some initial steps towards addressing some of these issues. We would encourage continued and further efforts.

Notable high points in the past year have included been National Networks Local Connections, constructive engagements on particular topics of interest, the move towards more upfront and detailed assessment of connection applications, MV EGIP initiative and industry updates on RESS projects.

3.0   Feedback

3.1 Stakeholder Engagement Strategy Framework:

ISEA welcomes ESB Networks' statement that their stakeholders are the *''individuals, groups of individuals, communities or organisations that affect, or could be affected by, our activities, products or services, and associated performance''* and that the nature of the energy sector is changing in response to the climate transition. It is a positive feature that the stakeholder segmentation analysis takes into consideration many stakeholders within the 'Industry' and 'Developers and other associations' categories. However, the acknowledgement of a wide variety of stakeholders within this process emphasises the importance of resourcing engagement appropriately while not compromising the delivery function. We are also keen to ask that ESB Networks provide adequate time for stakeholders to respond to consultations by considering that stakeholders may have varying resources.

ISEA welcomes ESB Networks' identification of the need to improve *''transparency to our stakeholders of how their feedback is addressed internally within our business.''* We also welcome that ESB Networks intends to engage through a number of channels and mechanisms. The mention of a 'metrics framework' is a welcome development when compared with previous engagement strategies, but ISEA notes that these metrics are explained in some parts of the Stakeholder Engagement Strategy but not in others. As a semi-state body, the distribution system operator, and a key delivery partner for renewables, ESB Networks should be as transparent as possible in their decision-making and governance.

It is very positive to see that ESB Networks aims to provide earlier engagement to those connecting to the electricity distribution network and addressing *''uncertainty around project time lines and costs and provision of clearer project-level updates.''*

Our experience of the RESS-1 rollout to date is that connections at both transmission and distribution levels for certain projects are not being delivered at a rate consistent with meeting the RESS-1 delivery dates. This slow rate of network deployment on some solar projects risks compromising the wider renewables rollout, therefore, impacting on our ability to meet our carbon emissions targets.

In the meantime, elements of connection costs have shifted from what was quoted by the System Operators to inform many RESS-1 bids and this is a major issue for project financing. While we have seen improvements in terms of engagement with customers and positive public statements, the actual delivery of projects on the ground is frustrated by inflexible rigid processes. To add to this, passthrough costs can vary dramatically between projects seemingly without explanation. This has been an issue of particular concern for ISEA members involved in transmission projects.

Early engagement on connections could enable ESB Networks to free up space for viable projects. Within this frame, we would encourage ESB Networks to backfill to the extent possible within ECP. As Grid will be a scarce resource, ISEA feels this would introduce some efficiency into how that is allocated and enable more projects to reach energisation.

ISEA is of the view that TSO-DSO interaction and evidencing the impact of that collaboration will be key moving forward. We are very supportive of a proposed forum between those organisations and the CRU to resolve complex issues and welcome the DSO being open to this.

3.2 ESB Networks Strategy to 2030:

ISEA agrees with ESB Networks' assessment of the impact of climate change in Ireland: *''We are at a critical point in the fight against climate change. In recent years, we have experienced the intensifying impacts of climate change in Ireland through extreme weather events.''* We welcome ESB Networks' recognition of the need to act on climate change and their role in delivering upon the targets enshrined within the Climate Action Plan.

3.3 Stakeholder Engagement Strategy and Plan for 2022:

Innovation:

ISEA appreciates ESB Networks' acknowledgement of the importance of collaboration with external partners & stakeholders in meeting the challenges of transitioning to a low carbon society. The public & industry consultations and Innovation Stakeholder Panel are welcome steps towards achieving this goal – but we are keen to underline that these measures must result in substantive actions and not only words to be successful.

The National Network, Local Connections Programme:

ISEA agrees that the network will need to be inclusive to successfully decarbonise and that this requires broad engagement with a variety of different stakeholders. However, to be successful the network needs to work for users and the commercial providers of services to those users. As such we recommend specific technically-focused engagement with industry on the implementation of the pilot programmes. The ambition by 2030 *''every home, farm, business, community, and industry group will have played a part in delivering the Programme''* is very exciting but actions by ESB Networks to date suggest that barriers to the installation of renewables on the system will need to be removed to decarbonise at the scale envisaged in the National Network Local Connections programme. To this end, we recommend that ESB Networks focus on engaging with the industry on technical solutions to make the deployment of renewables (including solar) on the scale envisaged in NNLC possible.

ISEA appreciated the release of the National Networks, Local Connections consultation documents as this offered helpful insight into the roadmap for network development going forward. We confess to struggling with developing a response as there was a significant volume of documents, many of which had overlapping content with differing levels of details, meaning that it was not always clear as to what was being proposed in what document. We encountered parties across the energy industry who found the volume of documents too daunting with which to engage. The various workshops helped clarify matters a bit, though we would suggest that in the future it might be worth considering:

- Publishing a stakeholder impact analysis of the different documents so participants could prioritise documents for a response; and/or
- Identifying a more defined set of questions for respondents to consider.

Connecting Renewables:

It is positive to see ESB Networks discuss high deployment scenarios for various renewable technologies and that utility-scale solar & behind the meter solar are acknowledged as part of this mix. As RESS 1 utility-scale solar projects are soon to energise, ISEA is keen to engage with ESB Networks to ensure that improvements are made to the connection process. For the solar industry

to progress at utility-scale, current ESB Networks initiatives in this space will need to result in concrete savings of time and cost, as well as increasing certainty.

High volumes of solar offers the following benefits:

- Lower electricity bills for society via reduced PSO costs.
- More efficient system for meeting demand via diversified renewable generation portfolio.
- Increased emissions reduction via maximisation of consistently available renewable technology when paired with other technologies.
- Demand fit by solar can reduce network issues.

In light of the large project pipeline of solar assets in Ireland over the coming years, the key need is to increase the rate of connections and finding efficiencies within the delivery of connections for both utility-scale and customer-scale renewables. Within this frame, there will also be a need for flexibility in how industrial & commercial, mini-generation, and microgeneration projects are incorporated. These issues can be partially solved by correcting the current over-dimensioning of the electricity system via current planning standards.

Customer Experience:

 ISEA is conscious of the public's engagement with the Irish electricity system. In most instances, the only touchpoints retail consumers have is with ESB Networks and with their electricity supplier. It is therefore vital that ESB Networks delivers a positive customer experience for both demand and generation customers. We, therefore, welcome ESB Networks' moves to engage via customer service & social media channels and to improve customer interfaces & the availability of real-time information.

From the generation point of view, we appreciate recent actions taken by ESB Networks to be more available in general to generation customers and assign dedicated Customer Managers as a means of rectifying the historical prioritisations of demand customers over generation customers.

However, we have received reports from members that there is significant variation in the performance and overall helpfulness of ESB Networks Customer Managers. In our view, a crucial step in this process is to ensure that Customer Managers are sufficiently empowered to effect change when there are issues that cannot be solved by information sharing. There would also be value in ESB Networks reviewing the resourcing of Customer Managers.

The Environment:

ISEA welcomes ESB's recognition of the environmental impact their business practices have and efforts to reduce their carbon footprint in line with the European DSO Sustainable Grid Charter. It is good to see that ESB Networks actively engages with the Commission for the Regulation of Utilities (CRU) and Local Authorities as part of their commitment to environmental & social responsibility. Equally, ISEA believes that publicising these efforts would help to manage the public's perception of the energy industry.

We would also encourage ESB Networks to consider the inclusion of supply chain transparency for this reason as part of their Environmental Reporting – the overseas production & importation of equipment is ultimately part of ESB Networks' environmental footprint even if this is not considered as part of Ireland's official emissions statistics.

It may also be worthwhile to consider Supply Chain Transparency as part of procurement – ESB Networks should demonstrate that procured equipment is manufactured by workers who operate in

ethical & safe conditions. This is important not only for environmental & social responsibility obligations but also for managing public relations with key stakeholders.

4.0   Conclusion:

ISEA welcomes ESB Networks' planned efforts to engage with stakeholders in 2022. We would welcome the opportunity to discuss the analysis underpinning our response and contents of same. In conclusion, we would like to emphasise the following key points:

- The acknowledgement of a wide variety of stakeholders emphasises the importance of resourcing engagement appropriately while not compromising the delivery function.
- We ask ESB Networks to provide adequate time to respond to consultations.
- We encourage ESB Networks to backfill to the extent possible within ECP.
- As RESS 1 utility-scale solar projects are soon to energise, ISEA is keen to engage with ESB Networks to ensure that improvements are made to the connection process.
- For the solar industry to progress at utility & customer scale, current ESB Networks initiatives in this space will need to result in concrete savings of time and cost, as well as increase certainty.