

30 August 2023

**Re: Commission for Regulation of Utilities' Energy Demand Strategy call for evidence**

To whom it may concern,

ESB Networks welcomes the Commission for Regulation of Utilities' (CRU) publication of a call for evidence on its Energy Demand Strategy CRU/202356 (EDS) which is a key action in the 2023 Climate Action Plan. ESB Networks is proud to support CRU on the development of the EDS and will continue to work closely and collaboratively with CRU on its design and implementation – in particular with regard to the areas of Demand Flexibility and Response whose implementation falls within the remit of ESB Networks.

ESB Networks is committed to the delivery of the Climate Action Plan and Ireland's journey to net zero emissions. Our own Networks for Net Zero Strategy<sup>1</sup> launched in January 2023 is aligned with this, with a key focus of connecting renewables to the electricity system and enabling the electrification of other parts of society including heat and transport. This will be underpinned by a reliable, resilient, and flexible electricity network, which will also facilitate customer-centric solutions for citizens to become active participants in the energy system.

Our National Network, Local Connections (NNLC) programme, which was established to work with and for our customers, has developed and made available Scenarios for 15-20% Flexible System Demand<sup>2</sup> and this is a key component of CRU's EDS considerations. Our Scenarios for 15-20% Flexible System Demand represents a significant body of evidence-based scenarios exploring possible pathways to achieve our national target of 15 - 20% flexible demand by 2025 and we look forward to sharing our stakeholders' perspectives which will help inform our next steps.

As part of this drive towards 15-20%, ESB Networks' role as DSO will continue to transform as mandated by the Price Review Five determination. We will accelerate this transformation to deliver the new solutions needed.

**Stated aims / project objectives** – We support the overall stated aims of the EDS project and would welcome the following in the next steps of this process:

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<sup>1</sup> [networks-for-net-zero-strategy-document.pdf](https://networks-for-net-zero-strategy-document.pdf) ([esbnetworks.ie](https://esbnetworks.ie))

<sup>2</sup> [ESB Networks – Scenarios for 15-20% Flexible System Demand – National Network, Local Connections Programme](https://www.esb.ie/~/media/ESB/Networks/ESB-Networks-Scenarios-for-15-20-Flexible-System-Demand-National-Network-Local-Connections-Programme-divio-media-com) ([divio-media.com](https://www.esb.ie/~/media/ESB/Networks/ESB-Networks-Scenarios-for-15-20-Flexible-System-Demand-National-Network-Local-Connections-Programme-divio-media-com))

- The overall EDS project structure, workstreams, timelines, etc. ESB Networks has considerable relevant technical and industry experience and will use this to contribute to this process.
- It will be vital that all EDS project stakeholders align to its stated aims and project objectives and continue to adopt a collaborative approach as it evolves – this will be important to the overall success of the EDS project.
- Interactions and engagements between the EDS project and other, existing industry groups / fora will need to be considered too, for example, identifying any interdependencies, avoiding silos, etc. ESB Networks participates heavily in many existing industry groups / fora and remain available to support CRU in this regard.

**Project scope** – ESB Networks supports CRU’s proposed project scope, and we consider the proposed phasing to be a sensible approach.

ESB Networks notes CRU’s proposal to adopt “a discover-led approach” allowing for decisions to be made when new information becomes available. This is consistent with the NNLC’s own “evidence-based, discovery-led approach” and we remain of the view that it is the best approach to what is inherently an adaptive challenge, in a rapidly evolving industry environment. It will be important to strike the right balance in this regard so that industry can begin to invest with a reasonable degree of regulatory certainty.

**Demand Flexibility** – As stated in our Scenarios for 15-20% flexible system demand, ESB Networks has worked closely with CRU and this working definition for demand flexibility. We remain broadly aligned with CRU’s definition on the basis that it aligns with the original intent of a standalone target for flexible demand, as distinct from supply-side flexibility. However, should the definition be adapted, we will re-assess the scenarios and resultant action plan accordingly.

ESB Networks is proud to support the CRU on the development of the EDS and will continue to work closely and collaboratively throughout the forthcoming stages of the EDS. We will continue our extensive engagement with customers and stakeholders as we develop and work towards implementing the necessary initiatives to meet our 15-20% flexibility targets as set out in CAP 2023.

Kind regards,

Donal Crean.

Manager,

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ESB Networks.