



## Minutes

### EirGrid plc Board Papers — February 2017

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#### **MINUTES**

MEETING OF THE BOARD OF  
DIRECTORS OF EIRGRID plc (No.191)

#### **Place:**

Boardroom, Boardroom, The Oval, 160  
Shelbourne Road, Dublin 4

**Date:** 21<sup>st</sup> December 2016

**Time:** 09.15 a.m. – 1.30 p.m.

#### **Present:**

Mr John O'Connor (Chairperson)  
Mr Fintan Slye  
Dr Joan Smyth  
Mr Richard Sterling  
Ms Doireann Barry  
Mr Michael Hand  
Mr Liam O'Halloran

#### **Apologies:**

#### **In Attendance:**

Mr Tom Finn, Company Secretary (entire meeting)  
Mr Alan Thomson, items 3(c), 7(d)  
Mr Aidan Skelly, items 4, 5, 7(b)  
Mr Michael Behan, item 4, 5 and 6  
Mr John Fitzgerald, items 7(a), 7(b)  
Mr Aidan Corcoran, items 3(b), 6(b)  
Ms Rosemary Steen, item 7(a), AOB  
Ms Valerie Hedin, item 7(a)  
Mr Robin McCormick, items 7(b) and 8  
Mr David Carroll, item 8  
Mr Rodney Doyle, item 9  
Mr Bill Thompson, items 7(b), 9

Item 7(a) – see separate list of attendees

**1. Declaration of Directors' Interests**

None

**2. (a) Approval of Minutes of Meeting 16<sup>th</sup> November 2016\***

**Decision: Approved**

**(b) Issues arising from Previous Board Meeting**

No issues arising

**Decision: Noted**

**3. a) Reports from Committee Chairs (where applicable)**

The respective Chairpersons provided a verbal highlight for the Board of the key items arising at their meetings.

**Audit Committee**

Richard Sterling provided a verbal report.

- Two meetings of the Committee were held; on the 9<sup>th</sup> and 20<sup>th</sup> of December respectively. Minutes of the 9<sup>th</sup> December meeting were available on Boardbooks.

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- The Draft Consolidated Financial Statements for EirGrid Y/E 30 Sep 2016 and External Auditors Report on Sept 2016 Accounts were considered at the 9<sup>th</sup> December meeting. A document, produced by [redacted] entitled "*Navigating Uncertainty – Key Questions For The Audit Committee*" was considered which addressed key questions arising from the EU Referendum [Brexit]. A copy of the questions is to be circulated to Board members.
- The meeting of the 20<sup>th</sup> December considered the following matters:
  - The proposed dividend of €4m.
  - The impact of the new Code for Corporate Governance for State Bodies
  - The Financial Statements – the Audit Committee was satisfied that these could be approved.
  - The Internal Audit Plan for 2016/2017 was considered and approved by the Committee.
  - The Letter of Representation to the Auditors.
  - Company Income Statement for EirGrid plc
  - The Risk Register
- The Committee was of the view that the increase in the deficit in the pension fund - as commented on by [redacted] - is a matter the Board should monitor. The ongoing actuarial valuation of the fund is due to be finalized in the latter part of 2017. Following discussion it was agreed that the Board would review the matter in March/April with the intention of having a preliminary review then and the matter would be kept under review as a rolling agenda item, pending receipt of the finalized actuarial valuation.

### **Grid Infrastructure Projects Committee**

John O'Connor provided a verbal report.

- The ATR review has been completed and generators have been made aware of it.
- Consultation on The new Framework For Grid Development, the 6 step approach, has taken place and implementation guidelines have been approved. In 2017 the new Framework will be tested on 11 pilot projects.
- The Grid Development Strategy Document has been updated and is expected to be published in early 2017.

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- John O'Connor confirmed that it was considered and agreed at the GIPC meeting, subject to the agreement of the Board, that the GIPC would, on behalf of the Board, monitor the progress of the Celtic Interconnector (during its current development stage). If agreed, the GIPC Charter will be amended and brought back to the Board for approval.

**Decision: Agreed****Risk Committee**

Liam O'Halloran provided a verbal report.

- The Group Risk Register was reviewed.
- The Annual Report of the Chief Risk Officer was considered (also to be discussed at Item 3 c) of this meeting).
- Forthcoming work to be considered is the risk appetite statement(s) and the proposal to break down the risk appetite into the strategic areas of the company with a risk appetite being allocated for each area.
- Going forward the HILP (High Impact Low Probability) register is to be reviewed and future proposed deep dives of DS3, ISEM and the outage of EWIC when the finalised diagnosis is known are to be carried out.

**Public Affairs Committee**

Joan Smyth provided a verbal report.

- The Committee's Risk Register was reviewed and no significant changes were noted.
- Updates from the Public Affairs team were provided on the priorities of the public affairs programme including:
  - The ongoing work around the North-South Interconnector and the general approach leading up to the issue of the An Bórd Pleanála decision
  - The National Ploughing Championships
  - The successful delivery of Community Funding
  - Preparations for the upcoming Annual Conference in January
  - Engagement and sponsorship with the GAA both North and South
  - Engagement with the Irish Farmers Association in the South
  - The Annual Report

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- The Stakeholder Strategy was reviewed and the increasing need for regional presence was discussed as was stakeholder management and the implementation of the Framework For Grid Development. It was the Committees view that a presentation of the Stakeholder Strategy should be provided to the Board and particularly an update for new Board members should be provided at a suitable date.

**Remuneration Committee**

The Committee is scheduled to meet later today.

**Decision: Noted**

**b) Capital Project Approvals**

**i. Capital Approval Revision West Dublin 220-110kV new station**

The Board noted that the Grid Infrastructure Projects Committee had discussed this request and had recommended it for approval by the Board.

**Decision: Approved**

**ii. Project Agreement Booltiagh Ennis Moneypoint Tullabrack Uprate**

The Board noted that the Grid Infrastructure Projects Committee had discussed this request and had recommended it for approval by the Board.

**Decision: Approved**

**c) Annual Report From Chief Risk Officer**

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Fintan Slye in his capacity as CRO outlined that the CRO is required to present an annual report on the operation of the Group Risk Management Framework noting that this is the first year of the report. The report was presented to and discussed at the Risk Committee on 09 December.

The report contained information on the following key elements of the Risk Management Framework:

- Group Risk Management System
- Establishment of the Risk Committee
- Operation of the Group Risk Management Framework
- Risk Reporting
- Risk Identification & Assessment Workshops
- Looking Ahead.

The Board briefly discussed key trending risks as identified in the CRO annual report.

**Decision: Noted**

#### **4. a) EirGrid Consolidated Financial Statements for Y/E 30 Sept. 2016**

The Board noted that the Audit Committee, at the 09 December and 21 December meetings, reviewed the EirGrid consolidated Financial Statements for year end 30 September 2016 and agreed to recommend them for approval by the Board.

The Board noted that a draft of the Financial Statements was submitted to the DCCAE and NewEra on 30 November as required under the Code. No comments have been received to date. Board approval of the Financial Statements will be subject to final comments from the DCCAE.

**Decision: Approved, subject to any final comments as may be received from the Department of Communications, Climate Action and Environment.**

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**b) Letters of Support to EirGrid Subsidiaries**

The Board noted the Letters of Support from EirGrid plc to:

- EirGrid UK Holdings Limited (and its subsidiary, SONI Limited),
- EirGrid Interconnector DAC
- EirGrid Telecoms DAC

The Board further noted that each of the subsidiaries is reviewing and finalising its accounts on the basis that such letters will be provided.

The Chief Executive is authorised to provide the Letters of Support.

**Decision: Approved.**

**c) Letter of Representation to External Auditors**

The Board noted that the Audit Committee considered the Letter of Representation to the External Auditors and agreed to recommend it for approval by the EirGrid Board.

The Chief Executive and the Director of Finance & Legal are authorised to sign the Letter on behalf of the Board.

**Decision: Approved.**

**d) Company Income Statement for EirGrid plc**

The Board noted that the Audit Committee considered the Company Income Statement for EirGrid plc and agreed to recommend it for approval by the EirGrid Board.

**Decision: Approved**

**5. Extension of Existing [REDACTED] Credit Facilities**

Fintan Slye presented a proposed further extension to the current facilities.

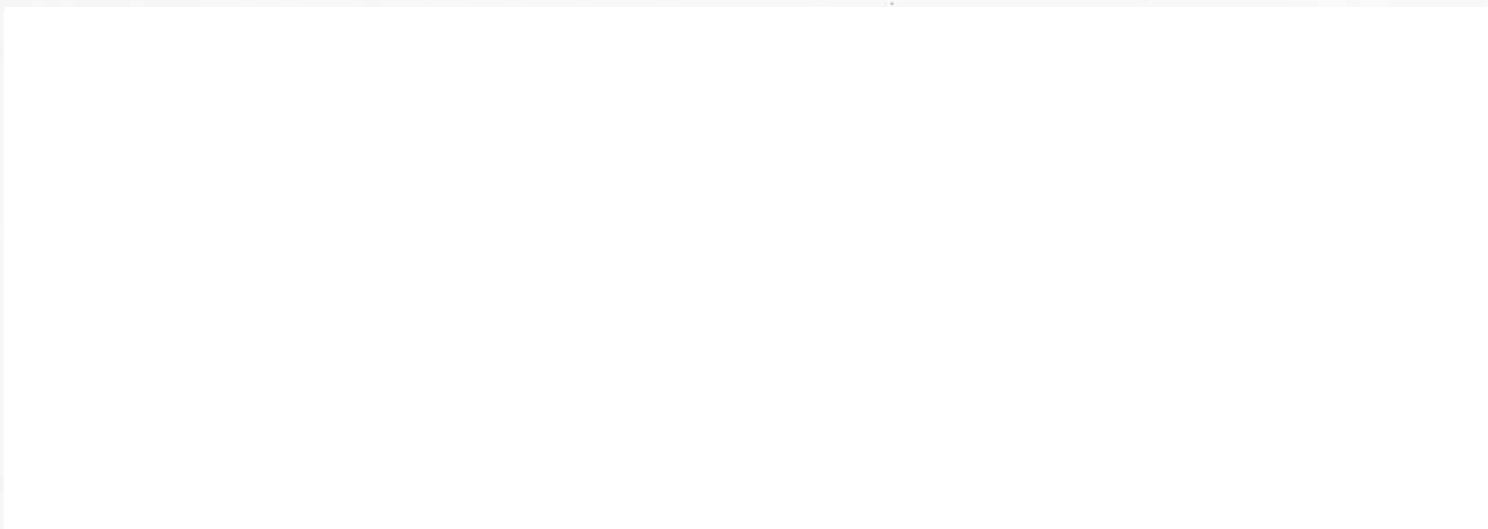


The original facilities had received Ministerial approval and the Department has been notified of the proposed extension.

The Board approved the proposed further extension.

**Decision: Approved**

**6.**





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**7. CE Report**

The Board noted the CE Report which contained a summary of the key issues arising since the previous Board meeting. The CE also provided a verbal update on the following matters:-

- **North-South** – The CE noted the Decision issued on the 20<sup>th</sup> December by An Bord Pleanála, which Decision was favourable for EirGrid, it being a grant of planning approval for the southern element of the North-South Interconnector. Further briefing is to be provided under Agenda item 7(a).
- **End of Year** – all usual end of year processes were underway including the finalization of performance management for all staff and finalization of end of year accounts consuming large amounts of staff and management time.
- **Winter Package** – On the 30 November the European Commission published its proposals for a 'consumer centered clean energy transition' (commonly termed the Winter Package) and a detailed review will be presented at the next Board meeting.

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- **Business Working Responsibly Certification** – Eirgrid was re-certified to the BWR Mark following an audit focusing on sustainable procurement, community engagement, transport, stakeholder engagement and diversity and equality.

**Decision: Noted**

**a) Update on North-South Interconnector Project**

John Fitzgerald attended and was joined by some other members of the cross-functional team responsible for the application to An Bord Pleanála, initially made in 2014;

- Des Cox, Senior Planning Consultant
- Fergal McParland, Hv Transmissions Projects
- Shane Brennan, Hv Transmissions Projects
- Aidan Geoghan, Project Manager
- Deirdre Nagle, Senior Solicitor
- David de Casseres, NI Project Manager
- Valerie Hedin, Public Affairs

Rosemary Steen, Executive Director Public Affairs also attended.

John Fitzgerald confirmed receipt of a formal letter of notification (dated 20<sup>th</sup> December 2016) from An Bord Pleanála of the Decision with the Order of An Bord attached. In summary, the Decision of ABP was that subject to compliance with nine conditions and mitigation measures, the proposed development would be in accordance with the proper planning and sustainable development of the area.

Des Cox provided a very brief overview of the Decision outlining the nature of the nine conditions attached, the proposed mitigation measures and the key matters taken into consideration by ABP in making its Decision.

Rosemary Steen and Valerie Hedin outlined ongoing management of communications following the issue of the Decision.

The CE acknowledged the huge work of all the team on what has been a very long project of critical importance to EirGrid and its wider stakeholders.

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The Chair thanked all members of the team for the huge effort put into the application process.

John Fitzgerald on behalf of the team acknowledged the support of the Board and the Executive prior to and throughout the application process.

**Decision: Noted****b) EWIC Update**

The Board noted the EWIC Outage Update report which contained a summary of the background and key issues. John Fitzgerald Aidan Corcoran attended and provided a verbal update.

Aidan Corcoran confirmed that testing of EWIC had now completed and an operational certificate had been received from the TSO. Customers had been advised that the EWIC would be returning to commercial operation at 6:00 am on the 23<sup>rd</sup> December.

A meeting was held with [redacted] senior management on 16<sup>th</sup> December. Assurances had been sought by EI DAC from [redacted] that measures would be put in place to ensure that a recurrence of this type of failure could not happen again and the measures put in place by [redacted] were discussed. Management confirmed that satisfactory assurances had been received from [redacted] regarding the return of EWIC to service and the performance of the critical system and further, continued assurances were being sought with respect to other operational aspects of EWIC. A root and branch review of the operation of the EWIC was being carried out and further works were being done to prevent any reoccurrence.

The Board thanked the team for the work done in returning the EWIC to service so quickly, the original projection for return having been the 23rd February 2017.

**Decision: Noted**

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**d) Review on Top/Trending Risks**

Alan Thomson attended.

CE noted that the review of Top/Trending risks took place in advance of the An Bord Pleanála Decision on North-South.

The Board noted the top and trending risks. The key trending is the issue of access to land and the emergence of third party land agents (discussed in detail at GIPC) which was discussed by the Board.

**Decision: Noted**

**8. DBC Review**

Robin McCormick and David Carroll attended and provided an overview based on the presentation in the Board papers.

Robin McCormick summarised how DBC costs arise, how the TSO is tasked with minimising DBC and to look for opportunities to make savings. The process used in implementing DBC was also outlined, which included several key steps:

- TSO produce an annual forecast based on a set of assumptions
- TSOs investigate, develop and implement operational initiatives
- After tariff year (commencing/ending in October) the TSOs readjust the budget to account for items outside of their control

Key metrics are:

- Savings of €83m have been delivered over the past 4 years
- Achieved Incentive payments of €3.3m

David Carroll outlined the examples of TSO initiatives implemented in 2015/2016 Tariff year which achieved savings of €10.5m.

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**Decision: Noted**

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**10. Formal Correspondence to and/or from EirGrid plc**

None

**11. Any Other Business**

- **EirGrid Annual Customer Conference** - Rosemary Steen provided a brief update on preparations for the forthcoming Annual Conference to take place in Dublin Castle on 26 January 2017. Currently 189 delegates are registered to attend. A number of high profile key note speakers/attendees have been confirmed including:

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- **Doireann Barry** – As this was the last meeting to be attended by Doireann Barry in her capacity as a Director of EirGrid, the Chair, on behalf of the Board, expressed the thanks and appreciation of all Board members to Doireann for her outstanding contribution to the Board and its various Committees in which she was involved over the previous five years and wished her well in her future career.

**(a) Items for Future Board Meetings**

- GIPC Charter – February/March 2017
- Stakeholder Strategy – Board/New Board members presentation -TBC
- Winter Package Review – February 2017
- Timing of Board Meetings, Schedule of Board Meetings for 2017 - February 2017
- Brexit – February 2017
- Regulatory Plans & Strategies – Q2/Q3 (preferably April/May 2017)

**Decision: Noted**

**(b) Ratification of Sealed Documents**

The Board approved the ratification of the affixing of the Company Seal to:




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The next Board Meeting of EirGrid is scheduled to take place on Wednesday 8<sup>th</sup> February 2017 at 8.30am in the Oval, 160 Shelbourne Road, Dublin 4.

There being no further business the meeting closed.

  
**John O'Connor**  
Chairperson

