



Draft Minutes

EirGrid plc Board Papers — April 2017

MINUTES

MEETING OF THE BOARD OF
DIRECTORS OF EIRGRID plc (No.193)

Place:

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

Date: 15th March 2017

Time: 08.30 a.m. – 1.00 p.m.

Present:

Mr John O'Connor (Chairperson)
Mr Fintan Slye
Dr Joan Smyth
Mr Shane Brennan
Mr Michael Hand (Items 1, 2, 3 & 4(b) only)
Mr Liam O'Halloran

Apologies:

Mr Richard Sterling

In Attendance:

Mr Tom Finn, Company Secretary (entire meeting)
Mr John Fitzgerald, Items 4(a)
Mr Aidan Skelly, Items 4(b), 5, 6, 8
Mr Robin McCormick, Items 4(a), 4(b), 11, 12
Mr Alan Thomson, Item 7
Ms Rosemary Steen, Items 4(a), 9
Mr Rodney Doyle, Items 9, 10, 11
Mr Michael Behan, Items 5, 8
Mr Bill Thompson, Items 4(b), 6, 9
Mr Noel Cuniffe, Item 12

1. Declaration of Directors' Interests

None

2. (a) Approval of Minutes of Meeting of 8th February 2017

Some minor wording amendments were discussed which the Secretary will incorporate into the Minutes.

Decision: Approved

(b) Issues arising from Previous Board Meeting

The Board noted that Regulatory Strategy will be brought to the Board in Quarter 2 / 3.

Decision: Noted

3. Report of Committees (where applicable)

The Respective Chairpersons, (or their nominees), provided a verbal update for the Board of the key items arising at the Board Committee meetings.

Audit Committee

Joan Smyth on behalf of the Chairperson of the Committee provided a verbal report.

- Code of Practice 2016 – the Committee noted that the timeframe for the implementation of the Code had altered and welcomed the fact that further guidance (in the form of a checklist) is to be produced by the Department.
- Update on Implementation Plan for Financial Procedures – was discussed by the Committee and noted that the concept of “Trusted Business Partner” was working well.

- Risks – Committee risks were reviewed. A full review with voting is to take place in June. The risk in relation to new membership has been scored as difficult and the Committee emphasised the importance of retaining existing membership in the immediate term. The Chairperson of the Board noted that the impact of this risk had been emphasised to the Department.
- The Training Programme reflected new membership and would include not just members of the Audit Committee but also members of the Board.
- Auditor's Addition Fees Item – was discussed extensively at the Committee.

Public Affairs Committee

Joan Smyth provided an update.

- Joint meeting with GIPC – Part of the PAC meeting was held jointly with the GIPC Committee in relation to North-South.
- The Risk Register was reviewed and full review with voting is to take place in June.
- The Programme and Priorities was reviewed. The Committee commended the Public Affairs Group and all others involved in the organisation and running of the Annual Conference. The Committee noted and congratulated the Public Affairs Group on the award to EirGrid by the National Adult Literacy Agency of the overall award for the "Have Your Say" publication.
- The implications for the Fianna Fáil Dáil Motion with respect to North-South were discussed as was the ongoing Stakeholder engagement.
- Community Fund Pilot Project – a preliminary review of the Community Fund Pilot Project took place and a full Review and Report will take place in due course.

Risk Committee

Liam O'Halloran provided an update

- HILP/Black Swan Risks were reviewed and Risk Appetite was discussed.
- Cyber Risk – a review will take place in due course and the matter will be brought to the Board thereafter.

- Certification of Accounts – the Committee discussed the certification in the context of it being wider than mere financial matters and the Committee's view at this point is for the Committee to continue to deal with non-financial aspects and should raise issues for consideration by the Risk Committee, or depending on what process may propose, then the Committee will deal with those. The Board noted that it may arise that a joint meeting of Audit and Risk Committees might be appropriate depending on particular risks which might arise or might be highlighted by

GIPC Committee

Joan Smyth assumed the Chair of the Meeting for this Item.

John O'Connor provided a verbal report.

- North-South – the ongoing litigation in respect of the Project was discussed.
- Grid Development - Grid West remains on hold. The Regional solution continues with 7 projects currently approved at various stages.
There are currently 7 large Data projects underway. Four large wind connection projects are in progress for this year with a projected 300 Mw capacity.
- The Framework for Grid Development – a lot progress had been made with the 6 Step approach which is progressing to implementation with 11 pilot projects identified.
- Celtic Interconnector – The Committee reviewed the current stage of this Project for the first time. The Initial Design and Pre-Consultation Phase has been scoped out and agreed with Rte. There is an increased strategic emphasis on this project in the light of Brexit. The new Framework for the Grid Development would apply to this Project particularly with respect to proposals for land falls.
The Regulators are carrying out their own studies in relation to viability.

Remuneration Committee

Joan Smyth provided an update.

- The Committee's Risk Register will be reviewed fully in June.
- The Talent Pipeline Update was reviewed.

- The Committee's next meeting is scheduled to take place in Belfast.

Decision: The Board noted the various Committee updates.

(a) Great Island – Wexford 110kV Uprate

Decision: Approved

(b) Great Island – Kilkenny 110kV Uprate

Decision: Approved

(c) GIPC Charter

The proposed amendments to the GIPC Charter were outlined by John O'Connor and were approved by the Board.

Decision: Approved

(d) External Audit Additional Fees

The Board noted that this matter had been discussed extensively at the Audit Committee, the Committee were satisfied that the additional work was required in relation to the revised Code of Practice for the Governance of State Bodies.

Decision: Approved

4. **CE Report**

The CE noted the following items in addition to items contained in his written Report:

- **Clean Energy Package** – the Board noted that the Company appeared before the Joint Oireachtas Committee on Communications, Climate Action and Environment regarding the Clean Energy Package. Also in attendance at that Committee were CER, SEAI and the ESB. The Committee was discharging its remit regarding the scrutiny of European legislation. Engaged discussion took place with the Committee including discussion on the Celtic Interconnector.

- **Discussions** - Brief (separate) discussions took place and on the first solar transmission offer.

a) North / South Interconnector Project

John Fitzgerald, Robin McCormick and Rosemary Steen attended.

John Fitzgerald provided a verbal update supplemental to his written Report and the consideration of the matter at the GIPC Committee.

The three Judicial Reviews are currently listed for hearing together in the Commercial Court in mid-July.

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6. Modern Slavery Act – Policy Statement

The Chief Executive outlined the background and presented a draft Group Modern Slavery & Human Trafficking Statement.

The Board discussed the draft Policy Statement and discussed the proposed treatment from a risk management perspective. The HIAC is to ensure that the matter is included into the appropriate Risk Register.

Decision: Approved

7. Risk Management

Alan Thomson (HIAC) attended. The Chief Executive provided the background context.

(a) Six Monthly Interim Board Review of Risk

The Board considered and discussed the Board Risk Register and provided feedback and some suggested re-wording to the title and content of the “Board Dynamics” risk.

Decision: Noted

(b) Review of Top / Trending Risks

The Board reviewed and discussed the Top / Trending Risks.

Decision: Noted

(c) Development of new Risk Appetite Statement

The Chief Executive outlined the background work which had been ongoing in conjunction with the Risk Committee over the previous 7 months, having regard to views expressed by _____ on how best practice and tolerance could benefit the organization. Subsequent work consisted of developing risk appetite statements appropriate to defined aspects of the Group as opposed to the current singular “low risk” statement encompassing all activities across the Group.

The Board reviewed and discussed the proposed new Risk Appetite Statements as developed and provided feedback. The ultimate approval of the Risk Appetite Statement is a matter for the Board and will be presented to the Board at a later date (possibly June/July) for approval following review by the Risk Committee.

Decision: Noted

8. Five Year Corporate Plan 2017 – 2021

Aidan Skelly and Michael Behan attended.

The draft EirGrid Group Five Year Corporate Plan 2017-2021 is prepared in fulfilment of obligations of the company under the Code of Practice. The format and level of detail contained within the plan is consistent with the corresponding 2016-2020 version.

The Board discussed the draft Plan and suggested some minor amendments around Security of Supply.

Decision: Approved

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10. EU Clean Energy Package Briefing

Rodney Doyle attended and outlined the key elements; the shift in responsibilities, the RES and energy efficiency targets, market design changes and reaction to the package.

The Board noted that the Package would have implications for the autonomy of TSOs but that the initiative was currently at proposal stage with the Commission.

Decision: Noted

11. Coreso Membership

Rodney Doyle and Robin McCormick attended.

The Board noted that Ministerial approval is also required before EirGrid Group may invest in an undertaking such as RSC Coreso as proposed.

Following discussion the Board approved EirGrid Group becoming a 5% shareholder of Coreso

Decision: Approved

12. Tomorrow's Energy Scenarios

Robin McCormick and Noel Cuniffe attended.

Robin McCormick provided the background context and referred to a published brochure. The purpose of the scenario planning was outlined and an update provided on the stakeholder engagement to date.

Noel Cuniffe presented the four scenarios outlined in the brochure which form part of the scenario planning for the Energy Future. The intention is to refresh the various scenarios every two years to drive identified needs for the business.

A brief discussion took place and the Board recognized the value of this project in supporting the strategic goal around Thought Leadership and also in facilitating extended and improved community and stakeholder engagement.

Decision: Noted

13. Formal Correspondence to and / or from EirGrid plc

None

Decision: Noted

14. Any Other Business

The Chair updated the Board on the current status of the appointment of new Directors.

(a) Items for Future Board Meetings

- April/May (To be added to existing list)

Decision: Noted

(b) Ratification of Sealed Documents

The next Board Meeting of EirGrid is scheduled to take place on Wednesday 19th April 2017 at 8.30am in the Oval, 160 Shelbourne Road, Dublin 4.

There being no further business the meeting closed.

John O'Connor
Chairperson