

# Electricity Market and Regulatory Risk Review

## March 2018

### Summary

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- **The PSRP Continues to Progress** - Discos now need to action several issues to ensure the plan can be effectively delivered:
  - Develop and submit to NERC for approval a **Performance Improvement Plan** (PIP). The need for a PIP is centred around the PRSP goal to improve Disco performance. The Guidelines by NERC is yet to be formally issued to Discos.
  - The **Meter Asset Provider (MAP) Regulation** has now come into effect. Discos now need to commence the procurement process for engagement of the first set of MAPs with the issuance of bid documents.
  - **Concerns on the Tariff Deficit and Invoice Discount Scheme** (IDS) presented at the 2016 & 2017 Minor Review remain and there is a need now to meet with BPE to discuss the ATC&C loss reduction trajectory in MYTO, which is not in line with current performance or levels that will subsequently be achieved.
- **Review of the TCN Expansion Plan –**
  - Discos should plan to meet with TCN to discuss the report and ensure TCN's demand projections align with the results of Discos Energy Demand Studies (EDS) and Network Expansion Plan once concluded.
  - The level of funding to meet the 2020 target of 10,000MW and further expand to 15,000MW in 2025 is significant – \$799.6mil and \$2076.3mil respectively.
  - Despite six (6) sources of donor funding with a combined value of \$1,538 mil being identified, questions remain whether the donor bundles have been fully defined.
  - If TCN can obtain these additional sources of funding and expand wheeling capacity to around 10,000 MW, the grid will be capable of delivering more power to the Discos, although the grid will not be capable of delivering the per cent load share assumed in MYTO and set out in the Vesting Contracts