



Energia Renewables  
DS3 advisory council  
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# Tie Breaks decision & DS3

- Pro rata allocation, with compensation to 31 December 2017
- “The SEM Committee is of the view that based on the programme plans set out by the TSOs, the DS3 programme will be substantially in place by 2018 which will ensure that levels of curtailment are lower than they might otherwise have been. The SEM Committee will continue to over-see and support the work of the TSOs in this regard.”
- Eirgrid curtailment projections in Tie Breaks response 2% -4%, **assumes DS3 achieves 70% SNSP by 2020**
  - Where is step plan to achieve this?
  - Curtailment reporting needs substantially improved
    - 2011 curtailment report: 7% curtailment on VPTs, 2% across all windfarms
- DS3 programme essential
  - a) Non synchronous penetration levels to increase from 50% to 70% “huge challenge”
  - b) ROCOF improvements – significant challenges for older conventional plant and windfarms
  - c) Controllability of windfarms



# DS3

- **Legacy link between ancillary services and capacity payment needs to be decoupled**
  - Capacity payments needed to maintain constrained on plant with minimal in market running.
  - Ancillary services need to be funded separately
- **Insufficient information to enable investment decisions**
  - System needs/preferences not clear
  - Locational requirements? NI? / Donegal ? / Large load centres?
  - What quantum of service types needed?
  - Qualified support for option 3
- **Paper leans towards modification of existing fleet – may be limited in what can be achieved**
  - Precise technical details of products needed to enable OEM review
  - OEM's little appetite for retrofitting for a small markets
  - Recognition of need for some level of new investment



# DS3

- **Contract proposals not financeable for new investment**
  - Volume risk - *needs to be capability approach, not dispatch dependent*
  - Price risk – cannot re-set prices every 3-5 years
  - Contract term for new investment minimum of 10 years
- **Revenue allocation needs to be matched to service costs to deliver investment.**
  - Allocation in paper is based on option 1 – skewed towards coal and pumped storage
  - No account taken of probability of ability to deliver services. inadequate remuneration for OCGT
- **Too much reliance on ROCOF** – uncertainty of delivery and timing. System benefits of €295k assume ROCOF improvements delivered.
  - ROCOF decision may set a dangerous precedent for future investments. Changing & additional technical requirements must be fairly remunerated.
- **Distribution connected generators need to be included**

