

DS3 System Services Consultation – Enduring Scalar Design

This questionnaire has been prepared to facilitate responses to the consultation. Respondents are not restricted to this template and can provide supplementary material if desired.

Please send responses in electronic format to DS3@eirgrid.com or DS3@soni.ltd.uk

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Respondent Company	<i>PowerNI PPB</i>

Note: It is the TSOs' intention to publish all responses. If your response is confidential, please indicate this by marking the following box with an "x". Please note that, in any event, all responses will be shared with the Regulatory Authorities.

Response

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The closing date for responses is Monday, 21 August 2017.

Question	Response
Proposed Scalars for Regulated Arrangements	
<p><u>Question 1:</u> Do you agree with our proposal to include in the performance assessment methodology to determine the value of the Performance Scalar an additional measure to incentivise a unit to supply to the TSOs an accurate forecast of its availability to provide Reserve and Ramping Margin Services? If not, please specify why or identify what element of the proposal you believe requires amendment?</p> <p><u>Question 2:</u> Do you agree with our proposal to implement a Product Scalar for the Faster Response of FFR? If not, please specify why or identify what element of the scalar design you believe requires amendment?</p>	<p>It is difficult to answer this question given the lack of clarity in the information supplied. It is not clear if this is required from all technologies or indeed if it is the capability of the unit to provide DS3 services or the level of DS3 services the unit has available based on the FPN it hopes to operate to.</p> <p>If it is the capability of a unit to provide its DS3 products and so is connected to the technical capability of the unit then it is fair that all technologies are required to do this as the current thermal generators declare this on an ongoing basis. However if it is the availability of the service given the proposed or forecast level of energy production, then this is not acceptable. It is impossible for a unit to forecast its running, given the level of constraints on the system and the impact of IC's and wind and their variability. The units will already have an incentive to match their FPN's since otherwise they will be exposed to the Balancing Market price and other penalties. It is also unclear how the TSO will assess the availability of the service if there was not an event to test it and if there is a big increase of new smaller technology types with high availability.</p> <p>It is difficult to comment on this scalar as there is no evidence to quantify the benefits to the system for a faster FFR. The scalar is quite high and evidence would be required to confirm if that level is justified.</p>

<p><u>Question 3:</u> Do you agree with our proposal to implement a Product Scalar for the Enhanced Delivery of FFR, POR, SOR and TOR1? If not, please specify why or identify what element of the scalar design you believe requires amendment?</p>	<p>This scalar does not meet the SEM-14-108 criteria where a scalar cannot be less than 1. However we agree with how it is applied but do not agree with the level.</p>
<p><u>Question 4:</u> Do you agree with our proposal to implement a Product Scalar for the Continuous Provision of Reserve from FFR to TOR1? If not, please specify why or identify what element of the scalar design you believe requires amendment?</p>	<p>It seems reasonable to employ a scalar for sustainability of response however we suggest this is broken down further to create different scalars for different aggregations of services that each provide different benefits for the TSOs and the system. This could be structured such that there is one scalar for FFR and POR, one for FFR, POR and SOR and another for FFR, POR, SOR and TOR, with the highest scalar being applied for the provision of all 4 services.</p>
<p><u>Question 5:</u> Do you agree with our proposal to implement a Product Scalar for Enhanced Delivery of SSRP with an AVR? If not, please specify why or identify what element of the scalar design you believe requires amendment?</p>	<p>We agree with the proposal.</p>

Question 6: Do you agree with our proposal to implement a Product Scalar for SSRP with Watt-less VARs? If not, please specify why or identify what element of the scalar design you believe requires amendment?

PPB have no issue with the addition of this scalar however, as is the case for many of the others, there is no rationale to justify the level of the scalar and therefore it is not possible to comment further on the merits or otherwise of the magnitude of the scalar.

Question 7: Do you agree with our proposal to implement a Temporal Scarcity Scalar for DRR and FPFAPR? If not, please specify why or identify what element of the scalar design you believe requires amendment?

This temporal scarcity scalar is to encourage investment in services from units which are on when SNSP is high, greater than 70%. Given that the maximum SNSP level expected is 75% there is not likely to be anyone encouraged to invest for the 4% of available enhanced payments. The fact that this level of SNSP is not guaranteed given RoCoF is not even confirmed, it is impossible to provide any certainty to this enhancement. The enhanced payment needs to kick in sooner, at 40% - 50% SNSP or be guaranteed to be paid out on a minimum number of occasions so there is confidence in a minimum payment before anyone could invest in this service. The fact that this scalar is labelled temporal is also not very encouraging for investors, does this mean it could be removed part way through a contract period.

In principle, PPB is not averse to there being a scalar but again there is no analysis to justify the magnitude of the scalar proposed and hence it is impossible to comment on its merits.

Scalars not Proposed for Implementation	
<p><u>Question 11:</u> Do you agree with our proposal NOT to implement a Product Scalar for Enhanced Delivery of DRR with more reactive current? If not, can you provide rationale to support your views?</p>	<p>We agree as there is no clear evidence provided to prove the system requirement for this scalar. In addition we are also concerned that a significant number of scalars are already proposed and increasing further scalars without merit would add further complexity to the settlement and verification of data which is already complex and time consuming. Similarly adding further scalars where there is no describable benefit will also make revenue forecasting even more difficult.</p>
<p><u>Question 12:</u> Do you agree with our proposal NOT to implement a Product Scalar for Enhanced Delivery of SSRP with a PSS? If not, can you provide rationale to support your views?</p>	<p>As above.</p>
<p><u>Question 13:</u> Do you agree with our proposal NOT to implement a Product Scalar for SIR with Reserve? If not, can you provide rationale to support your views?</p>	<p>As above.</p>

<p><u>Question 17</u>: Do you agree with our proposal NOT to implement a specific Volume Scalar for Regulated Arrangements? If not, can you provide rationale to support your views?</p>	<p>PPB supports this decision as there appears to be some duplication in the volume cap etc discussed in the the Tariffs paper.</p>
<p>Frequency Response Curves</p>	
<p><u>Question 18</u>: Do you agree with our proposal to implement Frequency Response Curves to define the provision of the FFR Service? If not, please specify why or identify what element of the curve design you believe requires amendment?</p>	<p>PPB's only comment on this question is that the benefits to the system should not be compromised by making things simpler.</p>