

## 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](mailto:DS3@eirgrid.com) or [DS3@soni.ltd.uk](mailto:DS3@soni.ltd.uk)

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**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 confidential

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

Question	Response
<b>Proposed Scalars for Regulated Arrangements</b>	
<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>In principal, we agree with the proposal to introduce a means of supplying a forecast of availability for reserve and ramping margin services. However we feel that a penalty for overperformance is unacceptable. Exceeding your forecasted performance should be incentivised, not penalised.</p> <p>We agree with the proposal to implement a Product Scalar for the Faster Response of FFR.</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>Firstly, we agree with the concept of a Product Scalar for the Enhanced Delivery of FFR, POR, SOR and TOR1. However, we feel the scalar values are too low and therefore potentially result in penalties for providing these services. This could have a significant negative impact on the bankability or investment thesis for a project. We feel a minimum scalar value of 1 must apply here.</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>We agree with the proposal to implement a Product Scalar for the Continuous Provision of Reserve from FFR to TOR1.</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 proposed Product Scalar for Enhanced Delivery of SSRP with an AVR.</p>

<p><u>Question 6:</u> 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?</p>	<p>We agree with the proposed Product Scalar for Enhanced Delivery of SSRP with Watt-less VArS</p>
<p><u>Question 7:</u> 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?</p>	<p>Firstly, we agree with the proposal of implementing a Temporal Scarcity Scalar for DRR and FPFAPR. However, we <b>strongly</b> disagree with the proposed scalar values. We feel that a scalar of 0 for when SNSP is below 70% is not workable. We recommend that this be changed so that lower levels of SNSP are rewarded. As the SNSP has never been above 70%, and this scalar reduces revenue to zero this destroys project bankability.</p>
<p><u>Question 8:</u> Do you agree with our proposal to implement a Temporal Scarcity Scalar for FFR? If not, please specify why or identify what element of the scalar design you believe requires amendment?</p>	<p>Firstly, we agree with the proposal of a Temporal Scarcity Scalar for FFR. However, we strongly disagree with the proposed scalar values. We feel that the temporal scarcity scalar for FFR needs to be amended so that this service is rewarded at lower levels of SNSP. We feel that a scalar value of 0 for when SNSP is below 60% is again, unworkable for the reason outlined above.</p>
<p><u>Question 9:</u> Do you agree with our proposal to implement a Temporal Scarcity Scalar for 11</p>	<p>Firstly, we agree with the proposal of a Temporal Scarcity Scalar for the 11 Existing System Services. However, we disagree with the proposed scalar values. We feel that a scalar of 1 for when SNSP is over 60% is low and that this scalar value should be</p>

<p>Existing System Services? If not, please specify why or identify what element of the scalar design you believe requires amendment?</p> <p><u>Question 10:</u> Do you agree with our proposal to implement a Locational Scarcity Scalar for All System Services? If not, please specify why or identify what element of the scalar design you believe requires amendment?</p>	<p>increased. We also believe that the provision of the existing 11 System Services is extremely important at all SNSP levels and should be rewarded by introducing a scalar value for when SNSP is below 60%.</p> <p>We agree with the proposed Locational Scarcity Scalar for All System Services in principle. However, we would need to have more clarity as to how the locational reward is calculated to comment fully.</p>
<b>Scalars not Proposed for Implementation</b>	
<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><u>Question 12:</u> Do you agree with our proposal NOT to implement a Product Scalar for Enhanced</p>	<p>We agree with the proposal to exclude a Product Scalar for Enhanced Delivery of DRR reactive current.</p> <p>We agree with the proposal to exclude a Product Scalar for Enhanced Delivery of SSRP.</p>

<p>Delivery of SSRP with a PSS? If not, can you provide rationale to support your views?</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><u>Question 14</u>: Do you agree with our proposal NOT to implement a Product Scalar for Faster Response of FPFAPR? If not, can you provide rationale to support your views?</p> <p><u>Question 15</u>: Do you agree with our proposal NOT to implement a specific Temporal Scarcity Scalar for Reserve Products? If not, can you provide rationale to support your views?</p>	<p>We agree with the proposal to exclude a Product Scalar for SIR with Reserve.</p> <p>We agree with the proposal to exclude a Product Scalar for Faster Response of FPFAPR with Reserve.</p> <p>We agree with the proposal not to implement a specific Temporal Scarcity Scalar for Reserve Products.</p>
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<p><u>Question 16</u>: Do you agree with our proposal NOT to implement a specific Temporal Scarcity Scalar for SIR? If not, can you provide rationale to support your views?</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>We agree with the proposal not to implement a specific Temporal Scarcity Scalar for SIR.</p> <p>We believe a volume scalar should be included to reward service providers that can deliver and exceed their forecasted volumes.</p>
<b>Frequency Response Curves</b>	
<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>We agree with the introduction of the response curves, particularly the dynamic response.</p>