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By email to:

Robert O'Rourke,
Commission for Energy Regulation,
The Exchange,
Belgard Square North, Tallaght,
Dublin 24.

Date: 19th November 2014

RE: MPID 223: Fail to Sync

Dear Robert,

I am writing to you in relation to the Grid Code modification MPID 223 "Fail to Sync" as I understand that the CER will soon be making a decision on this. I wanted to take this opportunity to reiterate the main points of ESB GWM's previous submission, comment on the recently published TSO market analysis and provide a summary of some analysis carried out by ESB GWM.

The key elements of ESB GWM's submission on the TSO's "Fail to Sync" consultation are summarised below:

- ESB GWM agree with the industry sentiment that there is a lack of clarity on the matter and welcome the consultation.
- ESB GWM agree with CER's stated position on generator performance i.e. generators who fail to perform should be penalised and the penalty should be proportional to the costs incurred to the system/consumer.
- If the TSO is of the opinion that the current Late Sync penalties are not proportional to the costs incurred or do not sufficiently incentivise generators then a review of these penalties would be appropriate.
- It is appropriate that there is a cut off point at which the generator moves from being late to synchronise to having failed to synchronise. However, applying the same 15 minute tolerance for this across all technologies for all states (cold, warm, hot) is an inflexible and unfair approach. Is it reasonable that a Thermal Unit which takes 12 hours to start up from cold is given the same tolerance as Gas Turbine which takes 20 minutes to start up?
- The tolerance applied to a Unit for being late to synchronise should be proportional to the Unit's start up time.
- ESB GWM believe that the re-declaration of a Unit's Availability, in line with the proposed modification, could have a significant impact on SMP.

In response to concerns regarding the impact on SMP the TSO were requested to analyse this issue by the CER. This analysis by the TSO was recently published and ESB GWM would like to provide the following comments:

- The summary of the report opens with the TSO providing their opinion that the proposal will not adversely impact SMP. However, the TSO was unable to substantiate its position and it



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has not robustly demonstrated that this is the case. Indeed later in the summary it states “the Production Cost analysis is inconclusive”. ESB GWM would suggest that no conclusions be drawn from this analysis rather than concluding there is no evidence to suggest an adverse impact.

- The analysis examines seven cases, however, only in two of these cases was the Unit in question scheduled in the market. Given the fact that an adverse impact would most likely be expected when the Unit, which was deemed to have failed to synchronise, was scheduled in the market ESB GWM would consider this a major flaw in the analysis.

Rather than attempting to provide further insight by more modelling of the issue ESB GWM have analysed a number of historical events. The most relevant example found concerned Moneypoint Unit 2 coming from a cold state on July 15th. A summary is provided below:

- At 13.56 on July 14th MP2 was issued with an Instruction to Sync at 05:10 on July 15th. The Unit synchronised early at 04.55 but encountered some difficulties and tripped at 05.10.
- At 05.12 NCC issued a Fail Sync and declared the Unit unavailable from 05.10.
- From the metered generation data it would appear that the immediate action taken was to dispatch three units, which were already on load, to higher outputs. It is not expected that this would have had a significant impact on SMP.
- MP2 did synchronise successfully at 05.50 with no further issues. This was 40 minutes beyond its original sync time. However, the Unit was re-declared for the period between 05.00 and 06.00 which would have impacted its position in the market schedule.
- At 07.00 and 08.00 respectively Huntstown Unit 2 and Poolbeg both came into the market schedule and received MSQ. While there are a number of factors which influence the merit order, based on the recent trends the scheduling of Huntstown Unit 2 and Poolbeg would have been a deviation from the normal market scheduling of either plant. ESB GWM believe that the re-declaration of MP2 was a significant factor in this.
- This would have an adverse impact on SMP arising from both higher offer costs and the start costs that have to be recouped.

While ESB GWM are not privy to all system constraints and decisions made by the NCC it would appear that there is a direct adverse impact on SMP as a result of the re-declarations associated with this modification. The introduction of a more proportional transition from a Late Sync to a Failed Sync, compared to that proposed under MPID223, would reduce this adverse impact e.g. a tolerance proportional to a Unit’s start up time.

If ESB can help in anyway to bring this issue to a close, such as the provision of examples or development of possible alternatives, we would gladly assist.

Yours Sincerely,

Paul Doyle,
Regulation,
ESB Generation and Wholesale Markets
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