



Notice Required for Plant Closure

Update to Joint Grid Code Review Panel

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Background

- Proposals were submitted to both TSOs in April 2017 seeking to remove the Notice Required for Plant Closure from the two Grid Codes
- TSOs and Regulators were not minded to accept the proposals due to the implications for secure operation of the transmission system
 - This was communicated to the GCRPs at the April meeting
 - The TSOs and RAs also noted that the issue of how plant closure is managed merited further consideration
 - The TSOs and RAs undertook to consider the matter further and report back to the September GCRPs on the topic

Background

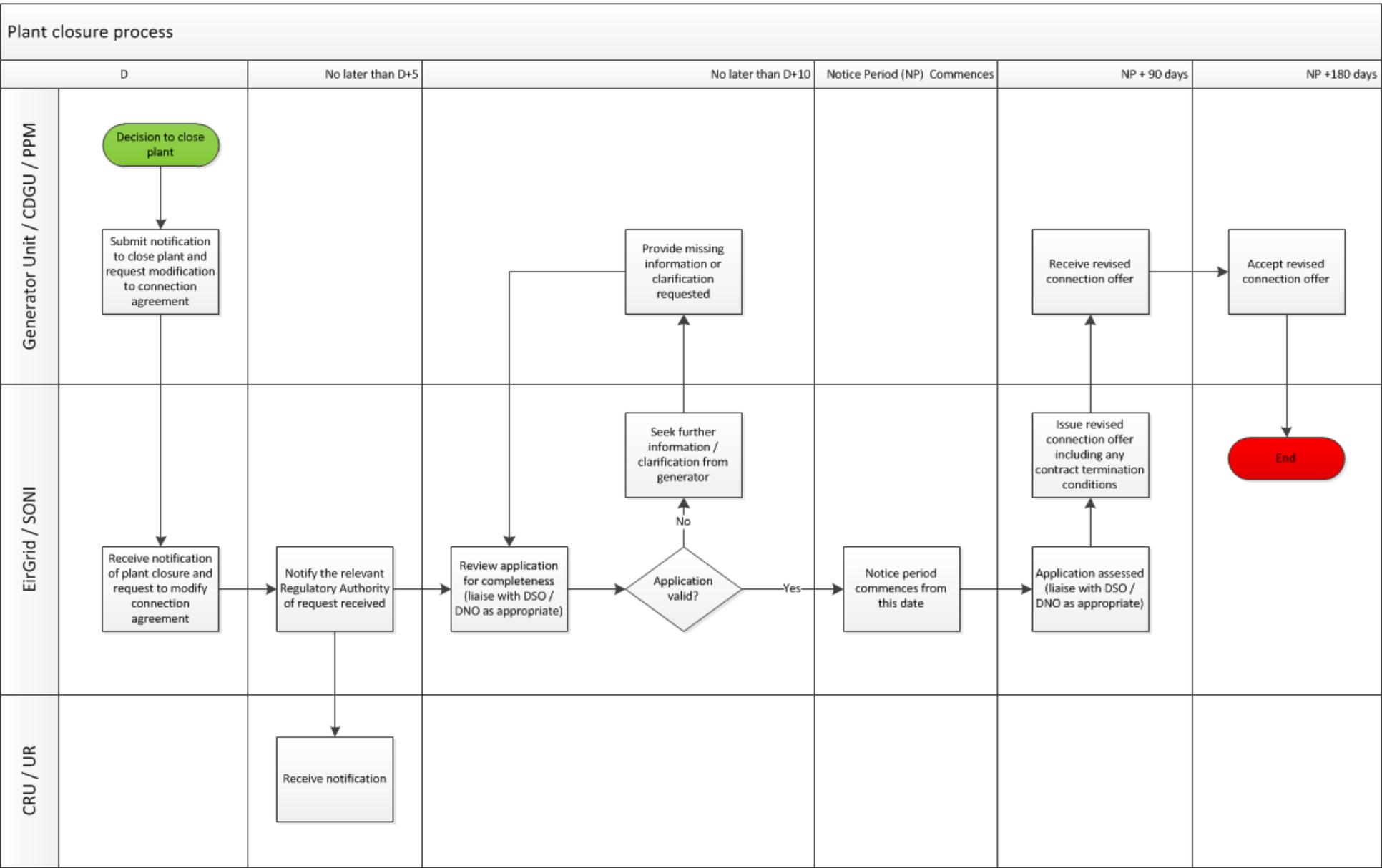
- The RAs and TSOs decided to provide more transparency on how a plant closure request is managed
- The TSOs' procedures for managing a plant closure request was documented and issued to the industry for review
- An all-island Plant Closure workshop was hosted in October to review the document and answer any questions
- Minutes of this workshop were circulated to all panel members
- The final version of the process document was published on [EirGrid](#) and [SONI](#) websites in December 2017

Generation Plant Closure Process Summary

A five step process

- Step 1: Generator submits notice to close and applies to terminate connection agreement
- Step 2: TSO Notifies Regulatory Authority
- Step 3: TSO validates the application to terminate connection agreement
- Step 4: TSO assesses the application to terminate and issues modified connection agreement
- Step 5: Generator accepts Revised Connection Agreement



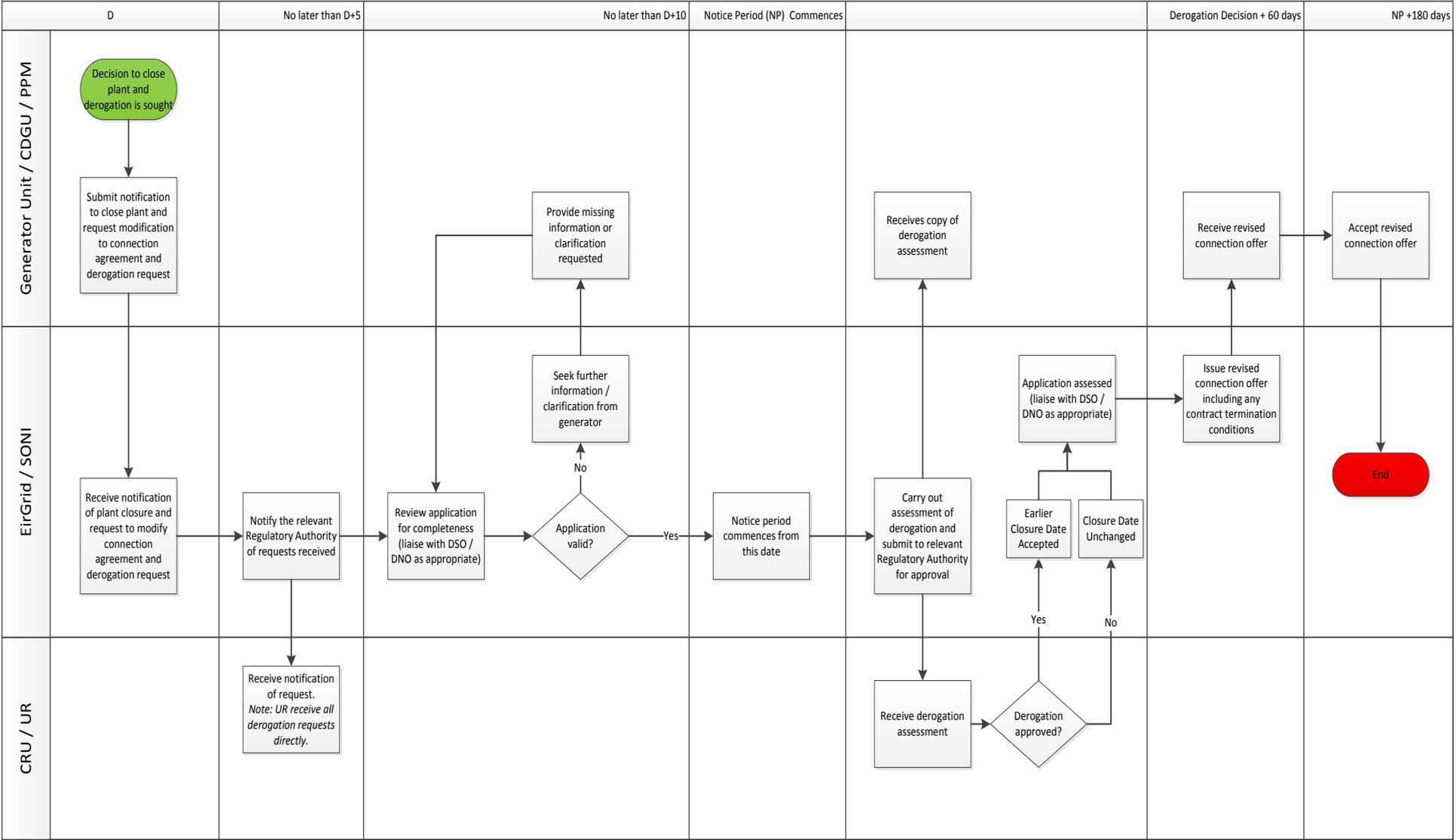


Generation Plant Closure Process Summary

If Generator seeks a derogation from the required notice period (36 months if > 50 MW) the following applies – additional steps highlighted

- Step 1: Generator submits notice to close and applies to terminate connection agreement
- Step 2: TSO notifies Regulatory Authority
- Step 3: TSO validates the application to terminate connection agreement
- **Step 4: Generator Seeks Derogation from Grid Code Notice Period**
- **Step 5: Assessment of the derogation request**
- **Step 6: TSO submits its assessment of the derogation request to the RA**
- **Step 7: The RA considers the derogation request and TSO Assessment**
- Step 8: TSO finalises the assessment of the connection application and issues a modified connection agreement
- Step 9: Generator accepts Revised Connection Agreement

Plant closure process where derogation is sought



Key Points in assessment of a derogation request

- To assess the system network impacts, the TSO will develop a simulation model of the future network with expected demand, generation connections and network build appropriate to the year in which the application applies.
- The generation adequacy of the system will be evaluated against the Loss of Load Expectation (LOLE) standard.
- The performance of the network will be tested against the regulatory approved Transmission System Security and Planning Standards relevant to the jurisdiction using the simulation model, for two cases: with and without the generation unit(s) in question.

Key Points in assessment of a derogation request

- Where the closure of a unit within the Grid Code notice period results in the network being outside standards, or the system being outside the generation adequacy standard, the TSOs will seek to evaluate the economic implications of the early closure. The TSOs will thus evaluate potential measures that may be required to ensure the system remains within standards
- The TSOs may consider a range of solution options with the relevant Regulatory Authority and government Department. The ultimate solution may be one or a combination of the following:
 - Contracts for System Services;
 - Acceleration of connection works for new generation with connection offers or other provider;
 - Network Reinforcement;
 - Contract(s) for additional demand-side response;
 - Contract(s) for replacement generation plant.

Summary

- The TSOs and Regulatory Authorities do not support the requests to remove the notice from the Grid Code
- The notice period (3 years for units > 50 MW) remains a requirement in the Grid Code
- However, where a generation unit wishes to close earlier they can seek a derogation from the Clause which will be assessed by the TSO and Regulatory Authority

Any Questions?