DS3 System Services Consultation – Contracts for Interim Arrangements

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	*Schwungrad Energie Ltd*

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**

The closing date for responses is Friday, 3 June 2016.

Question	*Response*
Contracts for Interim Arrangements	
Question 1: Do you agree with the proposal that the framework agreements should apply on a Providing Unit basis rather than on a Service Provider basis?	Yes.
Question 2: Do you have any comment on payment being contingent on compliance requirements being met?	It is reasonable that EirGrid would not have to consult within the 1 year contract but this should apply to the 1st year only. The delay in the enduring auction/contract process means that the interim arrangements will continue after year 1. Any changes to the protocol should go to the industry for consultation at the end of year 1. Also see answer to Q6
Question 3: Do you have any comment on the proposal to detail performance monitoring in the Protocol document rather than in the framework agreements?	The performance monitoring method should form part of the framework agreement by cross reference. Changes to the protocol document represent a risk to providers and may, in effect, be unilateral changes to the agreements made.
Question 4: Do you have a view on the change in notice period for termination of one or more	It is not clear what the grounds for termination of one or more system services are under clause 8.1.1? It is also not clear that the Dispute Resolution Procedure could be initiated (Schedule 6) As the interim contracts are now likely to last beyond the initial 1 year (due to the delay in the auction process), a 3 month termination is not appropriate. Such a termination period could

system services by the Company?	potentially make a project unbankable.
Question 5: Do you have a view on the proposed definition of the Product Scalars in the framework agreement?	Dynamic output control response for emulated response needs to be defined more clearly. Many control systems can provide a response along a variety of curves which do not have a definitive number of steps. It is not clear how Fig 2 in the clarification note would be applied. For the avoidance of doubt it needs to be made clear that the 10 steps are over the full range of output contracted rather than over what might be a lower output in the case of just a small dip in system frequency. See previous response to Scalars paper.
Question 6: Do you have a view on the high-level definition of the Performance Scalars in the Protocol document?	TOR2 is categorised as "Ramping" (Fig 2) and the Proposed Interim Performance Scalar Calculation Methodology table indicates that EDIL Synch instructions will be used to monitor performance. Storage plant like batteries will provide TOR2 but will not have EDIL. It would be more appropriate to categorise and test it under "Reserve". In the "Reactive Power" category, if a unit fails the Annual Grid Code Compliance Test, it is not clear when it can be retested. Under the proposed Protocol, its Performance Scalar could be zero for some time. There needs to be some rules governing the timeliness of retesting after the provider has informed EirGrid that the problem has been resolved.
Question 7: Do you have any comment on the technical definitions of the new system services as specified in the draft DS3 System Services framework agreement?	The definitions are written with generators in mind and will have to be amended for storage plant like flywheels and batteries.

Question 8: Do you have any comment on the payment definitions of the new system services as specified in the draft DS3 System Services framework agreement?	No.
Question 9: Do you have any comment on the alignment of settlement timelines between Ireland and Northern Ireland?	No.

When this consultation document was issued, it was assumed that the interim arrangements and interim contracts would last for only 1 year. Since then, it has been announced that the new contracts will only start in Oct 2018. Plant which does not currently qualify for an interim contract but which qualifies, say, in one year's time should be given an interim contract as it had a reasonable expectation that an enduring contract would be available at that time.