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RE: Consultation on DS3 System Services Contracts for Interim Arrangements

Dear Sir/Madam,

Brookfield Renewable welcome the opportunity to respond to the consultation addressing the Interim Contracts for DS3 System Services published by EirGrid and SONI (the TSOs).

Brookfield Renewable Ireland Limited (Brookfield Renewable) is a wholly-owned subsidiary of Brookfield Renewable Energy Partners, one of the largest publicly traded, pure-play renewable power platforms in the world. Brookfield Renewable have an operating portfolio of 464 MW across the island. Additionally, Brookfield Renewable plans to expand its portfolio and has an extensive development pipeline of approximately 200 MW of wind across Ireland and Northern Ireland, including a 100MW tidal generation project off the coast of Northern Ireland and nearly 50MW of onshore wind projects in construction across the island of Ireland.

Brookfield Renewable welcome the progress to-date on the DS3 Workstream by both the RAs and TSOs, including their work on System Services but are increasingly concerned regarding its timely delivery. The DS3 Program is crucial to facilitate amounts of non-synchronous generation on the Irish grid and ensure that all the benefits of low-carbon generation are delivered to Irish electricity consumers. Increasing the System Non-Synchronous (SNSP) limit is essential to address rising levels of the curtailment of wind generation as we progress towards the 2020 target of 40% renewables.

Brookfield Renewable would like to reiterate that facilitating renewable access to the network and minimising curtailment is required not just to meet energy policy objectives but also to ensure compliance with the RES Directive[1] which states that "*appropriate grid and market-related operational measures are taken in order to minimise the curtailment of electricity produced from renewable energy sources*" and that "*if curtailment of renewable energy sources is required to ensure security of supply, systems operators must propose corrective measures to prevent inappropriate curtailments*".

We recognise and accept that there were clear draw-backs with the DS3 Auction proposals made and welcome the decision from the Regulatory Authorities (RAs) to go back and look at the DS3 Auction

[1] Directive 2009/28/EC on the promotion and use of energy from renewable sources

design again. However, the impact of this decision is to delay the first DS3 Auction by at least 12 months out to 2018 at the earliest. This could mean that wind generators are faced with higher than expected levels of curtailment in 2018, 2019 due to the late delivery of the DS3 Auctions and at the very time when large amounts of renewable generation will be connecting to the network as renewable support schemes end. In our view the decision to remove compensation for curtailment from the beginning of 2018 must now be reconsidered as it is now inconsistent with the timelines for delivery of DS3 Auctions.

Brookfield Renewable believe that simplicity and transparency is crucial to the success of the DS3 System Services workstream. This consultation on Interim Contracts is an important step in providing all stakeholders with clarity on the provision of system services and the associated remuneration.

However, there is still uncertainty around many areas in the Interim Arrangements which need to be addressed in a short period of time leading up to October 2016.

- Provision of details about the qualification trials for DS3 System Services is now overdue. Brookfield Renewable would welcome further clarity and early engagement on current and emerging thinking with the qualification trials. Brookfield Renewable would like to engage with equipment manufacturers to design trials and develop solutions to provide DS3 System Services not included in the interim tariff arrangements such as FPFAPR and DRR and are important parts of enabling the transition to higher SNSP levels.

- An additional risk to wind farms undertaking system service upgrades in order to help the system is the subsequent lengthy timelines required for windfarms to re- test in order to achieve Operational Certificates. As with all re-testing, the certification requires a representative for the OEM, the wind farm owner/operator and the system operator to be present. However wind farm operators have to also schedule tests which are subsequently dependent on suitable weather conditions, which can lead to cancelations and postponements. The uncertainty that this creates needs to be addressed in order that upgraded turbines do risk being designated Category 1. Brookfield Renewable propose that the RA's and EirGrid examine how op-cert re-tests for the purpose of system service provision are treated. We believe that it is timely to look at other international solutions that will address resource issues while also ensuring the integrity of the network and explore the options of self-certification or prioritisation. Brookfield Renewable believe self-certification, combined with increased performance monitoring of the units does allow the System Operators to assess a wind farm's abilities and compliance with the Grid Code and DS3 requirements.

In addition Brookfield also support IWEAs position on the data gap outlined in response to Question 6. Brookfield believe that the performance scalar should be set to 1 initially. This should be only subsequently reduced when there is data available to evidence reduced performance.

Brookfield Renewable look forward to continuing to engage on the various elements of the DS3 Program to ensure a successful outcome for all stakeholders. The remainder of this response addresses the questions proposed by the TSOs in the consultation.

Kind regards,

Ross Irvine
Power Marketing Analyst

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Brookfield

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

Respondent Name	*Ross Irvine*
Contact telephone number	*021 422 3684*
Respondent Company	*Brookfield Renewable*

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?	Brookfield Renewable support this proposal.
Question 2: Do you have any comment on payment being contingent on compliance requirements being met?	Brookfield Renewable support payment being contingent on compliance provided that such compliance requirements are adequately consulted upon prior to enforcement.
Question 3: Do you have any comment on the proposal to detail performance monitoring in the Protocol document rather than in the framework agreements?	Brookfield Renewable believe that if the performance monitoring details are included in the Protocol document then any changes to the Protocol document must be consulted upon.

Question 4: Do you have a view on the change in notice period for termination of one or more system services by the Company?	Given the contract length of one year for the Interim Arrangements, Brookfield Renewable accept the three month notice period for termination.
Question 5: Do you have a view on the proposed definition of the Product Scalars in the framework agreement?	No comment
Question 6: Do you have a view on the high-level definition of the Performance Scalars in the Protocol document?	Brookfield Renewable agrees with the need and benefit to incentivise performance and supports the high level definition of the Performance Scalars set out in the Protocol document, however we seek more detail on the Compliance Requirement before any decisions are made. In addition, Brookfield Renewable also support IWEAs position on the data gap, that the performance scalar should be set to 1 initially. This should be only subsequently reduced when there is data available to evidence reduced performance.

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?	No comment
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 comment
Question 9: Do you have any comment on the alignment of settlement timelines between Ireland and Northern Ireland?	Brookfield Renewable agree that the settlement timeline for Ireland and Northern Ireland should be aligned.