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	*Paraic Higgins*
Contact telephone number	*01 8578717*
Respondent Company	*Tynagh Energy Limited*

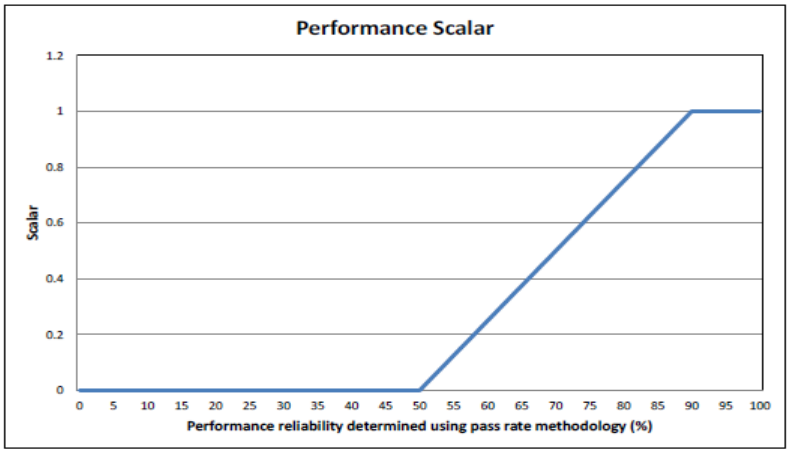
Note: It is the TSOs' intention to publish all responses. If your response is confidential, please indicate this by marking the following box with an "x". Please note that, in any event, all responses will be shared with the Regulatory Authorities.

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?	The compliance requirements must be discussed in greater detail i.e. how will changes to existing ancillary service provides be validated and for the ramping margin services, what are the limits that require additional testing? Without this detail, market participants have no idea what the contract compliance requirements are.
Question 3: Do you have any comment on the proposal to detail performance monitoring in the Protocol document rather than in the framework agreements?	TEL have no problem with the proposal to detail performance monitoring in the protocol document rather than in the framework agreement on the basis that there is **no change** to the document in the interim period. TEL do not agree with the proposal to have the ability to change the performance scalar quarterly during the interim tariff period.

Question 4: Do you have a view on the change in notice period for termination of one or more system services by the Company?	TEL agree with the change to the interim arrangement notice period for termination once the notice period for the enduring arrangement is returned to twelve months.
Question 5: Do you have a view on the proposed definition of the Product Scalars in the framework agreement?	TEL would like clarification on what "the average MW Output or average MW Reduction" means in the RM1/RM3/RM8 available volume (b) definition.
Question 6: Do you have a view on the high-level definition of the Performance Scalars in the Protocol document?	TEL propose that for data poor units the performance scalar should be the greatest of the unit and the industry average performance scalars. This method would remove the potential for unfair treatment to units that are good performers but are TSO constrained off and subsequently are data poor and receive a poor average industry scalar. TEL believe that the ramping payments should not be based only on sync instructions as this unfairly impacts on units that provide the ramping products while synchronised. TEL propose that a weighting should be applied to reflect the performance of a unit providing the ramping product when synchronised and de-synchronised. If the data recording/assessment system cannot support this feature at this time, TEL propose that a simple 50:50 ratio should be applied to the ramping service performance assessment. Example: 10 Sync Instructions and 2 fails e.g. 80%. Performance metric = 75% (as per the performance scalar figure below)



% of time plant is off = 70%

Weighted metric = 100% - (70% * 25%) = 82.5%

Plant Off %	Sync Performance Metric	Weighted Metric
100%	75%	75.0%
90%	75%	77.5%
80%	75%	80.0%
70%	75%	82.5%
60%	75%	85.0%
50%	75%	87.5%
40%	75%	90.0%
30%	75%	92.5%
20%	75%	95.0%
10%	75%	97.5%
0%	75%	100.0%

If systems cannot support this methodology TEL propose using a 50% weighting.

<table>
<tr><td></td><td>In addition the methodology should vary by product and offering – for example a typical CCGT capability would be as follows:

<table>
<tr><th>Product</th><th>On / Offline provision</th><th>Weighting</th></tr>
<tr><td>RM1</td><td>On-line only</td><td>0%</td></tr>
<tr><td>RM3</td><td>Both</td><td>50%</td></tr>
<tr><td>RM8</td><td>Both</td><td>50%</td></tr>
<tr><td>TOR2</td><td>Online only</td><td>0%</td></tr>
<tr><td>RRD</td><td>N/A</td><td>100% (if achievable)</td></tr>
<tr><td>RRS</td><td>Online only</td><td>0%</td></tr>
</table>
Only metrics that relate to the provision of the service should be utilised. Utilising a proxy metric that has no relationship to the product in question is not appropriate especially where there is a potential to reduce revenue even with 100% performance.</td></tr>
<tr><td><u>Question 7</u>: Do you have any comment on the technical definitions of the new system services as specified in the draft DS3 System Services framework agreement?</td><td>TEL have no comment on this.</td></tr>
<tr><td><u>Question 8</u>: Do you have any comment on the payment definitions of the new</td><td>TEL have no comment on the payment definitions.</td></tr>
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system services as specified in the draft DS3 System Services framework agreement?	
Question 9: Do you have any comment on the alignment of settlement timelines between Ireland and Northern Ireland?	Tel have no comment on this.