

Harmonised Other System Charges Recommendations Paper

Tariff Year: 1st October 2022 to 30th September 2023
15th August 2022 Version 1.02



EXECUTIVE SUMMARY

EirGrid and SONI (the TSOs) published a consultation paper on 30th May 2022 concerning the Harmonised Other System Charges for the upcoming tariff period, 1st October 2022 to the 30th September 2023. Comments on the consultation paper were received from four (4) respondents and there was also one (1) observation. Having reviewed the responses, in this paper the TSOs propose a number of recommendations to the Regulatory Authorities (the RAs) for their consideration and approval.

Proposed arrangements for tariff year 2022/2023

1. Retain the OSC rates approved for the 2021/2022 tariff year, only adjusting for inflation at the forecast rate 4.01% for the tariff year 2022/2023 for the following GPIs:
 - Minimum Generation;
 - Governor Droop;
 - Primary Operating Reserve
 - Secondary Operating Reserve;
 - Tertiary Operating Reserve 1;
 - Tertiary Operating Reserve 2;
 - Reactive Power;
 - Trip Charges;
 - Short Notice Declarations (SND) Charge Rates.
2. Increase Short Notice Declarations (SND) notice time from 8hrs to 12hrs
3. Increase Secondary Fuel GPI rate from 2021/22 by 50% and adjust for inflation.

No further changes are recommended for this tariff period.

ABBREVIATIONS

AGU	Aggregated Generator Unit
BM	Balancing Market
CCP	Controllability Categorisation Policy
CRM	Capacity Remuneration Auction
DBC	Dispatch Balancing Costs
DSU	Demand Side Unit
DS3	Delivering a Secure Sustainable System
EDIL	Electronic Dispatch Instruction Logger
FPN	Final Physical Notification
GPI	Generator Performance Incentive
HICP	Harmonised Index of Consumer Prices
IDM	Intra-Day Market
I-SEM	Integrated Single Electricity Market
NI	Northern Ireland
NIE	Northern Ireland Electricity
OSC	Other System Charges
PPM	Power Park Modules
QEX	Ex-Ante Quantity
RA	Regulatory Authority
RO	Reliability Options
SND	Short Notice Declaration
SEM	Single Electricity Market
SEMC	Single Electricity Market Committee
SND	Short Notice Declaration
SNSP	System Non-Synchronous Penetration
SONI	System Operator Northern Ireland
SoS	Security of Supply
TSO	Transmission System Operator
TUoS	Transmission Use of System

1 INTRODUCTION

The TSOs consult on an annual basis regarding proposed changes to Other System Charges and associated rates. The purpose of this paper is to make recommendations for approval to the RAs in Ireland and Northern Ireland. They are based on a consideration of the responses received by the TSOs to this year’s Harmonised Other System Charges Consultation paper for the tariff year 1st October 2022 to 30th September 2023.

The TSOs will publish revised Statements of Charges and the Other System Charges Methodology Statement for the 2022-2023 tariff period reflecting the approved rates and arrangements.

Responses were received from the following parties:

Party	Abbreviation
Bord Gáis Energy	BGE
ESB Generation and Trading	ESB GT
Power NI Energy Limited	PPB
Energia	Energia
Demand Response Association of Ireland	DRAI

No confidential responses were received. Copies of the responses received have been appended to this recommendations paper.

2 OTHER SYSTEM CHARGES CONSULTATION RESPONSES

2.1 Short Notice Declaration and Trip Charge

This section summaries the comments received from participants in relation to Short Notice Declaration and Trip Charges with SND Time Zero parameter discussed in section 2.2. Please refer to Appendix A for the responses in their entirety. This section also contains the TSOs' response to the comments received.

2.1.1 Respondents' Comments

With regard to rates for units with a market position, ESB GT stated that they do not agree with charges and would like to see them removed as they are already subject to Imbalance Charges and potential Reliability Option (RO) risk, which "only serves to increase investor risk by creating an over punitive system. "It's a double charge". PBB and BGE made similar comments.

BGE remains of the view that where trips or SNDs occur, which require energy balancing actions to be taken by the TSO, the cost of these actions to the TSO, should be entirely covered in the balancing market (BM) with costs levied on the causal unit(s).

BGE believes that if the charges in question do not cover the cost to the system, then this is a market issue, which needs to be resolved through the market. BGE also refer to the exposure of units to RO payments and note that operating reserve is provided under DS3 System Services.

BGE also requests analysis to support the requirement.

Energieia wanted it to be noted for future consultations, they do not agree with future consideration of reduction of the SND de-minimus threshold of 15MW for the following reason: "A Generating Units availability can change throughout the day by small amounts due to weather conditions" which is currently catered for.

DRAI observed that there was an erroneous reference to "DSU SND Threshold" in table 5.4. of the 2022/23 OSC Consultation. (This will be removed as it is not applicable.)

2.1.2 TSOs' Response

OSCs are utilised to counteract the costs of actions taken by the TSOs, to secure the system, after a SND or trip, in addition to incentivising unit behaviour, in the long term. The OSCs levied as a result of trips and SNDs have doubled over the past year.

With regard to the use of the QEX to determine the correct rate to be applied, the TSOs are using the Final Physical Notification (FPN) as the best method to determine balance responsibility. This decision is in line with the SEMC Energy Trading Arrangements Detailed Design Markets Decision Paper (SEM-15-065)¹. That decision paper states that a unit's PN will be linked to its ex-ante trades at gate closure, coupled with a requirement to submit a best estimate of their FPN.

The Imperfection costs incurred as a result of TSO actions, taken in order to secure the system, were

¹ [SEM-15-065 I-SEM ETA Markets Decision Paper.pdf \(semcommittee.com\)](https://www.semcommittee.com/SEM-15-065-1-SEM-ETA-Markets-Decision-Paper.pdf)

outlined in detail in the OSC Recommendations Paper 2021/22². In that paper, the TSOs detailed how the current market mechanisms do not cover all costs associated with SNDs and trips, specifically the creation of Imperfection Component Payments, in relation to short notice changes in availability. The market design does not take account of the causer of these payments, but rather ensures that the TSOs are accountable for their actions, regardless of the root-cause, which in this case is outside of their control.

A number of participants cited the existence of RO Difference Charge payments, linked with capacity market payments. As discussed in the consultation for 2021/22³ these are a capacity market mechanism which are only realised during a scarcity event. They are also not linked to, or netted off, Imperfection charges to consumers, but are rather linked to capacity and difference payments to generators through the Socialisation Fund.

In relation to trips and SNDs resulting from technical issues, and not being behaviours that can be incentivised, the TSOs are of the opinion that regardless of the technical background to a SND/trip, the monetary outcome should be treated on a 'causer-pays' basis, and the end-consumer should not have to bear this cost.

With regard to requests for quantitative data, the TSOs are monitoring the increase in Imperfections Charges associated with SNDs and Trips. Imperfection Charges are communicated to the industry via the Quarterly Imperfections Cost Report⁴. Actions taken by the TSOs to mitigate potential SNDs and/or trips of generating units have increased compared to previous years. The TSOs were forced to take these actions in the interest of security of supply. It is worth noting that the total SND Charges from October 2021 to and including March 2022 were €2.15mil and trips were €0.5mil⁵ compared to same periods of previous year October 2021 to March 2021, when SND charges were €1.30mil⁶ and trips were €0.1mil. The TSOs also believe that Settlement data supports the contention that the correct units are being charged (i.e. the unreliable units triggering Imperfections Costs are being charged proportionally more SND/Trip charges).

The TSOs welcome the comments received, regarding the possible reduction of the SND de-minimus threshold of 15 MW in future tariff years. The TSOs will take account of these comments when considering whether to reduce the SND de-minimus threshold, in future tariff years.

In table 5.4 Proposed SND Constants for the 2022/23 OSC Consultation contained values for "DSU SND Threshold" this will be removed, as it is not applicable.

2.1.3 TSOs' Recommendation

The TSOs recommend retaining the rate of Trip Charges and SND Charges for generators without a traded market position (FPN), adjusting for inflation. The TSOs also recommend retaining the reduced rate of Trip Charges and Short Notice Declarations for generators with a traded market position (FPN), adjusting for inflation. The TSOs recommend retaining the current SND de-minimus threshold.

² [https://www.eirgridgroup.com/site-files/library/EirGrid/OSC-2021-22-Recommendations-\(August-2021\)-for-publication.pdf](https://www.eirgridgroup.com/site-files/library/EirGrid/OSC-2021-22-Recommendations-(August-2021)-for-publication.pdf)

³ [OSC-2021-22-Recommendations-\(August-2021\)-for-publication.pdf \(soni.ltd.uk\)](https://www.soni.ltd.uk/media/documents/OSC-2021-22-Recommendations-(August-2021)-for-publication.pdf)

⁴ [TSO Responsibilities \(sem-o.com\)](https://www.sem-o.com)

⁵ <https://www.soni.ltd.uk/media/documents/AS-OSC-Report-September-2021.pdf>

⁶ [https://www.soni.ltd.uk/media/documents/AS-OSC-Report_2021-22\(1\).pdf](https://www.soni.ltd.uk/media/documents/AS-OSC-Report_2021-22(1).pdf)

2.2 SND Notice Declaration Time Zone Parameter

2.2.1 Respondents' Comments

ESB GT stated that the increase in SND Time Zone parameter “offers very little justification” and rather than increase in value, it should be removed. They also stated that “if this SND Time Zero parameter was to be increased, any benefit of this extended notice period should be determined and reflected in the SND charge” due to longer period in which the TSO have “to make decisions and optimise their redispatch costs”

Energia do not agree with the proposal, they noted that the “event for a generating unit is almost always incurred due to technical issues at the unit which are unavoidable and reduces its availability with little or no notice, or they plan an outage and it is known well in advances.” and they said that no evidence had been provided to demonstrate that imposing an increase would enhance system security.

BGE sought clarification, requesting the TSO to outline which units they are focusing on, as they believe that this will not effective for most units but “could be seen as an incentive for slow starting, more inefficient, and possibly higher carbon units which is not in line with our decarbonisation targets.”

PPB stated that no analysis had been provided to support the proposal, or to prove how Security of Supply is being adversely impacted and “the need for any further OSC penalty is unnecessary.”

2.2.2 TSOs' Response

There have been a number of occasions, in the past year, when generation margins were tight and unit(s) re-declared at just over eight (8) hours, before the evening peak. Some generation units have a start time of greater than 8 hours, especially if cold or warm. This resulted in the TSOs being in the very difficult position of trying to find additional generation for the evening peak, and/or bringing on more expensive fast acting generation and/or agreeing interconnector trades, any of which increases imperfections costs. On some occasions this re-declaration of availability at just over eight (8) hours contributed to an amber alert being declared.

From October 2021 to March 2022 there were 169 incidents of a unit redeclaring availability at 8 hours plus one minute. As outlined above, some generation units have a start time of greater than 8 hours, depending on their heat state. The TSOs are proposing to increase the SND Time Zone to 12 hours, as some units have a start time of 12 hours, or greater; therefore if one of these units is required to replace the unit that declared unavailable, the TSO would require at least 12 hour's notice.

Therefore, increasing the SND Time Zone from 480 minutes to 720 minutes (i.e. from 8 hours to 12 hours) would incentivise unit behaviour, to enhance System Security.

2.2.3 TSOs' Recommendation

The TSOs recommend implementing increase in SND Time Zone from 480 minutes to 720 minutes (i.e. from 8 hours to 12 hours).

2.3 Generator Performance Incentive Charge

This section summaries comments received in relation to GPIs with Secondary Fuel discussed in 2.4. Please refer to Appendix A for the responses in their entirety. This section also contains the TSOs' response to the comments received.

2.3.1 Respondents' Comments

ESB GT raised the issue of GPI charges being applied while waiting to go under test and stated "where the Generator has made itself available for a test and the TSO is unable to conduct this test, that a GPI charge should not be levied on the Generator for the period between the original agreed test date and the delayed test date".

PBB noted that non-performance for Minimum Generation or re-declaration of Governor Droop results in a reduction in DS3 System Services Payments and therefore recommends removal of GPIs, as they believe it is double charging.

PBB noted that these charges "are not required in the current market" and should be removed as "ISEM provides adequate incentives". BGE also refer to the exposure of units to RO payments and notes that operating reserve is provided under DS3 System Services. PBB also requests further analysis to justify retention of GPIs and note that overly punitive GPIs could potentially disincentivise units from making accurate declarations, which would not help the TSO.

PPB noted that if "GPI's are to remain then they should be applied to all technologies in a fair and transparent way."

PBB believe "that the TUoS Agreement is not the correct agreement to contain Generator Performance Incentives" as not all technologies have this contract and are therefore not treated equitably.

2.3.2 TSOs' Response

The TSOs are aware that it may take some time, to complete remedial works, and/or demonstrate compliance with a particular Grid Code requirement, and the Generation Unit may be subject to GPIs, in the interim. However, it is up to the Generator to manage this process with the relevant TSO, in as timely a manner as possible, given the various OEM and system constraints. The generator can request a temporary derogation, if appropriate, for the time required to remedy and/or demonstrate compliance with a Grid Code requirement.

All units are required to comply with Grid Code, as a minimum. If a unit cannot comply with Grid Code requirements, then the TSOs may have to dispatch other units, to provide these services and/or increase dispatch down of renewable energy, either of which increases imperfections costs. Generation Units can choose to apply for a DS3 System Services contract, which may include values that are higher, or lower, than the Grid Code required values and will be performance monitored accordingly. Payment for the provision of DS3 System Services is covered by separate rules, for those are awarded these contracts and it is separate to Grid Code requirements, which are applicable for all Generation Units.

Comments and clarification, relating to SEM and RO, are given previously in section 2.1.2

The TUoS Agreement is outside the scope of this consultation.

2.3.3 TSOs' Recommendation

The TSOs recommend retaining the rate of GPIs, adjusting for inflation with Secondary Fuel Rate discussed in section 2.4.3

2.4 Secondary Fuel

This section summarises comments received from participants in relation to the Secondary Fuel GPI. Please refer to Appendix A for the responses in their entirety. This section also contains the TSOs' response to the comments received

2.4.1 Respondents' Comments

ESB GT noted a lack of analysis provided in support of the 50% increase, while recognising that “fuel diversity is crucial for operational security of the All-Island electricity system and an over reliance on gas could lead to detrimental outcomes.” but would welcome further discussion about a new mechanism to “incentivise and deliver diversification of fuel sources for the Island “

In relation to the increase, Energia outlined their opinion: “Whilst we understand concerns over gas supply risk we do not believe this is a fair or appropriate step” They also noted that units which can operate on secondary fuel, have already incurred cost associated with providing this service, yet receive no compensation for providing this security and flexibility to the system, “while other units with no secondary fuel are not subject to” this. They also noted that no analysis had been provided to justify the increase.

BGE stated that they do not support the Secondary Fuel GPI increase. BGE outlined that they believe that it “ is unfair in its application as the obligation and requirement is carried by only a small sector of the SEM generation fleet when all units in SEM should carry an equal obligation of helping to maintain security of supply”. BGE also believe they are “already penalised through increased infrastructure and increasing secondary fuel stock costs “.

PPB stated in their response that they do not support the Secondary Fuel GPI or its increase while “nothing has been done to compensate these units for the expensive cost of holding the secondary fuel as well as the testing of changeover operations” and thus it is arguably “discriminatory to not apply equally across all units but is only directed against those units that can provide the service.” PPB has requested that the TSOs provide analysis demonstrating the justification for this GPI and propose a “Payment to maintain a unit with a Secondary Fuel”

2.4.2 TSOs' Response

In previous OSC recommendation papers the TSOs outlined⁷ the necessity of compliance with the secondary fuel requirements of Grid Code in Ireland⁸ and the Northern Ireland Fuel Security Code⁹ and the importance of this for a small island synchronous system. Both Northern Ireland and Ireland are heavily dependent on gas as a fuel source for generation, with 46.9% energy on the Island, being produced from gas fired generation, in 2021.

From October 2021 to March 2022 the average availability on secondary fuel was 52% in the winter peak months, with this dipping to 47% for November and 41% for December.

2.4.3 TSOs' Recommendation

The TSOs recommend increasing the Secondary Fuel rate by 50% and adjusting for inflation.

⁷ [https://www.eirgridgroup.com/site-files/library/EirGrid/OSC-2021-22-Recommendations-\(August-2021\)-for-publication.pdf](https://www.eirgridgroup.com/site-files/library/EirGrid/OSC-2021-22-Recommendations-(August-2021)-for-publication.pdf)

⁸ <https://www.cru.ie/wp-content/uploads/2021/03/CRU21036-Secondary-fuel-obligations-on-licenced-generation-capacity.pdf>

⁹ <https://www.economy-ni.gov.uk/sites/default/files/publications/deti/FSC%20%20PUBLISHED%20VERSION%20OCTOBER%202015.pdf>

2.5 New Other System Charges

This section summarises the comments received from participants in relation to new OSCs. Please refer to Appendix A for the responses in their entirety. The section also contains the TSOs' response to the comments received.

2.5.1 Power Park Modules (PPM)

2.5.1.1 Respondents' Comments

In relation to possible PPM GPI Charges, BGE commented on concerns in relation to non-application of OSCs to Power Park Modules (PPM) and solar units. BGE noted in particular, PPMs are an established technology that are not penalised in the same manner as large conventional generators. BGE stated in their response that PPMs 'should be treated in the same way as conventional generation in the application of these Other System Charges'. BGE requested an update from the TSOs in relation to their plans for PPMs and OSCs.

BGE also commented on concerns in relation to non-application of OSCs to PPM.

2.5.1.2 TSOs' Response

PPMs are not dispatched in the same manner as conventional power plants, which use a centralized dispatch tool (i.e. EDIL). PPMs are dispatched using the Wind Dispatch Tool (WDT) which is a component application of the Energy Management System (EMS). The WDT has the capability to identify units, that have failed to achieve their Dispatch Instruction, and these occurrences are followed up by the Performance Monitoring teams, in both TSOs, through the controllability and categorisation policy. If these issues are not resolved the PPM may be re-categorised, such that they face increased risk of being dispatched down.

2.5.1.3 TSOs' Recommendation

The TSOs are not recommending a GPI for Power Park Modules for 2022/23. The TSOs will continue to monitor the reactive power Grid Code compliance of PPMs, and may propose a GPI for Windfarms but may exclude new technologies such as Solar, if appropriate, in the OSC Consultation for future years

2.5.2 Demand Side Units (DSUs)

2.5.2.1 Respondents' Comments

In relation to possible DSU GPIs and Charges, ESB GT believe that application of charges is laudable as “the market has seen a maturing of this technology in recent years and a volume of modifications across industry codes to accommodate this class of asset”.

In relation to possible DSU GPIs and Charges, BGE believes that “the application of charges” “is laudable”. BGE would welcome an update from the TSOs in relation to the monitoring review and engagement with the DSUs, in addition to detail on any forward plan regarding DSUs.

Energieia provided reference material about “the issue of DSU availability and performance “, and commented on concerns in relation to non-application of OSCs to DSUs, in particular as DSUs are established in the energy market and Energieia sought to understand why DSUs are not penalised in the same manner, as large conventional generators.

BGE believes that “the application of charges” is creditable to ensure “levelling the playing field amongst technologies”. BGE would welcome an update from the TSOs in relation to “insights on the trigger point as to when and at what charge level DSUs will be incorporated into the OSC tariff structure.”

PBB stated “it would seem logical and fair that DSUs are exposed to OSCs thereby ensuring equality of treatment with other generators” and believe they are a “mature participant in energy markets”

2.5.2.2 TSOs' Response

The TSOs have ongoing engagement with the DSU industry regarding issues involving accuracy of DSU availability submissions to the Market Systems. These inaccuracies can impact the TSOs' ability to efficiently and effectively operate the power system, especially during periods of tight generation margins.

The TSOs have presented the findings, of comparative analysis of market availability versus EDIL (i.e. dispatch) availability, to the DSU industry and engage on a quarterly basis. From January 2021 to January 2022 an improvement of 33% was observed in the similarity of declarations in MMS vs EDIL. There is ongoing engagement between the TSOs and the DSU industry, in terms of performance monitoring and feedback to individual DSU Operators, so that specific issues can be improved. The TSOs recommend that additional time is allowed for the TSOs to work on these issues with the DSU Industry, before any potential GPIs or charges are imposed.

2.5.2.3 TSOs' Recommendation

The TSOs are recommending continued engagement with the DSU industry for 2022/23, with a view to reviewing the need for GPIs in future OSC Consultations.

2.5.3 Security of Supply (SoS)

2.5.3.1 Respondents' Comments

In relation to possible SoS charges being applied, where the unit's declared Availability is less than a given percentage of the unit's Registered Capacity (or DSU MW Capacity), unless the unit is on scheduled outage.

ESB GT noted many points of concern and "The addition of any availability penalty/charge needs to be carefully considered as this could end up being reflected through higher CRM auction prices, across the whole of the market, which may not be to the benefit of the customer.

Energeia sought clarification on what the "objective or intention of this potential new charge is "and noted that the "suggestion of another charge for availability reductions seems to be duplicating other charges that target availability".

PBB sought clarification on the target of the proposed charge and stated that it "seems to be triple counting when there is already an SND Change and a Trip Charge for availability declarations" PBB noted that "CRM is the primary mechanism for securing sufficient capacity to ensure customer demand is met perhaps with some support from DS3 for some technologies and there is no requirement for anything in addition to that."

DRAI believe a cautious approach is required as "introducing a blunt metric of % of unit MW capacity would not be appropriate for DSUs due to the distributed nature of the unit's aggregated capacity and the technical characteristics of the sites taking part in the unit" and DRAI voiced concern around "TSOs' lack of understanding of the distributed nature of the demand side industry" and also noted "When interpreting DSU real-time availability, it is important to consider the market signals being sent to DSUs as well as their inherent technical characteristics, which differ from those of conventional generation." In summary, DRAI wished to highlight the difference between conventional generator units and DSUs and the impact of the potential SoS charges on the operation of DSUs.

2.5.3.2 TSOs' Response

The TSOs welcome the comments received and will take these into consideration when considering whether to introduce an SoS charge, in future tariff years.

The TSOs are aware that the SEM Committee is separately looking into this issue and the outcome of this may feed into considerations on whether to introduce an SoS charge in future years.

2.5.3.3 TSOs' Recommendation

The TSOs are not recommending an SoS Charge for 2022/23. The TSOs will continue to monitor the declared Availability versus the Registered Capacity (or DSU MW Capacity) of units and may propose a new SoS charge, if appropriate, in the OSC Consultation for future years

2.6 Inflation Rate

This section summarises comments received from participants in relation to inflation rate proposed for OSC 2022/23. Please refer to Appendix A for the responses in their entirety. The section also contains the TSO response to the comments received.

2.6.1 Respondents' Comments

ESB GT commented on different OSC inflation rates being applied compared to CRM and “Any inflationary increase should either be added to both sides at the same rate (costs and revenues) or only applied in future un-auctioned years where this value can be accurately taken account for in participants bids. “

BGE commented they generally welcome the approach with exception that has been captured in relevant sections.

2.6.2 TSOs' Response

The TSOs have calculated the Inflation Rate using the same methodology, as approved by the RAs since the introduction of Harmonised OSC; for 2022/23 that is blending the inflation rates from the Central Bank Ireland (Q2 2022) forecast and Office of Budgetary Responsibility UK (March 2022) forecast.

2.6.3 TSOs' Recommendation

The TSOs recommend the forecast blended inflation rate of 4.01%, as per the OSC Consultation, is used. The following sections define the rates used for the Other System Charges (OSC) and the proposed rates for the 2022/2023 period.

3 RECOMMENDED RATES

3.1 Inflation Rates

With respect to the blended inflation rate, the TSOs are aligning to the methodology approved by the RAs in applying a blended rate.

The TSOs, therefore, propose the following methodology to be applied:

- 75% * Central Bank HICP forecast from the latest available quarterly report adjusted for the relevant tariff timeframe; plus
- 25% * Office of Budgetary Responsibility CPI forecast from the latest available quarterly report adjusted for the relevant tariff timeframe.

According to the latest Office of Budgetary Responsibility report¹⁰ (Mar 2022) the current CPI year on year inflation forecasts in the UK for the 2022/23 tariff year equates to c.+4.85% while the latest Central Bank report¹¹ (QB2 2022) forecasts HICP in Ireland for the same period at c.+3.73%.

Source		2022	2023	Tariff Year Methodology	2022/2023 Tariff Year	Blended Rate Methodology	Blended rate
OBR March 2022	CPI	7.4%	4.00%	(0.074*25% + 0.04*75%)	4.85%	4.85*25%	1.2125
Central Bank April 2022	HICP	6.5%	2.80%	(0.065*25% + 0.028*75%)	3.73%	3.73*75%	2.7975
TOTAL							4.01%

Table 3.0: Proposed Inflation Rate Increase

On this basis, and recognising the relative balance between Ireland and Northern Ireland, the forecast blended rate for the forthcoming 2022/23 period is 4.01% as shown in Table 3.0.

3.2 Trip Charges

The proposed Trip Constants for the 2021/22 tariff year are shown in Table 3.1. There are no changes proposed.

	2019-2020	2020-2021	2021-2022	2022-2023
Direct Trip Rate of MW Loss	15 MW/s	15 MW/s	15 MW/s	15 MW/s
Fast Wind Down Rate of MW Loss	3 MW/s	3 MW/s	3 MW/s	3 MW/s
Slow Wind Down Rate of MW Loss	1 MW/s	1 MW/s	1 MW/s	1 MW/s
Direct Trip Constant	0.01	0.01	0.01	0.01
Fast Wind Down Constant	0.009	0.009	0.009	0.009
Slow Wind Down Constant	0.008	0.008	0.008	0.008
Trip MW Loss Threshold	100 MW	100 MW	100 MW	100 MW

Table 3.1 Proposed Trip Constants

¹⁰ https://obr.uk/docs/dlm_uploads/CCS0222366764-001_OBR-EFO-March-2022_Web-Accessible-2.pdf

¹¹ <https://www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/qb-archive/2022/quarterly-bulletin-q2-2022.pdf?sfvrsn=7>

Table 3.2 contains the Trip Charge proposals for units with an FPN while Table 3.3 contains the Trip Charge proposals for units without an FPN.

Charge	2019-2020	2020-2021	2021-2022	2022-2023
Direct Trip Charge Rate	€2,190	€2,227	€2,249	€2,339
Fast Wind Down Charge Rate	€1,642	€1,670	€1,687	€1,756
Slow Wind Down Charge Rate	€1,095	€1,114	€1,125	€1,170

Table 3.2: Proposed Trip Rates for Units With a QFPN

Charge	2019-2020	2020-2021	2021-2022	2022-2023
Direct Trip Charge Rate	€2,190	€4,454	€4,498	€4,678
Fast Wind Down Charge Rate	€1,647	€3,340	€3,373	€3,508
Slow Wind Down Charge Rate	€1,095	€2,228	€2,250	€2,340

Table 3.3: Proposed Trip Rates for Units Without a QFPN

3.3 Short Notice Declarations

A SND can have the same impact on scheduling and dispatch as that of trips. These short notice outages can have a significant effect on the ability of the TSO to schedule and dispatch in an economic manner and manage Transmission Constraint Groups which are essential to the secure operation of the transmission system.

Table 3.4 shows the proposed SND Constants for 2022-23.

SND Constants	2019-2020	2020-2021	2021-22	2022-23
SND Time Minimum	5 min	5 min	5 min	5 min
SND Time Medium	20 min	20 min	20 min	20 min
SND Time Zero	480 min	480 min	480 min	720min
SND Powering Factor (Notice time weighting curve)	-0.3	-0.3	-0.3	-0.3
SND Threshold	15 MW	15 MW	15 MW	15 MW
Time Window for Chargeable SNDs	60 min	60 min	60 min	60 min

Table 3.4: Proposed SND Constants

Table 3.5 shows the proposed SND Charge Rate for Generating Units with an FPN

SND Charge Rate	2019-2020	2020-2021	2021-2022	2022-2023
SND Charge Rate	€38 / MW	€39 / MW	€39 / MW	€41 / MW

Table 3.5: Proposed SND Charge Rate for units with an FPN

Table 3.6 shows the proposed SND Charge Rate for Generating Units without a FPN

SND Charge Rate	2019-2020	2020-2021	2021-2022	2022-2023
SND Charge Rate	N/A	€77 / MW	€78 / MW	€81 / MW

Table 3.6: Proposed SND Charge Rates for units without an FPN

3.4 GPI Charges

The proposed GPI Constants and GPI Declaration Based Charges for the 2022/2023 tariff year are outlined in Table 3.7 and Table 3.8 respectively. The TSOs are proposing to make no changes, apart from adjusting for inflation.

GPI Constants	2019-2020	2020-2021	2021-2022	2022-2023
Late Declaration Notice Time	480 min	480 min	480 min	480 min
Loading Rate Factor 1	60 min	60 min	60 min	60 min
Loading Rate Factor 2	24	24	24	24
Loading Rate Tolerance	110%	110%	110%	110%
De-Loading Rate Factor 1	60 min	60 min	60 min	60 min
De-Loading Rate Factor 2	24	24	24	24
De-Loading Rate Tolerance	110%	110%	110%	110%
Early Synchronous Tolerance	15 min	15 min	15 min	15 min
Early Synchronous Factor	60 min	60 min	60 min	60 min
Late Synchronous Tolerance	5 min	5 min	5 min	5 min
Late Synchronous Factor	55 min	55 min	55 min	55 min
Secondary Fuel Availability Factor	0.9	0.9	0.9	0.9

Table 3.7: Proposed GPI Constants

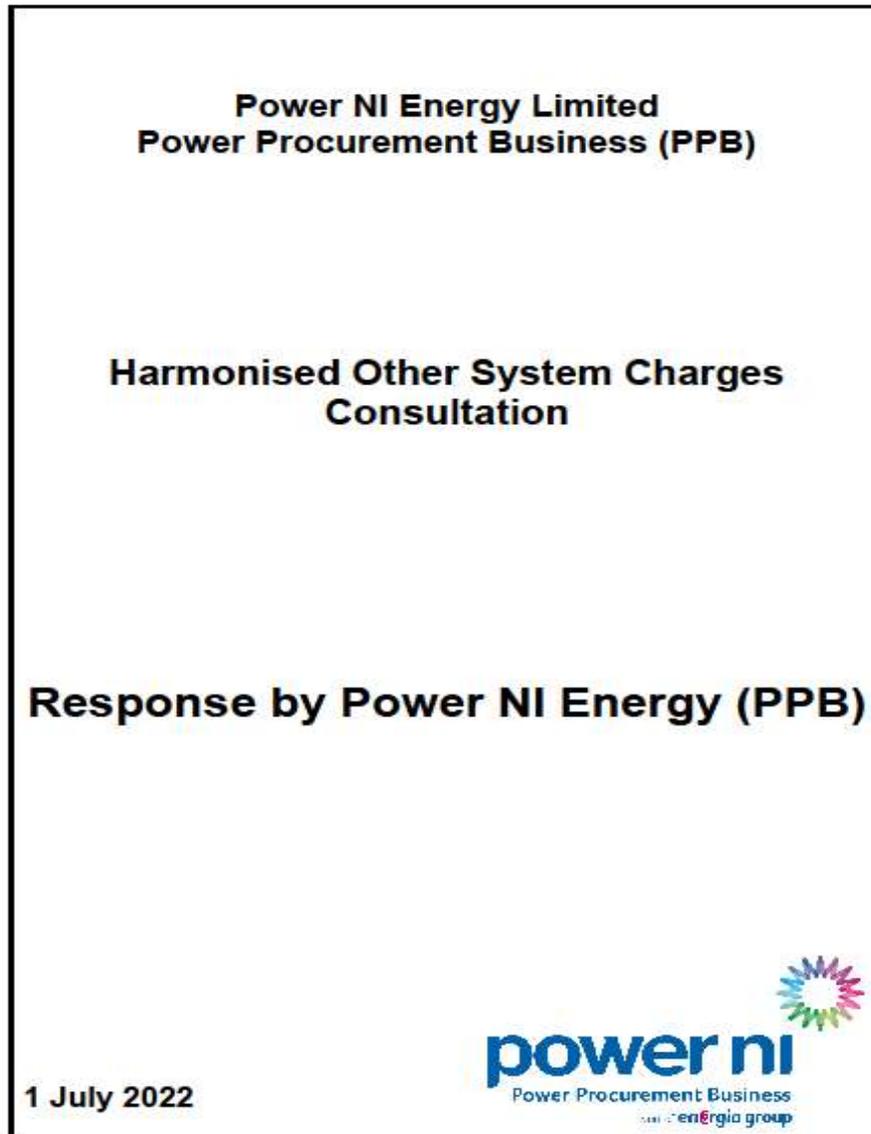
	2019-2020	2020-2021	2021-2022	2022-2023
GPI Declaration Based Rates	€ / MWh	€ / MWh	€ / MWh	€ / MWh
Minimum Generation	1.31	1.33	1.34	1.39
Max Starts in 24-hour period	0	0	0	0
Minimum On time	0	0	0	0
Reactive Power Leading	0.32	0.32	0.32	0.33
Reactive Power Lagging	0.32	0.32	0.32	0.33
Governor Droop	0.32	0.32	0.32	0.33
Primary Operating Reserve	0.53	0.54	0.55	0.57
Secondary Operating Reserve	0.13	0.13	0.13	0.14
Tertiary Operating Reserve 1	0.13	0.13	0.13	0.14
Tertiary Operating Reserve 2	0.13	0.13	0.13	0.14
Secondary Fuel Availability	0.03	0.03	0.03	0.05

Table 3.8: Proposed GPI Declaration Based Charge Rates

The Event Based GPIs will remain at zero (i.e. Loading Rate, De-Loading Rate, Early Synchronisation and Late Synchronisation).

4 APPENDIX A

This section contains all the responses received. Please double click on each paper to review details in full.





**Response by Energia to Eirgrid / SONI on
Harmonised Other System Charges
Consultation Paper**

Tariff Year 01 October 2022 to 30 September 2023

11th July 2022



ESB Generation and Trading's Response to the Harmonised Other System Charges Consultation:

2022-2023 Tariff Year

11/07/2022





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11th July 2022

RE: Harmonised Other System Charges (OSC) Consultation, Tariff Year 1 October 2022 – 30 September 2023

Dear Sir / Madam,

Bord Gáis Energy (BGE) welcomes the opportunity to respond to this consultation on Harmonised OSC for 2022/ 2023.

BGE generally welcomes the approach to increase most 'other system charge's by the rate of inflation but we outline below a number of areas where we do not support, or we query, the proposed changes.

GPI Secondary Fuel

BGE does not support the proposal to increase the GPI Secondary Fuel charge rate by 50% over the 2021/22 rates. The application of an increased charge on units carrying a Secondary Fuel Obligation (SFO) does not incentivise a participant's contribution to fuel security but instead just increases the penalty burden being carried by these units. Units with an SFO are already penalised. The unit is financially penalised through increased infrastructure and increasing secondary fuel stock costs. Similarly, the unit carries an operational penalty by having to manage the added difficulty of operations and safety that secondary fuel running brings to a generation unit. These penalties are additional to the fact that in our view the SFO is unfair in its application as the obligation and requirement is carried by only a small sector of the SEM generation fleet when all units in SEM should carry an equal obligation of helping to maintain security of supply. We expand below on an alternative to the SFO that would apply to all grid-connected generation units.

The risk of fuel security to electricity generation is acknowledged but it should also be recognised that secondary fuel running offers only an immediate/ short term solution (up to 5 days). The short term mitigation by secondary fuel running in electricity generation must be seen against the potential longer term impact from any uncertainty of primary generation fuel stocks. While units running on the SFO can play their part in the immediate to short-term, now is not the time to unnecessarily increase the penalty burden for these units when it will not drive any operational change. If SFO running is to be incentivised then it should be by positive reward (whether by removing/ sharing the SFO burden, or financially) rather than by increased penalties as proposed in this consultation through a higher level of GPI Secondary Fuel charge. As set out in our response¹ to CRU's clarification and call for evidence paper² in 2021, BGE proposed an optional bidding market for all grid-connected generation (existing, new, and embedded) units to provide security of supply generation services to the grid on the basis that their generation fuel is

¹ [CRU202252h](#) - dated 7th May 2021

² [CRU/21/036](#) - Secondary fuel obligations on licenced generation capacity in the Republic of Ireland Clarifications and Call for Evidence

Via email to: tariffs@eirgrid.com and tariffs@soni.ltd.uk



Re: Harmonised Other System Charges Consultation Paper for the Tariff Year 01 October 2022 to 30 September 2023

I am writing on behalf of the Demand Response Association of Ireland (DRAI), the trade association representing Demand Side Unit (DSU) providers in the all-island Single Electricity Market (SEM). By aggregating the otherwise passive electrical loads of individual consumers into substantial load portfolios, our members create predictable, reliable, and controllable assets, which provide a valuable source of Demand Side Flexibility (DSF) that can be actively used by system operators to meet the near-time needs of the power system.

Today, the DRAI represents approximately 700 MW of demand and embedded generation response across hundreds of industrial and commercial customer sites throughout the island of Ireland. These sites are managed by our members each of whom actively participate in the capacity, DS3, and energy markets.

DRAI members are committed to shaping the future of power system flexibility through advancing DSF on the island of Ireland. As Ireland strives to achieve its renewable generation targets for 2030, our promise as an industry-led organisation is to champion the development of innovative DSF solutions that are designed to address the system-wide requirement for flexibility.

The DRAI expresses a single voice on policy and regulatory matters of common interest to its members, and we welcome the opportunity to respond to the Harmonised Other System Charges Consultation Paper for the Tariff Year 01 October 2022 to 30 September 2023 and trust that you will consider it in your deliberations.

On behalf of the DRAI we hope that you consider the points we have put forward, and we welcome future engagement on the matter.

Your sincerely,

A handwritten signature in black ink, appearing to read "Siobhán". The signature is fluid and cursive, written over a light blue horizontal line.

Siobhán McHugh
DRAI CEO