

Sycamore House, Millennium Park, Osberstown, Naas, Co. Kildare. W91 D627

Wednesday 11 April 2018

EirGrid Plc.
The Oval
160 Shelbourne Road
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Submitted by email to: DS3@EirGrid.com

Re: IWEA Response to DS3 questions

To whom it may concern,

The Irish Wind Energy Association would like to relay its questions on the DS3 System Services Market Ruleset Consultation.

IWEA is the leading renewable energy representative body in Ireland and as such has an active interest in the potential and capacity for renewable energy development, and in particular wind energy, in Ireland. Approximately 120 organisations are members of IWEA across all areas of the wind industry including community engagement, planning, grid development, market design, health & safety, and asset management. IWEA hosts two of Ireland's largest energy conferences each year and regularly engages with key stakeholders across policy, regulation, industry, and research. IWEA works in a proactive and engaging manner with all stakeholders and as such feels it is both appropriate and important to make this submission, which is attached to this cover letter.

Yours Sincerely,

David Connolly

CEO



Sycamore House, Millennium Park, Osberstown, Naas, Co. Kildare.

RE: Responses to DS3 questions:

Question 1: Do you have any views in relation to the basis on which system service availability will be remunerated?

IWEA Response: No comment

Question 2: What are your views on the remuneration of market versus physical dispatch position for each type of service provider? Please provide rationale/additional information.

<u>IWEA Response</u>: We agree with the principal that units which are not registered in the I-SEM energy market will be remunerated for System Services based on physical dispatch position only. We wish to note that it has not yet been clarified how the physical dispatch position of a battery storage unit will be defined and we would welcome clarity on this point.

We also wish to point out that the TSO proposal that Battery Storage Units will be remunerated for System Services based on physical dispatch position only does not allow for the situation where a battery storage unit is registered in the market. A battery storage unit may or may not be registered in the market. If it is not registered in the market then the principal of remuneration based on physical dispatch makes sense. However, if the unit is registered in the market it is difficult to see why it should not be remunerated based on the higher of market or physical dispatch in the same way as a conventional unit. We would ask for clarification on this point.

We agree with the principal of paying wind power based on physical position.

Regarding synchronous units, we share the concern raised in the paper around the risk of service availability excess and potential over-expenditure and we believe this requires close monitoring.

Question 3: What are your views on the proposed approach for remuneration with respect to the 14 System Services?

IWEA Response: We agree with this proposed approach

Question 4: Do you have a preferred option (with rationale) regarding the application of the scarcity scalar for 'constrained on' units?

IWEA Response: No comment

Question 5: Do you have any view on the proposed treatment of forced outages?

IWEA Response: No Comment



RE: Responses to DS3 questions:

Question 6: Do you have any comments in relation to the proposed ongoing monitoring of this ruleset?

<u>IWEA Response</u>: We share the concern raised in the paper around the risk of service availability excess and potential over-expenditure and we believe this requires close monitoring. We also believe that the expenditure risk in relation to paying the higher of market vs physical dispatch should rest solely with Synchronous Generators. If there are any budgetary impacts on DS3 System Services due to this risk materialising we strongly believe this should be borne only by synchronous generators and not by units which are paid on physical dispatch only.