

## **IWEA response to the Harmonised Ancillary Services and Other Systems Charges Consultations**

**09 May 2014**

The Irish Wind Energy Association (IWEA) welcomes the opportunity to comment on the SEM consultations on the Harmonised Ancillary Services and Other Systems Charges.

The consultation outlines some changes to be made to ancillary payments and other system charges. IWEA welcomes the review of these items and believes that any changes introduced should be designed to increase system flexibility and to ensure an appropriate generation mix. The flexibility of thermal generation is an essential component of an electricity system which aims to have high levels of renewable generation, in particular wind.

IWEA believes that ancillary services could be used to incentivize minimum generation levels below grid code requirements. This is particularly relevant for units which are constrained on due to transmission constraints. The minimum generation levels required on the system have been seen to cause curtailment of wind generation and it is appropriate that lower levels of minimum generation be incentivized.

IWEA notes that work is being done by EirGrid on the wider system needs and identifying what system services will be required with increasing levels of variable generation on the electricity system. IWEA welcomes this work and believes that Ancillary Service payments have an important role to play in incentivizing the appropriate plant going forward. It is important that the wider system needs are taken into consideration and that a market value is placed on the services being provided. Following on from the Facilitation of Renewables and the DS3 studies, the importance of technical parameters such as system inertia have been highlighted and this should also be reflected in ancillary service payments. It is essential that the ongoing work on System Services is carried out in a timely manner so that the new services can be introduced as soon as possible.

IWEA believes that the provision of ancillary services should be technology neutral where possible. There may be a number of different technologies that can provide the same service and these different technologies should be able to avail of the revenues. With the introduction of the EWIC, services provided by the interconnector should be appropriately priced and regulated.

### **2.3 Dynamic Frequency Response from an Interconnector**

While IWEA welcomes Ancillary Services which provide extra flexibility to the system, we believe that the provision of services should be technology neutral, and there should be a tender process which may

identify if dynamic frequency response as outlined in this section can be provided by other service providers.

## **Harmonized Other System Charges**

### **3.2 Introduction of new GPIs**

IWEA believes that the introduction of Generator Performance Incentives (GPIs) for wind farm needs to be carefully considered. GPIs need to be aligned with the real needs of the grid. The incentive should take into account the capability of the wind farm and should not be overly penal. If there is no significant impact on the system then there is no need for a penal incentive and consideration should be given to tolerance limits where no penalty will be applied. Further industry engagement is required to ascertain exactly how the GPIs will work for wind energy.

- Clarity is required as to whether the GPIs will apply to both transmission and distribution connected projects, and the role of the DSO in this.
- The GPIs should not be introduced unless there are Ancillary Service contracts in place. Is work ongoing to progress AS contracts for both transmission and distribution connected projects?
- The TSO expectation of wind farm performance needs to be realistic, for example changes to wind conditions when a dispatch signal is sent may impact the response. This needs to be taken into consideration.
- Clarity is required that a wind generator would not be dispatched down for the provision of reserve (unless there was a contract in place for doing so) and that reserve would only be available from wind farms in the case where it is dispatched down for other reasons. A penalty should only be applied in the case where there is a reward for providing the reserve through an ancillary service payment.
- Further information is required on how the performance of plant will be monitored. This should not impose additional cost on generators.
- Performance over time should be looked at rather than focussing on discrete points. It is very time consuming generating reports for each single event.
- Consideration should be given to a MW threshold below which reporting is not required.
- Some of the problems seem to arise out of loss of signals - an additional relay could be included in the RTU to confirm the signal has gone through.
- The provision of information to generators is important so they can monitor their own performance and prevent issues before they arise. All events should be logged.
- Monitoring should be aligned with the real needs of the grid.
- Clarity is required as to whether GPIs are to be introduced going forward or if they will apply retrospectively and, if so, the derogation procedures that will be in place.

IWEA welcomes the opportunity to respond to this consultation. Any changes introduced should be designed to increase system flexibility and to ensure an appropriate generation mix. Further industry engagement is required to ascertain exactly how the GPIs will work for wind energy.