

IWEA Response to the Consultation on SEM Testing Tariffs

August 05, 2011

IWEA welcomes the opportunity to respond to and input into the SEM Testing Tariff consultation process. As with most of the recent consultations, IWEA considers it important that this consultation is not considered in isolation but rather as part of a holistic approach to market signals.

IWEA supports the initiative to consult on the testing tariffs and considers the approach taken in distinguishing between reliable and less reliable/ commissioning units to be a sensible outlook on testing. IWEA also fully supports testing costs being covered by those generators who impose these costs on the system. This will allow generators to test their plant more readily, when this is required, which should lead to increased performance across the generation fleet and therefore improved system stability.

With regards to inclusion of generator types in the testing regime, IWEA believes that both interconnectors, including the proposed 500MW East West Interconnector, and pumped storage units should be liable to pay testing charges. During testing, these generators will have an impact on market imperfections and therefore the cost should be borne by the asset owners. Therefore IWEA believes that the market Modifications Mod_10_11 and Mod_14_11 should be approved and implemented to facilitate this. IWEA understands that Mod_10_11 was unanimously recommended for approval by the Modifications Committee on 9th June 2011 and subsequently approved by the RAs on 21st July 2011. We would urge the RAs and SEMO to take all necessary steps to ensure this modification is implementable in time for commissioning of the new East-West Interconnector such that testing tariffs proposed in this consultation paper can be applied. IWEA would like to confirm that all Interconnector units will be subject to testing tariffs, i.e. the East-West Interconnector will pay the proposed >450 MW unit rate. IWEA also understands that Mod_14_11 was deferred at the last Modifications Committee meeting pending the results of an impact assessment which is being progressed by SEMO. We expect the necessary impact assessment will be available in time for the next Modifications Committee meeting on

9th August 2011 and would suggest this needs to be approved and implemented in a timely manner to allow testing tariffs to be applicable to these units as soon as possible.

The testing regime for wind is very different to that of conventional generation. IWEA does not believe that wind increases the normal operating reserve in the market and therefore, following the methodology proposed in this consultation, IWEA believes that wind should not pay for any testing charges in the market. This is for a number of reasons:

- Firstly a wind farm will be Autonomous until it has passed EirGrid's required dispatch tests and received its Operational Readiness Certificate, or passed the complete grid code tests and received a full Operational Certificate, at which point it can be classified as Variable Price Taker. At this point there is very little necessity for a wind farm to initiate a request to test their connection. EirGrid may request that a specific item of the grid code be retested. Any test will generally only lead to reduction in power for a short period of time.
- In the case that the wind farm, post commissioning, does need to undertake testing of its output, then it should in most circumstances be considered to be Phase 3 / Tariff B, as it is unlikely a wind farm testing could ever impose significant costs on the system.
- Given the probable size of a wind farm under test, it will most likely be well below the threshold of the normal operating reserve and as such should not be charged for additional testing costs.

Conclusion:

In short, IWEA supports the initiative for a more reflective approach to testing tariffs in the market. Following the methodology proposed in this paper, and for the reasons highlighted above, IWEA does not consider that wind testing will in any instance add to normal operating costs and therefore wind generators should not be impacted by testing tariffs.