

Comments on:

I-SEM Energy Trading Arrangements Detailed Design

Markets

March 5th 2015

Introduction

Electric Ireland welcome the opportunity to submit feedback on the “Markets” section of the Energy Trading Arrangements (ETA) for the I-SEM.

Comments on each of the three Workshops and Discussion Papers are given in sections one to three below. Since discussion to date has been on individual discrete topics, there remain many unknowns and open questions on how all aspects will interact. Without this full picture Electric Ireland would like to caveat the comments below as provisional views only.

Topics covered are:

- 1.1 Multi-Region Coupling Day Ahead Market
- 1.2 EUPHEMIA Testing and Revised Schedule
- 1.3 XBID Intra-Day Market
- 1.4 Fall Back Procedures
- 1.5 Participant Physical Notifications
- 1.6 Information Imbalance Charge
- 2.1 Object Function of the Balancing Market
- 2.2 Reaching a Feasible Dispatch
- 2.3 Form of Bids and Offers
- 2.4 Pre-Balancing Market Actions
- 2.5 Reserves
- 2.6 Categorisation of Energy and Non-Energy Actions
- 2.7 Imbalance Pricing
- 2.8 Imbalance Settlement
- 3.1 Global Aggregation
- 3.2 Instruction Profiling
- 3.3 Local Market Power
- 3.4 Testing
- 3.5 Metering
- 3.6 I-SEM Modelling

1.1 Multi-Region Coupling Day Ahead Market

Electric Ireland has no additional comment to make on this topic.

1.2 EUPHEMIA Testing and Revised Schedule

Electric Ireland welcome the revised trialling proposal and wishes to be fully involved in every stage of the trials including participant engagement, workshops, testing and analysis.

1.3 XBID Intra-Day Market

Electric Ireland is concerned about the challenging functional requirements and timelines involved. As a key component of I-SEM it is vital that there is a fully functioning Intra-Day trading platform.

1.4 Fall-back Procedures

Electric Ireland believe a lot more work needs to be carried out in this area. During the Rules Liaison Group meeting it was suggested this issue will be dealt with later on in the implementation stage. Early disclosure of potential solutions would be welcome. We note also that further work needs to be carried out with regulatory and/or government agencies in the UK by our regulators.

1.5 Participant Physical Notifications

Electric Ireland will want to have the option to submit their own physical notifications.

1.6 Information Imbalance Charge

Electric Ireland feels that an Information Imbalance Charge should not exist or else be set at zero. If poor information from participants is an ongoing problem then perhaps the charge could be reviewed with the possibility of introducing tolerances below which charges will not be levied.

2.1 Object Function of the Balancing Market

Electric Ireland seeks clarification on whether the Balancing Market is based on constrained or unconstrained energy actions. We also hold the view that any action taken by the TSO greater than 1 hour ahead of time would be classed as a non-energy action.

2.2 Reaching a Feasible Dispatch

Electric Ireland will give this further consideration once the Markets consultation paper has been published.

2.3 Form of Bids and Offers

Electric Ireland will give this further consideration once the Markets consultation paper has been published.

2.4 Pre-Balancing Market Actions

Electric Ireland will give this further consideration once the Markets consultation paper has been published however any solution should not be detrimental to the end customer.

2.5 Reserves

There appears to be a lack of clarity over the interaction of proposals for reserves in I-SEM and the DS3 program.

2.6 Categorisation of Energy and Non-Energy Actions

Electric Ireland seeks clarification on whether the Balancing Market is based on constrained or unconstrained energy actions and which actions are to be considered non-energy balancing. Electric Ireland will give this further consideration once the Markets consultation paper has been published.

2.7 Imbalance Pricing

Electric Ireland will give this further consideration once the Markets consultation paper has been published.

2.8 Imbalance Settlement

Electric Ireland welcomes the examples given and asks that future examples also include calculations on the supplier side.

3.1 Global Aggregation

Under the current market arrangement the residual error volume is allocated to suppliers on the basis of their non interval metered demand. Electric Ireland questions the reasons as to why under I-SEM a supplier should continue to be exposed to this market cost even though they can't manage the ex-ante forecasting error the TLAF's and DLAF's. The TSO's and DSO's should be incentivised to get the forecasted TLAF's and DLAF's more accurate.

3.2 Instruction Profiling

Electric Ireland will give this further consideration once the Markets consultation paper has been published. This needs further consideration in relation to impacts on our DSU units.

3.3 Local Market Power

Electric Ireland believes the new I-SEM will require close market monitoring and transparency. The end customer is dependent on a certain market structure for protection against generators benefiting from local market power.

3.4 Testing

Electric Ireland notes that further workshops may be required around this area to confirm all scenarios are covered.

3.5 Metering

Electric Ireland will still require timely, accurate metered demand data. There should be no degradation of metering with the introduction of I-SEM with the current arrangements and formats changing as little as possible.

3.6 I-SEM Modelling

Electric Ireland requests that it is kept fully informed of any progress and wishes to be involved in upcoming workshops and participant engagement.