



Response to I-SEM consultation paper on TSOs Obligations under the Capacity Allocation and Congestion Management (CACM) Guideline

A submission by EirGrid plc.

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INTRODUCTION

EirGrid Group welcomes the publication of the I-SEM consultation paper (SEM-15-033o) on TSOs Obligations under the Capacity Allocation and Congestion Management (CACM) and assignment of relevant TSO obligations under Article 1.3 of CACM and the opportunity to respond.

EirGrid holds licences as independent electricity Transmission System Operator (TSO) and Market Operator (MO) in the wholesale trading system in Ireland, and is the owner of the System Operator Northern Ireland (SONI Ltd), the licensed TSO and market operator in Northern Ireland. The Single Electricity Market Operator (SEMO) is part of the EirGrid Group, and operates the Single Electricity Market on the island of Ireland.

Both EirGrid, and its subsidiary SONI, have been certified by the European Commission as independent TSOs, and are licenced as the transmission system and market operators, for Ireland and Northern Ireland respectively. EirGrid also owns and operates the East West Interconnector, while SONI acts as Interconnector Administrator for both of the interconnectors that connect the island of Ireland and GB.

It is in the context of our role as TSO in EirGrid and SONI and as owner and operator of the East West Interconnector that we are submitting this response.

GENERAL COMMENTS

EirGrid Group would like to make a number of high level observations related to the consultation paper and supporting annex. In considering our response, we have also considered the roles in the context of Ofgem's consultation on this issue, with SONI and EirGrid having the same roles as NGET in the GB context.

The focus of this consultation is on the assignment of TSO obligations under the Capacity Allocation and Congestion Management Regulation (CACM Regulation) within I-SEM. This is relevant to EirGrid Group given our role as TSO in Ireland and Northern Ireland and owner and operator of the East West Interconnector linking Ireland to GB. Although the consultation is looking at assigning CACM obligations to TSOs in I-SEM, a similar exercise is being done in GB by Ofgem to assign the CACM obligations to TSOs in GB. It is appropriate that the approach taken in the I-SEM consultation in assigning CACM obligations to certified TSOs in Ireland and Northern Ireland is coordinated with the likely approach to be adopted in GB. Therefore, it is imperative that the NRA's and TSO's in both SEM and GB work closely together to ensure consistency in terms of the approach taken.

1. Do you agree with the CER and UR's application of Article 1(3) in assigning obligations to the TSOs operating in the all-island market as outlined in the Annex to this consultation paper?

Yes, we agree with this approach.

2. Do you agree that we have correctly identified the Articles of CACM Regulation which place an obligation on the TSOs?

The annex to this consultation is useful and provides a good basis from which to assess the relevant requirements and where they should ideally sit. However, we consider that the annex needs to be more nuanced and reflect the requirement in Article 1(3) of CACM to assign individual obligations to one or more TSOs.

It is unclear exactly what responsibilities the 'obligations' confer on the TSOs identified with tick marks in the annex. Articles in CACM generally mandate either the establishment of new business processes/methodologies or ongoing compliance with those processes/methodologies. In the case of the latter it is clear that many or all of the TSOs will have to comply and will therefore have an 'obligation' under such articles. In the case of the former, there would be benefit in identifying the relative levels of responsibility/influence of each TSO with respect to the development of the relevant business process/methodology. We note that in each area a tick may represent a lead involvement from one TSO and a very light involvement from another, for example as identified in the Annex for "Products Accommodated" and "Maximum and Minimum Prices". While, all certified TSOs might have a role to play or be impacted by a certain obligation (e.g. data provision, reporting) and therefore perhaps should be potentially involved to a greater or lesser extent, this does not mean that all should be obliged to fulfil this obligation. As such, the annex serves to indicate the TSOs which are impacted by the CACM obligation rather than those that are legally obliged to fulfil it. The annex needs to differentiate between those TSO(s) who are legally obliged to meet the obligation; those that have a supporting role e.g. data provision; and those who are impacted by the obligation.

The annex would also benefit from increased granularity in places. There are a number of articles where the obligation is placed on all TSOs. However, it is possible that within an article there may be a number of different obligations with perhaps one obligation resting with a particular type of TSO (e.g. EirGrid or SONI) and another obligation residing with a different type

of TSO (e.g. EWIC or Moyle), or all TSOs depending on the specific obligation. A good example of this can be found in Articles 8 and 9 of the annex: TSO tasks related to Single Day Ahead and Intraday Coupling and Adoption of Terms, Conditions and Methodologies that confer multiple disparate tasks, deliverables, roles and responsibilities. Such articles would benefit from a more granular approach to TSO obligation assignment.

It is also unclear how some articles (e.g. Article 2 on definitions) confer direct obligations on TSOs.

3. How do you think the CER and UR should determine future changes to the assignment of TSO obligations under the CACM Regulation?

We consider that the TSOs are best placed to identify, and propose for NRA approval, where the CACM obligations should reside and clearly outline what TSO(s) is legally obliged to meet an obligation; what TSO has a supporting role e.g. data provision; and what TSO may be impacted by the obligation.

It should be noted that a number of the terms and conditions and methodologies referred to in the CACM Guideline (e.g. the Common Grid Model Methodology and Generation and Load Data Provision Methodology) are currently in the process of being developed in ENTSO-E. The annex assigns obligations for the development of some of these terms and conditions and methodologies to all TSOs. However, not all TSOs are members of ENTSO-E and actively involved in delivering on these obligations. As the obligations are on all TSOs at a pan-European or regional level it is important that I-SEM TSOs are involved in developing the terms, conditions and methodologies in ENTSO-E, either directly or through an existing ENTSO-E member.