**IWEA response to the Minded to Decision Paper on the Process for the Calculation of Outturn Availability**

**09 April 2015**

IWEA welcomes the opportunity to respond to the Minded to Decision Paper on the Process for the Calculation of Outturn Availability. It is important to recognise that setting the Outturn Availability of generators to zero for any period of time has a material impact on projects. This impact needs to be considered in light of other changes, such as the SEM Committee decision to remove compensation for curtailment from 2018. The cumulative impact of factors that reduce the output and revenue of wind farms needs to be taken into account, in particular where the generator does not have the ability to manage these factors.

IWEA is still of the view that Outturn Availability should be set to the technical availability of the generation unit for all outages for the following reasons:

- This option will present the least cost to the consumer. Where a generator that is within-merit is deemed to have an Outturn Availability of 0MW, then more expensive generation will be required to meet demand.
- The duration of planned outages is within the control of the TSOs; generators have no ability to manage this risk.
- The timing of these works from one month to another can have a serious impact on generator income due to the variation in capacity payments and weather profiles.

We do recognise that the proposed decision is an improvement on the current treatment of Outturn Availability in RoI

- It provides a cap (and certainty) on the level of constraints for which firm generators will not be compensated for.
- It provides more clarity on the length of annual O & M for connection assets and a greater incentive for TSOs to minimise their duration (at least to 5 business days).
- The reform to the outage planning process introduces a voice for generators into the transmission planning process and also some accountability in terms of the ex-post report.

The following sections outline some specific comments in relation to the minded-to decision.

**RAs recommended arrangements for the calculation of Outturn Availability**

IWEA supports the position that the RAs propose that no changes should be made to the current arrangements for the calculation of Outturn Availability for generators connected at the “legacy” position in Northern Ireland.

In Ireland, the RAs propose that where the connection assets are owned by the TAO, the generator will be considered outturn available for all outages with the exception of scheduled annual maintenance outages lasting up to five business days inclusive or less per outage season.

For Northern Ireland generators connected at the "new" position the RAs have concluded that generators will be considered outturn available for all outages with the exception of annual maintenance outages lasting up to and including five business days. This mirrors proposed arrangements in the Republic of Ireland.

**Comments on the proposal:**

- There is a concern that the decision might enable the TSO/TAO to use the 5 days of outages without compensation as standard instead of being incentivised to minimise outage duration.
- Clarity is required that the duration refers to the maximum duration in any outage season.
- There is no clarity on how the 5 day duration was arrived at. International benchmarks for the maintenance of connection assets must be used in the interest of transparency. 5 days would appear to be a long duration (1.36% of the year) for preventative maintenance of connection assets.
- Notwithstanding our position stated above that Outturn Availability should be set to the technical availability of the generation unit for all outages, IWEA believes that generators should be considered outturn available for all outages with the exception of annual maintenance outages lasting up to and including **a maximum of three calendar days.**
    - We believe that 5 days is too long for most maintenance outages and doesn't provide a real incentive for the duration to be minimised.
    - The outages should refer to calendar days and not business days. Generators stand to lose considerable revenues on every calendar day and not just business days.
    - By using business days there is a risk of up to and including 10 days of revenue exposure for a generator given the potential for an outage to start on a Friday night/Saturday morning and continue through to the next weekend (5 business days). There is also the possibility of this occurring on a bank holiday weekend which would extend the period to 10 days.
    - The proposed duration of 5 business days represents 1.36% of the year. If this were to correspond to 10 calendar days (which is possible under the current proposals) this would correspond to 2.7% of the year. Historical trends have shown outages to generally be aligned with generator maintenance schedules. In many cases a grid availability figure of 100% is used for wind farm financing, with the assumption that grid outages can be aligned with on-site maintenance requirements. In cases where outages cannot be aligned the duration is generally only for 1 or 2 days. Experience suggests that outages have been up to 1.3% (accounting for both forced and unforced outages) across a portfolio of transmission and distribution connected wind farms **for a particularly bad year**. Therefore 1.36% corresponding to 5 days for just the scheduled outages appears to be much more severe than that which is

presently observed. The proposed 3 calendar day option would correspond to 0.8% of the year, which is still likely to be high for scheduled outages, but is a more reasonable level than that being proposed.

- Consideration should be given to linking the duration to the connection assets listed in a generators connection agreement and the associated timelines for those assets, up to a maximum of the 3 days referred to above.
- This option should only be available in the year where an outage is scheduled. For many generators an outage would only be scheduled every few years, and outside of this requirement the generator should be considered outturn available.

**Outage Planning**

- IWEA welcomes the proposals that a forum is established, containing representation from all parties, and regular meetings timetabled to address any issues relating to outage planning. This will serve to increase the transparency of the process and allow all parties to have a greater understanding of any issues and their impact. The working group should be required to look at not just short-term planning and related issues but also the longer term to ensure effective outage planning. It is essential that the regulatory authorities oversee this process. We look forward to continuing to engage on this process.
- IWEA welcomes the development of final outage plans with detail in relation to the types of maintenance and the relevant timescales for the works. This document must contain the relevant level of detail on the maintenance required for the various types of connection assets (trafos, overhead, underground lines etc.) and the required timelines and should be agreed with stakeholders.
- The additional publication of an Ex Post Summary Report comparing the planned outage schedule with the actual outages is also welcomed. The logical next step beyond reporting on the performance of the TSO and TAO against their outage plans is to introduce commercial incentives for them to do so.

**Temporary Connection Assets and Extensions to or changes at existing connections**

It is the view of the RA's that where work is being carried out that is related to an existing generator, Outturn Availability will equal zero. However, where work is being carried out to another generator (with a different connection point but a shared asset) then Outturn Availability will equal that of the generator's technical availability.

- Questions remain around the definition of a connection asset where the maintenance of connection assets should only mean the maintenance of a generators **shallow** connection assets and not maintenance to any deep reinforcements.
- Also, clarity is required around the treatment of shared connection assets around who the outage will apply to within the group of generators sharing the connection assets.

**Distribution Connected Generators**

We note that the proposed decision does not specifically address distribution connected generators. Currently, 63% of wind generators are connected to the transmission network through the distribution network and if contracted and planned generation is included this figure still remains at 60%. No guidance has been provided in the proposed decision as to the treatment of distribution network outages despite the fact that in the Trading and Settlement Code no distinction is made between transmission and distribution outages. Formal rules are needed to ensure that distribution connected generators are treated in the same manner as transmission connected generators.