



DS3 System Services Auction Design

SEM-15-105 Consultation

Gas Networks Ireland Response

12th February 2016

Introduction

Gas Networks Ireland welcome the opportunity to respond to the DS3 System Services Auction Design consultation (SEM-15-105). There are many interactions between the gas and electricity systems. Gas is an integral part of the power generation sector with gas fired power stations providing flexibility to the electricity system to facilitate the renewable energy on the system as part of Ireland's transition to a low carbon economy. Gas Networks Ireland have chosen to respond to section 3 of the consultation only.

Section 3: High Level Auction Design

Question 1: What are your views on the proposals to try to ensure a level of consistency between CRM and DS3 System processes?

It would be beneficial to ensure a level of consistency between the CRM and DS3 System processes in order to make it easier for those that are participating in both auctions.

Question 2: Do you consider that the SEM Committee should consider facilitating a link (where participants require) to only proceed with participation in the DS3 System Services auction subject to a successful outcome in the CRM auction or (vice versa) i.e. create an interdependency that as much as possible mitigates the need for auction re-runs.

A link between the DS3 System Services auction and the CRM auction should be facilitated. Generators should have the option of withdrawing before contract signing if they are unsuccessful in either auction, thus mitigating the need for auction re-runs.

Question 3: What are your views on managing the interactions between the CRM and DS3 System Services auctions?

Gas Networks Ireland believe that there should be consistency between the frameworks for DS3 and CRM and that the interdependencies between the two auctions should be considered carefully.

Question 5: Do you think the treatment of long-term contracting for System Services should be aligned with the proposed framework in the CRM?

Gas Networks Ireland believe that aligning the treatment of long-term contracting for System Services with the proposed framework in the CRM would be beneficial and consideration should be given to common lead times for all participants.