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Re. SEM-21-027: Proposed Decision on treatment of new renewable units in the SEM

Gina, Gary

On behalf of EirGrid and SONI in their capacities as Transmission System Operators (TSOs) and Market Operators for Ireland and Northern Ireland respectively, I welcome the opportunity to engage further with the Regulatory Authorities in their application of the requirements of Regulation (EU) 2019/943 to the SEM. This response builds on our recent discussions with the CRU and Utility Regulator, both in industry-wide fora and in bilateral meetings.

While EirGrid and SONI broadly agree with many of the points raised in the proposed decision shared in SEM-21-027, there are two points that may warrant further consideration by the Regulatory Authorities in advance of their final decision.

1. The scoping of the forthcoming workshops
2. The timelines for the delivery of the resultant changes.

Scoping of the Forthcoming Workshops

EirGrid and SONI fully support the approach of holding workshops to discuss detailed design options with interested stakeholders and welcome the inclusion of this in the consultation. Although there is a clear need to ensure that the proposed industry workshops are appropriately framed, there is also a need to ensure that such framing is not prejudicial to the final outcome. By way of illustration, we believe there are options for treatment of new renewable generators without priority dispatch that would benefit from further engagement between the TSOs and industry; detailed discussions during the workshops that the Regulatory Authorities are requesting will enable the development of solutions that, in turn, can be implemented so as to deliver an optimal outcome for the SEM.

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Timelines for the Delivery of the Resultant Changes

The proposed deadlines set out by the Regulatory Authorities for the development of the details of interim and enduring implementation proposals (and associated timelines) are noted. The TSOs are concerned, however, that these are ambitious and that the timeframes for the delivery of this complex task would yield a suboptimal outcome. The potential requirements arising from the development of a new category of generator unit will have significant impacts across a number of IT systems for the TSOs, SEMO and participants. This will have impacts on wind and solar forecasting tools, operational decision support tools (such as the LTS, RTD and RTC applications), dispatching tools (such as EDIL and the Wind Dispatch Tool) and downstream imbalance price calculation and settlement applications. The changes required in some cases go beyond those considered within the I-SEM programme; the detailed design for the I-SEM took over two years to complete with implementation taking a further two years of system build and testing. The TSOs and SEMO are committed to the timely implementation of the requirements of Article 12, but would urge caution on prioritising speed of delivery over optimal outcome.

Once a Final Decision has been published, we believe the first step should be the agreement of a scope of work for the TSOs and SEMO to undertake, followed by industry workshops. At that point, an implementation project plan can be developed and jointly-agreed, plus any aspects relating to regulatory frameworks, including any necessary licence modifications and cost recovery, can be appropriately addressed. With this approach, it is more likely that an achievable delivery timescale can be developed for any potential interim solution, along with a plan for an enduring solution that takes account of the other significant changes that will be required in the same timeframe.

As part of our ongoing dialogue relating to the application of EU legislation to the SEM, we are happy to discuss the content of this response further, should this be helpful in supporting the SEM Committee during its decision-making process. For further details, please contact Jon O'Sullivan (Jon.O'Sullivan@Eirgrid.com).

Yours sincerely,

[sent by email and accordingly bears no signature]

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