BORD NA MÓNA

BORD NA MÓNA POWERGEN

DS3 System Services Consultation – Volume Calculation Methodology and Portfolio Scenarios

This questionnaire has been prepared to facilitate responses to the consultation. Respondents are not restricted to this template and can provide supplementary material if desired.

Please send responses in electronic format to DS3@eirgrid.com or DS3@soni.ltd.uk

Respondent Name	*Fiac Gaffney*
Contact telephone number	*+353 (0)45 439180*
Respondent Company	*Bord na Móna*

Note: It is the TSOs' intention to publish all responses. If your response is confidential, please indicate this by marking the following box with an "x". Please note that, in any event, all responses will be shared with the Regulatory Authorities.

Response confidential ☐

The closing date for responses is Friday, 4th December 2015.

Question	*Response*
Determination of Capability Volume Requirements	
Do you agree with our proposed approach to determining the Capability Volume Requirements for the System Services? If not, please specify what alternative method you believe to be more appropriate.	The proposed approach for determining the *Capability Volume Requirements* of system services appears to be well-founded. Applying the four step process outlined in Figure 1, demonstrates that a straightforward approach can be taken, and with the aid of power system modelling software (i.e. PLEXOS) robust capacity volumes can be calculated for a number of system services. Bord na Móna is broadly satisfied with the proposed approach and its use of iterative refinement with the portfolio scenarios where there is either not enough of a particular system service or the results indicate very high re-dispatch costs (although it would be helpful if this term '*very high*' was quantified). However we would like to express some concern regarding the over-reliance on iterative refinement as we feel this could undermine the outcome of the entire process if the results are no longer aligned with realtime operation, i.e. effectively accepting that some constraints will in reality be binding. In our view, continually refining the portfolios with a view of reaching a theoretical ideal rather than a more realistic/optimised scenario may not be the best approach. Bord na Móna notes the approaches outlined for determining the volume requirement of Steady-State Reactive Power (Sections 2.5), Dynamic Reactive Response and Fast Post Fault Active Power Recovery (Sections 2.6) system services. Both approaches are described thoroughly and appear logical. While this is a minor comment, it would be useful, for the avoidance of doubt, in future publications to clarify that the eligibility for the provision of the Dynamic Reactive Response and Fast Post Fault Active Power Recovery system services is not limited to new non-synchronous generation.
Plant Portfolio Scenarios	
Do you agree with the 2017/18 and 2019/20 plant portfolio scenarios and underlying assumptions presented as the starting point	The underlying assumptions presented in the paper as a starting point for all scenarios appear reasonable. We also note the decision to analyse only one scenario for 2017/18 considering the short lead time. The generation portfolio would not be expected to drastically change over this

for carrying out the analysis of System Services Capability Volume Requirements? If not, please specify what alternative scenarios you believe to be more appropriate, and why.	period and thereby the assumptions outlined in Table 3 appear reasonable, given that the TSOs are best place to populate such a table. Regarding the 2019/20 scenarios; the proposal to simulate two scenarios that represent contrasting generation portfolios which meet system service requirements, and then selecting the maximum volume for each system service appears rational, yet may however be over-conservative. Taking such an approach, there is the potential to overestimate system service volumes when choosing the maximum value between the scenarios for each service, hence negatively impacting the revenue per unit of system service delivered (assuming a fixed pot). Bord na Móna seek to draw attention to this possibility and also to pose the following questions; if the overestimation of volumes were to materialise, would there be any scope for recalculating the system service volumes (and the associated tariffs) within the five-year period? And secondly, if this came to pass, what would be the impact on investor confidence? Finally, Bord na Móna would like to draw attention to the following assumptions: • CHP capacity increases by only 6MW over two years (between the 2017/19 scenario and both 2019/20 scenarios). - This assumption appears conservative considering the current focus on the Renewable Heat Incentive (RHI) and new renewable electricity scheme from the Department of Communications, Energy and Natural Resources. • Renewable energy capacity appears not to increase post-2020. Bord na Móna believe this assumption is unlikely considering both the ambition outlined in the EU Commission's 2030 Energy Framework and the forecasts contained in the Generation Capacity Statement.