DS3 System Services Consultation – Qualification Process

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

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Respondent Company	*AES*

Note: It is our 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 Tuesday, 19 July 2016.

Question	*Response*
Consultation on Qualification Process	
Question 1: Do you agree that the Qualification Process should focus on both "Provenability" and "Measurability"?	In principle AES supports the position that system service provision must be able to be clearly and reliably demonstrated which is achieved by clearly defining the service provision and having the ability to measure the performance relative to the definition. Therefore AES supports the proof of reliable delivery concept although we have some concerns as to the ability of one project to provide proof for all, particularly in the "other" Category. AES would seek assurance that technologies that are already operational on the system and have already demonstrated their proof of reliable delivery of system services ahead of this period are deemed to be proven, in particular the AES BESA.
Question 2: Do you agree that the Provenability Trials should focus on proving only two System Services, as representative of all System Services in those categories of System Services?	AES supports the grouping of services into 5 categories and the decision not to have qualification trials for the products based on the inherent characteristics of the technology i.e. SIR and SSRP and thereby reducing the number of categories to 3, Reserve, Ramping and Fast Acting. For the purposes of demonstrating the capability to provide reserve and ramping AES agrees that the selecting one from each category would provide evidence for the assessment of the capability and the associated products are variances in timing and quantity. The selection of POR as the representative service for reserve is logical, given it is the most challenging time frame to respond in and that frequency transients are usually stabilised quickly this is the most likely service to generate meaningful data over the trial period. The choice of RM3 as the ramping product is more questionable. If the principle is to test the service, with a recognition that the duration of the service provision may be Service Provider specific then RM1 would perhaps be the most appropriate representative service.

Question 3: Do you agree that the Provenability Trials should focus on the Reserve and Ramping categories of System Services?	AES supports the view that the provenablility trials - 3 separate trials proving 2 distinct services from 2 of the 5 categories should focus on the capability to provide the identified services of reserve and ramping and the selection of POR and RM3 as representing capability for all reserve and ramping products seems appropriate. The focus on measurability trials for the fast acting services also seems a reasonable approach.
Question 4: Do you agree that the technology classes targeted in the Provenability Trials should be wind, demand side and 'other technologies'?	With the understanding that conventional generators have a demonstrable and reliable track record of providing system services under the existing HAS arrangements, AES supports the targeting of provenability trials to the identified classes of technologies where historical information on delivery and reliability may not be evident. AES understands the requirement to divide the service provision between the different technologies but views that the grouped categorisation of 'other technology' represents a broad spectrum of technology providers and could be further sub divided. Technology such as energy storage has a proven track record in rapid deployment (for instance the Kilroot Energy Storage array, Europe's joint largest battery energy storage array, was constructed and commissioned in under 6 months) and the ability to quickly scale to meet system needs and should therefore be a distinct category for the trials. For instance, if a particular technology in the 'other technology' category, such as a flywheel, were to be selected for the trial and were unsuccessful, this could mean that a completely different service provider from a technical standpoint such as a Compressed Air Energy Storage facility or a Battery Energy Storage array would also

	be prohibited from moving to the central procurement process, and vice versa were the situation reversed. For this reason we suggest that there should be consideration to further subdivide technology classes, rather than trying to inappropriately group a disparate group of technologies under an 'other' heading. Finally, the position of 'other technologies' that have already proven their ability to provide these services before the trial period (e.g. the Kilroot Energy Storage Array which has been operational since December 2015 has been providing POR, SOR and TOR1 since this date) is unclear. AES requests that these technologies be able to participate immediately in the procurement tender process and be removed from the trail to enable other less deployed technologies to participate.
Question 5: Do you agree that the Measurability Trials should be technology neutral?	AES supports the position that measurability trials for the fast acting system services should be technology neutral and will include new technologies such as the BESA and existing conventional generators as these can be provided by new and existing technologies this will enable the most efficient combination of each to be procured.
Question 6: Do you agree with the proposed service provision volumes and proposed number of Service Providers to be included in the Provenability and Measurability Trials respectively?	Whilst AES agrees with the proposal for the total volume of service provision for POR and RM3 for the provenability tests, the limitation of 1 provider in each jurisdiction for each service for the measurability tests seem to be unnecessarily restrictive given the number of potential providers and limits placed on the min and max quantities per provider. The test could result in a single provider providing the minimum quantity (100KW) of service provision possible leading to a below optimum test. We agree that a Providing Unit should be eligible to participate in all three measurability trials if successful in the respective qualification trial processes.

Question 7: Do you agree with the minimum sizes of Providing Unit proposed for the Provenability trials?	AES supports the minimum values of 1MW proposed in the paper for wind and demand and also the lower value of 100KW adopted for other technologies however with reference to the comments provided above this could potentially limit the value of the testing process if only a single provider provides 100KW for assessment.
Question 8: Do you agree with the proposed evaluation criteria for the selection of participants to take part in the Provenability Trials?	The evaluation criteria for the selection of participants to take part in the provenability trial seem reasonable, however additional clarity is needed on the assessment of each part of the submission requirements and how they will be weighted in order to determine the selection of participants. It is not clear if a single proposal can be prepared for a whole suite of trials or whether these would have to be developed for each trial if a Service Provider were selected for more than one trial. AES has concerns at the proposed on tariffs given the significant reduction to these relative to the rates under the HAS contract. The original intent under DS3 was to shift value from POR, SOR and TOR1 towards the new 'fast' system services, but this has not been reflected in the published rates for the new fast services (and there are further performance scalars proposed). There will therefore be a significant revenue reduction for existing Service Providers compared to the contract they previously had in place until the new service products fully emerge. We propose that for the trial period Service Providers should be able to submit an uncapped offer, provided that they can demonstrate it is fair and reasonable.

Question 9: Do you agree with the proposed evaluation criteria for the selection of participants to take part in the Measurability Trials?	AES views the criteria proposed for the selection of participants to take part in the measurability trials as reasonable although would again mention the limitation to the trial process afforded by the grouping of a number of technologies under the "Other" category. Given that the trial period will only last 3 months and involve a single event the proposed payment seem appropriate.
Question 10: Given the stated aims of the Qualification Process, are there different criteria that would better achieve those outcomes than what is proposed here? If so, what are they and how will they work?	AES supports the proposal of no minimum or maximum size provision for the fast acting services and the option to demonstrate measurability in one event within the 3 month period. AES does not agree with the limitation to one provider in each jurisdiction and believes that this is unnecessarily limiting the options available to the TSO to ensure the adequate provision of fast acting services. AES Accepts the requirements for information on measurement, verification and proposed commercial terms. The fast acting services are open to new and existing technologies and historical performance could be used to establish a level of provision of each of these services that is available from existing conventional plant. Event recorders have the capability to provide accurate data for the sub 5 second response of units and enable agreed values of reliable service provision to be declared. Aside from the points raised in this consultation response we urge the TSOs to clarify the arrangements once technologies have successfully completed these trials and how they will be able to seamlessly transition into procurement tender processes for service contracts.