Electric Ireland Response:

DS3 System Services

Qualification Trial Process Consultation Paper

21st July 2016

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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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 Thursday, 21st July 2016.

1. GENERAL COMMENTS

Electric Ireland welcomes the opportunity to respond to the Consultation on DS3 System Services Qualification Trial Process. Electric Ireland generally views each of the DS3 consultations from the perspective of a standalone supplier and as a representative of the customer. We are keen to ensure that the system service framework being developed enables and promotes full and effective participation from the demand side.

We believe that, given the significant volumes of intermittent generation expected in the I-SEM, there is a significant role for the demand side to play to deliver system services to maintain the security of the system. From a consumer perspective we appreciate that an appropriate level of system services provision (in combination with the Capacity Remuneration Mechanism) is essential to ensure a resilient and secure system in order to maintain the loss of load expectation (LOLE) at the intended security level and avoid the costs of loss of supply to I&C and mass-market customers.

The DS3 System Services Qualification Trial will give an opportunity for providers to demonstrate the Provenability and Measurability of a number of technologies and services, and for these to progress on to the enduring arrangements following successful delivery of the trial. We recognise the benefit that the trials can offer to the system as a whole and the importance of including new technologies and services in DS3, where suitable.

The financial incentives suggested in the consultation are unlikely to be sufficient to encourage providers to participate in the trials at the required volumes. There appears to be limited benefits to participating in the trials and participants may not be willing to undertake the risks associated with the trials for a limited potential payback. The benefits of participating in the trials should be outlined for clarification. Consideration must be given to how the outcomes of the trials will be implemented in practice, should the technologies and/or measurement techniques prove successful.

2. RESPONSE TO QUESTIONS

Question 1: Do you agree that the Qualification Trial Process should focus on both "Provenability" and "Measurability"?

Focussing on "Provenability" and "Measurability" appears to be a suitable approach for the proposed Qualification Trial Process. There is currently uncertainty regarding the Provenability of a number of technologies and the measurability of some services. Alternative strategies and approaches for the Qualification Trial Process should not be ruled out.

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?

While it may appear to be resourceful to focus on a small number of System Services as representative of their respective system service category, this methodology may over simplify the process to an extent for some technologies. For example, DSUs may require different equipment on the customer side to provide SOR and TOR1 compared to POR. Additionally, the practicality of providing RM1 and RM8 may be different to RM3 for some DSUs.

Question 3: Do you agree that the Provenability Trials should focus on the Reserve and Ramping categories of System Services?

Electric Ireland agree that the Provenability Trials should focus on the Reserve and Ramping categories of System Services.

Question 4: Do you agree that the technology classes targeted in the Provenability Trials should be wind, demand side and 'other technologies'?

Wind, Demand Side and 'other technologies' appear to be suitable for the Provenability Trials. It is possible that there ay be some overlap between Demand Side and 'other technologies'. Some Demand Side Providers may incorporate technologies which may be covered under 'other technologies' e.g. batteries.

Question 5: Do you agree that the Measurability Trials should be technology neutral?

Providing Units should be assessed on their potential to provide a measurable solution, irrespective of technology type, on the condition that that the method of measurement is applicable to other technologies.

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?

A minimum volume should be specified for the Measurability Trials to enable potential providers to compete on an equal footing. There is a risk that limiting the Measurability Trials to one provider per jurisdiction may not cover a sufficient number of measurement techniques. Additionally, there may be a limited number of participants under the proposals, given the suggested financial incentives. If a participant fails, it means that the technology class could be delayed in entering.

The benefits and purpose of splitting the volumes on a jurisdictional basis are unclear given the proposed trial methodology. If splitting the volumes is a requirement, the volumes in each jurisdiction should be in proportion to the relative size of the systems.

Question 7: Do you agree with the minimum sizes of Providing Unit proposed for the Provenability trials?

The minimum sizes specified may limit participation, particularly from a demand side perspective. As a point of clarification, will aggregation be permitted in order to achieve the specified volumes?

Question 8: Do you agree with the proposed evaluation criteria for the selection of participants to take part in the Provenability Trials?

Electric Ireland are broadly in agreement with the proposals.

There may be a possibility that the required number of events may not be achievable in the proposed trial period duration. Once a provider has proven successful in the trial, it is important that they are able to seamlessly access the mainstream market, in order to avoid a disjoint between DSU providers and customers. Otherwise customers may be reluctant to participate.

Question 9: Do you agree with the proposed evaluation criteria for the selection of participants to take part in the Measurability Trials?

The criteria to be used for evaluating different measurement technologies should be outlined. If a suitable measurement method cannot be determined after the 3 month trial period, consideration should be given to subsequent Measurability Trials. There is a possibility that a given technology cannot be fully proven within the 3 month timeframe.

Question 10: Given the stated aims of the Qualification Trial 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?

The criteria and proposals should give an understanding into the capability of providers to deliver new services, including evidence of reliability and measurability in accordance with the stated purpose of the qualification trials. A rigorous selection process must be used to determine which potential providers will be selected to participate in the trial and the terms of the trial, in the form of a license, or similar.