

## **IWEA response to the I-SEM Capacity Requirement and De-Rating Factor Methodology**

**SEM-16-051**

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The Irish Wind Energy Association (IWEA) welcomes the opportunity to respond to this consultation on the I-SEM Capacity Requirement and De-Rating Factor Methodology. While we have significant concerns with the choice of Reliability Option and the ability of wind generation to participate, the focus of this response is on the proposed methodology for the calculation of the capacity requirement and de-rating factors. IWEA has the following comments:

### **Capacity Requirement**

- IWEA supports the approach to ensure that the provision of reserve is included in the capacity requirement calculation. In particular with the introduction of administered scarcity pricing it would seem appropriate that the reserve requirement is included in the capacity calculation.
- The largest single infeed used in the analysis was 444MW – should this value correspond to the largest import value on EWIC (when operational)?

### **De-Rating of Generators**

- While we acknowledge that the technology bands have been selected based on the type of technology in order to ensure a sufficient sample size for the statistics, we question whether it is appropriate to have such broad definitions. For example, the steam turbine technology category include oil, distillate, coal and peat unit types, and it may be more appropriate to have separate technology bands depending on the fuel source as well as the technology type. Similarly we would expect that there may be difference between pumped storage and other types of storage units when they are brought online.
- The proposals for de-rating of wind seem appropriate. We would like to take this opportunity to once again highlight the challenges for wind generation in participating in the reliability option due to the risk of not generating at times of high prices.

### **Interconnector Derating**

- Given the significant impact of an outage on the interconnector, and in light of the recent fault on EWIC, the methodology used needs to take this into account. While the consultation document outlines the limited data available due the extended outage of the Moyle Interconnector, and the need for a modified approach, it is essential that this modified

approach takes the reality of forced outages of interconnectors into account and recognises the material impact this is likely to have.

- IWEA has concerns that one single methodology has been selected rather than looking at a range of methodologies and selecting the most conservative. This is the approach used in other markets and we believe this is more appropriate.
- If the regulators deem that a range of methodologies aren't appropriate, then a range of scenarios should be assessed, again with the most conservative selected.
- We note that the data from GB is limited, and it needs to properly distinguish between in market and out of market units. It is unlikely that Ireland will have access to National Grid's quasi-strategic reserve without any cost implications.

IWEA welcomes the opportunity to respond to this consultation and remains available to discuss our response in more detail.