

Consultation Report

Revised Balancing Market Principles Statement

29 July 2024



Introduction

The objective of the BMPS and associated documents is to provide a clear and comprehensible description of the scheduling and dispatch process. This consultation report has been prepared for the Regulatory Authorities following consultation with industry on revisions to the Balancing Market Principles Statement (BMPS).

We published Version 1.0 of the BMPS in September 2017 following a consultation on the format, style and content of the document. Version 2.0 was published in April 2018 following a consultation on revisions which reflected further development of the revised SEM arrangements and relevant developments external to the I-SEM project. Version 3.0 was published in June 2019; Version 4.0 was published in October 2020. Version 5.0 was published in April 2021. Version 6 was published on the 29th of July 2022. Version 7 was published on the 27th of June 2023 following consultation on revisions.

On the 20th May 2024 we published, for consultation, Version 7.1 of the BMPS which included numerous proposed revisions.

The consultation closed on the 19th June 2024. We received representations from one respondent, ESB Generation and Trading.

This consultation report sets out a summary of the consultation representations we received. We have sought to address representations at an aggregated level in this document and, where appropriate, in the updated BMPS - Version 8.0. Please note the consultation submission received did not give rise to any additional changes being proposed to the BMPS as published for consultation.

The evolution of the BMPS is set out in the appendix below.

Scope of Revisions

As per Condition 10B and 22B of EirGrid and SONI's Transmission System Operator Licences respectively we are required to ensure that the BMPS is accurate and up to date, to propose revisions as necessary and to consult market participants on the changes. The more significant revisions in the document are tabulated below. Table 1 lists the revisions which were proposed in the consultation.

Section	Update / Reason for Update
Important Information	EirGrid Grid Code version updated to Version 13, 30th January 2024.
	SONI Grid Code version updated to Version 9, 09th December 2023.
	Trading and Settlement Code Part B updated to Version 28, 18th August 2023.
Terms and Definitions	Common Grid Model (CGM) added.
	Individual Grid Model (IGM) added.
	Regional Coordination Centres (RRC) definition added.
	Synchronous Condenser definition updated.
2 Obligations	Update to Figure 1: Obligations Framework.
2.1 Ensuring Operational Security	IGM and CGMs are an important aspect of operational and regional security in SOGL as a result a reference to these was inserted.
2.2 Maximizing Priority Dispatch	A Reference to SEM-22-009 was added to the latest SEM proposed decision papers.
2.3 Efficient Operation of the SEM	Paragraph on license obligations was moved from the end of the section to the start of the section.
3.1.1 Priority Dispatch	Sentence added: “This priority dispatch hierarchy is being updated to align with the delivery of the Scheduling and Dispatch Programme.”
3.1.2 Scheduling and Dispatch Policy Parameters	SEMC decision paper updated to latest version SEM-23-052a.
3.2.2 Unit Commercial Data	Sentences added on Future Arrangements for System Services (FASS).
3.3 Ex-Ante Market Interconnector Schedules	Update to sentence on the commitments made by the governments within the Trade and Cooperation Agreement.
3.4.2 Renewable Forecast	Sentences added on the impact of solar micro generation on demand profiles.
3.4.3 Constraints	Security of Supply was added to the Reserve (Frequency Limits) column in Figure 5: Illustration of Power System Constraints.
3.4.6 Prices and Volumes for Cross-Zonal Actions	Sentence added: “Further to decision paper SEM-24-025 the TSOs’ are enhancing transparency associated with NTC reductions by publishing sufficient detail that explains the basis for the setting down the NTC.”
3.4.7 Real-Time System Conditions	“Maximum and minimum MWh charge capacity of batteries” added and “real-time contingency analysis results” removed.
4 The Scheduling and Dispatch Process	Paragraph added introducing the Scheduling and Dispatch Programme.
4.2 Input Data Processing	Note added to explaining that the Scheduling and Dispatch Programme’ includes the improvement of the treatment of Synchronous condenser units in the central market systems.
4.4.4 Battery ESPS Units	Updates made to reflect the evolving interim battery solution. This section now highlights that ESPS units are providing a significant portion of our frequency containment reserve and energy over peak demand.

Section	Update / Reason for Update
4.6 Data to Pricing and Settlement Systems	<p>Two Paragraphs were substantially revised to now read: “Where System Operator flags and Net Imbalance Volume tags are not determined (e.g. when a dispatch instruction is received greater than 20 minutes late and misses the Imbalance Price calculation) the implication on Balancing Market Settlement is that the System Operator flags and Net Imbalance Volume tags are set to 1, as per TSC F.3.3.2(i) and (ii). This could result in the affected unit(s) being settled on Simple Commercial Offer Data.</p> <p>However, when System Operator flags and NIV tags are not available for all Imbalance Pricing Periods in an Imbalance Settlement Period and for all units (e.g., during planned or unplanned outages), the default logic is that units are settled on Complex Commercial Offer Data in that Imbalance Settlement Period. This logic was introduced with MOD_19_19 in November 2020.”</p>
5.1 Typical Operational Activity	“Storms (Amber/Orange and above as per the Met Éireann and UK Met Office classifications respectively)” was added to the Exception column in the table
5.2.1 Overview	TEG availability dates have been removed and have been addressed in the updated 5.2.2.1 Background section.
5.2.2.1 Background	The latest update from the CRU outlining the progress of the TEG programme has been added.
5.2.2.4 System Operation Treatment	Additional sentences added; “TEG units may be dispatched to confirm their availability and response times under operational testing. This is in line with the process for other thermal units that are not regularly dispatched via the balancing market.”
5.3 Audit	Link to the latest independent assurance report has been added.
Appendix 1 Obligations Framework	Sentences added; “As outlined in the section of the BMPS titled ‘Important Information’ on page 2, the legislation and other obligations listed in this Appendix 1 are subject to change from time to time. This Appendix 1 is intended as a guide and list of key obligations and should not be considered exhaustive.”
Appendix 1.1 Overview	Regulatory decisions row was updated to include “The position of RA decisions in the obligation hierarchy depends on the vires applicable to that decision. Key SEM Committee Decisions include the following:”
Appendix 1.2 Operational Security Obligations Framework	Regulatory decisions row removed from table as SEM-15-065

Table 1: Summary of proposed revisions in BMPS version 7.1.

After completion of the consultation process with industry SONI and EirGrid determined that it was not necessary to make any additional changes to those outlined in Table 1 above.

Industry Representations

This section summarises the representations we received during the consultation. Table 3 provides a summary of the representations received during the external BMPS consultation that are within the scope of the BMPS consultation. Table 3 also outlines the responses to the representation received.

Section / Topic	Summary of Representation(s) Received	TSO Response
Section 4.4.5 Battery ESPS Units	One respondent requested clarity on the reasoning for a specific type of reserve (Battery ESPS Units) being called out as units are currently providing a wide range of reserve services. They queried if this change means the TSOs are planning to use Battery ESPS Units mostly for the frequency containment reserve with a lower level of significance being assigned to other frequency system services?	The emergence of batteries has significantly changed the source of reserve and particularly the shorter duration reserve types. Frequency containment reserve is being called out by way of example. It should not be inferred from this text in the BMPS how the TSO's are planning to use batteries across all frequency related system services.
	One respondent requested clarity on the intention of the elaboration of the reasoning for dispatching battery ESPS units to follow their PN.	The intention of the additional text is to allow for further evolution of the current interim battery solution being used in the scheduling and dispatch process. The processes that will be put in place as part of the scheduling and dispatch programme will replace the current interim battery solution. The BMPS will be updated to reflect this after implementation of the scheduling and dispatch programme.
	One respondent queried if units will be compensated for dispatch down from their submitted PN the TSO constrains the state of charge within a tighter range to maintain the battery ESPS unit's high and low frequency response.	Existing balancing market settlement rules continue to apply. For example, if a battery has a discharging PN and the TSO seeks to hold additional charge the battery would be dispatched down and this Dec would be settled in accordance with the balancing market settlement rules.
Section 5.1 Typical Operational Activity	One respondent would like a clarification regarding the addition of Storms (Amber/Orange and above as per the Met Éireann and UK Met Office classifications respectively) into the Exceptions from the Typical Operational Activity.	<p>The purpose of the additional text was to provide clarification that lower severity warnings are not likely to impact on the scheduling process.</p> <p>Where the TSO's believe significant intervention is required during storms, such as the commitment of additional generation, the timing of this intervention is based on the notification times of the available generation.</p>

Table 2: Summary of representations received.

Publication of a Revised BMPS

As per Condition 10B and 22B of EirGrid and SONI's Transmission System Operator Licences respectively, if necessary, we will update the BMPS following the review of the Consultation Report by the Utility Regulator and the Commission for Regulation of Utilities.

The BMPS is hosted on both EirGrid and SONI websites, as well as the 'TSO Responsibilities' page of www.SEM-O.com. Alongside it are published operational processes and methodologies which provide more information on specific aspects of scheduling and dispatch. These process and methodology documents are subject to change without consultation.

Appendix: Development and Maintenance of the BMPS

During the I-SEM project the SEM Committee highlighted the need for transparency and predictability of TSO actions in the Balancing Market. The purpose of the BMPS is to provide clarity and certainty to market participants on the timing and nature of TSO actions and to describe how exceptional actions will be reported.

In its 2015 decision on the energy trading arrangements in I-SEM, the SEM Committee (SEMC) supported the development of a Balancing Market Principles Statement (BMPS) by the TSOs to ensure consistency, transparency and comprehensibility of TSO decision making in the Balancing Market. Following an initial consultation with the I-SEM market rules working group, the SEMC consulted publicly on the Terms of Reference for the BMPS before publishing the approved terms in October 2016.

In December 2016, both Regulatory Authorities consulted on modifications to SONI and EirGrid's TSO Licences to incorporate a requirement on both TSOs (in conjunction) to develop and maintain the BMPS in line with the Terms of Reference determined by the SEMC. The decision on the modifications was published in March 2017.

Document	Reference / Date
SEM Committee Decision on Energy Trading Arrangements, Detailed Design	SEM-15-065, 11 th September 2015
SEM Committee Decision on Balancing Market Principles Statement Terms of Reference	SEM-16-058, 7 th October 2016
Revised SONI Transmission System Operator Licence	Condition 22B, March 2017
Revised EirGrid Transmission System Operator Licence	Condition 10B, March 2017
BMPS First Consultation Version	7 th April 2017

Document	Reference / Date
BMPS First Consultation Responses	8th September 2017
BMPS First Approved Version 1.0	8th September 2017
BMPS Revised Version 1.1 for Consultation	6 th March 2018
BMPS Approved Version 2.0	11 th April 2018
BMPS Revised Version 2.1 for Consultation	10 th January 2019
BMPS Approved Version 3.0	14 th June 2019
BMPS Revised Version 3.1 for Consultation	23 rd July 2020
BMPS Approved Version 4.0	14 th October 2020
BMPS Revised Version 4.1 for Consultation	26 th February 2021
BMPS Approved Version 5.0	28 th April 2021
BMPS Revised Version 5.1 for Consultation	12 th April 2022
BMPS Approved Version 6.0	29 th July 2022
BMPS Revised Version 6.1 for Consultation	24 th April 2023
BMPS Approved Version 7.0	27 th June 2023
BMPS Revised Version 7.1 for Consultation	20 th of May 2024
BMPS Approved Version 8.0	29 th of July 2024

Table 3: Key milestones in the development and maintenance of the Balancing Market Principles Statement.

The obligations of Condition 22B and 10B of our licences requires us to ensure the BMPS is as accurate as possible. The BMPS will be reviewed on an ongoing basis and any revisions that are required will be consulted on with market participants. We must also engage with the Regulatory Authorities on proposed revisions to the BMPS and submit to them the revised version before publication.