

01 23 Remuneration of Commissioning Units - Industry Call Minutes

EPUKI presented their view on the Start Date and End Date for the modification.

One participant noted that there may be differences in the Operational Certificates applicable in Ireland and Northern Ireland and that this should be reflected in the mod. EPUKI agreed with this point.

One participant asked EPUKI to expand on the difference between Substantial Completion and Receipt of Operational Certificate. EPUKI clarified that the Operational Cert related to the completion of testing and linking this milestone to the end date would ensure that the modification affects only the period which is intended.

EPUKI presented their updated position on recoverable costs, ensuring there would be no gain.

One participant welcomed the fact that the modification would ensure no ability for participants to gain.

One participant requested that clarity is sought from the MMU on how risk adders would be treated and whether they would be appropriate for inclusion while a unit is commissioning. Additionally, it would be necessary to guarantee units could adjust their risk adders after commissioning.

One participant expressed concerns around Start Up costs being covered through this modification. They noted that one unit starting up several times within a day it would have an impact on imperfections.

A participant queried whether Units commissioning would submit Simple as well as Complex Offer Data. EPUKI stated it was not envisioned that this was the case but would confirm with SEMO.

EPUKI presented slides on the compatibility of the modification with the current registration and their views on impact on BM.

SEMO expressed a view that the proposed modification would result in less transparency in regard to the impact on the BM, as the commissioning unit will not have system data. Currently it is known what PNs a unit would submit, this would not be the case where a unit is submitting zero PNs.

EPUKI explained that currently units spill into the BM and noted that transparency could be aided by providing REMIT notifications outlining test profile. SEMO stated that while units currently spill into the BM, this is accepted as something which may happen rather than part of the standard procedure.

The RAs queried whether this modification would remove any incentive for units to complete commissioning as quickly as possible. EPUKI explained that this was not the case. EPUKI agreed to discuss further with the RAs prior to the next mods meeting.

The TSO explained that currently the control room has vision of what is scheduled to come on and that commissioning units submitting zero PNs could potentially complicate this. EPUKI responded that the majority of the commissioning period is grid testing which the SOs ask for and would know exactly what profile to expect.

UR stated that while they wanted to ensure new plants could deliver in NI, other industry participants who have commissioned might have views on cost recovery. EPUKI responded that while the nature of some units (i.e., thermal generator and battery) are fundamentally very

different, it was envisioned for this modification to be applicable to all technologies and the mod has been drafted as such.

SEMO stated that they did not think this modification supported faster completion of commissioning.

One participant stated that they were not clear what the current process for commissioning was for large thermal units and that this should be clarified with SEMO ahead of the April Mods Committee. EPUKI agreed that they will seek clarity on this point.

One participant stated that they would like to clarify whether testing charges apply under the current SEM regime. These charges may be able to offset impact on imperfections. SEMO stated that only within-day testing charges have been removed and that other charges will still remain.

Another SEMO member stated that in some instances, for example with wind it would be beneficial to stay commissioning for a longer time. EPUKI stated that they understood the System Operator largely dictated how and for how long a unit will test. Additionally, instances where it would be more beneficial to remain commissioning rather than deliver to participate in the market and receive capacity payments would be extremely rare.

SEMO stated that they were currently struggling with the implementation of the RAs direction as a result of 02_22 and that IT and human limitations would be difficult to overcome on this mod. EPUKI acknowledged this point and welcomed discussions on these limitations and potential solutions for same.

EPUKI explained that the modification would not apply to units Under Test as those units have already passed their Effective Date and received an Operational Certificate.

A participant questioned whether these costs could have been included in a unit's capacity bid. Additionally, they welcomed the overall purpose of the modification which was to ensure that the same generators shouldn't have different outcomes. They also stated that on this basis they believe that modification 02_22 should have been implemented as well.

EPUKI did not disagree on 02_22 but reiterated that this was a separate modification and a decision on 02_22 had already been made.

SEMO stated that two generators receiving very different outcomes for the same provision would be an example of the market working as intended based on the impact of the system. EPUKI stated that if you want units to come online as soon as possible you would not settle them differently. SEMO stated that if a period was high-wind units might consider delaying their testing, but EPUKI responded that this was not possible as you are required to carry out Grid Code testing.

EPUKI addressed the fact that it was not possible to include these costs in capacity bids. Additionally, these costs are for the provision of energy to the market, which is a separate service to capacity. Finally, as units commissioning are currently given BM price, it is already an accepted principle that they will be paid for generation to the market.

EPUKI presented the impact on imperfections and dampening effect on DAM/BM. It was noted by EPUKI that the analysis presented in the accompanying slides was incorrect. The actual impact of this modification on imperfections for a 320MW would have been approximately €6m based on 2022 data. It was noted by Participants that this was partly a result of unusually high prices in 2022 and that the impact in a normal year would have been closer to €1.5m.

One participant noted that the period in question was one of extraordinary high prices and that in normal circumstances the impact would be reduced.

Participants queried whether Start Up costs were included in the analysis, whether SO reserve requirements were included, and questioned the certainty that DAM/BM prices would be dampened. One participant noted that Suppliers are responsible for paying imperfections and that this is more pressing than potential price dampening in markets.

EPUKI presented their comparison on units Under Test and units commissioning, as well as the enduring impact of this modification after the current batch of thermal projects.

A participant queried whether consumers would be paying twice for this energy as it could be included in capacity bids and then export further after completion. EPUKI explained that the costs covered by this modification are reflective of power supplied to the grid while testing takes place, rather than costs to cover testing. The consumer already pays for this energy provision under the current arrangements and that this modification only looks at how remuneration is calculated.

EPUKI clarified that some commissioning would be included in a capacity bid and thus not recoverable, specifically commissioning which takes place before export to the grid. This modification would only cover costs in providing power to the grid. Technically the majority of this would be Grid Code testing, but it has been called Commissioning in the mod for simplicity sake.