

MODIFICATION PROPOSAL FORM			
Proposer (Company)	Date of receipt (assigned by Secretariat)	Type of Proposal (delete as appropriate)	Modification Proposal ID (assigned by Secretariat)
Bord Gáis Energy	14 <sup>th</sup> April 2021	Standard	Mod_08_21
Contact Details for Modification Proposal Originator			
Name	Telephone number	Email address	
Ian Mullins		imullins@bordgais.ie	
Modification Proposal Title			
Removing the 10MW limit for some Demand Sites to enable Demand Sites that include, or are, an individual Battery Storage Unit >10MW to participate as part of a Demand Side Unit (DSU).			
Documents affected (delete as appropriate)	Section(s) Affected	Version number of T&SC or AP used in Drafting	
T&SC Part B	B.9.5.2 and B.9.5.3	Version 23	
Explanation of Proposed Change (mandatory by originator)			
<p>Current Battery Storage Units ≤10MW can participate as part of a DSU but there is significant value to small and larger consumers and System Operators (in terms of managing balancing responsibility, providing system services and encouraging consumers' participation in aggregation for example) in facilitating the participation of Battery Storage Units &gt;10MW within a DSU. Changes are needed to the limits put on the contribution of Demand Sites to DSUs so that Demand Sites that include, or are, an individual Battery Storage Unit &gt;10MW can participate in DSUs. The non-discriminatory involvement of all participants from the residential level through to large energy users that offer demand response in the electricity markets is encouraged in the EU Clean Energy Package. We see the existing 10MW limit on the contribution that Demand Sites can make to DSUs as a barrier to market participation of Demand Sites that include, or are, an individual Battery Storage Unit &gt;10MW. The 10MW limit is a discriminatory barrier to facilitating optimum levels of demand side participation in the SEM, contrary to the aims of the EU Clean Energy Package.</p>			
Legal Drafting Change (Clearly show proposed code change using <b>tracked</b> changes, if proposer fails to identify changes, please indicate best estimate of potential changes)			
<ul style="list-style-type: none"> <li> <b>B.9.5.2</b> Subject to the terms of the Grid Code, a single Demand Side Unit may be associated with a number of Demand Sites provided that those Demand Sites are within the same Currency Zone and that each Demand Site, <b>except for each Demand Site that includes, or is, an individual Battery Storage Unit</b>, contributes no greater than 10MW to the Demand Side Unit MW Capacity. The combined Demand Side Unit shall for all purposes under the Code be treated as a single Demand Side Unit. </li> <li> <b>B.9.5.3</b> Any Demand Site associated with a Demand Side Unit must meet and continue to meet all of the following criteria: <ol style="list-style-type: none"> <li>the Demand Site shall house a final customer or consumer;</li> <li>the Demand Site shall have the technical and operational capability to deliver Demand Reduction in response to Dispatch Instructions from the relevant System Operator in accordance with the relevant Grid Code or Distribution Code;</li> <li>the Demand Site shall have appropriate equipment to permit real-time monitoring of delivery by the relevant System Operator; and</li> <li>the Demand Site shall have a Maximum Import Capacity and, <b>except for each Demand Site that includes, or is, an individual Battery Storage Unit</b>, shall not have a Maximum Export Capacity greater than the De Minimis Threshold.</li> </ol> </li> </ul>			

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**Modification Proposal Justification**  
*(Clearly state the reason for the Modification)*

The unique operational characteristics of Battery Storage Units enhance the system services offering within a DSU to the benefit of System Operators and customers alike. A Battery Storage Unit in combination with other sources of demand reduction can:

- offer more efficient and effective services for system stability than Demand Sites on their own,
- allow for the optimal activation of constituent sites,
- help facilitate the provision of symmetric frequency regulation,
- offer real-time controllability by aggregator to action the respective Demand Sites that make up the DSU,
- offer greater benefits to the consumer in terms of for example lower imbalance charges given the inherent balancing protection provided by the Battery Storage Unit,
- foster the aims of the EU Clean Energy Package in (i) the participation of demand response through aggregation and (ii) the non-discriminatory treatment of market participants engaged in the aggregation of demand response.

The current application within the T&SC of a 10MW limit on the contribution Demand Sites can make to DSUs hampers the inclusion of Demand Sites that include, or are, an individual Battery Storage Unit >10MW within DSUs. We believe this is a discriminatory barrier against facilitating optimum levels of demand side participation in the SEM by Battery Storage Units >10MW and may be contrary to the aims of the EU Clean Energy Package to encourage demand side participation including down to residential level. The exclusion of Demand Sites that include, or are, an individual Battery Storage Unit >10MW within DSUs could also fail to support the national target of 70% renewables on the electricity system by 2030 and the delivery of the decarbonisation agenda given the support Battery Storage Units can provide to both targets.

**Code Objectives Furthered**  
*(State the Code Objectives the Proposal furthers, see Section 1.3 of Part A and/or Section A.2.1.4 of Part B of the T&SC for Code Objectives)*

This modification aims to better deliver the following T&SC Objectives under T&SC A.2.1.4:

Code Objective	Justification for proposed modification
(b) to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner;	<ul style="list-style-type: none"> <li>• Limiting the contribution of Demand Sites that include, or are, individual Battery Storage Units to a DSU to 10MW inhibits the development of Battery Storage Units and DSUs within SEM and undermines the aims of the EU Clean Energy Package for the participation of demand response through aggregation and the non-discriminatory treatment of market participants engaged in the aggregation of demand response. Battery Storage Units Demand Sites can also bring greater benefits to consumers in lowering Imbalance charges by providing inherent balancing protection. The units can also facilitate enhanced and efficient operation of SEM through its potential offering of system services.</li> </ul>
(c) to facilitate the participation of electricity undertakings engaged in the generation, supply or sale of electricity in the trading arrangements under the Single Electricity Market;	<ul style="list-style-type: none"> <li>• Battery Storage Units' participation would be enhanced if they could also participate in DSUs as a Demand Site that includes, or is, an individual Battery Storage Unit &gt;10MW</li> </ul>
(d) to promote competition in the	<ul style="list-style-type: none"> <li>• Inhibiting the participation of Battery Storage Units</li> </ul>

Single Electricity Market;	within DSUs can dampen the development of Battery Storage Units whose storage capability is instrumental in facilitating the achievement of 70% by 2030 renewables in electricity target. It also undermines competition from this technology and unit type in the SEM markets particularly in system services provision and could undermine development of competition in residential demand side aggregation also.
(f) to ensure no undue discrimination between persons who are parties to the Code;	<ul style="list-style-type: none"> <li>Limiting the size of Demand Sites that include, or are, individual Battery Storage Units behind DSUs to 10MW can discriminate against the potential competitiveness of demand side response in the SEM and limit the participation of parties to the Code in demand side aggregation.</li> </ul>
(g) to promote the short-term and long-term interests of consumers of electricity on the island of Ireland with respect to price, quality, reliability, and security of supply of electricity.	<ul style="list-style-type: none"> <li>The cost to consumers of participating in aggregation via a DSU that contains a battery &gt;10MW should be minimised given the additional protection for example from imbalance cost that a battery &gt;10MW can offer as part of a DSU.</li> </ul>

**Implication of not implementing the Modification Proposal**  
(State the possible outcomes should the Modification Proposal not be implemented)

Maintaining a 10MW limit on the contribution of Demand Sites that prohibits Demand Sites that include, or are, an individual Battery Storage Unit participating in a DSU discriminates against battery technology participation in the SEM as it hampers the use of DSUs as a route to market by Battery Storage Units over the current 10MW limit. It also undermines the potential development of demand side response on a residential and larger scale.

Should this Modification Proposal not proceed, then there is a risk that there will also be an impact to the target of 70% renewables on the electricity system by 2030 and the delivery of the decarbonisation agenda given the support Battery Storage Units can provide to both targets. Facilitation of Battery Storage Unit roll-out should also have the positive benefit of lowering consumer costs, e.g. better management of imbalance exposure as part of a DSU. Not implementing this modification will also be a missed opportunity to incentivise consumers (large, medium, small) and residential to participate in aggregation overtime given the added protection for example of imbalance exposure a Battery Storage Unit as part of a DSU can offer. These potential benefits may not be as easily realised if this proposed modification is not progressed.

A final impact, if this Modification Proposal is not implemented, is a missed opportunity by the SEM to foster non-discriminatory treatment of market participants engaged in the aggregation of demand response which is in line with the aims of the Clean Energy Package. Permitting Battery Storage Units ≤10MW, but not permitting Battery Storage Units >10MW to participate as part of a DSU is discriminatory in our view.

<b>Working Group</b> (State if Working Group considered necessary to develop proposal)	<b>Impacts</b> (Indicate the impacts on systems, resources, processes and/or procedures; also indicate impacts on any other Market Code such as Capacity Market Code, Grid Code, Exchange Rules etc.)
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N/A	
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Please return this form to Secretariat by email to [balancingmodifications@sem-o.com](mailto:balancingmodifications@sem-o.com)

### Notes on completing Modification Proposal Form:

1. If a person submits a Modification Proposal on behalf of another person, that person who proposes the material of the change should be identified on the Modification Proposal Form as the Modification Proposal Originator.
2. Any person raising a Modification Proposal shall ensure that their proposal is clear and substantiated with the appropriate detail including the way in which it furthers the Code Objectives to enable it to be fully considered by the Modifications Committee.
3. Each Modification Proposal will include a draft text of the proposed Modification to the Code unless, if raising a Provisional Modification Proposal whereby legal drafting text is not imperative.
4. For the purposes of this Modification Proposal Form, the following terms shall have the following meanings:

Agreed Procedure(s):	means the detailed procedures to be followed by Parties in performing their obligations and functions under the Code as listed in either Part A or Part B Appendix D "List of Agreed Procedures". The Proposer will need to specify whether the Agreed Procedure to modify refers to Part A, Part B or both.
T&SC / Code:	means the Trading and Settlement Code for the Single Electricity Market. The Proposer will also need to specify whether all Part A, Part B, Part C of the Code or a subset of these, are affected by the proposed Modification;
Modification Proposal:	means the proposal to modify the Code as set out in the attached form
Derivative Work:	means any text or work which incorporates or contains all or part of the Modification Proposal or any adaptation, abridgement, expansion or other modification of the Modification Proposal

The terms "Market Operator", "Modifications Committee" and "Regulatory Authorities" shall have the meanings assigned to those terms in the Code.

In consideration for the right to submit, and have the Modification Proposal assessed in accordance with the terms of Section 2 of Part A or Chapter B of Part B of the Code (and Part A Agreed Procedure 12 or Part B Agreed Procedure 12) , which I have read and understand, I agree as follows:

1. I hereby grant a worldwide, perpetual, royalty-free, non-exclusive licence:
  - 1.1 to the Market Operator and the Regulatory Authorities to publish and/or distribute the Modification Proposal for free and unrestricted access;
  - 1.2 to the Regulatory Authorities, the Modifications Committee and each member of the Modifications Committee to amend, adapt, combine, abridge, expand or otherwise modify the Modification Proposal at their sole discretion for the purpose of developing the Modification Proposal in accordance with the Code;
  - 1.3 to the Market Operator and the Regulatory Authorities to incorporate the Modification Proposal into the Code;
  - 1.4 to all Parties to the Code and the Regulatory Authorities to use, reproduce and distribute the Modification Proposal, whether as part of the Code or otherwise, for any purpose arising out of or in connection with the Code.
2. The licences set out in clause 1 shall equally apply to any Derivative Works.
3. I hereby waive in favour of the Parties to the Code and the Regulatory Authorities any and all moral rights I may have arising out of or in connection with the Modification Proposal or any Derivative Works.
4. I hereby warrant that, except where expressly indicated otherwise, I am the owner of the copyright and any other intellectual property and proprietary rights in the Modification Proposal and, where not the owner, I have the requisite permissions to grant the rights set out in this form.
5. I hereby acknowledge that the Modification Proposal may be rejected by the Modifications Committee and/or the Regulatory Authorities and that there is no guarantee that my Modification Proposal will be incorporated into the Code.