

Process for the Treatment of Grid Code Derogation Applications Information

Version 1.0

Date: 9 August 2010

Revision History:

Version	Date	Changes / Content
Version 0.1	May 2010	Proposal from CER to the GCRP to discuss the treatment of derogation applications
Version 1.0	9 th August 2010	Removal of the term draft

Background

The Commission and EirGrid are dealing with an upsurge in applications for derogations to the grid code and it is therefore taking additional time to complete the derogations application assessment process (from the date of application to the Commission's decision on the derogation application). This has led to a backlog of those applications for which a decision has not yet been issued by the Commission. This can lead to an increase in the time-lag between the date of application and the date of granting of derogations.

In relation to this, the subject of retrospection with regard to the granting of derogation applications by the Commission as related to Ancillary Services Generator Performance Incentives (GPIs)¹ was raised at the Grid Code Review Panel meeting on 27th January 2010 requesting that the Commission consider the following:

".. that retrospection on the RA decision should be applied to the date of submission of Grid Code derogations and any GPIs charged should be refunded from the date of submission if the derogation is approved by the CER."

¹ Generator Performance Incentives (GPIs) were introduced in the "Harmonised Ancillary Service Rates and Other System Charges" arrangements which came into operation from 1st February 2010. Refer to [SEM-10-001](#).

Treatment of Derogations up to the date of this Process

For all existing outstanding derogation applications² received up to 20th May 2010 and for which a decision has not yet been made, the derogation - if granted - will be backdated to the date of receipt of the derogation application.

Applicability

The process set out in this document is most pertinent to derogation applications which impact on GPs. Nevertheless, this process will apply to all new derogation applications (including derogations for extension of the validity period of the derogation) received on or after 20th May 2010.

Treatment of Derogations from the date of this Process

The Commission, having discussed the proposals with EirGrid and sought feedback from the Grid Code Review Panel, will apply the following conditions³ in the processing and granting of derogation applications received after 20th May 2010 (references to applications for derogations in this process document includes applications for the extension of the validity period of existing time-limited derogations):

- a. Where a derogation application is formally applied-for to EirGrid (and/or the Commission) on the prescribed form (available on EirGrid's [Grid Code web pages](#)) with the information set out as prescribed in the Grid Code; and,
- b. the application explicitly includes the level to which the derogation is sought; and,
- c. EirGrid has assessed the application and submitted a recommendation of whether a derogation should or should not be granted and of the level to which the derogation should be granted and the basis and terms for their recommendation; and,
- d. applications for extensions to the validity periods of time-limited derogations are received by EirGrid or the Commission before the existing temporary derogation has expired. If not, a new application must be submitted as the prior derogation has expired; and,
- e. the applicant has demonstrated (via evidence/plans/interim test results/purchase orders/ etc.) its best effort with regard to complying with the Grid Code and meeting the conditions or fulfilling the deliverables as required by the Commission in granting the derogation; and,
- f. the grounds for a derogation, as set out in the application form, are judged to be valid; and,
- g. The requested date of extension (where applicable) of the derogation is reasonable and evidence is provided to support the extension; and,
- h. where it is subsequently granted by the Commission;

then:

- derogations, if granted, will be granted for a specific validity period with a specific end-date;

² This does not negate EirGrid's authority or the Commission's authority to request the fulfilment of any of the conditions listed in the section entitled "Treatment of Derogations from the date of this Process". Any such request will be at the discretion of EirGrid and/or the Commission.

³ These pre-conditions do not void or negate in any way the obligations of users of the grid to comply with the Grid Code.

- the period of validity of temporary derogations shall start on the later of the following dates:
 - The date on which the complete information was received by EirGrid to their satisfaction;
 - The starting-date of the derogation as recorded on the formal application form;
- Once granted by the Commission, the derogated level, as specified in the Commission's approval of the derogation, will apply for the period of validity of the derogation (as above) rather than on the date of granting of the derogation by the Commission.