

APPROVED

MINUTES OF THE JOINT GRID CODE REVIEW PANEL MEETING

Held at the Grand Canal Hotel, Dublin

On 13th October 2011 at 10:30

Present:

| Members/Alternates | Representing | |
|--|--------------------------------------|------------------------------|
| Dick Lewis | SONI | Chairman |
| Jon O'Sullivan | EirGrid | Chairman |
| Tom McCartan | SONI | (Alternative for Alex Baird) |
| Brendan Woods | SONI | As an observer for SONI |
| Karen Creighton | SONI | As an observer for SONI |
| Arlene Chawke | EirGrid | |
| Alan Darbey | EirGrid | |
| Ciara Corby | EirGrid | |
| Alan Rogers | EirGrid | |
| Niamh Delaney | SEMO | |
| Liam Ryan | SEMO | |
| Joe O'Connor | ESB Electric Ireland | |
| David Macartney | NIE Energy PPB | |
| Denis McBride | AES Ballylumford | Generator |
| Ian Luney | AES Kilroot | Generator |
| Brian Mongan | AES Kilroot | |
| Joe Duddy (as alternate for Cathal Martin) | RES | Generator |
| Mick McGuckin | Mutual Energy (Moyle Interconnector) | Interconnector |
| Martin Ahern | Shannon LNG | |
| Robert O'Rourke | CER | Regulator |
| Peter Gillespie | BNM | |
| Salim Temtem | EirGrid | |

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| Jane McArdle | SSER | |
| Ronan O’Hogartaigh | DSO ESB Networks | |
| Gary Thompson | Bord Gais Energy | |
| Grainne O’Shea | ESB Power Generation | |
| Joe Craig | NIAUR | Regulator |
| Ewan Powrie | Secretary of the SONI GCRP | |

1. Introduction to JGCRP meeting

- Jon O’Sullivan, acting as Chairman of the JGCRP meeting, welcomed Panel Members to the meeting and provided an overview of the agenda.

2. Minutes and Actions from JGCRP held on 23rd February 2011

- The Chairman asked if there were any queries or comments about the minutes of the previous meeting held on 23rd February 2011 in Belfast. No comments were raised, and as such the minutes of the previous meeting were approved by the Panel.

3. Proposed changes to SDCs – Demand Side Units

- The Chairman explained that the bulk of changes under this item appear in the ROI Grid Code. Dick Lewis informed the Panel that modifications had also been drafted and tabled at the NI GCRP, as although initially it was thought no changes may be necessary in NI, this has now changed. These changes would be discussed at the NI GCRP today and then submitted to the regulator, and the point was made that due to the different consultation regimes in ROI and NI, the length of time it takes to get approval for Grid Code changes is very different (it is much longer in NI).
- The issue of the disconnection between the definitions used in NI and ROI was also raised, although it was noted that there were no practical implications of the change due to the fact that there are no capable plant in NI.
- The Chairman raised the question of whether the two Grid Codes actually need to be synchronised; the Panel expressed a general opinion that such synchronisation was necessary. Dick Lewis confirmed that SONI may be able to expedite the necessary changes by the end of November, with any changes to the TSC to be made in December (although the two week consultation period for the TSC was noted).
- The Panel agreed that provided that each GCRP separately approves the proposed changes, then the joint sections of the changes would be approved by the JGCRP.

4. Intraday Trading

- Niamh Delaney (SEMO) gave a presentation to the Group regarding the history and recent developments of the Intraday Trading proposal, which has been in development for over a year.

- Niamh Delaney explained the background to the Intraday Trading proposals. EU Regulation 2003/1228 provides that all Member States must have intra-day trading mechanisms in place on their borders by 1 January 2008. On 28 June 2010, Ireland and the UK received Reasoned Opinions from the European Commission in relation to provisions of Regulation 1228/2003 (the Regulation).
- One of the specific issues raised by the European Commission relates to the inability for market participants to take part in intraday trade after the issuing of the indicated or actual day-ahead production schedules, as well as the apparent lack of coordination of congestion management procedures. The SEM decided that a Modification to the Trading and Settlement Code (TSC) to facilitate intra-day trading in the SEM should be developed and submitted to the SEM Committee by the end of 2010. On 16 March 2010 the Regulatory Authorities submitted 'Modification 18_10 Intra-Day Trading' to the Modifications Committee. The Modification was subsequently developed through the course of seven working group meetings with market participants. The Modifications Committee approved the high level design of the Modification on 25 November 2010.
- Niamh Delaney explained that there is currently no capability to reallocate unused capacity in accordance with the EU rules, and proceeded to outline the key elements of the Intraday Trading proposal. It was explained that at the moment there is only one ex-ante 'run'; this needs to be expanded to include two more 'runs' (so that in total there would be two ex-ante runs, and one 'within day' run). The need for a large amount of legal drafting changes to the TSC was noted.
- The Chairman emphasised that a working group should be established to deal with potential amendments to the Grid Code in a timely manner. Dick Lewis raised the point that the impact on the Grid Code goes beyond amending the definitions of 'gate closure' to 'gate window closure'.
- **ACTION: EirGrid and SONI to submit a proposal for a joint working group, and Panel members should send nominations for the working group to the appropriate TSO.**
- The Chairman asked when the appropriate time for changes to the Grid Code to be made is, and Dick Lewis raised the point that any amendments would require a consultation process in Northern Ireland, and that SEMO and the JGCRP should be aware of the timing issues this presents.
- **ACTION: EirGrid and SONI to develop an internal program to discuss and deal with this matter.**
- Drafts of the proposed amendments to SDC1 and SDC2 will be finished by January 2012 and an update will be provided at the next JGCRP. This will also provide an opportunity to develop the necessary interactions with the gas network, as the Panel was made aware of the interaction issues in NI with the gas transportation codes.

5. Performance Monitoring and Grid Code testing, including Wind Farm settings

- A discussion of this topic was included in the discussion on DS3 Strategy (item 6 below).

6. DS3 Strategy

- The Chairman gave a presentation regarding measures being taken to deal with the increasing levels of wind generation in the Island by EirGrid and SONI. A three year program has been developed in order to address this issue, and the Chairman emphasised that the system must be developed with the full engagement of the industry.
- Ireland's target of 37% of electricity to be produced from wind and a similar policy goal in Northern Ireland is the highest in the EU, and as a synchronous system on its own, is a notable achievement, it poses fundamental challenges to the existing power system. The Chairman proceeded to explain the various thresholds within which wind power may present an issue for system integrity.
- The DS3 programme has been developed to deal with these issues, and the Chairman proceeded to give an overview of the programme and its major elements. It was explained that in order to deliver a secure and sustainable electricity system, a combination of inputs into the areas of system performance, system policies, system tools and communications was needed, and certain elements of each of these inputs were explained to the Panel:
 - System performance: performance monitoring; Grid Code standards; commercial incentives
 - System policies: system security; voltage control; RoCoF relays
 - System tools: wind dispatch; control centre capabilities/controllability; studies/model development
 - Communications: industry forums; RAs/DSO engagement; Advisory Council
- Two major elements are the Frequency Control and the Voltage Control Plans. The Chairman provided a summary of these items for the Panel and emphasised the need to establish several workstreams to cover off all the issues.
- The point was made that a lot of the work involved is internal work for the TSOs, but that there will also be full engagement with industry and regulators. An Advisory Council is being established to guide the process, and currently 14 people have accepted a position on the Council (28 people have so far been invited to join); a minimum of three meetings will be held each year. A representative from the Spanish TSO has taken on the role of an independent observer.
- David Macartney asked a question regarding whether network investment was being actively considered, and whether there are any issues around voltage control. The Chairman responded that engagement with the DSO is required, and that the intention is to utilise reactive capability rather than simply not permitting it for wind farms. Discussions are ongoing on this issue, and are proceeding well.
- Ronan O'Hogartaigh raised the importance of the DSOs engaging fully with the TSOs, and asked whether there were any mechanisms contemplated that dealt with ROCOF. In response the importance of the maintenance of system security and stability was emphasised, with an emphasis on engagement between the DNOs and the TSOs to achieve this. It was also stated that the System Services Review will address

any issues that arise with Ancillary Services, although the details of how this will be done are still in development.

- The Chairman confirmed that an update on the DS3 Strategy will be a standing item for future meetings of the JGCRP.
- **ACTION: Include DS3 Strategy as a standing item for future JGCRP meetings.**

7. Update from regulators on MPID 207 (Dwell Times and Dwell Time Trigger Points for Generators when Ramping Up or Ramping Down)

- The Panel was informed that the recent amendments to the Dwell Time provisions in the Grid Code had been approved by the regulator in ROI, and that approval in Northern Ireland was expected to be confirmed within the next few days.

8. An update from the TSOs on Europe

- The Chairman reported back to the Panel on the recent forum meeting in Dundalk, and noted that a draft of the 'Common Arrangements for Congestion Management' document has been issued. ENTSO-E is currently drafting the EU Codes governing this issue, with support from ACER.
- The Chairman informed the Panel that the Framework Grid Code regarding Balancing will not be finalised until Q1 or Q2 2012, after which point ENTSO-E has one year to draft the final document.
- A draft of the pilot Grid Code for Network Conditions is almost finalised, and ENTSO-E are progressing relatively quickly with this draft in order to issue a consultation in a timely manner.
- Dick Lewis informed the Panel that other workshops have been taking place to deal with EU issues and Grid Code issues, and asked the Panel whether it felt these were a useful resource. The Panel expressed a general approval of these forums but the issue was cause for discussion. The Chairman agreed to circulate a timetable of EU Code development to the Panel.
- The issue of a proposed Directive which would require that all new thermal electricity plant of 20MW or over to be CHP plant was raised, and the fact that this plant would have to be priority dispatch according to the proposals was raised as a risk to existing generators.
- As a general comment it was agreed that the TSOs would bring any issues to the attention of the GCRPs and JGCRP, but the limited scope of these meetings was brought to the Panel's attention.
- **ACTION: Circulate a timetable of EU Code development to the Panel.**
- **ACTION ON ALL: Bring any issues to the attention of the GCRPs and JGCRP**

9. Any Other Business

- Dates for the next meetings of the JGCRP were put to the Panel as follows:
 - Thursday 23rd February 2012 (Belfast)

- Thursday 24th May 2012 (Dublin)
- Thursday 27th September 2012 (Belfast)
- Thursday 29th November (Dublin)

Approved