



EirGrid welcomes the SEM Committee consultation paper *Harmonised Ancillary Service Arrangements and the Bidding Code of Practice*. EirGrid holds licences as independent electricity Transmission System Operator (TSO) and Market Operator (MO) in the wholesale trading system in Ireland, and is the owner of the System Operator Northern Ireland (SONI Ltd), the licensed TSO and MO in Northern Ireland.

EirGrid supports the policy objectives of the consultation paper which are outlined in section 4. The Harmonised Ancillary Service (HAS) Arrangements were introduced by the TSOs and Regulatory Authorities (RAs) to:

- § Remove any potential distortion caused by differing payment rates and mechanisms;
- § Create a common methodology for the provision of services that will apply on an All-Island basis;
- § Promote more competitive provision of AS;
- § Encourage more efficient utilisation of these services by the TSOs; and,
- § Ensure that the services are procured and utilised on an efficient, non-discriminatory All-Island basis.

EirGrid feels that the benefit of these new arrangements for AS should be passed on properly to customers and that customers should not pay twice for any AS element. As outlined in the SEM paper this would be consistent with Option 1 however as the paper also notes whether to apply an option other than 1 would result in significant distortion, such as to outweigh the potential complexity and increase in costs, which is for the SEM Committee to determine. It is imperative that whichever Option is chosen it must be clear for Generators in formulating their bids and also for the MMU to monitor.