

# **SINGLE ELECTRICITY MARKET COMMITTEE**

## **RoCoF Incentive Mechanism SEM Committee Decision**

**SEM-16-027**

**31 May 2016**

## 1 Rate of Change of Frequency Incentive Mechanism

In the second quarter of 2014, the Commission for Energy Regulation (CER) (CER/14/081) and Utility Regulator (UR) ([Utility Regulator Decision Paper](#)) respectively decided in principle to introduce a Rate-of-Change-of-Frequency (RoCoF) Grid Code standard of 1 Hz/s for Ireland and Northern Ireland (calculated over 500 ms). This new standard is required to facilitate the increased penetration of renewables on the system and is a key part of the DS3 Programme. In this decision the RAs decided a remuneration mechanism would be introduced to incentivise early compliance with the new RoCoF standard. This incentive mechanism complements the GPI mechanism which applies to late delivery of generator studies.

This incentive mechanism aims to incentivise early compliance with the new RoCoF standard and will be in place over the period of the RoCoF implementation. EirGrid and SONI (the TSOs) published for consultation their proposals for the RoCoF Incentive Mechanism and the implementation of the GPI on 22<sup>nd</sup> December 2015. Following a review of the comments received the TSOs submitted a Recommendations Paper to the SEM Committee. The SEM Committee has reviewed the responses to the TSO proposals and the TSO Recommendations Paper and has decided that they should be implemented as proposed. The TSO Recommendations Paper is published alongside this Decision Paper.

## 2 SEM Committee Decision

The SEM Committee (SEMC) has approved the TSO Recommendations Paper and accordingly directs the TSOs to implement the arrangements as set out in that paper.

The SEM Committee notes the the incentive scheme for compliance will be effective from 1<sup>st</sup> March 2016 until 28<sup>th</sup> February 2018 and that the GPI for RoCoF non-compliance will be effective from 1<sup>st</sup> June 2016. The payment for the RoCoF standard compliance is made on the basis of a 1 Hz/s standard. This will be a standalone scheme separate to the existing Harmonised Ancillary Services arrangements and the Regulatory Authorities will separately approve the TSO recovery of costs.