



**DS3 System Services
Qualification Trial Process
Decision Paper**

11 October 2016

SEM-16-084

1 INTRODUCTION

This paper sets out the SEM Committee's¹ approval of the System Services Qualification Trial Process. The Qualification Trial process has been proposed by EirGrid and SONI (the Transmission System Operators (TSOs)) following public consultation.

The full Qualification Trial Process will be set out within the TSO Decision Paper, *DS3 System Services Qualification Trial Process*, which will be published separately by the TSOs.

2 THE QUALIFICATION TRIAL PROCESS

As part of the DS3 System Services Interim Arrangements approach, the TSOs have procured 11 system services as part of a Centralised (tender-based) procurement mechanism for provision during October 2016 – September 2017. This significant piece of work is now almost complete, with the contract signature phase underway to enable Go-Live of DS3 System Services by 1st October 2016. 772 lots were submitted by industry as part of the tender process, and 728 lots have passed successfully, some of which are new service providers entering the System Services market.

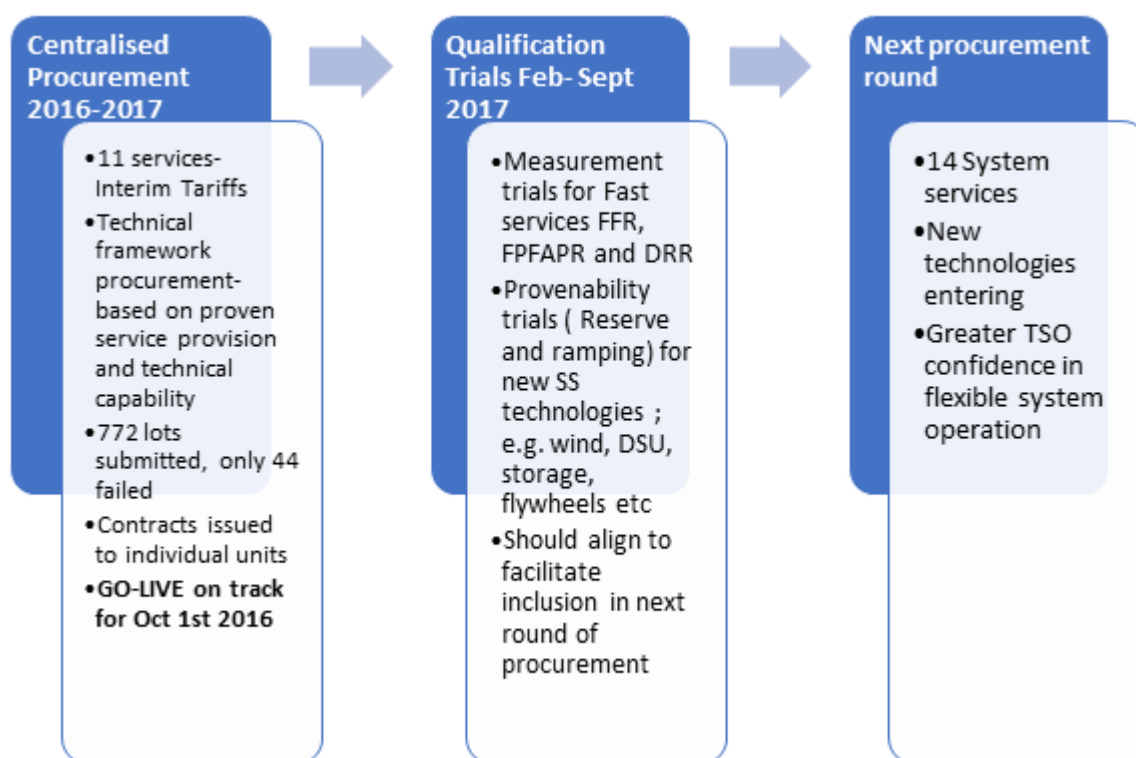
The TSOs outlined at the start of the Interim procurement process that they would procure System Services from providers through a centralised mechanism. Procurement criteria were based on a proven ability to deliver services (either on the All-Island system, or by providing evidence of contracted provision on a similar sized international synchronous system), and where such provision could be measured. They did not contract for three of the 14 System Services as part of the Centralised Procurement mechanism as comprehensive measurement systems are not yet in place for the TSOs to measure the delivery of such services. These services constitute the “Fast” system services:

- FFR - Fast frequency response,
- FPFAPR - Fast Post Fault Active Power Recovery, and
- DRR - Dynamic Reactive Response.

¹ The SEM Committee is established in Ireland and Northern Ireland by virtue of section 8A of the Electricity Regulation Act 1999 and Article 6 (1) of the Electricity (Single Wholesale Market) (Northern Ireland) Order 2007 respectively. The SEM Committee is a Committee of both CER and NIAUR (together the 'Regulatory Authorities') that, on behalf of the Regulatory Authorities, takes any decision as to the exercise of a relevant function of CER or NIAUR to a SEM matter'

The Measurability aspects of the Trials will focus on industry led measurement proposals that will ultimately deliver suitable performance monitoring to ensure accurate settlement for “Fast” service provision.

As the TSOs did not contract with service providers who could not demonstrate a proven ability to provide services, the bulk of wind and DSM providers and other technologies have not been able to enter the centralised procurement process. The TSOs have therefore developed the Provenability Trials process to assess the ability of new technologies (e.g. wind, DSM, flywheels, Synchronous compensators etc.) to provide Ramping and Reserve services. Successful trial outcomes, where service provision and measurement has been demonstrated, will result in technology types /class approval and will facilitate entry of such technology in future procurement rounds. An overview of the Procurement and Trial processes is given below:



The TSOs have indicated they intend to procure participants for the trials via a competitive tendering process and will initiate the Trials in March 2017, with conclusion of the trials by September 2017. The SEM Committee considers that the core objective of the Qualification Trial Process is to facilitate the entry of an enhanced suite of technologies and portfolio of Service Providers in the provision of System Services. The SEM Committee therefore encourages the delivery of trial outcomes as early as possible to ensure entry into future rounds of Centralised System Services procurement is facilitated.

3 SEM COMMITTEE DECISION

The 2014 SEM Committee Decision Paper, *DS3 System Services Procurement Design and Emerging Thinking*², notes that since the establishment of the Harmonised Ancillary Services regime, the approval of revenues for ancillary services (system services) has been a function of the Regulatory Authorities. The paper also notes that the role of the Regulatory Authorities, as exercised by the SEM Committee where a function is deemed to be a SEM matter, is to approve the methodologies deployed by the TSOs for procuring energy and related system services.

In light of these functions, the SEM Committee has approved:

- The principle of using trials within the overall system service design as a mechanism to facilitate entry of unproven services into the Central Procurement Process; and
- The use of proposed TSO revenue to operate the Qualification Trials.

As part of this decision, the SEM Committee requires that:

- The TSOs should ensure that entry into the trials is accessible to all;
- The TSOs should demonstrate that required interactions between DSOs and TSOs to enable distribution connected plant to take part in the trials are being addressed. This may include reference to potential monitoring equipment required (and which party is responsible for installing and funding);
- The TSOs clearly demonstrate that proof of provision in other systems and test environments have been considered, to the extent possible, in both the design of the Qualification Trial Process and the qualification of technologies through the Qualification Trial Process;
- The TSOs provide a detailed Qualification Trial progress report to the DS3 Project Board on a monthly basis (or in line with Project Board meetings -to be determined for 2017);
- Upon completion, the Qualification Trial Process undergoes a substantial review to assess the extent to which the objectives of the Qualification Trial Process have been achieved; and
- Upon completion of review of the Qualification Trial Process, the TSOs submit a report to the Regulatory Authorities outlining the findings of the review and describing how the findings will inform any future System Services qualification process.

² [SEM/14/108](#)