Quarterly Imperfections Costs Report

1st October 2012 - 31st December 2012

Costs [1] (€m)	2012/2013 Q1 YTD Outturn €m	2011/2012 Q1 YTD Outturn €m	2012/2013 Q1 only €m	2011/2012 Q1 only €m
Dispatch Balancing Costs (DBC)	30.2	40.7	30.2	40.7
Make Whole Payments	0.015	0	0.015	0
Energy Imbalance	-3.2	-0.5	-3.2	-0.5
Other System Charges (OSC) [2]	-2.0	-2.2	-2.0	-2.2
Imperfections Costs Outturn	**25.0**	**38.0**	**25.0**	**38.0**
Imperfections Costs Forecast [3]	31.2	35.9	31.2	35.9
Variance: Forecast Vs. Outturn	**6.2**	**-2.1**	**6.2**	**-2.1**
Variance % [4]	**19.9%**	**-6.0%**	**19.9%**	**-6.0%**

Key Points

- The Imperfections Costs Forecast are included in the table above on a flat line basis[3] which assumed zero payments for both OSC and Energy Imbalances.
- The Imperfections Costs Outturn are subject to fluctuation dependent upon power system conditions and will vary significantly within the year relative to this flat line forecast. The differing power system conditions and external conditions (for example system demand) need to be taken into account when comparing quarterly periods and year to date figures.

Q1 2012/2013

- DBC Outturn is within 3.2% of the DBC Forecast[5].
- Imperfections Costs Outturn is within 19.9% of the Imperfections Costs Forecast. This variance is due to the differences between Outturn and Forecast for OSC and Energy Imbalances.

Key Factors Affecting Imperfections Costs	Forecast Assumptions for TY1213 [6]	Actual TY1213	Impact [12]
Reserve Policy and TCGs[7]	Primary & Secondary Operating Reserve 75% LIF[8] TCG data as per submission	No Reserve Policy change from forecast Some TCGs (such as System Stability) have been less binding at times	↓
Reserve Provision	Data as per submission	Lower than anticipated static reserve provided due to interconnector availability	↑
Regulatory Policy Changes	Data as per submission	No change from forecast	→
System Demand	Exported Generation 9.6TWh Transmission Peak 6554 MW	No Exported Generation change from forecast Tranmission Peak 6473MW[9]	→
Forced Generation Outages	Average annual rate: 4.59%	Average actual rate for this period: 4.06%[10]	→
Scheduled Generation Outages	Data as per submission	No significant change from forecast	→
Forced Transmission Outages	No outages assumed	No outages significantly impacting on DBC	→
Scheduled outages transmission	No major outages assumed	No significant change from forecast	→
Commercial Offer data - Fuel Costs[11]	Data as per submission	Gas c.4% Lower Coal c.17% Lower Oil c.3% Lower	↓
Wind Variability	Installed Capacity at end of September 2013: 2482MW Capacity Factor: 30%	Installed Capacity at period end: 2088MW[9] Capacity Factor: 31%[9]	→

Mitigation Measures

The following are a list of mitigation measures undergoing review to seek to manage Imperfection Costs:

1. Daily review of Non-Compliances / Performance Monitoring events e.g. Trips;
2. Weekly review of Imperfections costs and drivers;
3. Ongoing review of Reserve Policy and TCGs [7];
4. Flexibility services as required; and
5. Grid Code Modifications to improve compliance.

Notes

[1] Costs are actual initial settlement figures. There may be variations in the final figures as a result of resettlement or regulator approved derogations.

[2] Other System Charges amounts as pubished: http://www.eirgrid.com/operations/ancillaryservicesothersystemcharges

[3] Imperfections Costs Forecast is weighted for TY1213: 43% of total for Q1 and Q2, 57% of total for Q3 and Q4. Imperfections Costs Forecast is flatline for TY1112

[4] Positive value indicates under forecast, Negative value indicates over forecast.

[5] DBC Forecast is the Imperfections Cost Forecast excluding payments for Make Whole Payments, Energy Imbalance and OSC.

[6] Forecast is over an annual time horizon. Information and figures are for this period unless otherwise stated. Forecast assumptions are publised at: http://www.allislandproject.org/GetAttachment.aspx?id=59d7177d-696e-4bab-8271-68ccacf08235

[7] TCGs mean Transmission Constraint Group or Operational Constraints as published http://www.eirgrid.com/media/Operational%20Constraints%20Update%20Version%201%205.pdf

[8] LIF means the Largest In Feed which is a consideration in the calculation of reserve required.

[9] Figures published in All-Island Wind and Fuel Mix Summary Report http://www.eirgrid.com/media/Summary%202012.pdf.

[10] Percentage availability is an average of the All Island October to December figures. EirGrid Availability Reports are published at: http://www.eirgrid.com/operations/systemperformancedata/availabilityreports

[11] Fuel Costs forecast and actual performance data based Generator Commercial Offer Data (COD). Variance % is actual vs forecast

[12] Increase from Forecast ⬆ Decrease from Forecast ⬇ No Change from Forecast ➡