



# **Other System Charges Methodology Statement**

**Applicable from 1<sup>st</sup> October 2011**

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## 1. Introduction

This document sets out the harmonised arrangements for the calculation of Other System Charges by the Transmission System Operators (TSOs), EirGrid in Ireland and SONI in Northern Ireland respectively, in accordance with the Regulatory Authorities' (RA) Decision Paper SEM-10-001. This document is referred to in the Transmission Use of System Statement of Charges ("TUoS Statement of Charges") published in each jurisdiction by EirGrid and SONI and has been approved by CER and NIAUR. This document may be revised by EirGrid and SONI from time to time, subject to the approval of CER and NIAUR.

### 1.1. Background

At present a number of charges are not included in the Trading and Settlement Code (TSC) of the Single Electricity Market (SEM) and therefore it was considered necessary to document the harmonised arrangements that will be applicable in both jurisdictions under the SEM. These charges are referred to as Other System Charges and have been subject to consultation.

In September 2006 the RAs approved<sup>1</sup> the continuation of separate commercial arrangements for Ancillary Services and related charges within the Republic of Ireland (RoI) and Northern Ireland (NI) prior to SEM Go-Live and pending a longer-term review of suitable harmonised all island arrangements.

As part of this review process the TSOs published a consultation paper in August 2007<sup>2</sup>. This set out the high-level harmonised all-island policy options for Ancillary Services (AS) and other system operations related payments and charges, for implementation post SEM Go-Live.

Following this consultation period the SEM Committee issued a high level decision (HLD) paper on 27<sup>th</sup> February 2008<sup>3</sup> that confirmed the intention to have in place a set of harmonised arrangements for AS/System Support Services (SSS) across both RoI and NI. The HLD paper established the high level policy framework for the development of the proposed harmonised AS arrangements, and also addressed other system charges and generator performance incentives (GPI's).

Following the publication of the HLD the TSOs organised industry workshops on 29<sup>th</sup> April 2008 and 1<sup>st</sup> May 2008<sup>4</sup> and invited feedback from participants. Subsequently in September 2008 the TSOs published a consultation paper<sup>5</sup> containing detailed proposals for the implementation of harmonised arrangements for AS, other generator payments (i.e. secondary fuelling in Ireland), other system charges, and GPIs. This consultation paper was the subject of an industry briefing session on 1 October 2008, chaired by the TSOs and involving both RAs,.

Following a consultation period, the SEM Committee made decisions on the future implementation of harmonised arrangements for AS, other system charges and GPIs across the island. This decision paper was published on the 30<sup>th</sup> January 2009<sup>6</sup>.

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<sup>1</sup> [AIP-SEM-160-06] Day 1 Decision for System Support Services in NI and Ancillary services, Short notice declarations

<sup>2</sup> [AIP-SEM-07-447] Proposed System Operations Services' Payments & Charges in SEM, August 2007

<sup>3</sup> [SEM-08-013] Harmonised All-Island Ancillary Services Policy, High Level Decision policy paper, February 2008

<sup>4</sup> [SEM-08-063] and [SEM-08-064] Harmonised Ancillary Services workshops April/May 2008.

<sup>5</sup> [SEM-08-128] Harmonised Ancillary Services, Other System Payments & System Charges, September 2008

<sup>6</sup> [SEM-09-003] Harmonised Ancillary Services, Other System Payments & System Charges. A Decision Paper' 30th January 2009

On 8<sup>th</sup> June 2009 the RAs published a TSO consultation paper<sup>7</sup> detailing the proposed payments and charges to be applied in the first period of implementation. An industry briefing workshop, chaired by the TSOs and involving both RAs, was held on 24<sup>th</sup> June 2009 to explain the proposals.

The SEM Committee published its decision paper<sup>8</sup> on All-Island Ancillary Services Rates and Other System Charges on 4<sup>th</sup> January 2010, setting out the rates and related parameters applicable for the initial period after 1<sup>st</sup> February 2010.

The RAs published its approval letter<sup>9</sup> on All-Island Ancillary Services Rates and Other System Charges on 22<sup>nd</sup> September 2010, setting out the rates and related parameters applicable for the 2010/2011 tariff year which runs from 1<sup>st</sup> October 2010 to 30<sup>th</sup> September 2011.

The SEM Committee published its decision paper<sup>10</sup> on Harmonised All-Island Ancillary Services Rates and Other System Charges for 2011-12 on 5<sup>th</sup> August 2011, setting out the rates and related parameters applicable for the 2011/2012 tariff year which runs from 1<sup>st</sup> October 2011 to 30<sup>th</sup> September 2012.

## **2. Harmonised Other System Charges Rates Framework**

### **2.1. Monetary Flows**

Other System Charges (Trips, Short Notice Declarations (SNDs) and GPIs) will be reviewed annually and will be included in the TUoS Statement of Charges published by each TSO in their respective jurisdictions. The Decision Paper published in January 2009 determined that the income from these charges will be used to reduce the SEM Imperfections Tariff for the following tariff period. Note that the charging period for Other System Charges will be a calendar month.

### **2.2. Payment of Charges**

The GPI, SNDs and Trip charges are payable by generators party to a Transmission Use of System Agreements (TUOSA). This includes the NIE Energy Power Procurement Business (PPB) in respect of Generating Units contracted to PPB through a Generating Unit Agreement.

### **2.3. Exchange Rate**

- An exchange rate will be fixed annually for each tariff year/period using market forward exchange rates based on a 5-day average rate.
- At the end of each tariff year/period the exchange rates will be reviewed to determine if an adjustment is required in NI and/or RoI accordingly for the coming tariff year/period.

The setting of the exchange rate on an annual basis is a compromise between the certainty provided by a daily exchange rate used in the SEM wholesale market and an alternative long term view consistent with the principles of capacity pot predictability and ease of calculation. This will be included as part of the regular annual review of Other System Charges.

### **2.4. Trips**

Trip charges are designed to reduce the rate of loss to the system following a trip event. The application of multiple charges to trip events strengthens the incentives to generators to improve their

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<sup>7</sup> [SEM-09-062] "Harmonised Ancillary Services & Other System Charges. Rates Consultation" 8<sup>th</sup> June 2009

<sup>8</sup> [SEM-10-001] Harmonised All-Island Ancillary Services Rates and Other System Charges

<sup>9</sup> [SEM-10-064] "AS Rates and OSC for 2010-11 tariff year beginning 1 October 2010" 17<sup>th</sup> September 2010, available at [www.allislandproject.org](http://www.allislandproject.org)

<sup>10</sup> [SEM-11-064] "Harmonised All-Island Ancillary Services Rates and Other System Charges for 2011-12" 5<sup>th</sup> August 2011

performance. Generator trip charges are expected to be less than the system costs as a result of the outages including the costs of holding reserve. Trip charges are not applied when a unit is Under Test in the SEM.

### 2.5. Short Notice Declarations (SNDs)

SNDs relate to unscheduled variations in availability of committed plant or to the unscheduled outage of dispatched plant. The charges are intended to incentivise behaviour to enhance system security and reduce operating costs. Further details can be found in the June 2009 consultation paper<sup>11</sup>. SND charges are not applied when a unit is Under Test in the SEM on condition that the Generator has declared the change in availability in EDIL using the TSO agreed reason code.

### 2.6. Generator Performance Incentives (GPIs)

In a relatively small power system it is very important that the system is operated in an efficient and economic manner in accordance with the performance standards required by the Grid Codes. The GPI charges are intended to incentivise performance that enhances system security and reduces operating costs. Further details can be found in the June 2009 consultation paper<sup>12</sup>. GPIs will continue to be applied if a unit is Under Test in the SEM.

## 3. Trip Charges

The purpose of the trip charge is to minimise the number of trips and, when a trip is unavoidable, to incentivise a Generator to wind down a unit as slowly as possible.

There are three categories of trips – Direct Trip, Fast Wind-down and Slow Wind-down. The three categories are defined based on the average rate of MW loss as follows:

<i>Direct Trip</i>	<i>Average Rate of MW Loss <math>\geq 15</math> MW/s</i>
<i>Fast Wind-down</i>	<i>Average Rate of MW Loss <math>\geq 3</math> MW/s &amp; <math>&lt; 15</math> MW/s</i>
<i>Slow Wind-down</i>	<i>Average Rate of MW Loss <math>\geq 1</math> MW/s &amp; <math>&lt; 3</math> MW/s</i>

Each trip event is considered for all three trip categories independently. Each maximum MW loss is calculated for all three trip categories. If the maximum MW loss is greater than the Trip MW Loss Threshold the relevant formula is used to calculate the trip charges for that trip charge category. The final trip charge which is applied is the maximum of the three trip charges.

The trip charge formula is a function of the maximum MW loss for the trip category and two empirical values. The three formulae are as follows:

$$DT\ Charge = DT\ Charge\ Rate \times e^{(DT\ Const \times (Max\ MW\ Loss - Trip\ MW\ Loss\ Threshold))}$$

$$FWD\ Charge = FWD\ Charge\ Rate \times e^{(FWD\ Const \times (Max\ MW\ Loss - Trip\ MW\ Loss\ Threshold))}$$

$$SWD\ Charge = SWD\ Charge\ Rate \times e^{(SWD\ Const \times (Max\ MW\ Loss - Trip\ MW\ Loss\ Threshold))}$$

Where:

<sup>11</sup> [SEM-09-062] 'Harmonised Ancillary Services & Other System Charges. Rates Consultation' Consultation, 8<sup>th</sup> June 2009

<sup>12</sup> [SEM-09-062] 'Harmonised Ancillary Services & Other System Charges. Rates Consultation' 8<sup>th</sup> June 2009

“DT Charge Rate” is the Direct Trip Charge Rate set out in the table headed “Trips and Short Notice Declaration Charge Rates/Parameters” set out in the TUoS Statement of Charges;

“DT Const” is the Direct trip Constant set out in the table headed “Trips and Short Notice Declaration Charge Rates/Parameters” set out in the TUoS Statement of Charges;

“Max MW Loss” is the maximum MW loss for the trip;

“Trip MW Loss Threshold” is the Trip MW Loss Threshold set out in the table headed “Trips and Short Notice Declaration Charge Rates/Parameters” set out in the TUoS Statement of Charges;

“FWD Charge Rate” is the Fast Wind Down Rate of MW Loss set out in the table headed “Trips and Short Notice Declaration Charge Rates/Parameters” set out in the TUoS Statement of Charges;

“FWD Const” is the Fast Wind Down Constant set out in the table headed “Trips and Short Notice Declaration Charge Rates/Parameters” set out in the TUoS Statement of Charges;

“SWD Charge Rate” is the Slow Wind Down Charge Rate set out in the table headed “Trips and Short Notice Declaration Charge Rates/Parameters” set out in the TUoS Statement of Charges; and

“SWD Const” is the Slow Wind Down Constant set out in the table headed “Trips and Short Notice Declaration Charge Rates/Parameters” set out in the TUoS Statement of Charges.

#### **4. SND Charges**

The purpose of the SND charge is to incentivise Generators to avoid notifying changes to availability declarations at short notice, or at least, to provide the maximum possible notice of changes.

The SND charge applies for downward availability declarations within the time period set by the SND Time Zero parameter. There is a minimum threshold, known as the SND Minimum Threshold, below which no charge applies. This minimum threshold provides for normal ambient changes in availability. The SND Minimum Threshold is set out in the table headed “Trips and Short Notice Declaration Charge Rates/Parameters” in the relevant TUoS Statement of Charges. The SND charge does not apply for declarations relating to scheduled availability changes and non-generator plant availability changes.

To discourage multiple SNDs below the minimum threshold in quick succession, re-declarations below the SND Minimum Threshold within the Time Window for Chargeable SNDs are subject to an SND charge, provided the sum of the SND reductions are above the SND Minimum Threshold. In such circumstances, the SND reduction is the summation of the smaller SND reductions and set to no notice.

The charge is calculated as follows:

$$SND\ Charge = MW\ Reduction \times SND\ Charge\ Rate \times Notice\ Time\ Weight$$

where the Notice Time is in minutes and Notice Time Weight is a value between zero and one which is calculated as follows:

If Notice Time < SND Time Minimum

then  $Notice\ Time\ Weight = 1$

If Notice Time  $\geq$  SND Time Minimum but < SND Time Medium

then  $Notice\ Time\ Weight = \left( \frac{Notice\ Time}{SND\ Time\ Minimum} \right)^{SND\ Powering}$

If Notice Time  $\geq$  20 min but  $<$  480 min

then

$$Notice\ Time\ Weight = \left( 1 - \left( \frac{Notice\ Time - SND\ Time\ Medium}{SND\ Time\ Zero - SND\ Time\ Medium} \right) \right) \times \left( \frac{Notice\ Time}{SND\ Time\ Minimum} \right)^{SND\ Powering}$$

and where:

“MW Reduction” is the reduction in Availability (expressed in MW) notified to the TSO;

“SND Charge Rate” is the SND Charge Rate set out in the table headed “Trips and Short Notice Declaration Charge Rates/Parameters” set out in the TUoS Statement of Charges;

“SND Powering” is the SND Powering Factor set out in the table headed “Trips and Short Notice Declaration Charge Rates/Parameters” set out in the TUoS Statement of Charges;

“SND Time Medium” is the value for SND Time Medium set out in the table headed “Trips and Short Notice Declaration Charge Rates/Parameters” set out in the TUoS Statement of Charges;

“SND Time Minimum” is the value for SND Time Minimum set out in the table headed “Trips and Short Notice Declaration Charge Rates/Parameters” set out in the TUoS Statement of Charges;

“SND Time Zero” is the value for SND Time Zero set out in the table headed “Trips and Short Notice Declaration Charge Rates/Parameters” set out in the TUoS Statement of Charges.

## 5. GPI Charges

### 5.1. GPI Trading Period Based Charges

For the purposes of this section in relation to a relevant parameter, a “Late Declaration” is a notification of impairment to a parameter which is provided later than the Late Declaration Notice Time. (Late Declaration Notice Time is specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the relevant TUoS Statement of Charges).

#### Minimum Generation

The Minimum Generation charge applied in respect of each Trading Period in which the Minimum Generation of the Generating Unit has been declared to be, in the case of a ROI Generating Unit, above the highest of the values specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Generating Unit (“NI Uncontracted Unit”) that is not subject to a Generating Unit Agreement (“GUA”), Schedule 9 to the HASC<sup>13</sup> or, in the case of a NI Generating Unit (“NI Contracted Unit”) that is subject to a GUA, the relevant schedule to the GUA, by an amount calculated as follows:

$$MG\_Charge_x = TP * (DMG - CMG) * MinGen\_RATE$$

where:

MG\_Charge<sub>x</sub> is the charge for Minimum Generation underperformance in the Trading Period X (expressed in € or £);

TP is a 0.5 hour Trading Period (expressed in h);

DMG is the Declared Minimum Generation (expressed in MW) which must be greater than CMG for this charge to apply;

CMG is the Minimum Generation (expressed in MW), in the case of a ROI Generating Unit, as specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Uncontracted Unit, Schedule 9 to the HASC or, in the case of a NI Contracted Unit, the relevant Schedule to the GUA; and

MinGen\_RATE is the Minimum Generation charge rate (expressed in €/MWh or £/MWh) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges,

provided, however, that the Generating Unit is Available. In the case of a Late Declaration where the Generating Unit gives less than the Late Declaration Notice Time as specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges then the charge is doubled. If the Generator makes a subsequent improved declaration, although one which is still not Grid Code compliant, without giving the required Late Declaration Notice Time the charge will continue to be applied but will not be doubled for that time period.

#### Governor Droop

The Governor Droop charge shall be applied in respect of each Trading Period in which the Governor Droop of the Generating Unit has been declared to be above the highest of the values, in the case of a ROI Generating Unit, specified by the TSO within the standard set in the Grid Code or the relevant

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<sup>13</sup> Note: the content of Schedule 9 is still under discussion



Grid Code Derogation or, in the case of a NI Generating Unit (“NI Uncontracted Unit”) that is not subject to a Generating Unit Agreement (“GUA”), Schedule 9 to the HASC or, in the case of a NI Generating Unit (“NI Contracted Unit”) that is subject to a GUA, the relevant schedule to the GUA, by an amount calculated as follows:

$$GD\_Charge_x = TP * AP_{uh} * ((DGD - CGD) / DGD) * GD\_RATE$$

where:

GD\_Charge<sub>x</sub> is the charge for Governor Droop underperformance in the Trading Period x (expressed in € or £);

TP is a 0.5 hour Trading Period (expressed in h);

AP<sub>uh</sub> is the Time Weighted Average Availability of Generator Unit u in Trading Period h (expressed in MW) and calculated by the application of the following formula:

$$AP_{uh} = \sum_{Av=1,N} \{(A_{V1} \times T_1) / TP\}$$

Where:

$\sum_{Av=1,N}$  is the summation for the N values of Availability during the Trading Period and where Av=1 denotes the first value of Availability during the Trading Period;

T<sub>1</sub> is the period (expressed in minutes) for which the value of Availability was equal to A<sub>v1</sub> during the Trading Period;

DGD is the Declared Governor Droop (expressed in %) which must be greater than CGD for this charge to apply;

CGD is the Governor Droop (expressed in %), in the case of a ROI Generating Unit, as specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Uncontracted Unit, Schedule 9 to the HASC or, in the case of a NI Contracted Unit, the relevant Schedule to the GUA; and

GD\_RATE is the Governor Droop charge rate (expressed in €/MWh or £/MWh) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges,

provided, however, that the Generating Unit is Available. In the case of a Late Declaration where the Generating Unit gives less than the Late Declaration Notice Time as specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges then the charge is doubled. If the Generator makes a subsequent improved declaration, although one which is still not Grid Code compliant, without giving the required Late Declaration Notice Time the charge will continue to be applied but will not be doubled for that time period.

### Maximum Number of Starts per 24 hour Period

The Maximum Number of Starts per 24 hour Period charge shall be applied in respect of each Trading Period in which the Maximum Number of Starts per 24 hour Period of the Generating Unit has been declared to be, in the case of a ROI Generating Unit, below the lower of the values specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Generating Unit (“NI Uncontracted Unit”) that is not subject to a Generating Unit Agreement (“GUA”), Schedule 9 to the HASC or, in the case of a NI Generating Unit (“NI Contracted Unit”) that is subject to a GUA, the relevant schedule to the GUA, by an amount as follows:

$$\text{MxS\_Charge}_x = \text{TP} * \text{DMG} * \text{MxS\_RATE} * ((\text{CMxS} - \text{DMxS}) / \text{DMxS})$$

where:

- MxS\_Charge<sub>x</sub>** is the charge for Maximum Number of Starts per 24 hour Period underperformance in the Trading Period x (expressed in € or £);
- TP** is a 0.5 hour Trading Period (expressed in h);
- DMG** is the Declared Minimum Generation (expressed in MW) which must be greater than CMG for this charge to apply;
- MxS\_RATE** is the Maximum Number of Starts per 24 hour Period charge rate (expressed in €/MWh or £/MWh) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges;
- CMxS** is the Maximum Number of Starts per 24 hour period (expressed as a number), in the case of a ROI Generating Unit, as specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Uncontracted Unit, Schedule 9 to the HASC or, in the case of a NI Contracted Unit, the relevant Schedule to the GUA; and
- DMxS** is the Declared Maximum Number of Starts per 24 hour period (expressed as a number) which must be less than CMxS for this charge to apply,

provided, however, that the Generating Unit is Available. In the case of a Late Declaration where the Generating Unit gives less than the Late Declaration Notice Time as specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges then the charge is doubled. If the Generator makes a subsequent improved declaration, although one which is still not Grid Code compliant, without giving the required Late Declaration Notice Time the charge will continue to be applied but will not be doubled for that time period.

### Minimum on Time

The Minimum on Time charge shall be applied in respect of each Trading Period in which the Minimum on Time of the Generating Unit has been declared to be, in the case of a ROI Generating Unit, above the higher of the values specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Generating Unit (“NI Uncontracted Unit”) that is not subject to a Generating Unit Agreement (“GUA”), Schedule 9 to the HASC or, in the case of a NI Generating Unit (“NI Contracted Unit”) that is subject to a GUA, the relevant schedule to the GUA, by an amount calculated as follows:

$$\text{MoT\_Charge}_x = \text{TP} * \text{DMG} * \text{MoT\_RATE} * ((\text{DMoT} - \text{CMoT}) / \text{CMoT})$$

where:

MoT_Charge <sub>x</sub>	is the charge for Minimum on Time underperformance in the Trading Period x (expressed in € or £);
TP	is a 0.5 hour Trading Period (expressed in h);
DMG	is the Declared Minimum Generation (expressed in MW) which must be greater than CMG for this charge to apply;
MoT_RATE	is the Minimum on Time charge rate (expressed in €/MWh or £/MWh) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges;
DMoT	is the Declared Maximum Number of Starts per 24 hour period (expressed in minutes) which must be greater than CMoT for this charge to apply; and
CMoT	is the Minimum on Time (expressed in minutes), in the case of a ROI Generating Unit, as specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Uncontracted Unit, Schedule 9 to the HASC or, in the case of a NI Contracted Unit, the relevant Schedule to the GUA,

provided, however, that the Generating Unit is Available. In the case of a Late Declaration where the Generating Unit gives less than the Late Declaration Notice Time as specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges then the charge is doubled. If the Generator makes a subsequent improved declaration, although one which is still not Grid Code compliant, without giving the required Late Declaration Notice Time the charge will continue to be applied but will not be doubled for that time period.

### Reactive Power

The Generator Performance Incentive Reactive Power charge shall be applied in respect of each Trading Period in which the Reactive Power of the Generating Unit has been declared to be, in the case of a ROI Generating Unit, below the lower of the values specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Generating Unit, the values derived from the Reactive Power Characteristic Curve set out in Schedule 9 to the HASC by an amount calculated as follows:

$$\text{RP\_Charge}_x = \text{TP} * ( (\text{RPLD} - \text{DRPLD}) + (\text{RPLG} - \text{DRPLG}) ) * \text{RP\_RATE}$$

where:

RP_Charge <sub>x</sub>	is the charge for Reactive Power underperformance in the Trading Period x (expressed in € or £);
TP	is a 0.5 hour Trading Period (expressed in h);
RPLD	is the Reactive Power (Leading) (also referred to as Consumption) (expressed in MVar), in the case of a ROI Generating Unit, as specified in the Grid Code or

the relevant Grid Code Derogation or, in the case of a NI Generating Unit, the Reactive Power (Leading) deliverable at the Full Load of the Generating Unit in accordance with the Reactive Power Characteristic Curve set out in Schedule 9 to the HASC and the Operating Parameters of the unit;

DRPLD	is the Declared Reactive Power (Leading) (also referred to as Consumption) (expressed in MVar) which must be less than RPLD for the Reactive Power (Leading) aspect of the charge to apply;
RPLG	is the Reactive Power (Lagging) (also referred to as Production) (expressed in MVar), in the case of a ROI Generating Unit, as specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Generating Unit, the Reactive Power (Lagging) deliverable at the Full Load of the Generating Unit in accordance with the Reactive Power Characteristic Curve set out in Schedule 9 of the HASC and the Operating Parameters of the unit;
DRPLG	is the Declared Reactive Power (Lagging) (also referred to as Production) (expressed in MVar) which must be less than RPLG for the Reactive Power (Lagging) aspect of the charge to apply;
RP_RATE	is the Reactive Power charge rate (expressed in €/MVarh or £/MVarh) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges,

provided, however, that the Generating Unit is Available. In the case of a Late Declaration where the Generating Unit gives less than the Late Declaration Notice Time as specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges then the charge is doubled. If the Generator makes a subsequent improved declaration, although one which is still not Grid Code compliant, without giving the required Late Declaration Notice Time the charge will continue to be applied but will not be doubled for that time period.

### **Operating Reserve**

The Generator Performance Incentive Operating Reserve charges shall be applied in respect of each Trading Period in which the Operating Reserve of the Generating Unit has been declared to be, in the case of a ROI Generating Unit, below the lower of the values specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Generating Unit, Schedule 9 to the HASC, by an amount calculated as follows:

$$\text{POR\_Charge}_x = \text{TP} * (\text{POR} - \text{DPOR}) * \text{POR\_RATE}$$

where:

POR_Charge <sub>x</sub>	is the charge for Primary Operating Reserve underperformance in the Trading Period x (expressed in € or £);
TP	is a 0.5 hour Trading Period (expressed in h);
POR	is the Primary Operating Reserve (expressed in MW), in the case of a ROI Generating Unit, as specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Generating Unit, as derived in accordance with

the relevant provisions of the HASC from the POR HAS Reserve Curve set out in Schedule 9 of the HASC;

DPOR is the Declared Primary Operating Reserve (expressed in MW) which must be less than POR for the charge to apply; and

POR\_RATE is the Primary Operating Reserve charge rate (expressed in €/MWh or £/MWh) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges,

provided, however, that the Generating Unit is Available. In the case of a Late Declaration where the Generating Unit gives less than the Late Declaration Notice Time as specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges then the charge is doubled. If the Generator makes a subsequent improved declaration, although one which is still not Grid Code compliant, without giving the required Late Declaration Notice Time the charge will continue to be applied but will not be doubled for that time period.

$$\text{SOR\_Charge}_x = \text{TP} * (\text{SOR} - \text{DSOR}) * \text{SOR\_RATE}$$

where:

SOR\_Charge<sub>x</sub> is the charge for Secondary Operating Reserve underperformance in the Trading Period x (expressed in € or £);

TP is a 0.5 hour Trading Period (expressed in h);

SOR is the Secondary Operating Reserve (expressed in MW), in the case of a ROI Generating Unit, as specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Generating Unit, as derived in accordance with the relevant provisions of the HASC from the SOR HAS Reserve Curve set out in Schedule 9 to the HASC;

DSOR is the Declared Secondary Operating Reserve (expressed in MW) which must be less than SOR for the charge to apply; and

SOR\_RATE is the Secondary Operating Reserve charge rate (expressed in €/MWh or £/MWh) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges,

provided, however, that the Generating Unit is Available. In the case of a Late Declaration where the Generating Unit gives less than the Late Declaration Notice Time as specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges then the charge is doubled. If the Generator makes a subsequent improved declaration, although one which is still not Grid Code compliant, without giving the required Late Declaration Notice Time the charge will continue to be applied but will not be doubled for that time period.

$$\text{TOR1\_Charge}_x = \text{TP} * (\text{TOR1} - \text{DTOR1}) * \text{TOR1\_RATE}$$

where:

- TOR1\_Charge<sub>x</sub> is the charge for Tertiary Operating Reserve 1 underperformance in the Trading Period x (expressed in € or £);
- TP is a 0.5 hour Trading Period (expressed in h);
- TOR1 is the Tertiary Operating Reserve 1 (expressed in MW), in the case of a ROI Generating Unit, as specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Generating Unit, as derived in accordance with the relevant provisions of the HASC from the TOR1 HAS Reserve Curve set out in Schedule 9 to the HASC;
- DTOR1 is the Declared Tertiary Operating Reserve 1 (expressed in MW) which must be less than TOR1 for the charge to apply; and
- TOR1\_RATE is the Tertiary Operating Reserve 1 charge rate (expressed in €/MWh or £/MWh) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges,

provided, however, that the Generating Unit is Available. In the case of a Late Declaration where the Generating Unit gives less than the Late Declaration Notice Time as specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges then the charge is doubled. If the Generator makes a subsequent improved declaration, although one which is still not Grid Code compliant, without giving the required Late Declaration Notice Time the charge will continue to be applied but will not be doubled for that time period.

$$\text{TOR2\_Charge}_x = \text{TP} * (\text{TOR2} - \text{DTOR2}) * \text{TOR2\_RATE}$$

where:

- TOR2\_Charge<sub>x</sub> is the charge for Tertiary Operating Reserve 2 underperformance in the Trading Period x (expressed in € or £);
- TP is a 0.5 hour Trading Period (expressed in h);
- TOR2 is the Tertiary Operating Reserve 2 (expressed in MW), in the case of a ROI Generating Unit, as specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Generating Unit, Schedule 9 to the HASC;
- DTOR2 is the Declared Tertiary Operating Reserve 2 (expressed in MW) which must be less than TOR2 for the charge to apply; and
- TOR2\_RATE is the Tertiary Operating Reserve 2 charge rate (expressed in €/MWh or £/MWh) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges,

provided, however, that the Generating Unit is Available. In the case of a Late Declaration where the Generating Unit gives less than the Late Declaration Notice Time as specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges then the charge is doubled. If the Generator makes a subsequent improved declaration, although one which is still not Grid Code compliant, without giving the required Late Declaration Notice Time the charge will continue to be applied but will not be doubled for that time period.

## 5.2. GPI Event-Based Charges

### Loading Rate

The Loading Rate charge shall be applied in respect of each loading of the Generating Unit to its declared Minimum Generation following synchronisation in which the Actual Loading Rate of the Generating Unit is, in the case of a ROI Generating Unit, below the lower of the values specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Generating Unit (“NI Uncontracted Unit”) that is not subject to a Generating Unit Agreement (“GUA”), Schedule 9 to the HASC or, in the case of a NI Generating Unit (“NI Contracted Unit”) that is subject to a GUA, the relevant schedule to the GUA, by an amount calculated as follows:

$$LR\_Charge_Y = ((LR - ALR) / LR) * A * LR\_RATE * ((MGLT - ASyncT) / LR\_F1) * LR\_F2$$

where:

LR\_Charge<sub>Y</sub> is the charge for Loading Rate underperformance for loading event Y from synchronisation of the Generator Unit (expressed in € or £);

LR is the Loading Rate (expressed in MW/h), in the case of a ROI Generating Unit, as specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Uncontracted Unit, Schedule 9 of the HASC or, in the case of a NI Contracted Unit, the relevant Schedule of the GUA, allowing for the heat state of the Generator Unit;

ALR is the Actual Loading Rate calculated as follows:

$$ALR = [DMG / (MGLT - ASyncT)] * ALR\_Tol$$

Where

DMG is the unit’s Declared Minimum Generation (expressed in MW);

MGLT is the Minimum Generation Load Time which is that time at which the Declared Minimum Generation is reached. Note that tolerances MG\_LR\_F1 and MG\_LR\_F2 are applied to the Declared Minimum Generation for the MGLT calculation. In this instance the MGLT is the time at which the unit output rises above  $\max[\min(\frac{100 - MG\_LR\_F1}{100} * DMinGen), (DMinGen - MG\_LR\_F2)], 0]$  (expressed in min);

ASyncT is the Actual Synchronisation Time (expressed in min);

ALR\_Tol is the Actual Loading Rate Tolerance (expressed as %);

A is the Availability of the Generating Unit (expressed in MW) prevailing at the Dispatched Load Time;

LR\_RATE is the Loading Rate charge rate (expressed in €/MW or £/MW) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges;

LR\_F1 is the Loading Rate Factor 1 (expressed in minutes) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges; and

LR_F2	is the Loading Rate Factor 2 (dimensionless) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges.
MG_LR_F1	is the Minimum Generation Tolerance Factor (%) which Generating Units are given and which will be set out in the TUoS Statement of Charges for the 2011/2012 tariff year.
MG_LR_F2	is the Minimum Generation Tolerance Factor (MW) which Generating Units are given and which will be set out in the TUoS Statement of Charges for the 2011/2012 tariff year.

### De-Loading Rate

The De-Loading Rate charge shall be applied in respect of each de-loading from the declared Minimum Generation of the Generating Unit following a De-Synchronisation Instruction in which the De-Loading Rate of the Generating Unit is, in the case of a ROI Generating Unit, below the lower of the values specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Generating Unit (“NI Uncontracted Unit”) that is not subject to a Generating Unit Agreement (“GUA”), Schedule 9 to the HASC or, in the case of a NI Generating Unit (“NI Contracted Unit”) that is subject to a GUA, the relevant schedule to the GUA, by an amount calculated as follows:

$$DLR\_Charge_Y = ((DLR - ADLR) / DLR) * A * DLR\_RATE * ((DSyncT - MGDLT) / DLR\_F1) * DLR\_F2$$

where:

DLR_Charge <sub>Y</sub>	is the charge for De-Loading Rate underperformance for de-loading event Y following a De-Synchronisation Instruction of the Generator Unit (expressed in € or £);
DLR	is the De-Loading Rate (expressed in MW/min), in the case of a ROI Generating Unit, as specified in the Grid Code or the relevant Grid Code Derogation or, in the case of a NI Uncontracted Unit, Schedule 9 to the HASC or, in the case of a NI Contracted Unit, the relevant Schedule to the GUA;
ADLR	is the Actual De-Loading Rate calculated as follows:

$$ADLR = [ DMG / ( DSyncT - MGDLT ) ] * ADLR\_ToI$$

where

DMG	is the Declared Minimum Generation at the time of the De-Synchronisation Instruction (expressed in MW);
MGDLT	is the time at which the unit reduces its output below the Declared Minimum Generation. Note that the tolerances MG_DLR_F1 and MG_DLR_F2 are applied to the Declared Minimum Generation for the MGDLT calculation. In this instance the MGDLT is the time at which the output drops below $\max [ \min( ( (100 - MG\_DLR\_F1) / 100 ) * DMinGen ) , ( DMinGen - MG\_DLR\_F2 ) , 0 ]$ (expressed in min);



DSyncT	is the De-Synchronisation Time (expressed in min) which is the time at which the Generator Unit actually de-synchronised;
ADLR_Tol	is the Actual Loading Rate Tolerance (expressed as a percentage);
A	is the Availability of the Generating Unit (expressed in MW) prevailing at the De-Synchronisation Load Time;
DLR_RATE	is the De-Loading Rate charge rate (expressed in €/MW or £/MW) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges;
DLR_F1	is the De-Loading Rate Factor 1 (expressed in minutes) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges; and
DLR_F2	is the De-Loading Rate Factor 2 (dimensionless) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges.
MG_DLR_F1	is the Minimum Generation Tolerance Factor (%) which Generating Units are given and which will be set out in the TUoS Statement of Charges for the 2011/2012 tariff year.
MG_DLR_F2	is the Minimum Generation Tolerance Factor (MW) which Generating Units are given and which will be set out in the TUoS Statement of Charges for the 2011/2012 tariff year.

### **Late Synchronisation**

Save where Late Synchronisation is specifically requested by the TSO and agreed by the Generator, on each occasion upon which the Generating Unit synchronises to the Transmission System more than 5 minutes after the time that was instructed for synchronisation by a valid Despatch Instruction, the Generator shall pay to the TSO a charge calculated as follows:

For synchronisation within 60 minutes after the instructed synchronisation time:

$$LS\_Charge_Y = \{ (LS - LS\_Tol) / LS\_F\} * A * LS\_RATE$$

For synchronisation at or greater than 60 minutes after the instructed synchronisation time:

$$LS\_Charge_Y = A * LS\_RATE$$

where:

LS_Charge <sub>Y</sub>	is the charge for the Late Synchronisation underperformance for synchronisation event Y following a Synchronisation Instruction of the Generating Unit (expressed in € or £);
LS	is the number of minutes after the Despatched Synchronising Time that the Generating Unit was synchronising to the Transmission System;

- A is the Availability of the Generating Unit (expressed in MW) prevailing at the Dispatched Load Time;
- LS\_RATE is the Late Synchronisation charge rate (expressed in €/MW or £/MW) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges;
- LS\_Tol is the Late Synchronisation Tolerance (expressed in min) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges; and
- LS\_F is the Late Synchronisation Factor (expressed in min) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges.

### Early Synchronisation

Save where early synchronisation is specifically requested by the TSO and agreed by the Generator, on each occasion upon which the Generating Unit synchronises to the Transmission System more than 15 minutes before the Dispatched Synchronisation Time, the Generator shall pay to the TSO a charge calculated as follows:

$$ES\_Charge_Y = \{ ( ES - ES\_Tol) / ES\_F \} * A * ES\_RATE$$

where:

- ES\_Charge<sub>Y</sub> is the charge for the Early Synchronisation underperformance for synchronisation event Y following a Synchronisation Instruction of the Generating Unit (expressed in € or £);
- ES is the number of minutes before the Dispatched Synchronising Time that the Generating Unit was synchronised to the Transmission System;
- ES\_Tol is the Early Synchronisation Tolerance (expressed in min) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges;
- ES\_F is the Early Synchronisation Factor (expressed in min) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges;
- A is the Availability of the Generator Unit (expressed in MW) prevailing at the Dispatched Load Time; and
- ES\_RATE is the Early Synchronisation charge rate (expressed in €/MW or £/MW) specified in the table headed “Generator Performance Incentive Charge Rates/Parameters” set out in the TUoS Statement of Charges.

## **Appendix A    Glossary of Terms**

AS	Ancillary Services
CER	Commission for Energy Regulation
GPI	Generator Performance Incentives
GUA	Generating Unit Agreement
HASC	Harmonised Ancillary Services Agreement
NI	Northern Ireland
NIAUR	Northern Ireland Authority for Utility Regulation
POR	Primary Operating Reserve
RAs	Regulatory Authorities
RoI	Republic of Ireland
SEM	Single Electricity Market
SEMO	Single Electricity Market Operator
SND	Short Notice Declaration
SOR	Secondary Operating Reserve
SSSA	System Support Services Agreement
TOR	Tertiary Operating Reserve
TSC	Trading and Settlement Code
TSO	Transmission System Operator
TUoS	Transmission use of System