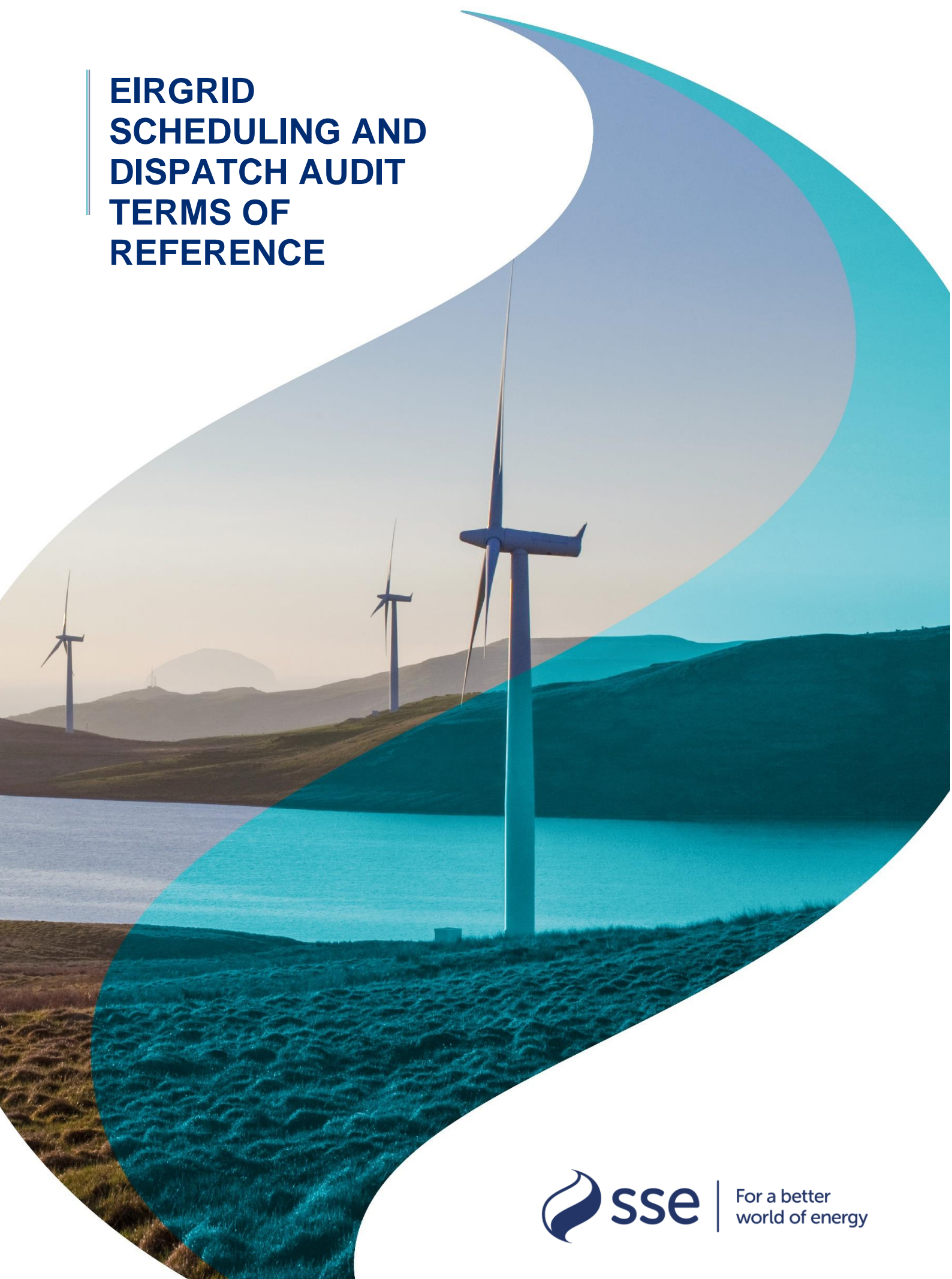


**EIRGRID
SCHEDULING AND
DISPATCH AUDIT
TERMS OF
REFERENCE**



INTRODUCTION

SSE welcomes the opportunity to comment on the Terms of Reference for the forthcoming audit of Scheduling and Dispatch compliance, for the years 2020 and 2021.

SSE is a large generator and supplier operating circa 2,000MW of generation in the all-island centrally dispatched SEM. We were involved in the work to develop the new market including discussions regarding dispatch and scheduling. Also, given we have sites with non-firm access, and priority dispatch dispatchable wind units on the system, we are ideally placed to provide some commentary on the terms of reference to govern such an audit.

We note that the most recent audit results were published in December 2020 and have reviewed these in providing comments for 2020/2021's audits. Finally, we have contributed to the response from the Wind Energy Ireland (formerly IWEA). We are supportive of their position.

For the avoidance of doubt, this is a non-confidential response and can be published alongside other responses to this consultation.

SSE RESPONSE

Our initial response to this Terms of Reference is that insofar as compliance, it appears that the correct requirements/obligations have been listed. However, this audit does not consider the decision-making and complex nature of dispatch and scheduling and how it fits into the overall market outcomes on any given day. We are supportive of the views of the WEI that the auditors must have sufficient technical understanding to be able to interrogate this complexity, rather than only being able to sign off on simple compliance.

For instance, we note the following have been excluded from the Assurance Engagements:

1. The algorithms associated with the optimisation engines, which produce the Long-Term Scheduling ("LTS"), Real Time Commitment ("RTC") and Real-Time Dispatch ("RTD") schedules, used in the scheduling and dispatch process;
 - a. The optimisation engines and their algorithms are an essential input to the scheduling and dispatch process. If this cannot be interrogated, there is already an information asymmetry against the auditors in being able to understand whether decisions were made in line with requirements. We understand that the specific engines may be difficult to get into, but how they feed into the dispatch and scheduling process and an ability to test how this input is used and if it is used correctly, must be possible as the starting point for all other compliance under this process.
2. The Imbalance Pricing process which takes place after the scheduling and dispatch process has ended;
 - a. Whilst this process comes after scheduling and dispatch, it undoubtedly has an impact on what units would be finally dispatched, so should be considered as part of the audit.
3. An assessment of the compliance of the Transmission System Operators in relation to any regulations other than those specifically referenced.
 - a. This should be a normal part of assessment to ensure that there is an appropriate level of scrutiny and scope to the audit. We assume that an assessment of any related but relevant requirements has been made.

4. Validation that data published in relation to the specified elements of the scheduling and dispatch process on the EirGrid (www.eirgridgroup.com), SONI (www.soni.ltd.uk), and SEMO (www.semo.com) websites is complete and accurate unless specifically included in testing procedures, for example, Operational Constraint Updates
 - a. Industry relies on the accuracy of data published on the website. We recognise this might not be part of the scope of confirming scheduling and dispatch compliance, but we consider it must be part of some audits of market operation by EirGrid since where data is inaccurate, it leads to real market impacts.
5. An assessment of the engineering decisions that The Transmission System Operators make when actioning internal operating procedures relevant to the specified elements of the scheduling and dispatch process
 - a. As mentioned above and by Wind Energy Ireland, the auditors need sufficient technical expertise in their own right, or with the support of additional consultants to understand inputs and additional data that inform elements of the scheduling and dispatch process. The engineering decisions underpinning the execution of the scheduling and dispatch process cannot be ignored because again, an incomplete picture of compliance is then presented by the findings of any audit. We understand that an audit is a snapshot of compliance, but it should be an accurate snapshot, end-to-end, of compliance.

In addition, we also share the view of the WEI regarding the pro-rata calculation for dispatch down. We would encourage this to be considered carefully as part of the forthcoming audit as we consider it may not have been fully assessed under the last audit. We would also point to the need for more frequent calculation of set points and consideration of set points being correctly calculated on a pro-rata basis.