



Via email to: ciara.brennan@uregni.gov.uk

cc info@soni.ltd.uk

11th November 2022

SONI Forward Work Plan 2022/23

Dear Ciara,

I am writing on behalf of the Demand Response Association of Ireland (DRAI), the trade association representing Demand Side Unit (DSU) providers in the all-island Single Electricity Market (SEM). By aggregating the flexibility from customers' otherwise passive electrical loads into substantial load portfolios, our members create predictable, reliable, and controllable assets, which provide a valuable source of Demand Side Flexibility (DSF) that can be actively used by system operators to meet the needs of the power system.

Today, the DRAI represents approximately 700 MW of demand and embedded generation response across hundreds of industrial and commercial customer sites throughout the island of Ireland. These sites are managed by our members who actively participate in the capacity, DS3, and energy markets.

DRAI members are committed to shaping the future of power system flexibility through advancing DSF on the island of Ireland. As Northern Ireland strives to achieve its renewable generation targets for 2030 and beyond, our promise as an industry-led organisation is to champion the development of innovative DSF solutions that are designed to address the system-wide requirement for flexibility.

The DRAI expresses a single voice on policy and regulatory matters of common interest to its members, and we welcome the opportunity to provide feedback on SONI Forward Work Plan 2022/23.

On behalf of the DRAI, I hope that you find our response helpful and constructive.

A handwritten signature in black ink, appearing to read "Siobhán McHugh". The signature is fluid and cursive, with a large initial 'S'.

Siobhán McHugh
DRAI CEO

DRAI RESPONSE TO SONI FORWARD WORK PLAN 2022/23

FWP23-05: TSO Demand Side Strategy

We welcome the TSO's intention to develop a 'Demand Side Strategy' and have long requested engagement and progress on this important matter.

As far back as September 2021, the TSOs (SONI and EirGrid) signalled their intention to develop a Demand Side Management (DSM) strategy as part of the Shaping Our Electricity Future (SOEF) programme of work. This was proposed as a solution to progressing several operational and grid code issues raised by DRAI members which pose a barrier to DSF operation. We expressed concern at the time¹ that this would result in undue delay to progressing changes that were urgently required. It has now been over a year since the TSOs indicated this work would take place, and there has been no industry engagement to date.

We recognise that at a broader level, progress has been made by stakeholders to facilitate the inclusion of Demand Side Flexibility (DSF) in the energy, capacity and system services markets on the island of Ireland. We would however emphasise that there remain significant barriers to increasing and fully utilising DSF within these markets. As we tackle the current challenges facing our power system, and look to deliver for the future needs of energy users, it is important that initiatives by SONI which impact active demand response and flexibility are cohesive, delivered in a timely manner, and enable increased participation in the various markets. While the TSO Demand Side Strategy is welcome, it is long overdue.

We have a number of concerns around the framing of the TSO demand side strategy in the SONI FWP and the underlying assumptions that appear to have been made. References to "significant benefits in terms of reduced bills for consumption of energy" for customer participation in demand response, are inaccurate and fundamentally misunderstand the Demand Side Unit (DSU) model and how aggregation operates. We note that the intention in the FWP is that "Engaging further with stakeholders will form part of the next steps after the publication of this strategy". It is vital that engagement with industry takes place prior to the publication of the strategy, and we suggest that happens as soon as possible.

Since the ability of all market participants to engage with the market to provide the necessary resources and services will largely be determined by the effectiveness of system operations, we strongly believe that timely delivery of operational policy to better facilitate DSF will deliver substantial benefit in the long term. In our view, it is imperative that this investment is made in system operations as soon as possible, to ensure that they are fit-for-purpose to facilitate optimised interaction with market participants.

Stakeholder Engagement

From an industry perspective, we emphasise the need for regular engagement with demand response providers as we firmly believe that it is only through working together that we will develop appropriate operational standards and commercial frameworks, design effective market interfaces and remove the necessary technical barriers hindering market participation. Currently there is no regular engagement whatsoever between the DRAI and SONI, and we note that demand response / aggregators are not part of the stakeholder groups outlined in the FWP.

¹ [DRAI Response to SONI Grid Code Modification Consultation - Maximum Down Time](#) & [DRAI Response to SONI Grid Code Modification Consultation - Minimum Aggregation Value](#)

Demand side technologies offer a cost-effective, zero carbon means of delivering system flexibility that can be readily deployed to ensure optimal integration of renewable generation, secure system operation and resource adequacy. However, a number of systemic issues and barriers still need to be addressed to allow these benefits to be realised.

The DRAI and our members are eager to share our expertise in demand side aggregation and to provide services that will significantly enhance the resilience of the power system and help achieve Northern Ireland's decarbonisation goals. We look forward to working in partnership with SONI and our industry colleagues to achieve this.