



***Consultation on NI Daily Capacity Products: High Level  
Business Rules***

**on behalf of**

**AES Ballylumford Power Ltd and AES Kilroot Power Ltd**

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*Queries to*

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## 1.0 Introduction

As a major stakeholder within both the Irish electricity and gas markets, AES welcomes the opportunity to respond to the Consultation 'Northern Ireland Daily Capacity Products: High Level Business Rules.'

## 2.0 Comments

It is the understanding of AES that the High Level Business Rules Consultation Paper, prepared by BGE(NI) and MEL, is intended to provide the basis for the development of streamlined Short Term capacity products for the Northern Ireland market.

It is the view of AES that the development of other products to address other aspects of Northern Ireland's current infringements in relations to [Regulation (EC) 715/2009] (the 'Infringements') has the potential to impact significantly on the nature of products to be offered.

The other areas of work being progressed by the Regulators to satisfy the Infringements that AES is aware of are:-

1. Declaration of a Relevant Point of interconnection on the South North pipeline.
  - a. Forward flow capacity on the south North pipeline.
  - b. Virtual reverse flow on the South North pipeline at the relevant point.
2. Virtual reverse flow at Moffat.
3. Virtual reverse flow at Carrickfergus.

At this time, AES does not have sufficient information to fully understand the pricing mechanisms and the long term implications of Short Term firm capacity products (when they are developed further) being made available to SNIP and SNP shippers. In particular, AES would like additional analysis and information on the impact, if any, that these proposed Short Term products will have on the availability of interruptible capacity on SNIP.

Although the products proposed may satisfy the Infringements, in their current form they are of very limited value to, and therefore unlikely to be used by, SNIP or SNP Shippers.

Clause 1.3.4 [of The High Level Business Rules] states

*A Shipper may apply for Capacity:-*

*(b) no later than 12 business days (or any such shorter period as Premier Transmission may agree in relation to that application) before it requires Firm Capacity.*

It is the view of AES that to be of value, the business rules would need to permit the application window for securing Short Term capacity products to be on a day-ahead or on a within-day basis rather than as currently proposed.

## Daily Capacity Allocations

Clause 1.5.2.b of the proposed Code states:-

*Where there is insufficient Available Firm capacity in the Transportation System to meet all Shipper Applications the Available Firm capacity shall be allocated prorata to Shipper Applications.*

AES would expect Long Term or Enduring Firm capacity would be prioritised over Short Term products such that in a capacity short fall scenario, Short Term capacity is scaled back first. Indeed we would suggest Short Term products should not be made available if the technical capacity limit is likely to be met by applications for Long Term or Enduring capacity.

AES would expect any Use-it-Or-Lose-It philosophies applied to limit capacity hoarding would take account of peak lopping gas-fired Generators and potential impact on the security of supply of the electricity network.

We would also be keen to understand how the flip-flop arrangement would continue to work on the SNIP.

AES are of the view that Capacity should be capable of being transferred between Shippers at short notice on a short term basis as this could help maximise the efficient utilisation of the available Capacity on high flow days. Such mechanisms may also act to dampen Capacity prices and postpone the need for future Transmission reinforcement.

## Capacity Application

Clauses 2.2.1[of The High Level Business Rules] states

*Where a shipper wishes to apply for Daily capacity on a contract path where the Entry point is not on the same network as the Exit point, the Shipper will be required to register with both PTL and BGE(NI) and must apply for the same quantity of capacity on both networks.*

The requirement to have the same quantity of capacity on both networks may not cover a Shipper having Exit points in both networks or where another Shipper is used for part delivery from another network.

AES also seeks further clarification on notice periods given to Shippers of Capacity Interruption or restrictions. AES would expect an absolute minimum of 4 hours notice to facilitate fuel changeovers and allow co-ordination with the Electricity TSO's.

## **Transmission Capacity Booking Windows**

AES believe there is merit in developing a mechanism to secure Interruptible Capacity within day. This would help accommodate the demands and impacts of the increasingly volatile in-day changes in dispatch of flexible gas fired electricity generators due to the significant (and increasing) penetration of wind generation. Also, the introduction of Intra-day Trading in the electricity market later this year is likely to further increase in-day generation dispatch volatility.

## **Virtual Reverse Flow**

AES are in agreement with Virtual Reverse flow at Moffat provided relevant Entry Exit Charges are paid and there is no detriment to SNIP Shippers.

## **Consultation Process**

Whilst AES recognises the urgency to progress new Business Rules etc. to ensure compliance, we are concerned that setting too ambitious a target may leave many stakeholders struggling to comply with tight timelines for responding to such consultations due to limited resources and the imperative to maintain normal business functions. A balance needs to be maintained to ensure good quality responses from the Industry whilst maintaining a reasonable pace. We therefore request those preparing consultations to set realistic timescales taking into account other consultations that may be ongoing