

Vivienne Price  
Project Engineer  
SONI Ltd  
Castlereagh House  
12 Manse Road  
Belfast  
BT6 9RT

23 March 2017

Our ref: CNO/E/TH162

Dear Vivienne,

**RE: Time limited Derogation from section GD2 (xiii) (c) of the SONI Grid Code (07 August 2015) in relation to Coolkeeragh ESB (CESB) C30 Power Station.**

Thank you for SONI's response detailing your support for the Utility Regulator (the **UR**) to approve the derogation requested by CESB for the C30 power station in regards to lowering their primary operating reserve (POR).

The relevant code to which the derogation request relates to is in the SONI Grid Code<sup>1</sup> under Section GD2 (xiii) (c);

**GD2. CONSTRUCTION OF REFERENCES**

*(xiii) if any item (including any technical or operational parameter) is defined or determined by reference to a Generating Unit Agreement, then for the purposes of applying this Grid Code to a CDGU that is not the subject of a Generating Unit Agreement, the value of the item shall be taken to be:-*

- (a) as set out in or determined under the SSS Agreement (for that CDGU);*
- (b) if paragraph (a) above does not apply, and where the CDGU was subject to any Generating Unit Agreement which is no longer in force, then as set out in or determined under that Generating Unit Agreement as if it were still in effect; and*
- (c) if paragraph (a) and (b) do not apply, then as agreed between the TSO and the Generator (both acting reasonably).*

**Background**

When the SSS agreements were terminated in 2010 the POR data for CESB C30 was agreed to be held in schedule 9 of the Harmonised Ancillary Services (HAS) agreements and continue to be used as part of CESB Grid Code technical parameters. Since the termination of the HAS agreements in 2016 the required Grid

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<sup>1</sup> SONI Grid code 07 Aug 2015 <http://www.soni.ltd.uk/media/documents/Operations/Grid-Code/SONI%20Grid%20Code%20Version%20Aug%202015.pdf>

Code technical parameters for each unit are now held in a side letter between the SONI (the TSO) and CESB (the Generator).

As GD2 (xiii) (a) and (b) do not apply therefore GD2 (xiii) (c) is in effect. CESB outlined that they wish to derogate away from the previously agreed values to new values agreed under GD2 (xiii) (c) to enable them to change from the original POR of 45MW to a revised POR of 38MW.

Within their derogation request, the application states that recent work undertaken by SONI has looked to quantify 'recovery of inertia' for rotating machines when the reserve output during a system transient is reduced by the energy lost in recovering the rotational speed of the machine as the frequency recovers. This has resulted in an appropriate allowance being given when assessing operating reserve performance. The application also stated alternations to the combustion control system to cater for rapid rises in frequency and avoid flame out on the gas turbine reduced the dynamic response of the machine. CESB now believe it would be appropriate to adopt the operating reserve figures determined by the SONI testing as the values to be used.

#### **Coolkeeragh ESB Response**

The contracted value for primary operating reserve was 45MW which was carried over from previous agreements. CESB believe the technical capability of the plant is 38MW and wish to derogate to this value. They also state that the design life of the plant is 25 years. As commissioning was in 2005, plant operation is expected to continue to 2030.

CESB also confirmed that they believe that this derogation be reviewed every five years or in the event of new technology being offered by the manufacturer. CESB commented that in relation to the impact on customers, this derogation will reduce the potential cost to customers by reducing the maximum quantity for which C30 can receive payment.

#### **SONI Response**

SONI commented that they would be supportive of the derogation with fixed review periods. SONI also indicated that any future requests for lowering the POR value will not be supported.

#### **UR Direction**

The UR has considered the derogation application received from CESB, along with the response from SONI.

#### **The Utility Regulator now gives the following direction:-**

1. Pursuant to paragraph 12 of Condition 16 of the Licence to Participate in Transmission of Electricity (the "Licence Document") granted to SONI Limited, the "Licensee" the Licensee is relieved of its obligations under Condition 16 of the Licence Document to implement, apply, comply with and enforce the Grid Code as written in relation to the Coolkeeragh C30 Power Station, (the "Facility") to the extent set out in this direction regarding.
  - GD2: (xiii) of the SONI Grid Code (07 Aug 2015);

2. The following conditions shall apply:
  - The POR should be agreed between the TSO and the Generator.
  - This direction is valid until the 31<sup>st</sup> March 2022.
  - Should the asset be replaced, this direction will not apply.
  
3. This direction relates solely to Coolkeeragh ESB C30 Power Station and does not set a precedent for future derogations.

I further confirm that in complying with this direction the Licensee shall not solely by virtue of such compliance be in breach of its obligations under paragraph 1 of Condition 16 of the Licence Document.

Signed ..... 

**Name: Tanya Hedley**

**Date: 23/03/2017**

**Authorised by and on behalf of the Northern Ireland Authority for Utility Regulation**