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Electricity Balancing Guideline – Art 14(2) Central Dispatching Model Notification

Dear Jean-Pierre,

Commission Regulation (EU) 2017/2195, establishing a guideline on electricity balancing (EB GL), entered into force on 18th December 2017. Under Article 64, Ireland and Northern Ireland had a derogation on aspects of this Guideline other than those related to participation in development of terms and conditions or methodologies, until 31st December 2019. Article 14 of EB GL outlines a requirement for TSOs to apply a self-dispatching model, and for TSOs who are applying a central dispatching model to notify the relevant Regulatory Authority to continue to apply this model.
The wording of this Article 14(2) is as follows:

"*Each TSO shall apply a self-dispatching model for determining generation schedules and consumption schedules. TSOs that apply a central dispatching model at the time of the entry into force of this Regulation shall notify to the relevant regulatory authority in accordance with Article 37 of Directive 2009/72/EC in order to continue to apply a central dispatching model for determining generation schedules and consumption schedules. The relevant regulatory authority shall verify whether the tasks and responsibilities of the TSO are consistent with the definition in Article 2(18).*"

This text refers to the Regulatory Authority verifying whether the tasks and responsibilities of the TSO match the definition of the central dispatching model. The wording of this definition in Article 2(18) is as follows:

"*'central dispatching model' means a scheduling and dispatching model where the generation schedules and consumption schedules as well as dispatching of power generating facilities and demand facilities, in reference to dispatchable facilities, are determined by a TSO within the integrated scheduling process;*"

This letter serves as notice that EirGrid and SONI are applying the central dispatching model at the time of the entry into force of this regulation (and at the end of the derogation under Article 64), and intend to continue applying this model for Ireland and Northern Ireland.

The remainder of this letter outlines information pertaining to the tasks and responsibilities of the TSO being consistent with the definition in Article 2(18).

The requirement to be seen as applying a central dispatching model is to schedule the system based in the "integrated scheduling process" as mentioned in the definition. The wording of this definition in Article 2(19) is as follows:

"*'integrated scheduling process' means an iterative process that uses at least integrated scheduling process bids that contain commercial data, complex technical data of individual power generating facilities or demand facilities and explicitly includes the start-up characteristics, the latest control area adequacy analysis and the operational security limits as an input to the process;*"

This describes, at a high level, the mechanism currently used for balancing the system within the SEM. The balancing market is unit-based (with some allowance for aggregation), as set out in the High Level Design decision of the Regulatory Authorities (link here) and as implemented through the market rules where all generation facilities above a De Minimis threshold (currently 10MW) must register (see section B.6 of the SEM Trading and Settlement Code, link here). Therefore all information provided is on an individual power generating facility level (or at the level of an aggregation of demand facilities, in the case of Demand Side Units). Integrated Scheduling Process Bids are synonymous with the Commercial Offer Data, Physical Notification Data, and Technical Offer Data submissions under the SEM Trading and Settlement Code, the characteristics of which are contained in Appendix I of the SEM Trading and Settlement Code (link here). Technical Offer Data contains information relating to start-up characteristics including notice times, block loads, minimum on/off times, loading rates, etc., and Complex Commercial Offer Data contains information on explicit start-up costs.

The scheduling and dispatch process, as described in the Balancing Market Principle's Statement (link here), matches the description of an "iterative process" (e.g., the description of the scheduling and dispatch process in section 4.3 and in particular of scheduling run types in section 4.3.2). The process includes a co-optimisation to meet energy balance and operational security requirements, with the objective function to minimise cost of deviation from the Physical Notification while satisfying all constraints. Therefore the process contains "the latest control area adequacy analysis and the operational security limits as an input to the process" (e.g., the inputs to the process described in section 3.4, in particular the constraints described in section 3.4.3, and the description of meeting objectives under section 4.5).

In addition to these aspects as described under the EBGL, there are additional aspects to the operation of the Ireland and Northern Ireland power system which would describe a central dispatching model. The primary example of this is the requirement to follow instructions, rather than units being able to change output without a dispatch instruction (as described in section 4.4.1 in the Balancing Market Principles Statement and underpinned by licence and Grid Code obligations).

Should there be any clarifications or additional detail you require, please do not hesitate to contact me.

Yours sincerely,

Issued via Email

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Rodney Doyle
Chief Operations Officer
EirGrid