

William Carr
Coolkeeragh ESB
2 Electra Road
Maydown
BT47 3YJ

1 December 2017

Our Ref – CNO/E/TH/282

Dear William,

RE: Coolkeeragh ESB Derogation Request – Generator Performance Incentive (GPI) payment in relation to Rate of Change of Frequency (RoCoF) requirement

I write in response to your email of 24th August 2017 seeking a derogation in relation to the Coolkeeragh C30 Generator from the application of RoCoF GPI payments.

As you are aware, the Utility Regulator (**UR**) issued a Decision Paper¹ on 7th May 2014 approving in principle a Grid Code Modification to introduce a minimum RoCoF requirement. In this paper the UR specified that technical studies should be carried out to ensure compliance with the new standard. The UR included time limits by which compliance should be achieved. The UR also decided on the implementation of a GPI mechanism, with payments due in instances where generators failed to achieve compliance within the specified timeframe.

In the derogation request, you stated that Coolkeeragh C30 was identified as a priority generating unit and as such, was given a period of 18 months to demonstrate compliance. You have indicated that the technical study in relation to Coolkeeragh C30 is complete, but that the generator is not compliant with the new standard. The derogation request seeks an exemption from the GPI payments until the end of March 2018, when it is envisaged that compliance will be achieved.

In the UR Decision Paper of 7th May 2014, we set out that for an exemption to the GPI payment to apply, then a request for a derogation must have been submitted to the UR by 10th August 2015. As no derogation request was received by that date, Coolkeeragh C30 has been subject to GPI payments since 1st June 2016, following the Single Electricity Market Committee (**SEMC**) Decision (SEM-16-027²) confirming that mechanism would apply.

¹ https://www.uregni.gov.uk/sites/uregni.gov.uk/files/media-files/Decision_Paper_on_the_Rate_of_Change_of_Frequency_Grid_Code_Modification.pdf

² https://www.semcommittee.com/sites/semcommittee.com/files/media-files/SEM-16-027%20SEM%20RoCoF%20Remuneration%20Mechanism%20Decision%20Final_0.pdf

Decision

The UR has now assessed this request and given due consideration to all relevant factors. As part of our assessment, we sought information from Coolkeeragh ESB and this matter was raised at the SEMC DS3 Project Board on 9th November 2017. The Project Board's opinion was that oversight of compliance with the Grid Code rested with the UR. As such, the UR now gives the following decision on the derogation request:-

The UR has decided not to grant the derogation request in this instance. In reaching this decision, the UR has taken into account the following factors:-

1. The UR Decision Paper of 7th May 2014;
2. That the deadline for receipt of derogation requests in relation to the RoCoF GPI mechanism was 10th August 2015;
3. That GPI payments have applied to Coolkeeragh C30 since 1st June 2016;
4. That a lack of detail has been presented in relation to achieving compliance with the RoCoF standard, namely specific dates in which the various works required will be carried out;
5. That a clear date has not been specified in relation to achieving compliance with the RoCoF standard.

Signed

Name: Tanya Hedley

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