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### **SONI Price Control 2010 – 2015 Consultation Paper**

Dear Kevin and Billy,

Viridian Power and Energy (VPE) welcomes this opportunity to comment on the above consultation. Our views are as follows:

1. There are significant challenges ahead for SONI over the course of the next price control and it is important that SONI has the necessary expertise, resources and flexibility to respond. We note for example the need to accommodate renewable connections and integration (whilst minimising constraints) in the context of intra-day trading which will require, among other things, innovation and development of power system tools and forecasting.
2. Given the scope and potential for uncertain reforms associated with Regional Electricity Markets beyond 2014 we would suggest that the SONI price control period should last for three and half years from 1<sup>st</sup> April 2010 to 30<sup>th</sup> September 2013.
3. It is reasonable for SONI to expect its staff to have a safe and comfortable working environment. Subject to suitable temporary accommodation being made available it is also reasonable for this to be achieved in the most efficient manner and it would seem unnecessary for all SONI functions and staff to be located within the same building. For example it is not immediately clear why the commercial and finance functions of SONI need to be housed together with the operational and planning functions.

4. We strongly support the principle of including incentive mechanisms in the SONI price control to improve quality of service and would strongly suggest that incentives should be harmonised across SONI and Eirgrid where possible.
5. We have the following more specific views in relation to incentives:
  - a. We support any incentive to improve demand and wind forecasting but would like to see this translated into a performance metric that would incentivise the accuracy of the indicative dispatch schedule.
  - b. Given renewable targets we see a need to incentivise the timely and efficient connection of renewables and the minimisation of transmission constraints.
  - c. There is also a real need to improve the transparency of dispatch decisions and transmission constraints. We suggest this could be progressed as follows in the first instance:
    - i. Incentivise SONI to run an All-Island Generator Forum at least three times a year, or preferably every Quarter, in conjunction with Eirgrid. SONI and Eirgrid hosted an All-Island Generator Forum on 3<sup>rd</sup> February 2011 and it was very informative and useful, including important topics such as: (i) What determines a generators running pattern and why it is changing?; (ii) What's changing in the market and what will be the impact on plant operation?; and (iii) What may be causing low frequency system oscillations?. These are hugely important issues to understand on an ongoing basis and we see considerable value in having a regular 2-3 hour Generator Forum as proposed.
    - ii. Incentivise SONI to make the Transmission Constraint Group (TCG) report a live document that is published on the SONI/Eirgrid website. TCGs are additional constraints imposed on RCUC by the TSOs and directly impact generator dispatch. TCGs can be time limited and can be activated or de-activated at any particular time. New TCGs can be introduced and old ones removed as necessary. There is currently a distinct lack of transparency around TCGs. We understand there is an

annual TCG report published by SONI/Eirgrid but given the dynamic nature of TCGs this is of limited value. The need for regular updates of this report (as and when TCGs change) was raised at the aforementioned generator forum and the TSOs were amenable to considering this. This is clearly something that could and should be incentivised.

Please do not hesitate to contact me if you would like to discuss this response.

Yours sincerely



Kevin Hannafin  
Regulation Manager