

# **Single Electricity Market**

**Constraint Groups arising from SEM-11-105**

**SEM Committee Decision**

**1 March 2013**

**SEM-13-012**

## **Background**

On 21 December 2011 the SEM Committee published a decision paper on the treatment of constraints in tie-break situations (SEM-11-105). Section 4.2 of SEM-11-105 tasked the TSOs with the identification of up to three constraint groups, within which the tie-break dispatch rule-set for constraints would apply. This report was submitted to the SEM Committee and was published on 28 August 2012 (SEM-12-076) alongside a SEM Committee Cover Note (SEM-12-076a).

SEM-12-076 set out the TSOs' assessment of the constraint groups under the rule-set as defined by the SEM Committee in SEM-11-105. The report detailed that there is currently only one constraint group (located in Donegal) but, given the assumptions, that a second constraint group is expected to emerge in the South-West of the island in 2015/2016 following the completion of the 220kV station works in the area.

The TSOs also proposed that there would not be a constraint group created for Northern Ireland at the moment. The reason advanced was that although certain areas of the Northern Ireland network were susceptible to localised transmission congestion they do not appear to be sufficient to warrant the creation of a constraint group presently in the region.

The SEM Committee asked for stakeholders to comment on the content and proposals contained within SEM-12-076. Six responses were received and these were reviewed by the TSOs and the RAs. These responses are published alongside this Decision Paper. The TSOs have now prepared a summary of responses and TSO's position paper. This paper includes a recommendation from the TSOs to implement the proposed constraint groups outlined in SEM-12-076 and the timeline for the implementation of the constraints groups. The SEM Committee has now considered this recommendation and the views of the responses to the consultation and has arrived at its decision on this matter.

## **SEM Committee Decision**

### **1. Constraint Groups**

The SEM Committee has decided the following:

- A constraint group identified and modelled by the TSOs for the Donegal region (as defined in SEM-12-076) will be implemented immediately, that is as soon as the TSOs have put in place the required dispatch systems to give effect to SEM-11-105.
- A constraint group identified and modelled by the TSOs for the south-west of Ireland (as defined in SEM-12-076) will be implemented from the date at which the constraints

in this region become binding. This is expected to be the date at which the 220kV stations are built.

- The SEM Committee accepts the TSO's recommendation that there is currently no constraints group in Northern Ireland;

- SEM-11-015 allowed for implementation of a maximum of 3 constraints groups on the island. The decision stated:

“On advice from the TSOs a maximum of three constraint groups will be modelled on the island with two in Ireland and one in Northern Ireland (if required) that represent the most significant constraints for wind Generators at present

(...)the SEMC has decided to fix the maximum size of the constraint groups (i.e. fixed by geographic size/electrical boundary – nodes) in Year 1. (...) as the network is build, Generators will be able to ‘drop-out’ of the constraint group.

It should be noted that a maximum of three constraint groups will be modelled and a constraint group ‘disappearing’ does not imply that another constraint group will be developed to replace it. Constraint groups will not be developed just to maintain the same original number of them.

The TSOs have recommended that this section of SEM-11-105 should be interpreted to mean no new constraint groups will be identified at a later date. Having considered this position and the view put forward by respondents to the consultation, the SEM Committee has decided however that the ability to create a new constraint group if the need arises in certain circumstances, should not be restricted. The reason for this is outlined below.

In SEM-11-105, the SEM Committee committed to the creation of a maximum number of three constraint group. Where the need for a group was identified by the TSOs, the maximum size of the Group will be identified in Year 1 (the first year at which the Group applies) and the size of that Group will shrink beyond that. In addition where a constraint group disappears, most probably as a result of network build-out, there is not a necessity on the TSOs to identify a replacement group.

SEM-11-105 does not state that the maximum of three constraint groups will be modelled in Year 1 and that no constraint groups may be identified after Year 1. It is the decision of the SEM Committee that should there be a need to create a third constraint group (i.e. if one arises for whatever reason), in any part of the island, then there should be the flexibility to create this Group. This Group would only be modelled and created if only 2 other groups (or indeed only 1 or 0 other groups) are in existence at that time and if the TSOs have identified a need to create a constraint group. A new constraint

group will not be developed simply to replace another one; there must be an identified need to create the Group. The creation of any new group will be subject to a full consultation, similar to that which took place in SEM-12-076 and final decision by the SEM Committee to create the new Group or not. Based on the advice of the TSOs, it is not expected that a third constraints group will arise; however the SEM Committee has decided that it is prudent to leave the possibility open, should the need arise.

## **2. Reporting on SEM Dispatch**

Some respondents to the consultation requested that the SEM Committee put in place a reporting mechanism to ensure consistency and transparency in the implementation of SEM dispatch rules as they apply to constraint and curtailment situations. It was suggested that this should be a monthly report detailing all constraint and curtailment events on a wind-farm by wind-farm basis.

### **SEM Committee Decision**

The SEM Committee agrees that it is important that market participants have confidence in the implementation of SEM dispatch decisions by the TSOs. As a result of the decisions outlined in SEM-11-062 in relation to the application of priority dispatch in the SEM, SEM-11-105 in relation to treatment of constraints in tie-break situations, this decision paper on the creation and dispatch of constraint groups and SEM-13-010 on the treatment of curtailment in tie-break situations, the dispatch decisions of the TSOs will have important impacts on wind-farms. Accordingly, the SEM Committee has decided that a reporting/ transparency mechanism should be put in place. The TSOs will be asked to design and propose to the RAs the structure and content of this report; however it should take account of the view expressed by respondents to the consultation on SEM-12-076. The TSOs should propose a report template to the RAs by end Q2 2013.

### **Next Steps**

- TSOs to implement the SEM Committee decision and make the required changes to dispatch systems. The TSOs should communicate to the industry, both on the TSO websites and by written communication to those windfarms in constraints groups when the constraint group is going live and when dispatching for constraints in tie-break situations in that Group will be carried out on the basis of SEM-11-105;
- TSO to propose dispatch report template to the RAs by end Q2 2013.