
Brookfield Renewable

**Response to SEM-17-045: Imperfections Charge October
2017 – September 2018 and Incentive Outturn
October 2015 - September 2016**

Submission Date: 2 August 2017



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**RE: SEM-17-045: Imperfections Charge October 2017 – September 2018 and Incentive Outturn
October 2015 - September 2016**

Dear Mr. Walker,

Brookfield Renewable welcome the opportunity to provide feedback on the Imperfections Charge October 2017 – September 2018 and Incentive Outturn October 2015 - September 2016 consultation paper published by the SEM Committee, which comprises both the Utility Regulator and Commission for Energy Regulation (the RAs).

Brookfield Renewable is part of Brookfield Renewable Partners L.P., one of the largest publicly-traded renewable power platforms, operating across Europe, North America and South America, with over 10,000 MW of hydroelectric and wind capacity across 15 power markets. Brookfield's Irish portfolio consists of 350 MW of operating wind capacity across 19 wind projects in 9 counties and a 200 MW wind development pipeline. Our power operating platform employs over 2,200 people globally, including full operating, development, construction oversight, and wholesale power marketing capabilities. In addition to operating a wind portfolio in the Single Electricity Market, Brookfield Renewable also actively trade power across the interconnectors between SEM and BETTA.

Brookfield Renewable note that in order to increase transparency around Dispatch Balancing Costs, the SEMC has introduced reporting requirements on the TSOs. Following on from the implementation of these measures, we recommend that further transparency is prioritised going forward. In particular, information flow to market participants needs to improve and provision of accessible and usable information in a timely manner needs to be prioritised, especially given the introduction of I-SEM in May 2018.

This is particularly relevant to the areas of energy balancing, constraint and curtailment where a much greater level of transparency is required. Currently information provided to the market is inconsistent, intermittent or unreliable. Market participants require an improved breakdown of expected constraints and curtailments on the system, relevant information on the state of the network and planned actions by the TSOs (i.e. ongoing updates on Voluntary and Forced Outages). Information flows are currently insufficient to address the requirements that market participants will have under I-SEM to establish an accurate view of the market in order to mitigate against commercial exposures arising from energy imbalances.

To facilitate competitive energy trading and efficient market outcomes it is essential that all participants have access to the information required to understand the direction of the market and forecast their generation effectively.

Without up to date information, participants cannot accurately assess the risk that they are exposed to due to energy imbalances which will lead to inefficient market outcomes and increased costs to the electricity consumer.

While there isn't scope in this response to detail all information requirements, some examples of areas where improved data flows are required are:

- Notifications published for REMIT are often inconsistent, unstructured and late making it difficult to forecast available generation capacity. The TSOs also need to inform market participants of Forced Outages as they occur.
- Participants have no means of understanding up to date network conditions and outages making it extremely difficult to forecast network capability, constraints and non-energy actions. A real-time network SLD or similar would provide participants with useful information and in parallel with this a current list of Voluntary Outages (ongoing and scheduled) also needs to be provided. The TSOs need to inform market participants of levels of expected generation in a timely manner and of expected constraints and curtailments arising from scheduled outages as they occur.
- Dispatch Instructions previously differentiated between constraints and curtailment but these are no longer distinguishable in the data supplied by the TSOs which we believe was a regressive move. Market participants need to have maximum visibility on inputs to the scheduling and dispatch process, as close to real time as possible, in order to understand how these influence actual outturns. This is of particular significance to non-firm generators who will be liable to pay for any energy imbalance arising from curtailment so must be able to predict curtailment as accurately as possible prior to trading their position.
- Brookfield Renewable also request further clarity on how dispatch balancing costs will be dealt with in I-SEM. We note that an allowance of €19.22m has been made to cover I-SEM related uncertainties however no further detail has been provided to support this.

As illustrated above, there is a clear requirement for improved data provision from the TSOs to market participants. Brookfield Renewable are of the opinion that an incentive mechanism should be introduced for the TSOs to provide current, accurate and consistent information relating to energy imbalances, constraints, curtailments and other system charges (including short notice declarations and trip charges for example) to market participants. This data flow will be imperative to facilitate efficient market operation in I-SEM and to minimise the cost of electricity for consumers. We believe that this incentive should be dependent on the adequate provision of relevant data and that a penalty should be imposed on the TSOs if relevant information is not shared in a suitable manner.

Should you require any further information in relation to the points raised above please don't hesitate to get in touch.

Kind regards,

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