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RE: Intermediary Arrangements in the SEM

Energy Storage Ireland (ESI) is an industry representative association comprised of members who are active in the development of energy storage in Ireland and Northern Ireland. Our aims are to promote the benefits of energy storage in meeting our future decarbonisation goals and to work with policy makers in facilitating the development of energy storage on the island of Ireland. We have over 30 members representing many areas of the energy storage supply chain.

We would like to thank the SEM Committee for the opportunity to provide feedback on this consultation in relation to Intermediary Arrangements in the SEM.

Energy storage will play a significant role in facilitating higher levels of renewable generation on the power system and in helping achieve national renewable electricity targets. Storage systems can act in the energy, capacity and system services markets to deliver a wide range of benefits such as wholesale energy price reductions, reduced CO2 emissions and flexible system support services to help manage the grid with higher levels of renewables.

We therefore welcome measures that facilitate the development of energy storage and in general we support the proposals outlined in this consultation and would like to see the amended criteria implemented as soon as possible. Our responses to the questions posed are as follows:

Consultation Question 1: The RAs propose to revise Part C of the eligibility criteria to allow for a broader range of market participant categories to apply and also to provide for renewable units which may be dispatchable and/or controllable to take part in such arrangements. The revised criterion would be; where a Wind Power Unit, a Pumped Storage Unit, a Battery Storage Unit, a Demand Side Unit or a Solar Power Unit with a Maximum Export Capacity of less than 100MW is contracted to a Supplier that is Party to the TSC.

We agree with this proposal. Opening these arrangements up to storage and other market units is a positive step and we welcome these changes. The storage industry is developing rapidly with the first battery project in ROI already operational and multiple projects due to come online in both ROI and NI over the next 12 months. This proposal will simplify the process for market registration by allowing the option for units to contract with intermediaries to

manage their market participation and helps provide a level playing field in terms of market access for storage.

Consultation Question 2: The RAs propose to allow Suppliers to take part in Intermediary arrangements. Do you agree with this proposal and do you have a view on whether this should be available to all suppliers or only to those below a certain threshold of market share?

We have no issue with this proposal

Consultation Question 3: The RAs propose that an additional criterion is added to the Trading and Settlement Code to allow for specific registrations to be approved once they meet the SEM Committee's specific objectives in this area. A Modification to the TSC would be raised following this Consultation to provide for this change. Do you agree with this proposal?

We believe the additional criteria should be implemented as soon as possible and, while appreciating that some changes to the TSC may be necessary, it would make sense that eligible participants should benefit from these arrangements as soon as a SEM Committee decision is made. As noted, multiple storage projects will be coming online in the next months to provide valuable services to the grid and to consumers and we strongly recommend that these arrangements are made available to participants as soon as possible i.e. via a SEM Committee policy decision. This would greatly facilitate projects being able to fully access the market without delay and remove barriers to participation.

Consultation Question 4: The RAs propose to publish a quarterly report on the SEM Committee website setting out the details of the current Intermediary arrangements in place in the SEM. Participants involved in these arrangements would be required to notify the RAs and SEMO of any changes to these. Do you agree with this proposal?

We have no issue with this proposal.

Consultation Question 5: What is your view on the potential added value of the application of Intermediary Arrangements in the Ex-Ante Markets?

Storage units will be trading across multiple market timeframes and so intermediaries that can manage participation for units in the ex-ante markets as well would allow for optimal use of assets and benefits to the system. While we understand that arrangements already exist for intermediary trading in the ex-ante markets, and so are unclear if this proposal will result in added value for participants, in general we support measures that facilitate or provide additional clarity to participants where possible.

Consultation Question 6: Are there limitations to the current arrangements which could be revised to better facilitate corporate PPAs?

No comment

Consultation Question 7: Are there further changes to the FoA that the Regulatory Authorities should consider?

We have no comments to make on this but note that there is a separate ongoing consultation on aggregation in the SEM which is related to some of the points raised in this section.

In conclusion we would like to thank the SEM Committee for the opportunity to respond to this consultation. If you have any queries in relation to the points we have raised please do not hesitate to contact us.

Kind Regards,

A handwritten signature in black ink, appearing to read "Bobby Smith", is written over a thin horizontal line.

Bobby Smith
Energy Storage Ireland