



TYNAGH ENERGY
L I M I T E D

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Commission for Energy Regulation
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Ref: TEL/PH/16/111

8th July 2016

Balancing Market Principles Statement Terms of Reference Consultation (SEM-16-028)

Dear Sirs,

Tynagh Energy Limited (TEL) welcomes the opportunity to respond to the Balancing Market Principles Statement (BMPS) Consultation Paper (SEM-16-028).

TEL agrees with the RAs decision to develop a BMPS that will act as a standalone guide to the operation of the system. However, it needs to clearly describe the procedures to modifying the BMPS and specify the interaction of the BMPS, Grid Code and TSC.

TEL agrees with the proposal in part 3 of the BMPS (Description of the data processes in the dispatch process) to set out the TSOs' approach to identifying and managing constraints on the system and explaining how the transmission constraint groups are derived and the approach to reviewing them. TEL proposes the approach to identifying and managing the reserve on the system should also be included in this section.

There are different levels of exceptions (i.e. part of the transmission system has become islanded and a deviation from normal system constraint operation) which should require various levels of detailed reporting. TEL would propose two types of reports. The first, a less detailed daily report on deviations from the outturn of the scheduling and dispatch tools. Such a report would provide market participants with a more transparent understanding of the TSO actions considering the amount of wind capacity and demand side management being installed in the future. Secondly, as recommended by the RAs, a more detailed narrative monthly report for infrequent circumstances that require the TSOs to operate outside the principles detailed in the BMPS.

TEL would recommend the use of similar methods applied in GB by National Grid to communicate shortfalls to the market, such as a Notice of Insufficient System Margin (NISM), a High Risk of Demand Reduction (HRDR) and a Demand Control Imminent (DCI). These early communication methods could assist market participants in addressing issues before TSO actions are required.

Should you have any queries, please do not hesitate to contact me.

Yours sincerely,

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