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RE: Draft Balancing Framework Guideline

The EirGrid Group (representing EirGrid TSO, SEMO and SONI) welcomes the publication of the draft Balancing Framework Guideline and believes that it is a positive step towards the effective integration of balancing markets across Europe.

We fully endorse the ENTSO-E response that has been submitted. However, there are a number of additional items which are specific to the synchronous system of Ireland and Northern Ireland which we would like to highlight as part of this response.

In the Single Electricity Market (SEM), which is the market in operation today in Ireland and Northern Ireland, the TSOs are able to dispatch a generating unit away from its market position to account for system conditions. In a centrally dispatched market such as this, the TSOs dispatch all plant, based on market data, to provide generation and demand balance, external transfers, reserve provision and transmission constraint management. This involves dispatch instructions being issued from typically 14 hours ahead of real time to connect off line plant (in particular plant with long start up times) to real time instructions for connected plant.

Due to the small size of the Ireland and Northern Ireland synchronous system, the level of interconnection and the existing plant portfolio, this central dispatch model has been chosen. There is no explicit balancing mechanism or imbalance market in place in this market. The equivalent to the balancing payments in SEM is a constraint payment mechanism to compensate for energy imbalances.

In that context, EirGrid Group would like to point out a number of issues regarding the draft Balancing Framework Guideline:

- The requirement for the procurement of balancing services in a market based manner presumes the availability of a sufficiently liquid market to achieve this. This is not the case in the market in Ireland and Northern Ireland (SEM) and this requirement poses major risks in terms of security of supply on the island power system.
- The absence of a mandatory requirement to provide balancing services may lead to issues in terms of security of supply.
- Specific balancing energy products would be required on an ongoing basis on the synchronous system of Ireland and Northern Ireland.
- There are different government policy objectives relating to renewable generation in different jurisdictions across Europe. Under current arrangements in Ireland and Northern Ireland, renewable generation is not subject to imbalance prices. This should be a matter for each member state to decide.

Should you have any questions on any aspect of this response, please do not hesitate to contact me.

Yours Sincerely,

Yvonne Coughlan,

Operations,
EirGrid Group