

**IWEA response to the Harmonised Other System Charges Consultation Paper for the Tariff Year
2016/2017**

Monday 9th May 2016

IWEA welcomes the opportunity to respond to the consultation on the Harmonised Other System Charges Consultation Paper for the Tariff Year 2016/2017.

Proposals on Tariffs and Charges

In this year's Annual Tariff Consultation the TSOs are proposing to retain the OSC rates approved for the 2015-2016 tariff year adjusting for inflation at forecast rate of 1.9% for the Tariff year 2016-2017. No other changes to rates are proposed.

IWEA supports this proposal at this time.

Introduction of GPs for windfarms

The wind industry supports the need for compliance of the generation fleet. The introduction of GPs for some aspects of performance/compliance for wind energy could be considered as an alternative to the use of the categorisation policy. IWEA believes that the current use of the controllability categorisation policy for grid code compliance is not appropriate as the penalty of being moved into category (i) for non-compliance, and the associated increased levels of curtailment, is too severe relative to the level of non-compliance. An appropriate penalty system should be based on the impact of the non-compliance and not directly linked to curtailment as is the case now. If there is very low curtailment a compliance penalty is actually not applied.

IWEA also notes that the GPs should only be introduced in cases where wind farms can rely on revenue associated with the services. Wind farms should not be penalised if they are not eligible for any associated upside. There should be no move to expand the introduction of GPs for further events/compliance which are already penalised within the market systems, e.g. generator trips.

IWEA requests that a detailed discussion and consultation on a potential system be facilitated. It would not be appropriate to introduce GPs while the existing categorisation policy is in place. It is essential that a holistic view is taken in relation to the incentives/penalties being applied to generators to ensure that any penalty introduced is not too severe, and that it appropriately reflects the level of non-performance. In many cases there are sufficient incentives/penalties within the market design. Therefore no GPs should be introduced without adequate consultation on the proposal.

RoCoF GPI

The RA's RoCoF modification to the Grid code decision paper states that the RAs intend to phase the introduction of GPI for RoCoF. The paper outlines that the implementation date has been clarified by the Regulatory Authorities and is currently set for June 2016.

IWEA notes that the introduction of the RoCoF modification is an essential part of the DS3 programme to ensure that the SNSP level can be increased. We welcome the introduction of GPIs to incentivise generators to be compliant with the RoCoF modification, however it must be ensured that this is introduced in a fair manner such that wind generators are not penalised ahead of other types of generation.