

Derivation of Agreed House Load MIC for Commercial Storage Units

Procedure Document

23rd January 2020



Introduction

On 29 March 2019 the Commission for Regulation of Utilities (CRU) published an Information Paper (CRU/19/034) clarifying the arrangements regarding the apportioning of the Public Service Obligation (PSO) levy to commercial storage units. The CRU concluded that commercial storage units are considered only a final customer (for the purpose of calculating their PSO levy charge) when consuming electricity for its normal house load when it is offline (i.e. neither importing, nor exporting). The CRU further clarified, that in the event a commercial storage unit intends to avail of a Maximum Import Capacity (MIC) based on their house load (for the purpose of calculating their PSO levy charge), an agreed MIC will need to be determined by the relevant System Operator. Therefore, the CRU directed both EirGrid, in its capacity as Transmission System Operator (TSO), and ESB Networks, in its capacity as Distribution System Operator (DSO), to develop, document and publish procedures as to how the agreed MIC (the “House Load MIC”) will be derived for commercial storage units. This document is produced in fulfilment of the CRU’s direction in establishing EirGrid’s procedure to derive an agreed MIC for commercial storage units.

The House Load MIC requirement is provided by a commercial storage applicant during the connection application phase, as part of their specific technical data input. EirGrid further assesses house load of the storage provider in advance of entering into a connection agreement. In the event that the House Load MIC has been set below the quantum derived in testing, the customer’s connection agreement would be updated via a formal contract modification process. The above-mentioned procedure is explained in greater detail below, under the three main headings:

- Connection agreement details;
- Commissioning test details; and
- Invoicing and Settlement Process.

Should any commercial storage applicant have queries regarding these procedures please contact info@eirgrid.com.

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Connection Agreement details

EirGrid, amongst its responsibilities, manages connection of large demand customers and generation assets onto the Transmission System. Generation assets connected to the system include a wide range of conventional thermal and renewable energy generators, as well as newer types of technology, such as commercial storage units. The process for connection is determined by the CRU from time to time.

When a storage unit applies for connection to the Transmission System the applicant must submit a connection application form, which requires the applicant to provide details of the unit's MEC, total MIC and House Load MIC, alongside other technical data. A sample application form is available on the EirGrid website [here](#), alongside information on the necessary supporting documentation and the application fee.

These application details are the basis of and form part of a customer's connection offer and once executed becomes the customer's connection agreement. The House Load MIC is therefore included as part of the connection agreement. Any subsequent changes to House Load MIC will take place as a formal modification to a customer's connection agreement as set out in section 21 of the CRU approved General Conditions of Connection and Transmission Use of System (available [here](#)).

Commissioning Test Details

All customers connecting to the Transmission System must undergo Grid Code compliance testing. The aim of this testing is to demonstrate compliance with the relevant sections of the Grid Code, in as far as is possible to do so. These tests may take a number of different forms including:

- Documentation submission;
- Declarations of fitness for equipment;
- Studies and simulations; and
- Physical tests.

As part of the standard commissioning process, a storage unit will undergo a series of standard operational tests to ensure its compliance with the Grid Code requirements. However, the applicant should be aware of a number of additional considerations, as follows:

- The applicant will be required to submit sufficient evidence to demonstrate that its House Load MIC as set out in its connection agreement is not being exceeded. EirGrid will review this evidence and revert to the applicant should any clarifications be required, or further questions arise.

- In the event that the commissioning testing identifies an insufficient House Load MIC EirGrid will notify its customer of the same and formally modify the customer's connection agreement
- EirGrid may periodically seek evidence of compliance with House Load MIC (as with other operational parameters) as part of ongoing Performance Monitoring and/or should a specific query arise.

Should an applicant wish to communicate with the TSO in relation to the testing procedure applicable to its unit(s) all correspondence should be diverted towards generator_testing@Eirgrid.com.

Invoicing and Settlement Process

Upon the issue of the regulatory decision on the forthcoming tariff year and corresponding rates and levies, EirGrid will engage with its customers in respect of the payments due. The following standard timelines are applicable to the PSO payment cycle:

EirGrid invoices customer for PSO	Month + 20 business days
Customers pay EirGrid	Month + 30 business days
EirGrid pays REFIT to REFIT suppliers	Month + 33 business days

PSO charges will be calculated based on the House Load MIC verified in the commissioning tests, as outlined above.