



**Response to Consultation on  
MOD\_34\_09: Global Aggregation**

19 July 2010

## **Introduction**

Airtricity approves of the publication of the global aggregation consultation for the purposes of inviting from a broader audience, evaluation of the options advanced through the months of work by the Modifications Committee Working Group on Global Aggregation. Such a process contributes to achieving the Trading and Settlement Code objectives of facilitating participation of electricity undertakings, particularly those not closely involved at the wholesale level; providing transparency, in part to the workings of the Modification Committee; and promoting the short-term and long-term interests of consumers of electricity. While the nature of modifications involves costs, and efforts are made to balance against those costs with specific benefits, those efforts are usually ensconced in activities conducted inside institutional structures. Hence it is pertinent that routinely and often, particularly where the impact of a modification would be far-ranging, that the deliberations of the Modification Committee and its various organs are made available to a wider audience for expanded assessment.

## **Preference – Option E (Enhanced Dual Factor Smear)**

Having evaluated the various options and the analyses relating to them, option E is out preference for implementation in global aggregation. Our selection of option E is based on the analysis below.

## **Analysis**

**Granularity** – given the organisation of trading in the SEM into half-hourly Trading Periods, our view is that any option should operate along those timelines. It seems mathematically more intuitive. But more importantly given the ability to shift volumes, both in time and across Participants using Settlement Reallocation and Resettlement mechanisms, it is imperative that smeared error related to the relevant Trading Period in which it arose.

**Accuracy** – as demonstrated by the analysis from SEMO, option E is as accurate as the more elaborate option D, and more accurate than options B and C, a result that we would have anticipated based on the coarser granularity of those options.

**Cost** – across the various central market agents, while not the least cost option, the indicative costs, in terms of both financial and business involvement, are in the middle range and appear reasonable.

**Impact on related mechanisms/agents** – going by EirGrid SO's statement in their impact assessment relating to TUoS charging, and its statement of preference for option E, our view is that this lends significant credence to the option.

### **View on Option A+**

While this provides the simplest option, it results in a treatment of residual error that is amorphous. This lends a quality that may frustrate certain sorts of analysis. Irrespective of the accuracy of the results it achieves, inherently it exhibits poor design philosophy.

However one aspect of the option that recommends itself is the transparency mechanism through a new "general" report that would publish the MWh residual quantities on a jurisdictional basis. As noted in the consultation paper, this is to be considered as an "output from all the considered global aggregation options". We would highly recommend this.

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